



## Distributor Consolidation Worksheet

The following are checklist items to assist you in strategically positioning yourself to be maximally resilient as a supplier in the case of a distributor consolidation involving you and your brand.

- ⇒ Review state franchise law with regard to all supplier/ distributor terms.
- ⇒ Review and fully understand your own contract as it relates to the state franchise law. Consult an attorney with industry knowledge if needed.
- ⇒ Establish regular goal setting and review sessions with your distributor. If setting up a contract, require them as part of the contract.
- ⇒ Know and have positive, ongoing relationships with as many retailers in the area as possible. Connect with them regularly & foster info exchange.

### Situational Review

#### **#1: Your distributor is going away due to a merger or acquisition**

What are your rights?

How do they need to notify you?

Can you fight or refuse to participate?

Does the new distributor have to honor the terms of your original contract?

What happens while the deal is being done/in limbo?



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### Situational Review #1 (Continued)

#### **#1: Your distributor is going away due to a merger or acquisition**

How do you handle the transition once the deal is complete?

How should the new distributor acclimate and support you?

What if you are 'left on the sidewalk'?

#### Situational Review: **#2: Your distributor just got bigger**

What are your rights?

How do they need to notify you?

Can your distributor justify failing to meet pre-set goals due to the transaction?

How should your distributor handle the situation for your original supplier group?

#### Situational Review: **#3: Your distributor sold a big part of their portfolio.**

How do you react?

Can you spin this to your advantage?