



By Harry J. Abramson

Perfect "How Come Quickies?" in the Eyes of a Rep

Over my many years in the electronics business, I have received numerous (and humorous) questions about how our industry works. For some I had perfectly logical answers, but I am still grappling for others. The following is a compilation of questions from industry colleagues and friends. Hopefully, you will find them thought provoking and fun. In, a future column, I will deal with the answers.

- How come many industry people are still not clear about the difference between reps and distributors?

- How come U.S. manufacturers take an adversarial approach when working with suppliers, while Asian companies approach their relationships as partners?

- How come distributors want to call all suppliers and reps "partner"? Isn't it a throw back to cowboy lingo? The word meant nothing then and, many believe it means little now.

- How come outsourcing and offshoring is not called "labor rate racketeering" (compliments of Lou Dobbs)?

- How come some suppliers still insist on selling "stock packages," when they invariably take back most of the material a year later? When will they learn?

- How come distributors sell CEMs at single digit margins and reserve the higher margins for the CEM's OEM customer, who buys the same products on a direct basis?

- How come passive component sales are looked upon as less glamorous, when profit margins are typically higher than that of semiconductors?

- How come so many principals increase "busy work" by asking for more reports from their reps, yet wonder why

Harry J. Abramson is President of Electronic Salesmasters Inc., Beachwood, OH. He can be contacted by e-mail at habramson@salesmasters.com

they can't find time to call on more emerging accounts?

- How come everyone worries about the GP dollars for the distributor, when often the manufacturer and rep make a whole lot less on a "skinny deal"?

- How come vendor reduction is so popular, when most transaction costs are miniscule by virtue of computers and the Internet?

- How come manufacturers rarely admit they made a mistake by terminating their best rep to go "factory direct" to save money?

- How come suppliers are compromising the value of their once precious franchises by issuing "site franchises" to the big global distributors.

- How come some semi companies have no problem paying credit card companies a 2% or 3% fee, but ask their reps to provide a mother lode of services for the same paltry commission rate.

- How come the industry suppliers have not developed an standard distributor policy that can make everyone happy?

- How come so many distributors have golf outings? Is it possible that they are money-making ventures? Should they be?

- How come condensers are now called capacitors and aerials are now called antennas, but resistors are still resistors?

- How come many distributors have the same value-added services, but use different names and acronyms?

- How come there are still successful catalog houses in an era of E-Commerce (Internet)? Who said that their days were numbered?

- How come Future Electronics' attempt to enter into the rep business as Future Global failed? Was it ill conceived?

- How come most distributor coordinators are women, and has the job diminished in importance?

- How come there are still some distributor salespeople, who state they own their accounts, but rep and factory personnel do not?

- How come so many distributor salespeople do not know the difference between Ohm's Law and Murphy's Law? Does it matter?

- How come many suppliers still believe that distributors are more loyal to their product line than their bottom line?

- How come many industry people see reps as middlemen, but not distributors? Don't they both add value?

- How come so many manufacturers still believe there is really a dedicated disty FAE supporting their line?

If you would like to share some "How Come Quickies" in a future column, please don't hesitate to send them to my e-mail address. The same goes for sharing responses.

Thank you for continuing to read and comment on my perfection series. Special thanks to the Editor for providing the space to share my thoughts.