

BROKERS

NATURALLY BOULDER SPRING EDUCATION SERIES 2013

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WHAT?

What is a Broker?

A brokerage provides an independent sales force, contracted by the manufacturer, to maximize sales of their products sold into wholesale and retail.

WHAT?

What does a Broker do?

- Relationship building
- Sales
- Paperwork
- Problem solving
- Promotional management
- Category management
- Gap fill
- Branding/Identity

WHEN?

When do you hire a Broker?

What are your options?

- Not using a broker – early in a brand’s evolution
- Hiring a broker – the vast majority of brands
- Hiring an internal sales force – brands with significant financial resources
- A combination of using a broker and an internal sales force

HOW MUCH?

COMMISSION RATES

Standard Grocery rate – 5%

Standard distributed NBC rate – 8% to 10%

Standard direct NBC business – up to 15%

WHO?

Who do you select to be your Broker?

Know your company, your vision, and your audience.

Who are you?

1. What kind of product do you have?
 - a. Grocery, bakery, chill, frozen, specialty or NBC?
 - b. Fresh, GF, Vegan?
2. What are your goals for growth and distribution?
3. What is your budget?

WHO?

What a broker looks for in a vendor

- Experienced and educated ownership and management group
- Pricing, packaging, taste profiles, merchandising opportunities/challenges, category factors, promotional and marketing plans
- Well-capitalized to weather the costs of market entry

HOW?

How do you manage your Broker?

- Spirit of cooperation – partnership.
- Maintain communication - listen to challenges as well as successes
- Strategize on ways to address the challenges and continue successes
- Set attainable goals and meet on a regular basis and to review progress
- Employ positive reinforcement when deserved
- Pay on time!