



***Electrical Distributor and Manufacturer
TOP 3 Qualities that make up your
BEST Rep***

&

***Independent Manufacturers' Representative
TOP 3 Qualities that make up your
BEST Manufacturer***

June 1, 2009

**Farmington Consulting Group LLC
406 Farmington Avenue
Farmington, CT 06032
860-676-7876
www.fcgltd.com**



TABLE OF CONTENTS:

Farmington Consulting Group and the Author	3
Research Methodology	4
Executive Summary	9
Distributors Speak Out About Reps	12
Manufacturers Speak Out About Reps	23
Reps Speak Out About Manufacturers	31
Best Manufacturers Listing	48
Reps Call to Action with Distributors	50
Reps Call to Action with Manufacturers	52
Manufacturers Call to Action with Reps	54
Research Conclusion	56



Farmington Consulting Group and the Author

Farmington Consulting Group (FCG) has specialized in the electrical distribution industry since 1982. Within this specialty, FCG consults with manufacturers, manufacturers' representatives, distributors, contractors, and industry associations to make the changes necessary to achieve and maintain a competitive advantage.

Tom O'Connor is the author of this research study. Tom owns Farmington Consulting Group (FCG), Farmington, CT. In addition to Tom O'Connor, FCG employs a director of research and three survey analysts. Tom has been a growth strategy consultant for electrical distributors, manufacturers, and manufacturers' representatives for 27 years. You can reach him at 860.676.7876 or by email at tomoconnor@fcgltd.com. His company's website is www.fcgltd.com.

FCG's core competencies are:

- Conducting market research including market analysis, strategic positioning, segmentation, customer loyalty and retention strategies, and tactical execution. FCG is widely recognized as experts in conducting mail surveys, online surveys, telephone surveys, personal one-on-one interview surveys, focus groups, and customer advisory councils.
- Facilitating strategy teams whether an expansion strategy, cost cutting strategy, alignment strategy, branding strategy, customer service strategy, marketing strategy, sales strategy, procurement strategy, distribution strategy or funding strategy.
- Facilitating process improvement teams to reduce waste, build efficient operating systems, and achieve service excellence.
- Improving an organization's human capital through organization development plans including the design of management succession plans, executive search, and performance management systems with incentive compensation plans.



Research Methodology

This research sample comprises **40 Electrical Distributors, 31 Manufacturers** and **54 independent Manufacturers' Representatives**.

All research participants were given an e-survey and assured complete anonymity. They were told that their responses would be formatted in aggregate fashion protecting their individual identities.

We asked electrical distributors and manufacturers' one open-ended question: ***“What are the TOP 3 Qualities that make up your BEST Manufacturers' Rep?”***

We also asked manufacturers' representatives: ***“What are the TOP 3 Qualities that make up your BEST Manufacturer?”*** Additionally we asked these manufacturers' representatives to ***“Name your BEST Manufacturer”***.

This is a follow-up study to our recently published “Best Distributor & Best Manufacturer” research study where we explored the top qualities distributors and manufacturers are seeking from each other.



We are very grateful to the following **125 Electrical Distributors, Manufacturers, and Manufacturers' Representatives** for their active participation:

#	<u>Distributors</u>	<u>Manufacturers</u>	<u>Manufacturers' Reps</u>
1	Advance Electrical Steven Anixter	Acme Electric Brian Earl	Agents Midwest Mark Gibson
2	B&K Electric Wholesale Kathy Ellison	AFC Joe Colangelo	Allied Group Sales Don Kaminski
3	Bell Electrical Supply Burt Schraga	AIW Bob Wheeler	AJB Rick Johnson
4	Border States Barry Nelson	Alcan Cable Bob Snair	Biben Sales Gene Biben
5	Capital Lighting & Supply Ken Cain	Allied Electrical Group Roger Vaught	Bleiman & Sons Jeff Bleiman
6	Columbia Electric Supply Geoff Murphy	American Polywater Tom Fredericks	Brazill Brothers Chris Brazill
7	CS Electric Supply Logan Hill	Arlington Industries Ray Kennedy	Bunell & Associates Mike Doland
8	Dakota Supply Group Tom Rosendahl	Bryant Hubbell Paul Criscuolo	Burrus & Mathews Galen Hollar
9	ECHO Group John Franken	Cablofil/ P&S/ Wiremold John Hoffman	C&O Electric Sales Doug Carlson
10	Elliott Electric Supply Bill Elliott	Coleman Cable Greg MacDonald	C&S Action Sales, Inc. Tim McClarnon
11	F&M Electric Supply Fil Cerminara	EGS Electrical Group Tom Pankratz	CBM, Inc. Doug Mayle
12	Gordon Electric Supply Cara Gordon Potter	Electri-Flex Ed Marinelli	Damin Sales Peter Gregory
13	Granite City Electric Steve Helle	Encore Wire Kevin Kieffer	EMS James Yore
14	Granite Electrical Supply	FCI Burndy	Electrical Materials



	Bob Powers	Tom Robinson	Kevin Weber
15	Graybar Dennis Grousosky	Federal Signal Dale Hull	Electro Link Sales Barry Oliver
16	Griffith Electric Supply Ron Lim	Ferraz Shawmut Jim Kosciolk	Electrorep, Inc. Kelly Boyd
17	Hunzicker Brothers, Inc Myers Lockard	Hoffman Enclosures Margie Basney	Ewing-Foley Gary Lessing
18	J.H. Larson Company Ed Chesen	Hubbell Lighting Scott Muse	Farmer Electrical Sales Sam Johnson
19	Laconia Electric Supply Glenn Shaw	ILSCO Gary Norris	FISHCO Group Tom Fisher
20	Maurice Electrical Supply Fran Caravelli	Leviton Bill Cheetham	Flynn & Reynolds Greg Reynolds
21	Mayer Electric Supply Jim Summerlin	Littlefuse Jeff Salt	Fox Agency Chris Fox
22	Munro Electric Steve Riley	Lutron Rick Angel	French, Inc. Larry French
23	NEDCO Supply Rod Gowen	NSI Industries Randall Parian	GCA John Gunn
24	Parrish Hare Electrical Pat Hare	Panduit Shawn Offenbacher	GEMCO Sales John Lype
24	Republic Companies Mark Kilmer	Philips Lighting Jim Josko	GES Goldschmidt Tom Goldschmidt
26	Springfield Electric Mark Barthel	RAB Lighting Terri Dumas	Gorin Hopper McCoy Mike Gorin
27	Steiner Electric Co. Rick Kerman	Sea Gull Lighting Spencer Bolgard	Hodges Southwest Tom Hodges
28	Stoneway Electric Supply Cliff Kelly	Shat-R-Shield Karen Ponce	I-Pro, Inc. John Greenwald
29	Standard Electric Supply Pat Lawler	Southwire Winn Wise	Kelly & Noviello Frank Noviello
30	Stuart C. Irby Co. Mike Wigton	Thomas & Betts Liz O'Grady	Kuntz-Powell Bob Powell



