

Scale your business, build your dealer network



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Introduction

As a manufacturer you can choose how you offer your products in the market: do you want to sell directly to the end customer, will you be collaborating with distributors, or are you going for both? To keep the focus on the core business within the company, namely the design and production of goods, a lot of manufacturers make the decision to let distributors handle sales to end customers. It is a smart way to grow a business rapidly without having to invest a big budget. However, this does not mean that they do not have to support their distributors. Selling through dealers is often underestimated. Building and maintaining a distributor network is a discipline on its own.

Selling through distributors involves an extra layer of complexity, and therefore demands a different sales strategy and tools. On top of offering your products on the market to end customers, you now also have to build a long-term relationship with your distributors. They will become your partners that need the same amount of training and attention as your own team would. That is what **distributor management** is all about: monitoring and supporting all activities that transfer goods from the manufacturer to the end customer.



The importance of distributor management

If the relationship with distributors does not get enough attention, there will be little to no activity between both parties. On the one hand, manufacturers often wrongly assume that all distributors need is a price list and a brief product summary, and in case the sales are disappointing, they will speculate that distributors do not have enough commitment for their products and that competitors are receiving a significantly larger amount of attention. On the other hand, distributors regularly feel left to their own devices and they are lacking tools, tips, and tricks to be able to sell the products successfully.

It is important to avoid these kinds of frustrations. It is your task as a manufacturer to support distributors selling your products. Make them feel at ease with the products you sell, the prices you demand, and the selling propositions. The more they sell, the more your business can profit. Be aware of the type of distributor you are doing business with: are they selling multiple brands or just yours? The former type will expect manufacturers to influence the market, whereas a mono brand distributor will be determined to control it themselves. In both cases, you need to provide them with the right tools to sell your products. Turn your distributors into ambassadors for your brand. Only by building and maintaining a relationship of trust, you can ensure to be a distributor's first choice.



Let the right platform help you

Maintaining a business relationship requires quite some effort, and it is often hard to maintain a clear overview. A good platform can help you with that. The appropriate tool allows your company to be scalable and to grow. Furthermore, it improves the customer relationship with your existing distributors. There are lots of platforms on the market that can help you manage your distributor network.

Configure Price Quote (CPQ) software is an example of a platform with which manufacturers can improve their distributor management. The system simplifies sales between both parties by configuring complex products (Configure), setting the right prices (Price), and generating quotations (Quote). This has significant advantages: a CPQ platform...

- **Accelerates the sales process**
- **Boosts your sales**
- **Saves you a lot of time**
[Calculate here how much exactly](#)
- **Automatically generates correct quotations**
- **Increases the accuracy and eliminates mistakes**
- **Improves the customer satisfaction**
- **Keeps your products, product information and prices always up to date**
- **Increases the efficiency within your business**
- **Helps you grow!**

However, not every platform is equipped with the right features. To form a good base for distributor management, a system must contain at least a couple of **'must-haves'**. We are summing up the most important ones.

1. Insights in distributors' performances

A good dealer management tool gives you insight into the performance of your distributors. How many products were sold by which distributor? Who logs into the platform the most often and who can you consider a brand ambassador? How many quotations were made? Which products are selling the best? This information gives you a clear and global overview of what distributors do with your products and allows you to adjust in time. Say, for example, that sales are stagnating in one region, then using the right tool, you can quickly analyze why this is happening and revise the pricing to stimulate sales.

It is important to pick a platform that not only focuses on numbers, but also on **actions that contribute to sales growth**. This means that your chosen platform must support monthly plans and weekly reports. To gain a distributor's trust so they will be willing to give you an overview of their sales strategy, you must be transparent towards them. Be honest about your expectations and explain how they can get the most out of selling your products. Having insights in your distributors' sales-related activities helps you get a global view of the market, price, and successes and failures of each distributor, and is therefore a must-have.



2. Collaborative tool

In order to turn your distributor into an ambassador for your brand, it is of great importance to treat him as a partner, and not so much as a customer. Collaboration is hereby a crucial aspect. A platform must support and simplify the collaboration between manufacturer and distributor, so that you can work on projects for the end customer together in an easier way. This is demonstrated by:



Single Point Of Truth (SPOT)

When collaborating, it is essential that everyone is working with the same data. This avoids any misunderstandings. By working on a digital platform, you guarantee one “single point of truth” or SPOT. This allows you as a manufacturer to work on a configuration or to set a quotation up for your distributor.



