

New Product Introduction (NPI)

Challenge:

Before the launch of new products, distributors were hesitant to invest in NPIs due to the high financial risks associated with large MOQs. Although the product line had proven success with OEMs, the risk of overstocking held distributors back. Voice of Customer (VOC) feedback indicated potential for strong channel sales, but the manufacturer needed a solution to minimize the risk for distributors and ensure market penetration.

How We Engaged:

The manufacturer partnered with Waldom to be their source of supply for all NPIs. As part of this partnership, Waldom purchased the MOQ from the manufacturer and then distributed smaller quantities to distributors. This arrangement allowed distributors to adopt the new products with minimal financial risk, while ensuring that the products were readily available in the market. By purchasing the products at full MOQ and offering them at below-MOQ quantities to distributors, Waldom ensured efficient market entry for the manufacturer and widespread adoption by distributors.

Results

- Waldom's approach reduced the excess risk for both the manufacturer and distributors by 63%, allowing distributors to participate in the NPI without the burden of large upfront investments.
- Distributor NPI investment was reduced by over 80%, enabling them to stock new products at a fraction of the typical cost, making it easier to adopt the NPIs.
- By distributing smaller quantities to distributors, the manufacturer achieved strong year-one sales growth and added six new stocking distributors, expanding the availability of the new products and driving faster market adoption.

-63%

EXCESS RETURN RISK

-80%

INVESTMENT

6

**NEW STOCKING
DISTRIBUTORS**