

In this column, I take on a current retail trend and reveal how suppliers can craft corresponding strategies that will set them apart. I'll introduce the trend, provide real-world examples of it in action ("observation"), and explore why the trend is even at work in the first place ("motivation"). Most importantly, I'll concentrate on how you as a supplier of retail products or services can parlay these insights into differentiated retailer-centric strategies ("differentiation").

Retailer Trend: High Turnover

Observation

What's the impact of high turnover? Whether you're referring to how many times that a retailer is selling and replacing their inventory, how often retailers transition various positions or even football blunders, the answer is the same: turnover can be a game changer!

For the sake of this article, I'm going to focus on the fact that retailers are transitioning decision-makers in and out of positions at faster and faster rates; a dynamic that has become the bane of many of my supplier clients' collective existence. The problem is that denial and grass-is-greener thinking have sometimes thwarted my clients' best-laid, pre-turnover plans.....and as a result, they've found themselves running in place while their competitors finish the race.

I'll start with a cautionary tale of denial: we recently worked with a supplier team for a major consumer packaged goods company that was given the opportunity to present their "perfect-world," single-brand strategy to a buyer for their largest category in their number-one account. This opportunity would mean that they basically would own the category. They had hired the account lead overseeing the strategy a year earlier based solely on his relationship with the buyer, and when we first met with them, they referred to their presentation as "locked and loaded." Two weeks later, the buyer moved onto another position.....this happened one week before the big presentation was to take place. Ouch!

As for the second scenario, how many times have I heard a supplier tell me "If we can just get rid of insert buyer name, we'll be fine"? Several of my clients have fallen into be-careful-what-you-wish-for territory on this one. No sooner does Mr. Prove It To Me leave than his replacement, Ms. Brand? What Brand? takes his place! Our clients are telling us that sometimes two or three buyer changes are occurring between their face-to-face meetings with retailers, and that means that the new decision-makers are two to three "degrees of separation" away from knowing the history that got the supplier there in the first place!

Adding insult to injury, transitioning buyers between completely unrelated categories has become the rule, not the exception. (C'mon, is motor oil really THAT different from diapers? Depends on who you ask!)

Motivation

Remember when buyers stayed in the same positions until retirement? "Back then" retailers placed a high value on category expertise, and relationships with suppliers were encouraged. These days, retailers don't necessarily WANT their buyers getting too cozy with the likes of you.....And, they know that by taking a category-agnostic approach to leadership development, they are increasing organizational agility. Get on LinkedIn and check out the career trajectories of any retail executive if you need proof!

Differentiation

Let's look at a few ways that you can keep the revolving door at retailer HQ from hitting you in the backside.

- **Don't put your faith in "connections"** - Anyone who has connections within a particular category at a retailer most likely won't have them for long. That's why your hiring criteria for retailer-facing team members should be based on experience and versatility versus specific

relationships.

- **Never assume history will keep you "safe"** - The past is the past and your storied history is just that. It can be easy to slip into complacency when you're in a love-fest with a retail decision-maker. Better to raise the bar continually by demonstrating that you have a larger vision for the category - not just for your products and brands. AND supplement your existing relationships with a scaffold of expanded cross-operational and cross-category contacts.

- **To the visionary goes the frequency** - The more relevant ideas you have, regardless of whether the buyer "bites," the more face time you'll get. However, if you're a twice-a-year kind of supplier, you're just visiting and not driving continuity. I know of two recent examples in which suppliers rested on their market share laurels instead of bringing newness. As a result, they struggled to get meetings; one buyer change and some SKU rationalization later and they were on the outside looking in.....at their more innovative competitors (this was validated in our assessment interviews with their buyers).

- **Have a (transition) plan** - The sell-in proposition that won opportunities for you years ago will get lost in translation through multiple buyer changes. That's why we teach supplier teams the art of "re-telling and re-selling"; your reputation may or may not precede you with a changing roster of players!

Frequent turnover at retailer HQ is here to stay, and when combined with the fact that buyers don't have the same decision-making power that they once did (I'll take on retailer power shifts in my next column), your positioning may be put at risk with every change. It's time to forget the past and tip the odds in your favor by adding continuity strategies to your playbook!