

The rep model — the key that opens doors to building a better business

It is certainly a thrill for me to be writing the first article for the column “From the Floor,” representing the manufacturers’ point of view for ERA. Some of the main challenges I feel that are facing us today are:

- Establishing strong customer relationships;
- Having a good knowledge of new design activity;
- Finding new accounts to call on; and
- Gaining mindshare for your products.

The first topic of discussion, that in my mind is the most important, should be whether or not manufacturers should use the rep model as part of their sales channel. It is one of the more prominent issues facing manufacturers, especially those in larger multifaceted companies. However, this struggle does occur not only for large companies, but also for the smaller, more focused manufacturers.

This is the one topic that, as a manufacturer executive I feel very strongly about, and that affects not only manufacturers but also reps and distributors. It is what drives me to be more involved with ERA. I believe that it is virtually impossible to properly handle a specific territory without local representation by a qualified organization that not only knows the area but has built relationships and partnerships with the key customers in the territory. This knowledge and expertise are invaluable to understanding what the customer really needs and what projects and designs are in process.

It is truly hard to believe that a manufacturer’s regional sales manager can completely understand and handle every territory within his or her responsibility effectively when physically he or she can be present only a few times within any given quarter. Building a solid partnership and understanding the local culture are best left to the local rep who lives and breathes the same experiences as the customer.

I think it is important for manufacturers to engage the rep model to better address the local customer’s needs. The rep also forms a

closer relationship not only with the customers but with the distribution sales reps and field engineers in the territory who also support customer activity. This partnership consistently leads to more opportunities and a better chance of finding new market opportunities within a territory. Most engineers today rely on the distributors to supply them with new products and the samples necessary for new designs and upcoming projects, so having a partner close to the distributor outside salesperson helps uncover these opportunities.

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From the manufacturers’ point of view, cost of sales always becomes a main topic of discussion. Many fail to see the value that the rep model offers because for them it is only a financial decision. The direct sales approach can be more costly due to the recurring expense versus the commission structure of the rep model. There are several manufacturers who have flipped back and forth between using reps and direct sales, and I feel this uncertainty as a strategy actually hurts a company rather than makes it stronger.

Schaffner EMC, Inc. is a strong supporter of the rep model and firmly believes that there is so much more you can learn about your customers from the local rep. In our mind, we see our reps as an extension of our sales force and not a separate organization. We treat them as though they are employees and work with them as a team with the same goals for success.

We have had long-term relationships with many of our reps, and this has helped build a better business model for our company. Some of our reps know more about our products

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by Ken Bellerio

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For the past five years, Ken Bellerio has been the president of Schaffner EMC, Inc., the U.S. subsidiary of the international leader in the development and production of solutions which ensure the efficient and reliable operation of electronic systems. He has worked in the electronics industry for more than 25 years and is a member of the ERA Executive Committee.

During his 17-year tenure at Schaffner, Ken was the vice president of sales for the Components Division, national sales manager, eastern regional sales manager and inside sales manager.

Previously, Ken worked for Newark Electronics as a branch manager and outside sales manager in New Jersey for 12 years. He started his electronics career at Alpha Wire as an inside sales associate.

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FROM THE FLOOR: The rep model

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than some of our own employees because of the longevity representing our line. They can open doors to prospective customers by leveraging other manufacturers' products and introduce ours on new designs.

Recently, Schaffner held a national rep sales event in New Jersey where we invited all of our reps to attend a two-day meeting to review new products and markets, share success stories, and to pass along important company strategies and goals for the next three years. The meeting was a great success due to the fact that we wanted to listen to what our reps had to say and expected them to share experiences with each other that, in turn, have made us a stronger sales organization. Understanding the needs of the reps and how important it is for them to feel like they are a part of the team allows for us to grow together.

Manufacturers, both large and small, can gain so much knowledge and expertise from a local rep who, I believe, has the best understanding of the customer's wants and needs. The more I work with ERA and understand the value proposition that reps bring to my company, the better are our sales results. Time

and time again, I see examples of success within a regional territory with a customer because the rep has the ability to get my direct team (both engineers and regional managers) into a key account at the right time. I don't believe that would be possible with just a direct sales force. Another advantage for using the rep model is that reps can provide smaller manufacturers a much larger customer audience due to the relationships they have with the larger lines they also represent.

The key to ongoing success with the rep model is communication between the manufacturer and rep, always working on engaging with each other and sharing information to help support growth. This will also help give your products more mindshare.

As the president of Schaffner EMC, Inc., I wholeheartedly support using manufacturers' reps to cover the U.S. territories. This model has helped our company really focus on the opportunities that will actually increase sales and not just waste our regional sales managers' valuable time and energy. I urge other manufacturers to take some time and look at the true value the rep model brings to an organization. ■

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