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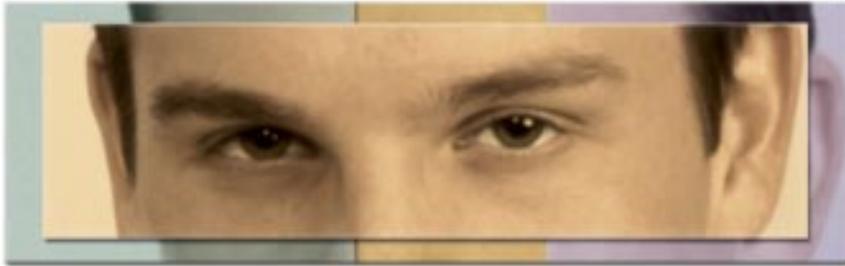
## Reps Gather to Network and Learn at *Keystone 2005*



Rep Councils Serve As Territory Eyes And Ears — see page 6

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# Rep Councils Serve As Territory



## Eyes And Ears

If the independent manufacturers' representative serves as the "eyes and ears" in the territory, then one of the most effective means to truly see and hear what's going on is the rep council. That's the view of two manufacturers well experienced in the operation of rep councils. Both Vanguard Piping Systems and Eriez Magnetics have operated rep councils for years, and both have learned to depend upon the input they receive from their reps in order to better serve the market.

**W**hile both companies took slightly different routes to their implementation of rep councils, each has arrived at the same conclusions:

- Regular council meetings can head off problems and concerns before they become major headaches.

- Reps appreciate the opportunity to exercise a loud and clear voice with their principals.

- Councils are valuable tools for manufacturers to communicate with their reps and reps to communicate with their principals.

Charlie Ingram, vice president sales and marketing for Eriez Magnetics, explains that his

company's rep council began operations 10 years ago, shortly after he joined the company. "I previously had considerable experience working with distributor councils and working with a direct sales force. I felt strongly that having a rep council would help us. At the time, we felt we had excellent communication with

our reps, but our goal was to formalize that communication into business meetings that ultimately would help us better serve our mutual customers.”

He adds that an underlying reason for the council was the desire to completely eliminate any form of an “us vs. them” attitude and to firmly establish an agenda focused on the rep-manufacturer relationship. “We worked very hard to set up a platform that would allow us to discuss how we could collectively serve our customers better by finding what each of us could do better to improve our methods of communication and service. In other words, we were looking to get to the point where one plus one would equal three.”

The Erie, Pennsylvania-based Eriez Magnetics designs, develops, manufactures and markets magnetic separation, metal detection and materials feeding, screening, conveying and controlling equipment for the processing and metalworking industries.

### Getting a “Feel” for the Rep

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**Dalyn Cantrell**



McPherson, Kansas, espoused similar reasons for starting its rep council in 1997. According to Dalyn Cantrell, national residential sales manager, “We simply wanted to get a better ‘feel’ for what our reps face every day in the field. They are the ones who are face-to-face with the people that make our company successful. In order to continue to grow and improve as a manufacturer, we have to listen to our customers. The rep council fills that need.”

Vanguard Piping Systems manufactures cross-linked polyethylene (PEX) tubing and accessories for a variety of plumbing applications. The company has been recognized three times as one of the 500 fastest-growing

U.S. companies by Inc. magazine.

Looking back at the beginnings of his company’s rep council, Ingram recalls that that there was some concern among management that the council might evolve into sessions where only rep complaints would be aired, and “all we’d be talking about would be what everyone is doing wrong.” Such whining sessions were avoided, however, as the effort was made to “seed” the council with reps that had served in similar capacities elsewhere. “I made a concerted effort to survey reps that had served on other rep councils and to determine what were and were not meaningful experiences,” he explained. “I made sure that our charter mem-

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bers reflected a balance among our reps. It was made up of those who had been with us for a while, together with some who were fairly new.”

Ingram emphasized that much of what he did with his rep council was culled from information gained at a MANA seminar that was dedicated to the subject of running successful councils. “I remember one of the examples from that seminar cited a manufacturer that formed a council made up only of his five or six top-performing agencies. This didn’t work, because all they chose from were reps that made up a virtual ‘love fest.’ Everyone was happy, and they didn’t get any input from others who might have suggestions on how to make things better in the territory.”

On the subject of the tendency of having rep councils turn into “whining” sessions, Vanguard’s Cantrell offers that “Yes, sure there’s a possibility that can happen, but that’s not entirely a negative. We want our reps to bring every issue they can think of to the table. If it turns out to be a personal issue, however, our approach is to say ‘Look, that’s not something we necessarily face on a national level. We’ll deal with that later. Right now, we want to work on things that impact all of us.’”

She continued that “one of the

biggest challenges that we faced in the beginning was conveying to all of our reps that the rep council meetings were for them! We wanted them to vent — in either a positive or negative manner — and those of us from the factory were there to listen — not talk. Our rep council members are given a list of contacts (other Vanguard reps) months prior to the meeting, and they make and bring the ‘agenda items’ to us at the meeting. We are prepared to discuss anything, and we want to. Once we got our reps to understand that if they didn’t come to the meeting armed with agenda items we were wasting our time, everything went very smoothly.”

