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# PTRA Marks 35th Anniversary At Annual Conference

Attendees at the 35th Annual Power-Motion Technology Representatives Association (PTRA) Conference earlier this year departed the four-day meeting with a wealth of guidance on how to make their selling efforts more successful.



*The Rep Town Hall Meeting was organized by Gord Jopling (right), Mechanical Sales Company. Panel seated, left to right: Duncan MacDonald, Engineered Industrial Products, Inc.; Tom Jopling, Mechanical Sales Company; Tom Daddario, Poklar Power Motion, Inc.; and Mark Tsatsos, House of Motors, Inc.*

Whether the subject was how to more effectively deal with Six Sigma customers, creatively managing cash or the critical role that U.S. manufacturers play in the global economy, the more than 260 conference registrants departed the Captiva Island, Florida, location much better armed to compete in today's challenging marketplaces.

One of the subjects that was especially applicable to what the reps were interested in was entitled "Manufacturers Competing in a Global Market: The Cost Burden from Washington." Presented by Pat Cleary, senior vice president, communications, for the National Association of Manufacturers (NAM), Washington, D.C., the presentation explored how the U.S. government imposes rules and restrictions on manufacturers that especially hinder their ability to compete on an international stage.



*The 2007-08 PTRA Board of Directors is introduced (top of page, left to right): Chris Brisbane, immediate past president; Joel Casaubon, president; Ron Haynes, first vice president; Jay Holder, second vice president; Don Elfstrom, treasurer; Mike Richie, secretary; Jerry Rhodes, director; Robin Tetrault, director; Tom Daddario, director; Gord Jopling, director; Kurt Fisher, director; and Mark Tsatsos, outgoing immediate past president.*

According to Cleary, who has become a mainstay at many rep conferences, “The cost for U.S. manufacturers to operate their businesses is much higher than it is for manufacturers in other countries. This is due largely to the rules and restrictions placed upon U.S. manufacturers by the government. To rectify the situation, it’s up to you to talk to your representatives in Congress about lowering the cost of conducting business. And when I say lowering the cost of doing business, I don’t mean focusing only on high wages.” He explained that whenever a constituent raises the subject of the cost of doing business, the legislator hopes that unfair competition with China is brought up. “They love that because they have a prepared speech on that subject. What they don’t want to talk about is what Congress can and should do to make manufacturing’s job easier.”



*The swearing-in ceremony (above, left to right): Jay Holder, second vice president; Doug Landgraf, director; Kurt Fisher, director; Joel Casaubon, president; Ron Haynes, first vice president; Don Elfstrom, treasurer Mike Richie, secretary; and Ray Mazurek, chairman of the principal advisory group.*



*Above: Gord Jopling (right) welcomes Pat Cleary, senior vice president, communications, NAM (National Association of Manufacturers) to the PTRA conference.*

*Above right: Bryan Shirley (standing), MANA president/CEO, and (left to right seated) Bob Lennon, CENTA Corp.; Dan Dummett, Allied-Locke Industries; Scott Davis, EDT Corp.; and Ray Williams, Stober Drives, Inc.*

*Below left: Jay Ownby was the moderator for the Rep Town Hall Meeting.*

*Below right: Conference attendees at the 2007 PTRA conference.*



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### Tell Your Story

He continued that it's imperative for reps to "tell your story. Let them know what your health care costs are. Tell them how much you pay in energy taxes and various compliance charges. That's the way to keep the pressure on them. Just keep it simple for them. Give them four short paragraphs that outline your concerns. For instance, tell them specifically how much you paid in taxes last year and how much all of your employees paid. Maybe one of those teachers whose salary I paid last year taught one of their children. Just go ahead and try to float that boat without me.

"Invite them into your place of business and have them meet your employees. That's the way to get their attention. The bottom line is that you want to know what they're doing to allow you to become more profitable."

As a warning for those who believe there's no sense in paying attention to what the politicians

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do, Cleary repeated the words of the Greek philosopher Pericles who said, "The penalty that men pay for not being interested in politics is to be governed by men worse than themselves."

And finally — not being done with the ancient Greek philosophers just yet — he recalled what Diogenes said to Alexander the Great when the ruler was traveling his kingdom asking people what he could do for them. "Diogenes said simply, 'Stand out of my light.' Those words provide a great metaphor for manufacturers in the United States. We don't want the government to do anything for us. We want them to get out of our way. We're the best manufacturers in the world. We'll compete with anyone in the world — and we will win."

