

# FORKLIFT DISTRIBUTING TIRES TIRES

## An Effective Tire And Wheel Partnership

**A**n effective tire partnership comes down to a very basic philosophy. Either one believes that the current distribution channels for material handling equipment bring maximum value to the end-user or they do not. It is really that simple. That belief either lines up with your company's strategic vision or it does not. A company cannot play both sides of the fence.

If a company firmly believes in the supplier-distributor relationship, then it also believes that the distributor can add value to delivery of a product to an end-user. The value delivered by the dealer includes sales, inventory availability and service support. An effective partnership brings long-term market share for both parties and increased profitability.

On the other hand, if the manufacturer of a product believes that all the parties within the distribution channel are merely an unnecessary cost, then that will

lead to a completely different perspective and strategic vision. Neither perspective is wrong. Each is based on how one views the market and the most effective way to service the end-user.

If a manufacturer decides to circumvent the distribution channel, this process is called disintermediation. Disintermediation has been occurring in some areas of material handling, but the long-term growth of it is up for debate.

It is true that a manufacturer can sell direct to the end-user, but does the end-users' level of received service fall precipitously? Due to the inability of the manufacturer to provide immediate local service that is the trademark of a local distributor, it is intuitive to believe that the end-user receives less support. Since the end-user must be a willing participant in the disintermediation, they must determine if the savings are worth the risk of losing that local support.

It is true that all parties in the distribution channel want to "control their destiny" to achieve maximum results. However, each party must remember that success depends on how effectively the end-users' needs are met. This is still a process of communication and understanding. While not perfect, the current arrangement has proven to be the most effective way to the market in the world. Once parties within the channel start dictating products or business practices to one another, or circumventing the current system, the relationship will break down over time.

To be the most effective, each party in the system must perform their respective duties to deliver maximum value to the customer. If this occurs as needed, everyone in the system succeeds and profits grow rather than shrink.

— Reggie Collette  
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