

Distribution Research Consortia



TEXAS A&M
UNIVERSITY



**THOMAS & JOAN READ CENTER FOR
DISTRIBUTION RESEARCH & EDUCATION**

Optimizing Manufacturer Market Access Strategies

Best Practices in Demonstrating Value and Creating Channel Strategies



**GLOBAL SUPPLY CHAIN
LABORATORY**
TEXAS A&M ENGINEERING EXPERIMENT STATION



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About the Consortium

The Thomas and Joan Read Center will conduct its next Research Consortium on **Optimizing Manufacturer Market Access Strategies**. Leading manufacturers from different channels will partner with the Texas A&M Global Supply Chain Laboratory to establish best practices in the strategic planning and development of channels to market. Each company will work with the Texas A&M research team, headed by Dr. F. Barry Lawrence, in large consortium meetings and an individual (confidential) workshop to design their channel strategy and relationships for achieving optimal market access and profitability. The research team will then combine all findings to create a process that will then be used to assess each member firm's channel capabilities.

Overview and Need

Manufacturers are recognizing the need to create better channel strategies to address future market needs and access to the ultimate user. Customers require new innovative services, products, and strategies to move to the next level of competitiveness. For manufacturers, these innovations will have a shorter life cycle and need the best channel strategy with shorter cycle times to address the current market disruptions.

Manufacturers must create new channel strategies to accelerate growth, develop the channel management tools necessary to implement and manage those strategies, and implement the change management principles necessary to effectively communicate and build the culture around those strategies. Economies of scale must be captured before today's new innovations become commoditized.

Manufacturers have several different channels choices to optimize their market access. These channels, however, can come into conflict and can take on many complex forms when combined into a go to market strategy. Customer needs may dictate combination strategies which could further increase the potential for channel conflict.

Ultimately, the manufacturer would like to build a market access strategy that allows for optimal system efficiency (high utilization), in the most profitable product categories, with the greatest growth potential, using the lowest possible investment in non-core processes, which creates the greatest increase in brand equity. Channel choices are one of the most critical decisions in achieving these goals.





What is a research consortium?

A Research Consortium is a collaboration of multiple companies, associations, universities or government agencies to conduct research with the objective of developing solutions to a problem or a challenge common to everyone by pooling their resources for achieving a common goal. In this case, multiple manufacturers from non-competing industries will work together with the Industrial Distribution faculty and research specialists to find and further develop best practices for managing market access channels.

Why join a research consortium?

Often an individual company may be reluctant to invest the significant dollars required to research and develop solutions in areas of interest. Research Consortia are an economical path to lower cost, high-quality research and development that is essential to the value and the future growth of companies. Consortia also allow for the sharing of best practices and strategies among the cutting-edge organizations from different industries that invest in such efforts.

Who should join this consortium?

This Research Consortium will be beneficial to:

- ❖ Manufacturers who go to market through direct sales, distributors, representatives, or other available market channel solutions.

What are the benefits?

Benefits to consortium members include the opportunity to actively participate in groundbreaking research in one of the most crucial and timely challenges facing the industry. Each member of the consortium will also be able to direct the scope of the research so that the results are actionable and sustainable. Additionally, members of the consortium will have an 18-month head start on competitors in understanding and implementing the new best practices developed in this consortium as well as a far deeper understanding of the practices from workshops conducted directly with their organizations by the research team.



Key Takeaways

In addition to the body of knowledge resulting from this research, key deliverables will include:

- ❖ Implementation strategy, tools and methodologies for member firms to optimize profitability and market access, specific to each company, based on workshops conducted with their teams.
- ❖ A three-day Workshop with Dr. Lawrence and the research team to discover and evaluate existing processes for each firm and develop their market access strategy for the next planning cycle (on site or hosted at Texas A&M).
- ❖ An assessment of the firm's channel planning processes, the assessment and tool will be given to each firm with individual results kept confidential.
- ❖ Consortium members will meet at Texas A&M on the kick off date, **February 20, 2020**. On **August 27th, 2020** they will meet again to present final results.

- ❖ Two free seats in a five-day facilitated educational seminar, led by Dr. Lawrence and team, to engage non competing firms in strategic planning for their channels using the tools, frameworks, and best practices developed in this consortium to be held in the spring of 2021 (after all research is completed).

Consortium structure and fees

Membership is limited to a small group companies to be an effective research group. The membership fee is **\$50,000**. The fee will cover attendance in all consortium meetings and workshops.



Solution Approach

Best practices will be established and tested as the consortium explores the following issues:

- ❖ Determining how service and products strategies are changing and how manufacturer channels create value for the ultimate end user.
- ❖ The best practices in manufacturer channel collaborations when taking new products to market and accelerating new product introductions.
- ❖ Determining channel strategies, value, cost of new sales, and how marketing models are delivered.
- ❖ The development of tools that will enhance scientific decision making capabilities on channel strategy development, implementation, and management as well as addressing change management techniques.
- ❖ Documenting best practices in manufacturing channel strategies.

