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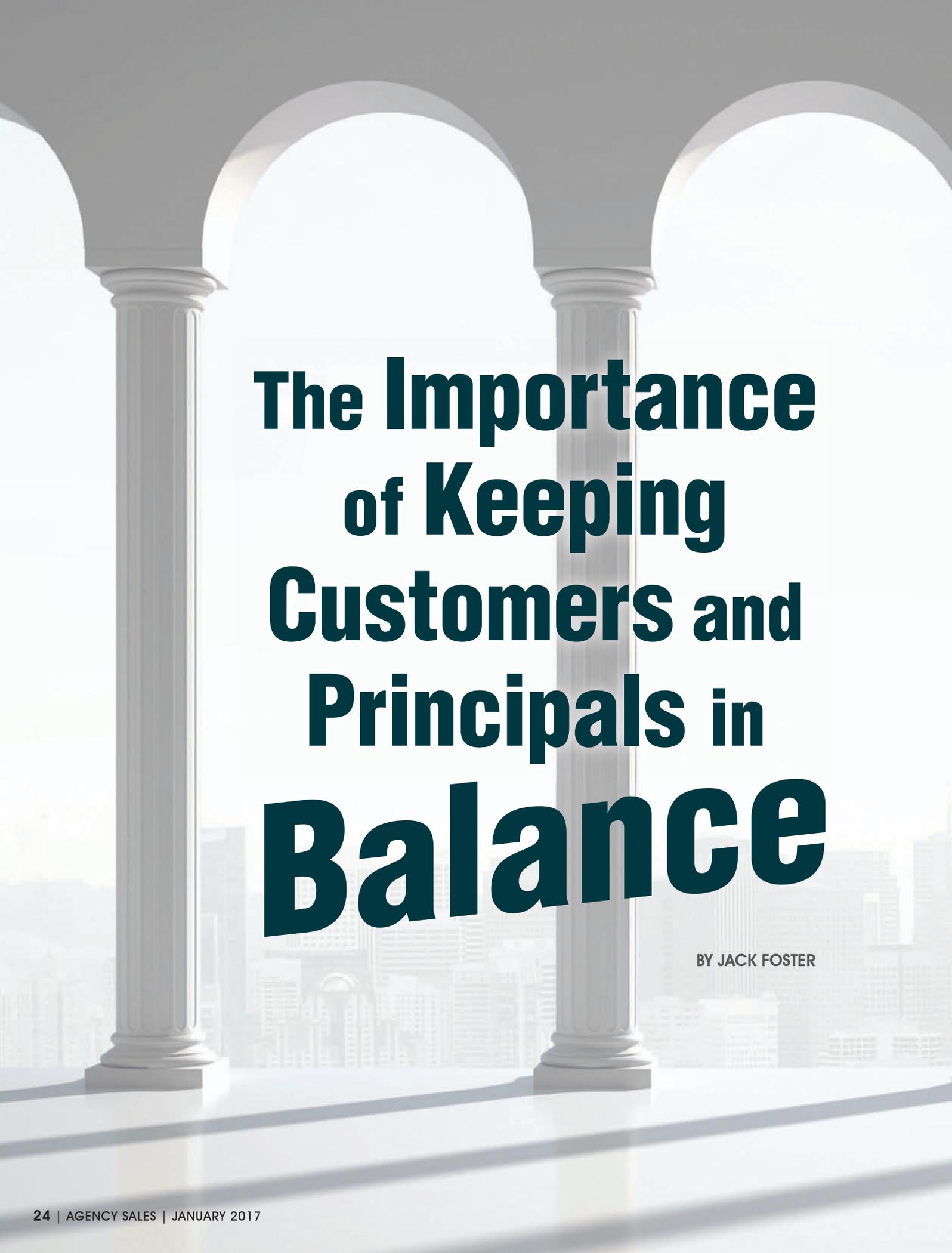
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# **The Importance of Keeping Customers and Principals in Balance**

BY JACK FOSTER



When Ed Young Jr. describes how his agency, Ed Young Sales Company, has survived and thrived since its founding more than 30 years ago, he stresses how important a very simple business philosophy has been as a guiding force. “Call it my philosophy on being an independent manufacturers’ representative. I believe it is critical for the rep to maintain equilibrium with customers and manufacturers. A 50/50 balance is crucial!

