



Mathew Dickerson, **AXXIS TECHNOLOGY**



# Some vendors just don't get resellers

Just this week we had another example of a Tier 1 vendor undermining client confidence in our organisation

A client walked in with a price list from a vendor web site. There was a nice notebook on the sheet that he wanted to buy for several of his key staff. This was a good loyal client who uses the web for his research but always comes back and deals with his preferred reseller.

We didn't have that notebook in stock but he placed the order for 3 notebooks and left the store happy in the ongoing relationship he had with his friendly reseller.

What then should have been a simple process became very complicated.

When we tried to order the notebooks from our main distributor, we were told that the model in question was a web-only model from that vendor as part of their direct sales model. We tried more distributors as we wanted to ensure we could deliver for our loyal client. We eventually managed to find a distributor who had this particular product. Our faith in the vendor had been restored and we just thought that maybe the other distributors were out of touch...

Then came the rude shock.

The cost price from our disti was \$50 more than the price available to any end user via the web!

Tell me the logic in this? A one-off purchase from an end-user is afforded a better price than a reseller. Logic - doesn't seem to exist here. And unfortunately this isn't the first example that I have seen of a vendor not really knowing what their model is and what their ongoing relationship is with the reseller community.

There are some vendors that really understand their model. And some vendors that really understand what the reseller community has to offer. Don't get me wrong - there is a place for the direct sales model in the business world. There are many examples of vendors being hugely

successful with a direct sales model when they know and understand their sales model and that is their sole approach.

The issue I have though is with the vendor that tries to sit on both sides of the fence. We all know that when you sit on both sides of the fence you end up with splinters up your... inner thigh. Even though there are successful direct sales models, I am a firm believer in the additional credence that a reseller brings to the table. I am possibly preaching to the converted, but I need to say it so clever vendors out there might pick up on the information.

Resellers will always have a closer relationship with our end users. Resellers have made independent choices as to the brands and products that we sell and that always carries additional credibility with increasingly sceptical end users. When a vendor employee talks to an end user, there is always a degree of apprehension as that employee only has the one brand to sell. They are loyal to that brand because they receive their pay cheque from that brand each week. A reseller still needs to make money each week but we have more credibility with our end users because we make choices on what products are the best to sell.

Resellers also have an infinitely more intimate relationship with our clients. We are not just dealing with the end user on a specific product - we are dealing with end users across a range of products therefore we are dealing with these users on a more regular basis. This can only help to strengthen that ongoing relationship between resellers and end users. I don't understand how a vendor employee - possibly even a vendor employee in a call centre located in another country - can ever hope to establish a

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long-term business relationship with an end user at the same depth that a reseller can establish.

And as my mother-in-law says, the world is built on relationships. People buy emotionally and justify rationally. The emotional deposits that a reseller brings to the table cannot be overlooked and the vendor strength that comes with that relationship is vital to the ongoing sales for a vendor.

So my advice to vendors who want to be successful in an increasingly competitive IT market?

Establish your own strong relationships with resellers and support resellers with programs that allow resellers to be as effective as possible in front of our end users. Design partner programs, establish easy to use dealer demo programs, educate resellers, support us with co-op funding, make resellers your champions. And, most importantly, don't try and be everything to everyone. Don't try and have a direct sales team that competes with your resellers - especially one that offers more competitive prices! By all means, have a web presence but direct those sales through to your loyal and committed reseller community.

I am sure you are interested in how the story ended with the client who wanted to purchase 3 notebooks. We rang the client and explained the situation in full detail. He was disappointed and frustrated on our behalf - in the end we sold him 3 notebooks from another vendor who supported the reseller community in a more appropriate way. Chalk up one to the reseller!

*Mathew Dickerson is the founder and managing director of the international award winning AXXIS Technology. Contact him on [mathew.dickerson@smallbusinessrules.com](mailto:mathew.dickerson@smallbusinessrules.com)*

