
AIM/R Strengthens Relations With Customers

The critical need for AIM/R reps to not only stay close to their customers, but to encourage open lines of communication with them, was never more evident than at this year's AIM/R Annual Conference in San Diego, California.



Connections between the AIM/R reps and one of their major customers were brought even closer during the AIM/R Annual Conference when Chip Hornsby, president, Ferguson, Inc., presented a check for \$5,000 to the association.

With close to 250 attendees on hand, executives from some of the association's major customers offered their views on the marketplace, and the relationships with independent manufacturers' representatives that they depend upon to do their jobs well.

Among the presentations at this year's conference that emphasized those points were those made by executives with Ferguson Enterprises, Inc., Affiliated Distributors, Inc. (A-D), and KB Homes.

Executives from Ferguson Enterprises, Inc., Newport News, Virginia, including C.S. "Chip" Hornsby, president & CEO, and Larry Stoddard, senior vice president for branch operations, offered views on the market, a profile of their company, and their

thoughts on the rep-customer relationship.

A coast-to-coast wholesale distributor, Ferguson supplies an array of plumbing and building products, industrial pipe, valves and fittings, heating and cooling equipment, waterworks products, and tool and safety products. Through its showrooms, trade counters and sales force, the company serves a diversity of customers in many different types of businesses and industries.

During his remarks, Hornsby offered attendees his views on the current state of the marketplace. He explained that "as a group, we regularly look out for five years. What we're seeing right now are housing starts in the area of 1.5 million homes annually, and major growth in the areas of repair

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and remodeling.” He added that the commercial side of the business has remained a challenge since September 11, 2001.

He continued that “perhaps the greatest challenge we as a company face in our efforts to move forward is with our people. Our assets are our people, and those assets have legs. That’s why we make every effort to take care of them.”

Complementing Hornsby’s remarks were those by Stoddard, who offered the keynote address to AIM/R members. As a part of his presentation, the executive offered several market trends that Ferguson has identified:

- Offshore influences — “We’re seeing the impact from offshore suppliers not just in the manufacturing arena, but also in service industries.”
- Manufacturer investment in relationships — “Manufacturers are investing more than ever before in efforts to own the relationship with customer decision makers. This effort is changing business models and causing them to be involved throughout the distribution chain.”
- Homebuilder influence — “The top 10 homebuilders will be responsible for 50%–70% of new homes in this country. They own more of the market than ever before.”
- Product bundling — “Manufacturers are not only bundling more of their product offerings, they are seeking to send more of those products direct to customers.”
- Buying direct — “There is a movement on the part of major builders to buy direct from suppliers.”
- Big Box impact — “Big Box customers (e.g., The Home De-



Providing an association update to attendees are (left to right) Jay Schechter, Greg McLaren and Mark Snider.



Taking a break between presentations at the AIM/R Annual Conference are (left to right) Larry Hobbs, out going chairman; Jay Schechter, chairman; Joe Miller, executive director; and Greg McLaren, president.

“The key to how we view our reps is seen in their ability to become an extension of our sales force.”

pot) continue to acquire installation companies.”

- Internet — “As an industry, we have not yet embraced the use of high technology as a business tool.”

Those industry observations led directly to what Stoddard and his company feel about the rep-customer relationship. And, as he continued, it was clear that Ferguson values their association with the independent reps that serve them — and make up the membership of AIM/R.

According to Stoddard, “The key to how we view our reps is seen in their ability to become an extension of our sales force. What we don’t want are reps who don’t provide value to the distribution chain. On the other hand, what we do want are reps who care about us, our customers, and relationships.”



Guests attend one of many presentations at the AIM/R Annual Conference.

He continued that reps who fit that profile usually possess the following attributes:

- They are highly experienced and exhibit an aggressiveness in the marketplace.
- Since they own and operate their own businesses, reps stay where they are.
- They establish strong relationships in their respective territories.
- They provide excellent market knowledge for their manufacturers. That’s critical. They have to let their manufacturers know what is happening in the field.
- They have a vested interest in our success.
- They exhibit and use problem-solving skills.
- Their customers view them as an objective third party. They provide those customers with information that they couldn’t normally get.
- They provide immediate sales and are quick when it comes to execution.

In an effort to cement their already strong relationships with independent reps, Stoddard explained that Ferguson had met personally with more than 240 rep firms during the past 12 months.

A measure of the importance Ferguson Enterprises places in their relationship with the independent representatives that make up the membership of AIM/R was seen in that company’s presentation to AIM/R of a check in the amount of \$5,000 during the conference.

Other major customers of AIM/R members that addressed the conference were Affiliated Distributors (A-D), King of Prussia, Pennsylvania, and KB Homes, one of the country’s largest home building companies.

A-D’s plumbing division con-

sists of 56 distributors with 1,041 locations in the United States. Those locations have an aggregate sales volume of more than \$950 million. After describing their organization and providing AIM/R members with a profile of how the marketing group works with its members and reps, Gary Jackson, vice president, PVF Division, and Roy Weaks, vice president, plumbing, urged reps to “position yourself with the more than 1,000 A-D wholesalers as your prospects. Talk to them about how you want to grow your business, and then agree on marketing activities you will cooperate on.”

Dan Bridleman, KB Homes, provided his marketing insights for the attendees and then engaged in a question-and-answer session with reps. A majority of the questions focused on how reps can best build relationships and work with major homebuilders. KB Homes had close to \$6 billion in sales last year.

Bridleman, who previously worked with a company that built and launched satellites, commented that from his perspective, building a home is the more difficult of the two tasks.

The four-day AIM/R conference featured a number of additional presentations geared to inform, educate and help members maximize the performance of their agencies. Included in those presentations were:

- Tips on implementing more effective commission negotiation strategies.
- A legal view of product liability issues.
- Becoming a more effective sales leader.

Next year’s AIM/R Annual Conference is scheduled for April 14–16 in Orlando, Florida. □

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