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# Offers that are too good to be true

Just like the saying goes for buyers purchasing a new house, resellers should also beware

**R**esellers beware! I thought most vendors had drawn their line in the sand and made it clear to the reseller community whether they wanted to proceed with a direct sales model or a reseller sales model. With a few notable exceptions of vendors who are sitting on the fence trying to serve two masters and getting splinters in their Tom Thumb, most vendors are clear about their preferred go-to-market model.

That is what I thought at least.

How wrong I was.

I received a phone call from one of our trusted vendors last week. This is a large vendor in the marketplace that has made its intention clear that it is a friend of the reseller community and will never lead with a direct sales model.

The conversation started off quite innocently. The vendor explained that times were tight and it had been a quieter year than they had hoped for. They realised it was tough out there in the reseller community and therefore they wanted to make a contribution by offering additional discounts to their preferred resellers. They had a new program with a new name that their new marketing graduate just out of uni had dreamed up to entice the resellers. At this stage, everything sounded great. A new program, additional sales, additional profits, a stronger relationship with a vendor – it was all good. The sun was shining today.

When something seems too good to be true, it usually is.

While I was now in a happy mood, the vendor tried to slide in one minor condition without me even noticing.

The words from the vendor are still ringing in my ears. “All we need is the name, address and decision maker’s phone number for each client that you sell our product to.”

Ding ding ding ding. I was lucky I wasn’t too enveloped in warm feelings to not hear the alarm bells.

“You need what?” I exclaimed, “And why?” The vendor then spluttered on about needing to do market research about the types of clients who buy their product, the locations of their clients and the exact demographics of their clients so they can tailor their marketing programs and drive more sales through our door. Of course – silly me. It was all for the benefit of the resellers.

I came up with a better idea.

**“ Be wary of vendors who claim to be reseller friendly ”**

I would help our vendor out by giving them the industry type, approximate turnover and postcode of each of the clients who bought their product. That would actually make it easier for them as they would have less data to sort through and they could put more meaningful data into their research programs and arrive at results within less time. That would have been a perfect solution – if the vendor only wanted the demographic information they claimed to be after. Of course, this solution was not acceptable to this vendor. I started hearing more talk about the discount structure “but if you don’t join this program, your competitors will receive additional discounts that you will be missing out on” and the benefits of the program. Did I mention the benefits?

In my opinion, the vendor in question designed this program to simply farm clients from their resellers. They figured for a few percentage points, it was a cheap way to build a huge client database



of clients currently purchasing their equipment. You can see the management meeting when one of the cigar-smoking heavyweights (picture Denny Crane) first came up with the idea of the program: “Those resellers are so money driven, we will just offer them a few points discount and they will hand over the names of all their clients. Then in six months whammo, we will go to market direct with all those clients. The resellers won’t know what hit them. Ha ha ha haarrggghhhh cough cough – I have to give up these cigars.” They would still be patting themselves on the back.

So, as you can imagine, I made my offer again of stripped-out information and explained that, due to the privacy act, it would not be kosher for me to hand over client names to a third party without the express written permission of each client.

My advice to other resellers out there is to be wary of vendors who claim to be reseller friendly. Actions speak louder than words. If it looks like poo, smells like poo, feels like poo then, despite the sign that says it isn’t poo, be careful you don’t step in it! I don’t have an issue with vendors who are upfront with the market and tell all and sundry that they have a direct model. That is their choice and everyone knows where they stand. I do have an issue with surreptitious methods of having a direct sales model by being the friend of resellers only to accumulate information.

At the end of the phone call with my vendor rep, I politely asked him to take my offer of demographic-only information back to the ‘powers that be’ and come back to me with confirmation that this was okay and then I would sign up to the program immediately.

I am still waiting for that call back...

