

7 Habits Not To **BREAK**

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Hank Bergson weighs in on Covey's *The 7 Habits of Highly Effective People* and what they can mean for manufacturers in conducting smarter business.

A year ago, *Agency Sales* engaged in a dialogue devoted to attributes that independent manufacturers' representatives ought to possess if they hope to be successful with their principals and customers. Moving to the other side of the aisle this year, we're going to consider what principals must possess in their relationships with reps.

To get the conversation off the starting line, consider the 1989 book by Stephen Covey, *The 7 Habits of Highly Effective People*. Since it was first published, the book has served as a roadmap for more than 15 million readers. Are Covey's habits still recommended for businesspeople today? Do manufacturers that have decided to go to market with reps practice what Covey has long preached?

Considering those and other questions is Hank Bergson of Henry Bergson Associates LLC, Katonah, NY. Bergson served as the president of NEMRA for more than 24 years and worked closely with MANA's staff and its membership on many projects over the years. Just as he is no stranger to MANA, the longtime rep association executive is no stranger to Covey's seven guiding principles.

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"Be Proactive"

"Some principals step into the trenches with their reps completely unaware they've got to be proactive in all their interactions with their outsourced sales force," maintains Bergson.

Defining what being proactive truly means, Bergson says, "Before a principal even approaches a rep he must have well-defined goals

and objectives. He's got to be an excellent communicator and respond promptly with accurate and timely answers to questions and inquiries. In other words, he's got to think and plan for that which he is about to do."

In simple terms, he continues, "The principal's goal should be to do things that will help reps work with you. By definition, at the end of the day our goal is to get an order. There will be no order, however, if and until a customer has been satisfied."

To create that satisfied customer, the principal and his rep must work together as a team. "The concept of proactivity for the principal enters the game," according to Bergson, "when he decides what he's going to do to make the selling process as efficient and effective as possible. I stress this because when it comes to being proactive, we've got to differentiate ourselves from the old ways of doing business. That means the principal has to be the initiator when it comes to eliminating obstructive activities, busy work and anything resulting in waste in the channel. That means studying anything and everything that may not contribute to getting the order at the end of the day."

Bergson suggests a couple of activities to be proactive. "I'd like to think we're all agreed that in order for the principal to be proactive, he must know what's going on in the territory. Is the rep communicating to the principal, and is the principal reacting? What I hope I've described is quite different from regular sales call reports that no one cares about and no one reads. What I'm stressing here is the need for timely, honest and worthwhile communication that will lead to proactively meeting customers' expectations."

"A principal's visit to the territory can be one of the most important events in the selling process. I say 'can be,' but unfortunately, it isn't always. I know that given the constraints of the economy there aren't as many territorial visit abuses as in the past. It's hardly unheard of, however, to learn of the typical escape from the frozen winter of the northeast masquerading as

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a territory visit to Sante Fe or Southern California.”

Bergson continues that it's often during the territory visit that true and meaningful dialogue takes place between the principal and rep. That dialogue will only take place, however, when the visit is well planned in advance and is accompanied by a well-thought-out agenda with goals, objectives and follow up.

“When a principal is trying to work better, faster and more efficiently with a rep, a territory visit could be one of two things:

- Disruptive and causing you and your rep to ultimately waste weeks of valuable time;
- The best thing ever – if thought out ahead of time.”

A final consideration when it comes to the principal being proactive with his reps is the subject of commissions. According to Bergson, “There's no better way to be proactive with reps than to ensure reps are being compensated fairly and [on] a timely basis. Look at today's economy and you'll see that reps are cutting back just as manufacturers are. They're being extremely judicious about the application of their limited resources. And, just as manufacturers, they don't have much, if any, excess capital. That's why proactive principals are sure to keep a close eye on when and how they are paying their reps.”

“Begin with the End in Mind”

According to Bergson, “As we consider this

concept there are two ‘ends’ we must keep in mind. Those ends are the successful relationship the principal strives to achieve with his reps and the relationships between the rep and his downstream customers – whomever they might be - in the marketing channel.

“I believe that the success the principal seeks when he establishes goals and objectives for being proactive in all his activities with his reps reside within his ability to communicate well and to understand his reps and their customers. Part and parcel to his ability to communicate is that he must have an understanding of his reps and remain sensitive to their goals and needs. Once that is achieved, then you have the foundation for a successful relationship which is manifested in the creation of a successful selling team.”

Bergson continues that these goals of communicating and understanding, once met, “ultimately grow the next most important piece of the relationship: trust. The existence of trust becomes the key. Keep in mind, the only reason for the rep's existence is to be the out-sourced field salesperson charged with producing results for the manufacturer. He must perform those functions that the manufacturer wants to have performed, which to my way of thinking is simply to sell things. That effort must be successful. If it is, trust builds and the relationship becomes fruitful. Proof of these words can be found in the fact we have so many principal-rep relationships that last 30 or more years.”

“Put First Things First”

“Before you open your mouth, make sure you've done everything you can to have everything in place.” That's Bergson's admonition when it comes to Covey's advice to “Put First Things First.” He continues, “Remember, proper prior planning will go a long way towards preventing poor performance. No matter what principals desire to accomplish with the aid of their reps, they must make sure that mutually agreed upon goals are in place. But, that's not all. Once goals have been communicated and agreed upon, a strategy

must be crafted that will allow the team to reach those goals. You don't necessarily have to have those goals carved in stone, however, because being able to beat a new path or make adjustments along the way are critically important."

