

# Sales Management

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# TIME AND TERRITORY MANAGEMENT

By Raymond M. Cusato

## Basic Concepts

There are several basic rules of being a good time manager:

- Learn to write things down, i.e., don't rely on your memory;
- Never repeat an activity, i.e., do things only once;
- Do two things at one time;
- Learn to say no, i.e., set priorities.

Your primary time objective as a manufacturers' representative should be to schedule your calls to secure maximum business. To accomplish this goal, you can take five specific action steps:

1. Determine how far you are from closing each account that is included in your plan for making quota.
2. Establish definite priorities regarding which prospects to call on and when;
3. Identify alternative calls you can make in the event of canceled or abbreviated calls.
4. Allow yourself enough time to accomplish your objectives on each call.
5. Put your call plan in writing.

The more careful your planning, the more efficient your itinerary will be. Think through what you must accomplish in a sales call and estimate how much time it will take. If you do so, you won't have to rush through a call or be late for the next appointment.

To meet your ultimate objective - the sale - you should define immediate objectives for each sales call. To determine exactly what you must or want to accomplish during a call, analyze the information available to you, e.g., what information you and the prospect will have to exchange; what the best solution is to fit the prospect's needs as you see them.

## General Time Planning Suggestions

More efficient, more productive time and territory management will not and cannot be achieved without concerted, consistent effort. Following is a collection of ideas for becoming a better time and territory manager that have been used by manufacturers' representative salespeople and other sales personnel throughout the nation in a wide variety of industries.

- Before you leave home or your office, know exactly where you are going and why.
- Do your planning and paperwork before and after the prime selling hours of the day and on weekends. Save the prime hours for face-to-face customer contacts and important telephone calls.
- Schedule your time ... monthly, weekly and daily. Invest in a good calendar and time management system that will work for you and improve your effectiveness.
- Determine the best time to interview certain buyers. Schedule calls and appointments for these times and then build your other calls around these priorities.
- Your primary objective should be to increase your selling time. Don't fall into traps or bad habits about when you can and cannot call on buyers. Your challenge is to extend your selling day by finding times to call on your prospects. Know when your customers are available to see you.

- Fill in your schedule with warm prospecting calls. However, prioritize your call activity. Always ask yourself, "What is the best use of my time right now?"
- Keep office routines to a minimum. Don't let them keep you from making that first early morning call each day.
- Screen prospects. Call on those who are most likely to become steady, repeat customers.
- Base frequency of calls on potential rather than convenience. Give more attention to your accounts with higher profit and higher sales potential.
- Keep in regular contact with your office to get word of changes or developments that might affect your schedule, save a wasted trip, etc.
- Firm up the next day's schedule as you go along (confirming arrangements, new appointments etc.).
- If waiting is inevitable, catch up on your planning, record keeping and reading of product literature.
- Be flexible enough to absorb changes and cancellations. Be ready with substitutions or back-ups.
- Study each day's performance. Where could it be improved? Take steps to make those improvements.

### **Travel Time**

- Reduce your travel time by routing your daily calls to minimize (or avoid) backtracking and crisscrossing and to insure that no high priority calls will be left outstanding at the end of the day.
- Plan each day's calls to concentrate your effort in areas that take a minimum of travel time.
- If needed, use a map to lay out your accounts and your call schedule. Construct a good route plan that takes into account congested traffic in certain areas at certain times of day. You'll find that the most efficient route plans are based on a straight line, circle, concentric circles, or a cloverleaf.
- Plan your travel, meals, breaks and telephone calls when your customers are not available to see you.

### **Personal Time**

- Watch the coffee breaks, the long meal times, the slow starts in the morning, and the early quits in the afternoon.
- Avoid the impulse to goof off after a good sale or good interview, or after a string of unprofitable ones.
- Don't succumb to bad weather blues. Keep making calls.
- Don't put it off. The job, project or telephone call that is put off for no good reason seldom gets better or even done at all.

**WEEKLY REMINDER**

\_\_\_/\_\_\_/\_\_\_ thru \_\_\_/\_\_\_/\_\_\_

**MONDAY**

- 1 ( ) \_\_\_\_\_
- 2 ( ) \_\_\_\_\_
- 3 ( ) \_\_\_\_\_

**TUESDAY**

- 1 ( ) \_\_\_\_\_
- 2 ( ) \_\_\_\_\_
- 3 ( ) \_\_\_\_\_

**WEDNESDAY**

- 1 ( ) \_\_\_\_\_
- 2 ( ) \_\_\_\_\_
- 3 ( ) \_\_\_\_\_

**THURSDAY**

- 1 ( ) \_\_\_\_\_
- 2 ( ) \_\_\_\_\_
- 3 ( ) \_\_\_\_\_

**FRIDAY**

- 1 ( ) \_\_\_\_\_
- 2 ( ) \_\_\_\_\_
- 3 ( ) \_\_\_\_\_

**SATURDAY**

- 1 ( ) \_\_\_\_\_
- 2 ( ) \_\_\_\_\_
- 3 ( ) \_\_\_\_\_

**SUNDAY**

- 1 ( ) \_\_\_\_\_
- 2 ( ) \_\_\_\_\_
- 3 ( ) \_\_\_\_\_

# CALL ORGANIZER

CUSTOMER \_\_\_\_\_ DATE \_\_\_\_\_

<b>Objectives</b>	<b>Results</b>

**SALES CALL REPORT**

Date \_\_\_\_\_

Sales Call \_\_\_\_\_

Branch/Region/Zone \_\_\_\_\_

Address \_\_\_\_\_

Reporting Period: From \_\_\_\_\_ to \_\_\_\_\_

City \_\_\_\_\_

Date Submitted \_\_\_\_\_

State / ZIP \_\_\_\_\_

Report No. \_\_\_\_\_

Product Line \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_

Territory No \_\_\_\_\_

**SUMMARY****Sales Call Via** Phone  In Person  Other \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Sales Call Was** Cold Call  Lead from \_\_\_\_\_ Follow-up from call made on \_\_\_\_\_ Other \_\_\_\_\_**Mailing List Action** Add to mailing list. Drop from mailing list. Send literature \_\_\_\_\_

\_\_\_\_\_

 Other \_\_\_\_\_

\_\_\_\_\_

**Mailing List Addition/Drop**

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State/ZIP \_\_\_\_\_

**Firm Is** Regular customer. Previous customer. Inactive customer. Unhappy customer. Other \_\_\_\_\_

\_\_\_\_\_

**Firm Is** Excellent prospect for \_\_\_\_\_

\_\_\_\_\_

 Potential prospect for \_\_\_\_\_

\_\_\_\_\_

 Not a prospect. Other \_\_\_\_\_

**Contacts within company:**

Rank

\_\_\_\_\_ Title \_\_\_\_\_ Phone

\_\_\_\_\_

\_\_\_\_\_ Title \_\_\_\_\_ Phone

\_\_\_\_\_

\_\_\_\_\_ Title \_\_\_\_\_ Phone

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ Follow-up Date \_\_\_\_\_

## MONTHLY SALES PROJECTIONS

Salesperson or Department \_\_\_\_\_ Date \_\_\_\_\_

	NEW BUSINESS			REORDERS			TOTAL.		
	Goal	Actual	Var.	Goal	Actual	Var.	Goal	Actual	Var.
JANUARY									
FEBRUARY									
MARCH									
APRIL									
MAY									
JUNE									
JULY									
AUGUST									
SEPTEMBER									
OCTOBER									
NOVEMBER									
DECEMBER									

YEAR

COMMENTS

**SALESPERSON'S ANALYSIS**

Date \_\_\_\_\_

Salesperson \_\_\_\_\_ Territory \_\_\_\_\_

	FORECAST	ACTUAL
<b>SALES &amp; PROFIT</b>		
Gross Sales		
Gross Profit		
% Gross Profit to Gross Sales		
Net Profit		
% Net Profit to Gross Sales		
<b>SELLING COST</b>		
Salary		
Commission		
Expense:     Auto		
Travel		
Telephone		
Entertainment		
Other		
<b>ACTIVITY</b>		
Total Days Worked		
Number of Calls Made		
Avg. No. of Calls per Day		
<b>ACCOUNT INFORMATION</b>		
No. of New Accounts		
No. of Accounts Lost		
No. of Accounts at Qtr. End		
No. of Potential Accounts		

# TERRITORY POTENTIAL SHEET

Territory \_\_\_\_\_ Date \_\_\_\_\_

		PRESENT	FORECAST
C U S T O M E R S	TOTAL MARKET		
	COMPANY SALES		
	SHARE		
P R O S P E C T S	TOTAL MARKET		
	COMPANY SALES		
	SHARE		
O T H E R	TOTAL MARKET		
	COMPANY SALES		
	SHARE		

COMMENTS

**Sales Time Management Worksheet  
Hours Spent During Prime Selling Time**

**Weekly**

ACTIVITY	ESTIMATE	ACTUAL	VARIANCE
Travel			
Waiting			
Telephoning			
Client Relations			
Complaints			
Prospecting and Pre-Approach			
Talking with People Other than Buyer			
Meeting with Manager			
Planning and Study			
Entertainment			
Reports and Paperwork			
Meetings			
Other (List)			
TOTALS			





**Account Analysis (1)**

The ACCOUNT ANALYSIS (1) below is a simple way of looking at an individual account within a territory and comparing its actual volume to planned volume and real potential. This can best be done on a simple computer program for the entire company. However, a salesperson can do it manually on a regular basis.

**Account Analysis (1)**

How is my sales volume obtained? Repeat accounts or new accounts?

	Number	Percent	Volume	Percent
Repeat Accounts	_____	_____	_____	_____
New Accounts	_____	_____	_____	_____
Service Accounts	_____	_____	_____	_____
<b>Totals</b>	_____	_____	_____	_____

If any portion of your business is from REPEAT ACCOUNTS, list them by DOLLAR VOLUME (starting with the highest, using either year-to-date or your "budgeted" figure. Do not consider **potential** at this time. NOTE: Your figures for "Volume" and "Potential Volume" should cover the same time period.

Rank	Account	Volume	Potential Volume	Performance Percentage	Potential	Class
1	_____	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____	_____
5	_____	_____	_____	_____	_____	_____
6	_____	_____	_____	_____	_____	_____
7	_____	_____	_____	_____	_____	_____
8	_____	_____	_____	_____	_____	_____
9	_____	_____	_____	_____	_____	_____
10	_____	_____	_____	_____	_____	_____
11	_____	_____	_____	_____	_____	_____
12	_____	_____	_____	_____	_____	_____
13	_____	_____	_____	_____	_____	_____
14	_____	_____	_____	_____	_____	_____
15	_____	_____	_____	_____	_____	_____
16	_____	_____	_____	_____	_____	_____
17	_____	_____	_____	_____	_____	_____
18	_____	_____	_____	_____	_____	_____
19	_____	_____	_____	_____	_____	_____
20	_____	_____	_____	_____	_____	_____

**Account Analysis (2)**

The ACCOUNT ANALYSIS (2) form below is for territory analysis to determine how many hours the accounts in the territory require on a monthly basis.

Key, important and regular accounts probably require one or more calls per month. Minor accounts generally require less than one call per month. For prospecting, assume one prospecting call per day and that it consumes one hour.

From this analysis, conducted during many sales seminars for manufacturers' representatives, it's been determined that most salespeople feel they need more hours to cover the accounts and prospects than the TIME ANALYSIS (1) showed that they had available. Salespeople say that two things happen as a result: first, there is less prospecting; second, the quality time with key and important accounts is reduced.

**Account Analysis (2)**

Total Hours Account Class Per Month  (***)	Call Freq. Code *	No. of Accts.	Total Calls Per Month  (**)
<b>Key Accounts</b> _____	_____	_____	_____
<b>Important Accounts</b> _____	_____	_____	_____
<b>Regular Accounts</b> _____	_____	_____	_____
<b>Minor Accounts</b> _____	_____	_____	_____
<b>Minor Accounts</b> _____	_____	_____	_____
<b>Prospecting</b> _____	_____	_____	_____

**Total hours per month required for account coverage**  
\_\_\_\_\_

**Total hours available from Time Analysis (1)**  
\_\_\_\_\_

**Difference (required hours minus available hours)**  
\_\_\_\_\_

\* For accounts with less than one call per month, use a fraction in this column, i.e.,  $1/2 =$  every two months,  $1/3 =$  every three months, etc.

\*\* Round off to the nearest whole number.

\*\*\* Start counting from the time you enter the door until you leave the building. Do not count traveling, parking and walking to the building.

# **LINE PROFITABILITY ANALYSIS**

***By Gene Foster, Scott Lindberg, CPMR, and Bob Parsons***

Regardless of the size of your representative firm, knowing and understanding each line's profitability is a must. Without this knowledge, you may be focusing your company's efforts in the wrong direction. Any method of analysis can be used, separately or together with others, but some measure should be used and used proactively. Having a better understanding of what lines are profitable is essential to the success and growth of any representative firm and should become a part of the culture of your firm. The analysis should be conducted on an annual basis at the minimum and on a quarterly basis if possible.

