



The David Letterman Top Ten Lists: Worst Practices

The top ten examples of the worst practices
of your trading partner: **Distributor view of Manufacturer**

10. Manufacturers hiring Distributor staff and criticizing Distributors for turnover.
9. Manufacturer websites not kept current with product specifications and other information.
8. Frequent changing of part numbers and skill identification on a regular basis.
7. Not providing your own sales reps/agents with adequate support/training.
6. No clear policy with open-selective or exclusive distribution resulting in overdistribution and margin erosion.
5. Failing to manage end-of-life product effectively and sticking distributors with devaluation.
4. Selling technical product through retail channels without adequate support.
3. Announcing and launching new products and lacking the ability to deliver them.
2. Talking about rebates with sales reps & asking them not to say anything.
1. Providing volume rebates to end users.



The David Letterman Top Ten Lists: Best Practices

The top ten examples of the best practices
of your trading partner: **Distributor view of Manufacturer**

10. Support of local trade and industry associations.
9. Investment in training rather than free trips.
8. Consistent pricing practices and ethical rules in competitive situations.
7. Inventory balancing at wholesalers.
6. Good product quality and innovative new product development.
5. Quick responses to product performance issues in the marketplace.
4. Support of practical technology, i.e., EDI, ASN's.
3. Consistent and predictable fill rates and lead times.
2. Willingness to candidly discuss evolving market strategy.
1. Having an actual plan for distribution and managing to that plan.



The David Letterman Top Ten Lists: Worst Practices

The top ten examples of the worst practices
of your trading partner: **Manufacturer view of Distributor**

10. Very poor product knowledge.
9. Becoming offshore importers while paying lip-service to local manufacturers.
8. Poor inventory planning, i.e., returning and immediately reordering the same product.
7. Turning co-op activities (ads and trade shows) into profit centres.
6. Bad communication on won jobs that fails to provide lead-time requirements when needed.
5. Commoditization of specs and offering an alternative after it is spec'ed by the manufacturer.
4. Going back to the manufacturer for a better price after the business has been won.
3. Aggressive and silly pricing in the marketplace and asking the manufacturer to copy.
2. Being order takers with no rules.
1. Inability to say "no".



The David Letterman Top Ten Lists: Best Practices

The top ten examples of the best practices
of your trading partner: **Manufacturer view of Distributor**

10. Co-op marketing plans that can actually be linked to manufacturers' needs.
9. Providing early notice of problems rather than waiting until last minute.
8. Operating with a well thought-out return goods strategy.
7. Well-managed ordering flow to smooth peaks and valleys.
6. Investing in the showroom channel.
5. Supporting a strategic partner relationship even in situations without the lowest price.
4. Leveraging strong user-end relationships for manufacturer benefit.
3. Investing in staff recruitment and development.
2. Carrying adequate local inventory and managing receivable risks.
1. Being willing and open to discuss changing market needs.