

# There's good news on two fronts this fall for both ERA and reps

Summer is waning as this column is written, and fall is around the corner. For many of us, the change in season is welcome. As change comes to the weather, so has change come to the ERA.

Over this last summer, the ERA Executive Committee and our Search Committee have been very busy looking for and hiring a new CEO. I am extremely pleased to announce that our new CEO is Walter Tobin. Walter took the helm on Sept. 14, assuming the responsibilities previously held by Tom Shanahan and Bob Terwall.

Thanks to Tom and Bob for all of the great work they have done these past years.

They have agreed to stay on and help Walter on an as-needed basis. Thanks also to our Search Committee of rep members, ably chaired by our former chairman, Mark Conley. Please make plans to attend and meet Walter at our next conference in Austin, Tex., this coming February. (See the interview with Walter Tobin elsewhere in this issue.)

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There's another piece of great news to report. A well-known major semiconductor manufacturer has raised its rep commission percentage across the board for all new business. One of the reps present on the conference call for the announcement summarized (in his words, not the manufacturer's) the reasons for the move.

Quite frankly these stated reasons are really nothing new. The only thing that is new is that it finally seems that what has always been clear to the rep community is now becoming more clear to at least one enlightened semiconductor manufacturer. We can only hope that this change was noticed by other suppliers. We should all do what is necessary to help our manufacturers understand our roles and the distribution channel's roles and the inherent differences therein.

If we do this correctly, they will come to realize the value proposition that reps in fact have always brought to the table. Then hopefully they too will see the light and make the necessary adjustments to their pay plans to help ensure that reps can remain viable in these challenging financial times.

Listed here are some, but not all, of the reasons from our rep's perspective for the manufacturer's move.

- 1) The manufacturer wants and needs more of the reps' attention.
- 2) The reps are laser-focused on the non-competing lines they sell.
- 3) The reps and the manufacturers' inside personnel handle the critical CRM function.
- 4) The reps are responsible for submitting clean reports for both their direct accounts and for updating distributors' opportunities.
- 5) The reps are primarily responsible for account penetration strategies and execution in their territories.
- 6) Suppliers look to reps to manage their distribution programs in their respective markets, and that responsibility should be reflected in the reps' compensation.

This is just a sampling of the compelling reasons for this welcome commission adjustment. Rest assured this change has not gone unnoticed, and there may be more to come.

Please take the time to fully embrace these issues, and then take the opportunity to express them, if appropriate, at your next QBR or other review. If we can better educate our principals and thereby thoroughly differentiate ourselves from the distribution channel, our future as reps will be bright.



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