Collaboration after sales

Even after an order has been placed, all parties should find information back on one central platform. This includes things like order confirmations, change requests for orders, CE-certificates, customer services... A good tool covers all of this in a user-friendly way, supporting the entire sales process. That way you can limit repetitive phone calls and e-mails, which significantly reduces the number of costly mistakes and increases the efficiency for both parties.

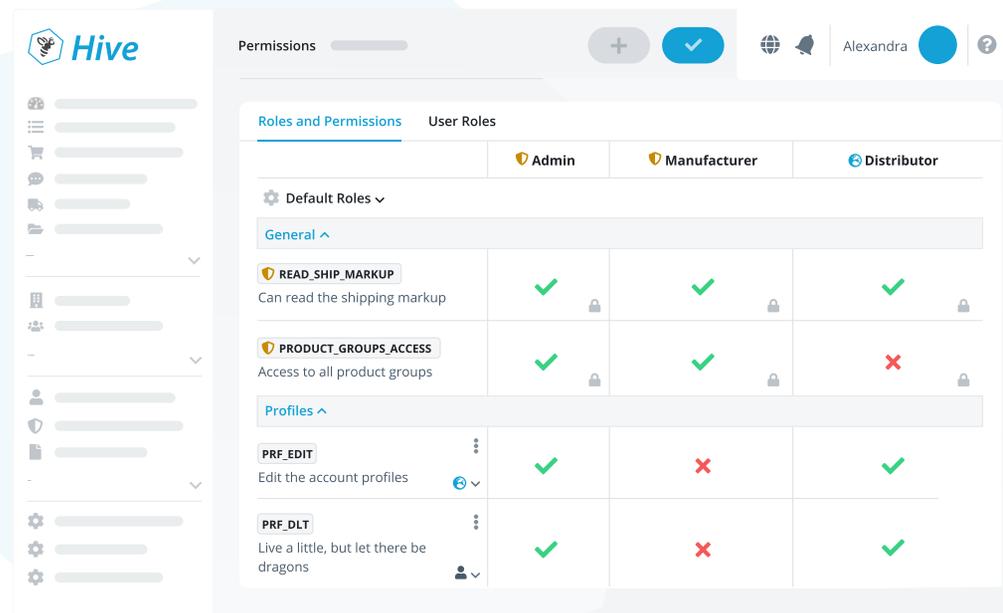


Stay in control of your data

Collaborating on the same online platform means you risk exposing sensitive company information to your distributors. You should therefore pick a tool that guarantees your data stays completely secured. This is often applied by a system of permissions, allowing you as a manufacturer to choose who gets access to which type of information on the platform.

3. Communicating through the platform

Just like in any other good relationship is communication also the key to success for a satisfying manufacturer-distributor relationship. To build trust you need to communicate often with your dealers. As a manufacturer you should know what goes on in their world. A good platform is therefore a “one single point of truth”, holding all relevant information to sell the products (the right price, technical information, certificates, demonstration videos...), but it should also contain a communicative feature, allowing you to continue to collaborate with dealers, while keeping them informed on things like new product (features). **Communicate frequently and clearly on the platform your distributors are logging into.**



4. A digital experience on a user-friendly platform

The right platform for distributor management provides added value for your distributors. They are not waiting for yet another digital portal that holds their order history. As a manufacturer, you can make a difference by picking a platform that solves their issues. Let them configure products visually, consult the most recent price lists, generate technical sheets, or stimulate them to buy something.

This also means that your platform needs to be extremely user-friendly. The goal is that your distributors use it on a daily basis, so an intuitive user interface has to make complex products freely accessible. Make it easy for your customers to buy from you and to sell your products. You can achieve this by implementing guided selling, a strategy to lead customers to the right product by asking targeted (predetermined) questions and 3D visualizations of all products. [Read more about how you can simplify your sales process using these approaches.](#) Distributors should enjoy buying from you, that is why you need a platform that offers them an excellent digital customer experience.



