
MANA Member Addresses Rep Concerns At Industry Conference

Kurt Nelson, CPMR, pulled double duty at this fall's Electro E-Biz Forum 2006 in Long Beach, California, as he addressed two subjects that occupy a good deal of the rep's time and resources.

Nelson, of MANA member Nelson & Associates, Santa Fe Springs, California, tackled customer relationship management (CRM) programs and how to maximize the rep-distributor relationship during the three-day E-Biz forum hosted by NEMRA, Electro-Federation Canada, NEMA, NAED and IDEA.

At the outset of his first presentation, Nelson cautioned that CRM (i.e., methods and technologies used by companies to manage their relationships with customers) is hardly a panacea that's going to answer all of a rep agency's sales problems. On the other hand, according to Nelson, a few consistent facts about CRM are:

- "You can spend thousands of dollars on CRM, but if you don't implement it properly and hold people accountable, it won't do anything for you."

CRM (i.e., methods and technologies used by companies to manage their relationships with customers) is hardly a panacea that's going to answer all of a rep agency's sales problems.

- "It doesn't matter how many features your CRM program has. The cheapest (minimal feature) CRM, with excellent implementation and consistent accountability for use, will yield great results."

- "A corporate cheerleader is needed for the system to work. Remember, everyone looks at the top to see what's important. If agency management doesn't back the program, it will never succeed."

Using those facts as guidelines, Nelson continued that having — and then measuring — some common goals are key to the success of CRM. "For instance, we all share the goals of desiring to reduce sales cycles, cross selling and improving profits with customers. These are all great, but it's necessary to measure performance vs. these goals. That's where CRM helps." And that's where it's helped Nelson & Associates.

Having pointed to the success his own agency has enjoyed with the implementation of CRM, Nelson explained that it won't be easy to move to CRM. "There can be roadblocks" he explained. "For instance, what if your salesmen don't want such a program, and your team won't make the changes necessary for its implementation? Other objections could be that it takes too much time, costs too much, there's no CRM product that meets our needs and our data isn't ready."

These objections are far outweighed by the benefits of CRM. According to Nelson, CRM provides:

- A documented accountability of your sales team effort.
- A tool to coach individuals. "I can sit in an office or on a plane and review results and see immediately where we need to help each other."
- Ease in bringing in new reps. "Many reps believe a territory is their own private property. When you go to CRM, you're dealing with shared information. By having all this information in the system, the new rep can look at notes, old orders and comments, and within a week he's brought up to date on the territory and its customers."
- The resulting decrease in the sales cycle allows for more efficient planning.

Nelson was hardly done with his work when the CRM breakout session was completed. Next up for him was a session entitled, "Realizing the Potential of Distributor/Sales Rep Relationships." Key for any discussion of this subject, according to Nelson, is the question, "Who owns the customer?"

Whether you're considering the distributor's salesperson or the independent manufacturers' rep, Nelson explained, "We all have a common goal, and that is to get products into the hands of satisfied customers. And, that's where the question has to be answered. The answer is no one owns the customer — both the distributor and the rep have the ability to influence the customer's decision. The customer places the business where he perceives he gets the best value and service."

In order to provide the customer with the best value and service, Nelson emphasized how important it was for the rep and distributor to work closely together. That may be easier said than done, however, given the issues of "trust" and "conflicts" that usually exist between them.

When it comes to trust, Nelson maintained, "Without trust there can be no relationship."

An example of how that issue can rear its head was described by the rep as follows: "What usually happens is that the rep will make a joint call on a customer with one distributor. That's followed with a call on the same customer, but with a different distributor. Naturally, the first distributor is going to feel threatened." He added, however, that such calls were inevitable in the sales process.

In order to diffuse problems, he urged communication. "Obviously it all depends upon the relationship between the rep and the distributor, but the best course of action would be for the rep to let the distributor know ahead of time that he's going to be making what might be perceived as a competitive call



Kurt Nelson (right) confers with Bernie Westapher of the Panduit Corporation following his presentation on customer relationship management at this year's Electro E-Biz Forum in Long Beach, California.

"Many reps believe a territory is their own private property. When you go to CRM, you're dealing with shared information. By having all this information in the system, the new rep can look at notes, old orders and comments, and within a week he's brought up to date on the territory and its customers."

on that same customer. After the sales call, get back to that first distributor with a follow-up. Remember that trust is something that has to be earned — that's why communication is so important."

On the subject of conflicts, which always arise in a competitive environment, Nelson offered, "I've found there are usually three or four sides to every issue. And when conflicts arise, if I acted on everything I was told, then I'd probably fire everyone around me."

While he advocated trying to "wear the other person's shoes" when resolving conflict situations, Nelson further advised the rep to:

- Avoid gossip and petty arguments.
- Always stand up for what's right, not what's popular.
- Consider all sides of the issue before making a decision.
- Don't protect your turf.
- Always be credible and consistent in your actions.

Finally, Nelson offered activities that create value and maximize the relationship between reps and their distributors:

- Conduct annual planning with distributors and establish review dates.

- Make sure sales calls are made with an agenda and a purpose.
- Conduct joint sales calls on customers and over-communicate about them.
- Train the distributor's counter/inside sales and outside salespeople.
- Regularly introduce new products.
- Roll out marketing programs with distributors.

Nelson concluded his presentation by advising reps and distributors to view each other as a "10" if they are partners.

- "Who gets the rep's best efforts? Is it the distributor that believes the rep is a '10' or the partner who takes you for granted?"
- "Whom do you enjoy working with? Is it the partner who believes you are a '10' or the partner who takes you for granted?"
- "Whom will I get the most support from? The partner who believes you are a '10' or the partner who takes you for granted?"

Copies of Nelson's presentations may be obtained by contacting him at info@nelsonreps.com. □

Copyright © 2007, Manufacturers' Agents National Association

One Spectrum Pointe, Suite 150, Lake Forest, CA 92630-2283 • Phone: (949) 859-4040 • Toll-free: (877) 626-2776 • Fax: (949) 855-2973
E-mail: MANA@MANAonline.org • Web site: www.MANAonline.org • All rights reserved. Reproduction without permission is strictly prohibited.