

Planning The Business Year

Relationships between you and your network of independent manufacturers representatives are based on mutual interdependence and meeting expectations.

Expectations are based on:

- Capabilities
- Actions
- Performance

Exceed expectations and the relationship will prosper. Failure to meet expectations and the relationship can fail.

Communication between your factory and your rep network is key to building a strong foundation for a long-term business relationship. Consistent communication fosters trust and strengthens relationships. It also allows for clarification of expectations and course corrections.

Addressing issues openly, honestly and proactively creates the most productive business partnership between reps and manufacturers. In this guideline you will find a short list of items to include in your annual communication. This is not an exhaustive list, but it is a starting point for your annual planning.

SUGGESTED DISCUSSION TOPICS

Goals And Objectives

- Key product line emphasis points
- Increase/decrease for rep/manufacturer vs prior year
- Review quota spread
- Possible key accounts or target markets
- What are the trends in this market? In this industry?
- Future markets
- Strategic direction

Personnel Changes

- Promotions, demotions, transfers
- Ownership and succession plan
- Key contacts at rep and manufacturer
- Policy changes

Channel Partners

Distributors, Wholesalers, VAR, Dealers, etc

- Mutual goals
- Planned additions – What company? When? Why?
- Planned deletions – What company? Why? When?
- Strategic distribution moves
 - Chain, buying group, target market, niche market, etc
 - Channel focus

Compensation

Review regularly to prevent misunderstandings:

- Commission plan by product
- Additional incentive plans
- Other (warehouse allowance, specification work, co-op programs, etc)
- Review compensation plans for manufacturer and rep so the plans foster cooperation, not competition
- Structure compensation plans to achieve planned goals and objectives

Product Promotion

- Share schedule of product promotions in the coming year
 - Plans
 - Expectations
- Current promotions
- Planned promotions
- Scope of promotions
 - Industry segment, local or national, product or application specific
- Audience for promotions
 - Distributor, end user, engineering, specifier
- Advertising schedule
- Tradeshow
- Website and social media support
- Review for local effectiveness

New Product Development And Introduction

- Rationale
- Applications
- Training
- Competitors
- Timing
- Expectations
- Goals

Training

Topics, frequency, key objectives

- Planned training for the rep
 - Certified Professional Manufacturers Representative (CPMR)
 - Certified Sales Professional (CSP)
- Planned training for the manufacturer
 - Manufacturer's Best Practices for working with reps (MBP)
 - Certified Sales Professional (CSP)
- Product training by manufacturer
 - Reps, distributors, engineers, end users
 - Location, cost, etc
- Product training by rep
 - Distributors, customers, end users

Factory Visits

- Customers or distributors
 - Roles and responsibilities of rep and manufacturer
 - Goals
 - Who covers cost of ...
 - Travel
 - Lodging
 - Entertainment
- Rep team
 - Roles and responsibilities of rep and manufacturer
 - Goals
 - Who covers cost of ...
 - Travel
 - Lodging
 - Entertainment

Reporting

- Expectations
- Content
- Format
- Frequency
- Rationale
- Uses

Results

- Based on this conversation, create a clear, concise summation of the goals and objectives for the coming year.
- Set S.M.A.R.T. goals
- Assign responsibilities
- Review throughout the year as to progress towards goals

CLOSED LOOP GOAL SETTING



- Create an annual schedule of communication, training and review that fits your business cycle
- Review, refine and recommit every year

