

The Secret to Success With Reps: It's Not Business, It's Personal

BY CHARLES M. COHON

For years after I started my manufacturers' representative company, I had what I thought was my own closely-guarded secret. Sometimes I would spend as much as 20 percent of my time on a line that was only 10 percent of my representative company's income. And sometimes I would spend just five percent of my time on a line that was 10 percent of my company's income.

Turns out that I had only rediscovered a fact well-known to reps but little-known to manufacturers. The amount of commission a manufacturer pays a representative is only one of the factors representatives use to decide how much time to spend selling a particular manufacturer's product. And it is often not even the largest factor in the mental calculus representatives exercise every day to pick what products get most of their attention on sales calls.

In my 30 years as a manufacturers' representative, it never occurred to me how powerful this knowledge would be for manufacturers. But once I became CEO and president of the Manufacturers' Agents National Association (MANA) I had more visibility to the manufacturers' side of the fence. It became obvious how much both manufacturers and manufacturers' representatives would benefit if manufacturers better understood this little-known fact affecting the way manufacturers' representatives choose to allocate their time.

Manufacturers benefit from knowing the non-financial triggers that get them much more of their representatives' sales time because it is a powerful lever to increase sales without increasing sales expense.

Manufacturers' representatives benefit from having manufacturers know the non-financial triggers that get more of their manufacturers' representatives' sales time because those triggers all make it easier for manufacturers' representatives to do their jobs better and lift their sales commissions through increased sales. Spreading this information widely is a win-win for manufacturers and representatives.

This article relies heavily on a MANA LinkedIn survey that asked representatives for the non-financial reasons they spend more time (or less time) on each of their manufacturers. And I must also note the work of two insightful executives who presented and wrote on this topic. My thanks to the late Jack Berman and to author and entrepreneur Bob Reiss (www.bootstrapping101.com) for their insights on this topic.

MANA's LinkedIn survey revealed 19 characteristics of manufacturers who get more of their time than that manufacturer's commission income strictly justified. See page 14 for complete details.

Interestingly, though, a manufacturer who embraces just the five most-important characteristics covers more than 50 percent of what reps in that survey said they wanted. And a manufacturer who covers just those five points will probably be the manufacturer who gets much more of the representative's time, perhaps even regardless of representatives' commission income from that

manufacturer. It's the manufacturer that representatives privately refer to as their "Emotional Favorite."

The overriding theme of representatives' responses was: "It's Not Business, It's Personal." Let's take a look at the top five practices that manufacturers who get much more of their representatives' time than their commission income strictly justifies embrace.

1. Appreciate the rep, make the rep feel like part of the family.

Because many manufacturers' employees often treat representatives as an outsider, a vendor, or less than a full-fledged member of the team, the manufacturer whose employees treat representatives as "part of the family" overwhelmingly get more support from those representatives.

2. Respond quickly when representative transmits customer inquiries generated by the field sales calls.

Representatives live and die by their reputations with their customers. A manufacturer whose quick responses let the representative reply swiftly to customer inquiries makes the representative "look good" to his or her customers.

Knowing that a manufacturer will make the representative "look good" to his or her customers is a very strong incentive to spend more time promoting that manufacturer's products.

3. Collaborate instead of dictate.

Show representatives your new brochures before they go to press and your new product prototypes before the designs are finalized. With rep feedback your new brochure will emphasize the features reps know are most important to customers, and your new product will include features you could have missed without feedback from the field.

A brochure that stresses features and benefits that are unimportant or a product that only comes in blue when the market only buys red, for example, are errors that

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“Some people try to find things in this game that don’t exist; but football is only two things: blocking and tackling.”

— Vince Lombardi



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could have been avoided if the draft brochure or product prototype had been shared with field sales.

Manufacturers who formalize their collaborative style by forming a representative council are especially valued by their representatives.

4. Pay commissions on time.

Paying commissions on time reinforces the first practice on this list: “Make the rep feel like part of the family.” A manufacturer’s employees would be shocked if their wages were not paid on time. Should the representative’s expectation for timely pay be any less simply because his or her compensation is tied to sales performance rather than a fixed wage?

