

# Interview/Evaluation Form for a Prospective Manufacturer

Date: \_\_\_\_\_

Checking the established manufacturer's desirability as a partner is, of course, far easier than performing the same task where the new manufacturer is concerned. In the former case, the agent can make his own inquiries through fellow agents, trade associations, customers, banks (have your own banker acquire the general fiscal information you need) and through published information available on the Internet.

The experienced agent has learned to be cautious when assuming representation for a new manufacturer, particularly if he does not negotiate a pioneering fee with him. Three general avenues should be explored here: (1) the manufacturer's fiscal soundness [again, your own banker can be of help]; (2) managerial interest and integrity; and (3) a careful analysis of quality and market potential of the product. Your own knowledge of the industry and the contacts you have built up within it will be invaluable in making this analysis.

The submission of a detailed questionnaire is of far less use with the new manufacturer than the established principal since there is little business history to draw on. But it can be a help in setting projections and defining sales policy and in informing this new manufacturer just what you expect from him.

The sample questionnaire below will not meet every requirement of every agent, but it will provide some of the major guidelines. You will want to "build to suit," as the developers say, in order to get specific questions answered.

## Interview Form for a Prospective Manufacturer

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ ZIP: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Person Interviewed: \_\_\_\_\_ Position: \_\_\_\_\_

E-Mail: \_\_\_\_\_ Web Site: \_\_\_\_\_

## Your Present Representative

- Do you presently have a representative in our trading area? \_\_\_\_\_
- Has your present representative been notified of your intentions? \_\_\_\_\_
- How were they notified and when? \_\_\_\_\_
- Why did you decide to change representation? \_\_\_\_\_
- Why did you choose us from others in our trading area to conduct this interview? \_\_\_\_\_
- How many others are you interviewing? \_\_\_\_\_
- Who will make the ultimate decision? \_\_\_\_\_

## Contracts

- Does your company have a contract (written) with your representatives? \_\_\_\_\_
- Have you seen MAFSI's principal-representative contract guidelines? \_\_\_\_\_
- Could you supply us with a copy of your representative contract? \_\_\_\_\_

## The Territory

- a. Is this an exclusive territory?
- b. Do you have any "house accounts" in the territory?
- c. What are the territorial boundaries under consideration?
- d. How have you covered this territory in the past?

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## Sample Policy

- a. Do you provide samples at no cost to the representative?
- b. What are your shipping policies for samples?
- c. Do you provide insurance on samples in the field?

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## Sales Support

- a. What do you have in the way of sales support to our people in the field?
- b. At our request, do you encourage factory marketing/technical people to make field visits to customers?
- c. What are your present sales in our territory?
- d. What is the territory's last five years' sales and growth rate?
- e. What are your expectations for this territory?

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## Training Programs

- a. What programs do you have for training our people?
- b. How often do you hold training sessions and where?
- c. Do you pay expenses of salespeople attending training sessions at the factory?
- d. What is your program for keeping the representative informed of new product information?
- e. What is your program for keeping the representative informed of new product information?

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## Commissions

- a. What is the commission rate on the range of products in your line? \_\_\_\_\_
- b. Warehouse allowance? \_\_\_\_\_
- c. How do you pay commissions to your representatives?  on receipt of order (or confirmation)  on shipment of order  on receipt of payment \_\_\_\_\_
- d. Do you have an incentive commission for new product introduction/pioneering? \_\_\_\_\_
- e. Do you have an incentive commission for exceeding quota? How is quota established? \_\_\_\_\_
- f. Do you have a policy of "revenue sharing" to encourage more profitable orders? \_\_\_\_\_
- g. Are you aware of the Specifier Identification System and do you have a split commission policy? \_\_\_\_\_
- h. What is your policy regarding commissions if you are required to offer a discount? \_\_\_\_\_
- i. What is your company's commission policy regarding sales to buying groups/cooperatives? \_\_\_\_\_
- j. Do you have incentive programs that include direct compensation to my salespeople? \_\_\_\_\_
- k. What control does the representative have over these? \_\_\_\_\_

## Equity Consideration

- a. Do you have a stock option plan for your representatives? \_\_\_\_\_
- b. Do you make your stock available to representatives for purchase? \_\_\_\_\_

## Representative - Principal Relations

- a. Do you have a representative advisory council? \_\_\_\_\_
- b. Do you have representatives on your new product planning committee? \_\_\_\_\_
- c. How much of your business goes through representatives? \_\_\_\_\_
- d. Do you see your company expanding its marketing concentration through representatives? \_\_\_\_\_

## Termination Procedures

- a. What are your company's policies on termination? \_\_\_\_\_
- b. Have you considered extending the termination period based on the representative's length of service? \_\_\_\_\_

## Marketing Services

- a. What marketing services do you require (quotas, forecasting, market surveys, etc.)? \_\_\_\_\_
- b. Do you provide compensation to cover these services? \_\_\_\_\_
- c. What assistance do you provide the representative to help him develop these marketing services to your specifications? \_\_\_\_\_

## Advertising / Sales Promotion

- a. Where is the bulk of your advertising emphasis placed? \_\_\_\_\_
- b. What percentage of your sales dollar do you budget for advertising? \_\_\_\_\_
- c. Do you budget for co-op advertising support for your representatives—direct mail programs, promotion, etc.? \_\_\_\_\_
- d. Do you provide literature, in quantity, at no charge? \_\_\_\_\_
- e. What kind of direct mail campaign do you conduct? \_\_\_\_\_
- f. How do you qualify sales leads? \_\_\_\_\_
- g. How do you want your representative to handle these leads? \_\_\_\_\_
- h. Do you provide financial support and products for the representative's participation in local and regional trade shows? \_\_\_\_\_
- i. What advertising/promotion do you expect your representatives to conduct locally? \_\_\_\_\_

## In General

- a. Will our contract be the same as all other representatives on your line? \_\_\_\_\_
- b. Are there any representatives on your line receiving a higher commission than the one offered to us? \_\_\_\_\_
- c. Do your insurance carriers have the power to exercise the right of subrogation? \_\_\_\_\_
- d. In your company's product liability coverage, does it offer protection to the representative as an "additional insured"? \_\_\_\_\_
- e. If a customer defaults on payment of an order your representative places against the factory for him (and is approved by your credit department), what is your policy on collection of that account (or adverse commission deduct on future orders placed on the factory)? \_\_\_\_\_
- f. What type of insurance does your company carry on consigned inventory in the representative's warehouse locations? \_\_\_\_\_
- g. What is the one weakness of your former representative in our territory that you would like to see the newly appointed representative concentrate his/her efforts on correcting and strengthening? \_\_\_\_\_

## Additional Information