31	Summit Electric Supply Joe Chesky	Wheatland David Burnette	LESCO Denis Lawless
32	The Hite Company Ron Eberhart		Lester Sales Brian Chase
33	United Electric Supply Tom Cloud		Martin Electrical Sales Nancy Martin
34	Van Meter Industrial Brian Bytnar		McDonald Associates Dennis McDonald
35	Walters Wholesale Bill Durkee		Meglio & Associates Tony Meglio
36	Werner Electric Supply Mike Ales		Metra Associates Jerry Kerensky
37	Western Extralite Tom Isenberg		MRL Company Mary Hansen
38	Wiseway, Inc John Cain		Nelson & Associates Todd Nelson
39	Womack Electric Supply Burke Herring		New Century Sales Larry Jacob
40	Yale Electric Supply Mark Bucci		Northeast Marketing Byron Brewer, Jr.
41			O.T Hall & Son Gary Hall
42			One Source Associates Jack Floyd
43			PWA Ryan Ginter
44			Porter Brown Sales Steve Porter
45			R/B Sales Corporation Bill Devereaux
46			Rowe-Thrush Michael Rowe
47			Shaffer-Nelson



			Kevin Adams
48			Synergy Electrical Steve Gallagher
49			Tower Sales Chuck Albritton
50			United Electrical Sales Willis Milner
51			Unity Electrical Sales Mark Wilson
52			The Yanow Companies Randy Pinkofsky
53			Yusen Associates Barry Enegeess
54			Anonymous Rep



Executive Summary

The following comprises a summary of a research study initiated by Farmington Consulting Group (FCG) with electrical distributors, manufacturers, and manufacturers' representatives during April-May 2009.

This study was undertaken to assist the electrical distribution industry in understanding the key factors electrical distributors and manufacturers value most from their independent manufacturers' representatives.

An electrical manufacturers' representative is an independent business entity working under a contractual arrangement within a defined geographic territory, selling related but non-competing and complimentary products for more than one manufacturer or principal. Typically manufacturers' representatives represent 10 to 15 different electrical manufacturers' products.

More than 80% of all electrical manufacturing firms use manufacturers' representatives instead of company-employed salespeople to sell their products. Some manufacturers use manufacturers' representatives to cover at least some territories that are not served by their direct salespeople. Many manufacturers use manufacturers' representatives for all territories.

Manufacturer representatives become the **service bridge** between the **manufacturer** and the **electrical distributor**. Electrical distributors need reps to secure information from the factories in a timely manner, keep them up-to-date with new product launches, train their salespeople on product knowledge and selling skills, and identify market opportunities including building end-user relationships.

The questioned posed to **40 electrical distributors** and **31 manufacturers** were: ***“What are the TOP 3 Qualities that make up your BEST Manufacturers' Rep?”***



Electrical distributor and manufacturer responses were captured into the following categories with the percentage of research participants providing responses which were captured under each “BEST” category:

Distributors Speak Out About Reps

<u>#</u>	<u>Distributors “BEST” Rep Category</u>	<u>%</u>
1	Provides Significant Physical Presence with Planning & Selling Skills/Product Training	100%
2	Keeps Distributor Informed; Be Dependable & Responsive	73%
3	Possesses Right Values & Beliefs	48%
4	Partners with Distributor to Locate Market Opportunities	35%

Manufacturers Speak Out About Reps

<u>#</u>	<u>Manufacturers “BEST” Rep Category</u>	<u>%</u>
1	Have Technically Competent Sales Force	97%
2	Possesses Excellent Distributor, Specifying Engineer, & End-User Relationships	71%
3	Holds Strong Strategic Vision & Business Management Skills	61%



We also wanted to assist the electrical distribution industry in understanding the key factors independent manufacturers’ representatives value most from their manufacturers.

Therefore we posed the following question to **54 manufacturers’ representatives**: ***“What are the TOP 3 Qualities that make up your BEST Manufacturer?”***

Rep responses were confined into the following categories:

Reps Speak Out About Manufacturers

#	Reps “BEST” Manufacturer Category	%
1	Treats Rep as a Valuable Channel Partner	82%
2	Supplies High Quality Products & New Product Development	74%
3	Provides Ease of Doing Business with World-Class Customer Service	57%
4	Affords Fair & Equitable Rep Compensation Plans	30%
5	Supplies Marketing & Sales Management Support	28%
6	Possesses Right Values & Beliefs	26%

We also asked these manufacturers’ representatives to **“Name your BEST Manufacturer”**. We received 54 responses. 30 manufacturers were listed with **Hoffman Enclosures** capturing the most votes. Following Hoffman as the leading vote getter was a tie for second among **Ferraz Shawmut, Legrand, Lutron, RAB Lighting, and Southwire**.



Distributors Speak Out About Reps

40 Electrical Distributors participated in our research study. We asked them: **“What are the TOP 3 Qualities that make up your BEST Manufacturers’ Rep?”**

Their responses were broken out into the following categories with the percent of the research sample placing the **most value** under each of the following four (4) categories:

1. Provides Significant Physical Presence with Planning & Selling Skills/Product Training (100%)

100 percent of distributor respondents want to do business with reps that provide a significant physical presence including joint planning and conducting selling skills and product training opportunities. The following are verbatim quotes from distributors:

They integrate at all levels of the organization. Many reps call on only one group within the distributor organization, typically purchasing or sales. The best reps work with these groups plus marketing, management, and any other person who can impact their success.

They need to engage themselves into the distributor’s culture and get to know the employees and their roles. The energy and excitement they have for their jobs and the products they represent should be contagious. They should have a positive attitude and be capable of motivating and encouraging others. However, they also need to possess the ability to be firm when there is a need to hold their distributor associates accountable to its commitments. Basically, they not only need to be effective in their roles, but working with them should be enjoyable.

Commitment to us as their channel to the market

Those that have planning sessions with our local branch managers to develop specific growth opportunities



Calls on us once a week and makes it a point to touch base with every sales-related employee in the building.

Significant physical presence. Regular call schedules at our locations with predetermined objectives agreed to by both the distributor and the manufacturer. Calling on all entities on a regular basis. That includes purchasing, marketing, HR, accounting and logistics such as receiving and warehouse management. Also includes training and joint call initiatives.

