

# Best Practices for the Gourmet Industry

The complex relationships among independent gourmet retailers, manufacturer's representatives and suppliers are fundamental to the health and prosperity of the gourmet kitchenware industry.

At the request of the Gourmet Trade Development Council, a committee of members of the International Housewares Association, IHA staff and several advisory groups joined to develop the following document, which details the best practices responsibilities of each party in the relationship.

## General Guidelines for Each Party

Each of these advisory groups stressed that implied in each responsibility was that each party act promptly and communicate regularly and in a timely manner. Too much or too frequent communication is just as bad as too little or infrequent communication.

- Each should act professionally and as business partners.
- Expectation levels should be reasonable and, to the degree that it is possible, negotiable.

## Determining Responsibilities for Each Party

This document was developed with the direct input of representatives of each of the following groups. Speaking for the suppliers was IHA's Gourmet Trade Development Council, a group of suppliers who do business with independent retailers. Offering the point of view of manufacturers' reps was a newly created GTDC Rep Council. Retailers were selected from IHA's Gourmet Retailer Advisory Council, which also assists IHA on matters relating to the International Home + Housewares Show. In the following sections Best Practices responsibilities for each part relating to each of the other two will be detailed and illustrated.

## Best Practices: Rep Responsibilities to Retailer

- To place orders promptly and accurately
- To assist in managing store inventories
- To share promotional and deal information
- To share new product introduction information
- To demo for, service and train retailer staff
- To offer annual (or regular) business reviews
- To track all orders and inform retailer of any changes
- To work with retailer on credits and mis-shipments
- To notify retailer of backorders and their status
- To assist in meetings with principals at trade shows and markets
- To communicate retailer needs and requirements to supplier
- To keep retailer alert to trends and local competition
- To know the territory and retailers, specifically in small towns where it is important to differentiate in product selection and promotions.

The Manufacturer's Representative plays a key role in the success of the independent retailers they serve. Those retailers seek advice on matters tactical and strategic. And in many cases, these relationships have spanned entire careers for both the rep and the retailer.

### What independent retailers expect from reps:

*"I rely on reps to keep my inventory balanced and orders flowing on time."*

*"I visit my rep's showroom regularly to make certain I am keeping up with the latest releases."*

*"Great reps help us make money & get inventory turns by looking out for our stock: placing orders within 24 hours of receipt, and tracking our orders from when they're placed to when the goods arrive with status updates so we can project arrival."*

**Laura Havlek, Sign of the Bear Kitchenware, Sonoma, CA**

*"Our partner reps focus us on key specials and grow our business when they provide single-page listing calendars of important dates for all their lines."*

**Laura Havlek, Sign of the Bear Kitchenware, Sonoma, CA**

*"I want my reps to keep me informed. That doesn't mean you have to drive out to see me each time a new special occurs. But it does require you to provide me the information as soon as possible by mail, email, fax or telephone."*

**Larry Oates, KitchenArt, West Lafayette, IN**

*"I really consider us to be 'partners' in business. Without you, I don't have the information to be profitable. Without me, you have no commissions. Working together, we can maximize our success."*

**Larry Oates, KitchenArt, West Lafayette, IN**

*"Reps can be very helpful by keeping track of open orders. That cuts down on the time staff has to spend checking."*

**KC Lapiana, In The Kitchen, Pittsburgh, PA**

## Best Practices: Rep Responsibilities to Supplier

- To make sales
- To learn line and be able to communicate all product attributes
- To present and sell new products
- To open new stores and accounts
- To notify supplier of marketplace activity
- To make supplier aware of the creditworthiness of the retailer if it is an issue and assist where necessary
- Develop ideas for promotion, signage, store presentation or other selling tools
- To demo products and train store staff
- To earn the respect of the retail customer
- To serve as an extension of the supplier

The Manufacturer's Representative provides a link for suppliers to many independent retailers, providing store visits, relationship management, logistics support and, in some cases, a showroom location.

### What suppliers expect from reps:

*"We expect reps to share product feedback – what's working and what isn't."*

**Katherine Waymire, Talisman Designs**

*"I expect my sales reps to operate as an extension of my organization. Reps should make every effort to learn the product line and sell it enthusiastically. I expect that my reps will prepare strategically for each meeting utilizing their specific expertise of their customers help my organization to structure deals that make sense for both the retailer and our organization."*

**Evan Dash, Prepara**

*"Over the years some of the most important input we have received has come through our reps. Their day to day dealings with the customer provide an invaluable link to their needs."*

**Robert Laub, Harold Imports**

## Best Practices: Supplier Responsibilities to Rep

- To ship on time and complete and provide regularly updated product availability information
- To provide tools, education and training necessary to do the job
- To develop new brands and products to help drive the business
- To develop sales strategies to drive the business
- To support the brand in keeping with a consistent marketing strategy
- To provide samples and sales materials for presentation to retailers
- To communicate PR efforts and results to assist in selling
- To address competitive issues
- To use rep input as a part of business development planning (possibly through the creation of a formal rep council)
- To address retailer needs, demands and concerns
- Offer fair compensation for the work expected
- To pay commissions complete and on time
- To provide regular updates on retailer payment progress and to advise in a timely manner if a retailer is not meeting terms
- To provide comparative annual data for each account
- To provide clear, consistent and regular communications regarding products, promotions and any changes in policy, terms or availability
- To respect the rep's time and overall responsibilities when making territory visit plans or scheduling sales meetings at trade shows
- To copy rep on all retailer direct-to-supplier communication
- Make it clear who the rep should contact for each kind of question or communication

The role of the supplier is to support the rep in the same ways that they might support a company employee and have similar expectations of that rep.

