
Manufacturer Treats Reps Like Partners in Profit

MANA has long championed the concept of reps and their principals treating each other as “Partners in Profit” (PIP). The relationship between Leonard Valve Company and its outsourced sales partners is what we have been speaking about for 58 years.



Gregory Wilcox

Even though he wasn't there at the time, Gregory Wilcox, president and co-owner of Leonard Valve Company, points to the 1920s as the time when his company made the commitment to go to market with independent manufacturers' representatives. "I've been here 34 years," he says, "so while I may not know all the particulars of why they made that decision, I do know that it came at a time when the company was expanding, and using a factory direct sales force was hardly an option. Reps were the way, and we've been with them ever since. If it made economic sense that many years ago, it still makes sense today."

Today Leonard Valve goes to market across the United States with 50 rep firms. One of those reps who goes to market with the Cranston, Rhode Island manufacturer of a full line of water mixing valves and water temperature controls for commercial, institutional, and industrial applications, is Jack Block of One Source Manufacturer's Representatives, Inc. According to Block, who's headquartered in Elmhurst,

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Illinois, “The reason I am recommending this company to you for your series of articles on the Perfect Principal is that they possess and practice the following outstanding qualities:

- “They fully support and respect their sales representatives and customers (which include specifying engineers, mechanical plumbing contractors and wholesale distributors).
- “They offer a very attractive buy/sell program for their sales representatives to earn more of their agents’ time.
- “They produce an outstanding product that is fully tested and assembled at its Cranston, Rhode Island plant.
- “They offer unique engineering expertise to solve field problems for its customers, even though the Leonard product may be performing as expected. They will attempt to solve the ‘system’ problem in a building or facility for the end user. For instance, I’ve had many experiences with a facility where Leonard’s equipment is installed and working fine — but something else in the water system, perhaps a cross connect somewhere in the building, was the real cause of the temperature problem. Leonard flew an engineer out from Cranston. I was there with the Leonard engineer for the whole day, and he was able to resolve the problem at no cost to the customer even though their product was not at fault. This personal, on-the-job site troubleshooting is done by Leonard at no cost to the building’s owner, the contractor or engineer.
- “Finally, as an independent sales rep, I have the confidence and assurance that Leonard fully supports me, respects me as their agent, and goes out of their way to listen to our issues and respond to them.”

Block continues that Leonard Valve makes use of the “old personal touch” in dealing with its reps. “That’s just something that isn’t very common any more.”

Block, a 30-year industry veteran and a rep since 1988, maintains that the way Leonard Valve treats its reps causes him to think about how reps in general were treated when he started in the business. “So often today the rep is ‘stretched’ more and more. Manufacturers expect the sales rep to enter orders, to complete time-consuming monthly reports, not to mention frequent survey-type questionnaires, track jobs and then still have time for distributor calls, contractor calls, specification calls on engineers, and home builder calls for those product lines that apply. Commissions have not grown proportionately to the

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additional duties that the sales representative now performs. And field service has been an Achilles heel for the sales representative. Very few manufacturers have been proactive and supportive to assist the sales rep by contracting plumbers to do the field service work.

“What I find disturbing the past 10-plus years is that manufacturers have chosen to lose sight of the basic and fundamental principle in dealing with independent sales reps. And that is simply this: It is a time-and-return game for us as sales reps. The easier and more problem-free the manufacturer makes it for the sales reps, the more time that sales rep will spend on that line. Reps want ‘clean’ sales, not sales that constantly require follow-up field service, troubleshooting, etc.

Leonard Valve is very refreshing. It’s a little bit like a throwback to the ’70s and ’80s.”

Adopting a Philosophy

Wilcox is appreciative as he acknowledges Block’s compliments, but he does so knowing that the company has worked hard at establishing and nurturing its relationships with reps. “What we do is simply our philosophy,” he says. “We’ve been around a long time — since 1913 — and we see what some other manufacturers do with their reps. That’s not necessarily us. We want to enjoy our relationship with our reps, and we want them to enjoy working with us. Our goal is hardly to squeeze every dollar and cent out of them. Rather, we want them to participate in the process and share our good fortune. I’m not sure that a lot of larger companies feel the same way.”

He continues that finding reps — when the need presents itself — isn’t as difficult for his company as it might be for others. “Whenever we have a need to

The Search For The Perfect Principal

Two years ago, MANA asked its members for recommendations of manufacturers they work with that exhibit the qualities of respect, understanding, quality products and service, leadership, communication, integrity, and a partnership mentality. What we were looking for were descriptions of manufacturers that fit the mold for the kind of marketing partner reps are constantly seeking. We were deluged with responses. In June 2004, *Agency Sales* began a series of articles on the perfect manufacturer. Each month, as we report on those manufacturers, we will add to the list.

