

Prospecting for Retailers — Looking for Golden Opportunities



By Anthony Raissen

Back in the days of the California Gold Rush (1848–1855), prospectors came from all over the country looking to stake a claim and realize their dreams of financial success. While many literally struck gold and made fortunes, the vast majority of these pioneers risked their lives, as well as the lives of their families, in a futile search for gold.

The same scenario is playing out today with entrepreneurs searching for their pot of gold — only now they are looking for it on the shelves of tens of thousands or retail stores across the country. Many will find their gold, while risking all they have in the quest for it, while the vast majority will find only disappointment and rejection — not even making it to the front line.

While this is not intended to scare anyone away from pursuing their retail dreams, the challenges of attaining success are greater than they've ever been before, so being prepared for the road ahead is a necessity and not a luxury.

Here are some tips on how to enhance your chances of success and become one of the winners on the retail frontier:

- ▶ Understand the buyer's requirements for doing business with his or her company. Let that person know that you are aware of the company's requirements and that you are willing and prepared to agree to those business terms and requirements. This could be as simple as carrying the required insurance coverage and agreeing to the company's payment terms — or as complicated as reviewing a 30-page agreement. Retailers' agreements typically cover all of their requirements, ranging from the type of carton in which to pack your product, to ways to schedule an appointment with the warehouse for delivery of the product, or where you need to place a label on the box that includes the product item number and expiration date.
- ▶ Make sure that you are 100-percent familiar with your presentation, including all the technical details of your product and the science behind your product. Most buyers will research your product before they

even allow you an appointment, and will definitely have tough questions for you. Buyers get offended when you hand them a 20-page presentation and then proceed to read them every page. Take the time to be knowledgeable about your presentation, so that you are focused on the key attributes of your product.

- ▶ If you only have one item to present, you could be at a disadvantage, as many retailers today prefer to deal with multi-product vendors. There are many reasons for this, including the fact that setting up a new vendor requires a lot of paperwork and time for retailers. For the same amount of effort, they could bring in multiple products. Secondly, if one of your products fails, there is a chance that the other will succeed, thereby minimizing the retailer's risk of being "stuck" with a product that does not sell.
- ▶ It is also important to know when the buyer plans to introduce new items to stores. The term for this is "Planogram." Due to the time and cost involved in introducing new items to a store, most retailers today operate on a calendar basis for adding and deleting items from their shelves. It is always risky for a buyer to introduce a new item. Buyers are evaluated based on their sales-per-item in their department. It is often safer for a buyer to add another facing of a product that is selling well, versus removing an item and putting your new item in its place. Just walk around your favorite stores and see how many tubes of the same toothpaste, or how many bottles of the same soda, are on the shelf, often to the detriment of giving the consumer a variety of products.

Most buyers are afraid to be the first to bring in a new product. They would much rather wait to see which competitor has the new item so they do not feel alone when bringing it in. In other words: "Monkey see, monkey do." This is very different from the way it used to be when a buyer wanted to be an innovator and leader — and be first to market with a new product

Make sure that you stack the odds in your favor and go in prepared. If you fail to plan, you most certainly plan to fail. ■



Anthony Raissen is president of Ideaology 360. He is also the founder of BreathAsure® and can be reached via email at Anthony@ideaology360.com or phone at (818) 633-3634