Reps that know how to teach distributors how to sell are few and far between. It's a tremendous amount of work to infiltrate a distributor organization to a point that they effectively have a distributor's entire organization selling for them. Many reps have one dinner or event at their office and think they are all set for a long time. They need to have a significant event of some kind completely focused on teaching a distributor selling skills in general and then follow up across the organization with specific feature and benefit selling at the counter, inside and outside sales level.

Train our people to sell their product. Be able to make effective presentations to groups. Spend a few minutes with our counter and inside sales people on virtually every call. Know their competitor's product. Be able to identify what their product can and can't do vis-a-vis the competitor and instruct our sales people how to sell around that.

The reps. must know the products they are selling, they must know the market, they must know the customers and they should not try to be everything to all distributors as some reps try to do.

Technically proficient

Technical and product knowledge

Knowledge of their product line

Salesmanship/helping with sales opportunities/face time

They have product knowledge and provide training on their products. This helps them have success in the field and helps the distributor close orders.



The Manufacturer's Rep should be well trained in the products he/she represents. They should understand the product and its application and be able to give good examples of potential customer types. They should have a good knowledge of the competitors' products and be able to compare features and benefits effectively. They need to understand the dynamics of the market the distributor is serving. They should be professionally trained in the sales process.

Be committed to the same qualities as the manufacturer. The local rep is the person that is going to make it happen with distribution at the field level. They must be committed to planning, training, tracking, joint calls and follow-up.

Targeted Joint Sales Plans with specific strategies and a mutual leveraging of each others resources

Willingness to make joint sales calls with distributor partner.

Scheduled, planned, timely, opportunity/solution based sales calls.

Willingness and proactive joint sales calls

Usually makes a product demonstration to all our sales people when he is in the building, and makes many joint calls with our outside sales people.

They service our branches by providing timely training, joint sales calls etc.

In the branches training our staff. Come into the branch with an agenda for that visit.

How the Rep can help sell their product lines that we stock with maximum profit margin. This may include joint calls, or even end user calls. Our best Reps are an extension to our sales staff.

Working with our sales staff in the area of product knowledge and application

Knowledge of their product and ability to train us to differentiate the product to our customer through joint calls



We really look at them as "extra feet on the street" for us.

Action orientated approach, Joint calls, spiffs, training, displays, samples, can do attitude

Inside Sales workforce

Having a trained energetic sales force willing to work in harmony with the distributor.

Quality of sales force. The sales team is on the front line, if they are weak, it's all about price. If the sales team is strong, we want to form a profitable partnership with them.

Assumes a major role in the product marketing responsibilities

Complete knowledge of his product package for features and benefits but even more importantly, knowing the application of those products at the end user

Understanding distribution and knowing how to work and train distributor sales people to be an extension of his company's sales force.

This is a tough one, especially in a time of "do more with less", but a successful manufacturers' rep understands the importance of relationships. He or she must invest some time to understand who needs what and who controls what within the distributor. This gives the rep the opportunity to focus their time on the most productive areas. (An example; If you know which outside sales associates have customers that are better targets for your products than others, your opportunity for orders can increase with joint sales calls.

Have a high degree of visibility with our inside sales team and counter personnel.

Regular interaction at the branch level with the inside sales force, counter sales, and outside sales force - New Products,

Product applications training and features and benefits



Has sufficient product knowledge of the various manufacturers that he represents to include being able to do a features and benefits presentation.

Support the outside sales team with knowledge and joint calls and then protect the customer relationship.

2. Keeps Distributor Informed; Be Dependable & Responsive (73%)

73% percent of distributor respondents want to do business with reps that provides timely and ongoing communications; are dependable and responsive. The following are verbatim quotes from distributors:

Don't let the distributor be "The last to Know". We want to know about initiatives including new products, promotions, training, at least 90 days before you wish to launch. Don't let us find out from customers, competitors, trade publications, etc. Give us time to understand and evaluate.

Keeps us informed on new products offerings

Communication

They communicate, communicate, communicate

Manufacturer support. The best agents have built great lines of communication with all of their factories at every level. This allows the agent to solve problems efficiently and pounce on opportunities quickly!

Keeping distribution informed in all areas. New Product, Corporate Policy & Terms Changes

Be committed to the long term, not just the present. A lot of times the goals of the reps and the manufacturer are not the same. Communication between the manufacturer and the rep is very critical, but sometimes lacking.



The Manufacturer's Rep should be dependable. They need to be well organized and focused. They should be prompt in returning calls and responding to requests. They should be punctual at all times. They should be focused on the joint plans of the manufacturer and the distributor and be a catalyst for accountability. They should know how to get things done within their own companies.

Dependability. Do what is agreed to within agreed time tables. Show up on time, be prepared, and deliver as promised.

Dependability

Follow-up – It is critical that the manufacturers' rep respond to questions or concerns from the field. The number one complaint that we receive is that someone did not respond in a timely manner. Even if the answer is not good news, it is still important to communicate back after a request.

Consistent follow-up

We need reps who follow up and that we can rely on to live up to promises and commitments that they make.

Follow-up/follow-through, i.e., just do what you say you will do!

Ability to follow through

Responsiveness. Return calls within an hour or two. Responsiveness includes regular face-to-face visits so we are comfortable with each other.

Prompt responses with complete information

Follow up by rep on what he or she committed to do.

Makes reasonable commitments and lives up to them and does not use his manufacturer as an excuse



Response Time/Follow Through/Speed/Knowledge of their product . The ability to get information back to the distributor/end-user quickly and accurately.

Responsiveness

Responsiveness

Responsive

Responsive

Always returns his phone calls promptly, and solves problems quickly.

Timely response to inquires or questions. Solving issues, problems in a timely fashion

Handle delivery issues and clear up and RGA's and credits

They are there when we need them to help solve problems i.e. pricing issues, quality problems, delivery/performance problems etc.

Having good relations with the manufacturer that facilitate getting things done.



3. Possesses Right Values & Beliefs (48%)

48 percent of distributor respondents want to do business with reps who are honest, loyal, and whom they can trust. The following are verbatim quotes from distributors:

Tenure with the manufacturer. In past years, I gave little or no credence to the concept that tenure mattered. However, over the years, as consolidation and change moved lines from one manufacturer to another, change causes electrical distributors to have LESS trust with manufacturer reps because all the work they may have put in on a particular line with a particular rep is now "at risk" because the relationship suddenly has changed and both sides immediately begin to attempt to protect business they jointly worked on.

