

The power of simplicity in International Trade resides in knowing what concrete steps to take in order to enter into a new or emerging market. Obviously, knowing what results to expect from those steps and how you measure the success or failure of those steps are essential to your overall international trade success.

One perfect example of the power of simplicity is when companies start looking for a foreign distributor, these companies should (they do not do it all the time) as a first step, establish the selection criteria in order to secure the correct distributor.

I suggest that part of the criteria should be:

1. A well established distributor with track record of success. The distributor must be able to show you that he is in business for at least 5-10 years.
2. **Credit worthy:** the distributor must be willing to share with you a transparent record of financial stability for at least the past 5 years.
3. **Reputable:** the distributor should be willing to provide to you a list of commercial, banking and client reference list for you to verify the distributor's good reputation.

Some of the questions companies need to ask to their potential distributors follow below:

## Size of Sales Force

1. How many field sales personnel does the distributor have?
2. What logistical capabilities does the distributor have to deliver its lines-of-products?
3. What are its short and long range expansion plans, if any?
4. Would it need to expand to accommodate your account properly? If so, would it be willing to do so?

## Sales Record

1. Has its sales growth been consistent? If not, why not? Try to determine sales volume for the past five years.
2. What is its sales volume per outside salesperson?
3. How many points of sale does the distributor serve?
4. What are its sales objectives for next year? How were they determined?

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## **Territorial Analysis**

1. What territory does it now cover?
2. Is it consistent with the target market and coverage you desire? If not, is it able and willing to expand?
3. Does it have any branch offices in the territory to be covered?
4. If so, are they located where your sales prospects are greatest?
5. Does it have any plans to open additional offices?
6. Who are the distributor's competitors?
7. Do the distributors carry product lines that might compete with your product in that target market?

These are only a few considerations when thinking about partnering with foreign distributors, and at MIC International Trade Consulting, LLC . We are prepared to screen and pre-qualify your potential distributors, we are ready to take you into new territories and new markets [contact us here](#)