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### The Value of Value

Reps looking for a "win" with some of their larger customers received guidance in that area from Jason Piatt, president, Praestar Technology Corporation, who spoke on "Selling to Lean and Six Sigma Customers."

According to Piatt, the first concept that has to be discussed when considering how best to meet the needs of six sigma customers is that of value. "I can't say enough about the importance of value."

For the rep to properly define

value, Piatt emphasized how important it was for the rep to get inside the customer's head to determine how he defines it for himself. "For instance, what's important to him? Is it:

- Being able to decrease the cost of acquisition?
- An increase in product features?
- Increased product benefits?
- My least favorite, a decreased product price? The best way to increase price is to decrease the customer's cost of acquisition.

"What's critical here is to vary your approach when dealing with the customer, but bottom line, value is dictated by the customer, not the rep. If there's no value in the transaction for them, it simply won't work."

To make his point, Piatt cited his own experience in stopping for coffee each morning on the way to work. "I've got a number of choices available to me. I can go into a restaurant, sit down and be served; go to a fast-food restaurant or go to a convenience store where I serve myself. I choose the last one because what I'm looking for is a dose of caffeine in a hurry. Each customer has their own needs, their own mix. So too is it with the customers you call on. The rep's task is to entrench himself with the customer and hit his needs dead-on. That's what that convenience store does for me."

He continued, "In addition to meeting those needs, market prepa-

***"If price is all you have to offer, nothing else you do is going to work effectively."***

ration is critical. Think of this task as a race. Make sure that you're running to meet the customers' goals and not just trying to be one better than the competition."

Piatt emphasized that an important ingredient in the process of meeting the needs of six sigma and lean customers is to be able to identify and then eliminate waste in their operations. According to Piatt, "Waste is any activity that absorbs resources but creates no value. Included in this are mistakes, unneeded production, unnecessary production steps, delays downstream and a complete missing of the needs of the customer." He added that once these areas of waste are eliminated, the customer's supplier really shows its value-add.

Finally the speaker noted how important it is for the rep to truly differentiate himself "as opposed to simply being the low-cost provider. If price is all you have to offer, nothing else you do is going to work effectively."

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### Keep the Communication Coming

Being able to identify and meet your customers' needs is hardly an easy task, and one thing that makes it a challenge, according to another conference speaker, is the fact that sales data from manufacturers to reps is not always communicated in a timely and accurate manner.

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To make his point, Gil LaCroix, MACS Software for Reps, Naples, Florida, likened the relationship between manufacturer and rep to playing golf at night. “Just as the nighttime golfer can hardly know what’s expected of him, manufacturers today are sending their reps less and less information and expecting them to do more with it. As a result, field sales reps are ‘in the dark’ when it comes to being able to access and work with timely sales information. Manufacturers must start providing timely sales data in an electronic form to their sales agencies.”

By following that course of action, LaCroix maintained, there are immediate benefits to both the manufacturer and his reps.

On the manufacturing side:

- There are cost savings in terms of administration and paper cost, mail and transmission cost, and the cost of clerical labor.
- An immediate improvement in agency sales performance.
- Customer satisfaction levels are increased.

From the rep’s perspective:

- Rep performance is improved.
- Customer service levels are increased.
- It provides agency efficiency and productivity by reducing manual data entry; improving accuracy; frees agency resources to concentrate on sales efforts.

### **A Full Conference Program**

Those three presentations were hardly all that PTRA Conference attendees encountered during their four-day stays in Florida. Included in the other presentations were:

- **Contracts and Legal Issues** — Mitchell Kramer noted that when he began working with PTRA years ago, “There were very few legal issues to address. Reps seemed to stay with their principals forever and relations were stable. At that time, I let the association know that all of that was wonderful, but at some point the world would catch up with them. That’s exactly what’s happened.”

Kramer, of Kramer & Kramer L.L.P., Rydal, Pennsylvania, and legal counsel for PTRA, noted that mergers and consolidations have progressed at a rapid pace, affecting the way that agencies and manufacturers work together. “Relationships that were once stable aren’t the same anymore. As a result, today we find ourselves with more than 30 states having commission protection laws on the books. Those laws vary from state to state, but in general terms all the laws state that when the relationship between agency and principals ends, the manufacturer remains obligated to pay the rep amounts that are due and that are about to

come due. If payments aren’t made, penalties are attached. I recommend that both reps and manufacturers become aware of these laws.”

