



AUDIT

Channel Strategy

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Channel Strategy Audit

A methodology for evaluating the effectiveness of your multi-step distribution channel strategy.

Godfrey's Channel Strategy Audit is intended as a guide to assist you in providing the information we need to generate a distribution channel strategy analysis. This audit is organized into several parts, starting with a cursory survey of your business environment, and then concentrating on the key issues that can result in strengthening or reshaping your distribution channel strategy. Although our face-to-face meeting time may be limited, we hope this audit will allow you to provide more thoughtful and detailed information, so that our deliverable to you has significant value. Thank you in advance for this opportunity, and for your time and cooperation.

Company and Industry Overview

Describe the primary product/service areas your company is engaged in.

(Is it a commodity? Preferred product in quality or performance? Custom-engineered or -installed solution? Business service? Other?)

Name the key markets your company sells its products/services into.

(Do separate channel strategies exist for each of these markets? If so, provide a brief description of each.)

Describe your company's product/service distribution method(s).

(One step, two step, direct-company or independent sales agents, value-added resellers, hybrid, other.)

Is e-commerce part of the equation? How?

(Did this change your distribution strategy? How?)

Are you currently losing market share because the channel has changed or has begun to disappear?

(If yes, does a strategy exist to overcome this? How does this strategy differ from what you have been doing? What are your expectations?)

What specific distribution challenges is your company, or your industry as a whole, currently wrestling with?

What company in your industry is most effective in dealing with these challenges? What are they doing and what success are they achieving?

What specific distribution strategy changes/enhancements would your company and your distributor partners benefit from?

Are you satisfied with your channel strategy, but looking for new or better channel partners?

If you could change one thing about your distribution strategy or channels, what would it be?

Revenue Enhancement and Cost Reducing Strategies

In general, do you think that your distribution strategy or current channels are performing up to your expectations financially?

(Are there issues with the top line [revenue generation] or the bottom line [cost containment] or both?)

Has your company instituted any significant channel management cost containment measures in the past several years?

(If so, please describe them and the results you have achieved relative to expectations.)

Has your company looked into new or alternative channel outlets you feel have the potential to generate revenue or improve cost?

(If so, please describe them. How would opening new channels impact your current distribution? What metrics did you look at in your cost benefit analysis?)

Are you leveraging technology to reach new types of customers, or penetrate new geographies that were previously out of reach?

(If yes, what results have you achieved relative to expectations?)

What is your 2–5 year plan for leveraging technology?

(What are your key competitors doing? Do you see their use of technology as a threat?)

Are you using customer satisfaction strategies (such as surveys, success stories and application articles) to promote what your channel has to offer new end-use customers and prospects?

(If so, what are you doing and how are you gauging the perceived value from channel partners?)

Do you think a vertically structured, multiple channel strategy could open up new opportunities to reach your end user?

(Has your company considered such a strategy? Have you implemented it? If so, what results have you achieved relative to expectations? If not, why not?)

Brand Identity and Integrated Program Issues

For background, how is your brand (or company identity) positioned in your industry (against your competition)? How does it “rank” in terms of awareness, preference, affinity, etc. With the end user? With the channel?

(Is your answer based on gut level feel or empirical data?)

Is your brand adequately supported (and protected) in the various channels in which your company operates?

(What are the key things you are doing to support your brand?)

Do you provide your distributor partners with the means necessary to adequately promote your brand in the channel?

(If yes, what are the key elements of your program and how are you measuring their effectiveness?)

How do you verify that your product/service messages are reaching your end-use customer?

(Are you conducting surveys or relying on what you are hearing?)

Does your communications program include both “push” and “pull” tactics, creating positive product message flow between you, your distributor partner, and your end-use customer?

(Is your program integrated?)

Do you currently have a planned and managed co-marketing or “co-op” program in place?

(If so, please describe it briefly and let us know if you'd like us to conduct a short audit of your co-marketing program.)

Channel Maintenance Issues

How do you communicate with your channel?

(Do you have regular means of communication, such as annual meetings, dealer/distributor councils, newsletters, e-mail program, extranet, etc.?)

Do you offer training—other than product training—to your distributor partners on subjects such as supply chain management, successful selling, or finance strategies as a way to strengthen and optimize your relationship?

(If so, please describe the types of training you offer. How do you measure their value?)

Does your online strategy include a distributor extranet or dedicated site to enable your channel partners to access technical information and marketing materials about your product/service?

(If yes, what results have you achieved relative to expectations?)

Have you implemented any significant supply chain initiatives (electronic order entry, order tracking, e-procurement systems, e-billing, shipping, real-time inventory) in the past several years that have improved the way your distributor partners do business with you and with your end-use customers?

(If yes, what results have you achieved relative to expectations?)

Do you as a manufacturer offer differentiating value-added services to your distributor partners? To your end-use customers?

(If yes, what are they, how do they compare to the competition, and are they successful? How are you measuring success?)

Do you regularly provide your distributor partners with research about your products, your customers' satisfaction with your brand, current industry trends, results of attitudinal studies, or other forms of research?

(If yes, what are the key elements of your program and how are you measuring their effectiveness?)

Do you offer or have you considered a VIP distributor status program or incentives such as a Manufacturer's Certification program, special access to sales leads, etc.?

(If you offer a VIP or similar program, what are the key elements and how are you measuring their success?)

How do you provide sales leads to your channel partners? How do they report back on call results, lead status, etc.?

(Do you have a closed-loop system for tracking sales leads through to a sale?)

Who owns your customer list—you, or your distributors?

(If your distributors own it, what incentives can you offer to get them to share information?)



ideas that connect™

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