Without customers the manufacturers have no one to buy/use/require their products. Without manufacturers the customers would have no products to buy/use/require to meet their business needs. It’s kind of a simple philosophy but a true one, in my opinion. Thankfully I have equally great customers and great manufacturers who appreciate each other and just as importantly appreciate the rep that equally supports them!”

# “We built upon being successful with one manufacturer, just as many rep firms do, by attracting compatible (and non-competing) manufacturers.”

Armed with that as a foundation, today the Charlotte, North Carolina-based EYSCO primarily serves the natural gas and energy industries throughout Virginia, North and South Carolina, Georgia, Tennessee, Alabama, Florida and Mississippi.

In describing the agency's origins, Young says his father, Ed Young Sr., was an engineer with Piedmont Natural Gas Company (PNG) (a natural gas utility based in Charlotte) for 25 years. In 1975 he felt the urge to try sales. He joined Kerotest Manufacturing Corporation (a manufacturer of valves and components to the industry) as southeast regional manager. In 1985, the manufacturer became an ESOP company and due to this and resulting structural/administrative/legal changes, he was offered the same territory as an independent manufacturers' representative. However, Kerotest had one condition. Due to his success, they required him to add another person in starting the agency. This is the time Ed Jr. entered the agency's business.

According to Young, “I had been with three Fortune 500 companies in industrial manufacturing and sales, including managing distributors and reps. In addition, in high school and college I had been employed with contractors supporting various natural gas utilities including PNG, so I had some basic knowledge of the industry. My father approached me about joining him to form a rep firm. After six months of refusing him (not wanting to be known as a snot-nosed junior who went to work for his father), we incorporated in February 1986.”

## Employees Are Assets

Looking back to the very beginnings of EYSCO, Young notes that one of the first things he and his father did was to develop the agency logo (which can be seen on the company website ([www.eysco.com](http://www.eysco.com))). “The columns that you see in our logo stand for honesty and integrity. I've been fortunate over the years to have EYSCO team-

mates — Jaye Soss, Mike Javon, Mike Chitwood, Bradley Utz, and Mike Schmidt who embody these columns in their lives — every day. As a point of interest, years ago when forming EYSCO I was told by my business mentor that business owners can either treat their employees as ‘assets’ or ‘liabilities.’ All EYSCO ‘Teammates’ are assets, as I would not be in business without them.”

He adds that while initially EYSCO was a one-manufacturer rep firm, Kerotest was both natural gas and nuclear. “We built upon being successful with one manufacturer, just as many rep firms do, by attracting compatible (and non-competing) manufacturers. As my father and I were more oriented to natural gas, the added manufacturers were natural gas industry companies, and along with Kerotest exiting the nuclear business, we soon became only natural gas.”

## Surviving Change

Just as his rep peers serving other industries, Young notes that the energy market he serves has also gone through a number of changes. “It's a constant process. In our industry, we've seen natural gas manufacturers move more towards ‘outsourcing’ their field sales, for all the reasons that the (excellent) MANA-supported *Fortune* magazine report extolled years ago. Also, like many industries, the natural gas industry has ever-increased technology and for reps this means significant electronic data and exchange has replaced ‘manual exchange.’ Jokingly the analogy often used is ‘typewriters vs. laptops/tablets/clouds’ or ‘orders on napkins’ vs. sophisticated IT systems.

“Thanks to MANA, 25 years ago, EYSCO's vice president of administration Jaye Soss discovered the RPMS (Rep Profit Management System) IT system. This has proven to be a significant ‘tool’ that allowed us to replace ‘napkins’ (aka manual) with technology. In our opinion it's a SAP system for reps, and many fellow reps over the years have consulted Jaye to learn about this tool.”

