Fox Healey & Co
COMMERCIAL PERFORMANCE CONSULTANCY

ILLUSTRATIVE COMMERCIAL STUDY / 02

Turning distribution into demand

Building repeat demand and profitable branch activity

A clearer route from commercial questions to decisions

1. Activate the right branches
2. Build repeat demand
3. Protect contribution and cash

THE BUSINESS CONTEXT

a professional-tools brand reaching trade users through merchants and distributors.

An anonymised example of approach, adapted from independent research and strategy preparation. No commissioned engagement, implementation or achieved results are claimed.

Build the evidence before investing

Combine records, customer explanations and operational evidence. Where these disagree, record the uncertainty and test it before recommending investment.

Evidence area	What to establish	Interpretation check
Branch status	Segment branches by listed, stocked, selling and reordering status.	Define an observation window that fits the replenishment cycle.
Product relevance	Review staff feedback, user needs, alternatives and range gaps.	Test reasons to buy, not awareness alone.
Trading economics	Reconcile discounts, rebates, freight, returns and support effort.	Account-level gross margin can hide expensive branch support.
Stock & cash	Check stock age, replenishment, credit terms and return exposure.	Strong shipments may reflect loading rather than consumption.

Match the response to the evidence

Illustrative combinations. Define thresholds from the business baseline; no company performance is plotted here.

Higher repeat demand / higher contribution after support

Productive, profitable branches: test deeper range or selective replication.

Higher repeat demand / lower contribution after support

Sales are strong but economics are weak: review terms and cost to serve.

Lower repeat demand / higher contribution after support

Economics are attractive but repeat demand is weak: test activation.

Lower repeat demand / lower contribution after support

Demand and economics are weak: narrow the range or stop the pilot.

From a listing to repeat demand

Distribution strength depends on what happens inside each branch and with the trade user. Separate availability, staff confidence and genuine repeat demand before investing in a larger network.

PROPOSED JOURNEY | RESPONSIBILITIES TO VALIDATE

01 **Listed**	Brand / merchant buyer Need: Range agreement and trading terms Action: Confirm which branches can actually order the range.
02 **Stocked**	Branch / supply team Need: Availability and appropriate opening range Action: Check shelf presence, stock accuracy and replenishment.
03 **Recommended & sold**	Branch staff / trade user Need: Clear use case and credible product demonstration Action: Connect the product benefit to a practical job.
04 **Reordered**	Branch manager / brand Need: Sustained demand and workable stock economics Action: Track repeat orders beyond initial loading.

This flow is a diagnostic model, not a measured sales funnel. A branch can move backwards or operate without holding stock. Separate brand shipments from end-user sales and avoid treating opening stock as repeat demand.

Read across each stage: who is involved, what evidence is needed and what action makes the next decision easier.

Start small. Make the decision clear.

Would the next investment create more value by adding stockists, improving existing branches, developing the range or encouraging repeat purchase?

THE PROPOSED TEST

Choose a regional cluster and a focused opening range. Combine practical product demonstrations, branch staff support and clear merchandising. Test useful digital ownership support, such as instructions and replacement guidance, while attributing the purchase to the stockist. Start with a simple workflow before commissioning an app or a complex loyalty scheme.

What the work should produce

An account and branch opportunity map, product-range priorities, a channel-support pilot and a scorecard linking activity to economics. Product expansion would require evidence of customer need, differentiation, quality, margin and manageable stock exposure.

Three checks before expanding

Customer value	Do trade users choose the product and branches reorder?
Operational fit	Can supply, staff support and replenishment remain reliable?
Commercial return	Do repeat orders cover support costs and cash needs?

Decision: expand, refine or stop. Record the evidence, owner and next review point.

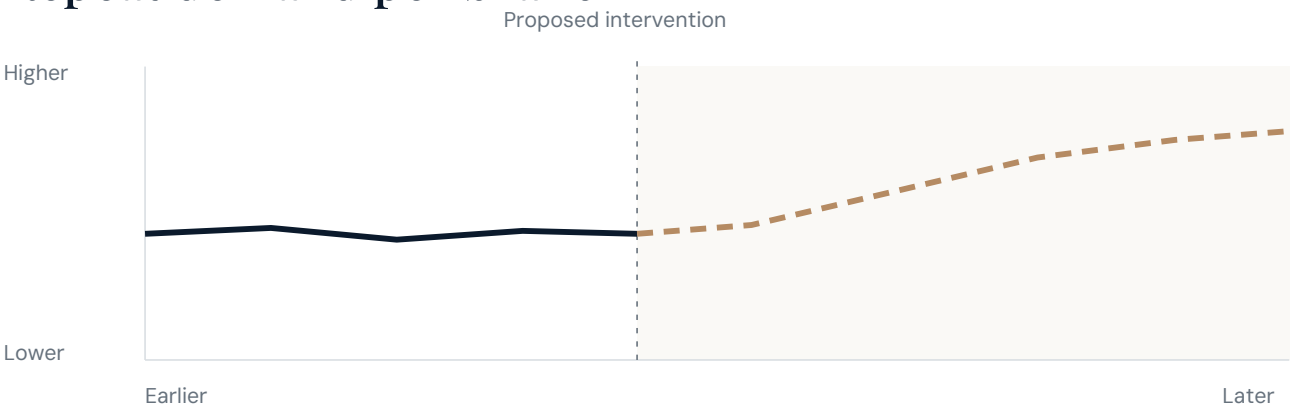
Start with the free Commercial Performance Snapshot

