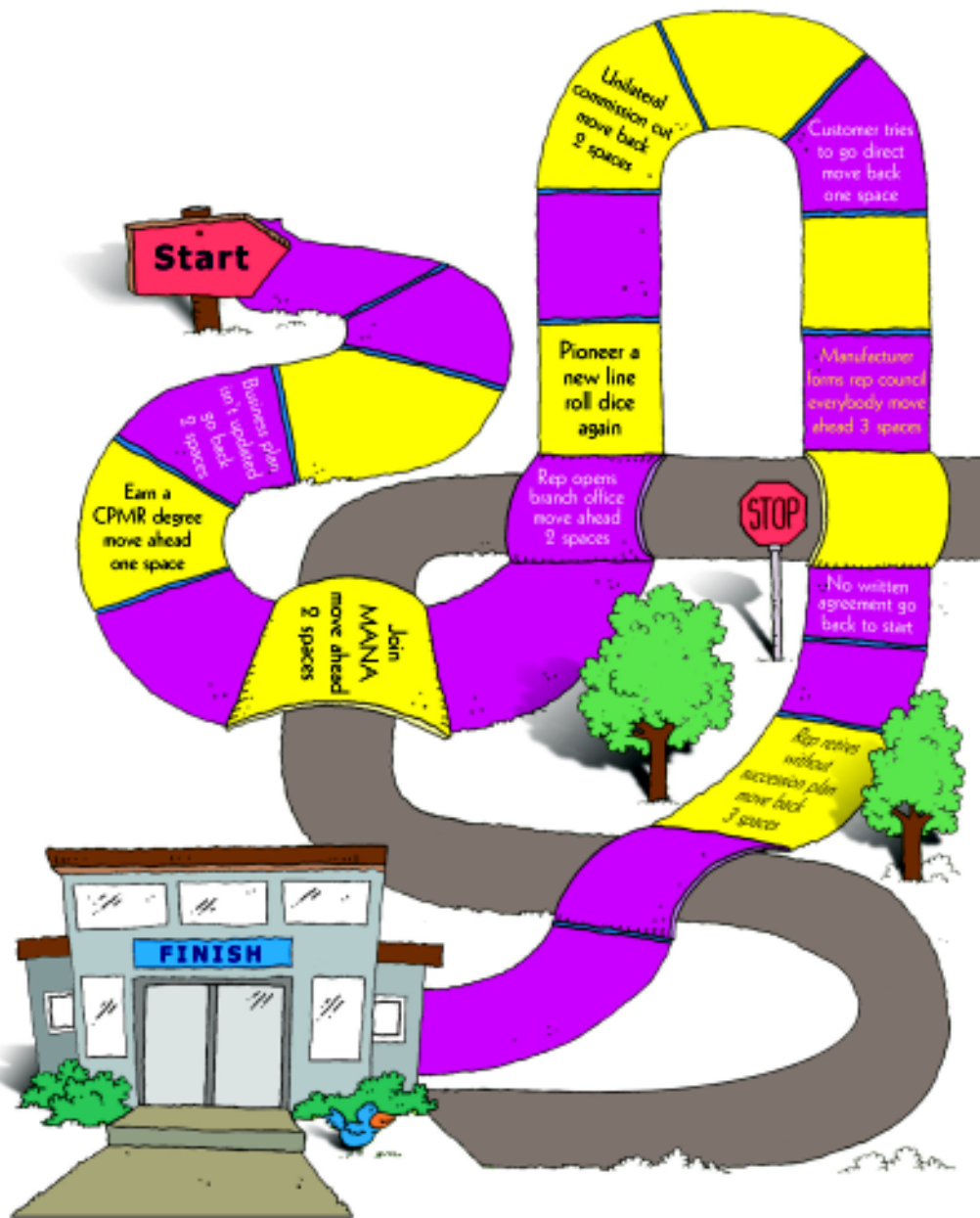


# Following Different Paths On The Way To Being A Rep



If there's any subject that's received more than its fair share of exposure in the pages of *Agency Sales*, it's how or why manufacturers' representative agencies started. At the same time, if there's any single variable that comes up in conversation with a new rep concerning why he decided to go off on his own, it's the existence of and the need to satisfy an entrepreneurial zeal.

Here are the most common answers reps give to the question: "Why did you open up your own agency?"

- I wanted to prove I can do it on my own.
- I needed to stay busy professionally.
- I spent a career working for others; now it's my turn.

Read the words of some reps who have recently hung out their "rep" shingles and see if their experiences sound familiar.

• John Benoit has been in sales for his entire professional career. He has his securities license, owns a business and has 18 employees. Why then, would he be interested in embarking on a career as an independent manufacturers' rep?

Benoit, who recently opened the doors of Special FX, Green Island, New York, explains, "I'm very aggressive and have no com-

fort zone. That's why, when I saw so much business going global, I decided I should make a move and take advantage of it."

And that's exactly what he's done with his firm, which focuses on the food industry.