### What reps expect from suppliers:

*"I would say, in general, that reps expect both suppliers and retailers to approach their rep relationships as true partnerships. We are all trying to run efficient, successful businesses and, as business owners, we share the same end-goal."*

**Debi Wise, Debi Wise & Associates**

*"Our finest manufacturers are not necessarily doing the most volume. It is the one who see's the value in developing a long-range strategy that is consistent with our customer's needs. In some cases it takes years of valuable time and investment to develop a business that earns commission."*

**Robin Stoeck, Campbell Associates**

*"Sales reps are busy selling. It is tough to stop and spend a lot of time in front of your computer catching up with all the emails. With high tech communication I find it is too easy to overwhelm retailers and reps with emails. I think we all need to take a step back and figure out how to make best use of this very valuable tool."*

**Robin Stoeck, Campbell Associates**

## Best Practices: Supplier Responsibilities to Retailer

- To ship on time and complete
- To develop new brands and products to help drive the business
- To develop sales and promotion strategies to drive the business
- To build and support the brand
- To address competitive issues
- To enforce pricing agreements
- To inform retailer of invoice discrepancies
- To offer annual business reviews
- To maintain the integrity of channels of distribution

The primary role of the supplier is to provide innovative, salable products that meet the needs of the retailers and their customers. But there are many other efforts necessary to support the business relationship as well.

### What retailers expect from suppliers:

*“Manufacturers help us deliver our best to them and pay well & promptly when they put contact info (name, address, phone, email) on every invoice.”*

**Laura Havlek, Sign of the Bear Kitchenware, Sonoma, CA**

*“Our store and our vendors make more money on turns when we get mostly complete orders than waiting for the 100% fill. As long as updates are included, partial shipments are the real-world solution for us.”*

**Laura Havlek, Sign of the Bear Kitchenware, Sonoma, CA**

*“We would hope that the supplier does not become our price competitor online.”*

## Best Practices: Retailer Responsibilities to Rep

- To maintain open communication and be available for meetings
- To inform rep of shipping, invoicing or other problems
- To copy rep on all supplier correspondence
- To provide feedback on rep performance
- To share expectations, company policies and rules
- To respond promptly to rep communications
- To be a good partner
- To act in a professional manner

Independent retailers essentially enter into a business partnership with reps and should address that relationship as a partner.

### What reps expect from retailers:

*“Communication is key on all levels (replying in a timely matter whatever the answer may be) and respect for what the rep brings to the triad of rep, supplier and retailer in terms of experience, knowledge of the market (both wholesale and retail), and product categories.”*

**Debi Wise, Debi Wise & Associates**

*“A wise person once said that, ‘The best way to sell is to put yourself in the buyer’s shoes. Understand their needs, and fill them.’ I truly believe that if the buyer, the sales rep and the vendor all committed themselves to this principle, and really tried to understand each other and work together with similar goals in mind, we’d all be a lot better off – and we’d all do a lot more business. I know it sounds simple, but I also know it’s true.”*

**Stuart Burge, Marketing U**

## Best Practices: Retailer Responsibilities to Supplier

- To place orders in a timely manner with reasonable delivery date expectations
- To respect the suppliers brands
- To pay on time
- To maintain all pricing agreements
- To fairly present suppliers brands to consumers
- To provide constructive feedback on rep performance
- To offer constructive feedback on supplier performance
- To communicate delivery, labeling or other requirements

The independent retailer should recognize the supplier as a partner in the development of their business and respect the contributions of that supplier.

### What suppliers expect from retailers:

*“Be honest and direct. If you like something, commit to it and honor your commitment. If you don’t think something is right for you don’t be afraid to say ‘NO’. Most of all, help me help you. If my reps are pushing for information, it’s likely that we need it so that when you place your orders, we’ll be able to service you according to your expectations.”*

**Evan Dash, Prepara**

*“I think it is the responsibility of the retailer to recommend rep firms to suppliers, giving them feedback on reps beyond their own.”*

**Linda Graebner, former CEO, Tilia**

## Conclusion

This white paper is intended as an overview of the key elements of each party’s responsibility. It not intended to be comprehensive but to set out markers by which each of the parties in this relationship can measure whether it is fulfilling its role.

This document can be used as a framework for annual business reviews to determine how each party is performing. A sample of this framework is attached in Appendix A.

## Contributors

The International Housewares Association would like to thank the following groups for their support of and their input on this project. IHA's Gourmet Trade Development Council is a group of IHA members who focus their businesses on the gourmet trade. This Council recommended the creation of a council of manufacturers' representatives who do significant work with independent retailers. Finally, this document was reviewed by members of IHA's Gourmet Retailer Advisory Council, who also helped shape the content of this document.

### IHA Gourmet Trade Development Council

*Mission: To develop strategies and tactics for supporting and growing all aspects of the gourmet trade through creation of industry education, retailer support and value-added services.*

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