

What's the Opportunity?

Sales is the lifeblood of any successful business, as Sales bring you customers who give you Orders, without which you have no business. Many Small Business owners think they can secure these coveted orders by using the latest tech tool. This may work to an extent in some enterprises, but for those owners dreaming of seeing their company's name in lights, a critical piece of the sales puzzle is how to sell customers without the cash to afford your own competent sales force. No matter how sophisticated you are technologically, human selling will greatly increase your success odds.

Sales Reps can solve your cash shy sales dilemma. I would like to share my insights on how a small business can utilize this frequently overlooked and misunderstood sales resource and profession....Sales Reps.

I was a national sales rep for 14 years before switching sides and founding or co-founding 16 start-ups, one of which made the INC 500 list three years in a row. . .So, I feel qualified to speak on this subject which I think is misunderstood and not taught at school. This is why I've written a comprehensive and practical Guide to Help Sales Reps and Manufacturers understand each other better, to create a positive partnership that will yield more profits for each, and to extend the duration of the partnership. This guide is free to anyone interested and can be obtained by clicking on this [link](#) .

Too often this relationship is adversarial. It shouldn't be, as both factions need each other.

To begin with, I should define what a Sales Rep is.

A manufacturer's representative, also known as a sales representative, sales agent, a broker in some industries, or simply a rep, is an independent business person who acts as the sales arm for one or more businesses which are comprised of one or more products or services. Most Reps are paid a commission for their sales efforts rather than a salary. Some Reps are permitted to take a draw (or advance) against commissions; others are not. They are responsible for their expenses. The commission can vary greatly from 2 percent to 20 percent.

Basically Sales Reps are Entrepreneurs in their own business. It is important to understand

this as you can't order them to do something. You need to sell them on your integrity, agenda, company, product, and vision. To do this effectively, you should understand how they think, their strengths and weaknesses, and the environment they work in. This article should help you achieve a more productive relationship with them.

Compensation

Reps are primarily paid on a commission basis although in some industries, such as Pharmaceuticals, they receive a base salary with performance-based bonus. The wide spread of commission rates (2%-20%) is based on a variety of factors explored in the Guide.

Who Becomes a Rep?

There is no Sales Rep gene, and they come from all walks of life and choose the profession for different reasons. They want to be their own boss, they see the opportunity to earn a lot of money as there are no ceilings on their compensation, they know that they can choose which 12 hours a day they want to work, etc.

Why Work with a Rep?

There are two perspectives on this question: that of the manufacturers and that of the customer who the Rep is selling. Both are covered in detail, but the two main reasons for a manufacturer are they get an experienced salesperson with no fixed cost and quick access to desired customers who are difficult to reach.

The Buyer among many reasons prefers a Sales Rep because they trust them more as they know that the Rep depends on them for a living more than the manufacturer does, and the Rep is more accessible.

How to Find and Select a Rep

Before you begin the process, you need to think through what you expect from a specific Rep, the kind of characteristics he or she should have, their customer base, the other lines they carry, and much more. Finding the right Rep is a difficult task and there are numerous approaches. My most productive methods were to ask Buyers on whom the prospective Rep calls. They are a gold mine of valuable information to help you in your quest. They not only

can identify the most successful Reps that call on them but lead you to the most promising newcomers that are not on everyone's radar yet. They will be able to give you more time and passion Second: I checked with other good Reps that we knew. Reps network with each other and know the difference between good and bad ones. Today with the advent of the internet and the comprehensive searches you can do, I discovered a site www.rephunter.net that matches up Sales Reps and Manufacturers to each's specific needs. They are very professional and worth a look see.

Rep and Manufacturer Complaints About Each Other

There is a long list of complaints each party has about the other. I believe it's very helpful to understand what these are. They can help you to help each other, which will profit everyone. The list of complaints that I enumerate are valid and not readily apparent to the other party. If taken seriously, each party can improve the running and effectiveness of their company. Basically, there is a healthy amount of distrust on both sides. A lot of this stems from many of these easily correctable complaints. Trust is the pillar on which effective relationships are built. With it this Rep/Manufacturer relationship should have a long life.

Training Reps

Most manufacturers give short shrift to the training of a new Rep. They make the mistake of sending out catalog sheets or directing them to their website and maybe supply some samples and expect the orders to roll in. . .not a formula for success. Would you train a new full-time hire in so casual a manner? The Guide offers solid and proven ideas on how to accomplish this training.

A Tip for Reps

This section offers an idea for Reps on how to solve a problem many Buyers have and in doing so earn themselves more sustainable earnings.

Advice for Both Parties

Here we offer key suggestions to both sides on actions and attitudes they should adopt to make this Rep/Mfr partnership more effective (Profits and Fun). We also address how to deal with the problem created periodically by many large customers who tell their buyers to stop

dealing with Reps for the mistaken reason that more profits (the Rep's commissions) will accrue to them. We offer what we did as national reps to solve it.

The Future of Reps

There are many outside world trends, including technology that indicates that reps may become extinct. I don't think so if the parties will work closely and with honesty. but it helps to take a step back and think about planning for the future.

Bob Reiss is the author of [Bootstrapping 101](#): Tips to Build Your Business with Limited Cash and Free Outside Help. He has been involved in 16 start-ups, is a three-time INC 500 winner, a graduate of Columbia University and Harvard Business School, and the subject of two Harvard case studies. He's a friend of the SBDC community and a frequent speaker at university entrepreneurial classes.

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