Technology Lets Sales Agencies Operate Efficiently

by **GIL LACROIX**

In the Internet age, when everything from opening a bank account to buying products is done online, many manufacturers and their sales agencies still operate in an environment reliant on paper and manual processes to gather and report sales and commission data.

Manual processes create a bottleneck that can halt even the most efficient sales agency. When commission statements, invoices or sales reports are sent through the U.S. mail, the sales numbers are days or weeks old before the agency receives them. Then mounds of paperwork must be sorted through in order to key in hundreds, even thousands of transactions every month. By the time sales reps receive numbers for their territory, the data is outdated.

The good news is that as technology has evolved into a normal part of our everyday lives, sales agencies and manufacturers are becoming more sophisticated in their use of it. Today, it is possible for agencies to virtually eliminate data entry, saving valuable time and enabling them to focus on sales and increasing their overall efficiency.

For years Mike McArthur, comptroller of Kain-McArthur, Inc. sales agency, manually re-entered data from commission statements sent by his manufacturers. This process took days to complete. In 2002, he found software, that has a component for bringing in sales information electronically — called electronic sales information (ESI). "I immediately knew it would be a real time saver," McArthur says. Now, manufacturers e-mail sales numbers to him — and McArthur doesn't have to re-key them. Instead, files are processed electronically and the agency's database is instantly updated.

"ESI is more accurate and much faster than manual

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input," McArthur says. "Keying in hundreds of invoices by hand takes hours, and mistakes are bound to happen. But done electronically, processing up to 1,000 invoices takes just minutes, and it's extremely accurate."

McArthur is able to operate a virtually paperless office. Manufacturers e-mail an Excel spreadsheet containing commission statement data, and with a few mouse clicks from McArthur, ESI does the rest, saving the data and sorting each invoice to the correct customer.

Updating the agency's database takes only minutes and occurs virtually automatically with little or no manual intervention. The software matches the manufacturer's customer codes to the agency's customer codes and assigns each sale to the proper sales reps at the proper commission rate. An error-proof feature recognizes customers buying for the first time. "If the system doesn't recognize a customer, I get a message that 'There's an unidentified customer on line 50.' I identify that new customer and future transactions are automated," McArthur explains.

Kain-McArthur can sort numbers by manufacturer, customer, territory or more. "The salesmen can go in and look at numbers right away," he says. "It helps them do their job better."

Data entry time has decreased significantly. Currently, half of McArthur's factories send data elec-

tronically. As for the others, McArthur is crusading for them to implement an electronic process. "I tell them, 'It behooves you to send data electronically because it makes the information more accurate, with no risk of human error. In addition, many of your sales agencies can accept electronic files, so you are cutting down on manual processes.'"

One factory that McArthur doesn't have to convince is T&S Brass, a manufacturer of food-service plumbing equipment such as faucets, pre-rinse units, filters and hose-reels. Several years ago, T&S Brass eliminated mailing paper reports and switched to strictly sending electronically. "We saw the benefit in electronic transmission," says Eva-Marie Fox, vice president of marketing for T&S Brass. "We knew it would expedite the process, but the accuracy and cost-savings were also deciding factors."

Fox says T&S Brass receives better service as a result of switching to electronic transmission. "Response time from our agencies is much faster," she says. "Questions are answered within hours, as opposed to days. And more detail is available, so the reps are far more informed."

Fox maintains the communication process between agency and manufacturer is a two-way street. "We have and will continue to be electronically friendly and as cutting-edge as possible. As reps continue to improve their agency software, T&S wants to offer the most current data systems available."

The decision didn't come without some extra work for T&S Brass' IT department, which had to set up the template for electronic transmission — but the one-time project was worth the effort. "It was a bit of work, but fortunately our IT department made the transition smoothly."

To begin sending electronically, the manufacturer's IT person does a simple, one-time set-up of a report format. Files can be created in common formats such as Excel. "Information included in the reports is the same that is found on the invoice, such as date of sale, customer name and amount of sale," McArthur says. The agency can accept data in various formats from different manufacturers, and standardize it in its own database. Once the agency receives the files, their database can be updated — and everyone is armed with the most accurate, up-to-date information.

For principals and their sales agencies, strategic use of technology is a win-win situation that raises customer satisfaction levels and profitability for everyone on the chain. ❏

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