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.