5. Allow a fair profit.

Allowing its representatives a fair profit also reinforces the first practice on this list: “Make the rep feel like part of the family.” If the representative’s services are sufficiently valued that the manufacturer desires a long-term relationship with the representative, the representative needs to earn enough to keep his or her business financially healthy. None of the representatives asked for exorbitant commissions, they simply wanted fair, industry-standard commission rates that would allow them a fair return on the time they invest on their manufacturers’ products.

Of the top five practices representatives valued in their manufacturer partners, how many actually cost the manufacturers any money? None! Representatives didn’t ask for higher commissions, or spiffs, or bonuses, or sales contests. The practices they asked for were the basic fundamental things that ought to be table stakes

to get in the game, but in reality, often are neglected by manufacturers.

Blocking and Tackling

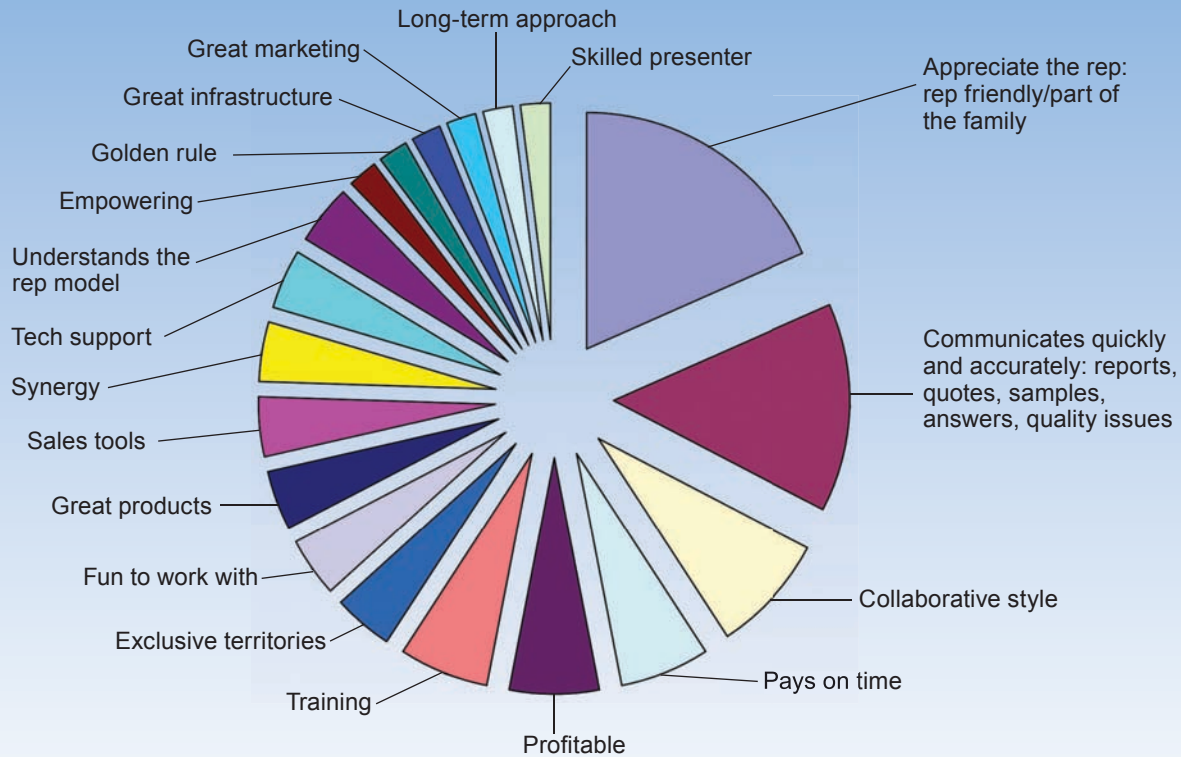
Blocking and tackling are the fundamentals of football. Execution of the fundamentals by the manufacturers they represent are the single most-compelling reason that drives representatives to spend more time on a manufacturer’s products, and failure to execute the fundamentals are the single most-common reason manufacturers’ products get less attention from their representatives.

