

The purpose of trade associations is to promote, protect and improve our function!

The Perfect Trade Association in the Eyes of a Rep

Despite a weak economy, we are all proud to be gainfully employed by reputable companies in viable industries. Numerous market segments have trade associations and I have been a proud member of MANA, ERA and COSE (Council of Small Enterprises). The purpose of this article is to explore and define the perfect trade association, and I believe MANA is the most perfect. I trust that your MANA experience is as positive as mine and that your association has helped you become more profitable and a better businessperson.

Trade associations are a viable and inherent part of almost every industry and they were created for a perfectly good reason - to create and foster a spirit of mutual respect among the members of the association and other groups such as principals, distributors, customers and individuals within the industry. A trade association's primary mission is to educate their industry to the economic advantages and benefits of doing business with groups such as representatives, distributors and manufacturers.

The perfect trade association avails the opportunity of continued growth through educational programs and networking. Most trade associations are efficient organizations that provide tools, knowledge and real value. Like everything else in our business life, some trade associations are better than others and, just like any other business, some are more financially sound than others, and the same applies to leadership. Due to a weak economy and business pressure, many associations are feeling the pinch of dwindling membership causing financial pressure - thank goodness MANA is an exception.

Why Join

For almost 40 years I've been an active member of several trade associations. Why? Simply because they've made me a better businessman, educated my staff and provided cost-effective benefits that I normally would not have. So why doesn't everyone join - good question! Here are some issues and answers:

1. Too Busy: No one is ever too busy to learn new things and make new friends.
2. Too Costly: MANA is a bargain at any price and the dues are very reasonable.

3. Not Learning: Those not benefiting from the programs are often not expressing their needs.

4. It's for "Owners Only": Wrong! Good programming is for everyone. Today's staffers are tomorrow's successors.

5. Inconvenient Location: While venues ideally have easy access, keep in mind that some of your customers are in the boondocks, yet you call on them.

A common thread among many trade associations is that it is becoming more challenging to attract new members while keeping programs fresh and viable. Accordingly, perfect association leadership like Joe Miller practices is always open to fresh ideas.

United We Stand

United we stand means the same as "group unity" and the perfect associations have strong leadership that promote a unified front to achieve fair solutions of difficult issues, such as arbitrary commission rate cuts, house accounts, one-sided contracts and split commission tracking. I'm not talking unionism or collective bargaining, but simply good faith and fair dealing. It's the real basic stuff - "Do unto others . . ." You know the rest. The perfect rep trade association also promotes the concept of a commitment to the cost-effective, outsourced sales function and not just "renting a rep" during a rough economy. Today's professional sales representative is a bargain in any economic climate.

Networking

Networking is a great reason that we join trade associations. Fellow members develop friendships and share creative ideas that help one another.

Topics like how to motivate and compensate are great examples. Improving



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efficiency and productivity are also two of the critical benefits derived from networking. Unique and improved selling techniques are shared by networkers and this was how I was introduced to Jack Berman's famous "Call Organizer" - that alone was, a major discovery.

Education

The perfect trade association educates their members to become better businessmen and gain more knowledge of their industry. They conduct seminars on a local and regional basis. Some have annual conferences. They don't stop at educating just representatives. They also inform manufacturers of the needs of representatives as well as their expenses. The perfect trade association educates principals to the fact that their representatives do not simply put the commissions in their pockets, but pay for an expensive support staff (infrastructure) and all of the hardware, software, training, legal fees accounting fees, fringe benefits, health insurance, automobiles, car insurance, T&E and - least to mention - retirement. They also promote the concept that principals and their representatives work best together when they collaborate and are "partners in profit." This is what I consider to be "critical knowledge." Also, many associations provide statistical data to help us make decisions.

Conferences & Seminars

Education is critically important to the perfect trade association. To that point, it does not recycle the same material year after year. Programs are refreshed in order to keep members learning and growing. Conferences provide members with a chance to meet and hear industry leaders and glean important information regarding trends in the marketplace. Conference costs are kept as reasonable as possible to make attendance affordable for everyone.