The knowledge you gain from a profitability analysis can do nothing but increase your awareness of what each line represents to your firm and how a line's relative importance changes from year to year. From the analysis, you should be able to determine: if you are truly making a profit on an individual line; which lines are paying the bills; if you are spending too much time on a particular line; if the amount of time spent on a line is an asset or detriment to your firm; which lines are slipping in terms of commission; and which lines are "high pain and high maintenance."

A better understanding of line profitability will also help improve your relationships with principals. Your awareness of how important they are to your firm will be beneficial to all. In addition, you can use the analysis to focus your salespeople on selling what is profitable for them and the company.

Profitability can be measured many ways, to one degree of accuracy or another. In the final analysis, however, you can relate a line's profitability to how much time the line demands per dollar earned and how well it fits with the rest of your line list.

Lines can be categorized into three distinct groups: majors; rock solid regulars; and fillers. Most representatives have all three, and each serves a purpose in the overall profit picture. A look at all three types of lines is appropriate in this overview of line profitability.

## **The Fillers**

A survey of representatives determined that up to 65 percent of their income came from their top three lines. This doesn't leave much for the rest of a representative's line structure to produce. Yet, fillers help pay the bills. Most representatives have two or three of these lines and seldom think about what it costs them to carry the lines because they demand so little attention. Probably the reason the filler remains on a line card is benign lack of attention, i.e., most of the representative's attention and activity are focused on the top few lines that generate the bulk of the firm's income.

On the surface, there would seem to be little, if any, harm in carrying these lines. In reality, they can cost a representative access to larger, better-established principals who sell the same or very nearly the same products. A competitor to one of your fillers does not know that the line is a filler and often assumes that you would not consider giving up an established line.

There is another kind of filler, not usually carried on a representative's line card, i.e., "hip pocket" lines. They have a very narrow customer base of usually only one or two, and the representative firm owner often has a close advocate at the customer level. These can be very profitable, but they are hardly the stuff upon which companies are built.

Once in a while, a filler is really a "comer." We] I- established representative firms of all sizes tend to shy away from pioneering lines, but occasionally one comes along that you just cannot resist. Be careful when considering these lines. They are the most costly to represent, demand the most

time and planning, and the rewards (once you take the line on) are at least 18 months away. Be particularly careful to be honest when one turns out well. The line gods have blessed you. Don't push it.

## **The Rock Solid Regulars**

These lines may be third or fourth on a representative's earnings "totem pole." They are often easy to work with, and their demands are as reasonable as are their people. They are almost "transparent" as far as your profitability analysis goes and relatively easy to forecast. The temptation with these regulars is to service them to the limit, but wise representatives know that these lines also need aggressive selling attention.

A representative's future often lies with this group. These "secondary" lines can become leaders with aggressive development. Remember that the nature of the representative business demands that you be constantly prepared for change (e.g., lines gaining or losing strength, new technology giving competitors an edge, principals going direct or moving to a larger representative firm). If your firm is to grow, you must be alert and ready to accept change. You must be certain that every line you are carrying is contributing to your planned growth.

Sometimes, these secondary lines are on the way down. For whatever reason, their market share is declining. Part of the alertness mentioned above is to know when and if one should resign such a line. Good lines don't stay down forever and can come back with a vengeance.

Without aggressive selling, rock solid regulars can become former lines. Such principals only remain rock solid when they receive the sales attention they deserve. In fact, they can be the most subject to trouble of all the lines a representative carries. Your profitability analysis should quickly tell you how well these lines perform. Don't be surprised if you start paying a lot more attention to these companies solely as a result of your newfound awareness of how profitable they really are!

## **The Majors**

Relative progress as a representative can be measured by the stature of a firm's major lines. They usually supply the bulk of any given representative's income, i.e., as much as 20 percent or more. Because of the dominance of a major line as an income producer, however, the representative often fails to review the line's cost of operation. It is just assumed that the line is profitable.

In fact, large lines can be very costly to maintain. Support people are in the territory more frequently than others, and because of the line's activity, they dominate their representative's planning time. Further, odds are that the larger lines are more commodity in nature, selling product into a larger share of the available customer base in the territory. This can expose the representative to off-shore manufacturing and/or outsourcing to turn-key assembly operation. At best, the representative faces a split or shared credit (commission) with another representative. At worst, he loses track of the business completely.

A line profitability analysis, such as the ones included in this section, will go a long way toward determining how much time and effort a major line is consuming versus how much commission revenue is being produced. Often, a representative must weigh: 1) the value of keeping a large, highly productive line that demands too much attention against 2) the effort necessary to replace the income from that line via other existing or newly acquired lines.

## **Synergism**

Finally, consider synergism. A filler can be elevated to the status of a regular line if it is synergistic with one or two or three majors on your line card. Large representative firms often have completely synergistic line structures. Smaller firms may have two or even three "pockets of synergism." Any more should be cause for concern. The profitability of a representative's top line

is improved when all the other lines "tag along" in synergistic single file. And in turn, each of the tag along lines becomes more profitable.

## **Basic Premises**

There are several basic premises or assumptions underlying this overview of line profitability analysis, i.e.: it is necessary to know whether a given line is profitable; the commission income on each line is known; time (sales personnel, secretarial, customer service, management) is one of the most valuable (if not most valuable) assets of a representative firm; expenses are usually directly proportionate to the time expended on behalf of each line.

## The "Spur of the Moment" Process

A very simple form of evaluation is what many managers describe as "gut feeling." As accurate as this evaluation may be at times, it is virtually useless in discussing line profitability with a principal. The following pages describe a relatively accurate method that is based upon "spur of the moment" time use analysis. While not a perfect system, this method will provide accurate indications with a minimum amount of time and effort - almost as simple as using "gut feeling" but probably more reliable. Here are the instructions.

1. Prepare an analysis sheet similar to the sample (Exhibit A) that follows this article. Be certain that every line is included.
2. At a routine company meeting of all employees and managers, distribute the analysis sheets. Tell your employees that they are about to do a "spur of the moment" line profitability analysis. Let them know that their totals need not add up to 100 percent, but they should try to come close. Give them five minutes to complete the form and turn it in.
3. Using the results, make a matrix similar to Exhibit B. Before entering results on the matrix, adjust each set of inputs so that each totals to 100 percent. (See Exhibit C to help you accomplish this task. First total each employee's percentages. Then divide the individual percentages by the total to get an adjusted percentage to enter into Exhibit B.) The average totals on the matrix can be weighted if you wish, but this is not necessary. From the matrix, you will see how your employees feel they are spending their time.
4. Follow steps 1 through 3 once to get the "feel" of the process, then twice again at intervals of 30-45 days. Each run-through should not consume more than 45-60 minutes of your time. Average the results of the three surveys, and you will have a completed survey with which to begin your line profitability analysis.
5. Convert the percentages of time for each principal into expense dollars per line by multiplying your total expenses for the time period by the percentage of time for each line (Exhibit D), proportionate to the time expended on behalf of each line.
6. Compare the figures in "D" with your commission income figures for the same period to set your profit loss analysis (Exhibit E).
7. Make sound business decisions based upon your findings.

As you are reviewing the results of your "spur of the moment" analysis, keep these points in mind:

- A "marginally" profitable line may be desirable for several reasons, e.g.: it is prestigious; it is synergistic and produces leads for other lines; you are in the process of building this line; you have represented this principal for years (once a major line) and you have "political" ties.
- "Pain level" may not be accurately measured by this method of analysis.
- Many good representatives and managers use this method in combination with the "gut feeling" method.
- When you find you have a "marginally profitable" line or one which is showing a loss, you can: talk to the principal about your analysis; talk to other representatives of the principal to determine if they are having similar problems; use the Rep Council concept to improve the principal, give the process some time; redo the survey to see if the same results are yielded. If all else fails, you may choose to resign the line and refer it to one of your competitors. No

two representative firms are the same, and another company may be able to turn the line into a profitable venture.

You will find that this type of line profitability analysis produces a valuable side benefit. You and your employees will become increasingly aware of how time is spent (or misspent).

## Exhibit A

Date \_\_\_\_\_

### Spur of the Moment Time Analysis

In the next five minutes, please write in below the percentage of your time you have spent on each of the following lines. Your first impression is all that is wanted, and it is not important for all individual percentages to add to 100 percent.

Line	% of Time
AAA	_____%
BBB	_____%
CCC	_____%
DDD	_____%
EEE	_____%
FFF	_____%
GGG	_____%
HHH	_____%
III	_____%

\_\_\_\_\_  
Signed

## Exhibit B

### Adjusting to 100 Percent

		<b>Adjust</b>
AAA	12%	$12/120 = 10\%$
BBB	15%	$15/120 = 12.5\%$
CCC	25%	$25/120 = 20.8\%$
DDD	30%	$30/120 = 25\%$
EEE	10%	$10/120 = 8.3\%$
FFF	5%	$5/120 = 4.2\%$
GGG	8%	$8/120 = 6.7\%$
HHH	5%	$5/120 = 4.2\%$
III	10%	$10/120 = 8.3\%$
<b>Total:</b>	<b>120%</b>	<b>100%</b>

**Exhibit C**

**MATRIX**

Employee									Principal	Average *
A	B	C	D	E	F	G	H	I		
—	—	—	—	—	—	—	—	—	—	AAA _____ %
—	—	—	—	—	—	—	—	—	—	BBB _____ %
—	—	—	—	—	—	—	—	—	—	CCC _____ %
—	—	—	—	—	—	—	—	—	—	DDD _____ %
—	—	—	—	—	—	—	—	—	—	EEE _____ %
—	—	—	—	—	—	—	—	—	—	FFF _____ %
—	—	—	—	—	—	—	—	—	—	GGG _____ %
—	—	—	—	—	—	—	—	—	—	HHH _____ %
—	—	—	—	—	—	—	—	—	—	III _____ %
----- All Totals 100% -----									<b>Total</b>	<b>100%</b>

\* Average = Total of A-I divided by 9.

**Exhibit D**

**Percentage of Expenses Converted to Period Covered**

<b>Principal</b>	<b>Percentage</b>	<b>Expense \$</b>
AAA	_____	_____
BBB	_____	_____
CCC	_____	_____
DDD	_____	_____
EEE	_____	_____
FFF	_____	_____
GGG	_____	_____
HHH	_____	_____
III	_____	_____
<b>Total</b>	<b>100%</b>	<b>\$ _____</b>

Exhibit E

Line Profitability Analysis

Principal	Commission \$	Expense \$	Delta ±
AAA ±	\$ _____	\$ _____	
BBB ±	\$ _____	\$ _____	
CCC ±	\$ _____	\$ _____	
DDD ±	\$ _____	\$ _____	
EEE ±	\$ _____	\$ _____	
FFF ±	\$ _____	\$ _____	
GGG ±	\$ _____	\$ _____	
HHH ±	\$ _____	\$ _____	
III ±	\$ _____	\$ _____	

**Totals**

\$ \_\_\_\_\_

\$ \_\_\_\_\_

±

# **AN ALTERNATE APPROACH TO LINE PROFITABILITY ANALYSIS**

**By Joe N. Yore, CPMR**

This article represents an alternate approach to line profitability analysis that a line's profitability can be related to how much time the line demands per dollar earned and how well it fits with the rest of a firm's line card. The strength of your agency, your income potential and the income potential of your employees is determined by the profitability of your lines. Major lines obviously have a larger influence, but lines large and small are critical.

There are several assumptions underlying this overview of line profitability analysis, i.e.: if you were not in business, your expenses would be zero; you are in business and during a certain time period you generate x dollars in expenses; it is valid to allocate the percentage of expenses to each line equal to the percentage of time your agency spends on a line. Lines may be classified in one of two ways. Either they are profitable or they are not profitable. You may be surprised to find that as many as 50 to 75 percent of the lines you represent are unprofitable (i.e., generate more expenses than income).

There are various reasons to represent or not represent profitable or unprofitable lines. Some of the "yes" reasons for choosing to represent profitable lines may include the fact that a particular line generates cash for: strength; income for representative firm principals; income for employees; retirement programs; growth of the representative firm; reinvestment and other types of positives. On the other hand, one may choose to not represent a profitable line because: the principal wants exclusive representation; the line is expanding into areas that compete with another major line; or the line may be blocking representation of a prospective new line that is more desirable.

A representative firm may elect to continue to carry an unprofitable line because- it is highly synergistic with other lines; it fills a void in the firm's product offerings; it keeps a firm in a product area until a premier competitor becomes available; or it is an emerging growth line with a good future. There may be many additional reasons for carrying an unprofitable line. Those reasons must be balanced against the reasons for dropping a line. Those reasons may include: the line is a drain on the firm's total resources; it takes the profits of other principals to supplement the line's presence on the line card; the unprofitable line may weaken the financial position of the representative firm; it may lower the firm's income potential as well as the income potential of the firm's employees.

Certainly all avenues should be pursued to make the line profitable. One key way to increase that bottom line for the representative firm is a joint representative -principal study to reduce transaction costs, lessen time demands for reports and field visits, and decrease customer service requirements to allow increased time for sales activities. (Read most of these avenues to explore as areas where less time would be consumed per revenue dollar generated.)

