



KeHE™



Naturally Boulder
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Naturally Boulder 4/26/14: Selling Your Product

- Who is KeHE Distributors?
- What's a distributor? What's the primary role? What additional services can I expect?
- When am I ready to work with a distributor?
- What are some things I must know and be prepared to address when working with a distributor?



What's a distributor? What's the primary role? What additional services can I expect?

- What's a distributor?
 - Third party coordinator of transporting your products to retail
 - (Logistics company)
 - Can be regional or national
- Primary role?
 - Distributing products from warehouses (DCs = distribution centers) to retailers (this includes many activities such as receiving, scheduling trucks, delivering, invoicing, promotions, sales efforts, accounting, etc.)
 - Providing a gateway to a larger retailer pool
- Additional services?
 - Programs for new product introduction
 - Programs for promotions and advertising to drive awareness and generate sales
 - Account manager support (manage your expectations here)
 - Events to introduce your products to distributors' retailers and account management teams:
 - Table tops
 - Shows



When am I ready to work with a distributor?

- Proof of concept
 - Local market success via grocery retailers and/or some retail outlet
 - Pull into other markets (outside of local halo)
 - Market data/sales data (SPINS data)
- Scalability
 - Production capacity
 - Raw materials
 - Marketing activity (can you extend to other markets easily?)
- Sound financials and pricing model
 - Enough financial resources for promotions, retail demands
 - Ols/MCB/hip pocket deals/“street deals”
 - Shows
 - Promotional events/programs
 - Free fill
 - Understanding of FOB vs. delivered models
- Sales support/brokers
 - Sales strategy: know what you want out of your distributor
 - Target market or retailers or channels
 - Sales manager who understands retail/channels
 - Broker network to help with in market execution, grocery and distributor HQ calls



What are some things I must know and be prepared to address when working with a distributor?

- Manage your expectations by understanding the distributor – each is slightly different - so know the differences
 - Paperwork
 - Policies and procedures
 - Deadlines
 - Pricing
 - Payment structure
 - “Retail is detail” (same applies to distributors)
- Have patience/tenacity: year to build momentum; rise above clutter
- Connect with your category manager and your re-buyer (person who places your POs)
- Sales strategy – know what you want to accomplish
- Manage your inventory
- Prepare your promotions (thoughtfully)
- Be active – participate in shows/events that make sense for your product and sales strategy
- Communicate your new items to your distributor timely (distributors/grocery work on six month lead times)
- SKU rationalize before your distributor does – it saves many painful conversations

