CHAPTER 8

Your First Order

The Make-or-Break Decision

You've chosen your company. You've done your due diligence. You're ready to place your first order.

This is where most people make critical mistakes that haunt them for months.

They either order too much (and get stuck with expiring stock) or order the wrong products (that don't move in their market) or order without proper planning (and run out of working capital).

Your first order sets the tone for your entire business. Get it right, and you have a solid foundation. Get it wrong, and you're fighting an uphill battle from day one.

In this chapter, I'm going to walk you through exactly how to plan your first order - what to buy, how much to buy, and how to avoid the mistakes that cost people lakhs of rupees.

Before You Order: The Market Survey (Non-Negotiable)

Here's what most people do: They sit at home, look at the company's product catalog, pick products that sound good, and place an order.

Here's what you should do: **Get out of your house and do a market survey.**

Step 1: Talk to Chemists

Visit 10-15 chemists in your target area. Not on the phone - physically visit them.

What to ask:

- **"Which are the top 5 fast-moving products in [therapeutic segment]?"**
  - **Example:** "In antibiotics, what moves the most?"

- They'll tell you specific brand names and molecules

- "What price range works best for this segment?"
  - Are doctors prescribing ₹50 products or ₹150 products?
  - This tells you the MRP positioning you need
- "Which companies' products do you stock regularly?"
  - This tells you which companies have good market presence
  - If your company's others verticals / divisions products are already there, that's a good sign
- "What's the typical margin you get on these products?"
  - This helps you understand if you can offer competitive chemist margins
- "Do you face any stock-out issues with any particular products?"
  - If a product is frequently out of stock, there might be an opportunity

What you're looking for:

- Products that are actually moving (not just clinically good)
- Price points that work in your market
- Gaps you can fill

Step 2: Observe Doctor Prescriptions (If Possible)

If you have access to a few friendly doctors or can observe prescription patterns:

What to check:

- Which molecules are they prescribing most frequently?
- Which brands are they preferring?
- What's the typical duration of therapy (7 days, 14 days, 30 days)?
- Are they prescribing branded or generic?

Step 3: Check with Existing Distributors (Different Territory)

If you know distributors in nearby areas (not your territory):

What to ask:

- "Which products moved fastest for you when you started?"
- "Which products are you regretting ordering?"
- "If you were starting fresh today, which 5 products would you order first?"

This market survey should take you 3-5 days. Don't skip it.

The First Order Formula

Based on your market survey, here's how to plan your first order:

Rule #1: Start with 5-10 Products Maximum

Not 20. Not 30. Just 5-10.

Why?

- You need to focus your promotion efforts
- You need to learn what works in your market
- You need to manage inventory carefully
- You don't want your capital locked in too many products

Rule #2: Choose Products from 1-2 Therapeutic Segments

Do not spread yourself across multiple segments initially. Focus is the key to success.

Example

Good:

- **5 products in antibiotics**
- **3 products in analgesics**
- **2 multivitamins**
- **3 unique products that the company offers and that match your market survey**

Bad:

- **1 antibiotic**
- **1 antacid**
- **1 antidiabetic**
- **1 antihypertensive**
- **1 respiratory product**
- **1 antidepressant**