Young adds that another substantial and ever-increasing change that doesn't affect all industries is regulatory compliance. “As the natural gas industry is a federal and state-regulated industry, compliance on various and numerous regulation





Left to right: Mike Javon, account manager; Jaye Soss, vice president; Bradley Utz, account manager and Ed Young.

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mandates is a critical aspect for our utility customers. Therefore, it’s critical for our manufacturers serving these utilities to support this with the highest due diligence products. These regulations, while numerous and challenging, remain a positive for the natural gas industry when it comes to providing a safe and reliable energy source that many referred to as ‘America’s Home-Grown Energy.’”

### **Differentiation a Constant**

While those changes have obviously affected EYSCO and the industry it serves, there has been one constant that hasn’t changed over the years, according to Young. “Perhaps just the opposite of change is the constant need for us to differentiate ourselves from other suppliers.

From EYSCO’s standpoint, we have always believed a fundamental key for a rep is ‘differentiation.’ Obviously, anyone can sell on price, but a fundamental value that sets great reps apart is the ability to insure customer requirements aren’t left to chance commodities. This is done through ‘differentiation of the products’ value, capabilities and appreciation.”

Certainly one way an independent agency can differentiate itself from others is by the principals it represents. When discussing how EYSCO identifies prospective principals to work with, Young offers “...two somewhat different answers over the context of time. When EYSCO was first starting out, we worked hard (that covers multiple meanings) to do a good job (also multiple meanings) for our manufacturer, which then because of this

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became two and then three manufacturers, etc., etc. I suppose because of being recognized for ‘working hard/doing a good job,’ along with the ‘Columns’ philosophy that we espouse, manufacturers began to approach us. I’m sure early on when we heard someone needed a rep and it seemed like a good fit, we’d contact them, but it was rarely a strategic process like what I read in *Agency Sales* magazine articles — although I do appreciate strategic thinking. Still today, probably there’s a balance between our good fortune of being recognized as a valued and quality rep and hearing of some manufacturer that was looking for a rep.”

He emphasizes, however, that “One rule EYSCO never breaks is approaching a manufacturer about their line when they already have a rep in our territory. EYSCO considers this a ‘cardinal sin’ for any rep. The ‘G-word’ (Greed) is the reason for this in my opinion. Do some commit this ‘sin’? Sure, but for EYSCO, we prefer ‘Columns’ over Greed and believe over the long haul, in a better business (and personal) practice to follow.

### **Business Concerns**

Following that and other business practices appears to put Young’s mind at ease when he considers challenges facing his agency. But he admits that “Nothing really keeps me up at night. But there is that recognition when I wake up every morning that EYSCO (or any rep firm for that matter) could be out of business by the end of the day. Some have told me this is weird and unnatural, but for me, it keeps me from being complacent and keeps me motivated and driven — every day!”

When he’s asked to look back over his career and con-

sider if armed with three decades of experience he’d do anything differently, Young explains that he “Probably wouldn’t have been so proud or boasting that I work seven days a week — which I always have and still do. Maybe I could have smelled more roses and worked smarter. However, on the other hand, maybe I wouldn’t have still been in business (had I not worked hard and done a good job). All this said, the natural gas industry is a 24/7 industry serving the American public energy needs, which are 24/7. As a result, in my opinion, the requirement of the rep that serves any industry should mirror their customers.”

Finally Young is asked how he found MANA and what the association has meant to him and his agency over the years. He explains that when he resigned from his former position to form EYSCO with his father, “My former manager had a brother who was a rep. That’s where I got the MANA connection. In answer to the question ‘What does MANA do for me?’ in the early years of being a rep the association guided me on numerous questions or uncertainties, i.e., marketing, legal, business processes, etc., that I didn’t know the answers to (I had a lot I didn’t know). In later years MANA has been a litmus testing resource for me that provides me a consensus or affirmation on how I’m handling or addressing the matters that any rep has to address and handle every day. Whether a new independent manufacturers’ representative, or one that has been in business for years, MANA remains a valuable resource.”

*MANA welcomes your comments on this article. Write to us at [mana@manaonline.org](mailto:mana@manaonline.org).*