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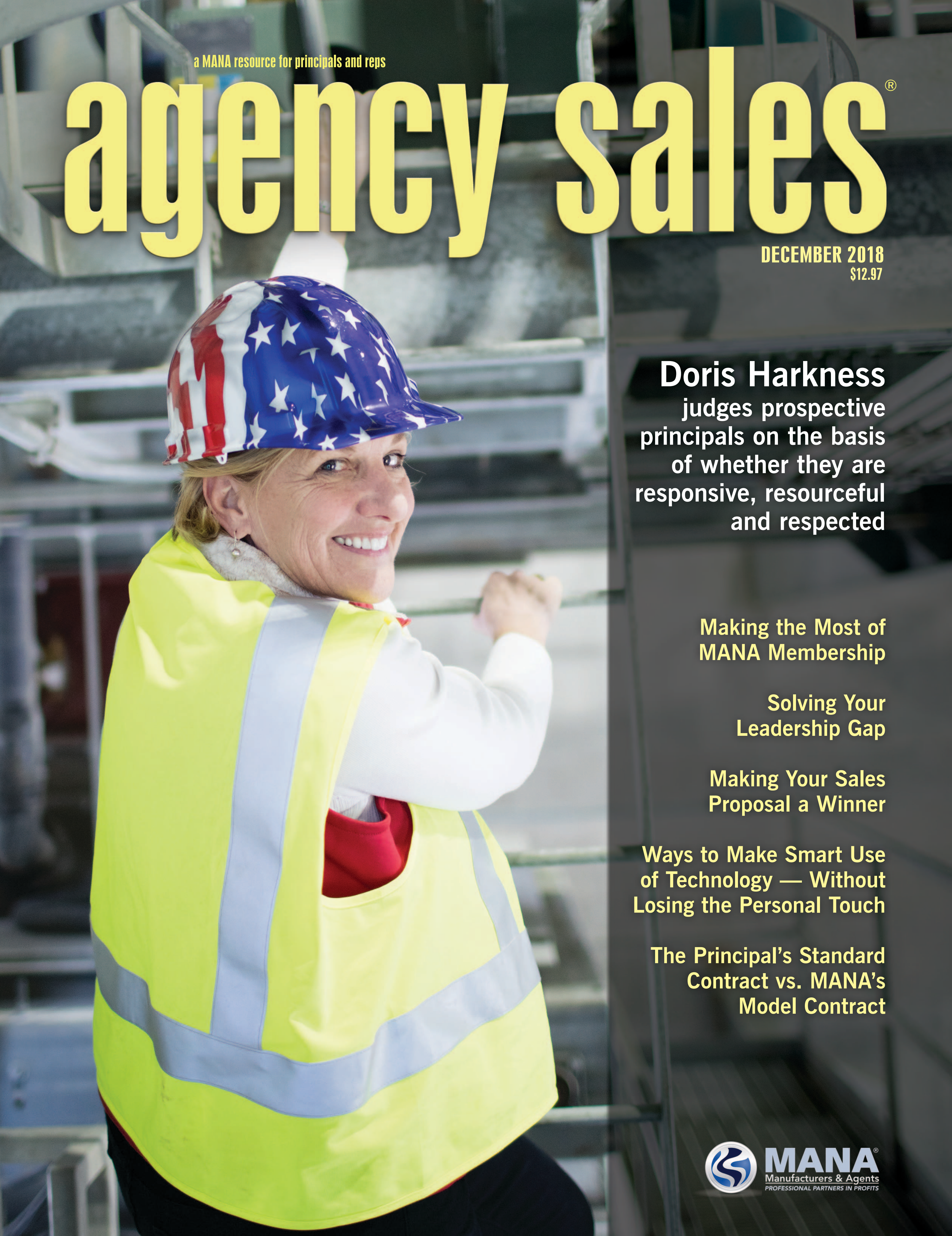

Doris Harkness
judges prospective principals on the basis of whether they are responsive, resourceful and respected