Current channel models are not being threatened with extinction but rather with rapid change. Manufacturers, who understand and support positive change will not only help their channels to succeed, but will also protect their own profitability. Understanding the new environments, rather than being reactive to change is more critical today and necessary for future channel strategies to succeed.



Why Channels Must Be Addressed

Channel strategies and innovation need careful management throughout the product or service life cycle. The process begins with a channel sales force offering products or solutions to the customer. Manufacturers and their channel partners collaborate to create and deliver an offering while the sales and marketing teams create the value proposition. While manufacturing operations optimize the offering, the manufacturer's sales specialists fine tune the value proposition.

Finally, the channel sales and marketing teams continue to support the optimized offering and captures superior earnings for the manufacturer and value for their channel.

The manufacturer channel strategy has a direct impact on aligning three key areas (manufacturer – channel intermediaries – customers). Proper alignment and collaboration will lead to sustainable value in the long term.



Research Methodology

- ❖ Individual members support the design and build phase by providing direction and giving input.
- ❖ Consortium members will meet to collaborate on the deliverables members desire and kick the project off.
- ❖ Consortium members will not be competitors but will be selected based on complementary areas of interest to create a full view of Channel Strategies.
- ❖ The Texas A&M research team will conduct a survey of manufacturer channel strategies across the markets identified and conduct the necessary research to determine best practices in channel strategy development as well as implementation and management tools.
- ❖ The consortium will then bring together member firms to report initial results, share best practices, engage member firms in the research findings and define final deliverables with counsel from the individual consortium members.
- ❖ Texas A&M will conduct a series of research workshops with each member firm.
- ❖ Conduct quantitative and qualitative research to identify the most common manufacturing channel practices.



Researchers will conduct quantitative and qualitative research to identify and develop best practices to:

- ❖ Quantify the impact of strategies.
- ❖ Develop methods to incorporate them into manufacturer channel strategies.
- ❖ Drive robust analysis programs based on data and information routinely absorbed by member firms.
- ❖ Develop a scientific model to determine how to design the optimal configuration of manufacturer channel strategies to drive growth.
- ❖ Develop tools and processes to capture optimal channel strategies throughout the innovation (channel strategy development) and execution (implementation and management of channel strategy) process.
- ❖ A final consortium meeting will share results and capture final feedback and thoughts from member firms.
- ❖ Member firms will receive a final report detailing tools and methodologies based on data and scenarios shared and an individual assessment of their processes as created in the workshop sessions. These findings are confidential to each member firm.
- ❖ Texas A&M University will present an education session on Manufacturers' Market Access Strategies to which consortium members will receive 2 seats at no additional cost (a \$10,000 value).

Consortium Deliverables

Consortium members will participate directly in the research and gain a better understanding of the findings. The full report will be issued to each consortium member with all analysis performed on the firm itself with the firm's data. Direct recommendations will be made for each individual participant firm on:

- ❖ **Creating and developing value propositions for new products and services**
- ❖ **Delivery methods (sales and marketing) for these constantly evolving value propositions**
- ❖ **Optimal Channel strategies**
- ❖ **Analysis methods for demonstrating value**
- ❖ **Tools created to implement and manage the channel effectively including change management techniques**

All consortium member results and data shared with researchers will be kept CONFIDENTIAL. Only general findings and best practices will be shared with other consortium members. Manufacturers will benefit from the research findings and from sharing best practices with other cutting-edge firms in the consortium.

Value to Members

The consortium members will receive results, methodology and tools developed in this pioneering research in Manufacturer Market Access Strategies. Manufacturers will gain competitive advantage by implementing the findings and using the tools developed to maximize value propositions. Members will shape the research focus and gain a valuable knowledge base, methodology and tools and are able to send up to 2 people to educational sessions that will be developed from this research.

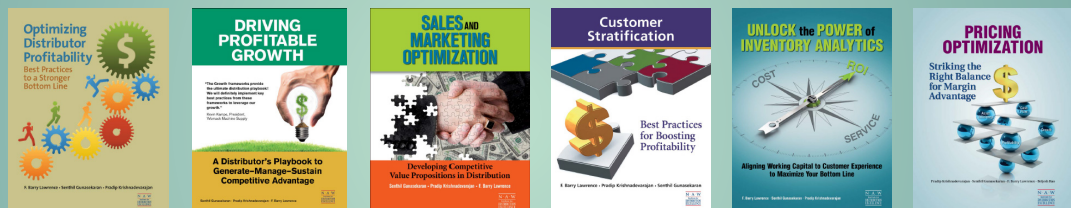
THE BENEFITS

- > Identify how manufacturer channel creates value
- > Document best practices in manufacturing channel collaboration
- > Determine channel strategies when taking new products to market
- > Assess development and implementation of optimal channel strategy

THE RESEARCH CONSORTIUM PROCESS



RESULT FROM PAST CONSORTIA





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