

2020 ERA Conference

RDM Pulse Check Breakout Session - Manufacturer Sessions Raw Input Summary

As highlighted during the brief wrap up session on Tuesday afternoon, there were several general themes that emerged from the RDM Pulse Check sessions:

- Ensuring that all Partners understand the Value Proposition of the other Partners
- Enhancing communications and teamwork
- Establishing expectations that foster trust
- Ensuring ERA's focus on existing or new activities that add value

Using this framework, we have captured the discussion from the Manufacturer sessions.

Ensuring that all Partners understand the Value Proposition of the other Partners

- Several comments on where Reps and Distributors bring value to the Manufacturers today:
 - Reps bring value in customer relationships and territory knowledge, i.e. market intelligence.
 - Reps bring "street level" knowledge and feedback.
 - Reps can gather market intelligence for product roadmaps and next generation products including feature sets and pricing.
 - Reps give visibility to new lines and / or technologies
 - Reps bring value due to their synergistic line card
 - Rep must be the market expert. Manufacturer is the product expert.
 - Distributors give the manufacturer
 - Exposure in the market
 - Supply-Chain support – inventory, logistics, low MOQ
 - Finance support (extended credit terms to customers)
 - Design services
 - Value-added services
 - Demand creation for certain manufacturers
 - Lead identification and qualification
 - Reps provide local feet on the street.
- Many Manufacturers, especially large ones and foreign (Europe / Asia) ones, do not understand the Rep model.

Enhancing communications and teamwork

- Manufacturer communication with Distributor "corporate" must roll down to local teams (Rep, Manufacturer and Distributors) to be impactful. Avoid "up in the clouds" meetings. Not enough linkage between top and bottom.
- Lack of communication between Distributor and Rep due to not being paid on the same sales.
- Lack of customer forecast from Distributor or Rep.
- Misalignment of priorities between Manufacturer, Distributor and Rep

- Lack of inventory stocking by distributors.
- Manufacturers need more mindshare from both Reps and Distributors (who are both adding more lines).
- Lack of utilization of Manufacturer-provided data by Distributor and Rep.
- Reps don't have the time or resources to sort and filter all the data that comes from Manufacturers. Manufacturers need to make it easier for the Reps.
- Need clarity between Demand Identification and Demand Creation.
- Need easy way to share project pipeline for monthly reports.
- Often tough for Manufacturers to get meetings with top Distribution executives. Local meetings are okay.
- Tracking splits, both international and domestic. Who owns this?
- Who owns accounts? Manufacturer, Rep, Distributor? Clear communication.

Establishing expectations that foster trust

- Reps think that a Manufacturer is going direct which limits the level of Rep commitment to an opportunity or customer.
- Partners do not follow-up or live up to commitments.
- Distributors lose credibility with Manufacturers when asking for a lower cost but then adding a big mark-up and losing the business.
- Reps concerned that a Distributor could switch business to another Manufacturer not on Rep's line card.
- Distributors push multiple Manufacturers' products for the same customer socket. Often seeking Design Registrations from each Supplier.
- Some Reps want the ability to negotiate prices, within a range, on behalf of the Manufacturer. Manufacturer needs to trust and empower the Rep.
- Reps and Distributors need to allow Manufacturers to exhibit at events/shows.
- In some cases, lack of a succession plan at Rep company creates concern for Manufacturers.
- There is increasing line conflict due, in part, to mergers and acquisitions.
- Rep and Distributor are often not synchronized on end customer support.

Ensuring ERA's focus on existing or new activities that add value

- ERA should publish guideline for how Reps/Manufacturers/Distributors can offer a positive and productive EDS experience – formats or other inputs to guide best practice meetings.
- ERA should develop tools to help Manufacturers understand the Rep model – especially for European and Asian Manufacturers.
- Update Distribution and Rep Agreement templates
- Potential White Paper on how Manufacturers and Reps handle line conflicts.
- Next steps on Design Registration discussion from 2019.