



# channel mastery

Channel Mastery Podcast, 140: David Howell, Howell & Associates

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Kristin: Okay. Welcome back everybody to another episode of the Channel Mastery Podcast. I am absolutely delighted today to welcome back David Howell to the show. David is founder of Howell & Associates, and he is seen as one of the foremost leaders and voices in Channel Compliance and Brand Protection working today. Welcome to the show.

David: Thank you. Thanks for having me again. I enjoyed it last time. I'm looking forward to it this time.

Kristin: It's going to be great. So here we are July 20th of 2020, one of the most brisk years, any of us have lived through as business leaders. You haven't been on the show in some time. Why don't we start by giving my amazing audience a background on what you do over at Howell & Associates, and then what you've been seeing in your business with your clients.

David: Great. No, I appreciate that. So yeah, my name's David Howell founder and managing partner of Howell & Associates. We're a traditional Brand Protection & Channel Compliance. I'm using the word traditional very loosely. We come at everything with a good strategy for our clients. So from go to market strategies, to taking a look at a problem that just nobody really has, right? The unauthorized third party sellers on Amazon, right? Nobody's got that problem. So we come at it from a very unique standpoint where with my background and looking at everything from a very strategy standpoint, I want to solve problems for clients.

And the only way to truly do that is to take a look at the whole landscape and understand what they're doing, their distribution, how people are getting product, and then ultimately how to cut that product off and investigate, and then enforced to make sure that we can shut down what's out there. So from a product consumer satisfaction issues to price erosion, to product dilution across all marketplaces, we really focus on that.

Kristin: So, and that's what you have done up to COVID what does COVID been like for you with your stable of clients? And I know you get just a ton of questions from your growing network as well. I mean, many people within our markets and tertiary specialty markets use you and tap you as a resource and a sounding board and a brainstorming partner

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and a consultant. I have a feeling your ears bend to the ground on some pretty fantastic conversations.

David: Yeah. That's to say the least. So first, I'm blessed to be able to have a industry and a job that I was able to work through this. So unlike a lot of people who kind of got really blindsided by a lot of this. I've been quite the opposite. So I am blessed and thankful for that. But we talk about how it's changed, I think that the issue where every day I would get calls from either my clients or channels or partners about just the frustrating issue Amazon, and it was more on my product, the amount of sellers, how are they getting my product? And why are they selling it so cheap? Now over the last four months, I'm getting different conversations. Why Amazon won't take my product in? My product is not deemed essential.

My product's not being shipped for two or three months. And there are some of these clients that I have that really run a very tight FBA program or product where it's in the warehouse because Amazon charges a hefty fee. So they keep a lean supply in the fulfillment centers. And then they funnel it in as sales happen. Well, this caught them off guard. Because they ran that very lean. Then all of a sudden that product got sold out and they weren't allowed to get any other product for almost two and a half months into those FBA. Well, those consumers are still looking for the products. So they're going out on Facebook marketplace, they're going on eBay, they're going on Groupon.

And unfortunately, a majority of my clients have a lot of counterfeit floating around out there because it wasn't being policed. So you've got a little bit of that. But then there was a direct eCommerce, which is just something that I haven't seen since the... I don't know, mid 2010s. If that were a couple of my clients, their websites crashed. Now, that's, all joking aside, you just don't think that that's what happens anymore. Well, a couple of my clients, they had such an influx of consumers on their direct websites that actually the servers were shut down. And to see in the year 2020, one of your premier clients, one of the largest outdoor manufacturers in the world have, "We're sorry for the inconvenience. We'll be back soon." That's unheard of.

So now we have to start thinking about how do we prepare for something like that again? How we diversify a little bit? Maybe not focus so much on Amazon as the product fulfillment side of it, but still embrace Amazon as that where consumers go for information, but then maybe diversify a little bit if they can't get the product there, we're going to build up some of these other channels and support them as much as we're supporting that one. That was probably the biggest issue that I had with a lot of this COVID and quarantine and shutting down was just the sheer issue of clients not being able to move their product out.

Kristin: Right. And honestly, where we are in kind of going up toward August as you and I both well know and I've lived for many, many years it's budget season in a historical context. And even before COVID, you and I have had conversations and done podcasts about how the budget needs to change. The budgeting process needs to evolve and change. And here you are saying, it's time to diversify. I think we've been saying that for some time, we just lived through something that has shown us the importance of that.

