

AHTD Business Survey Article for July 7, 2020

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Headline news—These surveys have a short half-life. Sitting down at the keyboard about ten days ago, I was enjoying a double shot of optimism. The more rational TV news folks were talking about the downward trends in COVID. Optimism was trickling from the pour spout like the first drink at the launch of an AHTD happy hour. Today’s news doesn’t seem so happy. We’re going to dive into that point later in this survey.

Regional Numbers

Before we talk survey, last time I promised to put together some regional numbers. This has been difficult. Here’s why. We asked ASPs to indicate the regions in which they do business. The regional overlap was massive. What we discovered was distributors consider their territories to be larger than most would imagine. Experience dictates a lot of these folks might do 80 percent of their business in one region while the other 20 percent spills out over the country. Further, in some regions, the ASP sampling was quite small. Providing the data could give an inquisitive person (with time on their hands) too good of an indication of business levels at a distributor in a sparsely populated region. We have promised data security and confidentiality.

With these thoughts in mind, we combined the US into three regions rather than nine. The results aren’t as granular as we had hoped, but they do provide some insight into the way business is developing.

Q8 What is your business level compared to pre-Corona?

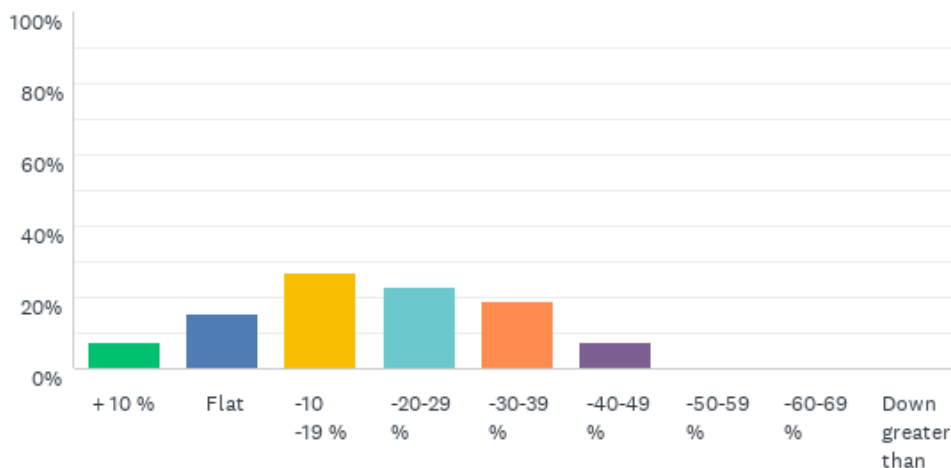


Fig. 1: The East Coast - New England, Mid-Atlantic, and South East

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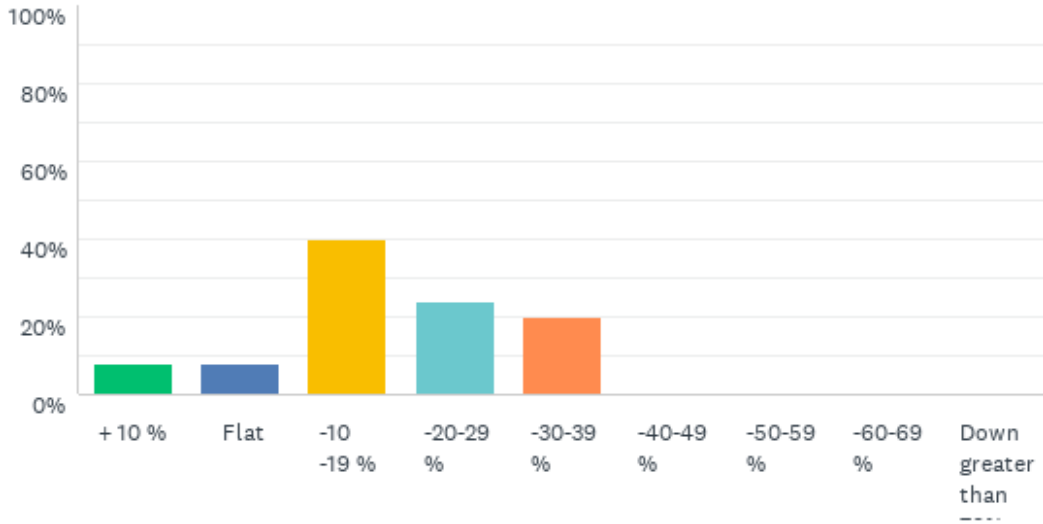


