

A STRATEGY FOR SMES TO DEAL WITH RETAIL MULTIPLES

A Personal Perspective.
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A PORTFOLIO OF PERSONAL CARE BRANDS

- Hair Care
- Foot Care
- Feminine Care
- Denture Care
- Skin Care



THE FIRST PROBLEM HOW DO YOU GET FACE TO FACE WITH YOUR BUYER?

- ▶ Have a clear point of difference.
- ▶ Consider using a distributor.
- ▶ Adapt and persevere.
- ▶ Make them want you!

THE PITFALLS FOR SMES

- ▶ Unannounced changes in distribution
- ▶ Lack of Consultation.
- ▶ Margin and Payment Ultimatums.
- ▶ Listing decisions often only made at annual range review.
- ▶ Short time, often only 3 months to prove NPD is viable for a retailer.
- ▶ Stifles Innovation.

WHAT CAN YOU DO? WHAT PRIMARILY MOTIVATES THE BUYER?

- ▶ Margin?
- ▶ Turnover?
- ▶ Market share?
- ▶ Service Levels?

WHEN THE DEMANDS FOR ADDITIONAL MONIES COME

- ▶ Don't Fight on All Fronts.
- ▶ Choose Your Battles.
- ▶ Try to understand the accounts motivation and where it comes from.
- ▶ If you concede, get something in return for that concession.
- ▶ If it really matters, don't concede, consider life without that account.
- ▶ Be Stubborn.
- ▶ Remember, it's business, it's not personal!

CODES OF CONDUCT

- ▶ Great if Multiples abide by them!
- ▶ How are they enforced?
- ▶ If a complaint is made, can the supplier retain anonymity?
- ▶ Invoking the Code is generally a last resort.
- ▶ The relationship will be severely damaged.