













# DISTRIBUTOR CHECKLIST – LOCAL & OVERSEAS

The following is to help you in the task of finding, selecting and progressing with a local or overseas distributor for your product. It is a guide only and not the limit of what you need to consider. Always seek professional input on aspects such as contracts, financials and IP protection.

PRIORITY	TOPIC OR ASPECT TO CONSIDER	WHO, BY WHEN?
	Government assistance, grants, tax concessions? Check Austrade, ATO etc.	
	Build your list of the most important things you want from a distributor or want to know about a potential distributor. What is most important to you? What things would be a deal breaker?	
	Build your list of questions you want them to answer. Perhaps create a form for them to fill in? It's okay to make them jump through a few hoops. It will help weed out the less serious (or less motivated, organised) prospects.	
	 Meeting the distributor is always a good idea. When and where might you do this? Note: often better to do this sooner rather than later so you don't waste time doing the due diligence and groundwork.	
	Do you need patents, trademarks or other IP protection for their region/country? What could they take and what would be the consequences?	
	 What key qualities, values and capabilities would an ideal distributor have to have (remember it's like a marriage)? Are they a match to your values? How can you find out? Remember...they can look professional on the outside but what is their culture really like?	
	How can you check their reputation, credit rating, values, customer reputation? Are there any reviews online? Who do you know that may know someone that can give you intel on the company?	
	 Geographic range you are interested in?	
	Type of customers you want to target and are they located in your target areas?	
	Are you sure your product will sell there? How are you sure?	
	Import duties, customs clearance, broker charges?	
	  Delivery charges?	
	Packing and labelling requirements? Any specific standards to be met for their region/country?	
	 Manuals required or other forms of instructions? What about training? What sort of things will you need to do and have in place in order to serve them well? Remember, a good partnership is mainly about relationships and maintaining a feeling of respect for each other and each party feeling the other party is supporting them.  Translation required? e.g. EU countries require multiple languages.	
	 Are there any specific approvals, certifications, tests your product will need to pass?	
	Are you using any colours, images or words that might be taboo, cause issues or negative associations? The classic example is the US car called a Nova that was sent to Spanish speaking countries...and nova means 'not going'! From	



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	personal experience of supplying products to the Middle East, it is important to be aware of local religious customs.	
	What impact will overseas distribution have on your ability to service your local customers? What will you need to put in place?	
	 What marketing and marketing collateral will be required, yrs 1, 2, 3+? Budget? How will you share marketing expenses? What are their expectations?	
	\$ Financials – what are all the costs you need to identify, confirm and obtain agreement on?  Cradle to grave costs...including setup, training, ongoing support, finance, delivery, warranties, disposal, lawsuits...make sure you budget for this!	
	\$ Financials – what fees and costs will they need to cover?	
	\$ Financials – will you (or your staff) incur any costs travelling to them? Don't forget to include these in your cash flow projections.	
	\$ Financials – how and when will you get paid and how will money be transferred? Invoicing schedule? Deposits? Limit of outstanding debt they will be allowed? Free samples you may need to supply? If they are overseas, consider using an exchange broker to get a better rate on transfers or invoice them in Australian dollars.	
	\$ Financials – what sales targets will you set for them for 6 mo, years 1, 2, 3?  When will sales be reviewed with them? Tip: catch slowing sales sooner rather than later!	
	 Roles and responsibilities of yourself and the overseas people?	
	 Escape clause – how do you get out of a bad deal with a distributor before you lose too much? What happens to stock they have, unfulfilled orders/warranties?  One option is to start with a short-term agreement to test the waters and see how well you work together and how well they promote your product. If they achieve an agreed milestone, their contract with you will be extended to X months.	
	How do you track and have confidence they are fulfilling their roles and responsibilities? What needs to be in place?	
	Could they ruin your reputation? Enhance it? How could you deal with either of these?	
	 Contracts – what agreements should you get drawn up by a professional? Don't forget coverage for improper use/install and lawsuits.	
	What insurances will you need? What will they need?	
	How do you deal with requests to obtain rights for distribution from other distributors? Do existing distributors get first right of refusal?	
	What will your policy be if you are late in delivery?	
	 General Murder Board – don't forget to plan for the 'what ifs' – what are all the things that could wrong and how can you prevent them or minimise them? Don't forget to consider delays in delivery, unexpected issues at your end or their end, late payments etc, etc.	

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	<i>Your gut feel about them? Don't ignore this. You will need to be working with them for a long time...is there chemistry?</i>	

**Your Notes:**

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