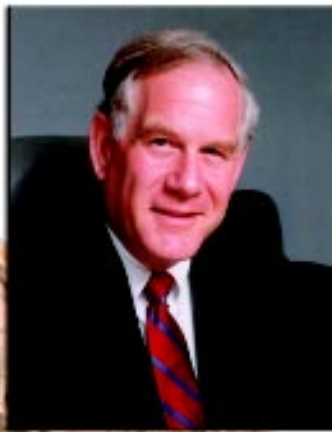


# Combined Association Efforts Benefit Members

In any undertaking aimed at improvement, there's often the unspoken goal of hoping to achieve what might seem impossible. For instance, consider having  $1 + 1 = 3$ . But that's exactly one of the goals that was explored last summer when executives of various independent representatives' associations met to explore areas where working together could result in improved products and services for their respective constituencies. As a follow-up to that meeting, some of those association executives offered their views of how and why the associations working together could find that  $1 + 1$  does indeed  $= 3$ .



*Jay Ownby*



*Henry Bergson*



*Joe Miller*



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**W**as that meeting last year an aberration, or is there really a desire or trend among the several rep associations to seek out those areas where combined efforts can result in an improvement or a “raising of the bar” for the entire profession?

A resounding “yes” answers that question.

According to Rick Abraham, executive director of the Food Service Sales & Marketing Association (FSMA, [www.fsmaonline.com](http://www.fsmaonline.com)), Columbia, Maryland, “While we all serve vastly different industries, the fact is that rep agencies today face similar challenges at the industry level. As a result, it makes good sense for the rep associations to work efficiently together on common issues rather than separately.”

FSMA works to promote sales and marketing agencies as the preferred method for suppliers to come to market: to be the national voice of the food service sales agency community; to advocate on behalf of sales agency interests, and to enhance relationships among suppliers, agencies, customers and other key stakeholders.

Both a trend and a movement toward combined efforts have been discerned by Jay Ownby, executive director of the Power-Motion Technology Representatives Association (PTRA, [www.ptra.org](http://www.ptra.org)). According to Ownby, “The boards of directors and the management companies of virtually all rep trade associations currently are discussing options to minimize costs in order to serve declining memberships and improve the value of their

associations. In my opinion, this constitutes a trend, and it’s one that we continue to build on as we work together on various educational efforts, conferences and in other areas. MANA has convened the association managers of a number of industry-specific rep trade associations to discuss options and establish action plans to combine efforts in a number of areas — this constitutes a movement, and it’s one that has already gotten underway.”

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### Cooperative Trend

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Agreeing that the efforts of the associations to work together were very evident is Joe Miller, President/CEO of MANA ([www.manaonline.org](http://www.manaonline.org)). “There has been recent movement — led by MANA — to revive regular meetings of the rep association executives, and it appears that those who were present at last year’s meeting continue to express a desire to continue to cooperate in a variety of areas including education, local rep chapters and legislative lobbying efforts.” Miller continues, “There has been a separate ‘trend’ of cooperation as

evidenced by PTRA and AIM/R cooperating at an even higher level with MANA.”

The “higher level” steps taken by PTRA and AIM/R (Association of Independent Manufacturers’/Representatives, Inc., [www.aimr.net](http://www.aimr.net)) that Miller referred to have included those separate rep associations aligning themselves with MANA to have the larger association provide various “back-office” services such as dues billing, conference planning, newsletter production and member telephone counseling. This is done at the same time the two smaller associations continue to exercise their historical autonomy. Among the synergies that PTRA and AIM/R have realized are:

- Availability of multiple attorneys familiar with rep law.
- Sharing of a full-time meeting management staff person and other staffers.
- Sharing manufacturer educational seminars.
- Use of MANA’s publications to promote and support their respective conference sessions.
- Use of MANA’s editorial and graphic arts capabilities.