Leadership

Leadership is entrusted with the responsibility of promoting the association's values and a positive image. The perfect leader may be a high or low profile guy, but who cares as long as he gets the job done. Perfect leaders are facilitators and have great vision and management skills. They are mindful of what is best for all of their members just like a politician is of their constituency. But your association leader need not be a politician. Ideally he is a perfect leader, manager and people person. We are privileged to have one, and he is worth his weight in gold. MANA is fortunate to have an exceptional leader – they are a rare breed..

Financial Responsibility

The perfect trade association is financially stable and manages its money wisely. It establishes a budget and lives by it. Frivolous expenditures have no place in nonprofit trade

associations and neither do lavish fringes or golden parachutes for their executives. When money is tight, they resourcefully find ways to generate revenue and don't simply increase membership dues. Often this is accomplished by fee paid educational programs, advertising in association publications, selling associate memberships and group discounted services such as insurance, communications, software and a myriad of other things. Another possibility is sponsoring tradeshow, but it has its pitfalls in a soft economy.

The perfect trade association, like MANA, is run like any other well-managed business. Salaries are reasonable and in line with other comparable associations. Budgets are established and there are no unnecessary expenses. In some cases trade associations have offered memberships to manufacturers. This has helped to improve cash flow, but hopefully has not compromised the single-minded purpose of the association – To PROMOTE, PROTECT AND IMPROVE THE REP FUNCTION.

Cronyism

Perfect trade associations are not viewed as fraternities or "good old boys" clubs and are void of cronyism. Officers and board members are elected, not hand selected, appointed or anointed. There is no room for showcasing or self-aggrandizing. Perfect trade associations are democratic, not autocratic. Ideally, members see each other as peers or friends, not cronies. Mutual respect prevails, not criticism or denigration. The perfect association member expresses

any dissatisfaction thru the appropriate channels. If that doesn't work, he gets involved by becoming actively engaged at the chapter or national level. If he does neither of these things, some might view him as a perfect malcontent.

Domineering Factions

Large firms do not constitute an elitist group within a perfect association. All member firms have an equal say and an equal vote. Larger does not mean louder or smarter. In fact, many smaller firms often outperform larger ones where it counts – the bottom line. There are no "hot lines" or special considerations for "friends of leadership." Simply put, there is no such thing as "insiders."

Image Building

Some trade associations paint a picture that their membership consists of an elitist group of high performers. If you said, "That's pure folly!" – I agree. However, their members belong for numerous other benefits, and that's a good thing. Part of the association "image building" is promoting themselves on an Internet web site – sort of a community affair. This listing (advertising) is fee based and an excellent revenue builder. However, the perfect trade association is mindful that the pursuit of revenue can lead to the needs of membership being forgotten. Ideally, a balance is present.

Membership and Dues

The perfect trade association, like MANA, has a reasonable dues structure, which is consistent with the value that it offers.

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STRONG LEADERSHIP AND FRESH IDEAS

There is no doubt that some are feeling the "membership pinch." If this is the case, they may have to make adjustments, just like their member firms. This may include staff and/or salary reductions. Worse case, they may even consider "trade association contraction." This means that similar associations would merge and ultimately realize economy of scale. The new group may refer to themselves as an "alliance" under one overarching governing body. Contraction is taking place in the world of repping and distribution – why not with associations?

Oneness

The perfect trade association has members that belong both at the national and chapter level. They are not fragmented and everyone has the same vested interest both locally and nationally. Different types of membership may suggest different interest levels. The perfect trade association fosters uniform interest and participation among all its members. Special venues are reserved for industry specific interest groups. Incidentally, chapter membership provides us with the opportunity to break bread with our competitor (I prefer the word "colleague") and possibly develop a friendship – THIS IS A GOOD THING!

