

MAKING THE RIGHT CONNECTIONS

BY JACK FOSTER



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THERE ARE MANY WAYS TO FIND NEW LINES TO REPRESENT, BUT IT IS CRITICAL THAT YOU DO THE RESEARCH TO MAKE SURE THE PRINCIPAL IS A GOOD FIT FOR YOU.

It's not one thing – but rather a combination of many – that allows independent manufacturers' reps and the manufacturers that they partner with to go to market successfully. At least, that's what a number of reps indicate as they respond to the question, "What's the most effective means by which to align with prospective principals?"

It's somewhat telling that an immediate response to that question is either "That's a great question" or an exasperated laugh. But once a rep has a chance to consider the importance of the question and reflect upon past experiences, answers generally take the form of:

- Networking at industry conferences or trade shows;
- Cold calling potential principals;
- Advertising in *Agency Sales*;
- Contacting manufacturers found in the MANA Online Directory;
- Following up on referrals from customers and existing principals;
- Working with consultants who put reps and manufacturers together.

Working Word of Mouth

When connecting with manufacturers, Rene Cooper, PH Assoc., Malta, New York, maintains, "I've had a great deal of luck with word-of-mouth experience. What's happened is that customers will either alert me to an opportunity, or they will have mentioned me to one of their principals."

Cold calling is not one of his preferred methods of connection. Cooper makes the point that for a principal to initiate contact with him via an unexpected phone call or e-mail isn't necessarily the path to success. "I don't usually respond to them. What I do, however, is if and when a manufacturer has contacted me and it's obvious that they've completed some research about me ahead of time, they've got a better chance for me to respond. If they've done that work... there's an opportunity for a good fit. When it comes to companies that have done that and with whom I've ultimately partnered, we've had a pretty good record."

Cooper doesn't recall any real disasters that have developed from these types of "cold" contacts. "It's

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important from the outset to make sure you have a clear understanding of what the manufacturer wants/needs and that their expectations of me are clearly spelled out.” The rep also notes the contributions that MANA and ASM have made when it comes to clearing the path for substantial manufacturer/rep contacts. “I’ve learned quite a bit in the pages of *Agency Sales* on how to proceed, and Jerry Leth, MANA’s director of membership, has also been very helpful.”

Searching for Synergy

When he’s looking for a principal, Doug Hall, R.L. Matus & Assoc., Waxhaw, North Carolina, emphasizes that the responsibility is with him – not necessarily the manufacturer – to find the best fit. In the past year, when a need developed, Hall conducted a Google search for a specialized product line that would provide the synergistic fit he was looking for. After some effort, he found the vice president of sales who was a contact point at a company he was looking at. “My personal research provided me with the initial contact information I needed to move forward. We began a dialogue and I now represent the line, but I have to emphasize that it was up to me to take the initiative.”

Working Networking

Mark Campbell, Prime Engineering Sales, Avon, Connecticut, points to networking efforts, his membership in MANA, ASM and other industry publications as aids when it comes to contacting prospective principals. According to Campbell, “I’m always talking to my principals and asking what lines their other reps carry. That approach has been very successful for me.” Once he’s armed with that information, he does some research to determine what industries those other lines are “chasing.” This is to ensure there’s a potential good fit and that the synergy that almost every rep is looking for is present.

In terms of regularly reading ads in ASM and other



industry publications, he notes, “It’s a little like reading the obits in the newspaper every day. You never know what valuable information you’re going to come up with.”

When he’s been on the receiving end of queries from manufacturers, Campbell notes, “Often I’m finding that manufacturers are striking out in somewhat of a blind fashion. They haven’t done a great deal of research about me or my agency. They’re a little desperate about locating representation and they really aren’t

confident in what they're doing. My guess is that it's their hope that by making as many contacts as they can, they'll eventually turn up with the connection they're looking for. For my part, I don't normally respond to these types of blind approaches."

When the manufacturer and the rep are still in the initial "connection" mode, Campbell emphasizes that one thing the rep should be especially careful about is



asking the right questions. "For instance, if a manufacturer approaches me and states that he's looking for representation in my territory, the first question I ask is 'Why?' What happened to the previous representation? Why did that rep leave, or why was he terminated? Then you've got to ask them what they know about [you] to make sure they're approaching their search professionally. And then be sure to ask questions about the product line to make sure the proper synergy can be achieved."

