
New Line, New Opportunity, New Principal — *Don't Blow It!*

Poor performance and self-defeating actions are the rule — plan to avoid pain

by JOHN HASKELL

Many independent manufacturers' reps kill themselves when it comes to getting a new line — they fight every way they can. When they finally — and it may take months — win the line, they are excited, happy, pleased and unprepared. This article discusses the “New Line Operations Manual” that is recommended to every rep firm and presents ideas for coping with new line opportunities. The most important thing is to get off on the right foot. Rep firm owners should develop ways to make sure all the effort of winning the line pays off in both the short and longer run.

Okay, the phone rings: “Hi John, this is Charlie Jones from Majornewline, Inc. We are delighted to tell you we have chosen your agency to represent our line in your territory. Congratulations!”

Your inclination is to say: “Gee whiz, Charlie, that's great....” What should you say? Of course, you should say “Great” and “Thank you!” But also you should say, “We have, as we mentioned during the interview, an extensive checklist of things that have to be done at our firm to get a new line started on the right foot. I'll be sending you some things by e-mail. Please get back to me as quickly as possible with answers so we can get off to a fast start building your company's volume and profit in our territory. Thanks again for choosing us. You will be pleased you did and so will we.”

So what is on that checklist?

Number one is the written agreement. More than enough has been said in *Agency Sales* about your con-

tracts. I don't need to add anything except one thought — no contract, no deal! Don't talk yourself into working with a company that can't or won't come through with a proper, fair and balanced written contract for you to sign.

Customer Review

The first thing you want to do when you get a new line is find out all you can about their business in your territory. If there was a rep in the territory, ask the principal to send you the commission statements for the past 12-18 months.

By looking at the reports of commission paid, you get a detailed review of which customers bought and how much. You probably don't get any information on specific products. You can reserve that investigation until later in your start-up procedures.

Customer Discussion

Since you've been living and working in the territory for quite a while, you probably know many of the important customers. Pick up the phone and call your “buddies” — tell them you have won the line, and ask about their dealings with your new principal.

Training, Field Visits, Factory Visits

Unless this is the simplest line in the world, you

will have to learn a lot about the principal and the products. What training does the company provide to reps? If the company has its own salespeople in addition to reps, ask what training they do for their direct people. Arrange (no, insist on) getting your key people into those training classes/programs.

Who is coming out to see you from the factory? When? If they don't have a field visit planned for the first 30 days that you have the line and there is no major trade show, insist on at least a two-day field visit in the first 30 days.

When are your key people going to the factory to tour, learn and network? You can't take on a new line that has the potential to increase your commission income a minimum of 5 percent (you should not take on any line with lesser impact) without getting to the factory within the first 30 days.

No Press Releases Yet

There is a definite honeymoon period with any relationship. Do not, I repeat, do not publicize (and don't let the principal put out any releases) that you're representing the new principal until you have had a field visit, visited the factory and received some training.

In one of our sessions a savvy rep noted that he begins selling a new line to "C" accounts. His thinking is that if the new line can't handle the business, then he hasn't gotten hurt with key customers for his key lines.

You may find that there is no fit. You may find that the people are just too difficult/demanding to work with. You may find that the company's products don't measure up. You may find a lot of things — don't let yourself and your firm be embarrassed by having the world learn on Monday that you are representing them and then hear on Friday that you are not taking them on. What a mess that could be. Conservative is the key word when it comes to telling the world that you now represent Majornewline, Inc. Why make waves? The goal is to build volume on a very solid foundation.

Workplan Day 1–90

In addition to the learning and training we have discussed, you need to build a plan for the line in your territory for at least the first 90 days.

Which customers are most important? What issues are open with which customers? Do you know enough to handle these situations? If not, who from the principal will help you resolve all open issues? What is the best way to work on building the business?

Start by creating a mini-marketing and sales plan for the new line in your territory. Don't be afraid to get down to the smallest details. You cannot over manage the first 90 days of representation.

Micro management at this stage is a virtue. As a matter of fact, during the interview I would stress your firm's "Mini Marketing Plan and Micro-management Plan." You can joke, saying that some people may think you go too far, but experience has taught that micro-management during the first 90 days gets the line off to a good start. This detailed approach has been responsible for keeping your firm's work for many new lines and has helped to make your firm so successful for your principals.

Summary

Don't lose by winning. Your firm needs a "Line Start-Up Manual." Don't reinvent the wheel every time you get a new line. Use the manual, your next new line experience and any input you get from a new principal as tools for building the strength of your start-up.

Make the first 90 days the solid foundation of a winning relationship.

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