

MAKE YOUR VENDORS AND SUBCONTRACTORS WORK FOR YOU

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Vendors and subcontractors are your face to your customers.

As you provide solutions for your client, your vendors and subcontractors should provide solutions for you, not problems. If they provide you with problems, you will lose your clients and customers. The following list contains factors to measure the "job merit" of sub-contractors. It is a handy reality check for dealing with the people who work for you.

- Understanding of the "whole picture"
- Knowledge of job
- Keeping up with the state of the art
- Quality of work
- Quantity of work
- Ability to work with others
- Cost effectiveness
- Dependability
- Initiative

Any deviation from providing solutions for you has to be considered a problem for you, and perhaps will be demerit held

against you by your client. I learned this the hard way. Years ago I owned small technical communications firm. I lost a major long-term client, and learned of the problem when the contract was not renewed. I asked the client why, and the reply shocked me. We went through the list of factors, and everything was great, except my subcontractor was always late. I lost the client from one job-demerit -- dependability. However, this was not the subcontractor's fault; it was mine, because I did not use the factors list for a reality check with the client and the subcontractor, learn of the problem, and fix it.

GIVE YOUR SALES REPS THE BEST TOOLS

Many small companies are tapping into or dove-tailing with existing sales channels with limited results. Assuming that the company is linked to the correct sales channel, the problem may be getting the

sales rep's attention. If a salesperson represents twenty products, he or she can present only a limited number of them. The decision of which products are routinely presented to customers is based on several factors: what the customer wants, needs, and expects, as well as how much money the sales rep can make from a product.

If there is a time-consuming learning curve for a customer, the sales rep may instead offer products that are obvious to the client. Make your product as user-accessible as possible.

If sales materials are below the standard of other products, the sales rep may not present them for fear that the sub-par sales materials would reflect badly on him or her. Hire a company that creates sales materials, and pay for high quality printing and production.

PAY TO PLAY

Most importantly, if the sales rep has to choose between a product that will earn them \$1 versus a product that will earn them \$10, the \$10 product will win out. Pay your sales reps more based on how much they sell. Get them to sign up to sell more for a higher rate of return, perhaps 9% of the gross sale price for selling \$500,000 of product instead of 5% for

selling \$25,000. Rates will depend on industry standards. This is counter to old-fashioned practices, but don't be shy about sharing the wealth with the person who brings in the cash.

Vendors and subcontracts can work for you if you give them the product, the tools, and the reward. When you have done all these things, if a vendor or subcontractor is a giving you demerits with your customers, fire them.

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