Campbell can't emphasize enough the need for synergy. "Some reps will chase any lines because they're attractive, and there's some money to be made there. That's not enough for me. If you don't have the synergy, you're wasting your time, and it won't work long term for either of us."

Taking a Combination Approach

Jim Murphy, Custom Component Sales, LLC, Westfield, Massachusetts, explains that he employs a combination of efforts in order to search out new principals. Among the steps he takes are:

- Being receptive to recommendations from existing customers. "It's hardly unheard of to have a customer approach me to rep their product line or to tell me about other suppliers they deal with who need representation."
- Active recruitment at trade shows. "If I'm actively looking to augment my line card, I always keep my eyes and ears open at trade shows I participate in."
- Place ads in *ASM*. Murphy says that he's had mixed results with this approach. "I've gotten some good lines and been disappointed in others."

On the disappointing side, he explains if a manufacturer is looking for a rep to conduct pioneering work for him, "I don't always respond. However, if it's something I'm genuinely interested in, I'll talk to them a little bit and see where it goes."

Murphy stays on the subject of the rep being clear with his stance on pioneering work because it's such an

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important part of the manufacturer-rep relationship. “Keep in mind that some manufacturers are simply fishing for RFQs from their reps. Whatever the rep does, he should make sure he is compensated for the work he performs. Here’s an example of what I’m referring to. I’ve been working on an agreement with one manufacturer with whom I thought we had a deal. Then I found out they had zero business in our territory. I got back to them and let them know I couldn’t proceed without a retainer. They countered with the expected argument that ‘All you have to do is add me to your line card. If you get any business, then I’ll pay you for it.’”

Murphy indicates he was ready for that. “I countered with the questions:

- “If I add you to my line card, will you pay for the printing of new line cards?”
- “I’ll have to add a secretary to handle the work of taking on your line. Will you help with that expense?”
- “You want access to my customer database, the existence of which is being paid for by my other principals. Is that fair?”

“All of a sudden they’re quiet. If you don’t get the right answers to these and other questions and see the correct action from a prospective principal, it doesn’t make any sense to proceed.”

He adds that it does make sense to proceed when a principal approaches you and “They have the tools of the trade for effectively working with reps. Those include a professional website, effective sales literature and samples and a sales manager who will support me in the field. If they have all that, then it makes sense to move forward.”

No “Door-Knocking”