Fig. 2: The Midwest - Auto-Belt and Upper Midwest

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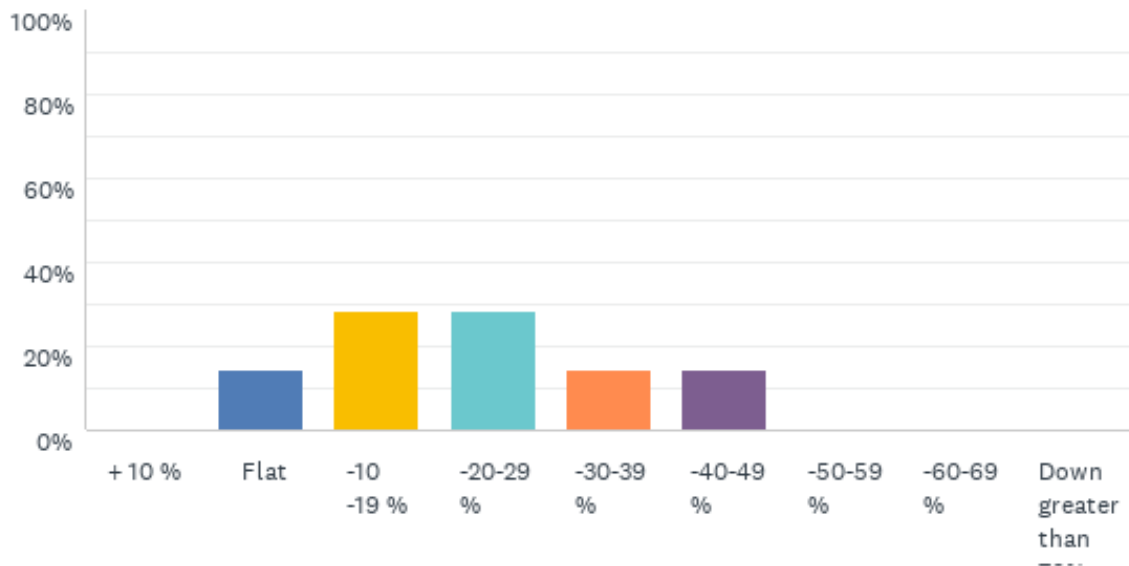


Fig. 3: The South - Mid-South and Gulf Coast

Q8 What is your business level compared to pre-Corona?

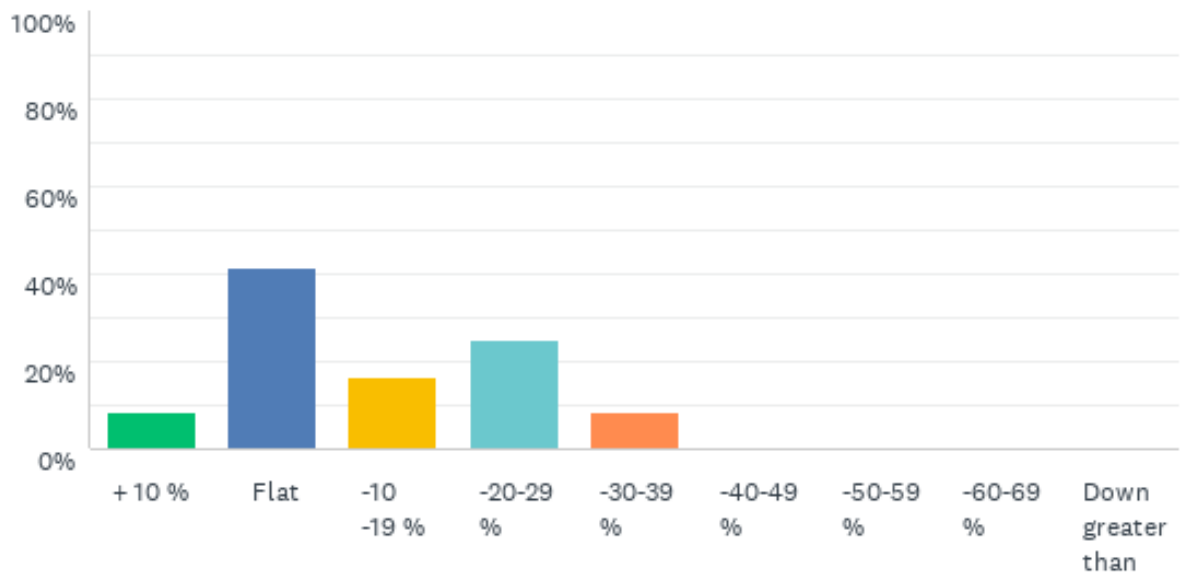


Fig. 4: The West - West Coast and Mountain States

I hesitate to include the numbers from Canada because, like the US, there are vast differences between the economies of the various regions. However, I know several people will be interested even if the data is somewhat skewed.