We have another opportunity right now to try and prepare for the remainder of 2020 and early 2021, because obviously we can't bank on anything as we're seeing right now where regions of the country are seeing spikes that is very political. As we talked about in our rehearsal call, we're not going to get into it, but at the same time we have businesses to prepare. So it's a little bit of Sun Tzu and the art of war is what you and I are going to handle here today. How do we gather the information that we need and try and create the bridges and the channels and the relationships, and frankly, the points of distribution where our consumer has been trained to go, and they haven't been able to go to Amazon Prime.

So I think that would be a great place for us to start. And I'm not sure like where the best place to start on that is, but we are operating from the assumption that we're dealing with specialty brand leaders who either have been direct first brands or wholesale legacy brands who are now coming together to try and find a new mix of channels through COVID, through the recession, through all of the unrest that's happening in the United States. I mean, basically the consumer has been completely disrupted and they're coming out of this with some new habits. They're definitely resourceful. They still hate friction, but their loyalty is really up for grabs right now, and I think that's one of the biggest challenges that Amazon might have in their hands in the future.

They've been trusted and known as the place to go for choice selection in a frictionless... Maybe less friction there than other places, but COVID has really given that experience a different emperor's new clothes.

David: Well, we could talk about a couple of points on there. I mean, I've been doing webinars and podcasts and papers for three years about Retail Apocalypse. I don't want to dive too much into that obviously, but I feel that this whole COVID, the quarantine has actually been that tipping point where a lot of the stores have been holding on. And I'm talking about more of the big box retailers, a lot of those stores have been holding on, and this is going to be that... Unfortunately, that's what's going to be their demise. Now, knowing that a lot of those products are not going to go away, right? The consumers, the need for those products are not going to go away. But then you talk about the specialty side. And I know that, both you and I have a lot of clients that primary focus in small hiking, running shops, camping shops, things of that nature.

Well, when you talk about places like Colorado, California, especially in the central, Northern California, they got places in Idaho where I'm at and you look around, well, every time there's a closure or every time we have to pull it back again to certain stages, whatever state you're in, those stores can't survive that long. These are stores that they're not some of the big box retailers or even eCommerce sites that can hold on. So when a client looks at this and says, "Well, the majority of my hiking socks are moved through all these stores that are all throughout the Pacific Northwest and of the mountains." Well, what if you can't go to those stores, those stores are forcibly shut down and they are right now, we have to do a little... Everything's an assumption, right?

And in that word, people joke and say, "It makes an ass out of you and me." Right? But you do have to kind of look at it and say, "We have to make some educated guesses." I guess that's a better way to say. That, given where we are with this whole quarantine and the pandemic we're in, we're leading into an election year, which we never know what's going to happen with that. Everybody politicizes everything. And going into a holiday season that consumers are home, right? A lot of employees, right. And this is probably a good thing, but our employees are working from home now. Well, what happens when you're working from home? You don't have all those internet blocks. You don't have all those things. You're allowed to still surf and you're purchasing. And we've seen a lot of that.

So you take all that information...the whole battlefield, if we're going into that. And you say, "What am I going to extrapolate from that? What am I going to look at and say, 'What's the best direction for my company?'" Well, it's to diversify. Don't put all your eggs in one basket, take a look and still cater as much as you can to the brick and mortar of the specialty shops you have or the REI's out there, right? The Dick's Sporting Goods, Sportsman's Warehouse, focus on those, but also go that, "I don't know if they're going to have the POS they had before." Right? "I don't know if from a budgeting standpoint, can I predict that they're going into Black Friday and Cyber Monday? Are they going to purchase these things?" Because the Black Fridays probably aren't going to be Black Fridays anymore.

They're going to be a Cyber Friday and a Super Cyber Monday. I mean, what is it going to look like? We have to fall back to protect the brands, the manufacturers, and our direct commerce. We have to do some rethinking on how we want to diversify. And like you and I talked about, does that mean cutting off Amazon? No, not at all. You got to embrace that, especially when it's product information, but maybe building up your eCommerce. I've had a couple of my manufacturers, their eCommerce websites got shut down because of so much traffic. So now let's make sure we built that up a little bit. We can do our own fulfillment merchant. We're looking at the eBays of the world and re-ramping those stores up that we had 10 years ago that were pretty successful. Taking a look at the group bonds that are out there, are targets, launching their marketplace. Just diversifying a little bit and saying, "If they cannot get my product on Amazon for a resurgent, a pandemic, it's not essential."

