

# The Thinking Salesman Letter

May 1, 2011 issue

Hello Everybody,

Al Brosseau, forty years identifying, setting up and administering distribution networks across the USA, Canada and Latin America as salesman, sales mgr., independent rep and now consultant.

#### Our Mission:

To discuss and challenge all aspects of sales and distribution in the USA and Canada and to promote the sales profession.

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Former President, ALBRO Export & Marketing, Inc.  
Former CSI (Vermont chapter) & CDT  
CPMR (Indiana U., 2003)  
MANA board of directors (2002 to 2007)  
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## On The Firing Line

Our April 1, 2011 newsletter brought two comments from a Mfr.

1. We wrote: Manufacturers who take on the distribution of products other than their own. We've never seen it work!!!

We sell a complimentary product we do not manufacture (it is private labeled for us) because it [helps] our customers. They need not try to find a source... set up credit and deal with people they are not familiar with. We are in our sixth year and it works great. We stand corrected.

2. We wrote: Private label. Relationships based strictly on price i.e. transactional (vs. synergistic) relationships are usually short lived.

We private label for many of our industry giants... We are not the least expensive... This allows them [customers] to focus on what they do best because the product we provide is a tiny portion of their business... Through private label, I take a margin cut but make a sale I normally would not have made... "I take a margin cut". He's saying what we've been saying: private labeling is low margin.

We also asked:

- What about building a brand name and long term share value?
- How vulnerable are you to a low cost producer moving into your markets?

We have not heard back.

## Sales calls 101 (II) Single, one on one Sales Calls.

### Preparing the calls (visits):

Come Monday morning, too many salesmen come out of their driveways and have not figured out yet whether they'll turn left or right.

All organizations are trying to do more with less people i.e. securing an appointment is more and more difficult.

### With the customer:

"Thank you for seeing me" and go right into the subject(s) of your visit. Review your written notes - starting with the most important- and take notes of the answers. At the end, ask "Anything I should be aware of coming up with Principal A, Principal B etc. (it's a good way to bring up other Principals).

Keep your calls short and to the point. Customers have told us "What we like about you is that you come in do your business and leave" and "we refuse to see the salesmen who take too much of our time".

### Taking leave:

If you picked up an order, thank the customer for the order, **SHUT UP and leave**. We've seen salesmen almost talking themselves out of order by "hanging around" and talking too much.

#### Listen/talk ratio:

After every call ask yourself:

**How much time have I spent listening vs. talking?**

If you spoke more than 1/3 of the time you didn't listen enough, not giving a chance to the customer to fully vent/explain and you may have lost opportunities to help.

### At the end of the day:

Most people return to their office between 4:00 and 5:00PM. It's a great time to return calls and make "secondary" appointments (those one tries to squeeze in between the important ones). **If you want to talk with the boss call after 5:00PM**

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## Relationship Between Mfrs & Reps (VI) The rep agreement (IX)

We have been told by lawyers that Mfrs should not have the Rep agreement on their letterhead because judges might "interpret" as "the Company threw its weight around", coerced the Rep in signing.

### Confidentiality clause:

We have seen "confidentiality" appendixes 3 ½ page long. We use shorter, more succinct versions such as:

*Both Parties agree to keep confidential information received from each other confidential during and after termination of this agreement and not to solicit or recruit employees from each others at any time.*

### Representing a competitor after termination.

Some Rep agreements have clauses preventing the Rep from representing a competitor for a period of time after termination. There are **TWO** possible scenarios here.

1. The Rep resigns the line. The Principal (Mfr) is entitled to some protection but we understand that in most jurisdictions one also has a "right to earning a living" and that generally the maximum courts allow for "non compete" is 12 months. Each case has its own merits and one should consult with a lawyer.

2. The Principal fires the Rep. especially without good cause, we would lie low for no more than a few weeks and we use that time to let the industry know of our availability.

Finally, one-sided agreements are not looked upon favorably by any court. If a rep is prevented from earning a living for an unreasonable period of time, we don't think it would be difficult to find a lawyer willing to take such a case.

The MANA board has elected a new President, Charley Cohon. We wish Charley the very best and we give the MANA board a high five.

We hope Charley and the board keep bringing changes, encourages out of the box thinking and form educational groups who will promote our profession, on location, to manufacturers and universities.

## Whisky Tango Foxtrot Moment

**Lately, some Mfrs -from overseas- offered Reps higher commissions on direct sales vs. sales to distributors. Such arrangements set Reps in competition with our distribution networks, our stock in trade.**

**Such Manufacturers don't understand a thing about Reps and distribution but what's even worse is that there are Reps who will sign up and cut not only their own throat but in the process, under cut our profession.**

### **The best generation**

On February 8, 2011, Thomas E. DeHart passed away. Tom Sr. founded the Rep agency Special Metal Supply, Inc. in 1959 and carried on making sales calls well into his 80s. They don't make them like that anymore.

### Thought:

**Business is like an Alaskan dog sled.  
If you are not in the lead  
the view is always the same.**

### Next issue, May 15, 2011,

Sales calls 101, (III) Joint Calls  
Mind set required to work with Reps (i)

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