



Bob Gerrard

A Common Ground Approach For Reps And Foreign Manufacturers

When foreign manufacturers approach the United States marketplace, there's one thing they know for sure — the potential customer base is huge. There's also one thing that they don't know for sure — where are these customers?

When a rep considers taking on an international manufacturer, there's also one thing he knows for sure — the name is not very well known in his marketplace. And again, there is one thing he doesn't know for sure — will I ever make any money selling this product?

To provide answers to those questions MANA member Bob Gerrard, Gerrard & Associates, Inc., Mooresville, North Carolina, has developed a program he calls Full Potential Leads. The program combines both market research and sales activities in a rep-deliverable package that allows the manufacturer to realize all of the cost-effective benefits of selling through reps, while at the same time getting the market research data it needs. Full Potential Leads allows the rep to open the door to unknown international manufacturers while being assured of a reasonable profit for their efforts.

Learning to Love What You Hate

The heart of the program involves a task that many reps hate — calling on leads identified only by SIC code. “Whenever those things come from a manufacturer, you can hear the groans from reps all across the country,” says Gerrard. But for most, he says there

is very good logic for the groans. “Scheduling profitable sales calls is enough of a hassle. Throwing calls with an unknown potential in on top of it just makes matters worse, so the leads just lie on the floor in the corner or go into the waste basket.”

Gerrard maintains that scheduling is at the heart of the matter, and that if a way could be found to deal with that, most reps would have no objection to making the calls. And it was after Gerrard found a way to lick that problem that he realized the SIC calls were not only feasible, but downright attractive.

Internal Staff Scheduling

In developing a procedure he calls Internal Staff Scheduling, Gerrard realized a dream he has carried for several years — having someone inside schedule all of a salesperson's sales calls, prioritized and by appointment, so that all that was required on a Fri-

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day afternoon was to say “Where am I going next week?” Details of the program will be covered in a later *Agency Sales* article, but basically here’s what happens. Gerrard’s administrative assistant, Beverly Spears, has a talent on the telephone and handles his entire appointment calendar. Because of this, Gerrard is able to make three to four scheduled sales calls a day and can be in the field four to five days each week. “With this many profitable calls,” he says, “and Beverly working with a map program so she can make things work geographically, it’s no sweat to include the SIC calls as a way to fill out the day. Once I realized that was possible, I fell in love with the whole idea.”

Doing Something He Couldn’t Do Before

Recognizing that he could now make these calls, Gerrard saw that he could now do what was previously impossible — identify, locate, qualify, and call on literally every potential customer for a manufacturer — including foreign manufacturers — in the territory. “In terms of knowing the territory,” he says, “what else could you want?” When he takes on a new manufacturer these days, part of the start-up procedure is to obtain a list of existing customers in the territory. He cross-references these to his SIC database to obtain the SIC code numbers. He then uses a combination SIC database and map program to identify and locate every firm with these codes in the territory. Usually, applying a minimum sales volume and minimum number of employees will keep the list at a manageable level.

Gerrard will then develop a “qualifying question” to ask each of these firms. For example, for a conveyor belt weigh scale manufacturer the qualifying question was “Do you use troughing belt conveyors in your operation?” For a tumble blender manufacturer the question was “Do you do any blending of dry powders?” If the answer to the question is “yes,” Gerrard knows that they might one day be a prospect for that manufacturer. Literature is sent and a follow-up phone call is made to determine if one of the agency’s salespeople can stop by to introduce a manufacturer and the firm “when we’re in the area.” The name then goes into Spears’ “pot” to use when she is scheduling calls. “And without fail,” says Gerrard, “the call will show up on my calendar within the next several months.”

Figure 1

SIC codes (Standard Industrial Classification) are determined for the type of customer the manufacturer is targeting.

