

In the seven years that ERA has been offering its members free educational teleforums — a total of 39 programs as of the close of 2015 — none of those has been “converted” to an article for *The Representor* ... until now. The content of the December 2015 teleforum, titled “Meeting the Business Challenges of 2016,” strongly dictated that it be shared more widely than among only the 100 registrants who listened to the discussion live and/or later downloaded the audio file.

The facilitators of the teleforum conversation, who had varied opinions about the key challenges that lay ahead this year, are: Dan Parks, CPMR, of West Electronic Sales, president of ERA; one of Parks’ principals, Monica Highfill, vice president of sales for the Americas of KEMET; and Nicki Weiss of Saleswise, ERA’s sales consultant and a professional coach who has worked with thousands of reps, manufacturers and distributors. Their discussion focused primarily on these issues:

- recruiting and developing new talent for all types and sizes of electronics companies;
- mentoring and training new personnel, including those often-puzzling Millennials, while also helping veteran employees continue their training and education;
- dealing with a flat market, including the impacts of global pricing and other factors that generate margin pressure for manufacturers and commission issues for reps.

Highlights of the teleforum conversation follow. (*ERA members can access the full audio file in the Teleforum Library at era.org/?p=2684.)*

Recruiting and developing new talent

“Certainly there are many challenges ahead, but talent development is one of the largest,” began Highfill. “There are many opportunities in our industry, but it is challenging to attract people with stiff competition from ‘cooler’ companies, like Google and Tesla.” She elaborates how these types of technology companies do a good job of recruiting talented students right out of college, bringing them on board and offering them both great benefits and a nurturing environment that Millennials seem to crave.

“In our industry,” she continues, “we tend to not make time for harvesting new talent ... we tend to look for ‘plug-and-play,’ and we tend to

recycle people” from one segment of the industry to another or one company to another.

Highfill relates how KEMET has had some success in bringing in new people directly from school. She cites several examples of newly-graduated hires who then became high-level managers. However, she concedes, “It’s so much easier and faster to hire experienced people ... they get up and running quickly. In the long term, though,

we are missing opportunities as we’re not bringing in fresh talent.”

How does Parks view the talent recruiting and development problem for reps? He echoes Highfill’s comments and says, “I just came out of a [rep] study group where this topic came up, and I’m not even sure we’re using the right methods to contact people. The traditional methods ... are not yielding the results we want, so we need to look at alternative ways to tap into this pool of talent.”

He notes that technical trade or vocational schools that offer two-year courses may be a

viable avenue to find students who do not want to pursue a four-year degree but want to move into a trade. “Don’t walk past this possibility as a source of good candidates,” he urges. A teleforum attendee also suggests that other opportunities for finding new hires can be found in the high tech forums now operating in many major cities to showcase start-up companies and new products being developed. These forums hold regular meetings and attract people from throughout the business world who are specifically interested in up-and-coming enterprises and ventures that are seeking investments.

Another idea from Weiss is “tapping your existing personnel and maybe even paying them” for referring candidates who are eventually hired. “Eagles fly with eagles,” she affirms, “so good people gravitate to each other.”

She also notes that, among the rep firms she has assisted, there’s a reluctance to hire “20-some-things” or others with no experience. However, she adds, “I do know rep firms that are successful in recruiting new talent. They target engineering schools or those with electronics [courses] and go to job fairs, talk to career counselors and advertise on those college bulletin boards. They are willing to hire and develop new talent. What is not attractive in the rep world is the unwillingness to

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Parks relates a success story at West that was initiated by a principal. His firm was asked to hire a new graduate to teach him the rep business, with support for his salary provided by the manufacturer. After several years with West, learning the business "from the ground up," that individual is now the rep firm's regional manager for that principal.

This process, Parks explains, caused West to develop a comprehensive training program, agreed to and approved by the principal. "The time spent was considerable," he acknowledges, including for Parks personally as a mentor to that young man, "but it was well worth it. We imparted a great deal of knowledge and information ... but got a great deal back.

Young people bring a lot to the party, and you'll be amazed at how much you can learn about efficiencies of operation in your company." Now Parks hopes to work with a local college to create an intern plan for his firm.

Weiss interjects that the "considerable time"

Parks' firm spent on this new hire is "what attracts people to an organization. I believe it's a mind shift, a culture shift, in the industry ... part of your job as a leader is to find good candidates and then spend a ton of time developing them, rather than hiring someone mid-career."

Highfill observes that Parks' firm obviously had a "very strong onboarding program, which many of us could do a better job of." She also notes that some companies often "fall back from hiring inexperienced people in tough times," when there tends to be a greater

urgency to boost sales and profits. She believes it's vital to combat that tendency and make resources consistently available for new talent development.

Parks adds that recruiting new talent for a rep firm is a "tougher sell than for manufacturers because almost no one understands the business." Highfill recommends that college job fairs are an ideal place to educate students about the rep business model.

Weiss points out that most universities do not understand or teach the sales function as a profession. "As leaders," she urges, "we should be advocating the teaching of sales, even in high school or definitely at the university level. It's shocking to me that salespeople have huge earning potential, like so many fields, but their education seems to be hit or miss."

Ongoing training of all personnel

From the topic of recruiting new talent, Highfill segues to the importance of ongoing product and sales training for all personnel so they can continue to grow professionally. "Let's not assume people who have been with the company 10 or 20 years know everything. We need to be sure to give those personnel opportunities and the knowledge to be successful."

Referring to Parks' mentoring of the new hire, Highfill says it is important for all employees, new or veteran, to have mentors within their companies — those they can rely on for advice and guidance.

Weiss adds, "So as a leader, your mind-set should be, whomever is on your team, develop them. Spend money on them for training and making that a budget item."

