

# "Looking Ahead - What's Up For the Rep Industry?"

As appeared in ISHN's "FDO"

March 2001

There are many issues. All of the issues are major, if they affect or effect you. All of the issues can be regarded positives or negatives, depending on your business model now and/or in the future.....or frame of mind.

I've reported before, futurist Bruce Merrifield said several years ago (at SEDA) that ".....80% of the salespeople, as we know them today, will no longer exist..... " — that obviously does apply to independent (or as I like to refer to them/us - interdependent) rep salespersons and/or sales rep agencies — the key is, how we knew them then — that was yesterday — if they haven't changed since then, they're toast anyway or soon will be and probably not getting it anyway.

New sales force hybridization is changing the way some now (and in the future, many more) go to market and is one of the ways to combat disintermediation (even though a rep or a rep agency is not a middleman anyway), utilizing synergistic leverage to strengthen power brands competitive advantage. Customer share will enhance market share more than ever before due to "channel compression" or consolidation among manufacturers, distributors or end users or a weakening manufacturing economy of markets due to stiffer offshore competition. Market hybridization also fits in here (i.e. safety/industrial construction/fire, etc.) - the combination of sales and market hybridization are two of the most important positive issues we all face now and in the future.

Much of the Internet sales should be and are now being recognized to be handled similarly to national or regional accounts in issuing proper commission credit for economic value added those that don't comprehend this will lose out.

2001 will bring more numbers of new reps and rep firms due to the economy downturn, it always does — V.P. Sales, Sales Mgrs., etc., will be "on the street" looking for jobs or lines as reps - it's "survival of the fittest." On the other side, the weak — the ones who maintained their same old business model will go away - maybe it's a trade off. Years ago, a factory rep told us many times, "I could have been a rep— if I could have gotten the lines."—No kiddin'. It's not just getting the lines - it's a lot more than that! a lot more!

Things are not the same at all but today it's more exciting than ever - many different, and more, opportunities abound - awareness is a key.

We (United Sales Associates) finished our goals for 2001 (in late Nov.) - projecting overall double digit growth, again - more customer share will beget more market share.

We see ourselves in five years doubled in size (\$) as a hybrid outsourced sales force representing number one or two in the channel, serving several different but synergistic hybrid markets by providing maximum economic value added in the industrial distribution channels. Shouldn't you too?

Think about it.

George J. Hayward