
Manufacturers And Reps Explore Their Expectations



Susan Fox

Perhaps the most appropriate analogy concerning what manufacturers' representatives and principals should expect from their relationships was offered by one California rep. "Isn't it a little like bringing someone into a marriage? You want to know ahead of time what each party expects from the other. It's only with that knowledge that you have a real chance for success."

That's how Susan Fox, Applied Industrial Materials, Torrance, California, approaches a new business relationship.

The extent to which Fox considers the importance of identifying mutual expectations is seen in the fact that prior to an agreement with a principal she'll actually go through a recitation of exactly what the principal should expect from her. In return, she requires the same from the principal. Fox maintains, "It's a very simple process that I complete before going to contract. They know exactly what they're getting from me. In order to receive that from me, here's what I need from them."

From her perspective, she says, "I expect to receive commissions on time. After all, cash flow is important to my success. But that's not all. I also bring up the subject of shared development costs, and I want the necessary information (e.g., names, addresses and contact points) for their 'B' and 'C' accounts. Once armed with that information, it's my intention — when possible — to turn them into 'A' accounts."

She's not done yet.

"Other requirements are:

- Have me listed as their rep on their web site.
- Support me technically.
- Supply me with leads.
- Provide me with all the necessary product information and the inside and field support that I'll need to get the job done.
- A written contract is an absolute necessity. If the manufacturer balks at that last point, it shows me that the relationship has little chance of working.
- Last, my expectation is that

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any principal I align myself with must have strong competition. If they currently have a small market share, then they truly need me and my agency."

Other manufacturers' representatives and manufacturers interviewed concurred with Fox's approach and all admitted that to assume anything in the relationship without first discussing it was an error.

Dealing With the Unknown

Geoffrey Boyd, president, Stirling Equipment & Systems, Inc., Sturbridge, Massachusetts, says, "With some companies it's a lot easier to have this conversation than with others. Unfortunately, for a variety of reasons some manufacturers don't necessarily know what to expect when dealing with reps. We've had the experience that the manufacturer doesn't have much of a track record in the territory, and all they really want to talk about is what it was like in the 'good old days.' With others — those that understand the process of working with reps and have some sort of an idea of what it takes to make it work — we'll ask what their experience in the territory has been and what they expect from

us. In return, we want to know how they're going to support us in terms of training, product literature, etc. Also, who is the sales manager and what has his experience been in working with reps? Finally, we ask about communication. How are they going to keep us informed about what's happening from their perspective, and how do they want us to keep them informed about activities in the territory?"

Boyd adds when there's a good exchange of thoughts and opinions on matters such as these, then things usually work out quite well.

Working With Basic Understandings

Lou Basta has a lengthy track



Geoffrey Boyd



Glenn Regruit

Looking back over his 25 years as a rep, Glenn Regruit, president, Industrial Component Sales, Rochester, New York, notes that conversations concerning mutual expectations are always a necessity. "Sure, even though we've discussed matters ahead of time over that period of time, there have been occasions when one or the other of us hasn't been pleased with the other, but by and large it's a necessity to cover these matters. An important expectation I have is the ability to receive introductions to existing accounts, even though we may not realize any residual business. These introductions are important because while we may not benefit from repeat business, we may be able to develop relationships that will result in the sale of other products. In addition we always welcome qualified leads."

According to Regruit, what the manufacturer should expect in return is prompt follow-up on any leads and accurate communication back to the principal concerning activities with customers and throughout the territory.

record as a rep. Basta, president of Design Metals, Old Chatham, New York, who has been a rep for 41 years, explains, "At the beginning of my career, I don't think we had an 'expectations conversation' per se. When the subject of expectations did come up, however, it might have come in the form of the principal saying something like, 'What are you bringing to the table?' or 'What's your list of accounts?' It never seemed all that important because it was so basic."

He does add, however, that he's presently working with a few rep search firms, and in the course of matching reps with principals, the subject of expectations and capabilities is generally addressed. "For instance, if I'm informed that a principal is looking for representation in this territory, we'll fill out a form that communicates what the principal expects from their reps, and it asks if you can meet those expectations." He says that some of the areas covered are territory coverage, ability to follow up, ability to read prints, knowledge of a specific manufacturing process, ability to travel the territory, etc. "These matters are all covered ahead of time so that when you finally sit down with the

principal, you have a pretty thorough knowledge of what each of you expects."

Basta adds that he's never had to part company with a principal because either he or they failed to meet any agreed-upon expectations.

Expectations — a Hot Button

The timing for a conversation on shared expectations couldn't have been better for Steve Postma, president, Merritt-Pac Corporation, Cerritos, California. According to Postma, "This is a hot button of a subject and it's something we just went through. Recently we were interviewing an off-shore principal, and when it came time for us to ascertain their expectations, they couldn't tell us anything. I would ask them what to expect in terms of sales figures, and they just didn't know. It was very frustrating. The only way we could figure out their sales expectations was to conduct a marketing study for them. As a result, they inadvertently found out what the potential was for their products. The important thing for us was to determine exactly what we could do to assist them, and that's what we did. But that's



Lou Basta



Leah Duval

what you have to do with any principal. You have to determine ahead of time how you can best help them.”

