

“Synergistic Leverage”
As appeared in ISHN’s “FDO”
November 2004

In commerce, “Synergistic Leverage” could be defined as “The strategic bundling of many like (synergistic) products and effectively utilizing (leveraging) them to influence a supplier – or the reverse” – and/or - “The collateral resource of attention and the ability to retain it.” They both work.

Who can you think of that meets the first definition criteria? Wal-Mart, of course. Wal-Mart is the largest “synergistic leveraged” company in the world.

Another? Home Depot andso on.

In our industry, of course, Grainger would top the list of several.

Synergistic Leverage, I believe, is probably one of the most important commercial global positioning strategies or techniques being utilized today and will continue, well into the future.

From a supplier’s standpoint – they strategically bundle synergistic products that makes their offering too good to pass up – one stop ordering – better pricing – more products in stock – available – now – larger selection, etc.

From a purchasing side – a synergistic leverage purchaser – they buy larger quantities of the synergistic products, therefore they can synergistic leverage the supplier.

A marriage “made in heaven” - I guess! Sure!

It works through the channel:

The “Synergistic Leveraged” supplier
to the
“Synergistic Leveraged” distributor
through to the
“Synergistic Leveraged” end user
(oops, let me put another Channel Partner in there)
“Synergistic Leveraged” manufacturers’ representative after the supplier, before the distributor.

This all works just fine except when any one of the Channel Partners is not “Synergistic Leveraged”.

Think about it.

George J. Hayward