In getting his start, Benoit did what we hope many reps like him would do — he joined MANA. "As part of my research on what becoming a rep entailed, I located the association. I'll have to admit that at the beginning I wasn't knowledgeable concerning what the rep's responsibilities are to the manufacturer, and vice versa. Maybe those responsibilities are basic to the veteran rep, but I found the information MANA had available to be very helpful."

In addition to joining MANA and availing himself of the association's wealth of instructional material, Benoit also attended a food show in New York City. "The buzz at that show was incredible, and the contacts I made were unreal. It really got me started. One of those contacts was with an Italian company that was interested in letting me have sole responsibility for their product here in the United States."

If Benoit can point to any

single thing that's been important in the early stages of his firm's development, it is the importance of research and hard work. "My goal is to become the most knowledgeable rep I can. Part of reaching that goal has been joining MANA and conducting research for at least five hours every night."

- It's that entrepreneurial zeal that drove Mark Mini to open his agency earlier this year. Mini, Mark Mini Associates, Naperville, Illinois, explains, "I left a long-term position last fall. My goal has been to work for myself and stay in the technology field that I was familiar with." He notes that he's been able to hit the ground running by partnering with four principals, and he's still talking to others.

Like Benoit, Mini notes that an important part of his beginning has been his membership in MANA. "I had remembered reading about the association and was especially interested in the material they offered concerning starting your own business."

So far Mini remains very optimistic with his venture, but one thing he's found that remains a challenge is cash flow. "My goal



**John Benoit**

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**Chet Camoscio**

***"I had been a rep back in the 1980s but left the profession when two of my lines went into bankruptcy. I always had the desire to return and did so earlier this year."***



**David Doody**

***"I wanted to stay in the business because I knew it well, had good customers, and making the move to become a rep would allow me to stay and take care of them."***



Francesco Tullio

***“A good deal of the work I’ve done has been missionary work. Manufacturers don’t seem to be very willing adopt the idea of covering my expenses.”***



Robert Muller

***“Certainly you have to get the lines you need, but also you need the patience it takes to see through the whole process of getting established.”***



Bob Gose

is to not have to dig into my savings, so I’m considering what I can do to supplement cash flow as I move forward.”

- When he opened the doors to his agency, Chet Camoscio proved it was possible to ‘go home again.’ “I had been a rep back in the 1980s but left the profession when two of my lines went into bankruptcy. I always had the desire to return and did so earlier this year.” In between his two stints as a rep, Camoscio, Manufacturers Reps, Inc., Stow, Massachusetts, says he’s spent time and gained a lot of experience as he’s worked for major corporations. “That time away from being a rep provided me with a lot of experience, and I think it even made me better prepared to operate my own business again. In addition, I’ve gained a more thor-

ough understanding of manufacturing, and that’s been a big help in picking up lines,” he says. He adds that he’s closing in on a couple of lines but just wants to wait “until I feel I have the proper marketing mix.”

When it comes to locating potential principals, Camoscio says, “I located the lines I’m speaking to via the *MANA Online Directory*. Once I did that, I communicated with them to get a feel for their thoughts on working with reps. So far everything has worked smoothly, and I’m satisfied with the progress I’ve made.” He remains a single-man operation, although he does have a sales associate who covers for him when needed.

- When *Agency Sales* spoke with David Doody, Manufacturing Solutions, Bedford, New York, he

***“I was traveling with a rep one day and I immediately appreciated their independence and their ability to be flexible in the marketplace.”***

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had only been in business for a month or two. "I had been with a defense contractor and was quite successful in building sales for them. In late spring of this year we negotiated a settlement after they told me the government was pulling some of its sales. I wanted to stay in the business because I knew it well, had good customers, and making the move to become a rep would allow me to stay and take care of them."

While he's found that in the industry he serves there is some level of hesitation when it comes to working with reps, the rep fills a need for both the buyer and the supplier. "My experience has been that there are plenty of buyers who don't have the time to find the right supplier. At the same time, there are principals who aren't looking for business as they should. Those are challenges that the rep can meet."

After just a few months, Doody has four lines and explains, "While I'm always looking for more, I would never take on more than six."

Like so many other reps, Doody has leaned on MANA as he began and continues to grow his agency. "I found MANA via the Internet and contacted people at headquarters, who were very helpful."

He maintains that among the

## Just A Few Things To Keep In Mind

More than three years ago, *Agency Sales* tackled this same subject of starting an agency. In that previous article, some of the concerns that were covered included:

- While most new reps can boast of success in their previous careers as salespeople, there's more to operating a successful agency than just putting a sign on the door, placing information on a web site, and having a few working telephone numbers. What has to be added to the list of concerns the rep should be aware of is the fact that today's rep must be a successful businessperson. He must know what it takes to run a small business and he had better be aware of the existence and implication of various federal and state regulations under which the agency will be operating.
- The existence of a working business plan is a must. Such a plan will provide guidance to the rep as he experiences his hoped-for growth.
- There's more to being a rep than just selling product to customers. The new rep must recognize the fact that his principals are just as important to him as are his customers. He must hone his selling skills to both constituencies if he has any hope for success.
- Because the rep is going to be called upon to perform any number of different and varied tasks, he must carefully value and guard his time. He must come up with answers to the question of: "How do I get everything done that has to be done, all while maximizing my face-to-face selling time in front of the customer?" In partial answer to that question, he must consider who will provide his legal, accounting, IT and other services.
- Then there's the challenge of adding lines. In this month's article, several new reps have recognized the fact that lines must be added if the agency is to grow as planned. Without additions, there will be no increased income. Hence, it's critical that the new rep not only learn how to use the *MANA Online Directory* and other resources for locating new principals, he must also refine his networking and research skills to ensure there is always the potential for growth.
- Not to be forgotten is the compensation that the rep expects for his services. To that end, the association has long advocated the need for written agreements between reps and their principals that spell out exactly what each expects of the other and the terms for compensating the rep.

