

The Thinking Salesman Letter

December 15, 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,

From the field:

*(None of this stuff is made up,
the names may have been omitted to protect the guilty)*

From: Name withheld

Sent: Friday, September 30, 2011 11:34 PM

To: info@thethinkingsalesman.com

Subject: The Thinking Salesman, Oct. 1, 2011

Sales call reports. If the manufacturer requires them [sales reports], regardless of frequency, it is 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....!

Name withheld

From: Name withheld

Sent: Wednesday, November 16, 2011 10:04 AM

To: al@thethinkingsalesman.com

Subject: News letter

Good Morning Al:

Regarding your recent "News letter", the section about "keeping your own e-mail address" came at the right time.

*One of my Principals had provided me with their cards and an e-mail on their site. I did not even think about the inherent problems with that. Once I read the article and had my A-HA moment, I contacted the principal, ask them to reprint the cards with my email. They agreed,
Merci Beaucoup mon ami!!*

Name withheld

Sub agencies

A sub agency is roughly defined as an agency covering part of its territory -usually difficult to cover because of distances- through another agency.

What to watch for with sub agencies:

- Agencies are not set up to manage other agencies, i.e. to manage others than their own controlled personnel.
- If communications with the Principal are channeled through the master agency communications slow down. If, on the other hand, the sub Rep communicates directly with the Principal, the master Rep is often left out of the loop. .
- Administering another agency -even a one man band- takes selling time away from the master agency. **Never lose sight that the main function of an agency is to sell**, not administer.
- The commissions paid nowadays by North American Mfrs are too low to allow a commission split and make it worthwhile for a sub rep to develop new accounts.

When I have had sub reps (typically they are working at 2 1/2%-3%) they won't even follow up on leads, and generally don't want to work trade shows.

Tom DeHart, Special Metal Supply

- Finally there's the "control" aspect especially from North American Mfrs. who seem to be more concerned with "controls" than results.

However, as Tom DeHart points out there are still opportunities:

I have a number of sub-reps now for my offshore manufacturer. It is working extremely well because my total commission is 10%, so I can easily offer the sub-rep 5%.. Bottom line is.....it's all about money, and higher commission equates to better success with sub-reps.

In the current economic climate where commissions are constantly cut, if an agency needs to improve its territory coverage it should either put in its own personnel or **do something**

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that's seldom seen in Repdom, **acquire/merge with another agency** and become stronger.

Tom DeHart is President of Special Metal Supply agency and a former colleague on the MANA board.
www.specialmetalsupply.com

Book review

The Sales Force by Charles M. Cohon

Charles M Cohon has written several articles on sales management, he's the President of MANA and Prime Device Corp.
www.cohon.com

The book takes you through the career of a factory salesman who moves on to become sales mgr, faces different problems with different types of management and remuneration systems and how management and sales people react.

It explains why Reps are classified as "*chronic complainers*". It points out factory sales forces (mostly on a salaried basis) want to be considered part of the corporate team therefore will not complain (report marketing short comings). On the other hand, independent Reps (depending on commission) will not hesitate to point out short comings.

Moral: If you're a Mfr who can't handle criticism, don't work with Reps."

The book also shows how most sales budgets/objectives and compensation systems fail to take into consideration many important "environmental" aspects such as the support companies provide their sales forces, territory conditions etc.

A must read for sales mgr and commissioned

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sales people. Unfortunately, the book is out of print but, it's available on the Internet at:

http://books.google.com/books?id=Ld93KzVNuAC&printsec=frontcover&source=qbs_summary_r&ad=0#PPA1,M1

Whisky Tango Foxtrot Moment

Distribution networks are an important part of a company's assets and a major consideration in a buy-out. Yet, when it comes to Rep networks most mfrs expect to get them for free and that they'll develop for free.

Maybe it's due to government programs of a few years ago where they promoted the use of Mfrs Reps "because they don't cost anything"... or maybe it's due to many Rep associations selling their membership lists to unqualified manufacturers... or maybe it's due to Reps selling themselves cheap and signing short term contracts.

And maybe it's all the above...

Thought:

American business has forgotten the importance of selling.

Barry Goldwater

Next issue, January 2, 2011,

Because of the holidays it will be a short one.

And now, to the risk of being labeled politically incorrect:

Merry Christmas & Happy New Year to all