Two comments that accompanied representatives’ responses to MANA’s survey give us added perspective on what representatives value in the manufacturers they represent:

- “We give the most time to principals that make us the most money and the ones that we enjoy working with. The companies who are a small part of our business who get an unfair advantage are the ones that:
 - Are fun to work with.
 - *Appreciate* the work that we do for them.
 - Take care of issues (quality, quotes, lead time, etc.) quickly!
 - Do a nice job in front of customers.”
- “Most people in the world just want LEIA, to be Loved, Encouraged, Inspired and Appreciated. If you invest your time, treasure and talent into building “real relationships” with your reps, they will kick down walls and set records for you!

“Nobody cares how much you know, until they know how much you care ... Figure out what you need to do to inspire your reps to close with passion. It’s not just about

19 Characteristics of Manufacturers Who Get More of Their Reps' Time



the money (commissions). Reps and salespeople want far more — they want to *know* you care and they want to *feel* like they are your *prized race horses!*

“I truly believe you can get 100 percent of your manufacturers’ rep’s time, even if your company represents five percent (or less) of their total income. If you do the little things that *nobody* else does (inspiring phone calls, encouraging hand-written notes, personalized e-mails, sincere small gifts of appreciation, etc.), I am positive you can turn *any* rep or salesperson into a *hungry lion closer.*” (edited for length).

You’ll notice that neither of these representatives who took time to add narrative to their survey responses asked for more money. They want to be treated as val-

ued professional partners, and to work with professional manufacturers. They want to work with manufacturers who are doing their blocking and tackling, and for those manufacturers to recognize when the representative is doing his or her own blocking and tackling as well.

Is there more you can do? Of course! Often representatives have concerns about their manufacturers that they are reluctant to express. If you can preemptively address these unspoken concerns, representatives will have even more reasons to focus extra sales time on your products.

Representatives’ most frequent unspoken concerns are that the manufacturer will:

- Take my territory direct.
- Reduce my territory size.

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- Take new house accounts or fail to turn over current house accounts.
- Cut my commission rate.
- Fail to give me a written annual goal so I never know if I am meeting expectations.
- Send me regional managers who don't understand the rep business.
- Miss promised shipping dates, and to add insult to injury, fail to give prior notice when a shipping promise will be broken.
- Miss some commissionable sales on their commission reports so the commissions are calculated too low.
- Fail to tell the truth.
- Expect the representative to be both the good guy to get sales and the bad guy to collect past due bills from customers.
- Conceal problems.

Why are these concerns unspoken? Because representatives' experience suggests that "the nail that sticks out gets hammered down."

How do you address these unspoken concerns? Speak about them!

Write the contract to address concerns about taking house accounts or territories direct, and maintaining consistent long-term commission rates and territory boundaries. Collaboratively discuss and document annual goals. If the truth was not told, or if problems were concealed, discuss why it happened and why it will never happen again. Representatives will spend more time on your products if you bring up the elephant in the room.

Ready to take your game with representatives to the next level? Here are some final practices that will put the frosting on the cake and get even more of your representatives' selling time:

- Provide great training so representatives feel confident presenting your products.
- Always make representatives look good to the customer.
- Let representatives communicate with you in the way that is most comfortable for them: by text, phone or e-mail.
- Have a great website to help introduce customers to

your products, and provide representatives with excellent selling tools and samples so they can continue the education that started online.

- Spend the time to develop personal as well as professional relationships with your representatives.
- Keep reporting requirements to a minimum, and if reports are required be sure to close the loop with representatives to let them know that you are acting on their reports.
- Insure that customer service understands that the representative is the manufacturer's partner, not a customer and not a vendor.
- Capture and act on metrics for the manufacturers' customer service department: train customer service to provide quality responses, measure time on hold, and count hang-ups due to long hold times.
- Celebrate successes publicly, address failures privately, and broadcast appropriate details of sales into new markets or customer categories to all your representatives.

MANA welcomes your comments on this article. Write to us at mana@manaonline.org.

Your Three Key Takeaways From This Article

- 1** The #1 driver of manufacturers' rep performance is the manufacturer's attention to "blocking and tackling."
- 2** Low-cost and no-cost activities can get you more of a rep's attention than an expensive incentive program.
- 3** The key to success? Put yourself in the rep's shoes and treat the rep as you would choose to be treated.

For more information on this topic, visit www.manaonline.org or e-mail mana@manaonline.org.