Well, and they go there and they get the product information, well, we'll have other places they can go. We'll have other places that are fulfilled. They have product and we can get it in their hands. That way we don't run into that. What am I going to do? And because... It's sad to say, but I warned my manufacturers that in the next six months will literally tell whether they will be a company or not ever again. I mean that, that's how bad it's becoming. And I'm going to... I've literally pulled back my contractual relationships with them to a non-monetary side. I'm going to do everything in my power to ensure that they're going to be successful moving forward because I can't... It hurts me to see something like that. And it's all because of how the online side is going tied with this whole pandemic and the travel and some of the other stuff that's mixing into that, which we haven't touched on.

Kristin: I know that's again it depends on exactly what you're doing and where your consumer is and all of that, and the experience that you're basically back filling right now, until we can get through this. This is the first time that you and I have talked, where you've actually talked about alternative marketplaces.

David: Yeah.

Kristin: You are a compliance expert in so many ways, what's going to happen in your opinion, around being able to have price parity and the trust across these new marketplaces, if we have to activate so quickly? Doesn't it feel like we spent years and years and years fighting at war on it on just a couple and now we may have an assortment?

David: It's a very valid question. And I think that's where it comes down to when you talk about channel compliance and that's such a big wide net of so many different things. But what's the very first thing that you want to do in a channel compliance strategy is that particularly the foundation you have said. So in this situation where maybe there was a time, I would say that you should probably have only three to five authorized sellers on Amazon. And majority of those should be Fulfilled By Merchant, only one FBA, right? So you don't fight over that buy box, which is going to race to the bottom on the Amazon platform.

Well, what if we said, "Okay, we want to have a handful of good faith sellers out there across these other marketplaces." If we get ahead of it now, and we authorize some of these, arbitrary speaking, we're allowing REI now to have an eBay store and a Groupon thing or whatever, all these different types of things we're getting ahead of it. We're authorizing them. We're going to help support that. We're going to help build that up. Now we have a level of control over that. And I know a lot of lawyers that may listen in, hate the word control. They actually hate price parity too. That's another one, but in reality, that's what we're trying to do. We're trying to have a control over our channel and control over that price parity that's out there.

And the best way to do that, come out the gates, embracing it, authorizing good faith sellers, and then engaging someone like myself or in house compliance and say, "We're still going to aggressively go after the unauthorized side." So we can support that side that we said is authorized. So it's really not reinventing the wheel, I think it's broadening the definition of the wheel, if anything.

Kristin: Right. I had another question that just popped into my head from one of our students in the Academy, actually that we just finished. And they are a very traditional legacy wholesale first brand and their heart gets company. And basically the leadership at the company wants to really push e-commerce for obvious reasons.

David: Yep.

Kristin: However, there are price disparity across different channels. So how does somebody

know that consumers will come to your brands, e-commerce to buy from you if they choose to, but that is something you're seeing happening, I'm seeing that happen as well. Our clients are getting prepared for that as well. But what do you do if there are actual mandates from your leadership around, we want to improve e-commerce from our storefront by X percent yet there isn't price compliance or price parity out there. Do you have anything there that you can give to us in terms of where exactly we are right now, you and I. We're giving them advice on, "Okay. Yes. This is a reactionary, obvious place you need to go, you need to get your e-com and your .com where it needs to be." But we also, now, as you're saying, need to build some additional good faith marketplaces out there.

David: Very, very true. And I think there's two pieces to that. So we talked about the price parity, but then how do we drive that business? Or how do we look at building up our own channel, right. And that's really what it is, it's our own channel. So we look at our whole channel, but our channel is what we're selling, what we're fulfilling that ourselves as the direct. So I look at that and go, "Okay, let's talk about the pricing in a second." The other one is how you want to market or advertise that. So we all talk about how Google was the largest advertising agency in the world. And Amazon is going to surpass that by the end of this year or next year, right? Just because of the nature. People don't go to Google much anymore to shop for price, product information. They're going to Amazon.

Well, I have one of my clients where now they're really firing up the Instagram, TikTok even, going into Facebook marketplace and they're building up their brand again and driving traffic to their .com. They're looking at ad words and they're promoting what they weren't doing for the longest time. And I think that that's part of that diversification. And I've only managed or monitored that really for my existing clients. But it seemed to have been very successful when they launched up and relaunched their website and got that stabilized and got their fulfillment a little bit more in order not relying on the Amazon side, they started promoting it heavily. And I've noticed that it's been twofold. I've noticed that price has gone down in some of the open market places, right? Because now they're competing with that. But I can go clean that stuff up and that's a price parity, but I've also seen them moving more product and understanding why it's important to diversify.

