



EVALUATION GUIDELINES

For a Prospective Representative and a Prospective Principle

Published as a NEMRA Member Resource

Evaluation of a Prospective Representative:

Name _____ Date _____

Address _____ Zip _____

Phone _____

Person Interviewed _____ Position _____

REPRESENTATIVE COMPANY INFORMATION**1. History/Background**

- a. Are you a corporation, a partnership, or a sole proprietorship? _____
- b. How long have you been in business? _____
- c. Will you furnish a brief company history, resume or brochure? _____

2. Company Growth and Future Plans

- a. Describe your growth history _____
- b. Do you operate on a sales plan and budget? _____
- c. What are your growth plans (where do you want to be five, ten years from now)? _____

3. Territory Covered and Market Served

- a. Describe the territory you cover _____
- b. Can you supply a map (county) describing your territory? _____
- c. Will you accept deviations from this? _____
- d. What do you consider to be your primary and secondary markets? _____

4. Office Facilities

- a. How many offices do you have (resident salesmen) and what are their locations? _____
- b. Do you have electronic data processing (NEMRA computer program, etc.)? _____



5. Warehousing

- a. Do you maintain a warehouse? _____
- b. How big is it? _____
- c. How many lines do you presently warehouse? _____
- d. Do you presently stock items in a line for resale (buy-sell)? _____

6. Personnel

- a. Total number of employees (including principals) _____
- b. How many outside salespeople? _____ How many inside? _____ How many warehouse? _____
- c. Can you provide resumes on your salespeople? _____

7. Management

- a. Who is actively engaged in the management of your company? _____
- b. Can you provide resumes on their backgrounds? _____
- c. How active is the management in sales? _____

8. Current Manufacturer Lines Represented

- a. Can you furnish us with a list of your manufacturer principals? _____
- b. Do you feel their lines are compatible with ours? _____
- c. Do any of our product lines conflict with your current manufacturer lines? _____

9. NEMRA Membership

- a. Is your firm a member in good standing of NEMRA? _____
- b. Is it active in the local and national programs of NEMRA? _____
- c. What other professional organizations does your firm belong to? _____

MARKETING SERVICES**1. Sales Forecasting**

- a. Do you make sales forecasts? _____ How often? _____
- b. Are they initiated by you or by the manufacturers? _____



2. Market Surveys

- a. Do you provide market surveys for your manufacturers? _____
- b. What compensation do you think is fair for conducting these surveys? _____

3. Sales Performance

- a. How do you monitor your sales performance? _____
- b. Will you advise the manufacturer of performance, if requested? _____
- c. Do you keep your manufacturers posted with sales activity or booking reports (not "call reports" as such)? _____

SALES PROMOTION

1. Direct Mail

- a. Do you conduct direct mail programs? _____
- b. How many people are on your mailing list? _____
- c. Do you have your own company mailer? _____
- d. Are there any circumstances under which you would expect your principals to participate in the production/distribution costs of these mailings? _____

2. Local Shows

- a. Do you participate in local trade shows (all-industry sponsored)? _____
- b. Do you conduct any counter day promotions and the like? _____
- c. Do you conduct any extraordinary promotions in your trading area? _____
- d. Do you expect manufacturers to support these with equipment, personnel or financial support?

3. Catalogs

- a. Do you distribute your own catalog binder? _____
- b. What other means do you use for sales promotion? _____



VISITS BY FACTORY PERSONNEL**1. Policy**

a. What is your policy regarding visits into your territory by factory personnel? _____

COMPENSATION**1. Salespeople**

a. How do you compensate your salespeople? _____

b. Do you have incentive programs? _____ Profit sharing? _____ A pension plan? _____

c. Do you pay salespeople's expenses? _____

d. Do you have an insurance program for your employees? _____

e. What other benefits does your company provide? _____

f. Do you have any employment contracts with your employees? _____

SALES TRAINING**1. Manufacturer-sponsored Seminars**

a. Will you send your people to factory seminars/training programs? _____

b. Will you send your people to regional seminars/training programs? _____

c. What expenses do you expect the manufacturer to pay? _____

2. Representative-sponsored Seminars

a. Do you conduct your own seminars? _____

b. Do you have your own sales training seminars in-house? _____

c. Do you subscribe to any training consultant or improvement programs for your people? _____

d. Do you permit employees to further their education at company expense? _____

e. What types of training do you provide to keep abreast of new areas of technology? _____



ACCOUNT COVERAGE**1. Identification**

- a. What type of customers do you concentrate on? _____
- b. Who are your major accounts? _____
- c. How do you cover these key accounts? _____
- d. How are your salespeople assigned—by account, geographical area or lines? _____

BUSINESS PERPETUATION**1. The Next Generation**

- a. Have you determined the order of succession in your company should you be away from the business for any extended period? _____
- b. Do you have a buy/sell agreement with your management personnel and/or employees? _____

