

**CASE 12.2**  
**Schwarzkopf, Inc. Distribution Network**  
**Daniel M. Evans, San Jose State University, and**  
**Heinz Bieler, Schwarzkopf Professional**

The teaching note was prepared by Daniel M. Evans of San Jose State University.

**1. Why do you think it was difficult for Schwarzkopf to achieve satisfactory distribution throughout the United States?**

The relatively small geographic area of Germany allows sales force people to cover the entire country in depth. This is less possible in the United States, where distances are far greater, and where businesses have concentrated in areas. It is difficult to cover the Chicago metropolitan area from a base in Atlanta or Los Angeles.

**2. In what other way did German assumptions about the US market prove inadequate?**

The German "apprenticeship" system means that workers are highly trained in their respective specialties. Beauticians, for example, must complete a three-year theoretical and practical course of study before they may be licensed as beauticians. This means that German salon operators are better able to adopt new products, each salon operator has a fundamental knowledge of hair properties and chemistry. American salon operators do not necessarily have this background, and probably have a more difficult time adapting to something new. American operators must be trained.

**3. If you were responsible for Schwarzkopf in the United States, what changes in the distribution system would you recommend?**

Distributors should be established in each major economic region, e.g. upper Midwest (Chicago or Minneapolis), Southeast (Atlanta), Southwest (Dallas?), and so on. Furthermore, salon educators must be trained to educate salon operators.