



GROUND RULES FOR REGIONAL MANAGERS AND REPRESENTATIVES

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Manufacturers' Agents Association for the Foodservice Industry (MAFSI)

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MAFSI
Manufacturers' Agents Association for the Foodservice Industry

Objectives: To achieve Manufacturer's strategies, sales and marketing goals

To develop deeper and clearer understanding, it would be helpful for the Regional Manager and the Representative to separately fill out the objectives for all three categories before they meet. Following this, they can compare them, discuss them, and modify any differences. After agreeing upon the objectives, the manufacturer should also be given an opportunity to add, delete, change, and approve.

1. Regional Manager:

Typical objectives for Regional Managers might be to train the salespeople; assist in closing important orders; tackle customer and representative problems with the factory; introduce new products and programs; give technical assistance to customers; help establish goals and forecasts with the representative; motivate the representatives to achieve those goals; etc.

2. Representative:

Typical objectives for representatives might be to develop new business; expand business with customers; service the customers in such a way that they will want to do business with the principal; uncover new opportunities for the principal; inform the principal of competitive activity; hold training meetings with distributors; supervise any co-op funds that might be applicable; take full advantage of help from the Regional manager; etc.

6. "As needed" trips obviously cannot be scheduled in advance when emergencies arise:

Consideration must be given other commitments facing the RSM. When such visits are for special events, the RSM is entitled to as much advance notice as possible, to allow adequate preparation. Discussions of "other" visits should thoroughly explore the possibilities for special visits as it pertains to each particular situation.

"As needed" visits - Probable reasons:

Major customer problem _____

Major pending order - representative needs help _____

New product introductions _____

Special Customer Event _____

Special Representative Event _____

Local Trade Show _____

Other: _____

Advance notice needed by RM (weeks): _____

7. Who Pays the Check?

This is highly personal and will vary with the situation. This is the easiest rule to decide in advance and will save embarrassment later. Many customers have stated they feel uncomfortable when a representative salesperson and a regional manager take them to lunch or dinner, and the representative pays the check instead of the manufacturer. On the other hand, when the owner of a large agency and a small manufacturer are present, it would look OK for the representative to pick up the check. In either case, it should be decided in the ground rules. Most manufacturers surveyed, preferred that they pay the check with a customer present, and that the RSM and the Representative should take turns when there is no customer along.

Who pays the check when:

The customer is present? RSM _____ Representative _____ Either _____

The customer is not present? RSM _____ Representative _____ Either _____

Other, such as when the representative owner is along - the representative salesperson is along? _____

(No owner)..a special visitor - non-executive from the factory is along? _____

8. Itineraries:

In setting plans for the visit, usually the Representative outlines the itinerary and objectives for each call. This itinerary is submitted to the RSM for suggested changes and approval. Once the schedule is set, the RSM can gather the information and prepare the materials needed for the trip. Sufficient advance notice benefits the RSM as well as the Representative. Convenience for the RSM and the Representative regarding accommodations, length of visit, arrival times and pertinent details should be frankly discussed in a positive manner. Manufacturer guidelines or policies regarding hotel and travel expenses should also be reviewed.

Who selects the customers to be called on? RSM _____ Representative _____ Both _____

Who prepares the itinerary with list of objectives for each call? RSM _____ Representative _____ Both _____

How far in advance should itinerary and objectives be solidified? _____

Who should determine hotels - if needed? RSM _____ Representative _____

For how many days in the territory should regular trips be scheduled? _____

When is usually the best day and time for RSM to arrive? _____

Other _____

9. Training:

Since salespeople spend more time on products that they know well, product training is vital to successful sales efforts. Regular staff technical training sessions should be planned, as well as training of new sales personnel, the inside staff, and distributors.

When, where, and how often should representative staff training meetings be held? _____

How should RSM train inside sales people and new representative personnel? _____

How should training of Distributors be handled? _____

10. Covering other lines was presented as a problem by both Regional Managers and Representatives:

It varies from line to line and from territory to territory. An open discussion of this will help both sides clarify their needs. Fill in the "Other" portion as it specifically applies to special needs.

In the company of the RSM, when may the Representative discuss other lines? _____

When the customer brings it up: _____

When there is a problem to be solved: _____

When a new product of another line is to be presented: _____

When the Representative had promised to bring samples, quotes, literature, specs, etc. to the customer: _____

When the customer is in a remote area geographically: _____

Other: _____

11. Calls Without The Representative:

There are times when a Regional Manager might have to make a call on a customer without the Representative being present. This might occur in an emergency when the representative is unavailable. How and when should the representative be given a report of the call?

Under what circumstances should the RSM make customer calls without the representative?

How should the Representative be notified?

How and when should the Representative be given a report?

12. After the Visit:

When a visit is completed, do you want a summary of the highlights? Who prepares it? Should there be a list of action items? How will both the RM and the Representative report the progress of items they were to handle?

Calls without the Representative:

Should there be a re-cap of the results of the trip? Yes No

If yes, who prepares them? RSM Representative Both

How will follow-through by both the Representative and RSM be ensured?

Communications

13. Regular Regional Manager Correspondence:

The universal problem in all relationships seems to be communications. Much of the problem occurs when neither party is clear about what the other expects and why they need it. There is certain information that the Regional Manager needs and expects from the Representative: progress on certain assignments; status of key programs and customers; major problems; competitor's activities, etc. This information might be expected monthly, or quarterly. Now is the time to frankly discuss what is necessary and when it should be submitted. The use of time-saving forms should be formulated, to keep selling time at a maximum and paperwork at a minimum. How will these reports be responded to formally?