## **Procedure for Line Profitability Analysis**

Here is a five-step process to analyze line profitability:

- 1) Collect data (percentage of time spent on each line by all company personnel) (refer to Line Profitability Analysis Form #1 which follows);
- 2) Convert data to 100 percent (of the company total time) (refer to Line Profitability Analysis Form #1 which follows);
- 3) 3) Merge all data to arrive at your agency's percent of time allocated to each line; (refer to Line Profitability Analysis Form #2 which follows);

- 4) Allocate total expenses based on the percentage of time devoted to each line; (refer to Line Profitability Analysis Form #3 which follows);
- 5) Create a ratio of expenses to revenue (start with expenses allocated to a line, and then divide by revenue produced by that line in the same time period) (refer to Line Profitability Analysis Form #3 which follows).

A basic computer spreadsheet package can be used to matrix all of this information. The process can be completed in a total of 15 minutes average per person of agency time. Using a spreadsheet for this process allows easy "what if" analysis.

### **Expanded Use of Information**

Once the line profitability information is available, the question becomes how to use the knowledge that has been gained. Other than the obvious uses, don't overlook the value of using that pertinent information when a new line is being evaluated. If a prospective principal is properly interviewed, you may generate enough information to actually plug the prospective line into your matrix for a "read out" on its profitability potential - before the line is even signed on!

(Some things to look for in that interview process include: the quality of the prospect's marketing material, including catalogs; the company's pricing structure, order fill rate and efficiency of engineering support at the factory; the position of the manufacturer among competitors; other forms of sales organizations in your territory; and the number of days factory personnel expect to be in your territory per quarter or per year.)

Line profitability information can also be used to evaluate your major distributors, as well as the minor ones that your firm interfaces with, and evaluate your large customers (end users), as well as your smaller customers, all from a line profitability standpoint.

## Line Profitability Analysis Form #1

Company Name \_\_\_\_\_ Employee's Name  
\_\_\_\_\_

Manufacturer's Name	% Time Spent	Adjusted to 100%
ABC	_____%	_____%
DEF	_____%	_____%
GHI	_____%	_____%
JKL	_____%	_____%
MNO	_____%	_____%
PQR	_____%	_____%
STU	_____%	_____%
VWX	_____%	_____%
<b>TOTAL</b>	_____%	<b>S/B 100%</b>



### Line Profitability Analysis Form #3

Company Name \_\_\_\_\_

**Revenue / Manufacturer  
Expense / Revenue Ratio**

**Expense / Manufacturer**

ABC \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

DEF \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

GHI \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

JKL \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

MNO \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

PQR \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

STU \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

VWX \$ \_\_\_\_\_  
\$ \_\_\_\_\_

\$ \_\_\_\_\_

**TOTAL EXPENSES**

\$ \_\_\_\_\_



# EMPLOYEE PERFORMANCE REVIEWS

By F. W. "Bud" Moulthrop

Regardless of the size of any firm, a formal review system is recommended for management to evaluate each employee's performance. The basics of the system should be the same for all employees. A possible exception would be for the first review; an office employee's first review is recommended after three months, while the first reviews of sales personnel should be conducted only after a six month indoctrination period. You should also consider whether management personnel should be included in the review process.

Once a review program is developed and installed, give it an adequate trial to evaluate its effectiveness. The benefits of the program may not be readily apparent the first or second time it is used. It is recommended that scheduled performance reviews (after the initial review) be conducted twice yearly on specific dates (with all employees informed of the schedule). However, it is not recommended that all reviews occur at the same time of year. You may want to base the review schedule on employees birth dates, their employment anniversary dates, etc.

Holding to a specific schedule gives employees confidence in the system and provides them with the knowledge that their performance will be measured and discussed with them regularly. Performance reviews provide employees with a comfortable atmosphere to bring up any questions they may have regarding their employment and the opportunity to "talk things out" that may not otherwise be available.

The review system should be used to inform the employee of his/her progress and to advise of any changes in individual duties, responsibilities, compensation, etc. It should also serve to inform an employee of corrective actions required to meet company standards and to address any other problem that exists in employee performance or attitude. Should an employee fail to take the necessary steps to correct problems outlined during the review, the documentation generated in the interviews will support subsequent dismissal should it become necessary.

Keep in mind that the review process requires patience, understanding and, in particular, time. Meet with each individual to explain the process, terminology, definitions, etc. so there is no doubt as to their meaning. Use examples if necessary. Remember that you are conducting a personal, human evaluation of performance by an individual -- not a team or company or statistics. Do not draw comparisons with other employees.

In all review discussions, be positive, truthful, and do not overemphasize any one area. Specifics that require follow-up can be handled according to your company's own management style. Above all, take advantage of the review opportunity to listen, and try to end each review on a note of encouragement and enthusiasm so that your employee feels gratified by the process and confident in its value.

With the velocity of change in today's world, it is not a time to be timid, as long as your review is positive. In conclusion, cover all you can. If you cannot have a positive meeting, you should dismiss the individual and/or possibly the person giving the review, depending upon the position.

Be sure to have your facts ready, making for a simplified presentation. What you are looking for is 1. perpetual improvement." If you are the reviewer, know what is important and redirect the review continually toward what is important. A review must have total integrity in order to capture the trust of the reviewee. Listen and stay flexible and in control of the situation.

Collect all forms and information at the end of the review, and let your employee hear from you in the shortest time possible. No one likes to wait for "grades," and your response/evaluation should be received while the review is fresh in everyone's mind. Your expediency will demonstrate your caring, and in turn, your employees will also care. Examples of review forms used by two representative firms are included on the following pages. You may modify them to fit your particular needs or use them as guidelines to design your own forms. The main point in performance reviews is to get started. Why not start with yourself?

NOTE: Non-formal reviews can go on continually, such as after sales calls or receipt of call reports. Don't overuse the formal process or it will lose its meaning.

# EXAMPLE OF EMPLOYEE'S PORTION OF PERFORMANCE REVIEW FORM

Employee Name \_\_\_\_\_ Employment Date \_\_\_\_\_

This page is to be completed by the individual employee prior to performance planning discussion. Review period:

From \_\_\_\_\_ Through \_\_\_\_\_

JOB DESCRIPTION / DUTIES: Employee to state his/her duties in own words.

ACCOMPLISHMENTS: Indicate progress toward and/or completion of job related and personal goals.

GOALS: (1) List specific job related goals (both short term and long term).

(2) List your personal goals (both short term and long term).

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date Prepared

# EXAMPLE OF SUPERVISOR'S PORTION OF PERFORMANCE REVIEW FORM

Employee

Name: \_\_\_\_\_

Review Period: From \_\_\_\_\_ Through \_\_\_\_\_

Supervisor's evaluation of employee for review period. All evaluations based on demonstrated performance and observed characteristics, not on anticipated or assumed level of performance.

## I. GOAL SETTING

\_\_\_ Fails to set goals.

\_\_\_ Sets goals when directed.

job, but

\_\_\_ Sets readily attainable goals.

\_\_\_ Sets aggressive goals.

job,

knowledge of related

\_\_\_ Sets highly challenging goals.

Comments: \_\_\_\_\_

job \_\_\_\_\_

jobs.

\_\_\_\_\_

phases of  
work.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## III. ACCEPTANCE OF RESPONSIBILITY ORGANIZE

\_\_\_ Unwilling to be held accountable.

proper

Noncommittal.

\_\_\_ Often avoids responsibilities. Usually  
planning  
has an alibi. Prefers to depend on others.

\_\_\_ Accepts responsibilities to a satisfactory  
but is  
in unusual

\_\_\_ Willing to accept risk of authority and to

## II. JOB KNOWLEDGE

\_\_\_ Knows only the essentials of  
routine matters.

\_\_\_ Knowledge adequate for present

not informed on related work.

\_\_\_ Satisfactory knowledge of present  
with sufficient

jobs to effect good coordination.

\_\_\_ Well informed on details of own  
and essential factors of related

\_\_\_ Outstanding knowledge of all  
own and related

Comments:

## IV. ABILITY TO PLAN AND

\_\_\_ Work frequently shows lack of  
Entirely dependent.  
planning.

\_\_\_ Seems to understand value of  
but needs assistance.

\_\_\_ Plans routine work satisfactorily  
degree. sometimes not effective  
situations.

be held accountable.  
promptly.  
\_\_\_ Makes commitments and assumes full responsibility.  
organizing complicated procedures  
Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_ Plans routine work well and meets emergency situations  
\_\_\_ Outstanding. Competent in \_\_\_\_\_ and directing \_\_\_\_\_ and operations.  
Comments: \_\_\_\_\_  
\_\_\_\_\_

**-- sample form continued --**

# EXAMPLE OF SUPERVISOR'S PORTION OF PERFORMANCE REVIEW FORM, CONT.

Employee Name: \_\_\_\_\_

Review Period: From \_\_\_\_\_ Through \_\_\_\_\_

Supervisor's evaluation of employee for review period. All evaluations based on demonstrated performance and observed characteristics, not on anticipated or assumed level of performance.

**V. JUDGMENT AND DECISION**

\_\_\_ Exercises poor judgment. Makes rash decisions or unwilling to make decisions.

\_\_\_ Inclined to snap judgment or noncommittal. Decisions of doubtful value.

\_\_\_ Judgment satisfactory. Decisions reasonably prompt and accurate.

\_\_\_ Exercises good judgment. Decisions in the main prompt and accurate.

or assignments

\_\_\_ Judgment outstanding. Decisions prompt and accurate.

Comment: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**VI. CONTROL OF OPERATION**

\_\_\_ Does not know status of expense, schedule or assignments.

\_\_\_ Does not control expense, schedule or assignments.

\_\_\_ Maintains satisfactory control of expense, schedule or assignments.

\_\_\_ Maintains consistent expense controls and performs trade off on expense and schedule

in all areas with advance notice of unfavorable performance in either.

\_\_\_ Excellent control of all factors of operations (expense, schedule and personnel assignments).

Comments:

**VII. ABILITY TO IMPROVE METHODS**

\_\_\_ Complacent. Does things as they have always been done.

unit.

\_\_\_ Makes some effort to change if directed.

cooperation

\_\_\_ Improves methods when need is apparent.

great

\_\_\_ Resourceful - constantly improving ways to do things.

\_\_\_ Highly ingenious. Outstanding in improving methods regardless of activity with obstacles.

**VII. ABILITY TO COOPERATE WITH OTHERS' ACTIVITIES**

\_\_\_ Obstructionist. Thinks only of his/her own

\_\_\_ Difficult to secure his/her

\_\_\_ Will cooperate when the need is

\_\_\_ Cooperative. Willing to help out other activities.

\_\_\_ Exceptionally cooperative. Coordinates his/her others.

Comments: \_\_\_\_\_

Comments: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**-- sample form continued --**

# EXAMPLE OF SUPERVISOR'S PORTION OF PERFORMANCE REVIEW FORM, CONT.

Employee Name: \_\_\_\_\_

Review Period: From \_\_\_\_\_ Through \_\_\_\_\_

Supervisor's evaluation of employee for review period. All evaluations based on demonstrated performance and observed characteristics, not on anticipated or assumed level of performance.

**IX. ABILITY TO DIRECT AND MOTIVATE OTHERS**

- \_\_\_ Ineffective at directing and motivating employees.
- \_\_\_ Secures fair cooperation but does little to motivate subordinates.
- \_\_\_ Satisfactory leader who makes an effort to understand and motivate subordinates.
- \_\_\_ Good leader who is active in motivating subordinates.
- \_\_\_ Dynamic leader who stimulates enthusiasm and obtains outstanding motivation in subordinates.

**X. OVERALL RATING**

- \_\_\_ Unacceptable
- \_\_\_ Marginal
- \_\_\_ Satisfactory
- \_\_\_ Excels
- \_\_\_ Outstanding

Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

**SUPERVISOR'S COMMENTS:** Factors that are pertinent to job assignment that may or may not be covered in evaluation items detailed in review form.

\_\_\_\_\_

Employee Signature & Date

Supervisor's Signature & Date

# SAMPLE REVIEW FORM FOR EVALUATION OF OUTSIDE SALESPEOPLE

Evaluation of: \_\_\_\_\_

## Part I: to be completed by inside and outside sales

RATING SCALE: 1 - Not Acceptable; 2 - Needs Improvement; 3 - Minimum Acceptable; 4 - Above Average; 5 - Superior; 6 - Commendable; 0 - Not Applicable.

