
Changes For Reps In This Recovering Economy

by CHARLES P. SHAW

We have suffered through a few bad years, and now things are beginning to turn. All the indicators are pointing in a positive direction. That's good, and the hope is that it continues in that direction.

During the bad years, there was much talk about reps reinventing themselves — doing business differently, being more efficient, etc. Now, on the up-swing, reps must continue to do things differently. They must get rid of the old bad habits and not slip back to the old ways. Here are some do's and don'ts that all reps should consider.

Don't make cold calls. Your time is too important, too costly and the time of the people you are calling on is also important and expensive. The success rate of cold calls is low.

Don't waste your time and your energy trying to interrupt someone from what they are presently doing. What have you bought from a telemarketer when you are interrupted at dinner?

Do, however, call on new prospective customers in a professional manner. Make an appointment so that they will be prepared

and the proper people are available to you. That in itself impresses the customer. It says that you are a serious businessperson; you have a product/service that will benefit the prospect. It also saves a lot of time, effort, and grief. Before you make contact with the prospect, you must do research. If it is a company, then chances are it has a web site. If that is not obvious "Google" is an excellent source to find their location. Decide which department would be your best initial contact. Obtain a name from the person answering the telephone, or if it is an electronic system the menu will list departments. You can contact the sales department. They should understand your problem and be willing to help you, since they deal with this same problem every day. As long as you don't ask them to do too much, you will find the customer's sales department a big help.

Don't complain and moan

about the split commission situation. You signed the contract and agreed to it. Live with it.

Do try to improve the split commission situation. This is most difficult with existing principals and existing contracts. To achieve a change, you must first find and use a person who has the horsepower to institute the change. Sales managers and marketing managers usually do not have this horsepower. You probably will have only one shot at requesting the change. Be prepared. Be specific. Substantiate your request. If the principal fails to understand the problem and take corrective action, you must remember you have a business to run and cannot afford to invest time, money, and effort with little or no return on your investment. Don't keep bringing it up. If it cannot be resolved, either you live with it or you devote time and effort commensurate with the income or you resign the line.

Don't accept a contract with a "standard commission rate and standard termination clause." Times have changed. There should be no "standard contract." [Editor's Note: The MANA contracts, with rationales and guidelines, are designed to allow the creation of custom contracts.] There are more principals seeking representation than there are qualified representatives. Principals must understand this and act accordingly.

Do negotiate a contract that is written for your specific geographical area, with specific expectations for both parties. The contract must be tailored for your particular situation. If it is the type of product that will be "outsourced" to Asia, an entirely different approach must be taken regarding compensation.

Don't interview for every line that comes down the pike just to keep in shape for interviewing for a major line. Do not accept all lines that are offered just to put them on the back burner to see if they develop. It is not fair to the company interviewing, not a good thing for other reps and not a good business practice.

Do decide what companies or products would complement your line card and your activities. Then, if they are not represented in your area or if you hear they are looking for representation, do interview with the single objective of being offered that line. To do this, be prepared. Check their web site. Contact their existing reps in other territories. See what you can find on Google. Know more about them than they know about themselves. Talk to customers about the company, its prod-

ucts, its marketing policies, its potential and its personnel. It never does any harm to have one of their existing customers contact them and recommend you. Visit the principal before you accept the line, and after you do sign the contract, work the line hard.

Don't continue to complain about not being compensated for the work you have done when the manufacturing goes to Asia. That is the way of the world these days. It's not going to change. In most cases, no matter how much they try and how much they want to, most manufacturers cannot track business when it goes to Asia.

Do insist that if the principal wants the reps to invest time, money and energy in working with companies that will send their production to Asia that a different method of compensation must be used. It could be fee for service, a retainer, or it could be one of a variety of other ways of insuring that the rep receives a monetary return for time, effort and expense invested. You must think of your own business first. You cannot survive if you do not generate operating income.

Don't think that you are just an outsourced sales department.

Do remember that you are an independent businessperson. You have and have had your own company for many years. You have made a commitment to a particular geographical area. You will not be "promoted" out of it and that company just happens to be in the business of selling. You are a businessperson first.

Don't try to do it alone.

Do join and be active in trade associations such as MANA,

NEMRA, ERA, etc. Form a small networking group, 15 or less, not only of reps, but other small, local, non-competitive businesses that will meet monthly to exchange active leads and business conditions.

It is a new world, a new economy. We must adjust to it. We must remember that we are independent businesspeople. We have our own companies that just happen to be in the business of selling. Our companies must survive and prosper, and in order to do that we must change and adapt new ways. □



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