- 28. Chemicals and Allied Products**
 - 2812. Alkalies and Chlorine**
 - 2813. Industrial Gases**
 - 2816. Inorganic Pigments**
 - 281600. Inorganic Pigments**
 - 281601. White pigments**
 - 28160100. White pigments
 - 28160101. Antimony oxide
 - 28160102. Blanc fixe (barium sulfate)
 - 28160103. Lead pigments: white lead, lead oxides, lead sulfate
 - 28160104. Lithopone
 - 28160105. Titanium dioxide, anatase or rutile (pigments)
 - 28160106. Zinc pigments: zinc oxide, zinc sulfide

Figure 2

A printout of all identified companies with matching SIC codes.

| Company | City | St | Phone | SIC Code |
|-------------------------------|---------------|----|--------------|----------|
| Fmc Corporation | Bessemer City | NC | 8685400 | 1479 |
| Remac Corporation | Fort Mill | SC | 5482366 | 2099 |
| Liggett Group Inc | Mebane | NC | 3047840 | 2111 |
| Lorillard Tobacco Co | Greensboro | NC | 3356600 | 2111 |
| P Lorillard | Greensboro | NC | 3736600 | 2111 |
| Philip Morris Incorporated | Concord | NC | 7885000 | 2111 |
| R J R Tobacco Cnsltd IHC | Winston Salem | NC | 7415000 | 2111 |
| R J Reynolds Tobacco Co | Tobaccoville | NC | 9831290 | 2111 |
| R J Reynolds Tobacco Co | Winston Salem | NC | 7415000 | 2111 |
| R J Reynolds Tobacco Co | Winston Salem | NC | 7415000 | 2111 |
| Beacon Industrial Group Llc | Trenton | SC | 6636551 | 2393 |
| Neptco Inc | Lenoir | NC | 7285951 | 2672 |
| Neptco Inc | Granite Falls | NC | 3962121 | 2672 |
| Polymask Corporation | Conover | NC | 4653053 | 2672 |
| Shurtape Technologies Inc | Hickory | NC | 3222700 | 2672 |
| Shurtape Technologies Inc | Hickory | NC | 3222700 | 2672 |
| Tesa Tape Inc | Charlotte | NC | 5540707 | 2672 |
| Albemarle Corporation | Orangeburg | SC | 803-534-5781 | 2819 |
| BF Goodrich Textile Chemicals | Charlotte | NC | 3930089 | 2819 |
| Chemical Specialties Inc | Harrisburg | NC | 4555181 | 2819 |
| Engelhard Corporation | Seneca | SC | 8829841 | 2819 |
| Etc.... | | | | |

Does It Work?

Gerrard had the opportunity to put his program to the test several months ago when one of his manufacturers terminated Gerrard & Associates. This manufacturer maintained he wanted to “specialize” in a particular industry and concurrently felt they wanted reps that specialized in that same industry. Despite finishing #6 in sales for the company the year before, Gerrard didn’t fit this mold, so they informed him that his firm was to go. The manufacturer in question had not yet seen the Full Potential Leads Program and Gerrard requested a hearing to show it to them because he felt it could address this issue and enable him to focus on the industry in question.

During a two-week wait to learn if a hearing was in the cards, Gerrard swung the program into action,

focusing on the industry in question. Within two weeks, 73 identified potential customers had yielded 14 new qualified companies. Gerrard told Spears to go ahead and schedule calls, swinging them to the top of the scheduling priority list because he wanted to have these under his belt for his upcoming “hearing.” Two of them were scheduled. The manufacturer, however, decided that a hearing was not warranted because they were certain that Gerrard’s program would not work, and they proceeded with the termination without further discussion.