- **Angola Wire Products**, Angola, Indiana. Products: Welded wire subassemblies, baskets, display racks, laser cut and formed steel.
- **Manth-Brownell, Inc.**, Kirkville, New York. Products: High-volume screw machine, machining services and CNC.
- **Specialty Screw Corporation**, Rockford, Illinois. Products: Cold forming, non-standard engineered fasteners.
- **Bradford White Corporation**, Ambler, Pennsylvania. Products: Water heaters for residential, commercial and hydronic space heating applications.
- **Empire Comfort Systems (ECS), Inc.**, Belleville, Illinois. Products: Space heating, fireplace and outdoor products.
- **Emseal Joint Systems, Ltd.**, Westborough, Massachusetts. Products: Comprehensive line of expansion joints, joint sealants and gaskets.
- **Teledyne Hastings Instruments**, Hampton, Virginia. Products: A complete line of vacuum instruments and flow instruments.
- **Birchwood Casey**, Eden Prairie, Minnesota. Products: A variety of gun care products for professional gunsmiths, shooters and collectors, including gun-cleaning solvents, stock finish, bluing, lubricants and rust preventives.
- **Remington Arms Company, Inc.**, Industrial Products Division, Lonoke, Arkansas. Products: Industrial ammunition, industrial kiln guns.
- **Legend Valve & Fittings, Inc.**, Shelby Township, Michigan. Products: Valves designed specifically for the professional wholesaler and contractor.
- **Powers Scientific**, Pipersville, Pennsylvania. Products: A broad range of environmentally controlled chambers to meet researchers' needs.
- **SJE-Rhombus**, Detroit Lakes, Minnesota. Products: Liquid level control, and electromechanical and microprocessor-based control panels.
- **Scot Forge Company**, Spring Grove, Illinois. Products: Custom open die and rolled ring forgings.
- **National Products Company**, Louisville, Kentucky. Products: Wood kitchen cabinet and commercial casework products.
- **Howden Buffalo**, Camden, South Carolina. Products: Custom-engineered air movement equipment for many industries and applications.
- **Helwig Carbon Products, Inc.**, Milwaukee, Wisconsin. Products: Carbon brushes, brushholders, constant force spring assemblies, mechanical carbons, quick disconnect terminals and mounts, sliding contacts and electrical contacts.
- **Jordan Valve**, a division of Richards Industries, Cincinnati, Ohio. Products: A variety of products including pressure regulators, back pressure regulators, temperature regulators, pneumatic and electric control valves, sanitary valves and accessories.
- **Niagara Cutter**, Amherst, New York. Products: Standard and special cutting tools including solid carbide, diamond coated, high-speed steel, cobalt and milling cutters.
- **PIAB USA, Inc.**, Hingham, Massachusetts. Products: A variety of vacuum products.
- **Eriez Magnetics**, Erie, Pennsylvania. Products: Advanced technology for magnetic, vibratory and metal detection applications.
- **Lumsden Corporation**, Lancaster, Pennsylvania. Products: Metal belts, heavy-duty wire cloth and spiral-woven conveyor belting.
- **BETE Fog Nozzle**, Greenfield, Massachusetts. Products: More than 20,000 different nozzles. The company pioneered the use of Teflon and titanium for nozzles, and is the only nozzle manufacturer with a complete in-house investment casting foundry.
- **Conbraco Industries**, Matthews, North Carolina. Products: Brass valves and fittings including the Apollo Series 70 ball valve for the commercial market.
- **Leonard Valve Company**, Cranston, Rhode Island. Products: A full line of water mixing valves and water temperature controls for commercial, institutional and industrial applications.

replace a rep or locate one to work in a territory, the universe we choose from is fairly small. First, we look for spec reps. I'd say the next qualification we look for is that the rep firm be a small to mid-sized agency. We do the latter because I feel that gives us the best chance to gain what we feel is our fair share of the rep's time and effort. With those as our qualifications, we don't have that much difficulty locating prospective reps. The ones we want to do business with are well known to us ahead of time."

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Independence a Key

When it comes to winnowing down the choice of whom he wants to go to market with, Wilcox describes some of the key characteristics he looks for in a rep: "We want someone who is truly independent — not someone who is married to just one or two major manufacturers. It's really important to us that we become their emotional favorite. To achieve that level in the relationship, we provide some fairly lucrative stocking benefits for our reps."

In addition to those benefits, he adds that Leonard Valve provides the kind of field support that will generally gain the rep's attention. That includes product samples, various promotional incentives, advertising and participation in trade shows. "We're also very well known for the level of our customer service and technical support in the field."

When asked what might be considered as a major challenge to working with independent reps, Wilcox hesitates because no specific challenge comes to mind. He finally notes, "We tend to get along so well with our reps that even the ones who on occasion have left us, leave on good terms. If anything, maybe it's the ability to command as much of their time and effort as we can. That's obviously the key to our success."

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