

Chapter 8: Manage Supplier Relationships

There are more than 3,000 suppliers, and it's impossible to deal with all of them. It's more important to start out with a few and to focus on building relationships and trust. The bonds that you build with suppliers are just as important as the ones you create with customers – if not more so. Even if you have many clients to sell, you'll never be able to if you haven't learned how to deal with suppliers!

Even with my long industry history, I have placed orders with no more than 400 different suppliers. In many cases, I have only entered a couple of orders with several of them. I deal with a core group of 30 suppliers who I place all of my order with regularly. When I can't find products I need from them, I contact one of 50 backup suppliers I maintain relationships with, and that's about it. If I get requests for items these suppliers don't have, I use ESP to find those products.

Where to Find Good Suppliers

I prefer to meet anyone I deal with in person, including suppliers, so I make it a point to attend shows, where I am able to meet them face-to-face. In times when shows are not around the corner, I study supplier information found on Distributor Central, in order to determine which suppliers to place orders with. Phone calls made to supplier owners is a great way, to get to know him or her personally.

Respect Suppliers

To move sales to high levels, you must earn the respect of suppliers and make them understand that you're a professional. Never make the mistake of thinking that you're doing them a favor by selling their products. Many new people, even though they have sold only a few orders, approach suppliers at shows and make demands such as free product, shorter lead times or special pricing. Trust me, most suppliers already have a good book of business, and the last thing they want to deal with is a demanding new person who has sold very little. Talk to suppliers in a respectful manner, and let them know that you will be grateful to sell their products.

Let's Talk About Paying

The most important thing to remember is to pay your invoices on time! I usually make high margins, around 60% on rush orders, and in order to do so, I must have the cooperation of suppliers to complete orders quickly. Because I pay on time, suppliers usually honor my fast order requests, and that gives me the chance to make very nice profits. If you are a slow payer or if you cause order problems frequently, suppliers will not go the extra mile for you.

Take Advantage of Self-Promotions

Many suppliers frequently offer distributor self-promotions, so take advantage of them as much as you can. For example, I recently ordered 100 pizza cutters imprinted with my information for a flat fee of \$75. Not only did I sell three orders of the cutters after presenting them to prospects, but I also booked several additional orders by using the pizza cutters to promote my brand.

Write the Order Correctly

Have a plan in place for proper order entry. Always make sure that you include your ASI number, the product ordered, quantity and all pertinent information on every order. Don't expect suppliers to be mind readers. An incomplete order stalls the process, and due dates will be missed or extended.

Communicate Properly

When suppliers contact you with questions regarding orders, reply to them immediately and make sure you have the necessary info at your fingertips. Never put these requests off, because if you do, suppliers will think that you are not a serious buyer.

Always Be Honest

Even with limited funds, there's always something more you can do to promote yourself. Many suppliers are happy to provide samples to you for promoting yourself as long as you promise to show their products and then follow through. The best way to find these opportunities is to talk with suppliers at *ASI Shows* and be honest with them. When you have their trust, they will go out of their way to help you. Just don't make the mistake of ordering samples and then letting them rot on the shelf.



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\$40 REBATE COUPON

- * Offer good on an order of \$500.00 or more (product & tooling only).
- * Limit one offer per sales person, per order.
- * Not to be combined w/any other offer or quote.
- * Coupon must be attached to order.
- * Offer expires 12/31/20.
- * Use code: DS-2020-40

FREE DIE COUPON

- * Free Die up to \$80.00 net value.
- * Minimum 2nd column qty.
- * Limit one offer per sales person, per order.
- * Not to be combined w/any other offer or quote.
- * Coupon must be attached to order.
- * Offer expires 12/31/20.
- * Use code: DS-2020-FD