What information does the RSM want from the Representative on a regular basis?

14. Regular Representative Correspondence:

The Representative might require information on a regular basis, and this should be discussed in the same way as information requested by the RSM. This might be regular reports of new applications, new products, new policies, successes in new fields in other territories.

What information does the Representative want from the RSM on a regular basis?

15. Response Time:

Timely response was constantly brought up by all sides. The establishment of general rules regarding problems, quotes, specifications, etc. would be in order. Response of phone by phone, FAX by FAX, etc. could be negotiated.

How quickly do each want response from the other on:

Urgent matters? _____

Routine matters? _____

16. Alternate Contact:

When the Regional Sales Manager is on the road, or is not readily available, it should be made clear who would be the best people to contact, depending on the nature of the information, or specific action to be taken.

When the RSM is not readily available, who should the Representative contact?

Goals and Forecasts

17. Who prepares Territory Forecasts?..the Representative? the Regional Sales Manager?

Is it then presented for discussion and approval? When should it be done? How much time should be allotted for analysis, changes, and approval? What should happen if the two cannot agree?

Who prepares territory forecasts? RSM _____ Representative _____ Both _____

How is mutual agreement accomplished? _____

18. How often will the forecasts be reviewed?

What is the mechanism for making changes up or down depending upon unforeseen events with the manufacturer, or in the territory?

How often will progress on goals and forecasts be reviewed together?

19. Evaluation Reviews:

This came as a surprise. While evaluations of Representatives by Regional Sales Managers is not uncommon, several manufacturers requested that the Representatives also be asked to evaluate the Regional Sales Managers. At two workshops, manufacturers requested that this be considered.

Will there be Evaluation Reviews of Representatives by RSM? Yes _____ No _____

If yes, how often? _____

Will there be Evaluation Reviews of RSM's by the Representative? Yes _____ No _____

If yes, how often? _____

Rights

20. Un-negotiable Rights:

These are the rights which people give to themselves which they expect others to honor. They were cited over and over by all of the participants in the survey. Obviously people will not tolerate a business relationship where there is a lack of integrity, courtesy, respect, honesty, etc. Yet, the amazing fact was that both the Regional Managers and the Representatives accused each other of breaches of those rights! Certainly, the goal is teamwork, mutual support, and professionalism.

It is in everyone's interest that the Regional Manager and the Representative be advocates for each other and not adversaries!

An open, candid discussion about these rights and how they are achieved and breached will do wonders to establish a healthy team.

What both the RSM and the Representative are entitled to:

- | | | |
|-----------------------|---------------------|---------------------------|
| ✓ Courtesy | ✓ Confidentiality | ✓ Respect |
| ✓ Integrity | ✓ Value of Time | ✓ Professionalism |
| ✓ Support | ✓ Honesty | ✓ Fulfillment of Teamwork |
| ✓ Commitments Loyalty | ✓ Frankness | ✓ Fair Share of Time |
| ✓ Positive Attitude | ✓ Good Relationship | |

21. Negotiable Rights:

These are rights which have shades of gray and are not black and white. Most of the rights have almost identical counterparts, and should be negotiated. There is no right and wrong. The best solutions will vary with differences in territories, products, and other factors, including personalities. Negotiations will vary between Regional Managers and the various Representatives they cover. They will vary between a Representative and his several Regional Managers.

For example, many Regional Managers insisted on the right to full attention while in the territory. This is in conflict with the many Representatives who wanted the right to talk about other lines when calling on customers with Regional Managers. This negotiation would possibly entail adequacy of advance notices, emergencies, problems, and frequency of visits.

Thoroughness and promptness of reports can be the subject of negotiation. The amount and importance of paperwork should be explored.

What the RSM expects from the Representative:

Full attention in the territory
Full availability of Representative people
Approve choice of distributors
Accessibility of Representative staff
Promptly fulfill commitments
Informed of competitive activity
Respect for role as manager
Sell entire line - no "cherry picking"

Thoroughness and promptness on reports
Prompt follow-through of leads
To be contacted before factory
Follow factory policies
Uncover opportunities for new sales
Informed about changes - no surprises
Resolution of problems before call

What the Representative expects from the RSM:

Respect for time for other lines
Technical training and assistance for staff
Choice of distributors
Accessibility of RSM
Fulfillment of commitments
Informed of competitive advantages and answers
Treatment as contractor - not as employees

No unnecessary paperwork
Pre-qualified leads
Direct factory contact
Factory policies clearly defined
Informed of new applications and markets
Allowed to manage own co. without interference
Prompt assistance on problem call

22. "Other" refers to Rights not covered:

Fill them in and discuss them frankly. Be sure to use extra sheets of paper to cover any area more completely, or for any areas of the relationships you would like to add to the Relationship

Other: (Use extra sheets if desirable) _____

23. Sign-off:

This is optional. After agreement on the Ground Rules, you might want to sign-off, make three photocopies, each keeping one and sending the third copy to the manufacturer for comments and approval.

For the Regional Manager, when appointing a new Representative, such a document can get the relationship off to a flying start. For the Representative with a new Regional Manager, it can save many misunderstandings and problems.

Established on _____ (date) by:

RSM _____ Representative _____ Mfgr. _____