



## Manufacturer/Vendor Support Initiatives for Pro Dealers

### The Problem with Standard Co-op and Rebate Programs

Many vendors have co-op and or rebates as part of their standard program.

- Rebates on Purchases – their standard rebate programs
- Normal Co-op plans – typically these funds can be collected only if advertising is in approved media and follows their rules. Normally you can collect 50% of what you spend up to a % of your prior year's purchases (normally 1% to 5% which varies widely by vendor).

As you know, a vendor's standard co-op program doesn't work very well for many pro dealers. You may accrue a significant amount in co-op funds but you typically can only collect 50% of your marketing expenditures that fit their co-op guidelines. Unfortunately, in many cases you do very little advertising that would qualify for their co-op plans.

To grow your pro-business, a multitude of customer relationship activities are usually part of a typical Pro Dealer's marketing strategy. Traditionally, vendors have not allowed you to use co-op funds for these activities.

**A very important element in establishing a Pro Customer Rewards Program is to combine it with Vendor Marketing Support. With these Market Develop Funds (MDF), your company can substantially defray the overall investment for a Pro Customer Rewards Program. These are funds outside of the vendor's normal co-op rules and standard rebates.**

### The Solution: Design and Implement an Innovative Marketing Support Campaign

You will be able to raise a significant amount of money from your vendors that currently goes to waste. You should plan on requesting 1% to 2% of your annual purchases from each vendor that you target to support your Marketing & Pro Customer Reward programs. The % varies by the type of products purchased from the vendor.

### Sources of Vendor Funds

Vendors typically have a number of pots outside of co-op from which you can request funds.

#### This includes the following:

- Market Development Funds – funds invested to drive sales of their products in your market(s)
- Rebates on Purchases – outside of their normal rebate programs
- Rebates on Growth
- Training
- Merchandising

### Establish Campaign Strategy and Structure

**To help you achieve your vendor funds, we will work with you to better understand the following.**

- Your corporate growth strategy
- Your marketing initiatives
- The relationship you have with your key suppliers
- The financial relationships that you have with your suppliers, inclusive of supplier coop, marketing development funds and any rebate programs currently in effect with your suppliers
- Initiatives for additional rebate programs (based upon growth, targeted marketing efforts, etc.) that you would be willing to commit to with targeted vendors

**In the beginning of the 3<sup>rd</sup> Qtr. is when companies begin their planning so they can engage their featured vendors targeted for Market Development Funding to assist in supporting a Pro Customer Rewards program in the upcoming year.**

**If you would like to learn more, please give us a call at 888-80-TIMBR**