

KEEP YOUR DISTRIBUTORS

EXCITED

A FOUR-PART PLAN

WRITTEN BY JUSTIN KOURY

Now that you have read part one of this series and have chosen your dream distributor, it is time to develop a plan for both short- and long-term growth. Writing a training program that includes everything you will need for working with wholesalers is one key to your success. It is important to realize that a good training program is not a substitute for the work you will have to put into growing your brand. However, it is a great way to send a consistent message to your sales force. You need a way to keep your distributors excited about your products and your growth, and this program will help you accomplish that.

This program will be used as a roadmap for how much growth you will expect and how to get there. Since you will eventually have several distributors in several markets, use your program as a template and change what you need as required by market size, sales, timeline and growth potential. Included in the program will be your social media strategy, what happens when you are in-market, and your narrative. Training your distributor should seem just like training your staff because it is an extension of who you are. Remember that it is your message, your product and your livelihood on the line.

It is important to note that these are simply guidelines for how you would like to conduct your business and how you would like your sales force to present your products to buyers and consumers. These rules are not written in stone and should be changed when needed.

First, we should dispel a few myths surrounding distribution and understand what distributors will not do. They will not:

1. Do all the work
2. Get every new account for you
3. Completely or adequately service every single account
4. Focus all of their time on your products

Distribution is more than just filling orders for retailers and on-premise accounts. A great distributor should be able to not only sell your products to new accounts, but also help you build relationships with those accounts.

As a rule, distributors make their money by selling your products, and they cannot do that if you are out of product. The law of supply and demand applies here, so if you are constantly running out of products for your distributors to sell then you will be replaced.

Likewise, you cannot call everything you run out of a limited release. Eventually the consumers will tire of it, the retailer will find something else to put in your spot and the distributor will look silly for over promising. All of this leads back to you and tarnishes your brand. Thankfully, you can prevent this by adding your sales goals to this program.

PART 1 — A SIMPLE NATIONAL STRATEGY

One common problem that wholesalers have is when your product sells for different prices in different markets. That is why you will need to develop a national pricing strategy, which encompasses sales taxes, shipping and other local costs. If you can find an average and establish a set price for each market, you might also find some wiggle room.

Making your wholesale price too low based on your home market and raising the price for new markets will cause problems for your distributor and consumers will think it is unfair. One way to solve this potential problem is to consult your distributors in each market before setting prices.

An overall strategy is a carefully choreographed symphony of information used to grow your business. The easiest way to develop an overall strategy is to control how the information flows. CIA-level security is not necessary; you only need a few pages of an outline on how you will present information, including your social media strategy. This is covered in section two.

PART 2 — CONTROL THE INFORMATION

There was a time when local was enough for a buyer, because the consumer was clamoring for it. Now, a local story and accolades are the norm, even somewhat required. As a craft producer, you will essentially be offering the same products as every other craft producer, so set yourself apart with your story. The story that you want recounted by your sales force should be full of personal history and all of the fun things that make you and your brand unique.

After you have that well-thought-out narrative, you will need a way to articulate it. In today's technology-filled world, the best way to present your story quickly, globally and strategically is through social media. You may be wondering what Facebook or Tumblr have

to do with distribution, but it is simple: a social media plan to grow distribution during your visits or events should be included.

In your social media plan, include how you are going to spread the word through the almighty interweb. Include how you would like social media interaction to be conducted with retailers, distributors and on-premise accounts. You will need to consult a lawyer for this section in particular, because amazingly enough, social media laws vary from state to state, so it is important to know what you can say.

YOUR SOCIAL MEDIA/EDITORIAL CALENDAR

1. This information includes all foreseeable rollout dates for new products and will include a media list (local writers and blogs for each market). Consult your distributor for their list of buyers and writers and bloggers in the area.
2. Post pictures on Twitter, Instagram and Facebook in your company's hometown as much as you can and in turn ask them to share their pictures of your events. This will grow your core audience, while possibly introducing you to new followers.
3. Ask your distributor what their social media policy is, if they have one.
4. When you plan events, make sure all venues have a sharing policy or enact your own.
5. Pick your platforms wisely, target your posts based on the demographics of each platform, and use them often.

MINDING THE DETAILS

Include a section with the nitty-gritty technical details of your process. In the training materials, you should have a page with some of the details that make your product unique, like a highlight reel—this section is far from that. This section is the highly technical details for those who seek nerdvana; people that love the chemistry and science behind your products. Believe it or not, there are some buyers who look for a great story, but also love to geek out on the details. If you train your sales force on the technical jargon of your brand, they will be better equipped to answer more questions. It is better to have too much information than too little.

Information you can include in this section:

- » How you source your raw ingredients
- » What type of still/other equipment you are using
- » Unique technical details
- » Where your crops grow (organic-focused consumers love this)
- » Your fermentation process
- » Do you bottle in a trendy way?
- » What, if anything, is handmade?

PART 3 — WHEN IN ROME OR CHICAGO

Having a distributor in one state when you produce in another is a great way to expand your business, but this often creates a misconception that all of your sales work is done. If anything, you

will be working harder to sell yourself and your story. The biggest aspect of your distribution relationship is what happens when you are visiting your markets, that is why the market visit is key to your long-term growth.