What improvement could look like

Directional illustrations help explain the intended change and its conditions. The line shapes are schematic; they do not imply a rate, timing or size of improvement.

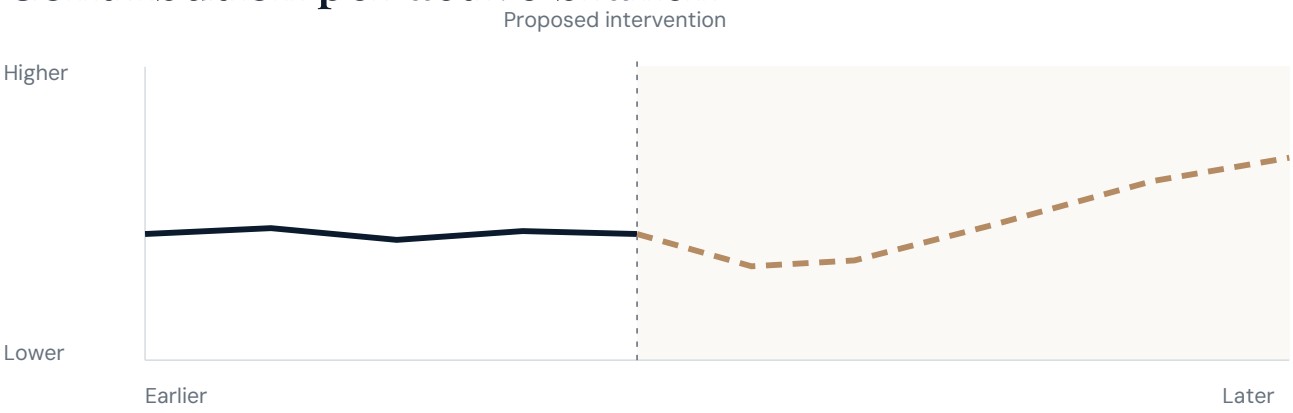
Illustrative baseline — Potential direction following improvement

Repeat demand per branch



A stronger pattern would require useful product demonstrations, suitable range selection and reliable replenishment. Confirm end-user demand where possible; opening stock alone is not evidence of repeat buying.

Contribution per active branch



Support and launch costs may precede any benefit. Improvement would depend on repeat orders covering product, freight, rebate and incremental support costs. More activity does not necessarily mean more contribution.

Conceptual illustration only. Does not represent measured performance or a forecast. Actual outcomes may improve, remain unchanged or worsen.

Turn the plan into accountable action

Sequence work by evidence gates. Timing depends on access, buying cycles and data quality; this is a proposed plan rather than a delivery commitment.

01

Baseline

Select a regional branch cluster and record sales, reorders, stock and support cost.

Gate: useful branch-level visibility and a comparison basis.

02

Equip

Agree an opening range, practical demonstrations, staff guidance and replenishment.

Gate: stock and branch participation are confirmed.

03

Activate

Support trade users, capture objections and attribute activity to the supplying stockist.

Gate: activity can be connected to branch demand.

04

Review

Assess repeat demand, contribution, support effort and cash requirements.

Gate: expand, refine the range or stop.

Ownership and measurement

Sales owns branch engagement. Marketing and product specialists provide useful demonstrations and guidance. Operations owns availability and replenishment. Finance validates net contribution and working-capital exposure.

Active branches	Branches placing a qualifying reorder during an agreed observation window.
Branch contribution	Net sales less agreed product, rebate, freight, returns and incremental support costs.
Stock turns	Cost of goods sold / average inventory, using matching periods and cost bases.

HOW THE DECISION COULD CHANGE

If initial orders increase but replenishment does not follow, investigate stock loading, sell-through and product use before calling the pilot successful. If reorders grow but freight erodes contribution, change delivery frequency or order economics.