

LIKE A GOOD WINE, BETTER WITH AGE

KEY STEPS TO BUILDING REP-FIRM LONGEVITY

EDITORIAL | JACK FOSTER

Do rep firms get better with age? Let's face it. The fact of the matter is, seasoned is good! And when you're talking about rep firms, seasoned is great. Our own Jack Foster delves into the issue of longevity in the rep business, where he finds that, just like a good wine, rep firms are often better with age.



JACK FOSTER

Jack Foster, president of Foster Communications, is the editor of *Agency Sales* magazine. In addition to his duties in working with MANA, Jack also writes for several other major marketing publications. In addition to writing and editing, his experience in publishing includes photography, production and printing. This, combined with Jack's understanding of the independent sales rep function, can provide the winning formula for your communication needs. E-mail: jfoster@manaonline.org.

One of the many reasons for going to market with a manufacturer's representative is the fact that effective agencies boast lengthy tenures in their respective territories. How does 60 years work for you? To the benefit of its customers and principals, that's what IES Technical Sales, Danvers, Massachusetts, can boast.

Among the many reasons the firm has enjoyed that many years to establish its reputation is that it knows how to market itself and keep its name firmly in front of the eyes of its principals and customers. According to Mike Berry, IES president, the company was founded in Boston in 1947 as Industrial Equipment and focused on industrial valves. "In the early 1960s, we entered the vacuum technology market, representing Sloan Technology (now part of Veeco) and their line of thermal and e-beam evaporators and the original 'Dektak' stylus surface profiler. Since then we have focused primarily on high technology vacuum, flow, temperature and thin film products in order to serve the broad array of companies and research facilities in the northeast United States."

Upon moving to its current facility in Danvers in 1998, the firm changed its name to IES Technical Sales to better identify with its primary focus on the needs of the high technology market. Today IES focuses on the northeastern U.S. states of Connecticut, Massachusetts, Maine, New Hampshire, New York, Rhode Island and Vermont. In order to achieve that rich and successful history, IES has relied upon a seven-point approach to marketing that has established the firm's brand and kept it firmly in front of customers and principals.

Seven-Point Approach

According to Berry, the foundation for the company's marketing strategy resides in:

- 1 Emphasis on face-to-face consultative selling.** "This will always be number one."
- 2 Great customer service.** "One of our primary responsibilities is to make it easier for our customers do to their jobs, so we emphasize 'going the extra mile.' Also, as we are both a rep and a stocking distributor, we work with the customer in whatever manner suits their needs best."
- 3 The ability to serve as a technical advisor.** "Our experience and industry contacts allow us to ensure our customers get the best solutions for their applications. Sometimes that means suggesting something simpler and less expensive, and sometimes it means taking the customer in an entirely new direction."
- 4 Heavy usage of CRM software.** "We spend a great deal of time honing our database. We have it set up so we categorize each customer's general areas of interest, and also so we can easily differentiate, for each principal, between suspects, prospects and customers. We also differentiate between occasional/dormant customers, good but not steady customers, and steady/loyal customers. This allows us to conduct e-mail marketing using filters that are as narrow or as wide as we wish. We also rely on our CRM software to track our projects and related activities."

REP FIRM PROFILE

IES Technical Sales
250 North Street, #A-9
Danvers, MA 01923-1206

TEL 978-777-2900
FAX 978-777-2908
www.iestechsales.com

YEAR FOUNDED: 1947
MANA MEMBERSHIP: 40 years

KEY CONTACTS:
Mike Berry, President
Tony DeChristoforo, Chairman

WHY MANA?

IES Technical Sales has been a member of MANA for more than 40 years. When asked why the firm has maintained its membership over that period of time, Berry is quick to explain that "As an organization, MANA has been very helpful to us. Over the years, we've experienced a steady stream of inquiries from manufacturers who are seeking representation and we know that has resulted directly from our membership. While I'll admit, the majority of those inquiries don't necessarily hit our 'sweet spot,' it does show us how valuable our membership is in getting our name out there. We've attended MANA seminars and regularly depend upon *Agency Sales* to keep us up to speed with what's happening in the profession."



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- 5 Company web site** (www.iestechsales.com). “Our site demonstrates that we are a professional organization, and we have had a high level of success in attracting attention from potential principals and customers. It serves as an information conduit so our customers can stay up to date on what we offer and, if desired, gain direct access to our principals’ sites.” Berry explains that the agency launched its web site about 12 years ago, which would put IES among the leaders when it comes to rep firms embracing the technology. “While we had to learn a lot about web sites from trial and error, we believe ours is better than average, and we work to keep the information relevant, useful and up to date.”
- 6 Local trade show participation.** “We attend an annual high technology trade show and take nearly an entire aisle of tables. By our presence and participation, combined with company signs and banners, customers easily see that we serve as a local anchor for the firms and products we represent.”
- 7 Newsletters and direct mail.** “We find paper mail is still preferred by a significant number of people, especially those who suffer from e-mail overload.”