SALES ABILITY	RATING SCALE	COMMENTS
1. Professional image _____	1 2 3 4 5 6 0	
2. Product knowledge _____	1 2 3 4 5 6 0	
<b>PERSONAL</b>		
1. Attitude _____	1 2 3 4 5 6 0	
2. Commitment / motivation _____	1 2 3 4 5	
3. Energy / drive / enthusiasm / urgency _____	1 2 3 4	
4. Initiative _____	1 2 3 4 5 6 0	
6. Resourcefulness _____	1 2 3 4 5 6 0	
7. Judgment _____	1 2 3 4 5 6 0	
8. Disappointment and criticism reaction _____	1 2 3 4 5 6 0	
9. Flexibility / adaptability _____	1 2 3 4 5	
10. Planning / organizing _____	1 2 3 4 5 6 0	
11. Company / organization (clearly defined responsibilities) _____	1 2 3 4 5 6 0	
12. Training: A. Sales _____	1 2 3 4 5 6 0	
B. Technical / product _____	1 2 3 4 5 6 0	
<b>COMMUNICATION</b>		
1. General responsiveness _____	1 2 3 4 5 6 0	
2. Crisis responsiveness _____	1 2 3 4 5 6 0	
3. Communications / feedback _____	1 2 3 4 5 6 0	
4. Follow-up _____	1 2 3 4 5 6 0	
5. Listening _____	1 2 3 4 5 6 0	
6. Motivational techniques _____	1 2 3 4 5 6 0	
7. Routine written interoffice corres. _____	1 2 3 4 5 6 0	
8. Internal communications _____	1 2 3 4 5 6 0	

**Part II: (to be completed by outside sales)**

MANAGERIAL

1. Company planning and direction:									
A. Goal setting	1	2	3	4	5	6	0		
B. Monitoring / measuring results	1	2	3	4	5	6	0		
2. General personnel stability	1	2	3	4	5	6	0		
3. Salesperson compensation plan	1	2	3	4	5	6	0		
4. Company professional image	1	2	3	4	5	6	0		
5. Marketplace prestige	1	2	3	4	5	6	0		
6. Creativity / progressiveness	1	2	3	4	5	6	0		
7. Sense of responsibility / commitment	1	2	3	4	5	6	0		
8. Growth	1	2	3	4	5	6	0		
9. Company sales analysis and other computer programs	1	2	3	4	5	6	0		
10. Consistent competitive feedback	1	2	3	4	5	6	0		
11. Sales meeting contributions	1	2	3	4	5	6	0		
12. Team player	1	2	3	4	5	6	0		
13. Line portfolio / synergy	1	2	3	4	5	6	0		

**Part III: Additional Comments and Summary:**

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# Sample Review Form for Evaluation of Inside Salespeople

Evaluation of:

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**Part I: to be completed by all**

RATING SCALE: 1 - Not Acceptable; 2 - Needs Improvement; 3 - Minimum Acceptable; 4 - Above Average; 5 - Superior; 6 - Commendable; 0 - Not Applicable.

PERSONAL	RATING SCALE	COMMENTS
1. Professional image	1 2 3 4 5 6 0	
2. Product knowledge	1 2 3 4 5 6 0	
3. Attitude	1 2 3 4 5 6 0	
4. Commitment/motivation	1 2 3 4 5 6 0	
5. Energy/drive/enthusiasm/urgency	1 2 3 4 5 6 0	
6. Initiative/creativity	1 2 3 4 5 6 0	
7. Problem solving	1 2 3 4 5 6 0	
8. Resourcefulness	1 2 3 4 5 6 0	
9. Judgment	1 2 3 4 5 6 0	
10. Planning/organizing	1 2 3 4 5 6 0	
11. Sense of responsibility	1 2 3 4 5 6 0	
12. Team player	1 2 3 4 5 6 0	

**Part II: to be completed by outside sales and management**

**COMMUNICATIONS**

1. General responsiveness	1 2 3 4 5 6 0
2. Crisis responsiveness	1 2 3 4 5 6 0
3. Communication/feedback	1 2 3 4 5 6 0
4. Commitment/follow-up	1 2 3 4 5 6 0
5. Listening	1 2 3 4 5 6 0
6. Disappointment and criticism reaction	1 2 3 4 5 6 0
7. Flexibility/adaptability	1 2 3 4 5 6 0

8. Principal respect	1	2	3	4	5	6	0
9. Availability	1	2	3	4	5	6	0
10. Factory rapport/empathy	1	2	3	4	5	6	0
11. Customer rapport/empathy	1	2	3	4	5	6	0
12. General distributor rapport	1	2	3	4	5	6	0

**Part III: to be completed by inside sales and management**

GENERAL

1. Punctuality	1	2	3	4	5	6	0
2. Dependability	1	2	3	4	5	6	0
3. Telephone skills	1	2	3	4	5	6	0
4. Internal communications	1	2	3	4	5	6	0
5. Electronic systems usage	1	2	3	4	5	6	0
6. Responsiveness to phone messages	1	2	3	4	5	6	0
7. Sales meeting contributions	1	2	3	4	5	6	0

**Part IV: Additional Comments and Summary:**

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# SAMPLE REVIEW FORM FOR EVALUATION OF MANAGEMENT BY SALES STAFF

Evaluation of:

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**Part I: to be completed by all**

RATING SCALE: 1 - Not Acceptable; 2 - Needs Improvement; 3 - Minimum Acceptable; 4 - Above Average; 5 - Superior; 6 - Commendable; 0 - Not Applicable.

SALES ABILITY	RATING SCALE	COMMENTS
1. Professional image	1 2 3 4 5 6 0	
2. Technical ability	1 2 3 4 5 6 0	
3. Product knowledge	1 2 3 4 5 6 0	
4. Competitive knowledge	1 2 3 4 5 6 0	
5. Sales ability		
6. (salesperson/order taker)	1 2 3 4 5 6 0	
6. Follow-up - timeliness	1 2 3 4 5 6 0	
<b>PERSONAL</b>		
1. Attitude	1 2 3 4 5 6 0	
2. Commitment/motivation	1 2 3 4 5 6 0	
3. Energy/drive/enthusiasm/urgency	1 2 3 4 5 6 0	
4. Customer empathy	1 2 3 4 5 6 0	
5. Principal empathy	1 2 3 4 5 6 0	
6. Initiative	1 2 3 4 5 6 0	
7. Problem solving	1 2 3 4 5 6 0	
8. Resourcefulness	1 2 3 4 5 6 0	
9. Judgment	1 2 3 4 5 6 0	
10. Disappointment and criticism reaction	1 2 3 4 5 6 0	
11. Flexibility/adaptability	1 2 3 4 5 6 0	
12. Planning/organization	1 2 3 4 5 6 0	
13. Sense of responsibility	1 2 3 4 5 6 0	
14. Team player	1 2 3 4 5 6 0	

15. Organization: files/samples/lit.	1 2 3 4 5 6 0	
<hr/>		
16. Training:		
A. Sales	1 2 3 4 5 6 0	
<hr/>		
B. Technical/product	1 2 3 4 5 6 0	
<hr/>		
17. Seeks self-improvement/interest in learning	1 2 3 4 5 6 0	
<hr/>		
18. marketing contribution	1 2 3 4 5 6 0	Sales meeting and
<hr/>		

**Part II: to be completed by inside sales and managers**

**COMMUNICATIONS**

1. General responsiveness	1 2 3 4 5 6 0	
<hr/>		
2. Communication/feedback	1 2 3 4 5 6 0	
<hr/>		
3. Crisis responsiveness	1 2 3 4 5 6 0	
<hr/>		
4. Commitment/follow-up	1 2 3 4 5 6 0	
<hr/>		
5. Availability	1 2 3 4 5 6 0	
<hr/>		
6. Listening	1 2 3 4 5 6 0	
<hr/>		
7. Internal communications	1 2 3 4 5 6 0	
<hr/>		
8. systems usage	1 2 3 4 5 6 0	Electronic
<hr/>		
9. Responsiveness to phone messages	1 2 3 4 5 6 0	
<hr/>		

**-- sample form continued --**

# SAMPLE REVIEW FORM FOR EVALUATION OF MANAGEMENT BY SALES STAFF , CONT.

REPORTING / FOLLOW-UP	RATING SCALE	COMMENTS
1. Frequency _____	1 2 3 4 5 6 0	
2. Timeliness _____	1 2 3 4 5 6 0	
0 _____	3.	Quality 1 2 3 4 5 6
4. Quotes _____	1 2 3 4 5 6 0	
5. Samples _____	1 2 3 4 5 6 0	

**Part III: to be completed by managers**

**GENERAL**

1. Account ability		
A. General rapport - engineering _____	1 2 3 4 5 6 0	
B. General rapport - purchasing _____	1 2 3 4 5 6 0	
C. Spectrum of contracts _____	1 2 3 4 5 6 0	
D. Customer program knowledge _____	1 2 3 4 5 6 0	
E. Higher level decision maker - visibility _____	1 2 3 4 5 6 0	
2. Key account penetration _____	1 2 3 4 5 6 0	
3. New account penetration/dev. _____	1 2 3 4 5 6 0	
4. Forecasting effort /responsibility _____	1 2 3 4 5 6 0	
5. Sales meeting contributions _____	1 2 3 4 5 6 0	
6. Principal respect _____	1 2 3 4 5 6 0	
7. Consistent competitive feedback _____	1 2 3 4 5 6 0	
8. Overall sales performance/forecast attainment accuracy _____	1 2 3 4 5 6	
0 _____		
9. Market share attainment/growth _____	1 2 3 4 5 6	
0 _____		
10. Plans day efficiently/keeps appts. _____	1 2 3 4 5 6	
0 _____		
11. Senses urgency of meeting quotas _____	1 2 3 4 5 6	
0 _____		
12. Fulfills company goals _____	1 2 3 4 5 6	
0 _____		
13. Expense control _____	1 2 3 4 5 6	
0 _____		

**Part V: Additional Comments and Summary:**



# SAMPLE REVIEW FORM FOR EVALUATION OF MANAGEMENT BY MANAGEMENT

Evaluation of:

---

RATING SCALE: 1 - Not Acceptable; 2 - Needs Improvement; 3 - Minimum Acceptable; 4 - Above Average; 5 - Superior; 6 - Commendable; 0 - Not Applicable.

PERSONAL	RATING SCALE	COMMENTS
1. Professional image	1 2 3 4 5 6 0	
2. Product knowledge	1 2 3 4 5 6 0	
3. Attitude	1 2 3 4 5 6 0	
4. Commitment/motivation	1 2 3 4 5 6 0	
5. Energy/drive/enthusiasm/urgency	1 2 3 4 5 6 0	
6. Initiative	1 2 3 4 5 6 0	
7. Problem solving	1 2 3 4 5 6 0	
8. Resourcefulness	1 2 3 4 5 6 0	
9. Judgment	1 2 3 4 5 6 0	
10. General responsiveness	1 2 3 4 5 6 0	
11. Crisis responsiveness	1 2 3 4 5 6 0	
12. Communication/feedback	1 2 3 4 5 6 0	
13. Responsiveness to phone messages <sup>1</sup>	2 3 4 5 6 0	
14. Commitment/follow-up	1 2 3 4 5 6 0	
15. Listening	1 2 3 4 5 6 0	
16. Disappointment and criticism reaction	1 2 3 4 5 6 0	
17. Flexibility/adaptability	1 2 3 4 5 6 0	
18. Planning/organizing	1 2 3 4 5 6 0	
19. Sense of responsibility	1 2 3 4 5 6 0	
20. Principal respect	1 2 3 4 5 6 0	
21. Sales meeting contributions	1 2 3 4 5 6 0	
22. Internal communications	1 2 3 4 5 6 0	

23. Electronic systems usage 1 2 3 4 5 6 0

---

COMPANY ORGANIZATION

1. Clearly defined responsibilities 1 2 3 4 5 6 0

---

2. Rep firm planning and direction:  
A. Goal setting 1 2 3 4 5 6 0

---

B. Monitoring/measuring results 1 2 3 4 5 6 0

---

3. Line portfolio - synergy 1 2 3 4 5 6 0

---

4. Line portfolio - number 1 2 3 4 5 6 0

---

5. Personnel commitment  
(appropriate number) 1 2 3 4 5 6 0

---

6. General personnel stability 1 2 3 4 5 6 0

---

7. General rep firm stability 1 2 3 4 5 6 0

---

8. Contingency planning 1 2 3 4 5 6 0

---

9. Salesperson compensation plan 1 2 3 4 5 6 0

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**-- sample form continued --**

## SAMPLE REVIEW FORM FOR EVALUATION OF MANAGEMENT BY MANAGEMENT, CONT.

MANAGERIAL	RATING SCALE	COMMENTS
1. Rep firm professional image	1 2 3 4 5 6 0	
2. Marketing prestige	1 2 3 4 5 6 0	
3. General distributor report	1 2 3 4 5 6 0	
4. Creative/progressiveness	1 2 3 4 5 6 0	
5. Rep firm sales analysis and other computer programs	1 2 3 4 5 6 0	
6. New product/market ideas	1 2 3 4 5 6 0	
7. Rep council contributions	1 2 3 4 5 6 0	
8. Motivational techniques	1 2 3 4 5 6 0	
9. Sense of responsibility/commitment	1 2 3 4 5 6 0	
10. Team player	1 2 3 4 5 6 0	
11. Training:		
A. Sales	1 2 3 4 5 6 0	
B. Technical/product	1 2 3 4 5 6 0	
12. Fulfills all company goals	1 2 3 4 5 6 0	
13. Forecasting effort/responsibility	1 2 3 4 5 6 0	
14. Reporting:		
A. Frequency	1 2 3 4 5 6 0	
B. Timeliness	1 2 3 4 5 6 0	
C. Quality	1 2 3 4 5 6 0	
15. Lead follow-up/result reporting:		
A. Quotes	1 2 3 4 5 6 0	
B. Samples	1 2 3 4 5 6 0	
C. Qualified Sales Leads	1 2 3 4 5 6 0	

**Additional Comments and Summary:**

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# **WORKING WITH INDEPENDENT SALES REPRESENTATIVES: WHO THEY ARE, WHAT MOTIVATES THEM AND WHAT THEY DO**

***By Peter Kessler, Vice President of Sales, Karsten Manufacturing Company***

All too often, the good people inside your manufacturers' factories really do not understand the role of an independent manufacturers' representative used by their company to market their products. For many, it is not an easy concept, and they are not sure who this independent sales force is or what their relationship should be with the manufacturer's personnel.

