

# Using Analytics for Defending Against, Partnering, and Out-Niching Amazon

## Overview

Seminar Length: One Day

Sections:

- Cities, Registration Site/Fees and Co-Sponsors
- Why subscribe to what Bruce has to offer?
- Why attend this seminar as soon as possible?
- What are my current and evolving recommendations?
- Separate exhibits for:
  - Amazon-focused blogs
  - Detailed outline for the course

## Sections

### Cities, Registration Site/Fees and Co-Sponsors

#### *Cities*

In the fall of 2018, I will begin presenting one-day seminars in about 15 North American cities. The locations will depend upon interest shown in surveys.

Based on data collected so far here are the cities already planned:

- **October 16, 2018 - St. Louis**
- **November 5, 2018 – Montreal**
- **November 7, 2018 - Toronto**

Likely additional U.S. cities include Chicago, Boston, New York, Philadelphia, Washington DC, Atlanta, Dallas, Houston, Denver, LA, San Francisco and Seattle. Other cities will be included as co-sponsorships are put in place.

#### *Registration Site/Fees*

The seminars will be aimed at both channel managers from factories and distributor principals.

The registration fee will be low enough to allow management teams from local companies to attend. The goal is that registration fees will cover out-of-pocket expenses. Bruce will get no extra fee income, and I hope to do well from spin-off business.

#### *Co-Sponsors*

Additional registration fee discounts will be possible for attendees who belong to promoting co-sponsors. Co-sponsors can be:

- Associations, buying groups, tech solution providers, etc.

In exchange for promoting the seminars to their constituents, their constituents will receive a worthwhile discount.

- No other work or fees will be required of co-sponsors.
- Private sponsored seminars (or webinars) are an option
- Please inquire about sponsorships. The general answer will be YES.

### **Why subscribe to what Bruce has to offer?**

Two major areas of my expertise have collided:

- I've worked with well over 100 distributors in over 50 different channels for the past ten years on getting results with customer and SKU profitability analytics. The upside potential of these analytics is huge.
- But, then Amazon (AMZ) decided to build an alternative, all-digital channel. Based on my years-long, full-time analysis of AMZ, legacy channel players are looking at severe digital disruption in the upcoming years. Both factories and distributors must figure out how to move towards being effective in an all-digital, cloud-based buying and selling environment within 5 years, or by 2023. (For more on my AMZ analysis see my Amazon-Focused Blog Summary). Line item cost-to-serve analytics reveals major economic faults with traditional channels and offers solutions for continuous reinvention (see my Summary Recommendations section).

The seminar content is most challenging. There will be many analytics' screen captures and theory-proving math that exposes traditional data-free beliefs as obsolete. This content is new paradigm stuff. Bring a team to help absorb and later digest what will be covered.

Many well-paid, soon-to-retire channel executives don't want to see, believe, or deal with these challenges. They will nitpick and fight for the status quo with no new, alternative ideas. So be it. If you want to harness digital realities instead of being victimized by them, please attend.

### **Why attend this seminar as soon as possible?**

Read my Amazon-Focused Blog Summary. Legacy channel players have 2-5 years to be digital channel players. There is too much to change with too little time. Start now to avoid playing catch-up later, or worse, never catching up at all.

### **My current and evolving recommendations?**

Investing in Line-Item Profit Analytics provides the data you need to fix the huge profit/loss cross-subsidies that exist amongst warehouse SKUs. The consequences of not getting data-smart about your SKUs inevitably means that the most net-profitable SKUs will be:

- Easily price-shopped and spot-bought on a split order basis from AMZ
- Private label-cloned by AMZ or new players

Line-Item Profit Analytics will also let you identify two major classes of net profit-losing customers. You can then fix them to be able to sell better replenishment systems to the best customers with specific service metrics per customer segment. AMZ cannot do this type of local, on-premise system selling. Here's your chance to out-niche AMZ.

This type of customer-centric process, known as Core Customer Renewal, gives distributors the profits, growth, agility, and confidence they will need to continuously evolve within the oncoming digital buying and selling world.

Line-Item Profit Analytics can be used as the basis for a Phase One digital interface, for exclusively meeting your best customer's needs. Forget about generic website selling. It only brings in small, far-flung customers and small orders. It's a distraction. The real goal should be to meet the soaring digital buying expectations of the biggest and best customers on the way to being digitally agile and relevant within all-digital cloud-based channels.

With data at-hand, you can consider experimentation to find what works. Conduct two types of reseller experiments with the AMZ marketplace:

- Selling the most price-sensitive commodities on a dynamic pricing basis
- Selling all dust-collecting items for whatever the traffic will bear (like used book resellers do currently)
- Be prepared to do the same with alternative, vertical digital marketplaces that may emerge

Data is the way to meet future AMZ plays head-on. By 2020, 5G bandwidth combined with AMZ multimedia APIs and AMZ reward points for watching targeted infomercials will all combine to usher in pull marketing. For traditional distributors, this means that digital buyers will not want or pay for just-in-case calls by reps and the value of product-pushing reps will be diminished.

Here's what you need to do:

- Start rethinking field reps' roles and compensation immediately
- Factories must take full responsibility for all content on AMZ and decide how to rethink distribution channel models to give Prime eyeballs what they want. Shared line-item profit analytics will help both parties move to win-win, dis- and re-intermediation solutions.

Lastly, with line-item profit analytics data at your fingertips, get very serious about overhauling your leadership, strategy, culture, and incentives to make big, deep, scary moves. Anything else is just lipstick. The all-digital channels are rapidly approaching.