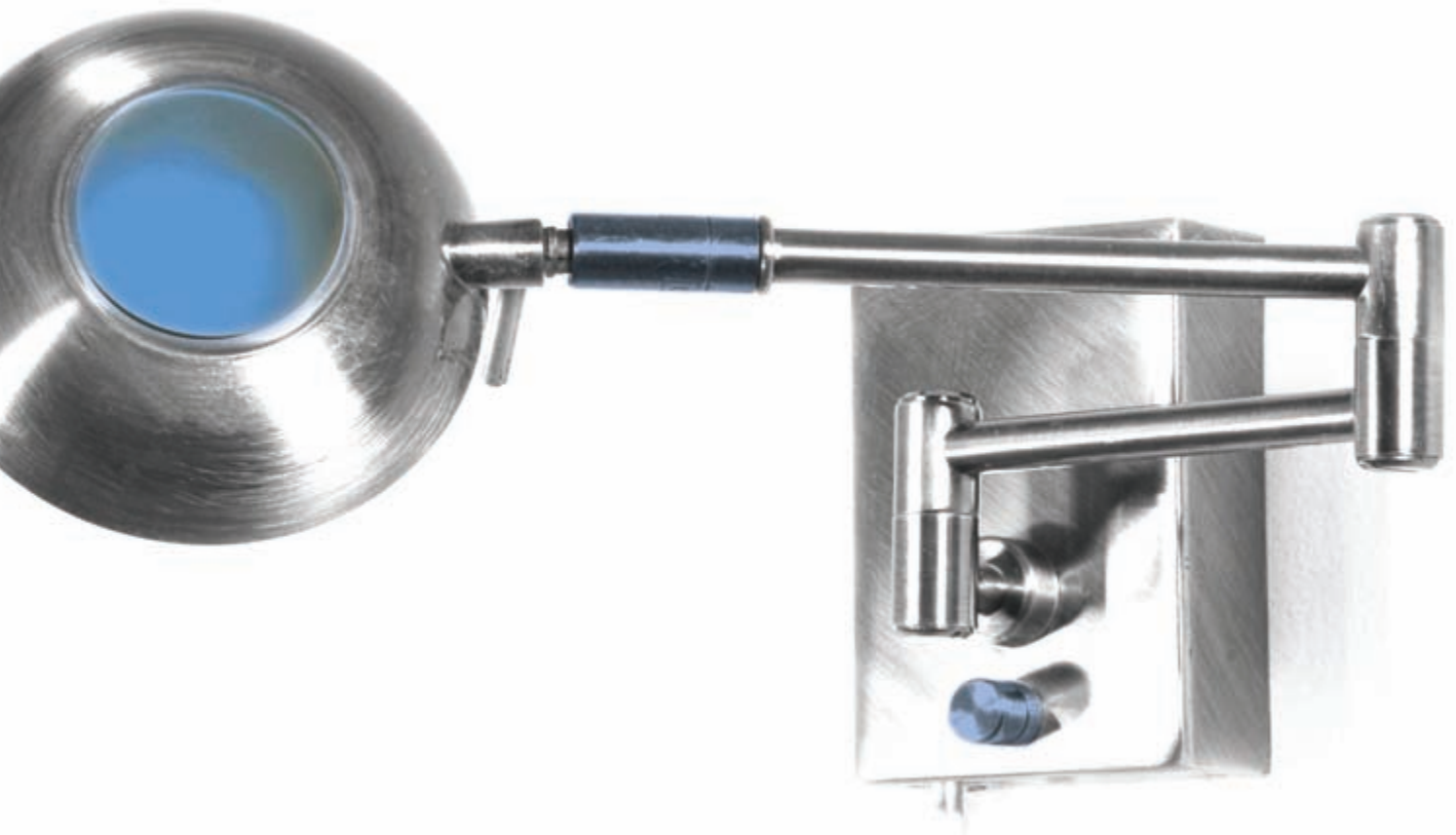
“If someone contacts me to rep them and their goal is to have me do the door-knocking for them, I know right away I’m probably not the guy for them.” That’s how John Ketcham, Ketcham and Co., Inc., Stamford, Connecticut, inevitably reacts to manufacturer cold contacts. “The conversation never progresses too far. I’m not going to lie to anyone about my willingness to do that.”

When the situation is reversed and he’s actively looking for new lines, however, Ketcham explains that he’s got a few practices that he follows. “I’ve got more years in this industry than I care to think about. As a result, just as most reps, I’ve got a Rolodex full of names. I’ll get on the phone and talk to manufacturers I work with, reps that I know and customers that I deal with. On top of that I’ll search the Internet and check out the ads in *ASM* when looking for potential principals.”

He emphasizes the value of communicating with customers. “When I was teaching others how to sell years ago, I learned how important customers can be. Ask them the names of companies they buy from or that they’ve heard something about. I can’t count the number of times I’ve received valuable information from customers that [has] led to a new line.”

As the process of connecting with new principals evolves, Ketcham notes that one important consideration he always keeps in mind is the principal’s ability and willingness to pay the rep. “[That] is certainly something to be wary of. But you can address that matter through your networking efforts. Find out from others whether a principal pays accurately and on time. Do that before any agreements are signed.”

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Paving the Most Effective Path

Finally, consultant Tony Higgins, Windsor VII, Savannah, Georgia, who elsewhere in this issue of *ASM* exposes a number of “myths” surrounding the use of reps, explains that there’s a big determining factor when it comes to effective ways reps and manufacturers can find each other. “It depends on the industry you’re in,” he says. “In the broadest sense, there are obviously independent reps for each and every marketplace and sub-marketplace in this country. At the outset, it certainly doesn’t hurt if you engage in a little networking or web crawling at the beginning of your search. If you travel to your local library, you’ll find thick volumes of directories listing reps for all those marketplaces and territories.

“MANA remains among the best when it comes to maintaining a large and broad membership base for reps and manufacturers to get together. If a more rifle-shot or pinpoint approach is needed, however, I’d recommend rep associations such as NEMRA, HIRA and ERA. And finally, there are people like me who can aid in the process.” 