So many people were sold the idea, "Allow me to be your sole exclusive marketplace third party seller. I'll buy all the product, I'll put POs out there, that'll squash everybody else." And everybody just grasps onto that. You and I have walked around outdoor retailer and we seen, we heard these pitches. And at one time I kind of was in line with that, right? Because it just made sense, especially from a channel compliance aspect, less is more.

Well, here we are, where that probably is not a great idea now, because you're putting all your eggs in one basket. So I can eat a little humble pie and say, "Well, okay." Now let's say maybe that's okay for an FBA, but have multiple sellers that are FBM that you trust, they can fulfill my merchant. And now we can also diversify and have those other channels. Because Amazon's got this program that you know, that I can have an eBay store and I can fulfill it with Amazon. I could have a Groupon and fulfilled by Amazon.

They have this kind of process in place. You can still mix and match some of that to still meet your backend guidelines. But now you've got to take a look at it and say, "Okay, well, I'm not focusing only on the transaction. If you will. The conversion on Amazon, I'm trying to broaden out that conversion."

And I'm not talking about go 50/50, right? The reality is Amazon still going to be the majority, but does that majority now, 70/30, 60/40? Whatever your business or whatever your comfort is, you should take a look at that. Now the price, the more you have out there, the more marketplaces you have, whether you trust your channel, whether you believe these people, what they say, there's a couple of things that are going to happen. Human nature will dictate competitive posture, race to the bottom on price, unfortunately. A lot of these marketplaces have technology algorithms that are driving price down for conversions.

Kristin: Mm-hmm (affirmative).

David: You have employees that aren't aware of certain things. So they're told to do certain things. So they'll lower price on certain things to be competitive. There's a lot of factors that go into why price drops and then who follows that. And unfortunately, Amazon, if you've ever sold one P or Amazon is P, Amazon crawls all the way through the checkout page now on these marketplaces and they match that price. So it's more important today than ever to really go to that Google shopping, look at everybody, that's paid to play, monitor all those and ensure that that pricing is parity, right? So everybody's playing the same field and enforce it.

Now, that being said, I'll tell you the majority of the enforcements that I've sent out, which is different than the last time you and I spoke, I can get an 80%, 85% compliance on just communicating with these sellers. Because a lot of them haven't been communicated with before. Their communication that's being told as an accurate, picking up the phone and talking with these, I've built more rapport. And this is hard to say, because it sounds like I'm getting in bed with the enemy, it's not. I built more rapport with unauthorized third party sellers that just didn't know. And ignorance is not a defense. So I'm going to be the first to say, a lot of them still are bad faith players out there, but I'm telling you a lot of my clients right now, distribution is rogue.

Distributors are trying to move product. They're telling people who buy the product, "No, you can sell any eCommerce platforms. No, you can do that." And they're really not authorized. And they have no idea that there's a map program. They have no idea what the MSRP or minimum pricing is. So now we've got to go back and once I communicate with them, now they're educating. So we're talking about doing a little bit of an educational series to good faith third party sellers, and open up to them so they can understand. Listen, if you want to sell product, if you're working through a distributor, make sure you're authorized to sell those products. Ask the question before someone like me has to go and ask that question. And you possibly are getting stuck with a lot of product that you may not be able to sell in the venue you think you're going to sell.

Kristin: Right. That actually is a really, really good point. I mean, it just, let's be honest too. So many of the people that we work with on a day to day basis have a smaller team right now, and they're focused on more fires internally. And what we're both saying hear loud

and clear is we have to focus on getting battle ready, basically going into the last, the back half of this year, we need to take what we've learned from the first four or five months of the pandemic, take what's worked and throw out everything that hasn't and continue to innovate and test and learn and make failure okay within your organization. And we're really going to have to try some new things when it comes to distribution. As we talked about, and I'd love to get your take on this more so consumer loyalty is shifting.

What you just explained with that fantastic example of a client that you have, that's building out their brand and then trying to do social selling with that brand and driving traffic back to their .com is something that's going to raise the level of the boats on all the oceans, right? When that brand takes that effort in house and works to build an emotional connection with their end consumer. And right now, a lot of that attention that we fight for, with the consumer or for the consumer is up for grabs. Think about what you and I were talking about when we were last on here, it was all about how do we compete with Amazon? How do we compete with this data driven monster?

