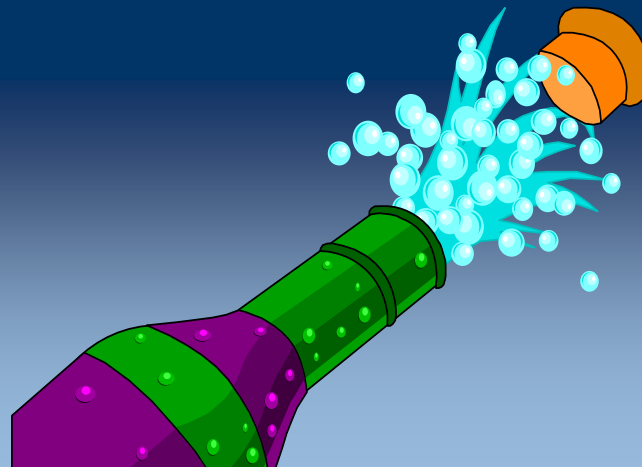



PTRA 36th Annual Conference 2008

Challenge of Change





Challenge of Change

• **Is Field Sales
Obsolete ?????**

Challenge of Change

- **Why Do I Ask This Question?**
- **Steve Cholas (Group Publisher of Hearst Electronics Group) did a survey of Design Engineers on how they get information on products for new development.**

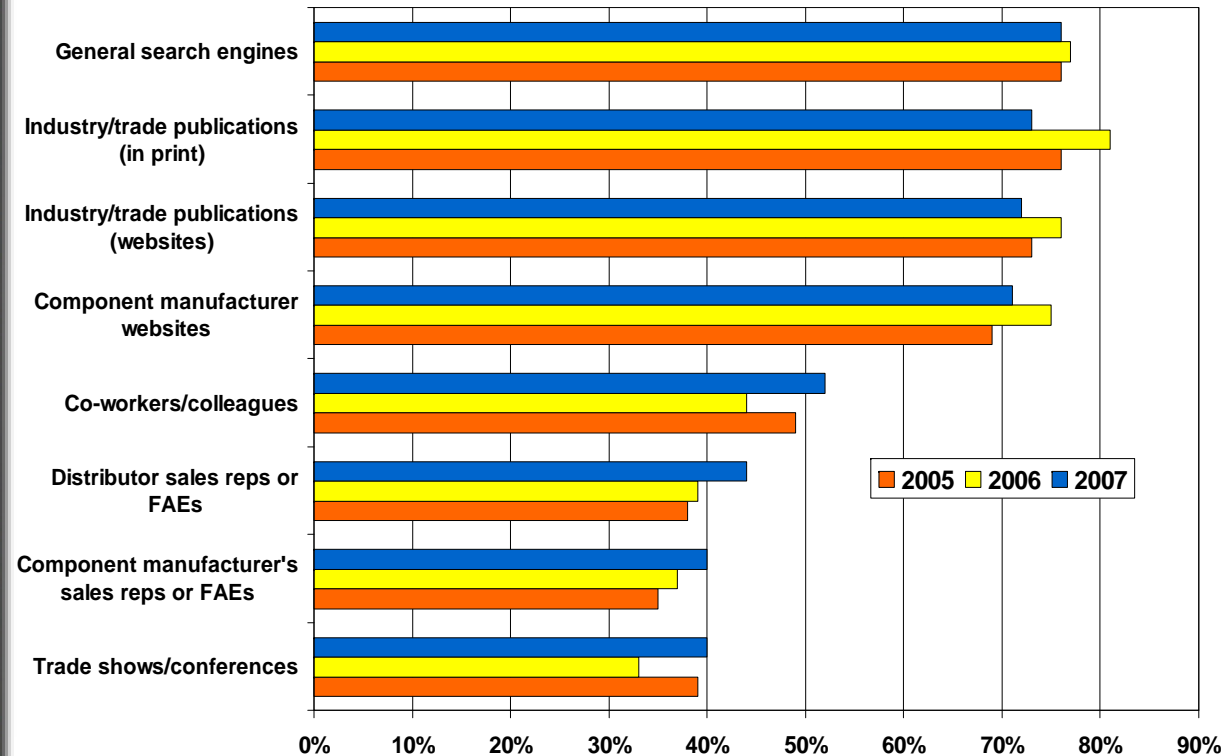
Information

ENGINEER
& SUPPLIER
INTERFACE STUDY

Source(s) for New Product Information


Which of the following sources do you use for NEW PRODUCT information?
(Please select all that apply)