***“The fact is that rep agencies today face similar challenges at the industry level. As a result, it makes good sense for the rep associations to work efficiently together on common issues rather than separately.”***



**Rick Abraham**

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***“Rep associations working together increases the available resources, spreads the work load around, reduces overall expenses and provides greater leverage and effectiveness.”***

- Synergistic membership and promotional campaigns.
- Encouragement of MANA members to join AIM/R and PTRA, where appropriate.
- Significant discounts on educational seminars, publications and trade missions.
- Exposure to international manufacturing and rep associations with which MANA has alliances.

“And MANA, too, has learned much from the membership of both PTRA and AIM/R. Both organizations are blessed with extremely bright and energetic board members that have a passion for the rep profession and their associations.”

Miller adds, “We feel that MANA’s association management services will make sense for additional small rep associations in the future, while the larger organizations will probably be content to just cooperate on education, promotion of the rep profession and advocacy activities. In either case, the rep profession will benefit.”

Concurring with Miller on the thought that it makes sense for the associations to work together on subjects that have a common interest, Hank Bergson, president of the National Electrical Manufacturers’ Representatives Association (NEMRA, [www.nemra.org](http://www.nemra.org)), Tarrytown, New York, notes that “when it impacts the activities of a wide variety of reps, naturally

it’s a good idea for us to work together.” Among the areas he refers to are MRERF and its CPMR program, generic efforts to promote the rep function, last year’s successful *Keystone* conference, and ongoing efforts of legislative lobbying such as that which resulted in the successful passage of a rep commission protection law in Connecticut.

Economies of scale are among the major reasons why the rep associations should be looking to benefit from their cooperative efforts, according to the association executives. As examples, they cited the successful joint venture of the *Keystone* conference and the Small Business Legislative Council. The former three-day conference was a joint effort of MANA and NEMRA, while the latter serves as an example of several rep trade associations paying dues and thus sharing expenses for SBLC. SBLC lobbies at the federal level on behalf of small business.

Miller notes, “Some small associations may not have enough critical mass to do much more than print a small newsletter and, if they’re lucky, have an annual conference. But as the result of all of us grouping together, we may be able to realize significant synergy without any mergers or acquisitions of the smaller associations. We should be able to cut back office expenses through alliances, make better education

available in multiple ways to everyone’s members, as well as to promote the profession more effectively such as was done a few years ago with the ‘advertorial’ in *Fortune Magazine*. There have been a couple of cases in the past decade where rep associations have merged into their all-industry associations due to declining membership and revenues. When rep trade associations merge with associations of distributors and manufacturers, they tend to lose their advocacy for the rep function. While I’d maintain that these all-industry association are important for reps to support, reps also should support MANA and/or an industry-specific rep association such as NEMRA, MAFSI or ERA.”

Abraham echoes that sentiment when he says, “Rep associations working together increases the available resources, spreads the work load around, reduces overall expenses and provides greater leverage and effectiveness.”

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### **Each Association Has its Niche**

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While the four executives interviewed for this article were clear in their desire to achieve any and all economies they could via working together, they were equally certain of the continued importance of the industry-specific rep association maintaining its unique role in the professional lives of its members.

“While we’ve got to keep an eye on the economics and any benefits we can realize,” explains Bergson, “you don’t want to do anything that will cause your association to lose its unique appeal to your membership.”

Ownby agrees when he says, “I

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don't think there's any danger of the association compromising its unique position if it maintains its core value and continues with its industry-specific activities."

Agreeing with Ownby, Miller notes that in the case of the AIM/R and PTRAs alliances with MANA, "Both organizations maintain total control through their separate boards of directors. MANA simply functions as a service provider and manages the synergies that all three associations realize from the alliance."

This approach seems to dispel the concerns that some sister association members had in the past about MANA becoming the 900-pound gorilla and engulfing the other associations. A significant part of MANA's strategic plan is for the association to give more to its sister associations than MANA expects in return, because MANA's board believes that a rising tide lifts all boats. As trade associations over North America struggle through the agony of mergers in order to stay financially viable, this "umbrella" concept provides a unique way for each association to control its own destiny while realizing the benefits, but not the downside, of a merger strategy.