Company and individual integrity. Integrity is critical to building trust between and agent and distributor. Without this key component, the agent is reduced to having to "beat the price" to get business from distribution.

This is my biggest! Be loyal and trustworthy and do what they commit to. A lot of times there is a trust issue between reps and distribution.

Trust, integrity and loyalty

Loyalty, Integrity, Passion and Creativity - these distinguish those that seem to succeed!

Need trustworthy reps that we can confide in, reps need to do a better job of not being the source of rumor and innuendo. I think a lot of good information is not shared because of a lack of trust – and it's probably mutual.

Never "work" a customer with a competitor if you already have the business with another distributor . . . regardless of the relationship

A particular frustration of mine is getting outside salesmen to want to work with our manufacturers' representatives. Their lack of desire is they don't trust reps.



Highly ethical regarding pricing

Being able to trust that individual (rep) and the manufacturers they represent.

Be ethical in their dealings. If they are invited on a joint call with a distributor, honor the fact that it is the distributor's customer. Don't go back later with another line. Treat information as confidential.

Have some ethics with regard to how much distribution is necessary.

Integrity is most important.

Relationship based on longevity, loyalty.

Honest answers – not hopeful promises.

Honesty and ethics in dealing fairly with us, other distributors, and their manufacturers

Honesty

Truthful

Reps willing to take a stand on particular pieces of business. When a rep is confronted for supporting another distributor on a particular piece of business, and they 'stand strong' and clearly outline that a competitor deserves better support because of past work they did on a particular project/order or opportunity gets my respect. I know when they do that for a competitor, that I will get the same support from them in the future. A major problem that is gaining strength in recent years is the high level of mistrust between distributors and manufacturer reps however. Years ago, it seemed the "battle lines" were drawn more clearly on who supported who and to what level. Distributors are more reluctant than ever to travel with salespeople from a Rep firm because of changing lines, sales people moving from one rep to another and the attempt to control a particular customer. I believe this particular issue will only get worse for reps and the only way for



them to control anything is they will also have to call on more end-users ---- something they struggle to have enough staff to get it done effectively.

4. Partners with Distributor to Locate Market Opportunities (35%)

35 percent of distributor respondents want to do business with reps that help them find opportunities in their local market. The following are verbatim quotes from distributors:

Most importantly, I would say the ability to help us find opportunities in the market, be proactive and be familiar with what is going on in the local market. We have a lot of reps that think calling on distribution is what they need to be doing. Most of the time we can get tech questions and customer service issues handled at the factory. We need willing and able business partners to help us grow our business.

Being proactive on covering his/her market and calling on customers and creating specs. Following through on annual plans to make sure they and distributor sales people are active in targeted accounts.

Proactive

Create demand for their product by being active in the specifier community, end user community, and the contractor community.

Driving End User Specifications/Differentiating Products at the End User Level/Pulling through and driving business

End user calls to create demand for the product.

Help identify and "work" mutual opportunities.

Keen understanding of the channel and its position in the market



Selective Distribution for their line(s) – The ability and willingness to partner/plan

Partnering. Being somewhat selective

They value a partnering relationship. The best reps identify partners and work with them to drive demand and grow market share. Reps that do not value this relationship take orders.

Those that create customer value and add value. That can include building brand preference, training and education. Assisting in solution selling, bundles services, pro active marketing efforts

They introduce new programs, product announcements etc. on a timely basis

Knowledge is a key factor, but it is not enough just to know the product. The manufacturers' rep must also have a thorough understanding of the market. This includes knowing who the key customers, specifiers, and distributors are and how to use this information to control the outcome of an order with a minimal level of frustration within the market. (Another key factor under knowledge is for the Manufacturers Rep to be aware what is happening as far as business systems and warehouse distribution changes and to keep the distributor informed on long delivery dates from a supplier. All of these can affect how we service our customers.)



Manufacturers Speak Out About Reps

31 Manufacturers participated in our research study. We asked them: **“What are the TOP 3 Qualities that make up your BEST Manufacturers’ Rep?”**

Their responses were broken out into the following categories with the percent of the research sample placing the **most value** under each of the following three (3) categories:

1. Have Technically Competent Sales Force (97%)

97% percent of manufacturer respondents want to do business with reps that have technically competent inside and outside salespeople that understand products, their applications, and possess strong selling skills. The following are verbatim quotes from manufacturers:

Excellent negotiation skills, ability to acquire competitive information, and in depth knowledge of competitive activities in the territory. This includes the relationships locally that are critical to acquiring necessary competitive activities. Can close sales

They have top quality people. Our best reps have sales people who know our line technically and can anticipate the needs of both end users and distributors. They also feedback the right information, in the right way, to the factory.

Technically competent - understands products and applications and has ability to promote to contractors and end users with high level of confidence.

Problem solver - ability to partner with distribution and contractors to understand issues and offer value add solutions around services as well as products.

Extremely high energy level with a will to win - the best sales reps are the most aggressive and competitive



Show entrepreneurship to help take new products to market and create the market for new and existing products.

Sales Management - effectiveness of inside/outside sales supervision

World Class inside sales team

Strong inside sales team - not afraid to spend money to keep them trained and to add more people if need be. Inside sales is the backbone of the agency.

In-depth product knowledge and a willingness to employ product specialists

Product knowledge

Focused on selling proprietary/new products

Agents need to have the right quantity and quality of their sales team both inside and outside. Must have the ability to position themselves as the: "go-to expert" for our product.

Stable sales teams - represent other quality lines - progressive with technology- maintain good customer relations - the ability to represent the manufacturer rather than the distributor - the ability to train and keep the distributor up to date - the ability to promote and seat promotions - effectively gather competitive information - promote new products

Stability in sales force

Must "sell" features and benefits and not be just an order taker

Professional on all Levels; They know their products and applications; present their Agency, the companies they represent and themselves in a professional manner.



Maximize the sale of the manufactures products by utilizing all of the available sales tools (including the regional manager) in the most efficient manner.

Salespeople who know their product – know their manufacturers product, it's placement in the market, and other synergistic products

Personnel development- creating a sense of urgency on their team, training their individuals on a manufacturers policies, procedures, products and solutions stability within the team, understanding the escalation process, coaching their team to engage the manufacturer to achieve success our motto is 'Don't lose alone' we want to make sure that if there are issues that they are brought to my attention.

Must provide timely and precise feedback on competitive issues and issues involving credit worthiness of all accounts

Must be able to clearly understand our goals and translate them into opportunities for the distributor - must be able to translate feature benefits of products into sales opportunities for the distributor by identifying customers and applications where new products or upgrade products can be used.

