

The Thinking Salesman Letter

November 1, 2011

Our Mission:

To openly discuss and challenge all aspects of sales and distribution and to promote the sales profession.

www.TheThinkingSalesman.com

Hello Everybody,

On the Firing Line

(None of this stuff is made up,

the names may have been omitted to protect the guilty)

Our Oct. 1, 2011 editorial about Principals requiring written reports, generated pretty passionate comments:

If the manufacturer requires them [written reports], regardless of frequency, it a huge RED FLAG. I used to suggest a quarterly report outlining overall activity in the territory. Most reps don't want to do this either, but my principals loved it, and laid off of me. No IRS or Canadian tax risk. If principals want more, hire an employee....!

I would tell principals I would send in account specific news as required, and a quarterly overview (which went to all principals like a newsletter). I have never, and will never, provide call reports and freely compromise my data base and proprietary territory information to a manufacturer which often is risking very little in support of me. If they put their money where their mouth is, and offer a liberal retainer (not a draw against future commissions), I would offer some other options.

if the rep is under the "control" of the principal. If this is so, it has successfully been argued in court by the IRS, that the rep is not truly "independent contractor" but in fact a not so successfully disguised employee for an employer trying to evade withholding taxes. I repeat, IRS looks for signs of control by a manufacturer over a contract workers activities. When you hire a CPA, or an attorney, do you require them to provide you with their full daily activities? No, you look for end results.

Agreed Tom.

Thanks to Tom DeHart of Special Metals Special Metal has been in business for 50 years and Tom served on the MANA board.

www.specialmetalsupply.com

Hi Al

As usual good job. You are right about communications and reps sometimes do not do a good job communicating with their principals. However it is also a two way street. Sometimes the principal does not do a good job communicating with their reps. A tool we used very effectively is once a year we travel to the principals place of business, at our expenses, for a face to face meeting , not only do we ask them to evaluate us but we also evaluate them. It buys tremendous good will and helps eliminates potential problems, current and future.

Right John, too many Mfrs lose sight that **communication is a two way street.**

Thanks to John Roba of Roba & Associates. John has been in business for 42 years and is currently serving as Chairman on the MANA board.

www.robaassociates.com

Hiring Sales People.

A lot has been written on hiring processes so we'll concentrate on our own "revealing" hiring experiences which are mostly with Reps.

Salaried employees VS. Reps

When Mfrs hire salaried people (sales or otherwise) they will take great care in interviewing thoroughly and checking references and back ground.

When it comes to Reps none of this applies. Principals feel they can fire and replace Reps at will with whatever sucker who knocks on their door; they do not do their due diligence. The results are a high turnover of Reps, lagging sales and loss of reputation for the Mfr.

Reps beware of Mfrs who hire over the phone.

Old hiring rules,

With the current economy and an ever increasing generational gap, **old rules no longer apply.**

Know what you want, look outside your industry, leave no stone unturned, adjust to the new generation thinking, to their values, and keep an open mind.

Note: Often the younger generation is more interested in time off or vacations rather than cash.

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Advertisement.

Develop an advert that describes the qualities you're most interested in. This is not as simple as one might think especially if there are more than 2 people involved in the decision-making process. Place the advert in your industry magazine **but don't wait for the phone to ring**. As soon as the advert is out email it to the association directors and every serious person you can think of and ask them to pass the advert to people they think might be interested.

Go for the unusual; if suitable to your approach, **consider both direct employment and agencies**. Offer to help agencies who might know the right person but because of the economy are hesitant. Offer and seek long term commitments.

Note:

- Avoid box number, display your website.
- **Reps, usually, do not make good employees.**
- Be careful about recruiting from the competition.

Resumes,

Old folks i.e. all over 30, keep an open mind! Concentrate on the positive points of each resume, ask yourself, **how can I import, use, and internalize these positive points?**

As soon as received, call for a short interview. Gauge how organized the candidate is and how he/she presents him/herself and classify them quickly.

We usually end by asking if there are any criminal records or drug problems. You'd be surprised how much time we saved ourselves and our Clients with direct questions.

Psychological tests:

We recommend you submit candidates including Reps, to a psychological test before hiring. In the past we have recommended and still recommend "The Rembrandt Advantage"; they are familiar with Reps and their reports are simple and easy to work with. They can be found at:

www.rembrandtadvantage.com

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Whisky Tango Foxtrot Moment

Ethics

A few weeks back I had an interesting conversation with a now retired psychology professor from McGill University about ethics.

He told me that when the Psychology Department introduced ethics courses he thought they were a waste of time. However, he has since changed his mind because he has come to realize that not everyone has picked up ethical principles that seem natural to many older people. He now thinks these courses are a good idea because people who take them seem to "get it". They start thinking about ethics; maybe for the first time, and begin to understand the importance of ethical behavior."

Coincidentally, a group of students is now offering to the Quebec municipalities -I guess for a price- a certification in ethics; a sort of ISO certification...

Now, if somebody could come up with a course on common sense...

A big thank you to Professor Norman White (Ret'd) of McGill U. for a most interesting perspective.

Thought:

Test to see if your mission in life is complete: *If you're alive it isn't.*

Richard Bach

Next issue, Nov. 15, 2011,

House accounts.