(Please select all that apply)



Directories • eNewsletters • Web sites • Magazines • Webcasts • Inventory Search Tools • Databases

HEARST business media ELECTRONICS GROUP



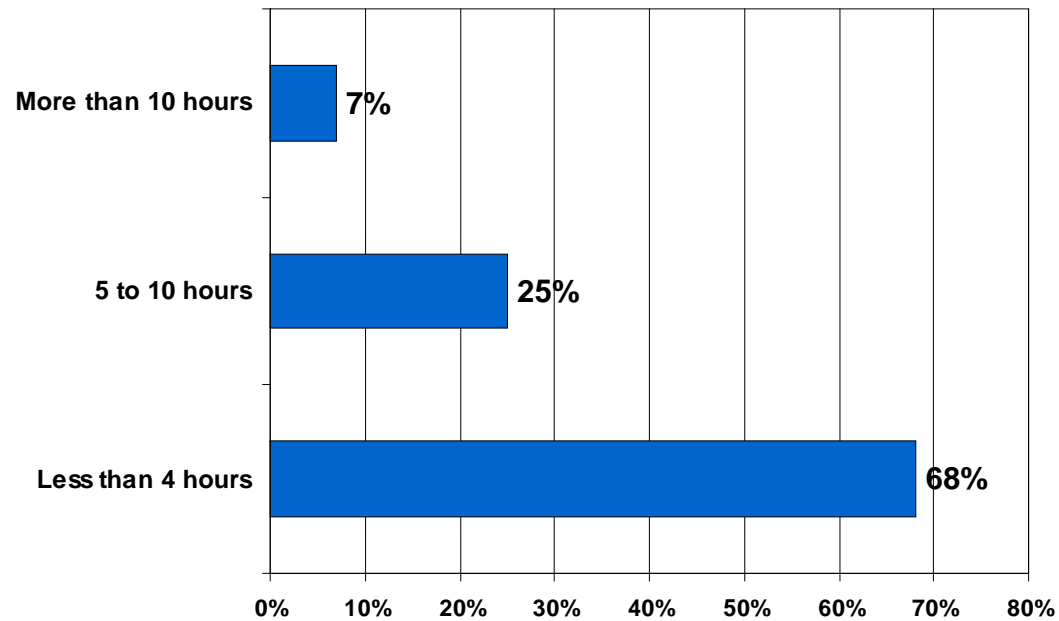
Challenge of Change

- **Steve also asked how much face to face time they set aside each month to meet with salespeople.**

Time

ENGINEER
& SUPPLIER
INTERFACE STUDY


of Hours Allocated to Face-to-Face Meetings



NEW: How many hours in a month do you allocate/allow for face-to-face meetings with suppliers/distributors?


Directories • eNewsletters • Web sites • Magazines • Webcasts • Inventory Search Tools • Databases