REFERENCES

- a. Do you have any objection to our contacting any of your principals/customers? _____
- Name _____ Date _____
- Address _____ Zip _____
- Phone _____
- Person Interviewed _____ Position _____

YOUR PRESENT REPRESENTATIVE

- a. Do you presently have a representative in our trading area? _____
- b. Has your present representative been notified of your intentions? _____
- c. Why did you decide to change representation? _____
- d. Why did you choose us from others in our trading area to conduct this interview? _____
- e. How many others are you interviewing? _____



CONTRACTS

- a. Does your company have a contract (written) with your representative? _____
- b. Have you seen the specimen NEMRA Contract Guidelines? _____
- c. Could you supply us with a copy of your representative's contract? _____

THE TERRITORY

- a. Is this an exclusive territory? _____
- b. Do you have any "house accounts" in the territory? _____
- c. What are the territorial boundaries under consideration? _____
- d. How have you covered this territory in the past? _____

DEMONSTRATION/SAMPLE POLICY

- a. Do you provide demonstrators or samples at no cost to the representative? _____
- b. What are your shipping policies for demonstrators or samples? _____
- c. Do you provide insurance on demonstrators or samples in the field? _____

SALES SUPPORT

- a. How do you provide sales support to our people in the field? _____
- b. Do you encourage factory marketing/technical people to make field visits to customers with your representatives? _____ How often? _____
- c. What are your present sales in our territory? _____
- d. What are the territory's last five years' sales and growth rate? _____

TRAINING PROGRAMS

- a. What programs do you have for training our people? _____
- b. Do you pay expenses of salespeople attending training sessions at the factory? _____
- c. What is your program for keeping the representative informed of new product information?

- d. Do you share expenses of field training seminars (i.e. with distributor people)? _____

COMMISSIONS

a. What is the commission rate on the range of products in your line? _____

Warehouse allowance? _____

b. How do you pay commissions to your representative?

On receipt of order (or confirmation) On shipment of order On receipt of payment

c. Do you have an incentive commission for new product introduction/pioneering? _____

d. Do you have an incentive commission exceeding quota? _____

How is quota established? _____

e. Do you have a policy of "revenue sharing" to encourage more profitable orders? _____

f. Do you have a split commission policy? _____

g. What is your policy regarding commissions if you are required to offer a discount?

h. What is your company's commission policy regarding sales to buying groups/cooperatives?

i. Do you have incentive programs that include direct compensation to my salespeople? _____

What control does the representative have over these? _____

EQUITY CONSIDERATION

a. Do you have a stock option plan for your representatives? _____

b. Do you make your stock available to representatives for purchase? _____

REPRESENTATIVES-PRINCIPAL RELATIONS

a. Do you have a representative marketing advisory council? _____

b. Do you have representatives on your new product planning committee? _____

c. How much of your business goes through representatives? _____

d. Do you see your company expanding its marketing concentration through representatives? _____



TERMINATION PROCEDURES

- a. What are your company's terms of termination? _____
- b. Have you considered extending the termination period based on the representative's length of time on the line? _____

MARKETING SERVICES

- a. What marketing services do you require (quotas, forecasting, market surveys, etc.) _____
- b. Do you provide compensation to cover these services? _____
- c. What assistance do you provide the representative to help him develop these marketing services to your specifications? _____

ADVERTISING/SALES PROMOTION

- a. Where is the bulk of your advertising emphasis placed? _____
- b. What percentage of your sales dollar do you budget for advertising? _____
- c. Do you budget for co-op advertising support for your representatives – direct mail programs, promotion, etc.? _____
- d. Do you provide literature, in quantity, at no charge? _____
- e. What kind of direct mail campaign do you conduct? _____
- f. How do you qualify sales leads? _____
- How do you want your representative to handle these leads? _____
- g. Do you provide financial support and products for the representative's participation in local and regional trade shows? _____
- h. What advertising/promotion do you expect your representatives to conduct locally?
- _____

IN GENERAL

- a. Will our contract be the same as all other representatives on your line? _____
- b. Are there any representatives on your line received a higher commission than the one offered to us?

- c. Do your insurance carriers have the power to exercise the right of subrogation? _____
- d. In your company’s product liability coverage, does it offer protection to the representative as an “additional insured”? _____
- e. If a customer defaults on payment of an order your representative places against the factory for him or her (and is approved by your credit department), what is your policy on collection of that account (or adverse commission deduct on future orders placed on the factory)? _____

- f. What type of insurance does your company carry on consigned inventory in the representative’s warehouse locations? _____
- g. What is the one weakness of your former representative in our territory that you would like to see the newly-appointed representative concentrate on correcting and strengthening? _____

