

What are My Responsibilities as a Lead Member?

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There are additional requirements and procedures in being a lead member in a Joint Selling Entity (JSE), and some of these are outlined below. Members of AICC's Marketing Committee have contributed these points to this brochure, and they are offered as general guidelines only. Your own customer's requirements and the requirements of the order may vary considerably from these.

I. Dealing with the Customer

- A. Lead member company receives and interprets customer's request for proposal (RFP)
- B. Gather specifications; determine tooling and related service requirements; determine price and terms of sale
- C. Lead member company conducts all credit checks, approves credit (and ultimately deals with collection problems, if they should arise). The lead is responsible for all aspects of credit, and lead does all billing and issues all credits.
- D. Identify the customer's geographic areas and service requirements
- E. Identify the equipment mix and corrugated product specialties needed in each area
- F. Lead member company is responsible for ensuring all processes within its own company. Communication plans between the lead, JSE member companies and customer should all be clearly outlined and documented prior to entering a JSE.

II. Locating Members

- A. Once geographic service areas are determined, lead company should refer to AICC Membership Directory (printed or CD-ROM) or web site for help in locating potential members.
- B. If potential members aren't already known, lead member company should try to visit and approve a member/location prior to entering a JSE.
- C. Lead member company sends specifications, terms of sale to members [good idea for members to check specifications at remote locations], and negotiates pricing from members
- D. Lead member company receives pricing from members and checks for accuracy
- E. Lead member company compiles entire package and sends quotation to customer. (Important Note: Only the lead discusses pricing with customer; no members of lead may discuss pricing with the customer or among each other.)

F. Lead member company should inform customer of members in each area, but no member should be selected over the objection of the customer.

G. Lead member company and JSE members need to determine the level of service to be provided by the members. Lead has main responsibility, but here is a possibility that a lead might choose to have its members in front of the customer.

H. Lead member company is ultimately responsible for all quality issues. A process for how potential quality problems, disputes, billing/credit issues are going to be resolved should be outlined and agreed upon with all members before entering a joint selling entity.

I. Pricing issues: Lead member company, being the only company that contracts with other members, should keep itself informed about pricing. Because geographical differences can affect pricing it is the responsibility of the parties to keep each other informed about market conditions.

J. If necessary, the lead member company and members execute a confidentiality agreement signed between the lead company and each individual member. (This, however, goes beyond the DoJ letter and should be done on advice of counsel.)

III. In Process

A. Lead member company receives main purchase order and then subcontracts out to individual members.

B. Lead member company maintains contact with customer at headquarters or buying location, dealing with all questions or problems as they arise. Lead acts as liaison between members and customer

C. Lead member company provides and coordinates design work, always keeping the customer's headquarters office informed.

D. Some procedures may require samples to be approved by customer prior to manufacturing, and lead member company should agree with members who will be responsible for producing these samples.

E. Lead member company coordinates the ordering of tooling. In many cases the partnering companies may want to purchase their tooling with their suppliers who know their equipment. This is perfectly acceptable, but the lead still has to assume the ultimate responsibility for all procedures. Again, it is the responsibility of lead to keep the customer informed.

F. Lead member company, entertains customer and provides periodic reports by obtaining information from members

IV. After Delivery

A. Lead member company needs to be notified by customer of quality issues and document quality problems with partner companies.

B. Lead member company invoices customer directly for deliveries in all the customer's geographic areas

C. Members invoice lead member company for deliveries and lead pays members directly

More Information:

- [Introduction](#)
- [Legal Framework: what FirstPak requires](#)
- [How do I set up a Joint Selling Entity?](#)
- [Checklist for Locating a JSE Partner](#)
- [What do Customers Want from a Joint Selling Entity?](#)
- [Frequently asked questions about FirstPak and Short Glossary of terms](#)
- [Appendix A](#) - Reprint of Business Review Letter from the U. S. Department of Justice (PDF)
- [Appendix B](#) - Exerpts of Business Review Letter from the Canadian Bureau of Competition (PDF)