

# The Thinking Salesman Letter

December 1, 2011

## **Our Mission:**

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

**First anniversary issue!!!**

[www.TheThinkingSalesman.com](http://www.TheThinkingSalesman.com)

Hello Everybody,

On this first anniversary of this news letter allow me to pontificate about us Reps, where we've been, where we're at, where (I think) we're going.

## **Where we've been:**

Contrary to popular belief, the oldest profession is sales. First, she had to do a sales job...

Al Brosseau

Economy, except for a couple of mild recessions from the 50s to 2008 the North American economy boomed. Demand was high, factories hummed. Pogo described it perfectly:

"We are surrounded by inescapable opportunities"

Pogo (cartoon character, circa 1950)

Mood. Loyalty, fair play and a nagging suspicion that the lowest price was not necessarily the best deal prevailed. Political correctness had not been invented yet, calls were returned, "elephants in the room" were confronted, and a spade was called a f\*\*\*g shovel. Those were the days of Alexander Botts of Earthwork Tractors Co.

## **Our Jan 1, 2011 editorial**

When we started to work in 1967, a point of pride at Armstrong (the building systems and architectural products) was that their President was the lowest paid CEOs of all the companies CEOs listed on the New York stock exchange at the time. Everybody at Armstrong was made aware of this and they all made sure the suppliers, customers etc. also knew it.

Reps. As long as he was gregarious, reasonably organized and basically honest, all was fine.

60s interview test: If you could drink three martinis without slipping under the table, you were hired.

Exhibitions, Every industry had its "national" exhibition where all involved met yearly.

Associations. They were on the front line, seminars involving Reps and Mfrs took place several times a year in multiple locations.

Promotion, The main channel for securing orders, from commodity to technical products, was the field sales force.

Revenue base. The independent Reps' revenue stream was a mix of commodity items that insured a steady revenue to higher end ones that, in spite of longer sales cycle, meant higher commissions.

Communications. Communications were slow making reporting virtually a non-issue.

## **Where we're at:**

Economy The world's economies are in the longest and worst "recession". They say the world is flat; it's more like we've been flattened.

Mood. A few days ago, I heard on the radio that by the age of 30, a typical young person today has had 7 jobs. Results and solutions have to be instantaneous or they're no good. Quality and service are assumed and it better be the lowest price.

Reps. Joe Miller, former MANA president said, *Reps should be businessmen in sales, not salesmen in business*. Joe thinks at least 50% of the Reps are the latter; I think it's higher.

Exhibitions. I recently attended a "national" exhibition; it was almost half the size it was 2-3years ago.

After the exhibition, we receive a memo advising us the format would be drastically changed and asking for ideas. I suggested paying more attention to the Reps; in response I got a remove me from "The thinking Salesman" mailing list.

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Rep Associations, the box below says it all.

Note received from a friend: ...what you have to say [this newsletter] is very honest and on target. Unfortunately people are not willing to admit it. It does say something about reps and how they think. It sometimes scares the hell out of me.  
Except for the CMA, not a single association communicated with me or commented this newsletter.

Promotion. Commodity products are now sold on the Internet and on a price basis alone; there's no room for commissions. On the other hand, there's still and always will be a need for "representation of technical products and systems.

Revenue base. As stated above, the commodity products are gone for the Reps and high tech products alone can't sustain a business.

At a MANA seminar in Irvine Ca, I stood up and said Reps needed to charge for their expertise, to move away from remuneration only by commission. I was shot down by the presenter who was a top notch expert on Reps.

Communications. Mfrs keep asking for reports; in these though time they want to know what is going on. On the other hand, Reps, rightly, refuse to give away their data base, their stock in trade.

## Where we're going (I think).

Economy. It took us years to get ourselves into this mess. It will take us years to get ourselves out; the current conditions are here for a while.

Mood. Cutting the supply chain is in. I keep hearing foreign Principals treat their Reps better than our own; perhaps, it's the way to go...

Reps need to get out of this "commission only" mind set, become marketers, offer new and chargeable services and exploit distribution niches where the margins are higher.

Agencies must merge to create super agencies and super territories; it's the only way to compete against the conglomerates that "offer" a wide range of products and use one against the other at the distribution level.

Finally, Reps must get involved in the promotion of their profession.

Exhibitions. National exhibitions will be replaced by smaller local ones and combined with virtual ones one can attend on the Internet. Visit:

[www.canontradeshows.com/expo/mdmonline11/exhibit\\_interest.html](http://www.canontradeshows.com/expo/mdmonline11/exhibit_interest.html)

Associations. Most need to listen to others than themselves, qualify Mfrs before giving them access to their database and develop & execute educational programs for Reps, Mfrs & Universities.

Promotion. Reps should concentrate on technical products that can't be sold via the Internet. Work with Mfrs willing to make long term commitments.

Revenue base. We're left with the technical products but the old "30 day cancellation contract" and strict commission will not allow us to thrive. We need to develop new models of remuneration, such as the LOP/LOP agreement.

*For LOP/LOP details see the Feb. 15, 2010 newsletter.*

Communications. To Mfrs who want reports from their Reps, I say, conglomerates have heavily invested in their in-house sales forces to obtain such reports; if you want the same invest in your Reps, buy shares, become financial partners.

## Thought:

**"I have seen the enemy and it is us"**

Pogo (cartoon character, circa 1950)

**Next issue, Dec. 15, 2011,**

Sub agencies

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