



Channeling the Power of Industry

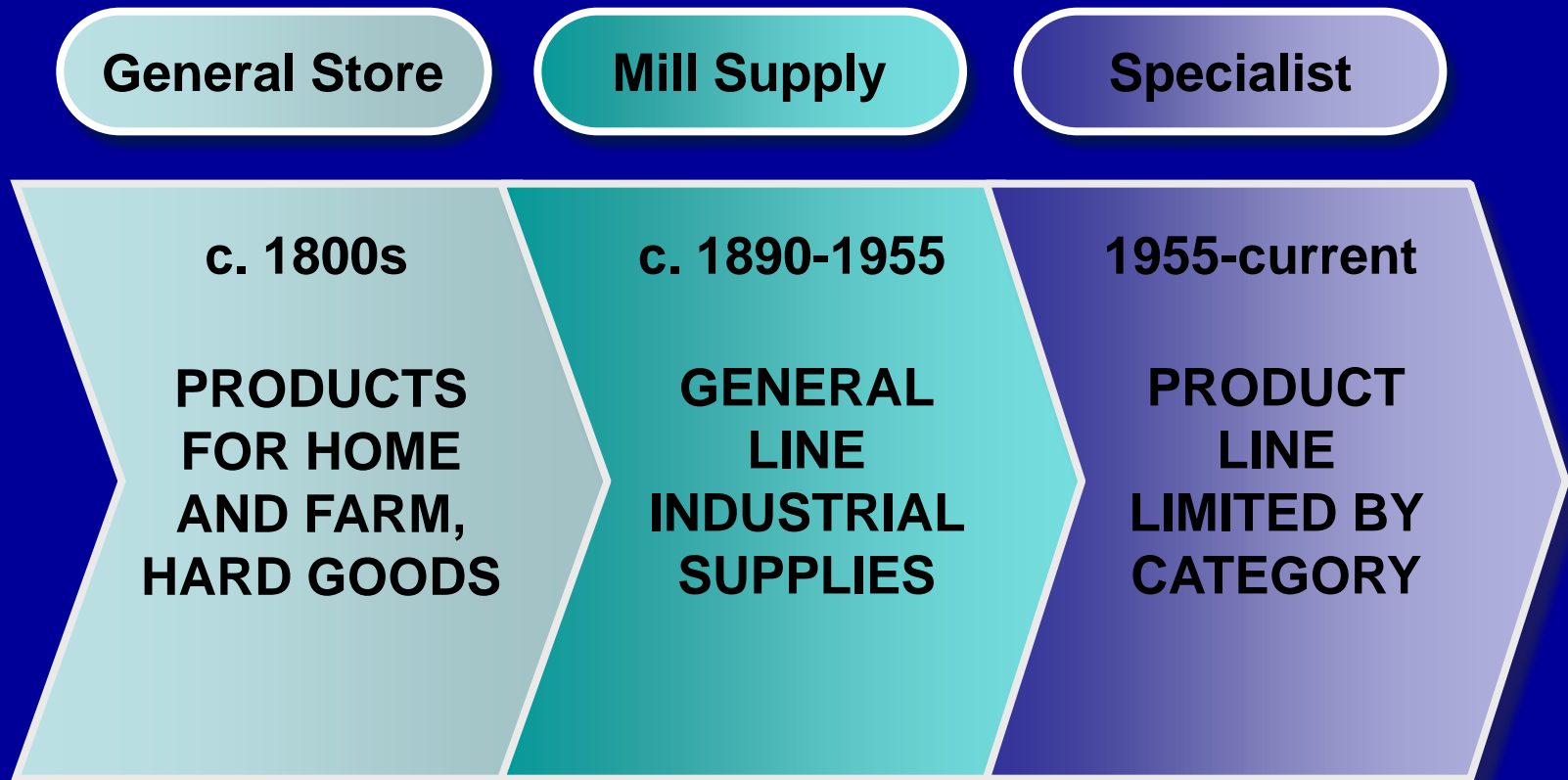
Selling through Distributors

Using the Sales Channel to Drive Brand Value

“Our concern is that we, as a manufacturer supplier, are not as adept at meeting local needs as our distributors. We don't have the people who would be immediately responsive. We don't have local inventories. And it's not uncommon for someone to need a product or part in hours”.

Bill Moore, vice president of sales development and channel management, SKF Service Division
Purchasing Magazine, November 2006

Evolution of the Distributor



Distributor Value to Manufacturers

Intellectual Capital: knows and responds to the intricacies of regional markets

Touches: multiplies sales activity – larger concentration in a smaller market

Conversion: integrates associated products – a package rather than a single component

Consistency: manages differentials between production and demand to provide a reliable source of supply

Distributor Value to Users/OEMs

1 – Entry

Credit Terms

Logistics

Inventory

Application

After-sale Support

2 – Service

VMI Systems

Kit-building

Sub-assemblies

Installation

Repair

3 – Premier

Education

Plant Audits

Process
Improvement

Life-cycle
Management

How We Select an AGMA Partner

Products that meet or exceed user expectation

Functional Stability: finance, leadership, ethics and corporate citizenship

Strategy-minded: defined, communicated, delivered and measured

Collaborative sales planning and execution

Selective distribution

Brand Value Through Distributors

Plan Together: being part of the sales strategy improves buy-in and ownership

Be Specific: identify industries, machines and processes that benefit from your innovation

Write it Down: pale ink is better than the greatest retentive memory

Define Success: begin with the end in mind; establish a commitment objective for every call

Share Information every step of the way

Final Thoughts.....

“By working with distributors, customers and manufacturers are improving their profits and achieving competitive advantage in the marketplace”.

Tim Underhill, Underhill & Associates
The Channel of Choice

“Don't underestimate the value of a good distributor”.

Bill Moore, vice president of sales development and channel management, SKF Service Division
Purchasing Magazine, November 2006