



# NEMRA<sup>®</sup>

## 9 Advantages of Using a NEMRA Sales Representative

### ⇒ Predictable sales costs:

The Manufacturer and Representative agree, in advance, on a set commission. Knowing up front that your cost of sales is a fixed percentage of the unit price eliminates many planning and pricing headaches.

### ⇒ Lower sales costs:

It is estimated that the fully burdened cost of supporting an industrial sales territory with a factory-direct salesperson is \$150,000 to \$200,000 per year. Manufacturers sometimes find that high-value territories require more than a single one factory-direct salesperson to provide adequate coverage, which can more than double that cost. Under this model, producing \$2,000,000 in new sales each year, the cost of sales would be 7.5% to 10.0%. A NEMRA representative, producing the same volume, at a 6% commission rate, for example purposes, would cost only \$120,000.

NEMRA Representatives also eliminate, or reduce, the “soft costs” of personnel (i.e., customer service) as each outside sales professional is backed up by an inside support person.

### ⇒ Reduces administrative overhead:

With a NEMRA Representative, the constantly escalating costs of administrating sales payroll and furnishing various administrative services for sales employees is reduced significantly, even eliminated in some cases.

### ⇒ Eliminates cost of training and turnover in sales personnel:

Whenever you hire a new sales employee, you start paying them immediately, but they don't start paying off for you until much later, if at all. There is no way to recover the sales that are missed during all these transitions. But you can avoid losing them in the first place by using a trained and established NEMRA Representative.

### ⇒ Provides immediate access to the market:

With a NEMRA Representative agency, manufacturers have an experienced sales team in the territory immediately. The agency people are very familiar with the area and have a number of good prospects whom they feel would be ready to consider your product.

### ⇒ Provides a highly experienced, more aggressive sales force:

A NEMRA Representative agency is highly educated and trained. Many were a sales manager or a senior salesperson before going on his/her own to establish or work for an agency. Since there is no base salary to rely on, they must sell to survive

### ⇒ Provides sales forecasting equal or superior to a direct sales force:

Sales forecasting is as good or better with a NEMRA representative since they know their market(s) better than anyone. Also, since the agency is only paid a percentage of the sales they generate, those forecasted numbers are very important to them. In fact, many of today's agencies use sales analysis and forecasting methods which are often more sophisticated than those of the manufacturers they represent.

### ⇒ Provides a broader sales context for your product:

Because a NEMRA Representative sells several related but non-competing product lines, they are in a position to expose you to a wider variety of prospects and customers. By doing this they often find applications for your products which would be missed by the single-line, direct salesperson. Customers welcome these consultative sellers.

### ⇒ Increase sales:

Manufacturers who support their sales territories with NEMRA Representatives often report achieving deeper market penetration than they could achieve with factory-direct salespeople. Every call a NEMRA Representative makes is a relationship call for your company. Even when the agent doesn't present your product, they are cementing the customer relationship which will benefit your company in the future.