In order to help clarify just such a situation, Peter Kessler, vice president of sales, Karsten Manufacturing Company, authored the following article on manufacturers' representatives as part of Karsten's internal communication program. We think Peter does a great job of explaining the role of the representative to the other factory personnel. The same type of communication might help other manufacturers in the foodservice equipment, supply and furniture industry explain the independent representative's role. Peter gives us a good example to follow.

Karsten Manufacturing produces foodservice equipment for the hospitality, corrections, school, gaming and other related industries. As a producer, we must have some form of sales and service activity in order to stay in business and employ all the fine people we do. Karsten Manufacturing Company decided many years ago that professional field sales companies, called manufacturers' representatives rather than Karsten employees, would perform our sales activity.

There are those that view the use of professional field sales companies as an added sales cost to your products. They are not! These are companies that Karsten Manufacturing must have to identify, sell to, communicate with and provide service to our customer base. Manufacturers' representatives are a more efficient and more effective alternative to employing our own factory sales people. Utilizing independent representatives helps keep our product sales and marketing costs down, which helps make our products more competitive, yielding greater sales and company prosperity to all Karsten employees.

What is an independent manufacturers' representative? Imagine your job is to market, stock, sell and be technically knowledgeable of 10- 15 different companies' products. Imagine having to be familiar with

30-50 different product lines with literally tens of thousands of different items. Imagine 10-15 different freight, return and payment policies. Imagine working with 10- 15 different sales and marketing managers, MIS systems and inside sales staffs. Imagine running your own business with a warehouse, sales office and employees. These are the job responsibilities of our manufacturers' representatives.

To say the least, these representatives are highly motivated, customer service oriented and very independent. They are motivated by personal and business relationships, money and their ability to generate the sale. Their customer relationships are deeply rooted and take years to develop; these are relationships that would take us forever to develop if we chose to employ our own factory sales people.

With all this said, how do we as Karsten employees best utilize our representatives and, therefore, gain a larger share of our representatives' time and sales efforts on our products?

- Pay commissions correctly and on time
- Ship product in time and complete
- Maintain adequate stocking levels

- Make it extremely easy to do business with us
- Communicate efficiently electronically
- Provide fast and accurate answers to their inquiries
- Don't make sales and marketing decisions unilaterally—we consult first with our representatives.
- Be a friend, as well as a business partner
- Trust our representatives
- Do what we say we will do
- Have clearly defined policies on stock levels, commission rates, freight and return policies, payment terms, territories, split commissions
- Communicate and keep representatives informed on current pricing, quality issues, stocking situations, successes and failures, new products, etc.

If you make it easy for your representatives to be successful, they, in turn, will sell your products before the others they represent. It is that simple.

# ***BETTER REPPING SURVEY REPORTS— SHARE OF TIME - SHARE OF MIND***

***For Representatives and Manufacturers Interactive—Designed to Improve  
Teamwork and Profits***

*by Jack Berman*

## **Survey Results—"Share of Time - Share of Mind"**

### **How The Representatives Answered:**

#### **Q. "Why are certain lines favored over others?"**

- The principals treat us like partners.
- We know the products and are therefore comfortable selling them.
- Commissions are fair in rate, amount, split, and are paid on time.
- The principal responds promptly.
- The products are of good quality.
- The factory is easy to work with.
- Customer acceptance.
- Principals meet delivery commitments.
- Personal relationships with the principal.
- Good catalogs and selling aids.
- Fits synergistically with our other lines.
- Principal is custom orientated.
- Good income potential.
- Reasonable paperwork requested.

### **Some Specific Comments:**

"The determining factor comes down to how well the inside sales at the factory communicates with the representative's inside and outside salespeople. Without this, even the most potentially profitable line is doomed. "

"Those principals that achieve emotional favorite status are NOT necessarily the ones which produce the most income or have the greatest income potential. They are principals who are the most responsive and easiest to work with. They are pro-representative in attitude and action—give the representative credit when penetrating a given market and are prompt in paying commission."

"Easy to work with, management understands representatives and are considerate of our situations. They don't let us down, after we spend weeks, months, or years developing an account. They back up our efforts with superior performance in all areas production, service, etc. We have confidence in them and trust them. It's a real goal oriented partnership designed to benefit all parties—manufacturer, customer and representative."

#### **Q. What is it about other lines that tend to discourage salespeople?**

- Slow response - lack of enthusiasm.
- Lack of support and understanding.
- Late payment of commission.
- Unreliable products and/or delivery.
- Poor product training.
- Not competitive.

- Regional Managers micro-manage - too aggressive - not product knowledgeable.
- Excessive unprepared factory visits.
- Management by intimidation.

- Unrealistic quotas and budgets.
- Constant turnover in personnel - including regional managers.
- Untrained inside people - rude - hostile.
- Difficult to work with.

**Specific Comments:**

"Salespeople are discouraged when they are not knowledgeable. Salespeople must be trained correctly working with manufacturers on joint calls."

"All salespeople have a comfort level with certain product lines. If a line is worth representing it is incumbent upon management and inside/outside personnel to provide effective product knowledge and presentation expertise in the market place."

**Q. Do you have a method for tracking the amount of time devoted to each line?**

One-half of representatives have no FORMAL method for tracking time devoted to each principal, but nearly all stated they instinctively knew if any lines might be neglected. One-half have some SPECIFIC method.

Methods Mentioned:

- Analysis and tracking of Call Organizers.
- Software such as ACT, RPMS, Etc.
- Periodic meetings - salesperson review of time invested in each line.
- Analysis of phone bills, - time spent with principals on visits.
- Tracking of quotes and samples.

**Some Specific Comments:**

"We use Call Organizers as a tracking tool, plus the software ACT."

"All lines are not created equal. All lines do not require the same time. It's important to accomplish objectives—if it takes more time and pain to accomplish reasonable objectives than the line is worth or demands, then you have to make a decision."

"We do have a line profitability analysis which includes: average commission rate number of calls ease of selling factor future potential ability to gain engineering interest."

"We base time spent on each line by our monthly activity and marketing reports: New Activity (all) New business opportunities (NBO) Lost business opportunities (LBO) Number of RFQ's."

"We meet monthly, and do a time study. We've developed a chart that lists the percentage of time spent on each line by each salesperson. We then equate that to the dollar and potential dollar value of each line and adjust the salesperson's time accordingly. It's not perfect, but everyone is aware of where time is to be spent."

"We do not have an accurate method of tracking time spent per line. Personally, I don't even like the concept and will not answer the question, other than to say enough. If a representative has a good complement of synergistic lines, he should be selling several related products at the same time, thereby spending a good 300% of his available time, which, in essence, is the definition of the representative business."

"No, although we do track all money spent on principals. Each of our salespeople must submit expense accounts by line. We do informally charge each principal account \$1000 for each day

they visit the territory. Out-of-pocket cost and daily charge together lets us know if a line is profitable."

"We do an ROI every six months. My computer will tell me the percent of commission I get from each principal. My inside and outside salespeople tell me the percentage of time they spend working each line and I compare them and make any adjustments needed. I also am in tune with what's happening in the company and pretty much know the ROI from each principal."

"At year-end we ask each salesperson to estimate the percent of their time spent on each line and compare to percent of their income. We then set objectives and reallocate time."

**Q. If you were a manufacturer, what would you do to get the most attention from your representatives?**

- From the top down, I would instill and monitor an attitude that we are a team and that the representative is our partner.
- Monitor customer service people to respond promptly.
- Good product training on a regular basis.
- Mail commissions on time - same day each month.
- Newsletter reporting representative successes.
- Minimize reports and paperwork.
- Provide extra commissions as incentives.
- Set mutual goals with representatives.
- Pay maximum possible commissions and be fair on split commissions.
- Provide best sales tools possible.
- Establish and listen to Representative Councils.

**Some Specific Comments:**

"Be sure customer service people know the product and the goals of the company—and be sure they understand where the representative fits in to achieve the company goals."

"Representatives sell for companies that are easy to work with and support them. All other factors are secondary."

"I would treat them like my oldest son. Love them, encourage them, trust them, guide them, understand them, and then demand the most from them that they can possibly deliver. I would mail the commission check on the same day every month. Part of the love would be genuine recognition of accomplishments. Include them in long range planning. Show trust by respecting their judgment. The representative needs to be trained and retrained on a regular schedule. Give them the tools they need in the form of new products and new ways to sell. Don't ask them to do what you can't do yourself."

"Have good cross references an easy-to-read catalog and a well laid out price list. Keep commission rates as high as possible."

"Maintain good communications. Promote close liaison on key quotes or contracts. Send newsletters on company business and product development. List interesting applications of products."

"(1) Always answer the phone on three rings or less. (2) Always have someone answer—not a machine. (3) Have accurate and complete literature. (4) Have technical people visit representatives for calls and training. (5) Maintain a fast competent method for handling failure analysis."

"Treat representatives as if they were customers. They spend more time selling for principals easy to work with, just as customers seek vendors who are easy to buy from."

"Treat the representative visiting the factory as you would want to be treated when visiting the representative's territory."

"We are told we are the eyes and ears by a lot of manufacturers, but many don't ask for our input. We would feel great and help the principal by sharing our knowledge and establishing communications which go with this type of relationship."

"Raise commission rates so the representative can hire and maintain the best salespeople and support people inside."

"Direct all sales managers to be the representative's voice at the factory. This is typically where we need a regional manager's help. Let the representatives be district managers and give them the tools to get the job done."

"Insure that WE is permeated throughout the organization. Effective product meetings. Work toward mutual goals. Have long term plans—not just quarterly goals."

"Establish a strategy plan customer list - products - sales goals. Publish it for everyone in manufacturing management, inside sales, sales management, and all involved with representative companies. Everyone signs up to do what is necessary to win. Measure it on a rolling month basis."

"Make sure representatives feel they are a vital part of the organization. Meet commitments. Keep representatives informed of problems as well as good news."

"Assign a regional manager or product specialist to visit the representative periodically to make buddy calls and conduct product knowledge meetings. We don't need help on sales techniques. We need help on technical issues and product knowledge. Also have an advocate at the factory to give our customers real support when needed."

"Stop doing things FOR US and TO US and start doing things WITH US."

"I would treat all representatives as if they were customers. Anyone who handles a telephone or types a letter should know that the customer is our most important asset. The company should create a sales atmosphere throughout the entire organization. The best example I have ever seen of this was SAMTEC. Sam Shine, President, had various signs hanging throughout the facility such as SALES DEPARTMENT—Manufacturing done here. SALES DEPARTMENT—Quality Control done here. Even SALES DEPARTMENT Shipments done here. It's that kind of attitude and sudden service which really gets the attention of the representatives and our customers."

#### **How Principals Answered:**

#### **Q. "Do you feel you are getting your fair share of mind and time from:**

2% stated "All representatives"  
38% stated "Most representatives"  
54% stated "A few representatives"  
6% stated "No representatives"

#### **In expressing why they felt some representatives were giving MORE than their fair share, they cited the following most frequently:**

- Success
- Potential
- Factory Support
- Personal Relationships
- Product Training
- Synergistic Lines
- Prompt Communications
- Importance of the Line
- Easy-to-sell Products
- Competitive Pricing

#### **In expressing why they felt some representatives were giving them LESS than their fair share, they cited the following most frequently:**

- Not as big as other lines
- Poor synergy with other lines
- Too many lines
- Representative not interested in long haul
- General lack of enthusiasm

- Poor communications
- Our neglect
- Poor penetration
- Bad relationships

**Q. "What indicates that representatives are giving you more or less than your fair share?"**

**They felt they were getting MORE than their fair share as indicated by:**

- Activity - Phone calls, Sample Requests, Questions, Applications, etc.
- Increasing Sales
- Consistent Growth - New accounts, Good lead handling
- Requests for factory visits

**They felt they were receiving LESS than their fair share as indicated by:**

- Tardiness in returning phone calls
- Lack of product knowledge as seen by confusion - dumb questions - overlooked applications
- Not asking the questions they should need answers to
- Contrived customer visits on the arrival of the principal

They also relied heavily on the reports from inside sales, and Regional Managers.

