

9C: SAMPLE RETAILER TERMS

This is an annotated version of ADB's retailer terms sheet intended to help new companies get a grip on what to cover. You can certainly make your terms whatever you want, although (if you don't know what this stuff means) it isn't that hard to include something that the retailers are going to reject or abuse.

RETAILER TERMS (Revised 15 April 2001)

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It never hurts to put the contact information in a handy place. Do not assume that because you gave them a business card that this document and that card will stay together.

ADB Inc. strongly prefers that retailers obtain its products through the wholesalers. (If you are having a problem getting products or service out of a wholesaler, we will be happy to recommend another wholesaler or to help you resolve your problems with the wholesaler you are working with.) There are various reasons why a given retailer might want to obtain products directly, and in such cases we will provide these products on the following terms.

These terms reflect our policy of being a "distributor of last resort" rather than actively trying to solicit sales to retail store. We want a retailer to have a place to go if he cannot get our products, but we want him to go to the wholesaler first. Offering to help resolve problems builds nice bridges and personal ties to both retailers and wholesalers (both of whom will remember you as the guy who saved an important business relationship).

1. These terms apply only to bona fide retailers with brick-and-mortar stores. We will need a copy of your sales tax permit or yellow pages ad to confirm your status. We reserve the right to refuse to sell to any retailer for any reason or no reason.

This allows us to avoid selling to internet discounters and to "I am pretending to be a store to get games cheap" people.

2. All orders must be prepaid, either by company check or credit card. Checks must be in US funds on a US bank. We do not provide payment terms, nor can we ship by COD. An invoice will be included with the shipment. All merchandise is non-returnable; you can exchange defective items as per our normal procedures.

We just don't have the accounting manpower to track a lot of little "invoice me and I will pay it later" accounts, nor enough time to run credit checks. Also, most of the stores that have contacted us saying "I can't get it from the wholesaler" are guys who have not PAID their wholesalers.

3. Basic discount rate is 46%.

This gives the store almost as good a deal as the wholesaler gives him. The idea here is that you want to give the store a good enough rate that he can afford to buy from you but not a super-good rate that encourages retailers with perfectly happy relations with their wholesalers to switch to you.

If you pay by check, we pay the freight to any destination within the continental 48 states of the US. We reserve the right to wait for the check to clear.

This is a fairly standard term; note however that further down there is a minimum order.

If you pay by credit card, the actual freight cost will be added to the charge.

We offer this as a service to retailers who want to use credit cards. The reason we add the freight to the charge is to

compensate us for the credit card fees.

(Unlike your store, we do so little credit card business that the fees charged by our bank are fairly high.)

This explains (and softens the blow) the above policy.

We must have accurate credit card info (the precise name on the card and billing address, which must match your bank's records or the credit card system won't process the sale).

This is true of all of our credit card sales, to wholesalers and individuals as well. Your bank will require it anyway.

Note 1: The "Fire Sale Discounts" do not apply. (Those products retail at \$5 each. Mail order consumers can obtain various discounts for buying larger numbers of these items. Unfortunately, we cannot provide this discount to stores in addition to the 46% discount.)

When we took over the inventory of another company, we had some huge stocks of old books. We dropped the price to \$5 each and offered them "five for \$20" as a "fire sale". We still sell those books to wholesalers and retailers based on a \$5 price which is a pretty good price for items with price marks of \$10-\$20, but we don't give the channels the "buy four get one free" deal since heck they're only paying \$2 a book anyway!

Note 2: Spare parts are available through this system for the stated discounts.

Our particular product line has a lot of spare parts. Each SFB module has a rulebook, a ship book, a sheet of die-cut counters, and often other parts. We sell several thousand dollars worth of those parts every year. This system allows a gamer who wants spare parts but doesn't like mail order to get them directly through his store. This builds happy stores (who got to make money taking care of a customer) and happy gamers (who got the parts they wanted without mail order).

4. Minimum order is \$50 net.

A fairly good number. You can pick a smaller number and put up with a lot of such orders or a higher number and avoid the whole subject.

5. Available products: Anything in our catalog or on our shopping cart.

Eisenhower said: sell them anything they can't shoot back.

Note that some products are NOT packaged for normal retail sales, but will arrive in ziplock bags or other bags. These include: Enamel cloisonne pins, dice sets, spare parts, miniatures not available through the trade channels in blister packs. The products in question include:

We have a few oddball products we just don't sell through wholesalers (unless the wholesalers ask for them). For example, we will sell any one ship out of a box of five pewter starships if a customer somewhere wants it. There aren't enough of those sales to mess up the inventory and it makes customers deliriously happy with us.

Note that some products are not available on a discount basis, but can be purchased for the full retail price. We apologize for this, but these are special items offered as a courtesy to players and our cost averages 80%+ of the retail price.

We used to go down to Kinkos and photocopy out of print products. We don't do that any more but are slowly converting these to "print on demand" products. Just give them a list.

6. All orders are shipped UPS.

This provides insurance and tracking.

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