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SATISFACTION GUARANTEED

Quality of Customer Service is Key to Rep Firm Survival

EDITORIAL | JOHN HASKELL



JOHN HASKELL

John Haskell, Dr. Revenue®, is a professional speaker and marketing/sales consultant with more than 40 years' experience working with companies utilizing manufacturers' reps and helping rep firms. He has created the **Principal Relations X-Ray**, spoken to hundreds of rep associations and groups, including 32 programs for MANA from 2001 to 2005. He is also a contributor to **Agency Sales Magazine**. For more information see drrevenue.com or contact drrevenue@drrevenue.com.

If you read the trade magazines or articles and postings on the Internet, some “experts” believe that **reps and other “intermediaries” will become unnecessary in the near future...**

Considering the efforts of WalMart and other major buyers, it appears that many people would rather have the rep's commission as a discount rather than have the rep's services. And if you study research by academic experts, you know that “everyone” believes that direct salespeople know much more about selling the company's products than reps do — that buyers would much prefer to have a “factory salesperson” than a rep.



So why do reps continue to exist? How can you as a rep in 2008 ensure that you and your business will continue to exist and thrive? **The answer is to sell the system.**

In the mid-'80s, **Ray Hall** of the **Electronics Representatives Association (ERA)**, one of the most forward-looking people in the rep business, developed the idea of **STS**. I was fortunate enough to get hired as a consultant/implementation to make the **Selling the System** program work for ERA.

The Product Has to Be Good

We went to work building the STS program and immediately ran into a major problem. We looked at what we were selling and realized that the product had a wide range of quality. We found that within the membership of ERA, the quality of the services reps offered varied widely.

Unfortunately, that condition is just as true in 2008 as it was in 1985. The “product” that manufacturers buy — the services of independent manufacturers' reps — is all over the place.

The July '08 issue of **Agency Sales Magazine** talked about “Overcoming Roadblocks.” The greatest roadblock to any rep's success is the quality of the rep firm's services.

Five Measures of Quality

For many years I have been called “the Rep for the Reps.” I believe 100% in multiple-line selling, but when I buy the services of a rep firm, I must get a high-quality product. As a sales manager and senior marketing person, I look for five specific things that must be at a high level or the rep

firm will not succeed. The elements are listed in order of importance and weighted for their value in the evaluation of rep performance.

Sales Force Management [30%] — The rep firm is our “branch office” in their market. As such I expect that they manage their sales programs. Even if it is a one- or two-person firm, how do they manage the selling process?

Planning [20%] — How does the rep firm plan for our business in their territory? We expect the reps to be out in front. We don't want to send out forms or create paperwork. We want the reps to bring the information to us on how they plan to get revenue in the next year in a formal year-end plan. Perhaps we are not their biggest line, but if we are in the top five and represent 7%-10% or more of their income, we expect a good, detailed plan.

Reporting [20%] — How does the rep firm “carry the ball” for me and my company? What do they as a matter of routine business do to keep our company up to date on the market, their progress in building our revenue and share of market?

Forecasting [20%] — How does the rep firm keep me and our financial team informed about pending business? What do they do to make sure we have a good fix on the revenue potential for the next 90-180 days on a regular basis?

Back-Selling [10%] — How well do they sell back up the channel to help us understand their sales efforts? Sales management is by far the most important element of rep service as far as I'm concerned. We don't want a group of “islands” — salespeople working out of their homes as independent operators. We want a true sales team managed aggressively by the rep firm. This is one of the weakest elements of the entire multiple-line-selling program in the USA.

Strict Demands and Formal Reviews

As a sales and marketing manager with an MBA and years of experience working with reps, I have a strict “no surprises” rule. I don't ever wake up one morning and decide to fire a rep firm.



The greatest roadblock to any rep's success is the quality of the rep firm's services.

Reps must be managed on a full-disclosure basis. Every rep is paranoid. If he sees the sales manager look sideways, he thinks he is in trouble. And, he might be. To avoid rep paranoia and to keep the lines of communication totally clear, the sales management of the principal should review the rep firm's performance at least once a year.

Feedback is Vital

If you are a rep and your large principals are not evaluating your services, then you have to force them to do it with you. Set up your own evaluation form. Use the five measures of quality listed above. Get their feedback.

There Are Too Many Surprises

One of the major problems with reping today is that reps get surprises. And, unfortunately, no surprise in the rep business is a good surprise. No one calls you up and says, "We are raising your commission, etc."

All surprises are bad, so the rep must ask for the detailed evaluation. You may get your feelings hurt, and you may be surprised by the fact that the principal doesn't recognize the great job you are doing. But, at least you know and can do something about it before these feelings grow and eventually you get fired.

'Selling the System' Should Be Part of Your DNA

When the rep and the rep firm understand the STS program and the need for it, the rep firm steps up to a higher level of performance. By taking this step, the rep firm buys insurance; STS protects the rep firm from problems with major principals.

Do your own evaluation of the quality of your firm's services. And then take action to raise your ratings. Being out in front of your principals is key to survival in the rep business of 2008 and beyond. ^{as}_m

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