HEARST *business media* ELECTRONICS GROUP



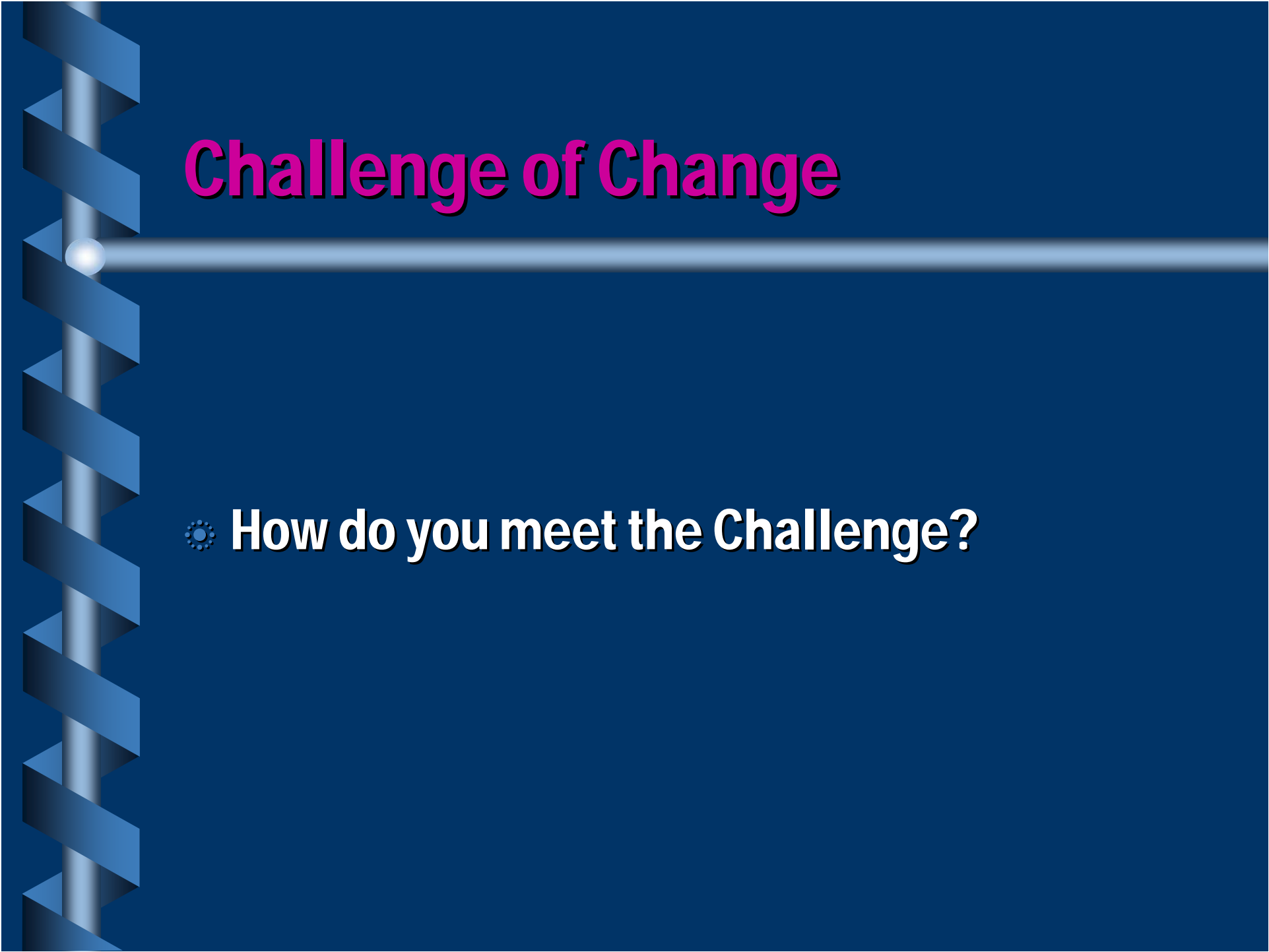
Challenge of Change

- Will you be the next Willy Loman of your industry ????????
- Who the hell is Willy Loman ????????




Challenge of Change

- **Did Willy meet the Challenge of Change?**



Challenge of Change

• **How do you meet the Challenge?**



Challenge of Change

- **First understand the value you add.**
 - Rep to Manufacturer
 - Manufacturer to Representative
- **Most importantly, what value do we both bring to the customer?**

Challenge of Change

- How many of you have looked at the PTRA website ??
- OK, let's have a quiz...
- Who can tell me how many rep to manufacture value statements are on the PTRA web site ??

Challenge of Change

- **Availability of capital**

Since you don't bear the expense of building, maintaining, or expanding a direct sales force, capital is freed up for other business activities.

- **Cost-effective marketing**

The expense of selecting and training representatives is nominal. And, since they are paid only for results, your sales costs are predictable. Overhead expenses are the rep's concern, not yours.

- **Faster coverage and deeper penetration**

Reps can offer immediate coverage and penetration into a given territory through established contacts with their customers. This can be particularly attractive to manufacturers wanting to introduce their products through an entirely new channel, without having to develop a new sales force or train an existing one.