**Q. "What are your people doing to get MORE than their fair share?"**

- Improved product training.
- Increased territory visits - jointly planned.
- Sending more technically trained people in the field to help representatives and customers.
- Better leads.
- Free flow of samples.
- Participation in Regional Shows.
- Newsletters on Products and Applications.
- Representative Recognition - Representative of the Month.
- National Sales Meetings.
- Reduced paperwork.
- Weekly phone calls.
- Regional Managers are spending more time with less active representatives.
- Commission Incentive programs.
- Performance Reviews

**Some Specific Comments from Principals:**

"We want our representatives to know they are our partners. We open our books to them so they can understand our business goals and can contribute with their input. It also helps them to understand our problems."

"People who represent leading edge technology and products must (1) Know what bait to use. (2) Know where the stocked ponds are, and (3) Get the fish into the boat. No one likes to come in with an empty stringer."

"Sales is a three way partnership—Factory - Representative - Distributor, with no one element being more or less important. Therefore, we work as a team to maximize potential to the customer."

"With the increased cost, difficulty, and competition in today's marketplace, a manufacturer can't afford to have poor relationships with its field staff. This is not just convenience, it is survival."

"Win them over by the way we handle opportunities. Provide a system to fairly compensate them for their efforts. Don't ask for any nonproductive time unless it is truly needed and effectively used on our end. Listen to what they say they need. Don't waste their time."

"We publish a list of our representatives in descending sales for each month. This lets everyone know the relative status from top to bottom."

"We stay in touch constantly. Increased territory visits are costly—but highly effective when jointly planned. We distribute a quarterly cassette newsletter called Traveling Light with technical reviews, representative successes, and policy updates. Customer service is empowered to make price and policy decisions to improve responsiveness. With industry reductions of vendors and engineering, our representative's role is more important than ever."

"The best representative relationships are based on the partnership concept. Support and understanding have proved to out-perform most traditional representative/principal interaction."

"It is important to let the representatives know how you feel. The representative and the manufacturer should have the same objective—sell as much as possible. If you are going to work against each other, those objectives will be impossible to achieve. Sounds like a simple idea, but individuals often lose sight of the goal, forget that we should all be on the same side of the rope, and end up in a tug-of-war with each other."

"Representatives cannot be viewed as necessary evils. They are part of the family and total sales program."

"Mediocre representatives are reluctant to step out of their comfort zone into the world of new accounts and new applications. Yesterday's call was preparation for today's prospecting which provides tomorrow's purchase order."

"Some representatives spend far too much time moaning about commissions and how they depend on commissions to live. We know that, but we get tired of hearing it. Let's face it—they chose to be representatives—Get on with it!"

"Good representatives are self-actualized and do not need to be prodded. They should be in sales because they enjoy sales and not because they think they can get rich quick."

"(1) We spend more time in the field and send only highly qualified people to help the representative sell. (2) are developing new and better products as recommended by our Representative Council. (3) conduct more frequent training seminars for new and experienced representatives."

"We concentrate on Newsletters - Application Notes - Demos and Demo training - Bonuses on new equipment. We talk to representatives to see what they need. We hold National Sales Meetings so representatives and factory can interact."

"Our products are high tech. It is easier to motivate technically competent Representatives. Mind share comes from a combination of money, and making the line satisfying to sell from a professional standpoint."

"I was very critical about the quality of product training when I was a Representative. I had this philosophy then and I still do at present."

"Our product is very new and unique to the computer industry—Most people don't even realize our type of product exists or that there is a need for it. Hence we are doing our best to give our representatives education. We are mounting an End User awareness campaign. The public pull is an incentive for representatives to keep up with our product."

## **"Frankly Speaking"**

By Jerry Frank

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## **Manufacturers:**

Upward communication is extremely difficult—especially on a person-to-person basis. The downside risks may far out-shadow the rewards. You might get a pat on the back, but too often you run the risk of arousing some deep seated resentment or a comment like "That's a stupid idea!" Communication from representative to principal is UPWARD COMMUNICATION. When representatives respond to a survey, they open up and tell it like it is.

From what they have said, it seems obvious that manufacturers could be well advised to examine their product training program to see if it could be improved in content and consistency. Do the representative salespeople feel truly comfortable in selling your products? Are you training new salespeople, as well as the veterans?

Are your inside people treating the representatives like partners? Are they responding promptly? Are they easy to work with? Your customer service people have more contact with customers and representatives than anyone else in your organization, and exert great influence on sales results.

Do they truly understand the role of your representatives in your marketing and sales set-up? Do they know how a representative functions? It would be wise to review and monitor their attitudes and the kind of consistent training they receive.

Are commissions being paid promptly? There is no greater turn-off than not being compensated on the same day each month.

## **Representatives:**

Manufacturers listed indicators which showed whether they were getting their fair share of the representative's time.

First and foremost, they knew when they were getting more or less than their fair share by the amount of ACTIVITY they observed. They cited phone calls, requests, questions, faxes, letters, etc. It is understandable that many representatives are so busy selling, they unconsciously neglect communications with principals, even when very actively and diligently pursuing sales for them.

Manufacturer Marketing and Sales Executives rely on reports from their inside salespeople and their regional managers for opinions of the representatives. Representatives, themselves often admit they generally do a better job of selling their customers than selling their principals. SELL the inside people when you call, instead of yelling at them the way the customer might yell at you. Your own inside sales staff probably has the most contact with the inside people of the manufacturer. How well does your staff know your philosophy and policies for treatment of others? Do you bring your inside people into your meetings? Are they getting product training?

Do all of your people recognize the influence of Regional Managers? Are they utilizing the benefits and help Regional Managers can bring them? Have you ever worked out Ground Rules with Regional managers? It is vital that you both know what each expects from the other in order to reach the principal's goals.

Are you sending itineraries to visiting principals, and outlining specific objectives for the calls you will be making with them?

While all of the above may sound like ABC, many representatives sometimes neglect the basics of good relationships with their principals. Often a person in a representative company will fall into a bad habit and not even be aware of offending principals. The answer lies in frequently talking about it in a form of Sales Aerobics often seen in the pages of Better Repping.

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# **BETTER REPPING SURVEY REPORTS—EVALUATION OF PRINCIPALS AND REPS**

## **For Representatives and Manufacturers—Designed to Improve Teamwork and Profits**

by Jack Berman

### **Survey Results—" Evaluation of Principals and Representatives "**

This Report can be an excellent Guide for Staff discussions for both Manufacturers and Representatives. There are some surprises in how each measures the criteria by which they evaluate the performance expected from the other. Although dollar performance is the key factor, other areas very important: One Representative stated, "The bottom line is commissions earned versus time put in. Only after that, do all of the other factors become important." A Manufacturer stated, "Ultimately sales performance is the 'sine qua non'- (absolutely essential). Once established, communications, pro-active management of problems and participation in solutions is the key. We look for partners, when we evaluate our Representatives."

Manufacturers can see what Representatives look for in evaluating Principals. Representatives can learn what Principals look for in evaluating their Representatives.

The ten most important factors reported by each are listed below:

#### **Principals' Factors in Evaluating Representatives Evaluating Principals in order of importance:**

- (1) Territory Growth**
- (2) Responsiveness  
System**
- (3) Stability - Continuity of Representative Company**
- (4) Relationships with Customers**
- (5) Relationships with our People  
Makers**
- (6) Professionalism**
- (7) Synergy with their other lines**
- (8) Product Knowledge of our line  
Manager**
- (9) Their understanding of our needs**
- (10) Handling Reports and Forecasts, etc.**

#### **Representatives' Factors in in order of importance:**

- (1) Commissions**
- (2) Commitment to Representative**
- (3) Product Training**
- (4) Non-selling time required**
- (5) Relationships with Key Decision-**
- (6) Responsiveness**
- (7) Competence of Inside staff**
- (8) Relationship with Regional**
- (9) Delivery Performance**
- (10) Quality of Product**

#### **Observations by Principals:**

##### **Growth of Representative's Territory (#1 in Importance)**

"Goals are vital. They force plans for growth."

"Growth is more a function of changes outside of their control, except for the growth of share in existing accounts. This is always a 'given'. It also rates an "A" in importance."

"Two year growth is a primary method for us in evaluating Representative performance."

"We target 10 to 15% growth per year. We understand a "bad year", but we average it out."

"Both long-term and short-term growth are the very basis by which we evaluate a territory."

"Five years is too long. Representative performance changes from year to year. We compare Representatives to last year, and we also ask for an annual plan for both OEM and Distribution."

##### **Representative Responsiveness (#2 in importance)**

"This is critical. Representatives who don't respond, or even respond slowly, are usually not selling your products. Motivated Representatives are quick to respond and quick to ask for help".  
"Responsiveness has to be two-way. If we, as Principals do not respond quickly, we cannot expect our Representatives to do so."

### **Representatives' Stability and Continuity (#3 in importance)**

"High turnover of people is Death!" "A manufacturer cannot afford a lot of training and re-training."  
"We require one to five year sales plans (no forecasts). Good sales plans produce good performance."

"These are the keys to long term relationships. Lack of stability in Representative personnel is a warning sign."

"I look to see if Key Representative employees can obtain some equity. It promotes commitment."

"There must be long term responsibility. However, with Representatives five years may be long term."

### **Representatives' Relationships with Customers (#4 in importance)**

"Customers are getting more difficult to reach. They can hide behind Voice Mail and E Mail. How well Representatives know and penetrate customers is a most important consideration in evaluating Representatives." "More than product and service, representation is a relationship business. The Representative uniquely offers that."

"The customer looks at our Representative and sees us. The Agent must expand our image, not degrade it."

### **Relationships with Representative's Key People (#5 in importance)**

"The better the relationships you have with your Representatives, the more business you will do."

"Lack of good relationship with Representatives usually means their goals are different than yours, resulting in poor performance." "Important, but no direct impact on performance."

### **Representative Professionalism (#6 in importance)**

"We expect the highest level of professionalism, but we are dealing with individuals who are all different, and must allow for those differences"

"This is a given. If the Representative is not a professional, he won't remain a Representative."

"Representatives must never think of themselves as peddlers. The way they think of themselves; conduct business-, present themselves to customers and to us, must be at a professional level. I admire their initiative in establishing and participating in the CPMR Program."

### **Synergy with the Representatives' other lines (#7 in importance)**

"The Representative cannot sell our line successfully to customers where he is not also selling his other lines."

"Compatible lines are the keys to efficiency and maximum selling time."

"Good synergy is important but limiting the number of lines is also necessary. Too many lines hurt the sales of all lines."

"Synergy is important to review annually because it shows the direction the Representative Company is taking"

### **Representatives' Product Knowledge (#8 in importance)**

"The better the salesperson knows the products, the more time he will spend in selling them. No salesperson likes to discuss products he doesn't know. It is too embarrassing."

"Most Manufacturers with direct sales do a much better job on Product training than those with Representatives."

"This is wrong. Representatives who have more products need more training."

"An absolute must. You can't be successful in selling the line unless you know it well. We offer many

tools and much training to accomplish this."

"I find that Representatives with lines closely related to mine, have better knowledge of my line and its market."

"The Representative's willingness to ask for help is most important."

### **Representative's understanding of our Needs (#9 in importance)**

"We expect our key Representatives to visit our plant each year and talk to all of our people. We like them to

participate in our Representative Councils and help spread the word to other Representatives."

"It is very important to evaluate how well a Representative understands his role in our programs, and especially in

new product introductions."

"It is our responsibility to clarify our goals and needs and give direction to the Representatives."

"Understanding the customers' needs is far more important than understanding ours."

**Representative Handling of Reports, Forecasts, Goals, etc. (#10 in importance)**

"We demand promptness, thoroughness, and accuracy."

"We ask for only one forecast per year. We assume this also sets the Representative's goal."

"The Representatives are our conduit to the field. They must participate in the administrative aspects of selling."

"Paperwork should be kept to a minimum and give the Representative more time to sell."

## **Observations by Representatives**

### **Commissions (#1 in importance)**

"Total commission is the engine that drives our company. Medium and small Principals can be the difference between profit and loss."

"Commission is the ultra-motivator." "When any line accounts for over 25% of our total commissions, we view it as a danger point unless our contract provides for termination of one year or more."

"Most important is the potential; how well the technology fits our customers, and where we are going."

"If a line does not return enough commission, it obviously does not get enough attention."

### **Principals' Commitment to the Representative System (#2 in importance)**

"I look at the background of the management, especially as a Manufacturer grows and merges. If the commitment isn't there, you can be in trouble even when you do a good job."

"Without it, there could be no long term relationships."

"Commitment must come right from the top."

"When it is right, you feel it."

"Do they flip between Representatives and Direct in good times and bad?"

### **Product Training (#3 in importance)**

"Principals with solid product training are rewarded with success and more time in the field."

"Too few Principals do a good job of product training."

"Product training is lacking from almost all of the Principals we represent."

"Visiting Factory people should do training on every visit to the territory"

"Lack of Product knowledge kills sales."