Now it's about the consumer is actually out there and we can land grab, I think. Maybe not everyone, but the right people. And I'd love to hear some of your thoughts around just what our leaders should be focusing on. There's the CEOs, there's the sales and marketing VPs. To me, they all should be working together to create one experience and disperse that across these new channels and marketplaces.

David: Yeah. Without a doubt. And to go back to your point too, when you talk about going into the holiday season here and the shopping season, that's really critical, not just for holiday season or Q3 and four in 2020, but let's look at traditionally, that sets up your entire 2021. You're manufacturing, your ad spend, the people you're doing business with. Well, if we have a very strenuous fall 2020 into that holiday season, what's the first two quarters of 2021 going to look like. So we're really looking at this from a long-term strategy. So when you talk about executives and marching orders and how we want to go to market with a lot of this, I think it's almost wheeling it back a little bit. Right? What was... And I didn't read a lot of these books, right?

But you talk about marketing one-on-one or how to go to market with your brand or consumer engagement, like these types of things. Maybe we should take all those little Amazon books that's been pumping out there to the world the last two or three years, and just set them up to the side of your desk. And let's go back to a little tradition for a minute. And I think if you look at the tradition of how we want to engage clients, how we want to create that emotional attachment to a brand, what does that look like? I think we can learn a little bit about how Apple has done that? How Coke has done that in the past? What Nike or Adidas has done to really capture that emotional aspect of brand loyalty? And not just sit here and focus so much on one or two marketplaces and use our own website as just an information place people go to.

Shift it a little bit, and we have to. One thing I've learned with having twins that are 17-year-old, home with me all the time, is the amount of social media, right? And luckily my kids are a little spoiled in the fact that a lot of these big name brands that are trendy are my clients. So they've been spoiled enough. But when you look at TikTok, you can't



open up TikTok without having ads in your face anymore. Instagram, Twitter, you look at Facebook, you look at these highly engaging trend setting, emotional attachment, social media, that's out there, through the Omnichannel, right? We're all talking about Omnichannel how we do that. It's not hard to get that back. It's not hard to have that emotional attachment, that brand loyalty, back drive the traffic where you want them, because I think we've lost a little bit of that over the last couple years.

I mean, even you and I engaging it at the outdoor retailer shows and things like that, there's snow shows, it's pushing to the marketplace. Well, what if we push it back to us, just the brand loyalty. You engage with us, we'll help you get the product, whether it's through our own eCommerce or a word of buy program, which kind of went by the wayside, where to buy might be able to come back at least from a digital aspect. And let's drive that consumer to our authorized channel that has that price parity, that has a consumer satisfaction. And that engrosses all that into a consumer experience. Because that's really we're talking about here, right?

Kristin: It's so true. This was supposed to be the year of the consumer experience, one-on-one, the consumer was exhausted. Even adults were spending upwards of five hours on their devices a day. I mean, outside of work, believe it or not. So everything that we saw going into 2020 was about the year of being in-person and having a brand experience, obviously so much of that has gone virtual. And I think people are hungrier for that than ever, because they've been sheltered in place and not part of their normal routines and lives and their connection. And so I totally agree with you. And we, I think as specialty brands, that is our right. And I think that we have been, I can't say we've become reliant as human beings do. We like to burn the fewest amount of calories possible to survive, right.

But we have to actually try and get extremely uncomfortable right now and really tell our story loud and proud because we are specialty brands. And that literally is our ace in the hole is the fact that we can be building this emotional connection, whether it's through cause, whether it's through showing action over words with our branding. I mean our internal culture of our companies it's super important right now as well. I mean, think of the talent land grab that's out there out through and after COVID. I mean it, any company out there in specialty or worldwide, frankly, that isn't building their company culture and really reinstating their ethical approach to business, how their brand is used as a vehicle for positive change is very remiss right now. And that is something that helps your end consumer engage back with you as well.

And that truly is most appropriately shared on your .com. So knowing that it should be a hub, it should be the anchor. And it has, I think in theory in the past, but many, many brands have handed the keys, whether they're direct first, handing their keys over to Facebook ads to build an audience or a wholesale first brand handing the keys to their reps, into their retailers, to tell their story. Now the brands more than ever have to tell that story and then give a choice of trusted distribution. Everything is found on the trusted space of the home page, the home .com.