Build and work a sales plan.

Participate in introduction of new products.

The ability to build such value for their product that they can get a premium price

The ability to build true value in the eyes of their customers...not related to price.

The ability to make price a minimal factor in their ability to write orders. If a rep leads with price and focuses on price in attempts to write an order...who needs them?

Ability to sell non-price issues



The ability to present the company to our customers, not just our products

Making sure they promote the company to all the key buying influences at each customer, not just their best friends.

2. Possesses Excellent Distributor, Specifying Engineer, & End-User Relationships (71%)

71 percent of manufacturer respondents want to do business with reps who possess excellent distributor, specifying engineer, and end-user relationships. The following are verbatim quotes from manufacturers:

A technically competent sales force with excellent distributor relationships.

Professionally covers the contractor and end user markets including: project/quotation management, specification influence, product and application training.

Agents that can make sales calls without you to end users. These agents are unique in the fact that they are just as comfortable as the Regional manager in presenting product. These agents are not afraid to take sales leads from the manufacturer and jump on them. This also applies to engineering calls where specifications are written. These agents are special in the fact that more things can get done without the regional manager being present.

End User knowledge & relationship and regular call pattern on those end users MRO, OEM and construction (some have end user specialists on staff)

Top distributor relationships and ability to drive their line card into those distributors via relationship and end user pull through.

Know and call on the end users in the territory; have the data base and electronic tools to manage this on an ongoing basis.

Call on End users, contractors not just distribution



Control of the end user/specifying engineer

Leverage via control of the end user to influence distribution to stock and support brand.

Good mix of distributor, end user and specification sales effort.

Good balance of calling on end users as well as distribution.

Organization is structured to provide a consistent presence in the engineering community to help create specifications.

Strong relationships with the contractor and distributor base

Relationships - Bottom line is that it is critical that the distributors and contractors trust the rep and perhaps even fear them a little bit. It is important that the agent know as much or more about the opportunities available (and the potential pitfalls) of each local market. Any rep that runs a quote service will fail---the rep must know the market and be perceived as a "PROVIDER OF SOLUTIONS" to the customer's needs.

Drive sales from the end user through distribution.

Respected by the distributors/customers in their markets

Customer relationships, how does the customer value the rep, is he considered important part of distributors business, how well does the rep know all the key distributor people.

The extent of the end user calls that they make

Relationship with distribution

Depth and quality of end-user contacts



Create Demand – be able to make the end-user calls to develop the market on their own, driving business to distribution as well as developing their distributors to be able to mentor distributor outside salespeople to make the call and the sale.

Makes good use of our time we spent in the field with them. Sets up confirmed end user calls and takes charge of the territory to get our brand specified, not simply leaving it up to distribution.

3. Holds Strong Strategic Vision & Business Management Skills (61%)

61 percent of manufacturer respondents want to do business with reps that possess strong strategic vision and business management skills. The following are verbatim quotes from manufacturers:

A company that possesses a very strong financial position. Always willing to reinvest in their company. Committed to continue to employ the most talented people available in their marketplace. Strong commitment to the employees continued education, training and development. Willing to invest in the current electronic technology to support their outside and inside sales team. Example: cell phone, laptop and blackberry.

Strategic vision and willingness to make proper investments & reinvestments in their agency and in their strategic lines

A manufacturer rep who proactively each year develops comprehensive business plans for his major manufacturers that address the following:

- *New vertical market opportunities*
- *Increase market share*
- *Improvement of the manufacturer's overall GPM through continued improvement of product mix*
- *Successful new product launch program*
- *Key end user focus by market committed to business development and training programs for the end user*

Good at Strategic Planning & Execution

A rep principal who is fully engaged in all aspects of the business and the marketplace



Principal is active in the business on a day in day out working basis, not just a social glad-hander.

A discernable and executable succession plan

Has a dedicated well thought out succession plan that clearly indicates the executive management of the company over the next 5 to 10 years

Succession plan - tells you a lot about "how a company thinks" if they have done this already. They are proactive, they are planners looking into the future/bigger picture and this usually aligns with how they work with distribution and end users.

Must have good planning skills

Driving initiatives- Understanding what I am looking for, having a plan to achieve success, driving that plan and ultimately achieving success.

Reporting- It is critical in an economy like we are seeing to understand what a rep agent is going after in terms of business and what the plan is for gaining increased business in the channel and at end users

They are self-motivated and can execute and hold themselves accountable for the results.

Strong Management Skills - Today a rep must not only be a good salesperson. The rep also needs to be able to manage the business. Such mundane tasks as managing/avoiding deductions, managing and knowing the numbers, etc. are critical. Today the rep's functions include a lot more skills sets than simply bringing home the order. It includes following through on every aspect of the customer's business relationship with his agency and the manufacturers his agency represents.

Rep principals actively engaged in the business building customer relationships.



Innovation. We love our agents that are not staying the status quo. These agents are participating in sales training, changing up how they service customers, doing things differently to stand out with their customers. These agents ask us to do things for them that we then in turn ask other agents to do because the ideas are excellent tools to change things up. Their innovation could be how they track jobs, process orders or how they set up trips with the regional managers.

Good business practices, some examples include follow up, promptness of response, into the details, etc

Invest in their people i.e. certifications like CPMR, CSI/CDT, RCDD, LEED MAI.

Manages time properly between the various lines that they have and does not have so many lines (just for the sake of having lines) that they cannot do justice to any one of them.



Reps Speak Out About Manufacturers

54 Manufacturers' Representatives participated in our research study. We asked them: ***“What are the TOP 3 Qualities that make up your BEST Manufacturer?”***

Their responses were broken out into the following categories with the percent of the research sample placing the **most value** under each of the following six (6) categories:

1. Treats Rep as a Valuable Channel Partner (82%)

82 percent of rep respondents want to do business with manufacturers that treat them as valuable channel partners. The following are verbatim quotes from reps:

Our best manufacturers are real partners with us. They care about our organizations challenges, people, financial health, etc. It's a sharing relationship and not a dictatorship.

Our best manufacturers treat us with respect and treat us as partners. They value the opinion of the field sales force, have rep councils, listen and act on our recommendations

The best manufacturers are good managers. They take on a team approach with their reps. They assist them in the sales and relational areas. They share credit for success and don't turn it in to we did this and you had nothing to do with it. They communicate when they are in contact with your customers and allow you to be involved in everything. They employ a good regional manager whose compensation is tied to your success.

