

AGRO-DEALER CHOOSING

By

Dr. Raymond Musyoka

University of Nairobi

School of Business

E-Mail: raymond.musyoka@uonbi.ac.ke

Introduction

- ...this is the **last** phase of channel **design process** (see below)
- ...those firms who let some **negotiator** **functions** to be assumed by intermediaries are faced with this task.

Paradigm of the Channel Design Decision (Steps)

1. **Need**: Recognize **need** for channel design decision
2. **Objectives**; Setting and Coordinating Distribution **Objectives**
3. **Functions**: Specifying the Distribution **Tasks** (Functions)
4. **Alternatives**: Developing Possible **Alternative** Channel Structures:
5. **Evaluation**: Evaluating the **Variables** Affecting Channel Structure
6. **Best option**: Choosing the “**Best**” Channel Structure
7. **Member Selection** : Select the channel **members**

In general

- ...the more **selective**
the intensity of
distribution
- the more emphasis the firm
needs to place on selection of
its intermediaries (Agro-
dealers).

The selection process

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This consists of **three steps**

1. Identify prospective
channel members

2. Develop and apply the
selection criteria (in a
Template)

3. Secure the prospective
channel members

1. Identification of prospective Agro-dealer

- The channel manager/manager in this step is expected to determine the sources where the prospective Agro-dealer could be identified.

Available sources :

- **Field sales organization**
- **Trade sources**
- **Reseller inquiries**

- **Customers**
- **Advertising etc**
- This stage pose some **problems** due to the many **sources** available to choose from.
- Each source has **weaknesses** and **strengths**

2. Applying selection criteria

- **General** criteria is given as the starting point for most firms.
- The criteria must be **flexible** enough to allow for **changing conditions**


...you are expected to develop a template capturing these variables or more.

See below

These are:

- **Credit and financial condition**= use credit reference bureaus/let them give you conducts of other suppliers
- **Examine Facilities**= Storage facilities (space/condition/security/cool/free from pests,dry,etc)
- **Sales strength** /sales-team (qualifications, experience, etc/ customer service, maintaining product quality, product knowledge to educate customers,
- **Product lines** / category of products carried/brands/ any stock returned for the previous year if any and the quantity and on what/

- **Reputation/** customer satisfaction (trust) will earn your co good reputation/ check their integrity well/they are an extension of your co.
- **Market coverage/** establish whether they have an established customer base and their location if you are new in the area this is for growth purpose/
- **Sales performance -market share/prior years sales/growth pattern/**
- **Match firm ability to supplier seeds with the Agro-dealer performance- during short notice, etc**

 **Management succession**

 **Management ability**

 **Attitude**

 **Size of the firm**

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AGRODEALER RATING

• **Date:** _____ **AGRODEALER NAME:** _____ **AGRODEALER LOCATION:** _____

• **Rating :** Excellent 1.00, Good=0.75, Average= 0.50, Poor=0.25, Very Poor=0.00

• **DESCRIPTION** **RATING** **WEIGHT** **(RxW) SCORE**

1. Volume of Prior Year Sales:

2. Growth of Prior Year Sales:

3. Distance/Ease of Traveling to Shop:

4. Professionalism:

5. Location Relative to Target Customers:

6. Agronomic Support to Customers:

7. Storage Capacity and Quality:

8. Low Returns:

9. credit and financial condition

10. Sales strength

11. Product Lines carried

12. Reputation

13. Sales performance

14. Management ability

15. Attitude

16. Management succession

Manager Approval: _____

• **SCORE and Classification;** > 75 - Excellent = A , 60 – 75 – Good=B, 50 – 59- Average =C, < 50-Poor=D

3. Securing the Agro-dealer members

- This step does pose a number of **challenges**
- Firms must do an effective selling job to secure the **services** of quality Agro-dealer member.

Specific inducements used are:

- Adequate **profit** margin
- **Promotional** support
- Management **assistance,**

● Good product line with strong
sales and profit
potential.

● Fair **deals**

● **Relationship marketing-**
on trade terms

END