Gerrard immediately contacted a competitor who, it turned out, did not currently have a representative in the territory. With the calls already scheduled for the previous manufacturer, Gerrard went ahead and made the calls, but now he was carrying the banner of his new affiliation. The result? Two calls, two quotations for the new guys. Subsequently, Gerrard in-

Figure 3

A record sheet of responses to all qualification calls is developed with the manufacturer’s assistance.

| XYZ Company — FPL — Dry Powder Blending — 100+ Employees | | | | | | | |
|--|-------|------------|--------|-----|------------------|-----------------|----------------|
| Date: 11/17/03 | | | | | | | |
| SEARCH RESULTS | ##### | 11/24/2003 | WEEKLY | YTD | | | |
| Initial Database | | | | 255 | | | |
| Below \$1M in Sales | | | 0 | 0 | | | |
| XYX Existing Customers | 33 | | 33 | 33 | | | |
| Duplicate Records | 30 | | 30 | 30 | | | |
| TOTAL REMAINING TO CALL | | | 192 | 192 | | | |
| | | | WEEKLY | YTD | | | |
| Person Not Available | | | 5 | 7 | | | |
| Busy Or No Answer | | | 7 | 14 | | | |
| Left Message | 9 | | 0 | 0 | | | |
| Left Second Message | | | 0 | 0 | | | |
| Bad Number | | | 1 | 1 | | | |
| TOTAL UNABLE | 9 | | 13 | 22 | | | |
| Contact Negative | | | | | | | |
| No Dry Blending | 3 | | 6 | 14 | | | |
| No Interest | | | 0 | 0 | | | |
| Happy With What They Have | | | 1 | 1 | | | |
| TOTAL NEGATIVE | 3 | | 7 | 15 | | | |
| Contact Positive | | | | | | | |
| Send Literature | | | 11 | 18 | | | |
| TOTAL POSITIVE | 0 | | 11 | 18 | | | |
| | TOTAL | | WEEKLY | YTD | Reached Positive | Dialed Positive | Dialed Reached |
| DIAL RESULTS | 12 | | 31 | 55 | | | |
| REACHED | 3 | | 18 | 33 | 55% | 33% | 60% |

interviewed other manufacturers and has now signed a contract with the major competitor for his former principal. Ironically, Gerrard says, his new principal is, in fact, the recognized leader in the industry the other manufacturer wanted to specialize in. The Full Potential Leads program was one of the things that most appealed to them. "Sometimes," he says, "success can be the sweetest revenge."

A New Level and a New Horizon

The advent of Full Potential Leads raises the idea of "coverage" in the territory to a new level, according to the rep, allowing the representative to actually identify, qualify, and call on every potential customer for his manufacturers in the territory. If the representative also maintains a program for regular customer contact (which Gerrard has) both he and his manufacturers can feel confident that when opportunities surface in the territory, they will know about them. But at the same time, this possibility opens a new horizon — a willingness to take on the foreign manufacturer in a profitable manner.

At the outset of this article, we raised two areas of concern regarding foreign manufacturers coming to the U.S. market. For the foreign manufacturer it's "Where are the customers?" For the rep it's "Will I make any money?" Full Potential Leads addresses both.

Full Potential Leads provides the market research information the foreign manufacturer needs, telling him where the potential customers are. This is the kind of information he would normally have to go to a market research firm for, paying a fee that is an expense gone forever. Additionally, it is an expense that does nothing about the selling function that is also needed for success.

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Two-for-One at No Cost

The market research aspect of Full Potential Leads is a legitimate market research service that can easily justify a fee. But with the rep, this fee can be handled in the form of an advance against commission, which is ultimately recovered by the manufacturer. The agreement is structured as an \$X per month minimum, to be repaid from future commissions, but in no case will payments be less than \$X. In this way, the rep is assured of being paid for his most valuable commodity, his time. The foreign manufacturer gets the market research information he needs, in a way that not only will ultimately cost him nothing but that brings the badly needed selling function as well.

Gerrard points out that this retainer-as-advance-against-commission is entirely dependent on the rep being able to deliver a service that the manufacturer will benefit from no matter what. "You can't justify an advance just because there's no existing business and you're great folks who know a bunch of people," he says. "You've got to deliver a bona fide service." Full Potential Leads does just that and opens up new doors to both the foreign manufacturer and the domestic rep in a way that's a win-win all the way around. □

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