

Network Rationalization

Challenge:

Manufacturers often face the challenge of managing a large distribution network, where some distributors purchase lower volumes, making direct business difficult to justify. Despite this, manufacturers still want these distributors to represent them in specific markets. Sending them to another distributor is not a viable solution, as distributors are typically reluctant to buy from competitors. This is where a neutral master distributor plays a key role, providing a solution that allows manufacturers to maintain representation and efficient supply without forcing distributors to rely on competitors.

How We Engaged:

A leading **global IP&E manufacturer based in Europe** encountered difficulties in managing their diverse distribution network. Some distributors placed smaller orders that were not feasible to handle directly, yet the manufacturer needed them to continue representing their products in key markets. Instead of sending these distributors to competitors, the manufacturer partnered with Waldom.

Manufacturer directed 20 distributors to Waldom for their purchasing needs. While distributors continued to receive technical support from the manufacturer, they purchased all products from Waldom at low MOQs. Waldom ensured that products actively purchased by these distributors were always in stock, eliminating concerns about lead times and excess inventory. This allowed distributors to focus on growing their customer base and expanding their business, knowing that Waldom had secured stock available at all times.

Waldom's Solution:

Through a Network Rationalization strategy, Waldom worked with the manufacturer and its distributors to provide best-in-class customer support. Waldom took responsibility for ensuring that the products distributors needed were available at low MOQs, significantly reducing the financial burden on distributors. Distributors no longer needed to worry about large upfront investments or stockouts. Instead, they could focus on growth, customer acquisition, and business expansion, as they had reliable access to inventory whenever needed.

Results

- The manufacturer experienced a 70% increase in POS lifetime sales, thanks to the streamlined network and more efficient distribution.
- Distributors could now concentrate on finding new customers and growing their businesses without worrying about stock availability or lead times.
- Waldom worked closely with distributors to ensure that products they actively purchased were always in stock, enabling seamless growth and improved customer satisfaction.

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**IMPROVED CUSTOMER
SATISFACTION**