Here is a list of all of the things you should consider when you visit your distribution market:

1. How often you need to be in-market
2. Which markets need the most attention
3. How many events you can plan while you are in town
4. Taking the top salespeople to lunch or dinner
5. Tastings with the sales force
6. New product launches
7. Which accounts need some hand-holding
8. Getting new accounts with ride-alongs
9. Thanking loyal accounts
10. Showing your versatility during a cocktail hour or event
11. Presentations for new products in the line
12. Possibly hosting a competition while you are in town

VISITING YOUR DISTRIBUTOR

Attending distributor sales meetings, going on ride-alongs, teaching them all about new products or having them re-taste old standards are all requirements when you are in town. Now keep in mind, if you are in market more than once a year, you can skip some of these, but every time you visit you should schedule time with individual sales reps.

The all-important ride-along is a key part of getting to know your buyers, but sometimes they are not feasible. When that happens, make certain you have plans while touring the market on your own, and schedule tastings and events even when the whole sales force is not available. Capitalize on every moment you are in town, even going so far as to schedule a tasting or dinner at the hotel where you are staying. You never know who your next big account could be.

CREATE AN IN-MARKET BUDGET

In your annual marketing plan, include an in-market budget with the following considerations:

- » Server incentives
- » Menu printing (for events and promos)
- » Swag for buyers and consumers
- » Non-social-media advertising
- » Free goods to encourage case sales
- » Bottle replacements
- » Travel expenses including hotel accommodations, rental cars, buying drinks and meals

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CRAFT COCKTAILS

Part of your training program must include a craft cocktail section that has ideas for the mixology crowd, but keep in mind that mixologists and craft bartenders might not really care about the recipes that you have. They want to come up with their own recipes, so if you have ideas that will help them do that you are ahead of the game. Strategic partnerships with bitters or ready-to-drink-mixers companies can also help you understand how your product will be used in a market. Likewise, energy drink makers, especially those that are regional, can be great partners when it comes to spending budgets and hosting events that generate awareness of your product.

THE GRAND TASTING

Occasionally, your distributor will throw a grand tasting where all of their brands appear. These events put your brand in front of dozens, perhaps even hundreds of buyers at one time. You do have to be careful in these situations, because most of these buyers go to these events looking for very specific brands or niches. One big drawback is that these events tend to be large and feature an extensive selection so your brand can get lost in the crowd. An alternative is to schedule a side event with a focused group of brands, perhaps just one category, which may help you reach more buyers.

Finally, while you are in town, you should schedule at least one media or blogger event to get in-depth coverage of your visit.

INCENTIVES

Even a small craft brand with limited resources can get creative with incentives for their sales force. Including incentives in your training program will set guidelines for what the representatives of your brand can expect, and your offers can range from free products to trips to lunches to swag. Anything that gets your sales force excited about your brand and sends them to the streets with determination and zeal will stimulate growth, even if you do not see an immediate jump in sales.

One very useful incentive is a trip to the distillery, which should go to the top performers in each market. Flying out a select few, giving them an exclusive tour and even letting them work for a few days bottling or distilling can really get them excited about your brand. The potential growth as a result of this familiarity with your innerworkings is well worth the investment, because for the price of a few hotel rooms and flights, you give them a one-of-a-kind experience that sets them on fire for your brand.

PART 4 — SALES GOALS

Including your past and projected sales as part of your training guide will give the sales force an overview of your growth potential. The bulk of your sales goals will not be included in this program—

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that will be in the contract you work out with your distributor—all that is needed here is a quick overview, including:

- » What the incentive goals are
- » What rate of growth you expect and where you started
- » How much production could rise with growth
- » Three- and five-year production goals
- » How many new accounts will be needed to sustain growth

Each of these issues should be discussed with your distributor as a part of your initial contract before signing, and it is good to review your goals and needs periodically because circumstances change. Perhaps you have some new investors and you can buy more equipment and thereby increase production, which will obviously need to be sold. Maybe you could increase your sales force or spend more money on marketing. One market could far outperform the others and you need to adjust how much time you spend in that region or how much product you allocate. If you change your program in response to these developments, both you and your distributor will be more successful.

BRINGING IT ALL TOGETHER

This program is not an exact science and should be altered depending on your needs. Figuring out the sales requirements to keep you in the market is very important, but it is also a good idea to take a step back from the numbers and spreadsheets to examine how your brands fit in each market. This will make the difference in building your brand.

Building your training guide before getting too involved in distributor relationships will save you time and money. By following these guidelines and writing a plan now, you put forward a professional front on how you want to conduct your business.

6 THINGS TO REMEMBER

1. Training guides can help your sales force understand the direction you want to go.
2. Hiring a distributor will not lessen the workload; it adds to it, unless you plan ahead.
3. Understanding the needs of each market will help you grow.
4. Spell out exactly what you expect the wholesaler to sell every month.
5. Make sure that you spend quality time on each market.
6. Keeping everyone on the same page adds value to your brand and promotes growth. AS

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