“ Before we implemented HiveCPQ, only experts would understand and be able to sell our products. The way the Hive platform has simplified our products is amazing. It feels similar to the intuitive user interface of an iPhone that even a small kid knows how to manage!
– Jean Glorieux, CEO @ Skylux

5. Improvement in scalability

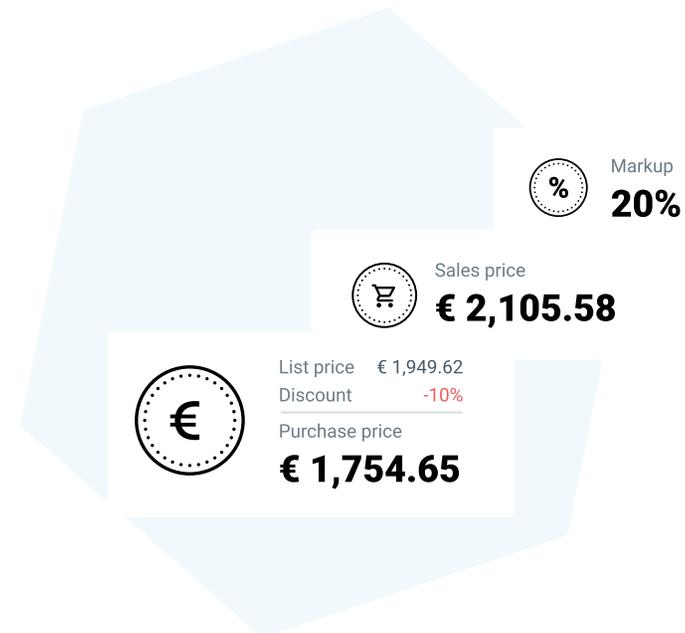
Choose a distributor management platform that will support your growth. Your company should be completely scalable, with your tool. Activating new distributors should be easy and quick. However, manufacturers are often unprepared, especially when it comes to international trade: the differences in language, currency and time zone regularly cause the results for distributors to be disappointing. Having a good platform in hand that is already prepared for your growth, allows you to add new dealers, products, languages, documentation and to adjust parameters or prices without needing the help of an engineer. That way, both you and your dealer save a lot of time and frustrations.

” *It's so nice having our orders come in automatically with HiveCPQ. I never want to go back to the times where in the morning, unreadable orders would come in by fax!*

– Jimmy Verheyden, Technical Sales Support @ Ditec

6. Supporting complex pricing and discount management

The prices of your products are complex and can vary greatly. Factors involved in these fluctuations are the market in which the product is being sold, the region, the presence of competitors, personal agreements with customers and discounts. It is therefore important that you pick a sales platform that supports this complex pricing. Avoid all misunderstandings and make sure every party always consults the correct prices.



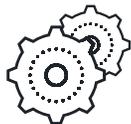
7. Excellent customer service

An outstanding customer service is essential to keep your distributors satisfied and loyal. They should therefore always be able to count on a good service. This is often a non-digitalized chapter in a manufacturer's story. However, good distributor management platforms are now also offering the improvement of customer service by implementing these features:



Order follow-up

Do not leave your customers in the dark. Make sure that they can follow up on their order after their purchase and that they get insights in when the goods will be delivered.



Spare parts system

Even when something breaks, a distributor should be able to rely on the platform. An upcoming trend is the spare parts system: distributors can easily find and order the right spare parts based on product visualizations or serial numbers. This saves both parties a lot of time and significantly decreases the number of costly mistakes.



Real-time support

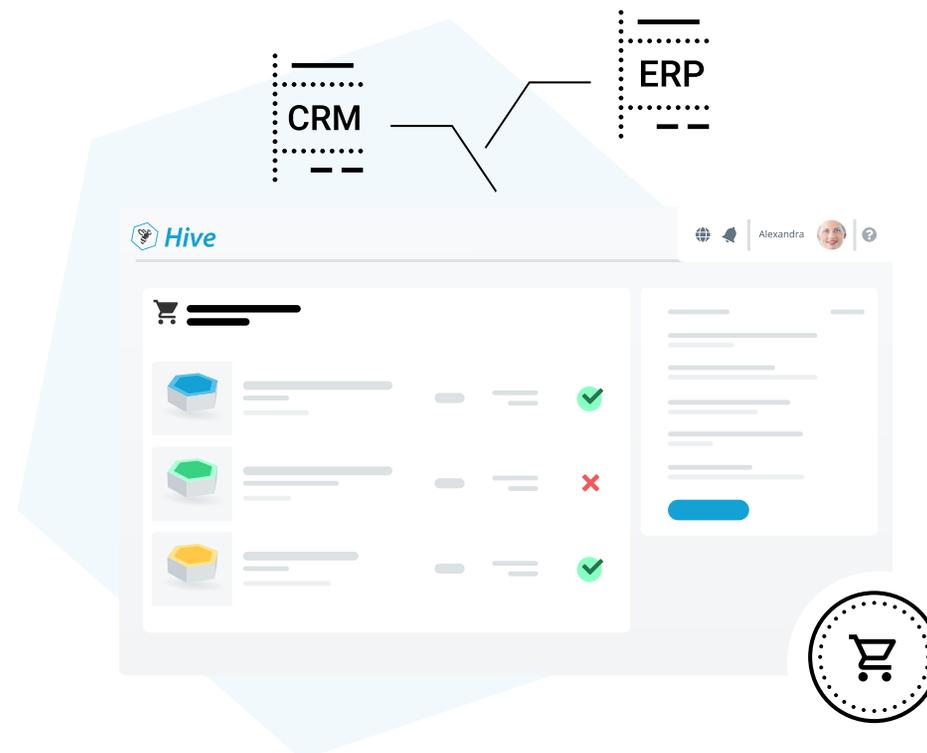
Distributors need support. In case there are problems with an order, they need to be able to report this quickly and as a manufacturer, you must provide a solution easily. Additionally, distributors should also have the opportunity to give feedback on your products and service. This creates loyalty and keeps your customers satisfied.

