

Carl Davidson is director of Sales and Management Solutions, Inc., a consulting firm specializing in sales and management video training, recruiting and live seminars exclusively for the water equipment industry. A free demonstration video and list of products and topics is available at 800.941.0068. Send comments on this article to him at reactions@carldavidson.com; www.carldavidson.com.



This article is the first of a three-part series that will look at the performance of manufacturers and suppliers, dealership owners and salespeople to see if they all are pulling their weight and adding to the success of the industry. Use this to evaluate your situation and see if there are things that can be done to increase your sales and profitability. The first article in the series allows you to rate your manufacturer or supplier.

By Carl Davidson

A water equipment industry report card

Award 10 points for each area below in which you feel your manufacturer does a good job, and see how they stack up. Remember that the better your supplier is in these areas, the more it will expect from its dealers.

1 Building & Signage Designs

In many industries, manufacturers have building designs ready to go for their dealers, and some even have building design and finance programs. Having a building designed for water equipment sales and rentals—and for sales of bottled water and salt—is becoming more important for profitability and in recruiting good staff. Having a building also allows dealers to accumulate real-estate assets and to enjoy rises in real-estate values.

actually take new recruits out to prospect, demo and close a sale. They assisted the dealer with recruiting and marketing, and they knew the territory and competition. These reps were coaches who helped the dealer devise and achieve a business plan that matched the territory.

The representatives were top salespeople and had actual dealership experience. If you are paying good money for a name brand, you deserve this kind of support. Score 10 points if you have this support and zero if you do not.

3 Sales Training

Before you invest your time and effort in a manufacturer's sales training, take a look at who designed it and

designed by someone who has actual dealership experience. Beware if you are shown a new program every month because constantly switching from direct mail to a phone room to a ballot program will only burn up money.

All advertising and marketing works best when you stick with a plan for 90 to 120 days and then evaluate its effectiveness. Beware of programs that were designed by corporate ad agencies, and ask for proof that any new program is working before you participate. If your manufacturer has helped you within the last 30 days with marketing programs that successfully generated sales, score 10. If not, score zero.

5 Vehicle Graphics & Corporate Clothing

Your supplier has the skills and staff to design corporate clothing and vehicle wraps. Image is very important to today's customer. If your manufacturer has these types of programs, be sure to use them. This is an area where your manufacturer can improve your image and make you part of a national or regional team for selling and recruiting.

If your manufacturer or supplier has this type of support, score 10 points. If not, score zero.

6 Financial Training & Support

The water equipment industry seems to have less financial training and support than most. Your manufacturer should be assisting with the support you need in order to succeed. All dealers need to produce—in conjunction with their manufacturer's representative—a five-year business plan and yearly budget. Your representative should then review your results with you at least quarterly to help you achieve your goals.

Many suppliers and manufacturers have service people at the factory you can call with service issues, but do they have financial support staff you can call when you need help to raise prices, design a pay program or decide how much to spend on advertising? If they do, score 10 points. If not, score zero.

7 20 Groups

Most big-ticket sales and service

Rate Your Manufacturer



Standardized buildings also build brand recognition. Your supplier should have a series of building sizes and choices available for dealers along with a program to make them easy to acquire and finance.

Score 10 points if your manufacturer has these programs and zero if it does not.

2 Account Representatives that Contribute

In the heyday of our industry, manufacturers sent representatives to visit dealers on a regular basis. During these visits, the reps would

who delivers it. Manufacturers are great at manufacturing, but sales training should be done by someone who has knocked on doors, prospected, done demos and overcome price objections.

If your manufacturer's training is written and delivered by someone who could go out tonight, do a demo and get a sale, score 10 points; if not, score zero.

4 Marketing & Lead Generation

Is your manufacturer or supplier helping you with effective lead-generation programs that actually work? Be sure these programs are

industries have 20 Groups, and as far as I know, these groups do not exist in our industry. 20 Groups are groups of about 20 dealers spread out geographically so they are not afraid to reveal financial data, ideas and techniques. Every month, each member sends their financial results to a

company that makes sure they use similar accounts, puts them on a spreadsheet and e-mails these reports to all members. This gives each dealer the opportunity to see how 19 other dealers are doing compared to them, and gives them the opportunity to call other dealers and ask how they

do things and what works for them.

I have learned a huge amount of what I know about business from 20 Groups and believe every manufacturer or supplier should provide this service to their dealers.

If your manufacturer has this service, score 10 points. If not, score zero.

8 High Standards for Dealers

Find out how high your manufacturer or supplier's standards for dealers are. Will they assign a huge territory for just a small order of products? Will they set up dealers with insufficient capital, no financial statements or a history that is less than successful? The lowest standard manufacturers accept is an indication of how they do business. Give them 10 points if you feel their standards are high enough to pull you up, not drag you down. If not, score zero.

9 Finance, Rental & Recruiting Plans

Your manufacturer should keep you ahead of your competitors with innovative ways for you to finance your retail customers and your inventory in stock. It should also have assistance for you in renting equipment because rentals are the key to long-term profitability and equity. Finally, the manufacturer should have recruiting assistance and support, because having great service people, accounting staff, salespeople and managers is a necessity to your success.

If your manufacturer successfully supports your rental and recruiting plans, score 10 points. If not, score zero.

10 Do Your Goals Match?

Look at how close your goals match with your supplier's. Your manufacturer may feel that moving units is important to its profitability and that you making a profit is entirely up to you. Perhaps you agree or perhaps you feel you should both prosper by building a solid business where you both succeed.

Ask yourself what is important to you—is it training, financial support, warranty and customer service?

Make a list of what is important to you and score 10 points if your manufacturer matches your goals with effective action.

Conclusion

This report card will help you quantify how good a job your manufacturer or supplier is doing for you. In my next article, I will have a similar test for the owner or manager of a water equipment dealership. *wqp*

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