

## MARKETING FOR JOB SHOPS: CONSULTANTS AND ASSOCIATIONS

### SUMMARY

You probably already use outside help for legal and accounting services, medical examinations, psychological evaluations, and investment management. You can find consultants in almost any field, and they frequently can save you a good deal of time and money. For example, if you have developed a product, it would make sense to hire a marketing consulting firm to evaluate markets and help develop a business plan for that product.

Such firms are highly specialized and are generally located in the major cities. They will usually tell you if they are the proper group for your task and will provide a list of clients for whom they have performed similar tasks. As in any other business, there are some fast talkin' dudes who call themselves "marketing consultants" so be sure to check them out.

There are, according to *FORBES* magazine, 60,000 full-time consultants working in the U.S. today. Some of the larger firms take in hundreds of millions of dollars per year. Unfortunately, many small business managers find that they must spend as much time doing work with the consultant as they would have spent doing the job themselves. So, select your projects carefully, and make sure you know what you want and that you thoroughly inform the consultant too.

### SOMETIMES THERE'S A BETTER WAY

Trade associations can frequently offer information and services that help you do a job efficiently yourself instead of paying to have it done by a consultant.

It is quite astonishing how your competitors will share information with you if you will just ask the questions. In the job shop business, most managers want to help other managers succeed. Each shop controls such a minuscule share of the total market that they feel comfortable helping you grow because they know there is still a gigantic portion available.

### ASSOCIATION SERVICES

Trade associations can be helpful. For example, in the job shop business, the National Tooling & Machining Association offers many marketing, economic forecasting, safety, product liability, training and other management services for member companies. The Society of Manufacturing Engineers, SME, has local chapters everywhere, and many regional and national events. They also provide books, seminars, and courses for study in metalworking fields.

There is another SME, the Sales & Marketing Executives Club, that holds local monthly meetings where you can rub elbows with sales managers, and marketing managers from many of the major industries in your area. They usually have

a useful speaker at meetings, and they are always willing to answer your questions, as individuals interested in helping fellow managers.

The American Management Association, AMA, provides seminars, books, tapes, and other educational experiences for practically any management problem you can imagine. By selecting an appropriate seminar and then talking freely with other attendees about your specific situation, you can often get practical answers to your problems from people who have had a similar experience.

I am frequently surprised when people tell me that they "get nothing out of a trade association." I think many of us are just plain afraid to ask questions and use the specialists in the association. We think we'll look dumb if we ask a question. That's a mistake.

### REAL MARKETING HELP

One group of consultants who work very hard for you are manufacturer's representatives. They don't earn a nickel until they actually make money for you. It's hard for a job shop to finance a good, nationwide, direct sales force of sales people working exclusively for one shop. In fact, I think it is impossible to do so. One answer is to use "reps." If you are careful in your selection process, diligent in your training and monitoring of activity, regular in your communications, and

fair in your pay policies, you can have excellent representation just about anywhere you want it. Reps are your local sales force, on a part-time basis. But they are always in the territory where you want them, and will respond well if you treat them accordingly.

There are consultants that specialize in finding reps for you, but I haven't found them very helpful in our job shop business. One organization, Manufacturer's Agents National Association, or MANA, does provide a useful directory of reps showing geographical areas covered and types of products handled. Also, Sales & Marketing Management magazine publishes a newsletter, called "Selling Through Reps," with information for manufacturers who employ reps.

Be careful selecting your reps, because once you have hired them they are usually yours for sometime. Besides, you will invest a good deal of time and money in training, so hire them just as carefully as you would direct employees. Look for reps who have the educational requirements to understand your business and your services. Make sure they are already well established as manufacturer's representatives in their territories. Be sure they cover an appropriate amount of geography.

I think it is well to select rep firms that already represent similar services. Get each rep to make a visit to your shop before you hire them; that way they already have an investment in you before they start selling for you, and they'll work to recover that investment quickly. Also, while in your shop, you can evaluate their real knowledge of machine tools, tooling, and machining practices.

If they are established in their territory and already represent other lines that seem to mesh well with your own, they are probably already calling on many of the prospects you want them to cover for you. Ask them who the prospects are, and let them know that you will check them out with a few. A good rep will cooperate with you in such a reference check.

## WRITE A CONTRACT

Even if you only want one rep to start with, write a contract that defines the territory, states a commission rate, defines when the commissions will be paid, outlines both the rep's and your own specific responsibilities, provides a method for contract cancellation, and so on. A copy of a typical contract can be obtained from MANA, or just write to me and I'll send

you a copy of the one we use. You can reach me at Remmele Engineering, Inc., 1211 Pierce Butler Route, St. Paul, MN 55104-1494.

Although the reps you hire will already know a lot about your business, you must plan to train them on a continuing basis. Making sales calls with them is an excellent training method, but remember that you will see each of them only a few times during the year. They need the kind of sales tools that will make it easy for them to sell for you: photos, videotapes, brochures, sample parts, and so on.

Remember too that you are competing for their time with the other manufacturers they represent. You will get them to work harder for you if you are fair in your compensation plan, prompt in payment of commission's due, and a good sales manager. Being a good sales manager means that you provide weekly correspondence, well qualified sales leads, stimulating leadership, and quick response to inquiries and requests for quotations. It also helps if there is respect and genuine liking for one another.

## MARKET DATA

Once your reps are fully trained, earning money, and on your team, you can start using them for input to your marketing program. It does no good to ask them for marketing information in a general way. You must ask specific questions, and these must be questions they can answer without a whole lot of research. If you have selected good reps, they will know their territory and will be able to provide guidance for your advertising and sales plans.

One good way to get information from reps is to have a session at an annual sales meeting, after you have trained them and informed them as much as you can, in which they give feedback to you about your sales program. It is surprising how knowledgeable these people are, but it is difficult to get the knowledge out of them in written form. Most reps are willing to talk, though, so using feedback is a useful method of securing data.

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