

# ASCII Group Writes Engagement Principles For Vendors

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The ASCII Group has written a "Statement of Principles for Sales and Service of IT products and Solutions" in an effort to get vendors to treat VARs more ethically, said Alan Weinberger, ASCII Group chairman and CEO.

Weinberger said the VAR organization, which has more than 2,000 members, would encourage vendors to sign the statement, saying they agree with terms of the document. "We are asking vendors to be straight forward with VARs by signing it," he said.

Weinberger said that so far no vendor has signed the document, but he expects that momentum will build for the initiative. "If vendors don't agree with [the principles] VARs should ask, 'What are you hiding?'" he said.

Weinberger said that the principles are necessary because of the growing tendency by some vendors to steer business direct or favor larger solution providers over smaller ones.

The principles state:

- I. We recognize that all commercial relationships are based on trust and when trust is lost, the business relationship will not endure, regardless of short-term economic incentives.
- II. We acknowledge that in our industry there are many different kinds of relationships between manufacturers and solution providers on account of the value add each brings to the final solution for the ultimate customer in a particular transaction.
- III. We understand that manufacturers have the right and power to change at any time the business agreements between their partners, the solution providers and their ultimate customers-the end-users, except where there is an agreement or understanding granting prior rights.
- IV. We submit, however, that for practical, ethical and other reasons, manufacturers do not have the right to engage in unfair business practices that abridge the trust necessary, which include the following:
  - a. Employ salespeople that tell customers not to purchase through the channel, or shift existing channel sales to a direct basis, with specific knowledge that the customer was a channel sales customer.
  - b. Introduce a more favored reseller into an existing reseller account where there is knowledge of the pre-existing relationship; or, influence customer selection by recommending a specific

avored reseller instead for providing customer choice where there is no knowledge of a pre-existing relationship.

c. Provide sales support, tools, customer reps or other favorable terms and conditions only to a few, select very large accounts at the expense of the broad channel.

d. Allocate inventory, indirectly or directly to only a few, select very large accounts that leaves the broad channel without product.