## Getting Started The Right Way

Approximately one-third of MANA's new members each year have been in business fewer than two years. In order to meet the needs of these business entrepreneurs, the association next month is beginning a series of "webinars" addressing the challenges that new reps frequently encounter.

An advertisement that appears elsewhere in this issue of *Agency Sales* completely describes the program that will begin January 8, 2007.

That first webinar will provide basic information to those individuals interested in starting a rep business. It will be followed by instruction in:

- Business Planning
- Selecting Principals
- Negotiating With Principals
- The Contract
- Marketing Your Rep Firm

In addition to the one-hour sessions, participants will be provided with a reference library of valuable business resources, business counseling with MANA staff via phone or e-mail, and local mentoring.

For detailed information, please visit the MANA web site:  
[www.MANAonline.org](http://www.MANAonline.org).

many facets of business that MANA has been helpful with is that of "emphasizing how important it is to get things in writing. Business is easy if you maintain you're a man of your word, but that philosophy doesn't always work. That's why it was so important that the association recommended attorneys to me, and I've been sure to get all my agreements in writing."

• Francesco Tullio, Tullio Industrial Sales, Blainville, Quebec, Canada, has been a rep for approximately three years and explains that one of the challenges he faces with some regularity is that of principals that don't want to put the relationship in writing and would rather continue with the regular 90-day termination policy. "A good deal of the work I've done has been missionary work," he explains. "Manufacturers don't seem to be very willing adopt the idea of covering my expenses. As a result, I've regularly had to make a decision whether or not I believe it's worthwhile to work with a specific manufacturer."

To make his point about the difficulty of working in this manner, he cited the example of one manufacturer that he brought close to \$750,000 worth of business to during the first year of the relationship. "When I signed up the business again last year, they let me know shortly after the holidays that they were terminating me. As a result, I was starting 2006 with no income."

He continues that it would have been very helpful if he could have gotten that manufacturer to sign the MANA recommended contract — but that was not the case.

Finally, Tullio notes one frustra-

tion that he's found in working with some U.S.-based manufacturers. "They don't seem to have much of a working knowledge of Canadian geography. For instance, I can recall a time when one Monday morning I picked up a principal at the airport in Montreal so we could make a joint call. When we finished the call, he suggested we make another call that day on a customer in Ontario. All he had to do was look at a map and realize that wasn't possible."

• Robert Muller, Muller Technology Group, Inc., Center Moriches, New York, was attracted to the rep profession while in his position as sales manager for a manufacturer. "I was traveling with a rep one day," he explains, "and I immediately appreciated their independence and their ability to be flexible in the marketplace. They weren't stuck selling just one product; they had a lot to choose from. In addition, it was obvious how the rep can control his own destiny."

Muller, who has been in business for more than a year, explained that looking back over his experience, a couple of things have stuck in his mind. "You'd better have some money in the bank if you're going to be a rep. I say that because it took longer to get some business than I anticipated, and you have to be able to go for long periods of time without any money coming in."

"Then there's the challenge of getting lines. Since I started from scratch with my agency, my first line was a pioneering venture. As a result, it's necessary for me to come up with another line to represent. I need another commission check."

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In the end, however, he adds, "Being a rep is everything I hoped it would be. I became a rep to be an entrepreneur and to be independent, and I've been able to do that."

- Bob Gose found himself positioned squarely on the horns of a dilemma when he decided to open his own agency. "I had worked for an agency for 10 years and found that I really enjoyed the work. Then I had to ask myself if I should have employment with some form of security for myself, now and for the future. I had to weigh that against the thought

that after 10–15 years of working for someone else, I would ask myself, 'Should I have taken the chance and done something on my own?'"

Obviously Gose and his partner, Julie Carlson, opted for the latter course when they opened their own agency, Point Equipment in Greenville, North Carolina.

Gose explains that it was a combination of feelings that brought him back to the life of a rep. "I have a passion for the work, combined with an appreciation for the rep's independence. Add

to that the knowledge that the rep is directly rewarded for the work he does, and it becomes a very attractive way to make a living."

That doesn't mean there aren't challenges that have to be met and overcome along the way, but Gose is ready for them. "Certainly you have to get the lines you need, but also you need the patience it takes to see through the whole process of getting established." He adds that it doesn't hurt to know the applicable tax laws and to be able to "keep your income moving in a positive direction." □

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