Showing by Doing

In terms of IES’ ability to market itself effectively, Berry notes, “While it is always possible to do better, we have been very effective over a long period of time. We are strong technically and have a sound understanding of the sales process. When you couple that with our strong relationships and long-term reputation in the territory, we have a convincing story to tell prospective principals. However, when we meet with customers, we prefer to spend less time discussing our credentials and more time getting to the heart of their concerns and then providing solutions to their problems.”

The IES team that offers this solution-providing service is comprised of a seven-person staff of four outside and three inside people. IES represents 15 lines in a niche market where, according to Berry, “Our primary focus is not growth for the sake of growth. Rather, our mission is to be the best agency available in our territory for our chosen markets.”


Over the course of its 60-year history, not to mention Berry’s own more than two-decade tenure as a manufacturer’s rep, IES has seen many changes in the way reps conduct business. As he looks back over his and

the agency’s history, Berry offers, “It’s amazing to consider how we used to deal with customers, compared with today. When I started we had six salespeople and one secretary whose job was to answer the phone, type letters and quotes, file, etc. Monday through Thursday, all the salesmen were on the road, and we called in twice a day for messages. On Friday, we all went to the office to get our paperwork done, make calls, and meet to discuss customer and principal activities. In those days your road activity was filled with ‘cold’ calls wrapped around planned visits; however, as there were no cell phones, you also planned your routes to ensure there were plenty of phone booths along the way. It wasn’t unusual to see a customer on Monday to discuss a product, and then if a quote was requested, we would have it typed up on Friday and send it by U.S. mail to get to the customer the following Monday or Tuesday.” Have times changed? “Yes, with the speed of light. Now, in most cases, we do everything we can to get back to a customer in minutes or hours, let alone days.”

Impact of Technology

As any rep will confirm, first the fax machine and certainly now the Internet have served as the real agents of change in how business is conducted, and IES has had to change just as the technology has evolved. “Customers have been quick to realize that the rep’s ability to communicate to them is a competitive issue, and the rep who does it better is the one who is going to get and keep the business.”

If technology has been the major change in the way IES has conducted its business, it’s also presented the greatest challenge for the firm. “Our challenge has been to stay ahead of the customers’ expectations. While doing that, we’ve had to be sure to maintain our connection, our relationships, with our customers.”

It’s meeting that last challenge — developing and maintaining relationships — that has been a major attribute for IES. According to Berry, “Since we’ve been working this territory for so long, many of the customers my colleagues Tony (DeChristoforo, chairman and senior account manager), Dave (Safford, senior account manager) and I have grown up with in the industry are now senior managers. In many respects, it’s proven a little easier for us to get in to see them because they know we understand their business and know we will not waste their time. We have earned their trust.” 



A BRAND MEANS SOMETHING

Adding their voices to those of Berry and Graham in this article are those of Cy Howington and Jay Henderson, MyRepCoach (www.myrepcoach.com), a North Carolina-based coaching/consulting firm focused specifically on manufacturers' representatives and their principals.

Howington agrees that it's mandatory for a manufacturers' representative to take the necessary steps to "brand" himself and his agency. According to the consultant, "I'd maintain that a rep firm needs to do what I call 'bi-directional marketing.' In other words, they need to be marketing their firm and its capabilities not only to the end user but also to current and potential principals. The objective needs to be one of generating revenue from their customers for their principals, and one of generating awareness within the 'potential principal' community. To do this, they need to create their brand — one in which the customer knows who they are and the potential solutions they can provide and one in which potential principals are aware of them and the capabilities they can provide."

Henderson concurs when he says, "For most companies, brand-building strategies are large, expensive marketing campaigns costing into the millions of dollars. Yet, it doesn't have to be that way. The advertising/branding goal for a small business should be to spend money today that will come back in the door tomorrow. There's no doubt that sales cycle times, job sizes and other decision making processes make the 'spend money today, bring it in tomorrow' philosophy a bit unrealistic. This should, however, be the goal for a small business. Branding should be a natural by-product of daily efforts to gain new customers and serve current clients."