- **Creative Cash Management & Tax Planning for the Professional Rep Agency** — The pressing need for reps to have proper advisors when it comes to financial matters was emphasized by John Vrablic, T.I.P.S. 4 Reps, Avon, Ohio. According to Vrablic, who has authored several articles for *Agency Sales*, “Good, educated, well-informed advisors are like gold. In order to establish and execute an overall plan — and that includes succession planning — you need an attorney, pension planner, accountant and investment manager.” He went on to suggest that it was wise to work with advisors who are familiar with reps.

- **Solutions Selling** — The benefits of reps practicing solutions selling were outlined by Douglas Bower, Dow Corning Corporation, Irvine, California. According to Bower, “We define a solution as a combination of product and/or service specially tailored to meet a customer’s needs or solve a business problem.” The rep that can provide solutions selling, he continued, “is more prepared to truly appreciate the value of what he sells.”

How does this impact the rep?

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According to Bower, the rep involved in solutions selling can realize:

- Closer customer relationships.
- Higher commissions due to the higher prices they command.
- A more secure revenue stream with increased long-term contracts.
- A means to differentiate themselves from others in the marketplace.

• **Procurement Strategies** — “Procurement people don’t lie. They just tell you what we want you to hear.” That’s how Dennis Buckler, senior strategic procurement manager, Dow Corning Corporation, Midland, Michigan, opened his presentation focused on acquainting reps with how to work more efficiently with purchasing personnel. “We don’t lie, but we don’t tell you everything either,” he continued. “You have to push and pose questions in order to learn what the opportunities are. Then you have to take the right steps in order to realize those opportunities.” Buckler emphasized, “Purchasing’s real objective is to get the right material or service at the right time in the right quantity and with the right quality at the lowest delivered cost. The rep’s job is to develop strategies and tactics that will allow purchasing to do their job.” □

PTRA’s 36th Annual Conference is scheduled for April 16-19, 2008 at the Portola Plaza Hotel in Monterey Bay, California. For more information, visit [www.ptra.org](http://www.ptra.org).

## Reps Discuss Whether They’re Easy To Work With

The benefits of the networking opportunities at conferences such as PTRA’s can hardly be overstated. That was the case at the PTRA Conference when in addition to the social networking gatherings, there was a formalized Town Hall Meeting of PTRA principal members that gave light to a number of concerns. Among the topics covered during the Town Hall Meeting were:

- **Is working with reps easy?**

The consensus answer was that working with salespeople is not an easy task. However, a major step in facilitating the process is to treat them as if they are a part of the manufacturing company — truly make them a part of your sales force. Field sales calls were cited as one way the rep can feel closer to the principal. “We regularly make calls in the field with our reps. We schedule the trips well in advance and make sure we have a set agenda. While we’re out there with them, we show our understanding of the fact they represent other lines. Sure, we want the greatest share of their time, but we appreciate their synergistic sales effort and make every effort to support them.”

On that later point of appreciating that reps represent other lines, the comment was offered, “Think of their other lines as leverage. Sure, if you’re at the top of their line card, you lead the rep into the sales call. If you’re further down their line card, however, you’re benefiting from the synergy they possess. As a result of having the customer’s door opened for you, you’re getting a ton of sales leads you may never have had. I’d advise manufacturers to look at a prospective rep’s line card to learn what other lines they represent. I’ve even heard of some principals assisting their reps in gaining other lines.”

- **Over the past 35 years (the number of years PTRA has been in existence), what has been the greatest improvement in how the rep works?**

The resounding answer to this question was the impact technology has had on reps. “Look at everything the rep works with today: e-mail, computers, Internet, PDAs, smart phones. These innovative communication tools have allowed reps to immediately identify who the major buying influence is, get to them and provide them and their principals with the information they need to get the job done. By the principals supporting the reps’ efforts in the use of new technology, principals get to be the reps’ emotional favorites. They’ll do more for them in a shorter period of time.”

It was also mentioned that reps are more professional in their businesses than they were years ago. “Part of that is due to MRERF’s CPMR program, but overall it’s just because they are better at closing business. The bottom line is that the good old days are long gone.”