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An exclusive publication for members

by Bob Lindgren & Joe Polanco

KPI – Sales Representatives

Key Performance Indicators (KPI) has become a popular term used by many businesses the past few years. KPIs are really not new. We used to call them ratios; standards; benchmarking. Regardless, a good business can't run without measuring performance. So, how do we measure a sales rep's performance?

The obvious answer is sales . . . but the right kind of sales.

For a new sales rep, it may be measuring the calls they're making since most sales experts feel that it's a numbers game. More calls. More sales. Yet, they must be the right kind of sales; thus, just measuring activity is not enough. Research is a critical part of new business acquisition. What's the potential client's volume; what type of print and ancillary products do they purchase; does that work fit our model; who are the key buyers/decision makers? If you just measure call frequency, you need to expand your metrics.

How about the established rep? They're producing, but what's the sales growth of those accounts? What type of mix is the work? The contribution levels of that work? Without constant measuring of those basic metrics, complacency can set in – for both the rep and company. Also, do you have a KPI for new calls/accounts for these types of reps? The average account lasts approximately six years with a firm.

These are just a few metrics used by progressive firms. How do you expand on this list? Talk to your "friendly" competitors and especially firms in other industries. Don't forget to talk to your Association. The staff may know of other firms within the Association, or affiliated organizations, who are searching to find a firm to explore new ideas.

Buy It Out First

It's not uncommon to think we could open new markets if we only had a new machine to do the work. Before you sign the purchase contract, be sure you're not blowing smoke at yourself.

If you believe there is a market for the machine's output, prove it by buying the work on the outside and reselling it. Even if you lose money, you're proving that there is a demand and learning how to satisfy it. Then you are able to make a capital investment and have a better grasp on what is really needed to satisfy it.

PIA
Printing Industries Alliance

They Stole Our Customers!

As we strive to meet the needs of our customers, the instances where part, or all of the work, is farmed out are increasing. Whenever this happens, we have a reasonable expectation that the firm we subcontract to will not use the situation to sell directly to our client. If it does happen, we're not happy campers.

Before we take any action, it's useful to consider: they may have already had a relationship with our client; the client may have reached out to them; or, the client may be on a prospect list that the subcontractor is working on, etc.

It's also useful to remember that any action taken may give the end user the impression that we're trying to tell them where they can buy printing--that's winning the battle, but losing the war.

Terms & Conditions – Still Work

As we covered in the prior article, we live in a very dynamic business environment, but there are ways to mitigate some of these issues. When your firm decides to subcontract work, do you have a contract or agreement stipulating your terms and conditions of sale? When are they going to get paid; your expectations as to delivery and quality; how does work get remedied if errors occur; and of course, stipulations regarding protecting your customers. Without an agreement in writing, not only are potential issues left to the winds of chance, but they're also open for interpretation and disagreements which can ruin positive relationships. Do you have to have a formal contract? Not necessarily, a written letter (or email) outlining the relationship can be an effective tool. Yet, if the relationship entails significant investment and/or a long-term arrangement, a written contract/agreement drafted by an attorney can be a good investment.

Be Their Second Opinion

Your customers buy printing from you because it helps them build sales and therefore profits. Because it's custom and usually needed yesterday, they depend on your ability to get them what they need when they need it. That's the basis of the relationship—you need each other.

When that moment comes when a competitor is at their doorstep, your client should understand that your only interest is the success of their business. They should feel comfortable with sharing the competitive proposal with you, confident that you will point the critical issues and work with them for the best possible solution, whether it's your firm or another. That positioning will give you the opportunity to retain the relationship by seeing off the competition or restructuring the deal.

quoins2pixels is written by Bob Lindgren and Joe Polanco. Bob and Joe have spent decades in the printing industry, and throughout their careers, they have counseled hundreds of company owners on a variety of management topics. As a value-added service of The Printing Industries Alliance, they are available to expand on these articles, or aid with projects. Bob can be reached at (818) 219-3855 and Joe at jspolanco49@gmail.com.