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The Perfect Top Ten Rep Myths in the Eyes of a Rep

Please do me a favor when you see your friendly territory rep at EDS – CONGRATULATE HIM. He made it through one of the most challenging times in rep history. That means he withstood the pandemic of commission rate cuts, commission splits, mergers, acquisitions, and increased expenses. Higher costs and lower income are not myths, but this article describes some real rep myths. Please read on and allow me to dispel them.

This article exposes ten rep myths that deserve to be eradicated, especially at this year's EDS. If you have any additional rep myths, kindly share them with me, and please don't submit "all reps are rich." We all know that is the ultimate myth!

Myth: Reps Don't Understand Distribution

This is a plausible statement if the rep that you refer to sells only to OEM accounts and lives in a cave. Also, there is a strong possibility that he won't be around for the long term. Perfect reps embrace all sales channels to achieve maximum market share and penetration. The distribution channel is the most viable vehicle to achieve this goal. Simply put, it's an essential partnership for success.

Another reason that reps understand distribution is the very fact that it is where many reps started their career. One thing for certain is that the reps who do not understand distribution are not among the best and the brightest.

Even worse, their chances for survival are slim. After all, the DTAM in North America is a growing percentage of the TAM. If you don't understand the acronym DTAM, it's too late!

Myth: Sales Managers Must Have Total Control

Some sales managers believe that they need total control of their sales force in order to be successful. Some are naive enough to think that this cannot be accomplished with manufacturers' representatives.

Does that sales manager need total control of his wife and children in order to have a successful marriage? Of course not! Partnerships work best when there is mutual trust and respect. That applies to both business and family relationships. The rep/principal relationship is precisely the same. The best selling machines (reps) are unbridled. When the VP/Sales Manager makes a perfect choice of reps, it means minimal control, happy salespeople and profitable results. Please don't misconstrue the following

statement, but how many RSM's do you know who are better managers than rep presidents/owners?

Myth: Reps Don't Create Demand – They Are Order Takers

This statement may apply to those manufacturers who do a poor job of selecting the outsourced professional sales agency and to the sales managers who keep these reps in business. Under normal circumstances, this statement is UNTRUE. Today's professional sales reps are product wise and market smart – they have to be! Most reps have technical backgrounds, a keen sense of business and excellent people skills. They are both givers and takers – givers of technical information/solutions and, yes, "well-earned" order takers. These orders may be referred to our distribution partners, whom I respectfully submit, are glad to take them. Fortunately for reps, the opposite also takes place. It's called RECIPROCITY. If reps and distributors were not order takers, they would starve.

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At last sight, neither reps nor distributors looked emaciated to me.

Myth: Reps Don't Understand the Products They Sell

What a coincidence! I have heard the same complaint about distribution salespeople. Let's be more insightful. If a rep isn't selling solutions, he may have been appointed for another reason – quite possibly for his account knowledge and relationships at key contacts. He may not be a product genius, but I highly doubt he is product stupid. Today's successful reps are pretty sharp. What smart reps don't already know, they learn. Their knowledge comes from research and, better yet, principal training.

Myth: All Reps Are Basically the Same

Unfortunately, many manufacturers view reps as "the same." This is a preposterous notion. Rep firms are not commodities, because:

- People are different.
- Lines are different.
- Chemistry is different.
- Synergy is different.
- Management is different.
- Abilities are different.

In other words, all rep firms are unique.

Myth: Reps Don't Like Selling New Products

What an ignorant statement! In the high tech world of rapid obsolescence and the short life span of electronic components, new products are essential. They are a rep's and distributor's life blood. If you know a rep who doesn't like to sell new electronic products, wish them well in their next career. Conversely, exciting new products are precisely the kind of lines that the best and brightest reps and distributors aggressively pursue.

Myth: Reps Don't Like Writing Reports

So, what else is new? I guess I am considered an industry veteran and I have yet to find a rep that enjoys writing reports. If principals want great report writers, they should hire journalists. Of course, that is said in jest, but great salespeople would rather sell than write. That's their passion. Can you blame

them? On numerous occasions, I have written articles about excessive and frivolous reports. There is no question that reports are necessary, but too often they are redundant and ask for information that the principal already has on file. Nonetheless, dutiful reps do not mind writing good reports if they are read, acted upon and truly help in the sales process.

Myth: Reps Don't Spend Enough Time on My Line

What an interesting statement! How much time is enough time? The imperfect principal wants 100% of a rep's time. However, does this principal understand synergistic selling? Additionally, has that principal recently cut commission rates? If so, does he have the right to expect the same time share and mind share after the commission rate reduction as he had before the cut? What if the rep was forced to take on an additional line(s)? Isn't that an automatic reduction in time/mind share? Who is at fault? Is his commission rate lower than other lines? Does he burden his reps with monthly reports, monthly forecasts, monthly sales lead status, monthly quote status and other monthly minutiae? Do you, Mr. Principal, take into consideration a rep's skyrocketing expenses, increased number of split commissions and time consuming reports? If not, please think about it. It may have something to do with the fact that you are not getting the time you desire. Incidentally, do you ever accuse a distributor of not giving you enough time? Bottom line, if a far minded principal has a great problem-solving product or service, he will get the time – guaranteed! Their customers and prospects will demand it.

Myth: Reps Are Short-Term Oriented

It's hard to believe that some people feel that electronic component reps are short-term oriented and seek immediate rewards. Try telling that to a rep that calls on the automotive industry and he'll give you a "queer eye for a naive guy". The automotive industry, like many others, is typically working two years in advance of the current model year. That means that the rep will not receive an ROI/ROT for at least 24 to 28 months. The same applies to the customer base that manufactures large systems, medical diagnostics or other

capital equipment. Simply put, we are not in a quick turn business. With the exception of low cost commodity products, most engineered components take months to years to design in. Reps make the front end investment, because we are not risk-averse.

Myth: Reps Work from 10 to 2

This is somewhat analogous to the question, "Is the glass half full or half empty?" Most electronic component reps are working until 2:00 a.m., NOT 2:00 p.m. Why? I'll give you 5 reasons: planning, forecasts, reports, reports and more reports. The only reps that work from 10:00 a.m. to 2:00 p.m. are just as mythical as the aforementioned myths.

Summary

Reps embrace compassionate and empathic principals who understand their business. Those are the lines that receive a disproportionately larger time/mind share. Some reps call them "emotional favorites". I call them "PERFECT PRINCIPALS."

Have a great EDS and a successful 2006!