

# Open Communication

## Create a successful dealer/manufacturer relationship

by: Ray Belanger, Bay Copy

One of the many challenges inherent to the office technology industry is the relationship between dealers and the vendors or manufacturers who supply product. Over the years we have gone from being customers to partners and sometimes even to being competitors.

While all parties have the same goal of success in mind, the approach to ultimate achievement can differ. But by maintaining open lines of communication — even with differences — a more symbiotic association can be in the offing.

One of the most direct mechanisms to keep manufacturers “in the know” about what end-user customers want and what moves product is to simply talk to dealers. There is no denying that marketing research and internal discussions are of solid value, but when it comes right down to it, dealers who work directly with their customers have a much firmer grasp on what works best in their marketplace.

Certainly, manufacturers can develop vital product ideas through industry research and internal processes, but in the end, dealers must take it to the market.

Occasional on-site visits can go a long way toward cementing a firmer relationship between manufacturer and dealer. This element should entail more than simply contacting the dealer at the end of the month or quarter for an order. Manufacturer representatives can make the most of these meetings by really listening to what dealers have to say, keeping in mind that they are the ones out in the trenches and who have firsthand knowledge of what works best for them and for their customers. These meetings should not be mere “information dumps,” but rather open and honest conversations that address the unique issues of the dealership.

And manufacturers need to really listen to dealers. Today, a number of aspects specific to our industry are much more complicated than they used to be. Most of our major suppliers have a number of products and programs that address a large variety of different market segments.



Responsible independent dealers need to pick and choose. They know the strengths and weaknesses of their own staffs and local competition. It is to everyone’s benefit if dealerships focus on their strengths rather than trying to be all things to all people.

When communicating with their manufacturers, it is important for dealers to clearly relay what is needed to be successful in their local markets. Bottom line questions, such as “Which of the manufacturer’s promotions or programs are helpful and which ones are not?” must be asked. As a dealer, if you are not getting competitive pricing, try to show examples of what deals you lost or won. Make suggestions as to what you think would work best and be as spe-

cific as possible. If there are certain programs you do not want to participate in, explain why and offer an alternative.

Many manufacturers are now emphasizing programs that unfortunately can come between the relationship of the dealership and its customer. These types of programs require submitting detailed information about customers in order to receive special pricing, points to salespeople or end-user rebates. These programs are perceived as a threat by most independent dealers. And while independent dealers may still participate because of the money involved, they often resent these programs, thereby building a thicker wall of antipathy toward manufacturers.

The desire on the part of many customer companies to simplify has likely never been more true than it is today in light of the recent economic landscape — a landscape that has created both personnel and equipment downsizing in many companies, regardless of size. Dealers are often on the front line of knowledge regarding the financial trials of their customers. In fact, many dealers are viewing the current fiscal downturn as a means to get closer to their customers. It provides an opportunity to better understand their clients' businesses and add value as a consultant. Relationships that are built over the long term are rewarding for everyone, but when manufacturers demand customer information from a dealer, the threat of tainting that often hard-earned relationship can be very real.

Dealer inclusion is important in a variety of background areas. Running a well-oiled operation depends largely on everyday details, such as the status of back orders. In addition, dealers should have the ability to access current pricing information and marketing programs from manufacturers and should be able to download software updates and technical publications. To compete in larger deals, price support is a must. Decisions on pricing must be based on the reality of the market and also must be made swiftly.

Training is another area where the personal touch counts for a great deal in the dealer/manufacturing relationship. A wide range of training programs that focus both on technology and sales can help foster a positive relationship between a manufacturer and its dealers. However, more important than the quantity of programs is the quality. What is most relevant to your particular operation? What helps you to achieve your specific objectives? The right training programs will engender results, making your deal-

Ultimately, dealers should have a voice in their relationships with manufacturers and an open line to communicate information that is vital ...

ership stronger and better positioned to aid customers.

Ultimately, dealers should have a voice in their relationships with manufacturers and an open line to communicate information that is vital to the success of all parties. Dealers have a direct pipeline to what customers use, what they value most and what might be absent from product lines, in addition to information about what moves products out of the warehouse. This is critical data that manufacturers can use to ultimately increase all sales initiatives.

While the nuts and bolts of operation — and that includes delivery of product lines in damage-free condition; completeness and accuracy of product deliveries; timeliness of product deliveries; product quality; and customer service support — are all critical to the success of the relationship between dealers and manufacturers, the most successful associations are built on respect.

Therefore, cooperation is yet another key stronghold to a winning relationship between manufacturers and dealers. With some customers cutting back these days, many dealers may find it difficult to maintain their own financial status quo. Insult to this economic injury comes when manufacturers base incentives solely on growth. The conundrum lies in where this growth is supposed to come from. Manufacturers and dealers alike might benefit from a heart-to-heart that addresses current economic challenges and their increasing impact on commerce. The harsh reality of today's financial landscape has (and likely will) affect many industries for some time to come. But there is a silver lining; often challenging times result in productive conversations that can lead to positive outcomes and a clearer understanding between parties.

Both dealers and manufacturers have the same bottom line goals — to be competitive and grow their businesses. In the end, there is no magic wand to create and maintain sound give-and-take relationships between dealers and manufacturers. Like everything else that is worthwhile, it takes desire and work. ■

Both dealers and manufacturers have the same bottom line goals — to be competitive and grow their businesses.

In the end, there is no magic wand to create and maintain sound give-and-take relationships between dealers and manufacturers. Like everything else that is worthwhile, it takes desire and work. ■

*Ray Belanger is CEO of Bay Copy, Rockland, Mass. He is also president of the national Select Dealer Group, an association that brings dealers together from across the country to benchmark and share best practices. Belanger can be reached at [rbelanger@baycopy.com](mailto:rbelanger@baycopy.com). Visit [www.baycopy.com](http://www.baycopy.com).*