David: Yeah.

Kristin: So that does seem to make sense. And again, this is... We're able to say this now, but we're looking into a quick sand underneath of a crystal ball, right? We know nothing is set in stone, but at the same time we do know one thing is for sure, and that is watching consumer sentiment. And as we've seen right now, we're seeing their loyalty is up for grabs. They want to see their most trusted favorite brands do the job. They're not seeing their institutions or government do for them anymore. And there's a number of other things, their transparency, I think more communication than less, there are things that brands can be doing right, right now from a perception standpoint. But then we also want to drive people back and train them on where to find the product..

David: Well, let me mention one thing real quick too, because you bring up a great point. When you talk about the specialty brands. I think they're in a great position because if you would have looked a year ago, especially brands are really focusing on either, that the REI's of the world and then Amazon, right. But they're in the best position to pull that back a little bit, build that consumer. Because somebody's looking for a specialty brand is specifically looking for it. So we're in a position to direct them. As the manufacturer, direct them, where to buy the product. So if you are a specialty brand listening in today, you really should take a look and go, you're in a great position right now to retake that back a little bit.

And that diversify we talked about and start promoting that across that and engage that brand loyalty to your products and brands, and then drive that transaction or that conversion somewhere else maybe. Just to think a little bit about what may happen, right. We're not saying it will happen, but we kind of got a lot in our crystal ball, a really look at based on, 40 days, not being able to get anything out of Amazon. Right. And what did that look like? So I didn't mean to interrupt you, but I thought it was important that specialty brands really look and say, "It's not hard to reengage that."

Kristin: Yeah. And I think that's a wonderful thing to say, because we need to have a little bit of a positive nudge right now, there's a lot of leaders who I know are feeling pretty fatigued. And there was this... We saw just, as I think we were anticipating, we saw a surge in business in spending in retail. People are wanting to get back out there. We're seeing, as you were saying in our rehearsal call, bikes are the new toilet paper. And we have a fantastic client in Taxa outdoors, who's seeing incredible growth there. I would say they're in the RV industry. They're also in outdoor. They're like perfectly positioned with their habitats.

Airstream's obviously doing incredibly well. We're seeing all of that, but at the same time, there's uncertainty. Anything that you want to speak about in terms of supply chain or anything like that, that you're advising clients on as we kind of look at the next remainder of 2020 and start planning for 2021.

David: To go back to bike is a new toilet paper. I think outdoor equipment is. I think we all understand the way travel has been restricted. I've had three big trips with my twins that my last summer with them. It all kind of got pushed to the wayside because you just can't travel. So what's happening, everybody's buying RVs, everybody's getting

outdoor equipment, hiking, biking, kayaking, paddleboards. I mean, you can't go to any brick and mortar stores around here that you can get into all that stuff that's sold out. And it's sold out for two reasons. One, the supply chain's broken. Okay, I'll touch base on that, but also the sheer desire for these products. So you go and look at just everything. People are outdoors now.

People are getting out of the house, they're doing that social distancing, but doing it out in the mountains, in the woods. In Idaho, we're a big mountain of state. So you used to go up somewhere and you might bump into two or three people in a day. I go hiking now and it's kind of a cabana line, right? It's not that bad, but it's a little bit. But that's good.

I think with the supply chain where back in the day, it was really important to have one or two or even three step distribution. And I think we've got to take a look at that and say... I don't recommend three-step distribution. It's a little bit too much, but definitely not direct. But if you can't handle that direct distribution maybe partner up with a couple of really good distributors.

And I always say, if you're in a specialty product, they're specialty distributors out there. There's some really good ones that I work with that can take your product and help distribute that out. So if there's an issue, whether you're based in Denver and you can't get your product out because you've been shut down, you still can get product out there, right? And just, again, it's not so much diversifying, but hope for the best, but plan for the worst. And I think that that's, what's important and it's okay having, as long as you vetted, as long as you trust them, you have a good relationship and a good foundation with your agreements, having a couple of distributors out there is not a bad thing.

And it's ironic, we're talking about this, but up until about six months ago, I didn't really do this for clients. And now I'm being asked a lot. Can you help us vet a distributor? Can you take a look and let us know, are these distributors good? Are these resellers good? So now we're working in to this because they know I've been forced on tens of thousands of third party sellers and distributors and all this different stuff. That now I'm kind of in a good position to say... Maybe not in a good position to say whether you should or shouldn't do business with you, but I can give you the information saying, "Well, in my past, I've had to enforce on them. And they kind of told me to go to hell." Or they're more than willing to work with me, they didn't know and they're compliant because that's important. A partner is exactly that a partner, somebody is going to work with you for the greater success, not work against you to move product.

