
“Five Percenters” Deliver 100% Effort

When Larry Hotaling talks about independent manufacturers’ reps, he likes to limit the conversation to what he refers to as the “five percenters.”



Left to right: Jason Christie, global program manager, China; Larry Hotaling, chairman; and James King, global program manager, U.S., pose during a visit to Dongguan, China.

According to Hotaling, Global Diligence Ltd., “In any business or hiring experience you’ll find individuals who are very good at what they do. At the same time, you’ll run into those who are good and then there are those who just don’t perform at a top level. Those ‘very good’ performers — and this is true in the world of reps — are what I call the ‘five percenters.’”

“Those top performers are true entrepreneurs, expert salesmen and marketers. They’re into the latest in technology for their jobs and when it comes down to it, they’re able to walk right up to a client or customer and very quickly develop a relationship based on their past history.”

Hotaling, a consultant who with James King co-founded Global Diligence a little over two years ago, explains that his “huge belief” in working with reps is based on his past history and experience of working with an outsourced sales force. And nothing has changed for him as he now works to maximize opportunities for businesses looking to realize the opportunities that new markets such as Asia represent. In pursuit of its mission, Global Diligence Ltd. (www.globaldiligence.cc) keeps reps uppermost in its corporate mind.

“I don’t care if you’re selling in China, the United States or anywhere else, the reps’ job remains

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the same. Their mission is to get to the opportunity and then lock it in. Their job isn’t to perform a lot of after-sales work and send paperwork along to the principal. I don’t need a lot of reports and paperwork to tell me whether my reps are doing their job or not. The level of their performance is determined by the size of the check they’re sent monthly. And, it’s never bothered me that I’ve had to send a large check to a rep. The more money I send them, the more money I’m making.” It’s that philosophy that tells Hotaling that a company CFO who comes up with the idea to replace their outsourced sales force with direct salespeople is making a mistake. “My experience has shown me that it just doesn’t work that way.”

Experience also has shown him a lot about what it takes to be a good rep — one of those “five percenters”:

- “Top performers stand out from the rest in their ability to very quickly realize significant and meaningful sales opportunities with prospects.”
- “They can be counted on to deliver the relationships that are integral to sales success.”

- “They know their market and they take the initiative to understand the market to sell products and services in a focused manner — no matter what that product or service is. Rather than looking to sell something to everyone, they focus on the good opportunities that guarantee success. In contrast, the non-five percenter will take every opportunity to obtain quotes from every customer, regardless of their needs.”

- “Five percenters are effective and savvy communicators. They realize that their job is to find the opportunity and get the door open. Their ability to communi-

If Hotaling knows he can clearly identify the reps he wants to conduct business with, how does he find them?

According to the consultant, “The best method we’ve found is to seek out references from individuals you’re currently conducting business with. In addition, we use MANA and other search resources to locate potential reps. Once we locate them we’ll ascertain their market focus, ask for their marketing strategy and learn what lines they carry and what they’re trying to accomplish in the marketplace. If we take all those steps in advance, we’ve found we’ve had a pretty successful track record in locating and working with reps.”

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cate aids in the process and keeps it going. Staying on the subject of communication, effective reps realize that projects of any real scope require an interface between customers and manufacturers. In such cases, the five percenters are not paranoid about being bypassed. They don't need every communication to run through them. What they do is maximize relations with customers parallel with the manufacturer working directly with end-user customers. If they successfully fill their roles, all comes out in the end. If they maintain they should serve as a

funnel for all communication, it's just not going to work."

- "When it comes to availability to principals and customers, today's rep must be proactive and show both that he can be reached at all times. It's not like it used to be when you could work a few hours a day and be assured of adequate time on the golf course. Essentially, reps must set the stage to become business partners with their customers and principals. That means they must be proactive in all that they do, including communicating when needed on issues that are essential."

Hotaling concludes that once the "five-percenter" reps are located, the only major challenge he's found in working with them is that the really good reps carry too many lines, making it difficult to get a fair share of their time. He adds, however, that the good reps wouldn't be the good ones unless they know how to solve that problem. "Once again, the five percenters are proactive in everything they do. They know how to balance their time in the field and they know how to maximize the time devoted to each of their principals."