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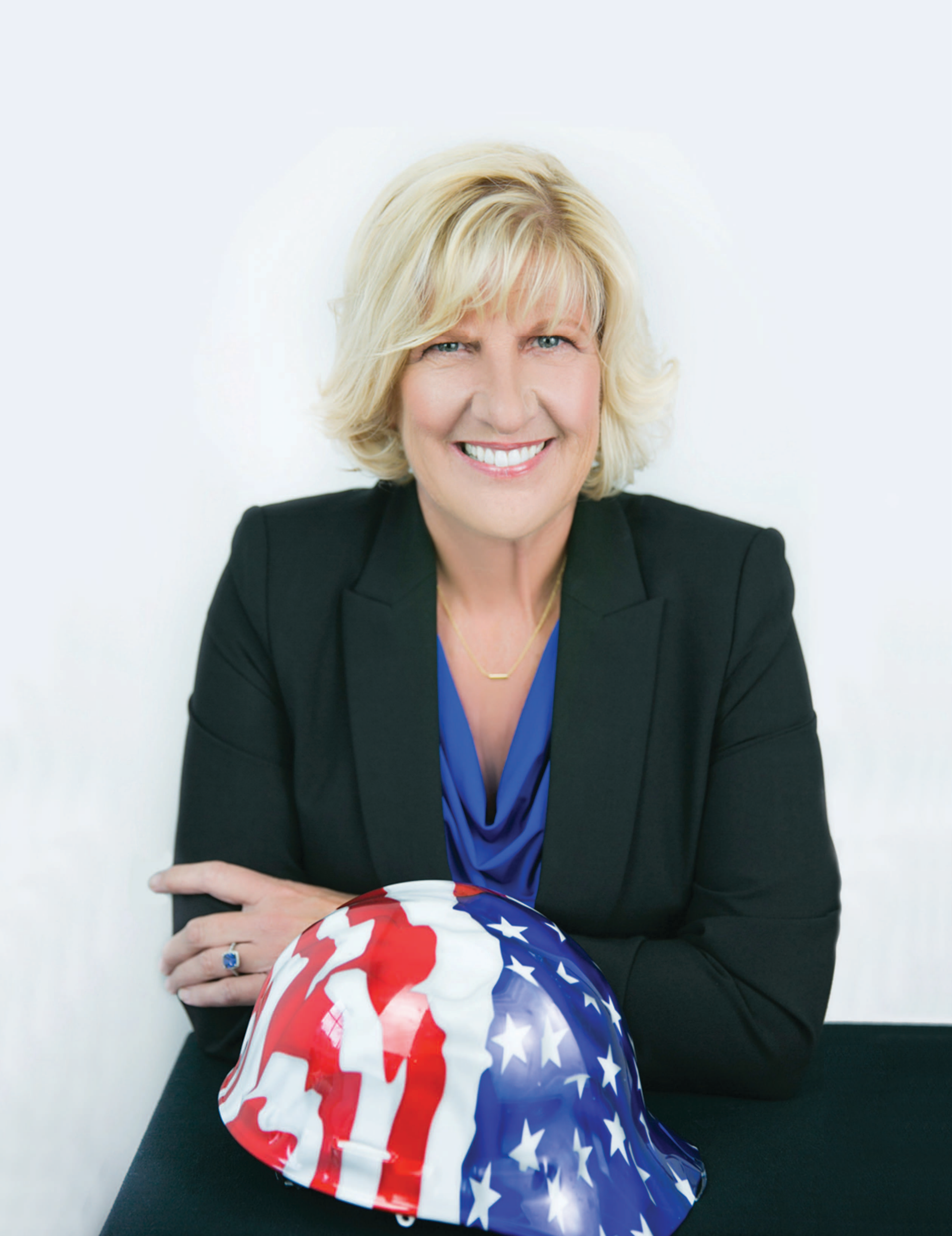
Adopting 3Rs When Vetting Prospective Lines

BY JACK FOSTER

In the simplest terms Doris Harkness' process for vetting a prospective or new line may be defined by three words — let's call them the 3Rs: Responsive, Resourceful and Respected. If a manufacturer can show it possesses those three attributes, chances are they can find a home with Harkness' agency.