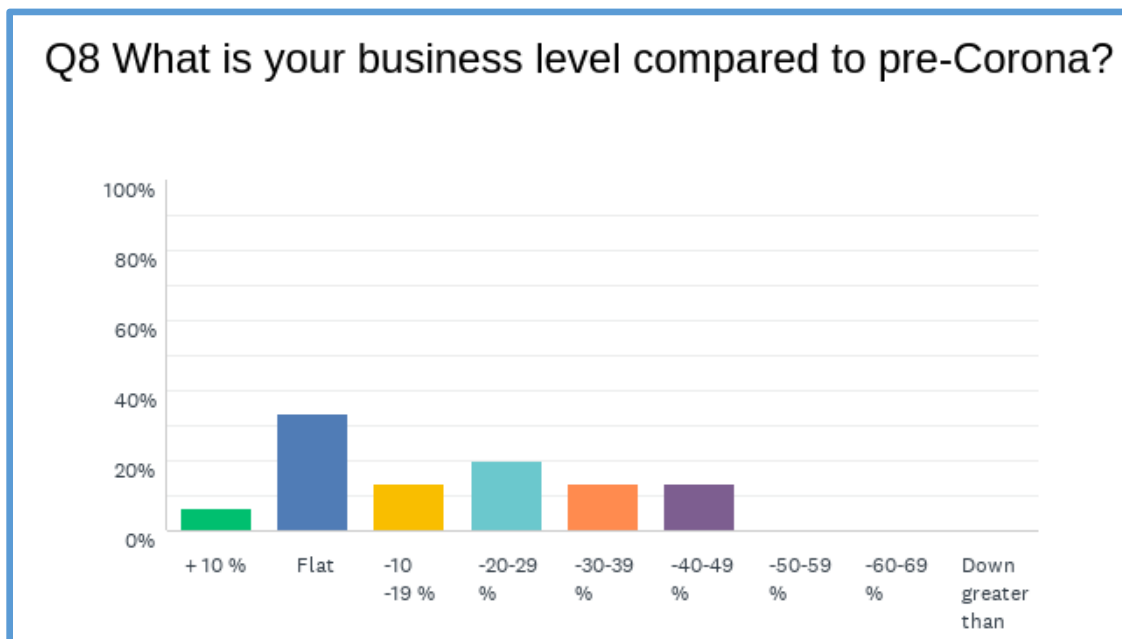


Fig. 5: Canada – All Regions

What do these numbers tell us?

- Down 10-19 percent seems to be the median point for distributors across the country.
- A lot of distributors are still in a deeper decline. Some are in very precarious positions.
- The Western U.S. appears to be doing better than the rest of the country.
- The South and Gulf Coast areas are performing the worst. One can only wonder about business flowing from the petro and chemical industry.

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As stated in the first paragraph, the situation defined as “the resurge” has replaced “the reopening” in the headlines. Many people have asked me to define the level of normalcy in sales activities. A couple of weeks ago, while outlining personal phone calls to distributors, I said this:

“What percentage of your sellers’ time is devoted to “in-person” visits versus telephone-based selling? **The answers ranged from 30 to 75 percent, but the average appeared to be in the 45-50 percent range.**

Are you seeing any of your supplier’s sales team out making sales calls? **Reports are local supplier salespeople have appeared, stopped by the branches, engaged in 1-on-1 planning sessions, and are making select customer calls.”**

I think it is time to better define the situation across the country. We are including some questions for ASPs and Suppliers on the situation.

Further, in the past, we have spent time defining changes to the outside sales team’s performance during the pandemic. This time I want to explore the changes in the inside sales portion of our business.

Finally, and just for fun, we will be asking a couple of questions tied to our personal lifestyles during the crisis. Most of us are friends, sometimes it’s fun to know what our pals across town or the country are up to. This too is part of the Power of AHTD.