Once the rep agrees that he has to create a brand, what does he need to do to get the ball rolling? Howington advocates the following:

- ✓ **Identify and focus on strengths** — "If the rep firm has knowledge, experience and strength in a particular industry — say pharmaceuticals — then they should build their brand around being the expert rep firm in the pharmaceutical industry. They should not weaken their brand by also dabbling in other areas."
- ✓ **Track success** and make sure your customer base, principals and other rep firms are aware of them — "One of the benefits of successful branding is being known as the rep firm that can deliver results. Be sure to capitalize on that ability."
- ✓ **Build references** — "One of the key ways that a rep firm can build revenue is to have current customers act as a reference to other potential customers. Another benefit is that when a principal is looking for a new rep firm, often they will ask existing customers if they know of any good reps. If you have provided solutions for the customer, and you are a rep they can count on, you will be the one the customer refers."
- ✓ **Build credibility** — "One of the most important steps is to build credibility with your customers and your principals. It is what I call the 'Bring the Bagels' principle. You can build credibility and trust by making commitments and sticking to them, no matter how small. In other words, if a manager says that for the next meeting he will bring the bagels, he'd better bring the bagels. It is the same with customers and principals. If you make commitments, do your best to keep them, no matter how small."

While paving that branding path, it's not unheard-of that a rep may experience a misstep or two.

Henderson notes, "One mistake rep firms make is talking about themselves too much. Reps should know their market and their potential client so well, that

they know exactly what the customer wants, what their problems are, what keeps them awake at night and how to solve those problems. Several strategies exist for doing this even before they meet the client."


Howington adds, "Reps tend to neglect the importance of marketing themselves to potential principals. They need to craft a marketing message to them just as much as crafting a marketing message to their customers."

"Also, reps tend to introduce themselves as, 'Hello, my name is ___ and we're the representatives for company XYZ,' instead of, 'My name is ___ and I'm with (rep firm). We represent companies such as ___ and our focus is in the ___ industry.' It is a subtle difference, but it puts the rep firm as the main subject of the communication."

Finally, Howington notes that reps should use various new technologies to market themselves. He recommends such tools as webex presentations, blogs and video presentations from customers, etc. "All of these can be powerful as well as less expensive than one would think."

Henderson concludes that reps should:

"Identify your ideal customer. Look at your customer base. What do you notice? Are there any common denominators among them? Find the 10% or 20% of your market that represents your ideal/perfect customer and focus most of your energy and resources on those prospects. I guarantee a 10% to 15% boost in sales with this one strategy."

"Communicate with your clients and your prospective clients much more than you do now. Research shows that a business should be 'touching' their clients and prospective clients (those who have raised their hands and opted in), a minimum of 24 and upwards of 52 times per year, with relevant, fresh, value-added information." 

A MARKETING PRIMER

Over the past several years, consultant John Graham has published articles on a variety of subjects in the pages of *Agency Sales*. One of his articles addressed a number of mistakes reps can make when it comes to marketing themselves and their agencies. Read the following and compare with some of the steps IES Technical Sales is taking in its marketing efforts.

- ✓ **Believe you can be an expert on everything** — Brilliance isn't always transferable from one discipline to another or from one area of business to another. Recognizing limitations can help head off serious problems before they occur.
- ✓ **Web sites that limit the customer's access to a company** — Information and access are the two primary purposes of a company web site. Remember that user-friendly means more than ads and an occasional smile. If the goal is building customer confidence, accessibility is essential.
- ✓ **Contacting the customer only when you have something to sell** — Getting through to customers and prospects is often difficult because experience has taught them that salespeople only call when they want to make a sale. And that makes it a call that can be avoided or delayed. Even if there's another purpose to the call, salespeople have been "branded."
- ✓ **Failing to fill requests promptly** — Customer service has changed. Responsiveness is the new measure of personal service. It's no longer necessary to talk to a human being to receive personal service. But receiving a quick confirmation is essential because it eliminates doubt.
- ✓ **Failure to be consistent** — Whether it's sales approaches, penetrating markets or building market awareness, many companies jump from one strategy to another hoping to find "the right combination." At some point, a company is known for not sticking with anything. That's bad branding.
- ✓ **Making exaggerated claims** — The tendency to over promise and to exaggerate the ability to perform are not just distortions, they're stupid. Once customers realize they've been duped, they're angry and strike back, directly or indirectly.
- ✓ **Failure to establish a conscious identity** — It's no accident that Fortune 500 companies invest heavily in creating and sustaining carefully crafted images.

If the task is to capture as many customers as possible and not to lose any unnecessarily, then building the right brand image is absolutely necessary. 