



THE BUSINESS OF METALFORMING MICHAEL BLEAU

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Sales Excellence: Recruit and Empower Sales Reps

As the economy continues to ramp up, sales coverage becomes a more pressing issue. Due to recessionary layoffs, you may have been forced to cut some of your direct sales people, a good way to reduce your fixed cost of sales; unfortunately it also has a negative effect on revenue. Conversely, if you're one of the growing numbers of stampers growing their sales ranks through independent reps, then you are already seeing the upside of such relationships during market downturns and the potential for revenue growth with variable costs of sales. If you're not there yet, take this opportunity to expand your coverage and effectiveness by building a network of sales representatives.

Service Stampings Inc. (SSI), a PMA member company since 1973, is 100-percent dependent on commission-based sales reps. The company works with nine reps that blanket the Midwest and eastern portions of the United States, including Louisiana, Oklahoma and Texas. Established in 1957, SSI has been a supplier of short- and medium-run metal stampings used in the electrical, transportation and other industries. Rob Stohlman, vice president of sales, sums up his philosophy in how he works with its rep network, "Keep it simple and get out of their way." Rob continues, "We treat our reps like valued business partners, akin to customers. It's my job to be an enabler; to do everything I can to make it easy for them to want to sell our products and services."

It's this attitude toward its sales network that has allowed SSI to stave off potentially huge business losses during the worst recession in our lifetimes. SSI has seen only a 17-percent drop in revenue

during the harshest months of the recession and now is enjoying a business boost as the economy improves. Furthermore, with a variable cost of sales tied strictly to commissions, SSI is able to maintain a full, active sales force to sustain strong relationships with its current customers while prospecting for new sales.

When Rob started with SSI almost three years ago he immediately hit the streets to meet with its existing reps. "I needed to understand what motivated them and how the relationship have gone so far. So I drafted a list of 20 questions to ask during these initial meetings. I asked questions like, *What is SSI great at?* and, *Where does SSI need to improve?* which really gets them to open-up. After other probing questions determined how together we can improve and leverage market opportunities I finished by asking them to describe in 10 words or less *How can we make each other more money?*" Rob continues that the response from the reps was overwhelmingly to make the rep's job easier. Having myself established rep networks for European manufacturers wanting to enter the U.S. marketplace, I understand exactly what Rob's reps were communicating.

Among other forecasting, product training and strategy meetings, many manufacturing companies require their reps to submit daily, weekly or monthly sales-activity or call reports. Time-consuming paperwork quickly erodes your reps' available selling time and willingness to engage you with one of their customers. In sales, time with customers truly equals money, so anything that takes away from this time is considered a waste. Sales reps will take

the path of least resistance in representing their manufacturers. If each engagement with you means more paperwork, then less engagements for you means less paperwork—do the math.

Reporting requirements also challenges the issue of trust. Your reps are business people, sales professionals who recognize the value of their time and the relationships that they bridge between you and their customers. If between the two, you can establish a trusting, transparent level of collaboration, then you will consistently know what the other is doing to complement your mutual sales efforts. For the manufacturer, this means taking a concerted, active role (out from behind the desk) in supporting your reps and ensuring that

any roadblocks within your organization that may hamper their success are removed. If for lack of performance the manufacturer feels the need to clamp down and make the rep more accountable, then there are deeper issues at hand that need to be addressed. Simply throwing paperwork at the problem will not resolve these issues. Granted, both parties need a level of accountability, which can be gauged by the end-customer. This simply can be quantified by the most accurate customer satisfaction survey that I'm aware of: repeat purchase orders.

SSI applies a few simple but effective approaches as it grows its sales network. Key to this is leveraging its membership with the Manufacturers' Agents National Association (MANA). When

seeking out new reps searches the MANAonline.org database to find suitable candidates within a geographic area of interest. A concise letter addressed to the principles of each rep agency describes the business proposition, and is quickly followed by phone calls to determine levels of interest and compatibility to narrow the list of candidates. Ultimately the decision to work together has to make good business sense for both parties.

If your business-development strategy involves an expanded sales network, now is the time to act, at the crest of the economic recovery. Apply the lessons learned from companies like Service Stampings Inc., begin to establish relationships with independent reps and watch your sales grow. **MF**