

North American Management Briefs

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You Should Know...

Happy Birthday

Warner Bros collects \$2 million a year in royalties from public performances of "Happy Birthday" having bought the rights from the estate of two sisters, Patty and Mildred Hill, in 1988.

The Point: Royalties and consumables, both great sources of income.

It Was Hot

July was one of the hottest months on record in the US with 66 cities recording all-time-high temperatures ranging from 108° in Newark and 103° in Boston to 100°+ for 20 consecutive days in parts of Texas, Oklahoma, and Kansas.

The Point: Global warming...no. Global baking...yes.

Very Strange

In Cole County, MO, 170 people voluntarily checked into the new jail. They were booked, photographed, ate in the prison dining hall, and spent the night on steel bunks in the cells for the "experience."

The Point: I am not sure, but I don't think it will catch on.

A Real Jackpot

Eleven states earned more revenue from their lotteries than from corporate income taxes in 2009, the last year for which complete data is available.

The Point: State lotteries are big, collecting over \$50 billion in 2009.

September's Quote

"A man who fears suffering is already suffering from what he fears."

Michel de Montaigne

Channel Options

When most B2B marketers think of distribution channel vehicles they think of direct salespeople, distributors, wholesalers, catalogs, and e-commerce websites. Many don't consider, or perhaps don't understand, the valuable role that independent manufacturers reps can play in their distribution process.

First the definition. Independent manufacturers reps are individuals or organizations (typically 1 to 7 people) that:

- Make personal sales calls on a specific market or industry.
- Cover a limited geographic area.
- Represent 10 to 15 manufacturers.
- Carry products that do not compete with each other.
- Carry complementary products that are purchased by the same end user.
- Are compensated via straight commission (between 4%-18%).

There are over ten thousand of these organizations in the US. Most are "star" ex-salespeople or ex-sales managers that thought they could do better themselves. They often can.

They are a valuable and cost efficient tool for capturing market share when a manufacturer's market coverage has "holes" in it. These "holes" might be adjacent vertical markets, less populated geographic regions, and/or "high touch" technical niche markets.

Typically they are well respected and have excellent contacts within an industry, especially in industries that are regulated or semi-regulated (FDA, EPA, USDA, etc.). They are technologically knowledgeable, often have service technicians, and value their independence.

Another advantage is price control. They do not set prices, but present the manufacturer's price.

In many situations their advantages are significant such as low cost, intensive coverage of niche markets/market segments, skilled professional sales representation, and pricing controlled by the manufacturer.

Additionally, they provide an excellent early warning system if there are product or service problems. They can be quite vocal and as they are not employees they have little regard for corporate politics.

The disadvantages are that they usually won't invest in introducing new technologies or products, or in penetrating markets outside their area of expertise.

Many successful US manufacturers of B2B products employ direct salespeople, distributors, an e-commerce site, and manufacturers reps simultaneously, each focusing on a different market segment.

The Point: When designing your "go to market" process examine all your channel options and don't let one option preclude another.

Top 10 Religious Beliefs (in "000")

Religion	Followers
Christianity	2,159,142
Islam	1,345,176
Hindusim	859,893
Buddhism	380,567
Chinese folk religions	380,486
Ethnic religions	258,307
New religions	104,923
Sikhism	22,200
Judaism	14,679
Spiritists	13,177

Source: World Christian Database