Harkness, who heads the Pace Company, Richmond, Virginia, maintains that any manufacturer that desires to be represented by her agency had "better be clear about the type of company they are. We are the most resourceful, respected and responsive bulk handling rep in Virginia. Any manufacturer that we partner with had better be in alignment with our company mission and values. Accomplishing the right fit allows you to confidently move forward and consistently make the right decisions. I want to be the best company I can be for my customers. Likewise, those are the kinds of companies I want to work with. This is hardly unreasonable. Vetting a pro-

Next page: Doris Harkness, Pace Company, Richmond, Virginia, emphasizes that reps had better complete their work up front before choosing a principal.



"From the beginning,
tell me the truth about your company."

spective line can be viewed similarly to that of vetting a new employee. Do they fit in? Will they be a partner that helps make your company profitable? To grow? To explore a trend area? Is the product line one that is compatible with the core business of your existing lines? If it is not, does the company have the resources needed to support and or grow it? Bottom line, what is it that they bring to the party?

"From the beginning, tell me the truth about your company. Let me know all there is to know about your history and how you perform in the territory. Let me know how well you work with reps."

Harkness explains that, in general, prospective lines come to her attention in a variety of ways: "We'll learn about a company through our MANA membership or because we regularly network with reps in our industry, we'll have other reps refer them to us. If we feel there's a good fit there, then we'll initiate contact and begin the process."

Avoid Mistakes

She continues that if there is a good potential fit, it's then that her reliance on the 3Rs comes to the fore. "It's critical that the rep does the necessary work up front before making a decision about working with a principal. If a mistake is made, inevitably it's going to be more expensive for the rep than for the principal. In order to avoid errors, there are a number of questions that have to be asked and answered before we can move forward." For instance:

- Why is the territory available?

"When we learn about an opportunity, we're very respectful of the existing rep-principal relationships. We won't follow up with a line if they already have a relationship with another rep firm."

- Who owns the company? Have there been any recent important changes to the company?

Ownership changes can drive the corporate culture and impact how it measures success. "I left the corporate world years ago," says Harkness. "While there, I learned that each company has its own corporate structure. It happens that often financial holding companies purchase a manufacturing company and expect a quick turnaround for their investment. If that's the type of thinking they have when working with a rep firm, and they have unrealistic expectations, it's not going to work. I don't need to be micro-managed and told how to run my business. Relationships such as that aren't going to be successful."

- Is business already established in the territory? If there is no established business, or if it's underdeveloped, what is the manufacturer's commitment to grow the territory?

It's expected in discussing these questions that the subject of shared territorial development fees raises its head. According to Harkness, "Time is my only asset. If I take on a new line with no existing business, do I spend time there or do I devote my efforts to lines that already have business? When you raise this subject some manufacturers respond that they'll be willing to work with you, but if you can't get them to cut you a check, chances are you won't be successful."

- How about training? How and when will it be done?

Just as so many other reps, Harkness is a big believer in the value of training "but just doing something by means of a webinar is hardly enough. Often the most effective means for training is by doing. Some new manufacturers will offer training sessions within a month or two of us taking on a line and often schedule sessions for a time when we can piggyback on a trip when we're already scheduled to be somewhere. From the beginning, it's important to know what the manufacturer believes in when it comes to training. On top of that we need time to fit training sessions into our schedules."

- What is the reporting expectation on the part of the manufacturer? Are there monthly sales funnels or quarterly benchmarks?

