



## Brokers and Distributors – Your Partner in the Market

A broker (or agent) sells your product without taking ownership of it while a distributor (also known as a wholesaler) buys your product at a discount from the retail price and resells it to other companies.

### Partner Profiling and Selection

Determine what you want in your partner

- Attributes
- Abilities
- Market reach – specialize in the channels you want
- Experience
- Commitment
- Scale – geographic requirements, ability to cover the needs of your customers

Establish your selection criteria – may include:

- Staff level
- Financial position
- Warehouse capacity
- Ability to provide after-sales service
- Identify potential candidates – You can work back from the retail/food service customer.
- What distributor do they currently use?
- Are they happy with them?
- Do they carry more than one line?

Evaluate the candidates based on:

- Market presence – products currently represented, market segments served, top customers and
- competitors, company size
- Commitment to your product – time, resources dedicated to your line, market knowledge, staff skill
- levels, percentage of portfolio that you will represent (if your products are a significant part of their
- business it will get more attention)
- Compatibility – business, cultural, and operational

**Japan** has a complicated and multi-layered market access and distribution system. The right partner is critical to success in the Japanese market.

For most Alberta companies, a strong commitment from a distributor/wholesaler (which has the key contacts needed in the retail and food service industries) is ideal as the rest of the system will come together as a result.

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### **Working with your Partner**

- Conduct initial market analysis
- Negotiate an annual plan (you and your partner) - sales targets, pricing, geographic coverage, etc.
- Have periodic performance reviews (market visits)
- Have a two-way evaluation at year-end

### **Elements of a Good Partnership**

- Regular communications
- Clear expectations (and in writing)
- Pro-active sharing (good and bad)
- Mutual respect
- Flexibility

Note: Register your trademarks in the target market to protect your brand. Otherwise the brand could become property of your partner. It is common to take 12+ months to launch a new product.

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