

Creating Effective Vendor Partnerships

By Debby Swoboda

Have you ever considered how much time and effort it takes to increase your sales by 15%? What if you could receive thousands of dollars in revenue towards your advertising/marketing budget just by simply expanding what you're already doing? If this sounds intriguing, let me show you how to create a successful VENDOR PARTNERSHIP PROGRAM designed to increase your bottom line and most importantly, your sales.

Several of my existing clients received thousands of dollars last year through an incredibly successful, year long vendor partnership program. By following these simple guidelines, you too will be equipped with the tools necessary to begin creating successful vendor partnerships. Once you have established your own vendor program consider allocating those additional marketing funds to help defray the cost of your website, pay for a marketing consultant, or even hire a part-time marketing liaison to facilitate your vendor partnership program.

Programs built on creativity and planning:

I'm not talking about the co-ops of yesteryear! These partnerships can be as innovative and effective as you make them. They are not based on the size of your store, but rather built on your creativity and planning.

In essence, you're helping the vendor by producing additional marketing excitement for their products by featuring them, educating customers, and increasing sales. Since you are already putting your effort into selling their products by serving as their sales outlet, you will now have the tools to create and package a specialized vendor partnership program "for a fee".

Best of all, the programs are simple to implement and will generate a positive "return on investment" (ROI) for both you and the vendor! It's a win/win for all!

Start by creating templates that will assist you in developing, tracking and administering your vendor partnership programs.

Getting started:

1. Planning—schedule a day away from the store for effective planning. Think of it as a retreat, and when applicable, include key employees and/or a consultant for additional feedback.
2. Calendar—create a marketing partnership calendar with monthly themes. The possibilities are endless: January, New Years' resolutions; February, heart month; October, wheat-free/gluten-free awareness for National Celiac Disease Month; etc. Then, think about which vendors have the products, integrity and possible interest in supporting these themes.

3. **Create Marketing Partnership Tools:**

- a. **Proposal:** start with what you are willing to offer the vendor.
 - i. Promotions—could include a special feature end-cap with distinctive signage, a day of sampling, an ad in your flyer or newsletter, educational materials, a splash page on your web site, press releases, and a message on your point-of-sale system at your cash register.
 - ii. Partnership fee—develop a fee schedule for your vendor partnership offerings. There is no perfect formula for determining this, but I recommend starting on the conservative side and show the vendors how the program will help to generate increased sales. The goal here is to be able to return to your vendor partners year after year. Remember that the vendors will review these programs, and you want to ensure that they are receiving a good ROI.
 - iii. Purchase—decided the quantity of product that you are willing to bring in, the discount that you are looking to receive, and the sale price that you would pass on to the customer.

- b. **Commitment Form:** create a standard form that includes the contact person's name, approval signature, date, description of the promise; and additional contact names for addressing the invoice, getting special deals or reordering (broker, sales representative, or distributor contact), and requesting signs, children's activity books, recipes, etc. Ask to have this form faxed back to you or get it signed in person if you're meeting with the vendor or at a trade show. Make a copy of the signed commitment form and attach it to the invoice when you send it. The signed approval agreement answers any question that the person responsible for paying the bill may have. Without this commitment agreement, you might only collect 40% of your partnership dollars; with the signed agreement, you'll more apt to collect 90% or better.

- c. **Invoicing:** this can be a simple template, which you may already have in your accounting software. Be sure to include an invoice number, terms of payment, who's responsible for receiving payment, phone number, etc. The invoice should contain all the necessary information so payment and processing can go smoothly.

- d. **Partnership Report/Summary:** If a vendor offers partnership dollars, he expects to hear how the campaign went. Vendors want feedback including: how much product you purchased, how much you sold, how many hits on a web site splash page you received, copies of ads, and photos of displays or events. The vendor will look at this like a report card. If you did well, they will more than likely sign on again in the future.

4. **Where to Look for Vendor Partnerships:**

Trade shows are a great place to start. Try to get an advanced copy of the trade show program; sometimes they are available from the Internet. This will help you familiarize yourself with the list of vendors participating at the show. Using your themed calendar, select the vendors that you are interested in approaching for vendor partnerships. When you visit the vendor's booths, ask who the best person would be to discuss the vendor partnership program with "before" you start your request

presentation. If the person is not there, ask for their business card and inquire as to when they may be back at the booth. Remember to leave your business card as well. Your primary goal is to meet the national or regional sales managers and present your proposal. Remember to always write important information on the back of business card for future reference. I always note if I actually spoke to the person or who actually gave me the card and referral. For example, "this person said to send him the vendor partnership program proposal and YES I spoke to him." If at all possible, have the vendor agreement signed at the trade show. After meeting and speaking to so many vendors during a trade show, you would not want to mix up important information that could then cost you a vendor partnership agreement.

"New Item" Vendor Partnership Example:

Let's imagine that a sales representative approaches you with deal to bring in a new cereal, be ready to present your Vendor Partnership "New Item Program." This might include a special display on an end-cap with a sign in the customer service area saying, "This New Item featured on front end-cap at Aisle 4B." During your presentation, offer to set up a passive sampling table, to put an ad in your newsletter, to add a splash page on your web site, and even an ad in the free magazines that you distribute at the cash register. (Some magazines have programs that allow you to customize pages with vendor ads that you can tie in with the magazine's editorial themes - look at their editorial calendars in advance and contact them about their services.)

Once you have done your homework and are ready to begin the program, remember that when you meet with a broker, sales representative, or distributor contact who says "*we have a great new 'organic' cereal*", you'll be ready to make your proposal. You can look at your calendar and say, "*oh, I'd like to bring that in for September, which is National Organic Harvest Month. I'll offer you the following benefits, and I'd like you to participate in my vendor partnership program. Here are the details. I'm looking forward to promoting this product and making this a win-win opportunity for everyone!*"

Start building partnerships with your vendors today. This exciting program will re-energize your sales staff and bring significant financial rewards to your business.

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