"Principals should give us: Manuals - Newsletters - Kits - Technical Seminars - CD's for Laptops."

### **Non-Selling Time (#4 in importance)**

"Just how much time is required and what is the return on your investment? The Representative's resources are limited to his time and effort."

"No one can afford to waste effort on reports and procedures that do not bolster sales."

"This is an important factor when deciding if we take a line on or drop an existing one."

"Too many Principals are asking for more and more Marketing time which takes away from selling time."

"In our business, after sale service is most important if you want repeat orders. However, when we are required to do too much service, it is difficult to maintain a profit margin."

"When you spend too much time on one line it detracts from others and you could lose a good line."

"Paperwork is a nightmare. Just how much information does a factory need? What do they do with the information we send?"

"We wish we could get paid for all we do."

### **Relationships with Key Decision Makers (#5 in importance)**

"Critical. Representatives must have good relationships with Principals' key decision makers. The ones who sign your checks had better feel you are worth what you are receiving."

"It is extremely important to have access to management."

"The higher up you go, the more solid your position."

"You learn your Principal's direction more fully when you are friendly with management."

### **Principals' Responsiveness (#6 in importance)**

"This is the most important factor in time spent for a Principal. Nothing discourages us and our salespeople more than tardiness in providing answers!"

"You won't get new customers if you can't make their buying decisions easier."

"Some Principals are problems every time we call."

### **Competence of Principals' Inside Staff (#7 in importance)**

"How fast do they respond? Too many Principals do not do enough consistent training of their inside people in sensitivity to the needs of the Representative and the Customer."

"Quick response from inside people can increase sales effectiveness significantly."

"To have a productive relationship both sides must communicate with each other openly. If problems arise, they should be discussed quickly."

"Most of our Principals have transferred to us many of the tasks formerly performed by their Inside sales"

"With better on-line capability with our Principal, the inside staff is not as important as it once was."

"One person should be assigned to our territory."

"Inside Sales should have longer hours for different time zones."

"One bad apple can ruin a customer relationship."

### **Relationships with Regional Managers (#8 in importance)**

"Regional Manager's effectiveness, compatibility, and support of multiple-line selling can mean the

difference between profitability and un-profitability of his line."

"The Regional Manager is the key to helping grow the line and expediting factory assistance."

"Some are good—some are bad. Best if located at the Factory and become our advocates."

"What value does the Regional bring to the territory? All too often, they are just paper-pushers."

"Most waste the Representative's time and are not that well tuned into their Home offices or their factories."

"The Representatives can also serve this function."

"We are fortunate. We do not have any Regional Managers to interfere with our efforts."

"A good Regional Manager, (and there seems to be few), is worth his weight in gold. He is our Principal's champion in the field, and ours at Corporate. They are more valuable when located at Corporate."

"This topic would rate an A in importance if most Regional Managers were actually helpful."

"Are they knowledgeable about their products, and ready to work?"

"Are they capable of running a good training program?"

"Are they prepared to talk on issues when notified in advance?"

"Are they timely in response; do they have the ability to access engineering?"

"Are they helpful at the factory, and willing to support efforts, expedite, and maintain good customer relationships?"

### **Delivery (#9 in importance)**

"Factory delivery and service can have a big impact on a Representative's standing with his customers."

"If one factory is not honest on delivery promises, it can affect your other lines with that customer."

"Long lead times or delayed shipments gather no repeat orders."

### **Quality (#10 in importance)**

"Most companies have good quality today. It is expected." "Quality refers to service as well as products."

"Forget everything else if you don't have it."

### **Other Comments by Principals:**

"Thorough customer knowledge and customer advocacy are most important in a Representative. Representatives add value to the customer by understanding their needs and communicating them to the Factory. They must be active participants in solving customer problems and meeting customer needs."

"We monitor sample requests; new product and market opportunities; quotes; and numbers of customers direct and through distribution. All are indicators of a Representative's selling activity and focus."

"I always ask, "Who are your top five accounts? Do you sell my line at these accounts? If not, why not?"

**Other Comments by Representatives:**

"The bottom line is time versus commission. The rest is good material for Representative Councils to discuss."

"Too many Principals do not understand the synergy of compatible lines. They look upon other lines as being competition, rather than empowerment."

"Factories talk about professionalism in Representatives, but how many of them know about the CPMR Program?"

"When we take on a new Principal, we always try to determine how long the previous Representative has had the line; the reasons for a change; and the general tenure of the Representatives."

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# **BETTER REPPING SURVEY REPORTS—TIME IN THE FIELD** **For Representatives and Manufacturers—Designed to Improve Teamwork** **and Profits**

*by Jack Berman*

## **Survey Results—"Time in the Field "**

**Special Note:** Many Manufacturers and Representatives use these Survey Reports to hold meetings with their staffs. They report that it provides excellent training and review. This issue is perfect for that.

A suggested list of questions and topics to cover is included at the end of this Report. This Survey has also set a new record for returns. Obviously, the subject is vital to all sales and marketing people. An individual's sales volume depends on three factors: (1) Time spent face-to-face with customers; (2) Who the customers are; and (3) How effectively that time is used. This Survey is concerned with the first factor. An increase in face-to-face time is measurable. Here are some direct answers and some practical solutions.

### **The Problem**

Nearly half the salespeople spend less than half of their selling hours with customers. All agree they should spend over half of their time in the field. 50% feel they should spend over 75% of their selling time. Manufacturers agree that erosion of selling time is a **COSTLY** problem.

### **Data: Full-time Salespeople**

**Salespeople** - Actual time spent in field:

46% say	25 - 50%
50% say	50 - 75%
4% say	over 75%

**Salespeople-** Time they say they should spend:

48% say	50 - 75%
52% say	over 75%

What **Manufacturers** say Salespeople should spend:

10% say	25-50%
40% say	50-75%
50% say	over 75%

Nearly 75% of Combination Manager/Salespersons spend less than half their time in the field. 57% believe they should spend over half their time. 20% want to spend over 75%. Usually, they are the most effective salespeople.

**Data: Combination Manager/  
Salesperson**

**Actual** time spent

40% say	under 25%
34% say	25-50%
23% say	50-75%
3% say	over 75%

**Full-time Representative Managers** also want to be able to significantly increase their time in the field with customers and their salespeople.

### **Data: Representative Managers**

#### **Actual time spent:**

86% say under 25%  
14% say 25-50%

#### **Should spend**

30% say under 25%  
70% say 25-50%

### **Full-time Salespeople and Combination Manager/Sales people list the ten most time-consuming activities that rob them of face-to-face time with Customers:**

#### **Full-time Salespeople**

Contacting and following up with principals  
principals  
Getting appointments  
Misc. Paperwork  
Monthly reports  
Principals visiting the territory  
Principal forecasts  
Itineraries for visiting principals  
Meetings with visiting principals  
Principal sales meetings  
Call reports  
meetings

#### **Combination Manager/Salespeople**

Contacting and following up with  
Principals visiting the territory  
Meetings with visiting principals  
Principal forecasts  
Getting appointments  
Itineraries for visiting principals  
Misc. Paperwork  
Monthly reports  
Principal sales meetings  
Representative company sales

### **Suggested Solutions**

#### **How Representatives believe Principals could help them achieve more face-to-face time with customers**

Train their people to respond quicker. It will cut down on much time needed for follow-up.  
Reduce reporting to absolute necessary information. It will condense paperwork.  
Send better qualified leads. Simplify and standardize forecasts.  
Eliminate unnecessary territory visits that serve no purpose.  
Provide more notice of visits - to allow us both time to prepare.  
More thorough and continuous Product training - Use CD Roms - Tapes, etc. More quality telemarketing.  
Do non-selling work - whenever possible - during non-selling hours.  
Make more use of inside people for non-selling activities.  
Take time to organize their work better - it saves time.  
Improve their own time-management by assigning higher priorities to face-to-face time.  
Plan their itineraries and establish clear objectives for each call.  
Be more aggressive in resisting unnecessary work.  
Use lunch, dinner, and social time to develop closer personal relationships with Customers .

## **How Representative Management can help their salespeople achieve more face-to-face time with customers.**

### **What Manufacturers say:**

Train, motivate, and use inside Representative people more effectively.  
Furnish salespeople with latest tools and train them (Laptops, e-Mail, Fax, etc.).  
Streamline paperwork - simplify and automate reporting systems.  
Reports .  
Minimize meetings - hold during non-selling time.  
Do time studies to prioritize salespersons' responsibilities

### **What Representative Salespeople**

Keep improving and training better inside salespeople to handle more work.  
Keep paperwork to a minimum.  
Try to limit Principals' visits.  
Better organization of Principal visits.  
Better individual updated Customer  
  
Cut down on Meetings.

### **A Few Notable Comments**

*Manufacturer* "We must also emphasize the quality of face-to-face time with customers. Being very busy, the call must be organized to be of value for the customer."

*Representative Manager* "As a manager of a good Representative sales force, a lot of time is spent smoothing over disappointment and problems with response time and delivery, with individual salespeople."

*Manufacturer* "I am a firm believer in letting the Representatives know that I use what they have taken time to provide me. If I ask for something, I try to provide feedback."

*Representative Salesperson* "Because of the increasing cost of a sales call, we absolutely must focus on the time with customers and make it effective."

*Representative Manager* "A Representative salesperson can do four things- (1) Make the first call at 8 am (2) Fax Call Organizers to Customers one day before the call-, (3) Schedule the next visit when face-to-face on a sales call; and (4) G.O.O.O. - "Get Out Of the Office"

*Manufacturer* "Representative management should supervise their people more closely on how they spend their time, and train them to be time managers as well as good salespeople."

*Combination Manager/Salesperson* "This is an excellent survey and I am anxious to see the results, because something has to be done to reduce paperwork!"

*Representative Salesperson* "This is the single most important problem we salespeople face!"

*Combination Manager/Salesperson* "Face-to Face time is wasted time unless you have clear-cut objectives and allocate the appropriate amount of follow-up ."

*Representative Salesperson* "Pre-qualifying leads over the phone helps a lot. Deciding to see if we have anything to talk about is a big plus."

*Combination Manager/Salesperson* "You've hit on a very serious and important problem. Our Principals downsize and dump marketing functions on us. Also, the professional manager's need for reports is throttling our sales\_efforts."

## **Sales Aerobics Topics**

**A few ideas are presented here to discuss with your staffs. Encourage interchange of ideas. Keep it positive. Involve everyone. Add more topics as suggested by participants. Make it fun. Follow through.**

### **For Manufacturers:**

How can we improve response time to our field sales force?

How can we get them to improve their response time to us?

Let's examine the paperwork we ask from them. What can we do to decrease it?

What are the best ways of convincing the Representatives that what we ask for is very important?

How can we best let them know what we are doing with the paperwork they send us?  
How can we improve the quality of leads we send to our Representatives?  
Representatives want thirty days notice before we make a trip into their territory. Why do you think they need it? What do we want from them to help us prepare better?  
How can we improve our product training for our Representatives?

**For Representatives:**

How can we make one more quality sales call per week? Two? Three?

What non-selling work do we do now, that we could do during non-selling hours?

How can we organize each call to be more valuable to our customer and our principals?

Select three customers with whom you want to establish, or improve, or further cement personal relationships? What would you do in each case? When will you do it? How will you be sure you do it?

How can we better use our inside sales force to help us get more quality face-to-face time with our customers?

What sales tools could help you do a better job?

How can we better prepare for a Principal visit?

How can we better motivate our Principals to respond faster?

What can we do to get better appointments faster?

How can we get more from a Principal's visit?

**It is obvious that these suggestions are just to get you started. You will come up with many more once you begin to do "Sales Aerobics". A recent Department of Labor in-depth study indicated 78% of employees learned more from each other than from all other sources. Sales Aerobics improves skills, and stimulates high morale. DO IT!**

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# **BETTER REPPING SURVEY REPORTS—GETTING TO THE END-USER**

**For Representatives and Manufacturers—Designed to Improve Teamwork and Profits**

*by Jack Berman*

## **Survey Results—"Getting to the End-User"**

### **Representative Question**

Who is your main target?

60% said Dealer/Distributor

30% End-User

10% Consultant

### **Manufacturer Question**

Who do you feel is most responsible for influencing the end-user of your products?

47% Representatives

29% Distributor/Dealer

12% All

6% Manufacturer

6% Varies

### **Prime reasons for Representatives being most responsible:**

Representative creates product benefits and awareness

Representative has deeper product knowledge

Dealer does a poor job of selling

### **Prime reasons for Dealer being most responsible:**

Dealers daily contact with end-users

Dealers frown upon Representative calls on End-users

### **Manufacturers' Comments**

"Product awareness must be created at the end-user level. Volume is achieved when the end-user demands our products."

"We make heavy duty, high priced equipment, The Representative is critical in the sale by either direct

contact with the end-user, or educating the dealer sales force, and consultants who recommend equipment to the end-user."

"The major responsibility of Representatives and Manufacturers is getting products into the distribution channels by spending most of the time calling on and working with the distributor/dealer. End-user calls without the dealer are frowned upon by many dealers."