For principals inexperienced with – if not completely new to – the rep way of going to market, Bergson notes that there are plenty of resources available to them that will show them the way. "There are tons of guidelines out there for manufacturers. Consider what MANA and its sister associations have available in terms of advice, counsel and special reports. You can go virtually anywhere for assistance, from management consultants who will hold your hand throughout the process to a plethora of literature and training programs."

"Think Win-Win"

Teamwork is the first word offered by Bergson when he considers the "Win-Win" concept. "Think for a moment about the basketball player who is especially adept at passing the ball. He doesn't score all that many baskets because he's always thinking about what he can do to maximize the talents of his teammates. So too is it with the principal. He's the guy who must think team-wise."

Principals who truly understand the process work hard at their jobs, establish trust, and build relationships ultimately breed success.

To explain what he means by thinking team-wise, Bergson offers some cautionary words: "When you're truly a member of a team, you don't consider how expensive the car is that the rep is driving. When a principal does that, isn't

he really saying, 'You're putting all your commission dollars right in your pocket, aren't you?'"

He continues, "Isn't that type of thinking a far cry from asking a prospective or existing rep, 'What type of investment are you returning to your agency? What are you investing in the representation of my product line?'"

"A principal employing the former approach ('Isn't that an expensive car?') is more attuned to the selfish gunner on a basketball team, than the latter who is simply looking for the most efficient/productive way to improve the team's performance. Remember, the guy who gets the assist is just as valuable to the team as the one who scores the basket."

Continuing on the value of principals who think team-wise and employ a win-win philosophy, Bergson notes, "We're all aware how one caustic, critical comment can wipe away 10 'at-taboys.' And principals (primarily national or regional sales managers) who don't 'get it,' never seem to go away... Conversely, principals who truly understand the process work hard at their jobs, establish trust, and build relationships ultimately breed success."

"Seek First to Understand, Then to Be Understood"

Stephen Covey didn't necessarily dictate an order of importance for his seven habits, but Bergson is quick to offer his opinion that this habit should be first. "The practice of this habit is especially important given today's demanding corporate environment, where we find many people on the manufacturing side are entering the market minus a prior track record of working successfully with independent manufacturers' representatives."

To foster the understanding Covey recommends, Bergson explains that he and his consulting firm believe not only in "talking the talk," but also in "walking the walk." "That's why we won't sign a manufacturer desirous of working with reps unless they agree ahead of time to a full day of strategic planning and learning about

the people they'll be [doing] business with.

"A manufacturer could very well be the nicest man in the world, but if he doesn't know what makes reps tick, how to communicate with and motivate them, he's got a minimal chance of success."

Fueling the need to understand, he continues, is the fact many manufacturers are impatient and want results now. "The problem with many on the sales management side is that they are the victims of unrealistic goals and objectives. As a result, they are not afforded the time and resources in order to understand the rep business model.

"Unfortunately, there's a lot of learning by mistake. After committing too many mistakes, some manufacturers fall victim to the practice of entering and leaving the rep world with regularity. The negative reputation growing from that practice can result in the manufacturer being able to only attract start-up or lower-tier agencies. The common complaint is 'Top-tier firms won't talk to us.' Who can blame them? Your negative reputation has preceded you."

Bergson points to a number of manufacturers who truly understand their reps. "They have done all they can to communicate with and understand their reps. They have established strong relationships built on trust. That's why they've survived and thrived for as many years as they have."

"Synergize"

The need for the independent manufacturers' rep to create a synergy in his product line has long been preached by MANA. According to Bergson, when the synergy habit is considered by principals, it's all about doing many things well in relations with your out-sourced sales force.

"I'm a big believer in going slowly, operating deliberately and firmly building your network and reputation with reps. If you do all those things well, you'll have [reps] camped out in front of your office looking to represent you."

Among the manufacturer practices that must be synergistic are:

- Understanding your reps;
- Being an expert communicator;
- Trust;
- Complete support;
- New product development;
- Accurate and timely compensation.

Bergson notes, "Manufacturers that provide the proper support for their reps are... Manufacturers that will be able to consistently attract and keep high-quality representation."

"Sharpen the Saw"

As he considers Covey's seventh habit, Bergson quickly substitutes the term "continuous improvement." "Practicing continuous improvement is the very foundation for:

- Developing new products;
- Being easier to communicate with;
- Providing more and better sales literature;
- Developing and maintaining better and stronger relationships.

"All of these attributes point to manufacturers who are committed to providing this level of improvement to like-minded reps. And by 'like-minded reps,' I mean reps who are CPMR certified, have invested in their continued training and education and strive to ensure their strategic plans don't gather dust on the bookshelf."

One might ask the question, "Where can the serious manufacturer get assistance in sharpening his saw?" According to Bergson, "There is resource after resource available to the interested manufacturer. Search out trade associations (especially rep associations), MRERE, business consultants, trade magazines and community colleges."

Bergson stresses that this habit of "sharpening the saw" is one that must be constantly exercised, and "how well you exercise it will impact how successful your business is and how strong your relationships with reps are for decades to come." 