As a guideline, Weiss continues, "Small to mid-sized companies generally invest about \$2,000 to \$3,000 per person per year, year after year, for ongoing professional development. Your needs may change over time, but your budget should not. There should always be money there for training." She agrees with Highfill, noting that people can "get stale in the middle of or later in their careers if they are not constantly challenged to learn new things. It's a small investment with a huge payoff."

Describing KEMET's training process, Highfill relates, "Like many companies, we do monthly training via [webinars]. But if we're all honest, it often seems that people are half-listening and missing lots of information. So I have tasked our field application engineers to use the [webinar] information and hold trainings in their regions to make it more targeted. There's more interaction, and I'm finding this works a lot better. Technology is great, but [it can cause us

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— Dan Parks, CPMR

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to] sometimes lose touch.”

About his rep firm’s training programs, Parks describes, “We’re lucky to have a few people on our staff who have master’s degrees in electrical engineering, including our president, Mark Hahn. He has taken on the training of our inside people on products and applications. A lot of times, a customer’s first contact is with inside salespeople, so we’ve found that, if an inside person can go one, two or three questions deep with a customer, that’s more efficient.”

In the training provided for outside salespeople, Parks adds, Hahn “goes into great detail on one product each month. Sometimes we work with both inside and outside people at the same time. I think most reps spend a lot of time on product training, but [our firm] may spend more time with our inside folks than others do.”

When asked if his personnel have undergone specific training in sales, Parks replies they did so a year ago at the request of a principal, but formal sales training is not something his firm provides on a regular basis. Weiss notes, “This could be a place where it’s the gold mine you’re sitting on,” explaining that, with the extensive product training West personnel undergo, the next step could be exploring how their product and application knowledge can translate into a sales conversation.

Coping with a flat market

The third area of the challenges discussion tackled by Parks, Highfill and Weiss began with the concession that, even though the North American economy is growing, the electronics market has remained flat and is projected by most industry analysts to rise by only a small percentage in 2016. That flat market is a given, says Parks. And now that the design function has, in many instances, moved offshore, along with significant amounts of manufacturing, “that’s a definite challenge for us.”

With offshoring, a flat market and global competition, Weiss asks about the margin pressure being experienced. “This is a subject we could talk about for days,” Highfill admits. With no end in sight to the flat market, KEMET is trying to be first to market with products that yield a better margin, often thanks to less competition.

Given the “world you work in” and the margin pressure, Weiss asks about the importance of selling value for both new and existing products. Highfill considers it critical to establish value to all customers by “making sure all our teams are aware of what sets KEMET apart.” She acknowledges a comment from a teleforum attendee that, sometimes when the sales conversation is totally focused on price, the rep and the principal need

to understand when to walk away. However, her experience confirms, “There are still lots and lots of customers who do appreciate and understand that value — quality, customer service and innovation — regardless of price. For our customers at all levels of the sales process, it is our job to help them understand the product and how it fits into their project or business model.”

What Highfill describes, according to Weiss, is the “art of selling.” If everyone were capable “artists” of selling, she believes that margin pressure would decrease. “And yet,” she says, “I see people talking to customers and throwing a lot of stuff against the wall [rather than knowing] what questions they should be asking and how they should respond. It’s easy to say ‘establish value,’ but it’s very hard to do and to keep working it behind the scenes.”

Highfill replies that “it’s not an easy task, but I see top salespeople sell on value every day. They go into customers’ offices and lay out what they and their companies do for them every day. If something goes wrong, who’s the first person in the door to take care of you?” She describes how top salespeople “demand” their customers’ attention — and the purchase order — by continually reinforcing the value they bring and selling it to all levels of their customers.

Weiss comments, “You make a good point. Salespeople may assume the customer knows what they do for them, or they assume all salespeople are providing the same levels of service and value, so they do not bother reiterating their company’s and their personal values to the customer. So this is a best practice we all need to pay attention to.”

“I think too,” says Highfill, “that when the market flattens out, those who are successful continue to be demanding, in a professional, ap-

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— Monica Highfill

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— Dan Parks, CPMR

appropriate way ... Sometimes we need to sell a product multiple times and ways.”

Selling value for his rep firm is similar, according to Parks, but he draws a distinction between commodity and custom-designed products. “For [commodity] lines where pricing is very important and there is little differentiation,” he relates, “we work very hard on preaching the total cost of acquisition, not just the purchase price. My capacitor may be half a mil higher than the competition, but my customer service is much better and my quality is better. When there’s trouble, you can get me on the phone. That’s a [company] culture, and you have to continue to beat on that customer service all the time.”

Another avenue that reps can pursue to help offset margin pressure, Parks adds, is to look at those niche types of lines where “you don’t have quite the margin pressure because there aren’t 47 ‘me too’ products out there.”

Many other points were made during this teleforum, and there are certainly other major challenges

that lay ahead in 2016 that time would not allow to be covered. And some challenges, of course, may be unknown at this time.

Parks, Highfill and Weiss hope that an idea or two from this conversation will be helpful to those who heard the live broadcast and to readers of *The Representor* as they forge ahead into the new year,

Also, as a follow-up to this discussion, ERA’s next two free teleforums for members will expand on two subjects raised by Parks, Highfill and Weiss. On Jan. 26, the teleforum will feature Weiss and Rick LaPiana of the Cain-Forlaw Company in a conversation about conducting internal sales training meetings. On March 21, Weiss and ERA CEO Walter Tobin will tackle the topic of how to stop selling on price and start selling on value. Details of these events will be announced about four weeks prior to each broadcast date, and as always, the audio files of the teleforums will be available online. ■

This article was written by Tess Hill, editor of The Representor.

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