Striking a similar chord is Abraham, who says, "Due to widely different industries they serve (e.g., food vs. electrical supplies) rep associations can really only work together on macro-industry issues such as rep law expansion, education and training efforts, commission and revenue issues, etc. If our collaborative efforts stay at that functional level, each rep association can still serve its own distinct member needs at the micro level."

Ultimately, the immediate goal

any association would envision as a result of forging working relationships with other rep associations would be an increase of benefits to its membership. Chief among the areas that these executives see as providing opportunities for benefits are:

- More satisfaction among members.
- Increased member retention.
- Lower costs — including keeping dues increases at a minimum.
- More visibility and effectiveness in the lobbying arena.
- Greater number of reps to network with.
- Better representation of rep interests at all levels.
- Stronger voice and platform for the rep community.
- Less overlap and repetitive efforts.
- Survival of some industry-specific associations, both large and small.
- Ability to provide a broader platform in order to create educational programs and conferences that are of interest to greater numbers of members.

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#### Benefits to Associates

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Bearing in mind that most rep associations have manufacturer members (usually under the heading of 'associates'), the four executives were asked if they saw any benefits to those associates of the rep associations combining

their efforts in some areas. What came back was a loud and clear "yes." The four agreed that the primary areas of benefit were education, matchmaking, counseling and providing an environment where the reps could see that their principals were there to support them. MANA's ongoing manufacturer education program (e.g., *Rep Sales Force Management, Selecting and Evaluating Your Sales Channel Partners* seminars) was cited in this area. The elements of this program continue as valuable educational tools owing largely to the support from the other rep associations.

Adding to that thought was Bergson, who emphasized, "As a result of us working together, whatever we do lets the manufacturer know that he's in the right pew in the right church. We all know each other and are able to share solutions to problems, not to mention referrals. In addition, if you have a number of manufacturers who are active with a number of MANA reps and they decide they'd like to make a move into the electrical market, the move can be facilitated. Because of the presence of NEMRA and MANA, and the fact the associations have been working together, that move can be made with relative ease.

"There's a certain familiarity to the reps in their respective associations. The standards and

***Ultimately, the immediate goal any association would envision as a result of forging working relationships with other rep associations would be an increase of benefits to its membership.***

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practices are similar, not to mention the way a contract works — although the wording of a contract on the electrical side might be a bit different. The manufacturer won't have to learn a whole new language. Every industry has its own wrinkles, but the associations working together makes the move easier."

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### Looking to the Future

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Finally, the heads of these rep associations were asked to peer into the future and provide their views of what the future holds for all rep associations.

- Rick Abraham of FSMA predicted, "I see some consolidation in the future for associations in like industries, perhaps with a wheel-and-spoke configuration with a centralized hub and distinct spokes for each member constituency. For vastly dissimilar rep industries, I see collaboration only at the macro level."

- PTRAs Jay Ownby agreed that there will be "some consolidation, but the stronger industry-specific associations will retain their identity and uniqueness, even if they combine resources and some activities with an umbrella association like MANA."

- Hank Bergson of NEMRA said he doesn't necessarily see the number of rep associations shrinking. "Rather, they might continue to survive in a rather weak stand-alone fashion, or be allied with other industry associations. Another option would be for them to go under a management type of umbrella such as that offered by MANA. But even in the future, I don't see the needs of reps changing all that much. Thinking specifically of NEMRA, if for some reason there was no NEMRA, we would be compelled to create it again. And I think that's the same with so many other rep associations. You never appreciate what you have until it's

gone — and there's much to appreciate right now."

- And finally, MANA's Miller offered, "There will probably be fewer rep associations, as is evidenced by what transpired with NIRA and BWSR. If our cooperative model continues to work, there will still be separate, industry-specific rep associations. And there's another distinct possibility: As the demand for reps continues to rise and the number of rep firms shrinks slowly as in the past, the price paid for reps by principals will rise. Basic economics tells us that when that happens, more entrepreneurs will be attracted to the rep profession as a result of more attractive compensation levels. That could precipitate the birth of some other rep associations in industries that are hot, such as capital goods, building materials, pharmaceuticals, etc., and even stimulate growth in membership once again in the existing associations." □

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