The Best manufacturers have an open relationship. They tell you the good the bad and the ugly and work with you on the bad and ugly. They share best practices and success from their other sales people.



They include us in the strategic planning. We are their eyes and ears in the field our input is valuable to the success of their plans. We are running very complex business it is imperative that we have the ability to plan for the programs and promotions in order to efficiently budget our time.

They provide a concise sales plan and include their reps in the planning process. We work together to devise a strategy for the local market and don't change course every 30 days.

Willing to look at us as part of the team not outsiders

A high level of communication. Including operations, future projects, issues and training

Communication

Making an effort to understand how a Rep interacts with their business so we can both be more efficient for our customers.

Understand how rep firms operate.

Understanding of the rep. model

Communicating with their Reps so we have a good idea of how they are planning to emphasize their business in the future

Listening to the Rep's input from the market i.e. distributors, contractors, OEM, consulting engineers and MRO and responding when appropriate.

Listen

Recognize that treating their reps as customers ultimately wins in the long term.



Commitment to the rep channel, some manufacturers play the game of working direct then through reps and back and forth, an outright commitment to working through reps develops the most loyalty with us.

Focus on our well being celebrating and rewarding mutual wins, promote revenue growth for their reps as core to their success, sharing profitability information and ultimately trust.

Creativeness and respect with regard to both representatives and distributors. Everyone talks about creating win/win situations, but I find very few manufacturers will see things from both the rep and the distributor side when things are tight.

Treat reps as a true extension of their company. Includes agents in all territory decisions, field visits, meetings, etc. including feedback from regional NAED, IMARK, AD, etc. when rep is not attending

Facilitate the local rep to do their job and get out of the way.

Some manufacturers forget we are independent businesses and we are outsourced. We have many things to do and plans in place for 30 to 60 days in advance. They will call and demand we are on a conference call or web meeting with as little as a day's notice.

Fairness, empathy and attentiveness to reps needs.

Respects agents time

They are respectful of the rep's time. Communications are short and to the point. Communications are delivered so I can read them at a time of my choosing: Before the selling day starts, After the selling day ends, On the weekends. But not as a webinar during the selling day. Meetings are planned well in advance and for some well-defined, pre-announced purpose.



Respectful of the rep's business model. The best manufacturer understands he/she gets the benefits of a multi-line sales force because he/she shares us with other manufacturers and welcomes the diversity of sales opportunities that come from cross-selling the products of our various manufacturers to the customers who value our expertise and relationships. Remembers that recognizing achievement, like a rising tide, raises all boats. For the rep who receives the recognition, it redoubles his/her resolve to continue to achieve greatness. For the rep who sees other reps receiving greatness, it motivates that person to say, "Next time they give out that award, I will be the one to receive it."

Understanding what a rep is hired to do and supporting that. Truly understanding the channel and the reps' roles in it

Treatment for us as a part of their organization, not us vs. them

Long-term relationships with all - from President/owner – shipping. We don't need more "Regional Managers of the week," turnover there hurts us as well.

Companies that want our agency to succeed and prosper.

Companies that are interested and listen to our market intelligence

Open communication with the rep sales force – access to top management personnel without gate keepers.

Excellent procedure for two-way communication with reps & ability to listen

Listen to our customers and to us, not just "in-one-ear-and-out-the-other".

Really understand what's going on in their market(s). There are some manufacturers who listen but don't have a full understanding of what is going on at all levels of the market (competitors, distributors, end-users, etc.).

Reasonable expectations in a challenging market place with the decrease in marketing tools such as literature, support people, deliveries, additional use of webinars sometimes in excess, and overall response times



The overall commitment to working with a manufacturer's representative organization

A manufacturer that understands the agency business and supports the agency through various economies

Sincerity: do you truly care and understand our purpose, our cost of doing business, so that we can feel equally valued.

Are we part of your team and treated as such: marketing, strategic efforts, profitability?

Understanding their place in the market

Treat us as if we were employees of said manufacturer.

They understand the Distribution business, not only how it pertains to their products but how and what the Distributor need to succeed.

Market/Rep savvy



2. Supplies in High Quality Products & New Product Development (74%)

74 percent of rep respondents want to do business with manufacturers that provide a stream of high quality, innovative new products. The following are verbatim quotes from reps:

Our best manufacturers are leaders in developing new products to respond to the needs of the market in a timely manner.

The Best manufacturers do a good job with new product introduction. They don't launch something until they are ready to. They have done their homework. They know where it is sold and how it is sold. They provide you with comprehensive marketing tools and competitive information.

They make a quality product on a consistent basis allowing us to focus on sales and marketing.

A continuous stream of product innovation (vitality index) built into the company DNA.

World-class products which include new products to sell each year

Innovative and labor saving new product introductions

Provide the agency with new innovative products to sell

They are extremely creative and forward-thinking with new programs and new products to take to market.

Product Innovation (New or improving the present products for ease of installation)

Best products: Quality made goods with differentiated features produced at competitive prices.

Provide a high quality product line that has a large market need

Quality products at market competitive prices



Innovative products

Excellent Brand Recognition – They have a significant market share established.

Great brand preference

Brand recognition

They develop and invest in their brand which allows us to develop our local brand along with theirs.

Quality product

Product quality

Invests in new products

Introduces new products regularly

New product launches

New products that the end user values.

Making quality products

Innovative new products

New product and new promotion packets

Produce innovative quality products



Innovative Products

Constant development of new products

Ability to provide uninterrupted quantity of product to meet market needs in a timely fashion.

Strong inventories

They innovate with new products giving us a competitive advantage over our competition giving us something new and exciting to talk about.

Innovative and committed to R&D

Industry leader in product quality and innovation

Flexibility - Being willing to look for creative ways to solve problems for Distributors, Reps and end users alike.

Continued investment in product enhancement and process improvement

Strong inventories & service levels

Develops products and programs that are consistent with the market and channel we serve and explains them in detail with printed literature, training and excellent factory support.

Give us a product that only has to be sold once--if we get someone to try it, the product should perform as advertised ; it should be delivered correctly in a timely manner and the billing should be correct.

A manufacturer that focuses on product quality and serves the marketplace at all levels, including a good technology infrastructure and smooth information flow to the marketplace



3. Provides Ease of Doing Business with World-Class Customer Service (57%)

57 percent of rep respondents want to do business with manufacturers that provide ease of doing business with world-class customer service. The following are verbatim quotes from reps:

A manufacturer that continues to invests in systems that make it easier to conduct business together.

Uncompromised customer service, ease of doing business

Ease of use (Robust tools, Web based technology interface)

Service (Customer service response: which also includes inventory and shipping).

