

Debunking The

myths

Of Using Independent Reps

BY JACK FOSTER



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Many manufacturers make uninformed decisions about working with independent reps. Consultant Tony Higgins lays to rest many common misconceptions.

Independent manufacturers' representatives have a believer and a friend in Tony Higgins. Higgins is from Windsor VIII, LLC, a Savannah, Georgia-based company active in the sales outsourcing and management field that works with a select group of business-to-business manufacturing companies. He recently posted on his blog philosophies that echo many of the same ideas that MANA and ASM have been preaching for years concerning the benefits manufacturers can gain from working closely with a well-chosen network of reps. Entitled "The Myths of Using Independent Reps," Higgins' post puts forth the belief that reps can serve as the ideal complement for the manufacturers' marketing and sales efforts.

According to Higgins, "Sales Partnering certainly sounds like the way to go. Little cost – lots of new business. But what about all the bad things you've heard about manufacturers' reps or the terrible job they may have done for you (after all, the rep was your wife's brother's cousin)?"

Myth: Reps are order-takers

First among the myths that Higgins negates is the belief that reps are nothing but order takers. "You bet they are, and the more orders they take for your company, the more successful you and the rep will be." But more importantly, "Purchas-

ing agents may write purchase orders, but before that order is written, a decision is made, and the right rep has spent a lot of time and money and done a lot of marketing and selling to help the purchasing agent make the decision to write the order."

In other words, there's much more to the rep's job than sticking his head through an office door and asking, "What do you have for me?" The professional rep has done much groundwork before the order is ultimately placed.

Myth: If the rep were really good, he'd be a factory direct salesman

Next, Higgins challenges this idea. "Good salespeople for big companies get salaries, bonuses, company cars, insurance packages, plaques, awards, limited incomes, commission ceilings, compensation plan changes and can be downsized and/or right-sized. Some of the most successful salespeople – the good salespeople – have realized that they can have total control over their own destiny and unlimited income potential by becoming independent sales agents. They have harvested their contacts within an industry for many years and can take more than one manufacturer's product or service to their customers."

Higgins and his partner Susan Brod (Brod can be found at www.competeintelligently.com) believe, "It is absolutely a myth that all 'good'

salespeople should be working directly for manufacturers. In truth, the really good, professional salespeople realize that they can make more money by representing more than one company. Consequently, a rep should stress their professionalism and business acumen. Independent reps are definitely more than just salespeople – they are business owners whose service is selling.”

Myth: Reps sell competitive products

Higgins, who can be reached at www.tonyhiggins.com, tackles this myth by saying, “Reps sell competitive products only if you let them. Successful salespeople truly believe in the product or service they are selling, and sell features and benefits. The right reps can’t and won’t sell competitive product lines.

“The right reps know their marketplace and the products and services their customers want and need, and will beat a path to the company’s door that has the best product or service to add to their line card. The manufacturer establishes the marketing strategy [that] clearly differentiates its product or service from the competition, making it the best in the marketplace. If a rep sells a competitive product, whose fault is it?

“Additionally, when sales partnering with a rep, you write the contract. Therefore, even if your product whose fault is it or service is ‘me too,’ your contract clearly spells out whether or not a sales firm can handle competitive products or services.”

Myth: The manufacturer will lose control of the business

Manufacturers who are unfamiliar with or new to working with reps often exhibit a fear of losing the control that they have with their direct sales force. Brod, founder and CEO of Compete Intelligently, and Higgins ask, “Why? You create and manufacture a

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quality product or service; you establish the marketing and sales strategy; you establish the level of support; you develop the tools and policies; you set the pricing; you choose and manage the reps. Where did you lose control?”

The two sales professionals urge manufacturers to reconsider that notion. “The manufacturer is always in control. Manufacturers call all the shots and they control the contract, which gives them a specific timeframe in which they can terminate the rep agreement without all the legal hassles of firing a direct employee.”

Myth: Reps aren’t technical enough to sell our products


Higgins counters this erroneous belief, explaining, “They are if it’s important to the successful sale of your product or service. They are if you establish the background criteria for a successful rep profile.” Then finally, he puts the onus on the manufacturer when he says: “They are [technical enough] if you choose the right reps.”

Myth: Reps never call their manufacturer

When this excuse is invoked, Higgins asks the manufacturer, “Do you make it easy for them to call you? Do they get the runaround, no response, or voice-mail limbo? Remember, sales partnering is part of your business strategy; you want to make it as easy as possible for your reps to get answers from your company, and that means support.

“Would you ignore a direct employee, a customer or your child? You’d be amazed at how many reps feel they receive inadequate support from the companies they represent. If they continue to feel your lack of support for them and the customers, they won’t represent you for very long. This is your sales force. If you support them, they will become overachievers.”

Higgins and Brod continue to emphasize com-



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munications, adding, “Most reps are excited when they make a sale and ‘communicate’ that success immediately to their principals. Manufacturers should remember that where they want the rep to be is in front of their customers. They don’t want them sitting on the phone chitchatting. We believe that manufacturers should ask for feedback through a number of mechanisms – weekly e-mails or even a weekly or bi-weekly conference call. The calls should, however, have more of a purpose than [to ask] ‘What’s happening?’ They should provide the reps information to help them sell, i.e., new sales stories, announcements of new sales tools, products, etc. The ‘what’s happening’ calls should be made by the sales manager to the rep.”

Ongoing Challenges

Working successfully with reps is not a given, however. Both of these sales professionals affirm that challenges to get the job done will frequently present themselves. For instance, “There will always be underperforming reps. However, we believe that the rep recruitment process is essential to eliminating this problem. If the recruitment process is done properly with

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a profile of what the rep should possess – educational/technical background, customer base, established relationships with target customers and synergistic, non-competitive products – the manufacturer is mitigating the risk of rep failure.”

What about the unending challenge the manufacturer faces in getting his fair share of the rep’s time? “Getting sufficient time promoting their products is the greatest challenge a manufacturer faces. This can be alleviated by offering a quality, differentiated product, product training, sales tools and an attractive compensation package. The greatest challenge the rep faces when dealing with manufacturers is unrealistic expectations, especially if the manufacturer has not done their homework regarding their target markets/customers and competition.

“If a manufacturer is unfamiliar with the way independent reps work, [they] should learn all they can about how independent reps operate before they decide on a sales strategy using reps. At the same time, the rep should clarify what services besides actual selling they will provide, i.e., competitive information, installation assistance with customers, etc., before a

contract is signed. Legally, what a manufacturer can expect from an independent rep is sales and information.”

There are likely other myths about reps to disprove. As for manufacturers, Higgins and Brod conclude, “The message is very clear and very simple: sales partnering means finding the right reps for your company and building a trusting, supportive, long-term relationship.” 