Succession

This is a "no-brainer!" Succession and success are synonymous in a perfect trade association. It is no different than a well-managed corporation. Succession is part of the perfect business plan. If there are no successors in your trade association, it may be justification for a merger or contraction. Ideally there is a "built-in successor." who is precisely the same kind of person you would have hired to run the show in the first place. In a perfect world, he'll be better than his predecessor.

Mission Statement

The perfect trade association has a mission statement that is more than just rhetoric. It is updated with the times and revisited annually. If it isn't – forget it. The mission of perfect associations is clear and obvious with or without a statement. One of the less visible missions of associations is to provide its members with governmental lobbying at state and federal levels. Reps by the nature of their business are small and associations help them present a collective and louder voice. In some cases, associations join

together and present themselves as an association of associations for mega clout (hope you're not confused). AMRA is the Alliance of manufacturers Representatives Associations.

By-Law Compliance

By-laws, like contracts, are dry and boring reading but are essential in all the trade associations. They are basically the same as "minutes of incorporation" and invariably are fair and equitable. The important thing is that the perfect trade association complies with their own by-laws, which by another name are simply guidelines."

Elections vs Appointments

Perfect trade associations are the ultimate in democracy and are not headed by autocratic or dictatorial CEO's or Board of Directors. It is understood many of the incumbent officers may climb the proverbial ladder, but ideally there are always two or more candidates for each post. If leadership perpetuates a "sphere of influence," it may be counter-productive to the general membership and tend to suppress the interest of aspiring leaders. In fact, they may get frustrated and quit. This does not happen in a perfect trade association.

Lines Available

Virtually all manufacturers' representative associations have a Lines Available listing. They disseminate this information by fax, e-mail, at tradeshow or have a web site that is password protected for its members. This is a valuable service for both manufacturers and representatives alike. For many members it is worth the price of admission (dues) alone. Is it a perfectly good reason to join? Perhaps! Also, membership directories are often used by manufacturers who are looking for reps.

Code of Ethics

Why is it that virtually every trade association feels compelled to have a code of ethics? They consist of great ideals, but it takes near perfect people and their organizations to comply with them. My compliments to those reps who comply with the ten commandments of repdom. Accolades of praise to those reps who say that they won't break their association's code of ethics, especially as it applies to stealing lines. Special kudos to those who won't even talk to a manufacturer while the line is still under contract with a rep that has not received

a termination letter. To me the code of ethics is no different than the golden rule. Ethics in our personal and business lives should be one and the same.

Group Buying

Most trade associations offer group purchasing plans for such things as medical and life insurance. Additionally, they may have discounts on communications plans, car rentals, travel and other products and services. Are they good – very possibly, but many association members have found equivalent or better deals in their own backyard. Unfortunately, this used to be an excellent revenue producer for trade associations, but their diminishment has exacerbated the financial problems of some associations – hopefully not yours. Many associations make available to their members knowledgeable legal and accounting experts. They are rep-savy guys, who understand what we do better than our spouses.

Summary

Trade associations are like people and companies – neither is perfect. However, they exist for solid reasons. They provide benefits and a collective voice. If they don't, you may be in the wrong one. If you don't belong to one – check it out! Ask members what they think. Joining the right association for the right reasons will pay dividends. If you get involved and committed, it is bound to be in your company's best interest. You'll be working with members who share the same goals.

Ideals of a Perfect Trade Association

1. To provide educational services
2. To foster networking
3. To safeguard the integrity of its membership's profession
4. To enhance professionalism
5. To be financially stable within itself
6. To promote the function and benefits of its membership
7. To optimize the value to its members
8. To interact with representatives' principals when appropriate
9. To advertise "lines available" and "Reps wanted"
10. To establish, promote and support a practical "code of ethics".

There is strength in numbers and togetherness provides a sense that we can accomplish anything – and we have a lot to accomplish in our great industry! What are you waiting for? You can make a difference today!