

# You and your sales agent

BY DAVE HENDRIE

**OK, so you outsourced your field sales function. Join the club – most FMCG manufacturers in South Africa have done the same over the past 20 years and sales managers have breathed a collective sigh of relief. “What a pleasure” we all said, “we can now go and do other things”.**

Having second thoughts a couple of years down the line? Tired of the heat you're taking from marketing (and senior management) complaining about in-store execution? I know, I've been there! But it is what it is, for now, so how do you move forward?

## You get the agent service you deserve

Most manufacturers purchase a syndicated (or shared) service from a sales agency. Have you any idea how this plays out in-store? The average agent's syndicated rep probably has to represent/service a minimum of say 12 principals (manufacturers). Assume each has say 200 SKUs and say 40 are listed in a single outlet, that's a minimum of 480 SKUs that have to be serviced, per store! Average time in store? Say 2 hours spread over 480 SKUs. That's 15 seconds per SKU – if you're lucky!

Depressing? Yes and no. Yes if you haven't done the calculation and don't know how to change anything and no if you already know the in-store reality and decide not to accept the *status quo* and do something about changing it. Never forget, you are also competing with their other principals for a single resource – the sales person!

## So what to do about the situation?

You could decide to buy a dedicated service, if it made business sense. The higher cost might be offset by superior in-store execution leading to higher volumes, for example. A number of manufacturers have gone this route, particularly those who have scale size or superior margins

or very special needs for very specific channels. You could accept my proposition that you get the agent you deserve and start to treat the agent like you used to (hopefully) treat your own, 'expensive' sales force. To do this you need to hijack their sales force so that your brands are top-of-mind with their sales people! What does this mean? Well it's a multifaceted approach starting with:

### ■ A different perspective

Take time to see what the relationship looks like through the agent's eyes. Are you profitable to them in terms of what they earn compared to what they have to invest – return on investment (ROI)? Do you know this, really? If you are not very profitable to them, guess what – the service/attention your brands get will reflect this. I'm definitely not suggesting that you automatically increase the selling commission/fee. Profitability is derived from many different sources. Read on.

### ■ Putting in time and effort

Do you make it easy for them to sell your products? Do you offer training, do you attend every cycle meeting they hold (most manufacturers are shocking at this and yet, when you had your own sales force, you were there leading your internal sales meetings)! Many people think that sales people sell products. It goes way beyond that, they go the extra mile and sell the products of the people that they like! Show an understanding of the challenges sales people face. Help them succeed by providing the tools to get the job done (training, customer inducements, recognition).

### ■ Communication

Have you sat down with your agent's senior management team and asked them what standard of communication (detail, timing, reach down through their organisation for upcoming promotions, launches, focus periods etc) they want from you. This then becomes a key performance indicator (KPI) that they should measure you against.

### ■ Feedback

The food of champions! Human beings thrive on knowing “how am I doing?”

What does your feedback look like to your agents? Relevant, accurate, timely, detailed? It should be especially when their other principals are falling down badly here.

### ■ Rewards and recognition

One of the most basic human needs is the need to feel appreciated! When did you last recognize your agent's sales force? Do you have a formal recognition programme in place? If not, why not?

### ■ Agreed, signed contract

Do you have proper contracts in place spelling out, with crystal clarity and in simple terms, exactly what is expected from both parties?

### ■ Payment structures

Is your commission scheme with your agent multi-dimensional? Do you align the sales effort with your strategy, for example, do you incentivise sales growth/target achievement on your more profitable brands differently to the balance? Why not change the commission structure on certain brands to direct and reward effort during say winter/summer/specific promotions periods etc?

### ■ Professional relationship

Is your relationship with your agent professional? By this I mean is there open honesty between both parties? There is mutual respect and an appreciation of the obligations both parties adhere to. Some manufacturers like to keep dealings cordial but at arms length so that their managers never, if a termination of the relationship is only option left, shirk away from their company responsibilities of making the hard calls.

If you do these things, I'll guarantee that you'll hijack the agent's sales force and get them behind your brands.



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