” *Our distributors have already felt the improvement of our customer service and the willingness to invest in our relationship since we have adopted HiveCPQ. Doing quotes and registering orders represents a minor part of our daily work, while supporting our partner network has become the main activity. Hive is helping us give much better support to our partners!*
– Gilles Drevet, Export Manager @ Nergeco

Modules for an excellent customer service after the purchase has been made, are therefore not a dispensable luxury but rather a **must-have.**

8. Integrated with existing systems

To be able to work with your chosen platform in an optimal way, it must be integrated into your existing technological environment. That is the only way to guarantee an errorfree and automatic order intake. It also saves you a lot of time: data only have to be entered and validated once and can afterwards be reused endlessly. By integrating with your CRM-platform for example, you can ensure you are using the right customer data, and the integration with your ERP-system guarantees that you are using the right product information and price lists. The right distributor management platform can easily be integrated with your other software. Letting distributors also integrate the platform with their existing technological environment can be an extra incentive to get them to use the platform and increases their efficiency.



Tips for distributor management

Distributor management can be boosted by using the right digital platform, for example a CPQ solution will simplify the entire sales process for you. However, this does not mean that any tool or CPQ is suitable for serving your distributors. There are eight features that are absolute must-haves for a good platform with which you will be able to significantly advance your dealer management. The right tool will automate things, save you time and offer a unique customer experience to distributors.

However, distributor management does not stop there. Business relationships are unpredictable: you are working together with humans, and you can not simply add features to them the way you would do so with a digital system. It is therefore as a manufacturer not always easy to maintain a good relationship. That is why we are sharing the four most important tips that will have a big difference on your distributor management. Follow these four tips, and watch your relationship grow!



1. Give sufficient thought to the advantages for distributors

While negotiating, manufacturers are not thinking enough about the results for distributors. Why should a distributor buy from you? What makes you different? Think from a dealer's point of view: are they waiting for yet another manufacturer trying to sell their products? Your service and tools are, aside from your product quality, becoming increasingly important. You have the opportunity to make a difference by implementing the right platform. A good tool will solve problems that distributors are struggling with. With a CPQ for example, they can visually configure products and automatically generate quotations for the end customer. They can now place and follow up on orders and they have real-time access to the correct pricing and products. By buying from you, your dealers can save a lot of time and money!



2. Require enough time or commitment

Once a distributor has chosen to sell your products, you need to work on a long-term relationship. Both parties will need to free up time to make the collaboration succeed. However, distributors are often lacking time and commitment to successfully sell the products to end customers. As a manufacturer you must be prepared for these kinds of situations: you should predetermine your requirements and deadlines, and make sure you keep an eye on how well your distributor is selling, so you can adjust your strategies. Using a good distributor portal, you will have hard data. Besides, with the right tool in hand, you can save your distributor time, which means he will gladly spend more energy on your products.

3. Be prepared for closing new deals

Manufacturers want to grow as fast as possible, and therefore start closing new deals. However, it is often tempting to focus on growing instead of preparing your business for new deals. But failing to prepare is preparing to fail, that is why we recommend you are completely prepared for a potential new deal. Say, for example, that you would like to collaborate with a Hungarian distributor, then you need to make sure your product information and technical sheets are available in Hungarian. Even before the deal has been closed, your tools need to be ready for the distributor. It is therefore equally important that the platform you have chosen supports international growth in terms of differences in language, currency, local (product) regulations, and time zones.