Both manufacturers emphasize the positive aspect of having a rep council in that a rep should be complimented that he’s asked to participate. “We’re especially picky,” notes Cantrell. “As a result, we’ve got great reps making up our council, and it works well for us.

Ingram adds that for any rep asked to participate in his company’s rep council, “It should be viewed as a reward. It’s not just another business meeting. Rather there’s an amount of prestige that goes along with us asking them to serve.”

#### **Length of Council Service**

Both companies explain that

having a plan in place for rotating rep council members on and off is important in terms of ensuring that fresh ideas are contributed. According to Ingram, Eriez Magnetics’ “goal is to have a council composed of six members, each of whom serves a three-year term. Two members at a time are rotated off.”

Cantrell explains that “With our very first council, three members served a year and three others served a two-year term. This started our rotation of two-year terms that included annual meetings, with half of the group rotating off after four meetings.”

#### **Importance of Regular Meetings**

One of the keys to the success of an ongoing rep council rests with the continuity of the effort. Both companies have regularly scheduled meetings and they follow up the meetings with action.

According to Cantrell, “We conduct our meetings annually at an ‘off-site’ location. We find that going somewhere ‘neutral’ makes our meetings much more productive as we all are able to focus on the agenda — and nothing else. For instance, our last meeting was in Denver, and our next meeting will be somewhere in the eastern region, perhaps Washington D.C. or Nashville. We also try to rotate regions for our locations. Af-

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ter we go east, we will probably shoot for San Antonio or Chicago in the central region.”

Likewise, Ingram notes, “Our meetings take place every nine to 12 months. Almost all of them are off-site from the factory. We look to find some sort of neutral ground that allows us to get outside our normal environment. We’ve tried both business and resort locations someplace in the middle third of the country. That makes it easy for just about everyone to attend.” He adds that Eriez also has conducted its rep council meetings in conjunction with various association and trade events/conferences.

No meeting can be successful unless plans are laid ahead of time, and that’s what Eriez does, according to Ingram. “Each of the six reps that comprise our council have their own team of five or six reps that they communicate with. Prior to the regularly scheduled rep council meeting, we’ll send out a form from headquarters to all of our reps. That form includes all the issues we’d like to have addressed and discussed. At the same time, we ask that our six council members solicit subjects/ideas for the agenda. After we receive those suggestions, we’ll put together the formal agenda we’ll cover during the meeting.

“The meeting itself generally covers an entire day with dinner the evening before. After the meeting we follow a formal and an informal process. I’ll formally put together a report that covers every agenda item. This is circulated among all members of internal management and our field sales offices. The rep council members typically provide their own report back to the five or six reps that they work with.”

For its rep council Vanguard has divided the country into three separate sales regions: East, West and Central. Cantrell explains, “Each region has a regional manager and for the first rep council, each regional manager chose two reps from each of their regions. That gave us a total of six reps. If the meeting is scheduled for a location outside the rep council members’ territories, the local rep is invited as well. As a result, we either have six or seven reps in attendance at each meeting. Only the six council members are assigned other reps to contact prior to the meeting.

Cantrell continues, “Since we began our rep council, we’ve found that two meetings a year were too much and we didn’t have enough time between meetings to address issues that needed to be addressed. It was also very expensive to conduct those two meetings a year and take our key reps off the street when they could have been selling our products. At the request of our rep council members, we now have an annual meeting and members serve three-year terms. Departing members are replaced by someone else in the region, chosen by the regional manager. Of course, chosen reps must be willing to serve on the council. If they choose not to, another rep is chosen.”

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### **Placing a Value on the Council**

Looking back over several years of success with their rep councils, both manufacturers offer that the effort has been well worth it. Ingram notes, however, that the rep council is a body that must be relied upon as a contribution to the marketing and sales effort. “The rep council isn’t

***“The rep council isn’t something you can necessarily pull out of a box every once in a while.”***

something you can necessarily pull out of a box every once in a while,” he says. “On the contrary, we use the council throughout the year. Our council members are tapped regularly for their opinions on multiple issues throughout the year. Examples of subjects we’ve consulted them on have been payment terms, literature formats, and new policies.”

He concludes that while there is a certain expense affixed to conducting the rep council meetings, “Overall, I don’t think the expenses have been extravagant. On the other hand, there’s no question that the council has resulted in any number of money-saving, money-making suggestions.”

In the same vein, Cantrell adds, “While our council hasn’t necessarily changed the way we work with our reps, it has solidified and enhanced our relationship with our reps. By having the meetings and coming away with a ‘to-do’ list, and then actually acting on most of the issues, we show that the council, and all of our reps for that matter, really do make a difference. It also shows that Vanguard cares about what they have to say. Our reps play a huge role in our day-to-day business and our continued growth and success. The council gives us the opportunity to listen to the market through the voices of our reps. It works!” □