Providing on time deliveries, Error Free, Correct Problems, and Stock, Stock, Stock

They work very hard to be “easy to do business with” for reps and distribution

Flawless supply chain operations: Ability to ship and bill 100% complete, on time, and error-free.

World class service-close to 100% fill rates, on time.

Ease of Doing Business with – They are not arrogant. Their policies are easy to deal with and they can make things happen.

Ease of doing business for us and the distributor.

Ease of doing Business

Ease of Doing Business



Ease of doing business

Ease of doing business: streamline processes, minimal reporting.

Ease of doing business with distribution.

Do Not Demand or Require Too Much Reporting - We do have some significant suppliers that do not even require any kind of monthly report and yet our sales increase significantly every year. We have other major manufacturers that require ridiculous amounts of data every month and it does nothing to improve sales – in fact, it takes away from selling time.

Responsiveness – respond in an accurate, timely manner

Responsive to issues and opportunities

Overall responsiveness

Ease of doing business together. It seems as though we have to hire more people to handle more paperwork from more manufacturers now more than ever.

Our best manufacturers have policies that make it easy for the distributors to do business with them. They are flexible.

Market leaders with service & innovations that allow us to market new ideas

They deliver. Once the order is booked they deliver product

Provide timely shipment with few backorders or delays.

Fast and efficient response time on quotes, delivery, technical information



Strong service levels

Fast response to Inquires (Pricing, Technical, etc)

Responsiveness of the manufacturer to all aspects of the business: competitive pricing and delivery, timely quotations, etc.

Great service...Real and truthful answers - backs up what they say.

Aggressive/Responsive - Competitive Pricing and Stock Levels

Consistent and explainable policies communicated in a way that distributors can understand



4. Affords Fair & Equitable Rep Compensation Plans (30%)

30 percent of rep respondents want to do business with manufacturers that provide fair and equitable compensation plans. The following are verbatim quotes from reps:

The “Best Manufacturers” have a comprehensive commission program. They pay you more for the sales that are more difficult. They realize that we need to be rewarded fairly for the flow business to do all the other things that we need to gain sales in other areas.

Understands the reps business model... that time is are only resource and it is very limited. The higher the commission rate the more time we can afford to spend on their line. As they decrease the commission rate it forces us to add additional lines to maintain our revenue that supports our business and thus reduced the sales for their line due to reduced attention on their line. And that our expertise is sales and marketing not administrative duties.

Truly understands the Rep business and the costs associated to running an effective sales organization for them and is willing to pay for this and pays in a timely manner.

They treat us as “partner” and reward us with significant bonuses for our success. They haven’t ever reduced our commissions.

Makes all attempts possible to provide the ability to earn additional revenue for service/promotion/value adds.

Ensures prompt and accurate commission payment. Works quickly to resolve any split or commission issues

They pay their share-and more—of the expense and cost of reps doing business. Training, entertaining, sample expense, etc... If it makes sense, they will pay for it

Good commission and paid on time.



Fair compensation based on additional responsibilities that are being added to a reps' portfolio

Proper compensation for our added value

Understands our cost of sale and helps reduce the cost

Commission rate commensurate to time and effort required to sell the manufacturers products.

Commission commensurate with selling time of the line

Commission that is tied to sales as well as all the activities we have been pushed to perform.

Accurate sales reporting and timely payment of commissions

Fair and prompt commission payments



5. Supplies Marketing & Sales Management Support (28%)

28 percent of rep respondents want to do business with manufacturers that provide strong marketing and sales management support. The following are verbatim quotes from reps:

Understanding the markets and the channels to bring products to the market

Provides market level intelligence

Innovative Sales and Marketing Initiatives

Flexible, market-driven sales team that creatively respond to opportunities and problems in a timely manner

Communication of their goals and direction, the more we understand what is driving their business the better we can align our sales and marketing activity.

Great sales management team

Strong Regional Manager

Strong regional management that works as our advocate to upper management. Some manufacturers use the regional role as a training ground and go through people very quickly. They don't get a chance to develop the key relationships or understanding of our market. The manufacturers that place trust and dollars with their regional managers and hire seasoned professionals that have, or develop, key relationships with us as well as the customer base really add a great deal to our sales effort and become our "favorite" manufacturers.

Provide us with Regional and National Sales Management that truly understand how to sell products and services through electrical distribution as well as they understand the workings of their own company.

Those that empower regional managers to make pricing decisions in the field



They maintain a regional management staff that provides real value in the field showing up with defined action plans and strategies to create demand and close opportunities.

They provide excellent sales leads with their consistent involvement in advertising, and their new product introductions always show up as press releases in many various magazines generating more opportunities. Their Website also captures visitor activity that is reported back to the local sales rep for speedy follow-up.

The manufacturer has sales support people who are empowered and get it.

Touches with distribution and end user channel. Economy has put severe travel restrictions on regional and factory visits. This is not all bad but contact between distribution and manufacturer has increased. Best manufacturer balances the needs versus the budgets.

They spend the money to train our sale team thoroughly so we can represent them in a knowledgeable and professional way, while at the same time give us the highest quality marketing material.



6. Possesses Right Values & Beliefs (26%)

26 percent of rep respondents want to do business with manufacturers who are honest, loyal, and whom they can trust. The following are verbatim quotes from reps:

Have a culture where long term global share gains drive strategy and short term, Wall Street stock analyst driven erratic behavior are minimal.

*They are Forward Looking - They are looking toward the future for new products, new markets, new customers and new technology both for product development and for internal systems to use to enhance their service to the customer
Involved - They are involved in the industry. They attend Industry meetings. They actively participate in groups like NAED, NEMRA, NEMA, A-D, IMARK, etc. They spend time to develop personal relationships with Distribution Management.*

High Sense of urgency

Integrity-A missing quality that would encompass most other subsequent issues

Integrity

Integrity

Strong cultural definition (Value people, strong ethical framework for decision making, commitment to a larger purpose)

Capable of a Relationship made up of Trust, Respect and Loyalty

Genuine respect

Trust



TRUST & loyalty

Trust

Trust

Ethical



Best Manufacturer Listing

We also posed the following question to 54 manufacturers' representatives: ***"Name your BEST Manufacturer"***. We received 54 votes. In all, 30 manufacturers were listed with the following votes:

Manufacturer	Votes
Hoffman Enclosures	5
Ferraz Shawmut	4
Legrand	4
Lutron	4
RAB Lighting	4
Southwire	4
Arlington Industries	3
Leviton	2
Philips Lighting	2
Sola/Hevi-Duty	2
Alcan Cable	1
Allied Moulded Products	1
Bridgeport Fittings	1
Coleman Cable	1
Condumex	1
Cooper B-Line	1
Federal Signal	1
Hammond Power Solutions	1



IDEAL	1
ILSCO	1
Madison Electric Products	1
Meltric Corporation	1
Milbank Mfg	1
NSI	1
PermaCote	1
Service Wire	1
Shat-R-Shield	1
Topaz	1
Tyco Thermo Controls	1
<u>Western Tube</u>	<u>1</u>
Total	54

One surprising finding is the large number and diversity of manufacturers who have been cited as the “BEST” by their reps. Several are not viewed in the channel as “big name” manufacturers. We are told to compete for mindshare with reps, these “less prominent manufacturers really do listen, understand and act to best serve their markets”.