Challenge of Change

- **The synergy of multiple line selling**

Because reps handle several compatible but non-competing lines, the sale of one product often triggers the sale of others. This creates a $1 + 1 = 3$ effect, increases selling efficiency, and spreads the cost per sales call over a larger product base.

- **Stable customer relations**


Manufacturers' representatives take professional pride in their territories. They build their customer base with meticulous care. They group their product mix with their customer mix. Reps are the mainstay of the markets they serve. The better they are, the longer they stay. Factory sales people come and go. The better they are, the quicker they change territory.

- **Built-in regional sales management**

Many rep organizations are fully capable of serving as your regional sales managers and offices. Added services offered by many reps include: intelligence gathering, forecasting, credit reporting, product detailing, application engineering, and warehousing.


Challenge of Change

- **A valuable source of market feedback**
Since they handle a number of different product lines, established reps tend to have a broader range of customers and can often sense overall market changes and opportunities earlier and more accurately than sales personnel who concentrate solely on their own company's product line.
- **An available reservoir of competent sales talent**
Qualified sales personnel are not always easy to find and keep. Reps are entrepreneurial and committed to their territories. They're here today and here tomorrow. The availability of reps in a key area can be a potent advantage in the manufacturer's favor.
- **Credibility**
Because well-established rep firms have business and social roots in their territories, and have worked them for years, they have credibility with customers. Reps strive continually to cultivate local acceptance, a factor that can help break down customer resistance to any new line they take on.



Challenge of Change


- **What value do you feel is the most important ??**
- **What value do you think I feel is the most important ??**



Challenge of Change

- To me, the number one thing I look for is...

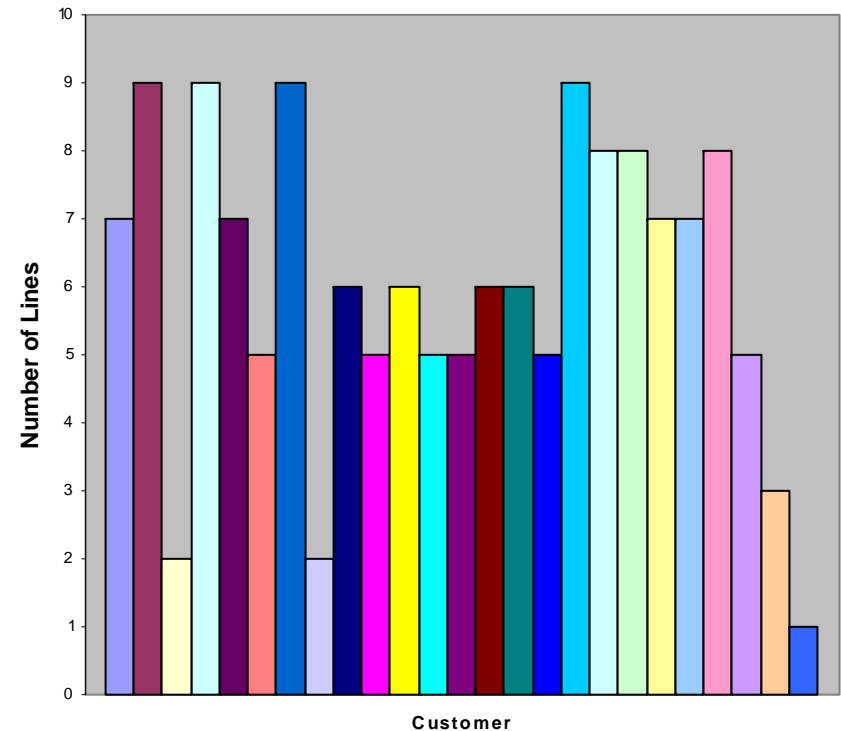
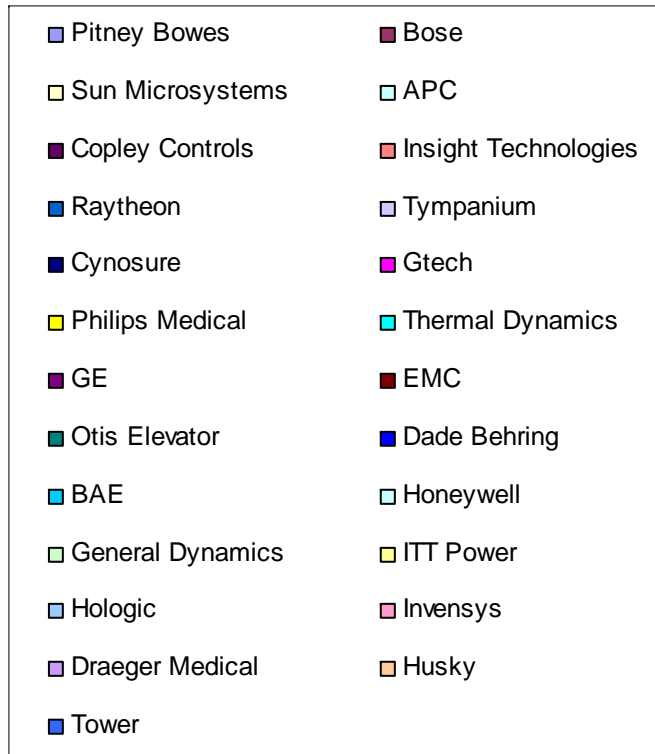
*LINE
SYNERGY*



