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# Rep Councils Show Manufacturers' Commitment

**“A properly established and run rep council is a critically important piece of the relationship between a manufacturers’ representative and a principal.”**



*Bob Gerrard*

**W**ith those words of introduction, you know in a hurry where Bob Gerrard comes from in a discussion of rep councils.

Gerrard, of Gerrard & Associates, Inc., Mooresville, North Carolina, knows from whence he speaks, since he’s been an instigator, advocate and participant in the operation of three rep councils in his career. Gerrard & Associates, established in 1972 and a MANA member since 1989, sells dry bulk material handling equipment. The agency has five employees and represents the lines of 13 manufacturers. Its territory covers North and South Carolina.

“I was involved in starting up all of them,” explains Gerrard, “and basically they were initiated for one of two reasons. The first manufacturer was simply in serious trouble. They weren’t ship-

ping, performing or delivering products on time. The other two companies I’m experienced with realized that it was just a good idea to have a rep council.”

Considering first things first, Gerrard related his experience with the manufacturer who wasn’t performing. “The first rep council was one that was started by the reps, not the manufacturer. We had reached a point where something had to be done — it was a case of self-survival. The manufacturer in question was one that was very important to all of us, but so many problems had developed that I felt the reps had to get together to discuss mutual problems. All of the reps I contacted for the council shared my concerns and realized something had to be done. Once we got the reps in line, I called the manufacturer and let him know what we were doing. He was invited to par-

ticipate in the council meeting. Actually what I told him was that there were the beginnings of a revolt going on among his reps, he could meet with us or not, but we were going to meet anyway.”

Gerrard continued that the manufacturer (the vice president of sales) agreed to meet with the reps, “but he was more politically correct than anything else. His message was to go ahead, have the meeting as if I’m not there. That’s a typical reaction from someone who views the rep council as a threat. As the meeting moved on, however, it wasn’t long before he realized we were not a threat. We just wanted to make a bad situation good.”

Gerrard continued that the manufacturing executive was impressed with the interaction among the reps and the fact that the issues tackled were not petty, rather they were substantive.

“Actually it was an education for him. He saw that we were true professionals and could contribute. There were also no real surprises for him and his company, he knew the company was in trouble.”

The end result in this case was that the manufacturer kept the rep council running successfully for a little over a year and made efforts to communicate with their network of reps. Eventually, however, they fired all their reps and went with a direct sales force.

In the two other instances where Gerrard was involved in the establishment of rep councils, he explains that both evolved from each manufacturer’s genuine desire to foster better communications with their network of reps.

From his experience with manufacturers and their rep councils, Gerrard maintains you can tell a lot about how a manufacturer perceives his reps. “Many will just give lip service to better relations with reps, but a company that is serious about creating partnerships with their reps will embrace the concept of a rep council.”

On some of the logistical issues that surround the operation of a rep council, Gerrard has some firm ideas on what should be done:

- “When it comes to payment of expenses, I believe the manufacturer should pay all related expenses for a rep council. Remember the rep council is not a sales meeting, rather it’s an opportunity for both sides (manufacturer and rep) to gain through communication. It’s important for

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the manufacturer to pay expenses because the rep is making a significant investment of his time, since he is being pulled out of the field and away from his customers. What this gets back to is, What is the manufacturer’s perception of how valuable the rep’s time is, or is he simply taking the rep off the golf course?”

- In Gerrard’s opinion, the rep council meetings must be conducted at or near the company site. “While they shouldn’t be held at the factory, factory personnel should be available to the meeting participants.”

- How often rep council meetings are conducted is dependent upon how big the agenda is and how active the council has been between regularly scheduled meetings. Gerrard emphasizes that councils should be active between meetings, gathering comments and suggestions from participants. He also maintains that an annual rep council meeting was generally sufficient and it works especially well if it can be scheduled around an industry trade show that participants would normally be attending.

- When it comes to the agenda, he maintains that it should be set by both the manufacturer and the

rep members, but “at the same time, it’s important to remember that it’s normally the manufacturer who starts the council, so he should have major input into the agenda.” When it comes to the agenda, Gerrard cautions that not having a serious and well-thought-out agenda can be a serious error. “I’ve developed that opinion by way of observation. I am stunned by the number of manufacturers who don’t understand their own marketplace — and that’s reflected in their lack of knowledge when it comes to putting an agenda together.” He adds that an agenda should develop naturally as the manufacturer and his reps realize that they have something important to talk about.

- Once a council meeting is conducted, it’s up to the manufacturer to take care of notes, the dissemination of the minutes and any follow-up required from the meeting.

- What should a busy rep’s reaction be if he is asked to serve on a rep council? According to Gerrard, “As long as a serious and significant agenda is presented, he should be complimented and make every effort to participate. If his first reaction is ‘I’m too busy in the field for this,’ then he’s in the wrong business.” □