"For the institutional market Representatives are most effective because the buyers are more sophisticated about their needs. Dealers are stronger with independents because of frequent access to these customers."

"Dealer are in daily contact with end users, but their influence is declining, particularly at the chains"

### **Representative Question**

"How important to a prospective principal is your ability to effectively reach the End-User?"

Very

Depends on the product

More than ever - Dealers are cutting back on their Sales Forces

**Manufacturer Question**

"Do you have an organizational structure or process that outlines the responsibility for reaching the end-user?"

70% said "No"  
30% said "Yes"

**Comments:**

"Our National Account Manager is responsible for the top 25 chains. He keeps Representative apprised. Representative is responsible for schools, institutions, and smaller chains. Representative utilizes factory product managers for product support. The Manufacturer should bring Representative on all calls."

"We value the position of the prime specifier. Regional managers follow through. The structure flows from the top: Management, Regional Manager, Representative."

**Representative Question**

Do you have a structured process for getting to the End-User?

29% said "Yes"  
64% said "No"  
The rest didn't answer

**Comments**

"We're involved with sophisticated equipment steam and refrigeration - in specifying, demonstrating and after sales service."

"That's impossible. Every End-User has a different make-up and different hot buttons."

"We have a selling plan with customer profile, marketing materials, equipment guidelines, direct mail marketing, and participation in the segments programs and organizations."

"Lead follow-up to qualify an appointment for a sales presentation. We also hold periodic 'End-User' seminars in our test kitchen."

"Key restaurants, school systems, targeted and worked on a regular basis. Participate in several shows. Send two mailings to key accounts motivating them to attend the shows."

**Manufacturers Question**

Do you feel that your current representative force gives you adequate call frequency at the end-user?

87% said "No"  
13% said "Yes"

**Representatives Question**

Are you giving your Manufacturers adequate coverage at the End-User?

56% said "No"  
44% said "Yes"

**Manufacturers' Comments**

"Representatives are too busy chasing immediate sales to generate immediate revenue. End-User sales are typically longer term sales."

"Most Representatives give end-user call more lip service than priority. They get bogged down with daily activity and do not plan end-user activity."

"I have several Representatives who sell cooking equipment which puts them in front of many end-users. If the Representative has lines that are sold to the end-user, he is in front of them."

"This is a difficult question. Some Representatives are dealer oriented, and some are more end-user oriented. Both are effective. With our products, we are dealer - designer consultant

oriented and less end-user oriented, so when we look for a new Representative, we rely less on end user abilities and more on design abilities."

### **Manufacturer Question**

What are the responsibilities of Manufacturers and Representatives in reaching End-users?

### **Manufacturer Replies:**

#### **Our responsibilities:**

- Strong Advertising
- Trade Shows
- Support calls for Representatives
- Call on National accounts
- Good end-user material
- Handle leads properly
- Quality products
- Good customer service
- Direct mail
- Local show participation

### **Representative responsibilities:**

- Call on chains and consultants regularly
- Participate in local and regional Shows
- Train dealer sales forces
- Keep distributors and consultants up-dated
- Make demos
- Make mailings
- Make End-User calls with dealers
- Follow up with customers

### **Representative Question**

What are the responsibilities for Manufacturer and Representative getting to the End-User?

#### **Manufacturer responsibilities:**

- Create product awareness and generate leads
- Provide good marketing materials
- Provide sufficient samples
- Participate actively in all Trade Shows
- Selective advertising to key End- Users
- Regular calls on Major End-Users

#### **Our responsibilities:**

- One on one contact with End-Users
- Follow up leads promptly
- Participate in Trade Shows
- Train Dealer sales forces

### **Manufacturers Comments**

"Manufacturers must support end-user Associations (SFM, HFM, NACVFS, ASFSA, ACFSA, etc.) through membership and active association. Also have regional managers, sales managers, product managers make periodic calls on key end-users. They should develop end-user leads through Trade advertising and direct mail, and possibly telemarketing. Participate in Trade Shows."

"Representatives should make regular calls on key end users to educate decision makers on their manufacturers' products. They should also follow up end-user leads and report results back to the manufacturer. Once equipment is purchased, they should follow up to be sure the end-user

knows how to properly use the equipment and is satisfied. They should also actively participate at local Trade Shows.”

### **Manufacturer Question**

What is the biggest problem in getting the Representative to make End-user calls?

- The time involved
- Cannot get orders direct from end-users
- Not as rewarding as time spent with
- Dealer/distributors
- Lack of product knowledge
- Lack of synergy with other lines
- Poor relationships with dealers

### **Manufacturer Comments**

"Time, time, time. The dealer is taking more of the representative's time each year and the representative is taking on what used to be the responsibilities of the dealer. The dealer salesperson used to be more well rounded and knowledgeable.

Constant calls to put out fires allow less time for end-user calls."

"Penetrating R&D and learning the true purposes and challenges for the products.

Representatives are generally lacking in selling skills. They have product knowledge, but lack the ability to apply selling skills."

"Lack of time and fear of breaking out of the comfort zone. Representative is strong in institutional, but will not approach supermarket."

"Representatives don't have sufficient product knowledge and are not comfortable on end-user calls. Representatives have too much pressure from manufacturers for immediate sales."

### **Representative Question**

What are your biggest problems in making End-User calls?

- Not enough time
- Costs
- Dealer resentment
- Getting appointments
- Geography
- Voice Mail
- Getting to decision-makers
- Contacting End-User at right time

### **Representative Comments**

"Trying to explain to the End-User where the Dealer fits in."

"Getting an appointment. Rejection. The key is having a product or line that can provide a benefit or solve a problem."

### **Manufacturer Question**

What percentage of Representatives' calls do you think should be on End-users?

46% said 20% of calls

31 % u 40% " "

15% u 60% " "

The balance declined to answer

### **Representative Question**

What percentage of your time should be devoted to End-User calls? .. To Dealer calls?

45% - more time with End-Users

42% - more time with Dealers

13% - equal time with each

### **Manufacturer Question**

How should possible conflicts with distributors be handled when Representatives do End-User work?

"Could easily result in loss of distributor if not careful. Distributor should be advised ahead of call. If severely objected to, Representative should back off or invite distributor to call with him, in an idealistic situation, End-User chains should be sold direct with the Representative earning a larger commission. Schools, hospitals, Prisons, might be treated the same way.'

"The dealer feels threatened when the Representative convinces an End User to use a product which is contrary to the dealer's wishes."

"Dealers typically feel the End-User is his customer. Representatives must make dealers realize that they are not competition and that they only make money by promoting their products. It is up to the dealer to be awarded the sale."

"Representatives should make End-User calls only with or for a dealer, or the dealer may feel cut out."

### **Representative Question**

How do you handle possible conflicts with distributors when doing End-User work?"

- Ask user for dealer preference
- Open communications with dealers
- Very few conflicts
- Provide good margins for dealers
- Use dealers to open doors
- Make calls with distributors

### **Comments**

"(1). If the distributor gives me the lead, I am loyal to that distributor; (2). If I generate a lead, I ask the End-User to choose the distributor. My goal is to get specified."

"I don't care! Most dealers aren't selling your products unless they stock them. Buying groups have changed that scenario. So Representatives will be stocking and selling direct."

"By simply reminding them that our job is to get the product specified, and their job is to sell the product. Where is the conflict?"

### **Manufacturer Question**

Other than at Trade shows, does your company have an on-going program targeted at generating End-User leads?"

69% said "Yes"

31 % said "No"

### **Representative Question**

What should a Manufacturer do to help you in contacting End-Users?

- Pre-qualify leads
- Get leads out within 10 days
- Provide up-to-date lists of End-Users
- Define segments they want penetrated
- Assist at National Chain headquarters
- Provide support when requested
- Raise commission to allow us to spend more time with end-users

### **Representative Question**

How do you feed back information on End User activity to Manufacturers?

- We don't
- Informally - verbal, fax, etc.
- Poorly
- Use their forms
- Send Monthly activity reports
- Send copies of quotes, specs, letters, etc.

### **Comments**

"Print reports regularly with ACT software."

"Newsletters and verbal. In reality, we do a poor job of letting manufacturers understand all that we invest in the End-User."

"Not very effectively. Time is money!! My paperwork is already too heavy. I do realize that the manufacturer wants feedback and they deserve some. However if our numbers do not tell the story, they can get another Representative."

### **Manufacturer Question**

Do you feel your Representatives should have a designated person to handle End-User calls?

38% said "Yes"

62% said "No"

### **Representative Question**

Should your Company have a person designated to do End-User work?

62% said "No"

38% said "Yes"

### **Manufacturer Question**

"Would you share this cost with your Representatives?"

50% said "No"

13% said "Yes"

31 % did not answer

6% were doubtful

### **Manufacturer Comments**

"Representatives are independent business men and they should determine the best methods."

"We will provide money to support it. We must achieve our sales goals."

"Logistically impossible. All salespeople of the organization should pursue End-User calls."

### **Representative Question**

Should your company have a person designated to do End-User work?

58% said "No"

42% said "Yes"

### **From those who said "No"**

- We are all involved
- Our territory is too large
- Our territory is not large enough
- It is not productive
- It is better to have a salesperson follow

- through to completion
- From those who said "Yes"

- Dealers are inept
- More thorough coverage
- Can divide market into segments
- Would like to, but can't afford it

**Comments from those who said "No":**

"If End-User calls are done correctly, the orders received will automatically put you in front of the dealer. Dealers are End-User callers and we need to use that resource."

"I want everyone in our group having significant contact with the End-User. We all need to be active on the street. Contacts and close relationships with End-Users pay huge benefits. We are the professionals and need to have End-Users use our knowledge."

**Comments from those who said "Yes":**

"Because this person would be focused on missionary work and not have order responsibility, He would have responsibility to coordinate efforts with the territory sales representative."

"A real conflict often occurs when a Representative has a Distributor base, and also calls on a lot of End Users. It is cleaner if the End-User person does not worry about distributor threats and protecting their accounts."

**Representative Question**

Should a Manufacturer financially participate in supporting that person?

**From those who answered "NO" to the question of a specified person for End-Users:**

66% said "No"

33% said "Yes"

**From those who answered "YES"**

79% said "Yes"

21 % said "No"

**Representative Comments**

"We need to be paid more than a 5% fee for what we are expected to do , especially with all the End-User work we try to accomplish. Our firm will not take on any new lines that pay less than 10%. We still believe that the manufacturer needs to support us through strong commission levels. We can then perform for them at the maximum level."

"If the commission structure is fair, that person will pay for himself. Also, as an independent business man I want control of where and when my people spend their time."

"If the manufacturer is going to require detailed information on calls, results, etc., as well as a specific number of calls, then financial considerations are a must. However, the quality of Representatives is such that reaching End Users should be left in their hands and the costs borne by their organizations."

"Representatives who close a sale without dealer involvement should receive additional commissions. This would encourage Representatives to prospect and increase market share."

**General Comments by Manufacturers**

"With the power of the dealer to switch orders, you need a strong End-User program."

"Why should cost be shared when End User calls are a specific function of a Representative?."

"End-User contact by the Representative and the Manufacturer is the only way to aid in improving profit margins for all involved including Representative, Manufacturer and Dealer."

"Perhaps an extra bonus or commission could generate more interest in motivating Representatives to make end-user calls. It might be cost effective for manufacturers to offer this incentive."

"MAFSI and NAFEM professionals are the true partners in our industry. Most other partnerships are buzzwords. We must take control of the market , influence the end-users and bring the order to the dealer to process."

### **General Comments by Representatives**

"If Manufacturers pre-qualify leads better, Representatives can spend more time with prospects, and not waste time with coupon clippers."

"The topic is timely, as some Manufacturers are trying to dump End-User responsibility on the Representative without any compensation."

"Manufacturers must stop decreasing commission rates so they can sell to buying groups. It is short-sighted. The dealer does not use savings to promote the line. The Representative eventually tries to avoid selling to buying group members because it costs him commission dollars. Why penalize the one link in the chain who is paid to sell their brand only?"

"Due to the changing role of Representative and Dealer, it seems that the Representative is doing more contact with the End-User and taking on more of the responsibility that the Dealer has abdicated."

With the decline of Dealer value in the network, the Representative is being burdened. The Representative should be compensated for the work with higher commission rates."

"We are independent business men faced with problems in time management and costs. It is human nature and essential to spend more time with the lines that give us the best return. The more assistance they give us, the easier it is to sell, and the more productive for all concerned."

"End-User work continues to grow for us as Dealer salespeople need more assistance. It is a focus of our business and produces more sales than dealer calls on a percentage basis. The more a factory helps their Representatives with End User issues, the more their sales will grow."

"Increased dealer demands for demos are forcing Representatives to do demos dealers have done. Who covers the added costs?"

"End-User work is risky. Dealers accuse Representatives of playing favorites and diverting business. Manufacturers are demanding that Representatives make more End-User calls. Will they back us when dealers complain? I lost a line when a Manufacturer gave in after one such instance."