

North American Management Briefs

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You Should Know...

More Coffee?

McDonald's plans to challenge Starbucks by introducing 14,000 in-restaurant coffee bars worldwide, according to the *Wall Street Journal*.

The Point: One wonders how big the market for high-end coffee really is.

Head for the City

In 2007 the U.S. population rose to 303 million. Population declined, however, in almost a third of U.S. counties as people migrated from smaller communities to cities with populations of over 1 million people says *USA Today*.

The Point: Agricultural automation has significantly reduced employment in rural areas, a trend important to marketers of B-to-C and construction products.

Safer Than Ever

New York City had fewer than 500 homicides in 2007, the lowest number since 1963. Only 35 of these killings, however, were committed by strangers while committing crimes such as robbery and sexual assault says the *New York Times*.

The Point: Reducing the homicide rate to 500 in a city of 8.2 million is indeed an achievement to be proud of.

January's Quote

"Trouble is only opportunity in work clothes."

Henry J. Kaiser, Industrialist

Auditing Your Distribution Channels

Manufacturers of B-to-B products typically dedicate more resources to designing, managing, and compensating their distribution channels than to any other business function. If increasing profitability is one of your goals in 2008, then auditing this function is advised.

Here's where to start:

Step 1. Define and quantify the markets you are targeting. No, not just geographic territories or key accounts, but the titles of the individuals that can make the decision to purchase your products.

Step 2. Define the requirements necessary to compete in each market segment. You will need to understand both the product and service requirements of the end customers in each segment, how well your competitors are satisfying these requirements, and at what cost.

Step 3. Craft your value proposition. Develop a one or two sentence statement of how your product offering is different in a way that is valuable to your target market. Don't forget service, brand, packaging, warranties, etc.

Step 4. Assess how well your current "go to market" process communicates your value proposition and delivers not just the product but also the service that the market requires.

Audit your ten most and ten least successful channel partners/vehicles and then contrast their business models.

Step 5. Don't be afraid to test. Your audit will reveal a number of opportunities. Decide how you would go to market today if you didn't have your current distribution channels. Pick a market which is underperforming and set up a test.

Step 6. Evaluate the test. Don't "force" the test to be successful by investing resources that you couldn't afford to in a nationwide program. And finally, communicate the results of the test to the 20% of your channel partners/vehicles that generate 80% of your sales.

The Point. There is a widely held belief that distribution channels are difficult, if not impossible, to change once established. This simply is not true. They not only can, but must be changed to reflect changes in the competitive environment, technology, and in the purchasing behavior of the market.

Top Ten Religious Beliefs

Religion	Followers
Christianity	2,135,784,198
Islam	1,313,983,654
Hinduism	870,047,346
Chinese Folk-Religions	404,922,244
Buddhism	378,809,103
Ethnic Religions	256,340,652
New Religions	108,131,713
Sikhism	25,373,879
Judaism	15,145,702
Spiritists	13,030,538

Source: *World Christian Database*

U.S. Holidays

2/12	Lincoln's Birthday, U.S.
2/22	Washington's Birthday, U.S.
2/24	Flag Day, Mexico