Reps Call to Action with Distributors

To provide value, take market share, and grow profitable sales, reps must take the following actions with distributors:

1. **Provide Significant Physical Presence with Planning & Selling Skills/Product Training** to include:
 - High degree of visibility at all distributor locations with predetermined objectives with counter sales, inside sales, outside sales, purchasing, marketing, accounting, human resources, warehouse, etc.
 - Selling skills training including features & benefits versus competitor products.
 - Product and product application training.
 - Targeted joint sales plans and calls.

2. **Keep Distributor Informed; Be Dependable & Responsive** to include:
 - New product launches, promotions, training, manufacturer policies, etc.
 - Solving distributor problems directly with the manufacturer and expediting solutions in a timely manner.
 - Being prompt in returning all telephone calls, emails, etc.
 - Being a catalyst of accountability to ensure joint planning between distributor and manufacturer.

3. **Possess Right Values & Beliefs** to include:
 - Trust
 - Integrity
 - Loyalty
 - Passion
 - Creativity



4. **Partner with Distributor to Locate Market Opportunities** to include:

- Being selective and valuing partner relationships.
- Specifying Engineer calls.
- Contractor calls.
- End-User calls.



Reps Call to Action with Manufacturers

To provide value, take market share, and grow profitable sales, reps must take the following actions with their manufacturers:

1. **Have Technically Competent Sales Force** to include:

- Acquisition of competitive information and in-depth knowledge of competitive activities in the territory.
- Excellent negotiation skills.
- Deep product and application knowledge to anticipate needs of contractors, end-users and distributors.
- Strong inside sales team with product specialists.
- Selling features and benefits to build product value to minimize price.

2. **Possess Excellent Distributor, Specifying Engineer, & End-User Relationships** to include:

- Top distributor relationships.
- Making specifying engineer calls where specifications are written.
- Covering contractor & end-user markets driving business to distribution.



3. Hold Strong Strategic Vision & Business Management Skills to include:

- Proactively develops comprehensive annual business plans that address the following:
 - New vertical market opportunities
 - Increase market share
 - Continued improvement of product mix
 - Successful new product launch program
 - Key end-user focus by market committed to business development and training programs for the end-user
- Willingness to make proper investments and reinvestments in their agency.
- Strong business management skills.
- Well thought-out and executable ownership and management succession plan.



Manufacturers' Call to Action with Reps

To capture your rep's mindshare, take market share, and grow profitable sales, manufacturers must take the following actions with their reps:

1. Treat Rep as a Valuable Channel Partner to include:

- Demonstrating sincere interest in understanding and supporting the rep organization's challenges, people, financial health, etc.
- Rep in manufacturer's annual strategic planning process and work together to devise an agreed-upon annual strategy for the rep's market.
- Sharing best practices to help rep succeed.
- Employing a good regional manager whose compensation is tied to the rep's success.
- Celebrating and rewarding mutual wins, promoting revenue growth, sharing profitability information.

2. Supply High Quality Products & New Product Development to include:

- High quality products with differentiated features at competitive prices.
- Continuous stream of product innovation.
- Well thought-out and planned product launches including sufficient product samples, literature and inventory.

3. Provide Ease of Doing Business with World-Class Customer Service to include:

- Continually invest in systems that make it easier to conduct business together.
- Continually respond to all requests in an accurate and timely manner.
- Provide best-practice order fill rates, order accuracy rates, and on-time delivery rates.



4. Afford Fair & Equitable Rep Compensation Plans to include:

- Understanding rep operating cost structure.
- Commission rate commensurate to time and effort required to sell the manufacturers product portfolio, i.e. higher commission rate to sell new products.
- Compensation for non-selling activities, i.e. order entry.
- Accurate sales reporting and timely payment of commissions.

5. Supply Marketing & Sales Management Support to include:

- Flexible, market-driven sales team that creatively responds to opportunities and problems in a timely manner.
- Strong regional management that:
 - Is empowered to make field decisions.
 - Serves as rep advocate to senior management.
 - Develops strategies and actions to create demand and help close opportunities.
- Rep selling skills & product training.

6. Possess Right Values & Beliefs to include:

- Trust
- Integrity
- Loyalty
- Respect



Research Conclusion

Independent manufacturer representatives who provide high value will continue to function as a vital **service bridge** in the sales & marketing channel between the electrical manufacturer and the distributor. Industry consolidation among rep firms will continue. Those reps that do not provide high value will be replaced by those that do.

Reps are highly valued by **electrical distributors** when they:

1. Provide significant physical presence at the distributor including joint planning, joint sales calls, and conduct effective selling skills and product training.
2. Keep the distributor continually informed and are very dependable and responsive.
3. Are honest, loyal, and trustworthy.
4. Partner with the distributor to locate market opportunities.

Reps are highly valued by **manufacturers** when they:

1. Have technically competent inside and outside salespeople that understand products, their applications, and possess strong selling skills.
2. Possess excellent distributor, specifying engineer, and end-user relationships.
3. Hold strong strategic vision and business management skills.

Manufacturers are highly valued by reps when they:

1. Treat the rep as a valuable channel partner.
2. Supply a stream of high quality, innovative new products.
3. Provide ease of doing business with world-class customer service.
4. Afford fair and equitable rep compensation plans.
5. Supply marketing and sales management support.
6. Are honest, loyal, and trustworthy.



Manufacturers who are open to listening and acting to their reps' feedback, and treat them as true channel partners capture mindshare. As echoed by one rep: *Most manufacturers have too many people who too easily tell you why they can't instead of innovating ways to make it happen. Common obstacles include entrenched manufacturing processes, cumbersome management structure with un-empowered employees (policies instead of strategies), and being run according to the IT system structure instead of designing a flexible IT systems that suits their changing needs as the market evolves.*