Challenge of Change

- How many of you measure your salespeople on multi-line selling ??
- How many of you PAY your salespeople on the number of lines that they sell to their assigned customers ??

Challenge of Change



Challenge of Change

- **In the Electronics industry...**
 - 75% of a Reps' sales come from 25% of his customers.
 - 60% of his income comes from 38% of his principles.
- **If we measure and Pay for Synergistic selling, don't you think this makes your sales people more efficient ?**

Challenge of Change

- **Let's talk about your line card.**
- **How many lines do you have? How many do you need?**
- **Most of you need to increase the number of lines on your line card.**
- **Is Dick nuts??**

Challenge of Change

- **What about Mind Share ?**
- **The only Mind Share your Principals should worry about is Customer mind share.**
- **The Make-up of your line card should be for your Customers...**
 - Look at the top 25% of your customers
 - Are you selling them 50% of your lines ?
 - If you're not, you're not solving their problems.

Challenge of Change

- **If your line card is made around your customers you:**
 - **Add more value to your Principal (more Key Customer Relationships)**
 - **Add more value to your Customer (more time solving their problems).**
 - **More value to your Rep company (Efficient selling)**

Challenge of Change

• Who is Happy?

- The Rep - Yes
- The Manufacturer - Yes

• **But Most Importantly, the Customer.**

Challenge of Change

- **Let's go to the Tables.**
- **Pick a table leader.**
- **Let's discuss line synergy and efficient selling.**
- **Take 15 minutes..**
 - **Table leaders report back to the entire group on your table's best ideas on efficient selling.**

Challenge of Change

- Let's talk about the value of Manufacturer to Rep.
- I think we would all agree INCOME is a value.
- How about Credibility ?
- What about Technology (new Products) ?
- How about the ability to get deeper into a customer's management ?

Challenge of Change

- **How about Value of Rep and Manufacturer to Customer?**
- **Let's go back to the PTRA web site.**
- **Does anyone want to guess how many value statements to customers it has ?**
- **Let's look**

Challenge of Change

- **Relationships**

After all, a rep's success is linked to his or her contacts with customers and distributors in the territory, not with their friends in the corporate hierarchy. The factory-direct salesperson who produces is likely to be promoted, whether to another location or to the home office. The average stay of a company salesperson in a given territory is only 22 months. For manufacturers' representatives, a figure of 22 years would be more likely!