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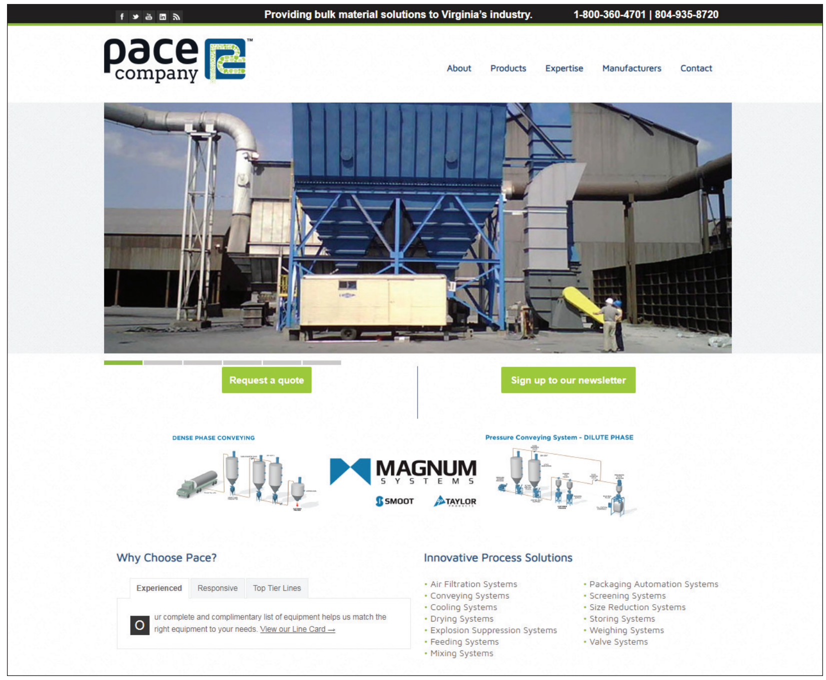
respectful of the existing rep-principal relationships."

According to Harkness, "Even though we are self-employed, there appear to be more manufacturers using CRMs and they rigorously watch the sales funnel report. When that happens, they often have unrealistic expectations and they put pressure on the sales guys. We don't need to be micromanaged. We know how to do our jobs."

Staying with the subject of required sales reporting, she adds, "If a manufacturer is a high-value line and they diligently work for and with me, I'm much more willing to provide them with sales call information. On the other hand, if they're a third-tier line and not necessarily a good partner, it's a lot more difficult."

Admitting that while she's hardly a fan of sales call reports, Harkness emphasizes that "If the manufacturer I'm working with is professional and responsive in meeting my needs and the needs of the market, I'll work just as hard for them as they will for me."



Pace Company (www.pacecompany.com) provides bulk material handling equipment to Virginia manufacturers. Products include pneumatic and mechanical conveyors, packaging equipment, size reduction equipment, valves, air pollution control, and explosion suppression.

Evaluating Lines

Those comments led directly to mention of the importance of reps conducting evaluations of their principals. "Evaluating existing lines at least annually is critical and with a new line, it's even more important. If a train is sitting at a standstill, the inertia required to get it to move is incredible! As a part of its professional training, MANA offers valuable information in this area. It's important for reps to define what it is they expect from their principals. If there's no success in a given period of time based on some factor (e.g., gross sales, margin, etc.) it may be time to make a change."

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What happens if things don't work out? Harkness admits that this can happen and if and when it does, over the years she's become a believer in the same axiom that should be followed when dealing with hiring a new employee: "Hire slowly, fire quickly." By that she says "It's just as true when dealing with a manufacturer that doesn't fit. Make sure your and the manufacturer's commitments to lines are well thought out ahead of time. Before you drain valuable resources, have a conversation with the manufacturer about the agreement and how to go to market prior to signing up. If there is no consensus, agree to disagree. Or come up with a trial timeline and/or adjustments to further evaluate expectations.

"And, don't be afraid to part ways — as friends. Our feeling is that you're lucky to have us, but we can agree to disagree and I can terminate a principal. While I've never been a bridge burner, there's no sense in ducking each other when it comes to this conversation. Be frank and honest with each other. If it's not working, don't be afraid to admit it. And remember, it's important to have this conversation in person, not by e-mail or certified letter. Do it face-to-face."

MANA welcomes your comments on this article. Write to us at mana@manaonline.org.