

# Internet Strategy: Business to Business Manufacturers

## The Challenge

Manufacturers that successfully sell goods through distributors, dealers, and manufacturers' representatives to other businesses for use or consumption, have special challenges when trying to fulfill customer needs on the internet.

As a manufacturer, your channel partners are vital to the success of your business; however, they may not have the capacity or customer demand to carry all of your products and parts, all of the time, nor can they be available to every customer, on demand. A new generation of buyers is becoming increasingly reliant upon the internet in order to expeditiously purchase products for their businesses. While channel-dependent manufacturers struggle to find an equitable and sustaining way in which to engage in eCommerce, non-channel-dependent manufacturers (and/or in some cases, unauthorized sites) sell competitive products online.

Your challenge is to meet your client needs through offering 24/7 online ordering, to help your channel partners maintain and build relationships with their customers online and offline, to prevent customer defection, and to decrease order taking time, all while maintaining relationships with the channel partners that are critical to the success of your business.

## The Solution: Distribution Relationship Management (DRM)

Reshare Corporation offers Distribution Relationship Management™ (DRM) for eCommerce. It is a patented software and technology solution that allows a manufacturer to sell its products directly from its website WITHOUT alienating its existing distribution channel partners. Reshare acts as a third-party that is invisible to the customer. We apply your existing business rules from the offline world (e.g. percentage commission of manufacturer reps and markup of distributors) to online sales.

To assure the relationship between your channel partners and their customers, customers are required to identify their channel partner at some point in their online experience. Depending upon your preferences, this may be upon entering your website, browsing products, adding products to a shopping cart or at check out. The identified channel partner profits from the sale, has "ownership" of the customer, and is that customer's resource for order-related customer service questions/issues.

Similarly, new customers are prompted to select a channel partner based upon your business rules. This may be geographic, territorial, by product line, partner performance (or lack thereof), service abilities, inventory levels, and the like.

Reshare allows you to maximize your revenue stream while redirecting sales & marketing costs to more lucrative ends. Your channel partners enjoy additional revenues and improved efficiency. You have complete control of how products are branded, presented, marketed and sold.

Reshare develops cohesive strategies to build a sustainable competitive advantage for you and your channel partners. By acting as a third disinterested party who processes payments and provides reporting to all channel partners, Reshare assures that trust is established up and down the distribution chain.

## Patented Software

Reshare offers the only patented (US# 6,594,641 and foreign countries) software that enables you to:

- Deliver products to customers in the most expeditious manner
- Sell directly to customers while sharing profits with channel partners
- Credibly demonstrate fairness to channel partners
- Allow new customers to locate and select an appropriate partner
- Gain access to valuable customer information

## Serving Your Customer to yield Incremental Sales

Online orders can be made at any time of the day or night, and depending upon urgency, be

routed to a distribution center that can deliver your product to the customer in hours. A complete online catalog of SKUs (products and parts) is easily updated and maintained, assuring increased efficiency by channel partners and better service to customers.

Regardless of how large and far reaching your organization is, your channel partners cannot be available to every one of your customers 24 hours a day, seven days a week, nor can they attend to more than one or two customers at a time. eCommerce enables your channel partners to serve all of their customers all of the time and all at the same time, if needed. Geographic barriers, time of day, and availability of channel partners, will not hamper an online purchase. Furthermore, you have the opportunity to cross-sell/up-sell based on previous online ordering behavior, and to gather survey information, with a level of technological sophistication that your channel partners cannot duplicate. All of this translates into incremental sales for you and your channel partners.

## Supporting channel partners

Your channel partners are critical to your business, and regardless of what you do on the internet, will continue to be your most valuable resource. For a channel dependent manufacturer to sell online in direct competition with its own channel partners is what we call "The Grenade Approach" to eCommerce. It is a strategy that causes ill-will with those who support your business. If you lose your channel partners, your business fails. Similarly, conflict is created when a manufacturer engages in eCommerce whereby partners earn less profit for online sales than for offline sales. In a world where cross-channel

purchasers are among the most loyal and spend the most, it is in the manufacturer's best interest to have partners that are advocates of, not competitors of, the brand website.

## Preventing Customer Defections

Customer Defections attack profitability. Lack of inventory or availability of channel partners often causes defection to another supplier. A Harvard University study shows that by retaining just five percent of your customers, profits rise by no less than twenty-five percent.

## Streamlining Order Taking

The ability for your channel partners and clients to use Reshare DRM to automate all of their purchasing with you, will substantially reduce your order processing costs across all partners. Some industries have seen cost reduction of up to 72%. Moreover, the use of online ordering greatly reduces order-taking time. This frees up those in sales roles to focus more on value-added customer service and prospecting.

## Additional Benefits

- Order processing cost reduction of up to 72% across all channel partners
- Increased order size of up to 30% in some industries as the result of ease of use and access
- 24/7 ordering availability
- Increased order accuracy
- Reduction in handling, loss, theft, damage, insurance, and warehousing needs for channel partners
- Direct relationship with equipment owners that enable you to conduct product research and obtain valuable customer feedback
- Participate in eCommerce related business-building initiatives (e.g. datamining/target marketing, cross-sell/up-sell, CRM)
- Absolute brand control

## Internet & Channel Experience

With over 20 years of online experience across a multitude of industries, Reshare offers software and strategies that resolve channel conflict, streamline sales processes, guarantee brand control, and enhance relationships between all channel partners and end users. We have a deep understanding of the benefits and challenges of distribution. Our mission is to increase profitability and market share for you and your channel partners.