- **Efficient Sales Calls**

But beyond the importance of the stability of relationships, the most simplistic value of the rep to the customer is that the multiple-line sales call is simply more cost-effective. The buyer saves time discussing several needs during a single meeting. A systems approach brings value to the customer. It also facilitates multi-level contact within the customers' organization

Challenge of Change

• Win-Win-Win - How the Customer Benefits from the Rep Relationship

- 1. Stable relationship with someone who knows the total corporate culture
- 2. Long-term commitment to the territory
- 3. Serves the customer as a multi-faceted resource
- 4. More efficient sales calls - cover several products in a single meeting
- 5. Consultative selling
- 6. Bridges the communications gap among departments
- 7. Advocacy, ability to secure exceptions to supplier policy
- 8. Help in order strategy, through distribution or direct
- 9. Perspective on market conditions and trends
- 10. Solutions approach - looking at the forest, not just the trees

Challenge of Change


- **Advocacy - the customer's most important resource**

The objectivity and perspective that the multiple-line sales professional brings to the table is never more important than when the customer's need diverges from the manufacturer's standard operating procedures. Whether it's a product modification or an expedited delivery, the representative can, and will, fight harder for the customer. The rep has more at stake, with all the other products being sold into that company, as well as more freedom than the direct salesperson to carry his clout on the customer's behalf all the way to the top.

- The representative's role in advocacy goes hand in hand with that in consulting. Because they're in the territory for the long term, representatives look beyond the sale to the total relationship. Territory knowledge combined with multiple-line exposure and entrepreneurial personality adds up to a wide-ranging perspective on who's doing what, how it's working, and where it leads. The market intelligence available to reps is invaluable both to the manufacturers they represent and to the customers they call on.

Challenge of Change

- **Let's talk more on values to customers.**
- **We must know the value they feel is most important.**
 - **Is it availability ?**
 - **Is it Price ?**
 - **Is it customer service ?**
 - **Is it trust ?**
 - **Is it relationship ?**




Challenge of Change

- **I feel that customer value is so important that it should be in a database.**
- **We all have contact managers, but I have not found one that can be sorted by value.**

Challenge of Change

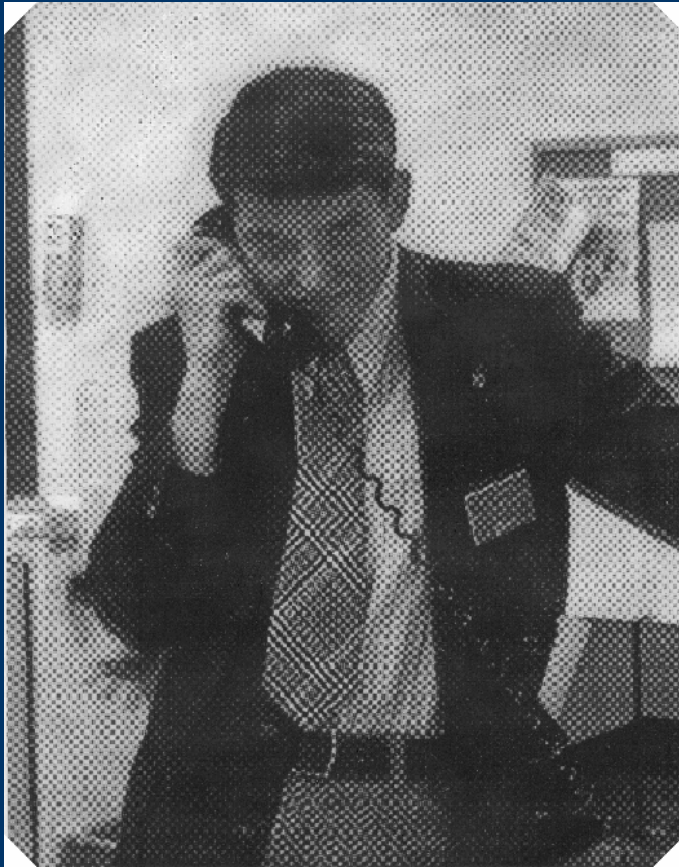
- **Conclusion**
- **Our main value is not distributing information.**
- **Our customer's time is of great value. Let's use it in an efficient way.**
- **Let's know all the values we add to the sales process.**




Challenge of Change

- **Field Sales is not obsolete.**
- **It is the only way that we can transfer CUSTOMER AWARENESS into sales revenue.**
- **Field Sales is needed more today than ever before.**

Conclusion




- If I could be 35 years old again, I would be a **REP.**




Challenge of Change

- Questions ?
- or Answers




Challenge of Change


• **Thank You Members of PTR**



Challenge of Change



Challenge of Change



Challenge of Change