A tool to help you design, develop and organize your distribution so that your product or service is available to your customer. Helps you to streamline your logistic chain and overcome the last-mile challenge.

Distribution raises costs if not organized optimally. Also, if your product or service is not delivered at the right time and place, its value decreases in the eyes of customers. Distribution channels are also communication channels through which partners make customers aware of your product.
Following the steps below, discuss the best design for your distribution strategy.

STEP 1: DESCRIBE YOUR PRODUCT, BRAND AND CUSTOMER

Product:
- Fast or slow moving (FMCG/SMCG)
- Perishable or fragile (Shelf life? Cold chain needed?)
- Transport and handling needs
- Quality degradation risks during transport and storage

Brand:
- Concisely describe the brand’s core promise and offer to customers

Customer:
- Name and concisely describe the customer segment you’re serving

STEP 2: DESCRIBE YOUR PRODUCT’S JOURNEY TO CUSTOMER

Make a schematic drawing to illustrate the journey, with keywords and figures added (for example, number of sales agents, or missing infrastructure).

Point of sales
Where are you selling your product?
- Urban/ peri-urban/ rural area
- Accessibility (weather, terrain, road conditions)?
- Infrastructure needed (storage, transportation)? Does it exist?
- Who gets your product to the customer (actors)? What is their reach among your target group?
- How much of the distribution chain do you own or control?

Engagement
How do you engage with your sales force?
- How do you identify/select your sales force?
- How do you retain them (incentives)?
- How do you monitor them?
- Are there existing groups you can work with?
- Is training outsourced or in-house?
- Do you share your distribution network with others?

Marketing
- How do you communicate about your brand and product throughout the distribution chain?
- How do you control this communication in parts of your distribution chain you do not own?
- What role does your sales force play?
**Finance**
Do you finance actors or provide credit to customers?
- Do actors in your distribution chain have sufficient finance to stock up and operate?
- Do you provide credit/consignment? What is the collateral/guarantee?
- Can you minimize risks for partners (e.g., by guaranteeing Return on Investment)?
- Do you need to provide credit for customers?

**Partners**
Which partners do you have and need?
- Who are your current partners?
- What are your key strengths?
- For which activities do you need partners?
- What partnership model do you prefer: joint venture, joint funding, other?
- What can you offer your partners in return?

**STEP 3: CREATE ACTIVITIES TO STRENGTHEN DISTRIBUTION**

**Infrastructure**
*Examples:*
- Decentralize your production by packaging or assembling your product at retail or end-user level (or moving production entirely).
- Acquire appropriate transportation (pushcart for city, rugged vehicle for rural areas).

**Engagement**
*Examples:*
- Work with donors and NGOs to create awareness for important issues such as nutrition, hygiene and food safety.

**Marketing**
*Examples:*
- Get salespeople to provide consumer insights and product feedback.

**Finance**
*Examples:*
- Select distribution partners through an MFI or bank that has done a credit check.
- Derive more revenue from your channel (e.g., prevent empty trucks, put brand messages on trucks).
You can start optimizing your distribution chain to increase profits and promote loyalty to your product and brand.
DISTRIBUTION

guidelines for consultants

Version 1.0

Use the tool when creating a distribution strategy for a new or existing product. Also when analysing an existing distribution chain in order to improve efficiency, reach, profitability and marketing.
DEVELOP A VALUE PROPOSITION AND DEFINE THE TARGET GROUP (SEGMENTATION) IN ADVANCE
You can use Customer Segmentation, Customer Persona, Value Proposition and/or Marketing tools to create the foundation for use of this tool.

GET DATA
Get data. Data doesn't automatically mean a vast amount of data. You can start by asking your mother. Or a taxi driver. Or ten people you meet on the street.

STUDY OTHER DISTRIBUTION CHAINS
Use the worksheet to analyze a distribution model from a competitor, or a successful example from a different country.
TIME
1 – 3 hours for steps 1 and 2; 1 – 2 hours for step 3.
It takes between one and three hours to fill in the product journey, excluding
the half-hour first-time users will need to get acquainted with the tool.

MATERIALS
Large print, drawing or slide of the worksheet; pin board or whiteboard;
workshop materials (markers, cards, lots of Post-its, etc.)

TEAM
You will need one facilitator and one or more people representing the main
parts of the client enterprise.
If you are working in groups, let the groups present their work to the other
groups.

DOCUMENTATION
It is best to first fill in as much data as possible in the schematic, such as
number and location of sales agents, missing facilities, etc. The schematic
should be large enough to be viewed by all participants and should be visible
throughout the entire session.
During discussion, use flip-overs to capture each suggested activity or idea.
# DISTRIBUTION
A tool to help you design, develop, and organize your distribution channels so that your service is available to your customers.

<table>
<thead>
<tr>
<th>Product/Brand: What are you selling?</th>
<th>Customer: To whom are you selling?</th>
</tr>
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<tbody>
<tr>
<td>Point of Sales: Where are you selling your product or service and how do you get it there?</td>
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</tbody>
</table>

- Engagement: How do you engage with the actors in your distribution channel? What training do you provide?
- Marketing: What message do you convey? How do you convey it throughout each channel?
- Financing: Do you finance actors throughout the channel? Do you provide credit to customers?

<table>
<thead>
<tr>
<th>Partners: Which partners do you need to achieve the above? What do you offer them?</th>
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<table>
<thead>
<tr>
<th>Activities: How will you strengthen distribution?</th>
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<tbody>
<tr>
<td>Infrastructure:</td>
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