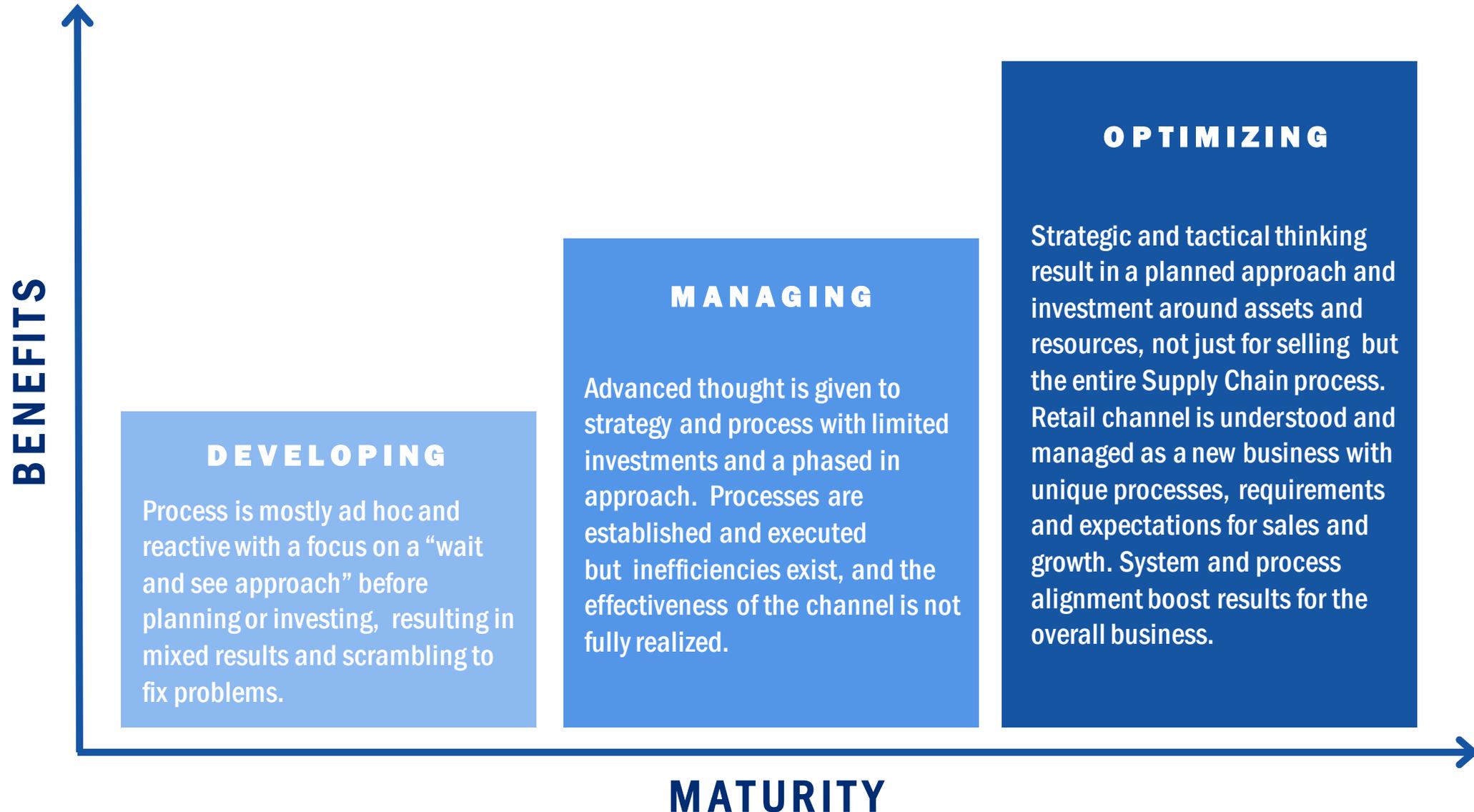


Maturity Model for Expanding from DTC to Retail Distribution



Maturity Model for Expanding from DTC to Retail Distribution

	Developing	Managing	Optimizing
PLAN			
Distribution Opportunities	Taking advantage of opportunistic distribution gains without necessarily creating a strategy for growth.	Targeting certain accounts for distribution based on certain KPIs or go-to -market strategy (slotting costs, HILO, EDLP, EDLC).	Conducting a formalized process to manage distribution opportunities, including gathering information on distribution expectations such as slotting, promotions, and scorecards.
Performance Expectations	Reacting to slotting and promotional expectations on an ad-hoc basis.	Build basic understanding of the retailer's structure, systems, and expectations ahead of outreach.	Building proformas to understand performance requirements to push or pull sales. Overall understanding of potential contribution scenarios from DTC and Retail.
Retailer Relationships	Opportunistic rather than deliberate.	Network to find the right people at targeted retailers to build relationships.	Seek out brokers, distributors, or sales staff with relationships and experience with key decision-makers at targeted retailers. Attend trade shows and networking events to cultivate relationships.
BUILD			
Staffing Roles/Responsibilities	Retail tasks are added to the responsibilities of the existing staff who will address both DTC and Retail.	Modest expansion of team focused on retail selling and sales relationships.	Planning for the staffing roles and responsibilities needed to manage Retail business across the organization including Supply Chain and Sales
Selling and Sales Team	Ad-hoc selling based with existing sales team. Presentation focus is on your product and DTC sales history. New item paperwork and early shelf fills are done on a reactionary basis.	Advanced planning for selling and managing key accounts allows for some anticipation of needs for presentations, paperwork, and early on-shelf activity.	Selling-in includes building the case for the role your product plays in the category, shelf positioning, and plans to meet/exceed retailers' expectations. Dedicated sales force and/or broker system allows for ongoing sales management and optimization.
Assortment and Placement	Assortment matches DTC channel without customization. Placement is reactionary.	Some effort to customize product mix for Retail needs at physical and virtual shelf. Sales team asks for certain shelf placement.	Customized product mix for retail needs and positioning. Sell-in includes understanding of category roles and recommendations for planograms and shelf optimization.
Supply Chain	Focused on managing for current distribution processes, systems, and networks, with limited focus of attention around optimization of the new bulk business.	Interim plans made to service the new bulk business while still focused on existing DTC channel. More of a "wait and see" approach.	Phased-in plans for the new business, including distribution networks and system integration to drive automation and cost reduction.
IMPLEMENT			
Trade & Shopper Marketing	Limited launch plans to support items. "Wait and see" approach to limit investments in Trade and Shopper support.	Understanding of need to support items on shelf out of the gate. Modest investments in trade promotions and limited Shopper Marketing.	Planned investments for Trade and Shopper understanding that short-term margins will be squeezed to ensure 90-day success to stay on shelf.
Merchandising	No dedicated merchandising team ensuring product is placed on shelf and stays in stock. Reactionary mode against the competitive set.	Understanding of merchandising needs, but limited investment early on. Planning for future. Some experience in managing key considerations around packaging, pricing, and size vs competitors.	Deploy some merchandising team via broker, 3 rd party, or direct to optimize shelf placement and secondary displays. Dedicated system and team to optimize the physical shelf.
Sales Analytics	No dedicated retail analytics roles and no investment in syndicated POS data to track sales.	Dedicated retail sales analytics hours via direct or indirect resource, ad-hoc investment in data.	Understanding of KPIs, tracking of performance via POS data through direct or indirect resources. Sales analytics integrated throughout the organization.