

Special Report – REP OWNER’S FORUM

Thursday, January 8th, 2004 was a red-letter day. We held an Owner’s Forum and 16 people shared ideas for two hours. No blood was let, but there were disagreements. (Would you expect no differences of opinion?) All were positively resolved.

Fourteen present were Components Division reps, with the other 2 being from SAVES. The response from the latter was very good with positive input and reactions from both. Surprisingly, even though the sales-to-customer-to-principals relationships are different, both indicated that the discussions were still applicable. They were really *not that different!*

(We’ll scatter a picture or two around, just to set the stage. Yes, the food was great, as usual.)

Michael Onkin, our Educational Chairman, opened the meeting while everyone was finishing their lunch, laying out the ground rules. Before our waiter had picked up the last empty plate, the session had started. We had requested inputs from each participant as their fee for entrance. With at least 15 different ideas (many related) we were able to pre-select those we considered reflective of the group’s interest.



We suggested an opening subject of “Care and feeding of principals.” The first discussion centered on the needs of the members. (So much for our preparations.-) It was suggested that we establish some kind of member-forum, probably on the chapter website, where we could exchange solutions to common needs. Suggested were prospective or desired new employees or partners, certain kinds of lines desired, and such. Our concern about how to deal with the principal’s reactions to potential increases in business activity proved to be all but wasted.

☀ This valuable exchange led to a discussion around how one rep company responded to the many inquiries they receive regularly from prospective principals. This exchange was active and several ideas developed out of it. It was finally resolved that all solicitation-

correspondence to chapter members should be responded to and that we should consider presenting a common point of view.

This could be done either on the website or via e-mail or both. A sample letter follows. Members will be asked to forward all inquiries that they have determined are not of value to them to the chapter office and we will respond. We received a sample letter from the rep that introduced the idea and have re-worked it to fit the broader needs of the Chapter. We will use this re-worked version with their permission. The letter (and potential subsequent web posting) reads something like this:

“Thank you for contacting ERA. Our members are always on the lookout for new lines. Most of our member-companies have been in business for many years with an excellent reputation and contact base at the “must win” OEM’s. They often have excellent relationships with the major distributors and Contract Manufacturers in our market.

You may find them less responsive to lines that are not currently generating commission revenues. Many have entered into "fee for service" contracts for new lines needing the services of a professional technical sales team covering Northern California and Nevada. Be prepared to discuss your current business activities up front and to answer questions that will help them favorably respond to your inquiry. In addition to the details of your product line(s):

- 1. Have you considered "fee for service?"**
- 2. Why are you adding/changing reps and who was your former rep?**
- 3. Please provide the names, phone numbers and e-mail address’ of your current reps.**
- 4. Do you hold Rep Councils on a regular basis?**

If you feel further dialog would be mutually beneficial, we would be happy to put you in touch with interested and qualified reps. Please contact this office for further assistance.

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☀ During the initial discussion around rep’s needs, much was said about the desirability of “spreading the word” as presented by local and national publications and other media. Many web sources provide already set up “links” to feature articles, many of lasting interest. Just click on the hyperlinked key and you are taken to the subject’s location almost instantly.

Great service! Unfortunately, many such links are time-limited. Articles are left linked for perhaps 48 hours and then removed. The appearance of a “link” can remain on our website, however, long after that “issue” of the original publication or source is replaced. Unless the reader is familiar with this fact, a visit just one minute past the cut-off time can cause alarm and complaints that the “system” doesn’t work. Yes, we could copy the linked

article, and store it for awhile on our website but then we face two challenges. First, our memory capacity would have to increase dramatically and second, we run the risk of copyright violations. Knowing when to remove a feature might be a virtual nightmare!

☀ Next, there was a lot of discussion around setting up contacts in China to assist in tracking orders. We'll try to share some of the more obvious challenges. We had to report that inquiries directed toward National indicated that virtually nothing had been accomplished on their activities around setting up an office (rep?) somewhere in China to assist the U.S. Chapters in this feat. Every indication is that time and costs will prevent anything further from happening. (If this gets into National's hands, we are willing to be proven wrong!)

At least one local rep present has a very good relationship set up with one of his principal's former employees. Headquartered in Malaysia, this person is not only serving as an information deliverer but is actually selling for this rep, on lines that have authorized the local rep to represent them in the Far East. His services are not exclusive.

Note: We will not delve much further into this until we spend more time investigating the issue. In fact, we only mention it because we were authorized to do so. The potential value of such an open discussion in such a forum adds double impetuosity to the desirability of your attendance at Owner's Forums in the future. Some things said are of such a sensitive nature that we will never be able to publicly report them.

☀ The principal's reluctance (or inability) to track orders overseas was sorely challenged during the meeting. Mentioned were "profit centers," entities that tended to "hide" facts and/or make them undesirable realities not readily shared by one center with another. There were principals named who have excellent reputations as being ERA-friendly, pro-rep, who still had difficulties getting the word properly put out.

We were impressed by one discussion in which several people came up with variations on the theme of, "Why will principals skimp on rep commissions to the point of discouraging active 'work' on their line, when the result is often the loss of the business entirely – which certainly has to be more expensive than the 5% (or less) they pay?" It was determined that often it is really an inside job – profit centers; selfishness; indifference? Who knows? One thing that is known, *when regional managers are paid a commission on splits, the challenge often goes away!*

Keep your eyes open for the next Owner's Forum. We can guarantee that it will not take another two years!

All-in-all, this was a good meeting, one of the best this writer has attended. People left with enthusiasm. Kiplinger's current California Letter says, "[An improved economy in 2004 and an even better 2005 are likely](#), barring a new international shock. Growth will be faster in the south and in the Central Valley than in the sluggish San Francisco Bay Area." **We don't think the latter will apply to this group of reps.**