And I don't like distributors holding brands, hostage. I don't like brands going well, "They move 80% of my product." Well, if that's the case, we need to diversify. We need to go and get another distributor because of one thing I'll tell you, if that distributors moving product and he wants it that bad, there's five others out there that wants it just as bad. And they're willing to bend over backwards and do things for you. So don't let anybody hold you up. No seller, no distributor, no retailer, nobody holds you hostage because if your brand's good and we know that the majority of these specialty brands are very good, if you build it, they will come. So just go ahead and diversify. Someone's willing to

do business with you, and it may be a short pinch now, but long-term, it's going to make my job easier for you. And it's going to make your channel happy. Because I always say this, right? Clean channel is a happy channel.

Kristin: You have always said that.

David: I have.

Kristin: Well, let's talk a little bit about, is it okay if we mentioned the book that you're working on and how people can learn more about that before you wrap up here?

David: Yeah, no, that's actually good. So my five year plan for my book, no, all joking. So I've been wanting to do this for quite some time. April 1st, it was supposed to go to print. I put it on hold. I'm kind of a chunk of the way done with it, but I've actually been asked to speak. I can't talk about the content of it much, but I'm actually an expert on a very large federal anti-counterfeiting lawsuit that actually crosses all channels, not just counterfeit, but a lot of other things. So I put it on hold because at this time it's one of the largest cases of its kind. It's going to provide a lot of level of insight into that book. That's going to be really critical for consumers. This is not a novel, this is not something that I'm telling everybody that they're going to read every night before they go to bed.

It's a how to book. It's taken the 19 years I've been doing channel compliance and brand protection and taking it and making it a reference book. So from registering a trademark to working through a brand registry or an eBay, VeRO program or advertising through the ad, ads and commerce on Facebook. How to do all that, how to register all that and then how to execute on it.

What are the five or 10 things you have to have in a map policy, a reseller agreement? What are your enforcement documents? What does the first sale doctrine truly mean? What does a non-transferable warranty mean? So it's really taking all this very factual relevant information. That's a good guidebook tied with all the tomfoolery I've been enforcing on and working on all these clients.

So I'm taking that wisdom with a lot of that book smart educational, combining it and saying, "Listen, I may not have that crystal ball, but if I were, my book might be floating around on there because you're tying everything together." I'm really... It's all about a strategy. It's all about really just saying, "Here's everything you need to know." And I thought about this. If I just write a book, it's something that might end up, in a thrift store or garage sale. But if I make it a reference manual and it's something where, well, what does eBay Bureau look like? And what are the top 10 steps? What is brand registry 2.0? What is the transparency? What is the customs and border training manual, frantic counterfeiting? What are these things? And it's all in there. And it's as a reference book, I think that that's something that everybody will want to keep on their desk.

And I am doing 500 copies and sending them out to every manufacturer I've ever worked with at no cost, because I need them to have this manual. I'm pretty transparent. I love education. I want them to have this on their desk and I want them to

have it. I'll probably be a little handwritten note in there too going, "Here, call me when you really need me."

Kristin: Well, I have to say, I'm looking forward to seeing all of the work, but you also have this sense of it's... We call it in the out outdoor and climbing space, mountain sense. But it's a sense of people. It's a sense of pulse on you know when a brand is in demand. And when we're in the situation we're in with the pandemic, you have a sixth sense about your instinct on what's going to flare up and what to do about it. So having the reference, but still having your thought leadership, I think will be really important to us.

David: I'm looking forward to it. And I think the cover and some of this stuff will be done. Pre-Ordering will start probably in the next two months.

And I just encourage anybody who would like to have a copy, anybody that would like it, I don't know how much it's going to be, but it's not going to be much. I'm really not looking at this to as much be a revenue generator, as much as it is more of kind of a marketing to, here's your best practices. If you need help, I'm here and here's a guide to get you there. I would like to think that this book is going to be done so well that you may not need me, but let's be real, things are dynamic. And there's always a level of strategy.

