

Distribution Dilemmas

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Gray Plant Mooty attorney Quentin Wittrock recently wrote an article featured in *Enterprise Minnesota* that tackles a thorny issue facing many manufacturers. How do manufacturers streamline distribution without increasing the risk of potential litigation?

"Manufacturers always desire to improve the ways they sell, store, ship and service the products they make. Improvement requires change," writes Wittrock. "Change, in turn, tends to leave some former distribution partners or would-be competitors on the outside looking in."

Wittrock, a trial lawyer who specializes in resolving business disputes, particularly in the area of antitrust, franchising, and distribution, writes that manufacturers face various risks when altering distribution practices.

"Legally, what if your soon-to-be-former distribution and sales partners go to lawyers in an attempt to force you to continue those relationships or to compensate them for losing access to your lines?" asks Wittrock. "What if, heaven forbid, termination of distributors, dealers or sales representatives brings out claims that you have been engaging in unlawful activity, most commonly alleged to be violations of antitrust laws?"

A merger or acquisition; in-sourcing a dedicated sales force to grow market share; warehousing goods to sidestep wholesalers and dealers. These are a few of the typical actions that can spark a legal conflict.

Read Wittrock's full analysis at *Enterprise Minnesota* to find out how manufactures can take preventative measures to mitigate the risk of litigation.