

The Thinking Salesman Letter

Tuesday, March 1, 2011

Hello Everybody,

The purpose of this bi-monthly newsletter is to present the pros & cons of distribution systems from the Mfrs', Distributors' and Reps' point of views. It is based on our forty years plus experience in setting up distribution networks across North and Latin America as salesman, sales mgr., independent rep and consultant.

We hope you enjoy it. If you wish to have names added or removed, please email us at info@albro.com

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CPMR (Indiana U., 2003)
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Distribution 101

Some back ground...

When we started to work in 1966 high end Mfrs distributed on an exclusive basis while the others had pretty restrictive distribution policies. The distributors were highly involved in creating demand and they had high powered sales people assigned to promoting the products to "decision makers" such as architects, engineers. Even retailers had easy to find and helpful sales people on the floor. Demand was created at each level.

In the 80's things started to shift; proprietary specs were replaced by performance specs opening the doors to other Mfrs not only in construction but in several other industries including government procurement programs. Even at the retail level customers had to help themselves. The exclusive distributors were passé and their promotional people joined the rank of the Mfrs' Reps.

Today, the commercial and retail distributors stick to the precept of "answering to the demand" saddling Mfrs with the task of creating demand i.e. setting them up in the education business (educating the customers in the value of their products). As **John Roba of John D. Roba & Associates** (www.robaassociates.com) pointed out the one exception is for Mfrs using Reps; the **Reps help their Mfrs tremendously in creating demand.**

Relationship Between Mfrs & Reps (VI)

The rep agreement (V)

Support programs.

We wish we had a nickel for every time we've been asked "what's a support program?"... In order to sell, sales people need to know your product, its features, have the proper brochures, promotional programs i.e. support. **Everything that helps sales people sell your products -other than commissions- is called "support programs".**

Reps, before meeting with prospective Mfrs. ask them to send you (a) their Rep agreement and (b) their support program for your territory for the next 12- 18 months. It will tell you whether you should pursue or not.

"Support programs" components:

Web site: **Your web site is your show case to the world.** Make sure it describes your Co. and that it also provides all the sales, marketing information and sales tools anybody can ask for. (See "our Two Cents Worth" on page 2)

Manufacturers, your web site has to have ordering capabilities and show inventory levels/delivery times.

Brochures: Replace the brochures with a **single corporate brochure** describing your Co., mission statement, achievements, product overview. **Put the rest on your web site.**

Joint visits: Mfrs' sales mgr should spend a few days with their Reps making joint calls twice a year.

Note to sales mgrs.:
Sales mgrs. are like fish; after a couple of days we stink.

Exhibitions: Exhibitions, especially the national ones, are more and more expensive and the attendance is declining. Several of our Clients no longer exhibit at national exhibitions but attend as visitors and arrange sales meetings with their Reps and customers.

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Reps, if you're manning a booth, wear a red jacket and a neck tie. Have a name plate made and wear it on your lapel. **Show you are proud to be a salesman!** If you're not, please find yourself something else to do.

Lunch box presentations. Replace with webinars ASAP and make sure they provide CEUs otherwise forget both.

Reps, think out of the box!!! We've been relying on Mfrs' marketing too much and for too long. Start your own promotional programs. **Just make sure they're non-invasive and low key.**

Here are a few ideas:

Mailing programs: Go to Paper Direct (www.paperdirect.com) They have professionally made templates for post cards and flyers.

We had a client who told us "Yea, I've seen your post card but I didn't have the time to read it so it's not effective". We answered "On the contrary, you remember seeing it **so it worked!!!!**" He gave a surprised look we'll never forget.

Note pads: We have had a lot of success with these. They keep your name right in front of the Customers.

Annual surveys: Once a year send your Principals and Customers a survey to find out what they think of you and **what other services they think you should offer.** We have received a low rate of answers from such surveys but the information received was invaluable.

Support programs are like the spokes of a wheel. One or two are useless but when several are harmonized they will carry you for long and far.

FOLLOW UP

We've been trying to encourage our sales associations to get together and promote our profession to universities.

We've heard back from MRERF(www.mrerf.org) the educational arm of several Rep associations and the University Sales Education Foundation (www.saleseducationfoundation.org) More on this soon.

Our "Two Cents" Worth

An increasing number of Mfrs no longer show their Reps' names with their contact information on their websites. Instead, one has to send out a "request for information" and wait for an answer.

This is dumb! Especially in these days of instant communication; we bet most surfers move to a competitor's web site. It also points to a Mfr who has no confidence in his Rep hiring and retention practices and who does not have a clue what synergy is. Reps beware of such Mfrs.

Note: Reps who refuse to make joint calls or to openly communicate with their Principals telegraph the same mind set. Mfrs beware of such Reps.

Thought:

**There is no such thing as organizational behaviour.
There is only individual behaviour.**

Principle Centered Leadership, S Covey.

Next issue, March 15, 2011,

**Distribution 101, Concrete Examples
Relationship, mfrs & reps (VI):
Rep agreements: Commissions I**

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