There’s a next step in the process, according to Postma. “You have to get a fix as to how they are going to support their reps. For example, what is going to happen after I provide them with an inquiry from a customer? How prepared are they to respond to the inquiry? How long are we going to have to wait before the needed information is forthcoming? I ask these questions because some principals simply are not set up to work with reps. They don’t have any inside sales support. What am I supposed to do if I come up with the inquiry and then weeks go by before there’s any type of response?”

MANA Membership Aids Process

If the timing was perfect for a discussion of mutual expectations with Tom Postma, then the timing of Julie Pohlman’s membership in MANA couldn’t have been any better. According to Pohlman, president, Blue Sky’s LLC, St. Louis, Missouri, who has been a rep for just two months, “When I took on my first line, I accepted just about every-

thing the manufacturer said as the way it was. Prior to signing with my second line, however, I received a wealth of information from MANA after I joined the association.

“As a result, I questioned everything, including how one state in my territory was going to be split with another rep. I also asked for clarification as to what might happen to me if I reached all the sales goals that I agreed upon with the manufacturer. The information I received from MANA, including information on contracts and how to locate new lines, was a terrific help. I wished I had received it earlier — but better late than never!”

Just as Postma, Pohlman maintains that a discussion on mutual expectations is absolutely necessary for reps and manufacturers. “Let’s compare it to dating someone. During the dating process you have to explore everything about the other person. You have to weigh the risks in the relationship to the potential rewards, and you have to be sure that you’re a good fit for each other. What if I’m able to turn on a dime and the manufacturer cannot? Can we work smoothly with each other if that’s the case?”

As an extension of her expectation conversation with this

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principal, Pohlman explains that she puts a little something extra into the mix. “I asked them to review my performance after six months. I want to know how I perform compared to our agreed-upon expectations. I’m not sure they’ve had anyone else ask for that in the past. My feeling, however, is that this is just another step in the process of understanding each other and completely knowing what each other’s roles are.”

Manufacturers in Agreement

Reps are hardly alone in appreciating the importance of the expectations conversation.

Tom Kolder, Carrier Vibrating Equipment, Inc., Louisville, Kentucky, agrees that exercising the expectations conversation at the beginning of the rep-manufacturer relationship is pretty much the norm. “From our perspective, we like to address geography and the contacts/relationships the rep has in the territory. Then we emphasize the importance of the rep covering that territory, maintaining his relationships and keeping us informed regarding what he’s getting done.

“That’s not to say the rep shouldn’t expect something from us in return. Among the greatest expectations we realize for our reps is our product training. We normally bring them in here for a three-day training program every

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year. We can’t expect the rep to go out in the field and sell products unless he’s thoroughly familiar with our equipment.”

Just as the rep expects the manufacturer to keep him in the loop regarding product information and other facets of the business that he has to know about, Kolder emphasizes, “It’s important that the rep let us know what he’s doing in the field. That’s why if we’re communicating as we should with reps, they should do the same with us. Many times, there’s not nearly enough communication between the two of us.”

Finally, Kolder offered that something important his company provides for its reps is joint sales

calls. “This is something I think the reps really appreciate. Our products aren’t all that easy to sell. As a result, if I can make a joint call with the rep on the end user, the sale can go a lot easier.”

“We never assume anything.” That’s how Leah Duval, Process Combustion Corporation, Pittsburgh, Pennsylvania, views the subject of expectations. “We have that conversation right up front. Among the things we expect from our reps is a proactive effort to promote and sell all of our products combined with a willingness to gather the product and market knowledge needed to successfully market and sell those products. In return, reps naturally expect negotiated commissions and communication when needed from us.”

Wow, More Business

Consultant Paul Pease, Hermosa Beach, California, puts a cap on the discussion of reps’ and manufacturers’ expectations of each other. According to Pease, whose articles have appeared in *Agency Sales* and who has conducted several MANA seminars, “From a realistic point of view, I think what typically occurs in the beginning of the relationship between manufacturer and rep is that they both look at each

other and say: ‘Wow, this is great. Now I’m going to be getting more business.’

“But more practically, how the relationship should work is that they’re both supposed to be getting each other more business. What they should be looking at is how they locate new opportunities for their new business partner.

“For the rep especially, the second consideration is that if the manufacturer does deliver more opportunities via leads, it behooves the rep to energetically pursue them. The rep should pursue those leads to the point they become an order — or not. If the experience is the latter, then the rep should be willing to provide feedback to the manufacturer as to why it didn’t result in an order. Likewise, when the rep brings new opportunities (e.g., requests for proposals, new product samples or even literature and mailings as a part of the sales process), the manufacturer must take those requests seriously and not put it off.

“In the beginning of the relationship, nothing is worse than the manufacturer not understanding the importance of building trust in the sales and business relationship. They must be willing to perform those ‘little’ things on time. Likewise, the rep must look at leads generated by the manufacturer and evaluate and report on the opportunities generated by manufacturers.”

Finally, Pease identifies one element that contributes to a failure to meet expectations. According to the consultant, “One side or the other doesn’t always appreciate what the other has done for the relationship. That’s where the danger of stereotyping comes into play. For

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instance, how often has the manufacturing side worked under the assumption that the rep is out there in the field having a good time or playing golf? Likewise,

how many reps feel manufacturers simply hide behind their voice or e-mail and are always out the door right at 5 p.m? There are a lot of people on both sides that

fall into that trap. The seeds of distrust are sown well before any relationship is finalized. Both sides must work to avoid stereotyping the other.” □

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