4. Pay attention to feedback

If you don't listen to your customers, someone else will. Feedback is always valuable information, so your distributors should be able to leave their ideas and thoughts behind easily. Another common pitfall is not using the feedback, while you have the opportunity to turn this information into actionable goals to show that you care about improving the partnership even further. Be honest in your communication to distributors in case requests are unattainable; this gives people a better understanding of your situation.

Conclusion

Building and maintaining a distributor network requires quite some effort. Luckily, there are a lot of tools available to help you. One of the most appropriate tools is a CPQ platform, or a Configure Price Quote platform. To serve and manage your distributor network optimally, this platform must include a couple of practical features. That is the only way to guarantee you are using the right tool that truly benefits your business. These are the eight must-haves for a platform for dealer management:



Insights



Collaborative tool



Communicative tool



**User-friendly,
digital experience**



Scalable



**Supports complex
pricing**



**Excellent customer
service**

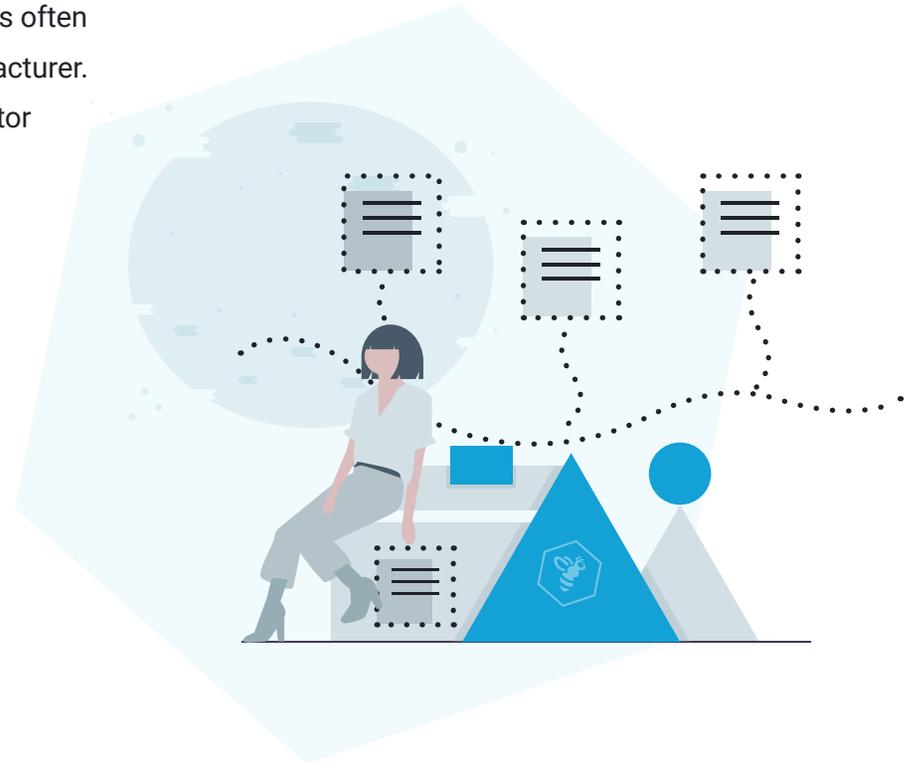


**Integrated with
existing systems**

These eight features will help you serve your distributors much better. However, that does not mean that the relationship will automatically succeed. As you are working together with humans, managing your distributors is often unpredictable. That is why we have bundled four tips for you as manufacturer. Follow these four tips, and you are already guaranteed a better distributor management.

- **Give sufficient thought to the advantages for distributors**
- **Require enough time or commitment**
- **Be prepared for closing new deals**
- **Pay attention to feedback**

Curious to see how HiveCPQ tackles distributor management?
[Schedule your online demo here!](#)



About Hive CPQ

HiveCPQ is the leader on the Belgian market providing advanced CPQ solutions to enterprise manufacturers. With our platform we help companies simplify and automate their sales process: based on a complex product configuration, HiveCPQ immediately shows the correct prices, and allows users to generate attractive quotations and to place their order. Manufacturers experience an automated order intake and are able to collaborate with their distributors on projects. Our platform goes far beyond the standard CPQ. Customers choose HiveCPQ because of our comprehensive and innovative solution, our knowledge and expertise in selling complex products, and the possibility to work on distributor management through our platform. Hive was founded in 2017 by Frederik Taleman and has since grown to become a full-fledged player in the market, with over 8000 monthly users in more than 80 countries.

Discover more on hivecpq.com

In collaboration with Skylux, Nergeco, and GroeiVersnellers.

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