
The Need For Sharpening The Sword



One manufacturer likens the relationship between rep and principal as a “two-edged sword.” And from the manufacturer’s perspective, if he doesn’t work hard to keep his end sharp, the relationship will deteriorate in short order.



*Charlie Fulmer
Teledyne Hastings Instruments*

That’s the philosophy espoused by Charlie Fulmer, general manager, Teledyne Hastings Instruments, Hampton, Virginia, and it’s one that has worked so well that one of his independent reps felt the company would fit well in *Agency Sales*’ ongoing series of profiles of perfect principals.

According to Ron Hopkins, George O. Miller Co., Syracuse, New York, “Our agency has been repping Teledyne Hastings since 1957 — long before I took over the agency. They’ve been consistent to their business principals for that entire period of time. They’ve always stuck with their reps, been honest and fair with us, and treated us with respect.”

Hopkins explains that his feelings for Teledyne Hastings date to the time he took over the agency several years ago. “When I took over the company, we completed an audit to determine exactly what was owed to us by each of our principals. Over the course of reconciling all of our commissions, I

asked them for their figures, and believe it or not, their figures matched ours penny for penny.”

He continues that the manufacturer’s longstanding level of respect for reps is found in the manner it communicates with its outsourced sales force. “They constantly solicit input from their reps and they regularly communicate with us through their monthly newsletter. In addition, whenever there’s a new product development, they’re sure to involve the rep in any discussions. As a matter of fact, even before they market a new product, they’ll contact their reps to determine if there’s an actual market for the product. We’re constantly asked what our customers want and need and, if possible, we’re even included in the design stages of new product development.”

Involving Reps in Planning

Hopkins continues that the manufacturer also makes every



Ron Hopkins, president, George O. Miller Company, inspects a mass flowmeter manufactured by Teledyne Hastings Instruments.

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effort to include reps in discussions with their management, engineering and marketing people. The extent to which Teledyne Hastings involves its reps in the planning process can be seen in the inclusion of reps in teleconferences. "During those sessions they constantly ask for our input in terms of cost and design," he notes.

In overall terms, Hopkins maintains Teledyne Hastings serves "as the perfect example of a manufacturer that thoroughly understands the role of the independent rep in the marketplace. For their part, they don't claim to perform the marketing function; rather, they point to the rep as their marketing arm and appreciate the fact that reps drive business through their company."

When Teledyne Hastings' Fulmer learned that Hopkins had recommended his company as an ideal manufacturer to partner with, he was naturally very complimented. One of the first steps he took was to call Hopkins to thank him and to learn why his company was worthy of such consideration.

Commitment to Reps

According to Fulmer, "Ron (Hopkins) let me know how appreciative he was that we've always been committed to the outsourced rep sales force. He

said that since all of his agency's revenues emanate from principals, our commitment to reps gives him confidence that we're never going to abandon the rep business model of going to market."

When it comes to discussing business "models," Fulmer is quick to acknowledge that while no "one size" fits all situations, "I am absolutely committed to the business model we've chosen. Proof that our method works is seen in our efforts with the George O. Miller Company. They offer us the ideal solution for their territory in terms of their resources and knowledge of the territory and its customers."

While Teledyne Hastings and George O. Miller can point to a nearly half-century partnership, Fulmer notes that over the years, the manufacturer has been faced with the prospect of having to replace existing rep firms. "It's never a pleasant task to have to weed out individuals who aren't contributing to a company's growth," he explains. "I'm well aware that there are always two sides to every story. So when you have a problem and you've made every effort to solve it, there comes a time when you have to part ways. When that happens and we have to make a change, the first thing I do is look to my own organization — including existing reps — and ask for recommendations for a replacement."

Attributes of a Top Rep

What is it the manufacturer looks for in a prospective rep? “Interestingly enough, that very question was posed to me recently,” explains Fulmer. “Here’s what we look for in a rep organization:

- We take a close look at their organizational structure.
- The number of outside salespeople and their inside support staff are very important to us.
- Do they represent complementary lines to our product line?
- How many years have they been in business in their territory?
- How strong is their financial backing?”

Once an agency satisfactorily meets those and other criteria, and sign on with the manufacturer, Fulmer details the type of support the manufacturer provides. “We have a number of training options to fit the needs of new or existing reps. Depending upon their needs, we offer monthly or annual field sales support via application engineers that we’ll send to their territories. On a quarterly basis, we have product-training forums at the company headquarters in Virginia. In these forums we host small groups — typically 15 individuals — for hands-on product training. We’ll generally spend two days reviewing our operations, our engineering expertise, and even spend a small part of the time on sales and marketing criteria. In addition, at least every two years

we’ll have our reps cycled through our plant operations.”

Two-Way Communication

In the area of communication, Teledyne Hastings — much like the other manufacturers profiled in this series of articles — does not require regular call reports from its reps. “Here’s what we want,” explains Fulmer. “When a rep meets with a customer, we want them to communicate to us in any manner that is effective and comfortable for them. That may sound strange, but I’m not going to tell them how to run their businesses. That’s why they went into business for themselves in the first place. When they do communicate with us, however, I want them to be selective in what they communicate. It’s up to them to keep me as informed as I need to be in order to support their efforts in the field. My feeling is that if I brought them on board, I want them to be autonomous in what they do. The bottom line is that when I complete an evaluation of their efforts, I’ll judge them on how they’ve been able to grow our product line — not how many call reports they’ve filed.”

If that’s what the manufacturer wants in terms of communication from its reps, what does it do to communicate in the other direction? According to Fulmer, “When I came to Hastings several years ago from another instrument company, I felt there was a

need to communicate regularly with the folks in the field. We instituted a monthly newsletter and haven’t missed an issue. In the newsletter we:

- Discuss the competition.
- Cover new product developments.
- Discuss sales and marketing issues.
- Detail our literature support and provide information about trade shows.

“In addition, there are always general administrative issues such as personnel lists, telephone directories, and vacation schedules that we communicate.”

He continues that “there’s a formality to what we do and we feel it’s important to spoon feed as much information as possible to our field sales force. We’re coming up on 100 issues now, and we’ve never missed a month.”

It’s the support and communication that Teledyne Hastings provides its reps that cements the relationships between the two. And it’s those efforts that help the company meet the number-one challenge Fulmer identifies in working with reps — getting a fair share of their time. “We wage a constant battle in competing for their time,” he explains. “All of our efforts are geared to keep us foremost in their minds and to keep us near the top as a source for their income. People are always talking about the Hastings brand, and if anything is considered an annuity for a rep, it’s us. We want to keep it that way.” □