And I think we joked about this before, let me make sure I can get this right. Those who can't do teach, right. And those who teach well have done. And it's important to understand that, that it's... I don't profess to ever be smarter than anybody. Matter of fact, when I'm in a room or you and I are on a panel, we're speaking, I don't think I'm absolutely not smarter than anybody else in that room. But there's a level of wisdom. And you only gain that wisdom through your age and experience and those trials and successes and failures. And I've really... I mean, I love my successes, but I embrace my failures because those failures allow me a chance to adjust and then go and be successful.

So working for a majority of the fortune 500 brands have put me in a really good position. Like you said, to have that gut feeling, right. That sixth sense to say, "I think you should do this. I think this should be it." And I don't know if it was just my gut telling me, but I bought big, old things of toilet paper before all this happened. So I'm just... I'm joking. I didn't.

Kristin: How many bikes did you buy?

David: Well, I didn't have that foresight. Right. Who would have known that the bike were the toilet paper, backpacks were the new toilet paper. I mean, but that's good, right? It's good for our industry.

I have a lot in the outdoor industry and I'm very pleasant to hear the success they're having, but also the frustrations that we got to work through. And the one thing I'll tell you, diversify. And it's a coined term, it's overused, and I'm not trying to sell stock. I'm not trying to sell bonds, but diversify your channel to where you feel comfortable. And I think you'll be successful not just through this season, but going into 2021. And

remember, you always can pull back, right? If you decide to go right back into the a hundred percent Amazon or focus more on that, but if we go through all of this and you have just an awful season, unfortunately in sales, it's kind of hard to kind of relaunch that or kind of go.

And like I said, I've got a couple of brands they're on the fence, whether they're going to make it or not. And it's sad, but I mean, if you can't move product, where are you at? So I think I have a feeling that we're going to pull through with these brands, but it's going to be and I don't want to see anybody else face that. And that's why we're on the call today.

Kristin:  
about

Yeah. Exactly. Well, I really appreciate all of your insights. And really when you talk

diversification, it comes down to being where your consumer needs you to be in order for them to acquire the product or hear the message, whatever it is. So that diversification is super important to a healthy multichannel strategy as is, making sure that you're staying fluid with it and looking at what works, making sure it's okay to fail within your organization, continue to try new things. Never before in the history of my time in any of these businesses or communities. Have I seen the need for just... I hate to use the word pivot because it's so overused right now, but I don't even know how else to call it other than just you have to be ready, like a shortstop, ready.

Yeah, I mean, I've never seen anything like it. So I think that for those brands who have learned from what we've gone through and are willing to take some calculated risks and have... When the student's ready, the teachers appear and David is a fantastic teacher. I hope this podcast brings you some insights. Know that we're going to bring more to you. David and I have some plans around providing more resources. And obviously his book will be coming out thankfully this year. I think the year that it really needs to come out, it's coming out. So thank you so much. I mean, you really are an incredible guide. You're so trusted and you're so real, and you make it feel we can get through this and just thank you so much for being on the show here today.

David:

It's my pleasure. And I'm looking forward to, like you mentioned, really educating them more, getting more regular on this. And I think everything that you're doing is great and I think this messaging needs to get out. You and I are not trying to pitch anything we're not trying to sell, we're just trying to educate. And that education is what's critical for everybody to be successful. And if their success goes, I know you and I successful will follow, and that's really what this whole industry, it really is. Talk about coined terms, let's finish off this. We're a big family.

Kristin:

We are, and we're going through a lot as a family right now. So that's the other thing that I think is amazing is again, when the student's ready, the teachers appear and just make sure you're looking around because there's a ton of people, your peers maybe formerly you thought of them only as competitors. People are really coming together to get through this. So I'm also just seeing incredible stories of resilience and partnership that I never thought I would see powering some of the successes we're seeing. So that's a great point. We are a family here.

David: product  
Yep. We all want everybody to be successful. We really do. And we want to keep out there. We want to keep... We didn't talk about this, but when companies are selling a lot of product and are making money, they're also innovating. And the more they're innovating, the more we get to benefit from that as consumers, whether we're biking, mountain climbing, hiking, kayaking, doesn't matter that innovation drives that just desire to do more out there. So let's just get through this. We've got six months to a year, and I think that we will. And there is no such thing as getting back to normal. I think there's going to be a new normal, and we're here to adjust and we're here to guide you down that path.

Kristin: Yes we are. Well, thank you so much. It was awesome to reconnect with you here today. And I look forward to more to come here in the near future.

David: Sounds great. Thank you very much. Take care.