

The background features a faint, grayscale image of a person's hands typing on a laptop keyboard. There are also decorative elements: a dark blue vertical bar on the right side, a dark blue vertical bar on the left side, and two small gray squares above the title text.

2024 Survey

Role Development of Regional Sales Managers

METHODOLOGY

The methodology adopted for the "2024 Role Development of Regional Sales Managers Survey" was designed to provide qualitative insights into the training landscape for regional managers across the manufacturing members of the ERA. The survey was conducted in March 2024 and distributed among Manufacturer members of the ERA industry organization with direct knowledge or responsibility for the regional manager role. Nine open-ended questions were answered by 22 respondents providing comprehensive, nuanced descriptions of performance metrics as well as the nature and content of product-specific training. This approach aimed to capture the diversity of practices across different organizations.

ABOUT

OUTPACE REP GROUP

Outpace Rep Group is a national council of ERA Manufacturers' Reps working to improve and uplift the electronics industry through whitepapers and best practices. As Manufacturers' Reps, they value their supplier relationships and work hand in hand with their Principal partners. Strong working relationships with their Regional Sales Managers is key to success.

SURVEY OBJECTIVES

- **Current Landscape:** Review feedback to develop an understanding of the primary responsibilities of Regional Managers from a cross-section of manufacturer members within the ERA.
- **Business Development:** Determine the extent to which being sales-specific and product specific training is provided to Regional Sales Managers. The objective is to benchmark the current standard training practices.
- **Performance Measurements:** Understand the key performance indicators (KPIs) used by various organizations to measure the success of their Regional Managers. Highlight the most valued and most common metrics in assessing performance.
- **Motivational Strategies:** Determine how compensation structure impacts performance of Regional Managers.
- **Role Expectations:** Clarify expectations regarding customer relationship ownership and the significance of technical knowledge for Regional Managers.

By achieving these objectives, manufacturers can gain valuable insights into the role development of Regional Sales Managers, enabling them to optimize support, training, and evaluation processes for these critical positions.



QUESTION 1

“Please list the top three responsibilities for your Regional Manager in ranked order.”

22 Responses



Revenue and Customer base growth, and how to get there!

“Revenue and customer growth is the ultimate role of the regional manager, this is driven by the regional’s representative, customer add channel engagement. It is interesting that the comments did place a higher priority on profitability and margin growth. Leveraging the long-term deep relationships between the Representatives and the customers/channel partners is important to reaching the new business sales and revenue goals. Providing timely street level feedback to the C suite is imperative to ensuring the manufacturer meets the needs of a changing and diverse marketplace. As part of this feedback elevating the Representative’s role as an important part of the team helps integrate and maximize the sales effort - One Team.”

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QUESTION 1

Further Insights

[42%] - Sales and Revenue Growth + Customer / Market Engagement

This grouping focuses on sales growth and market growth / engagement.

Notable responses Included:

- “Increase the amount of design win value.”
- “Customer engagement/design activity.”
- “Quotation generation.”
- “Grow customer base and grow revenue in territory.”
- “Drive sales by meeting with customers and reps.”
- “Develop and maintain relationships with strategic accounts.”

[30%] - Technical Support and New Business Development

This grouping focuses on technical support, new business opportunities, and representative management.

Notable responses Included:

- “Drive new business opportunities.”
- “Work with our rep sales teams driving opportunities.”
- “Work cross-functionally to increase the sales revenue.”
- “Drive territory strategy with customers while utilizing channel partners.”
- “Find and drive new business.”

[28%] - Operational and Strategic Oversight

This grouping encompasses market feedback, project management, and strategic development.

Notable responses Included:

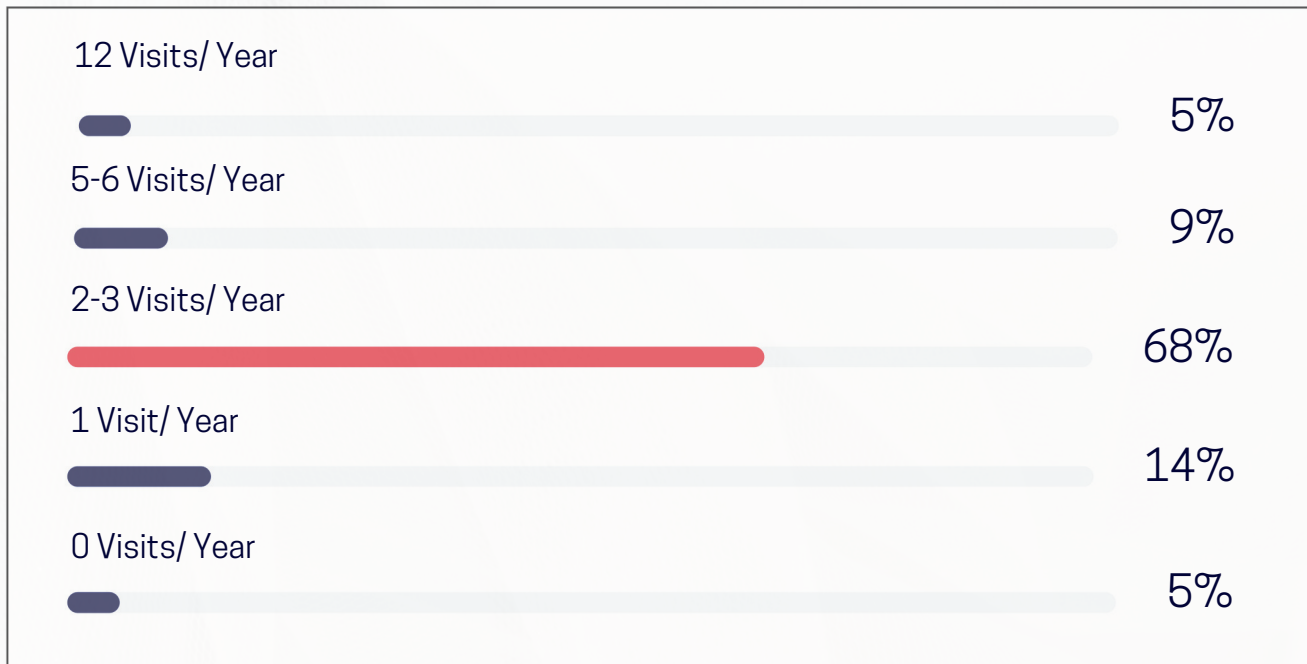
- “Identify new opportunities and provide market feedback to the factory.”
- “Market knowledge”
- “Data analysis.”
- “Keep watch of regional developments regarding competition.”
- “Report regional trends.”



QUESTION 2

“How many times a year do you require your Regional Manager to visit a territory?”

22 Responses



Periodic RSM territory visits help synchronize the sales team

“Territory visits from properly trained regional managers can bring additional value to customer meetings and the sales representative team. Occasional visits facilitate ongoing representative product training and allow the sales team to align on goals and targets. Regional visits may also reinforce the importance of that customer to the manufacturer.”

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Note on Results:

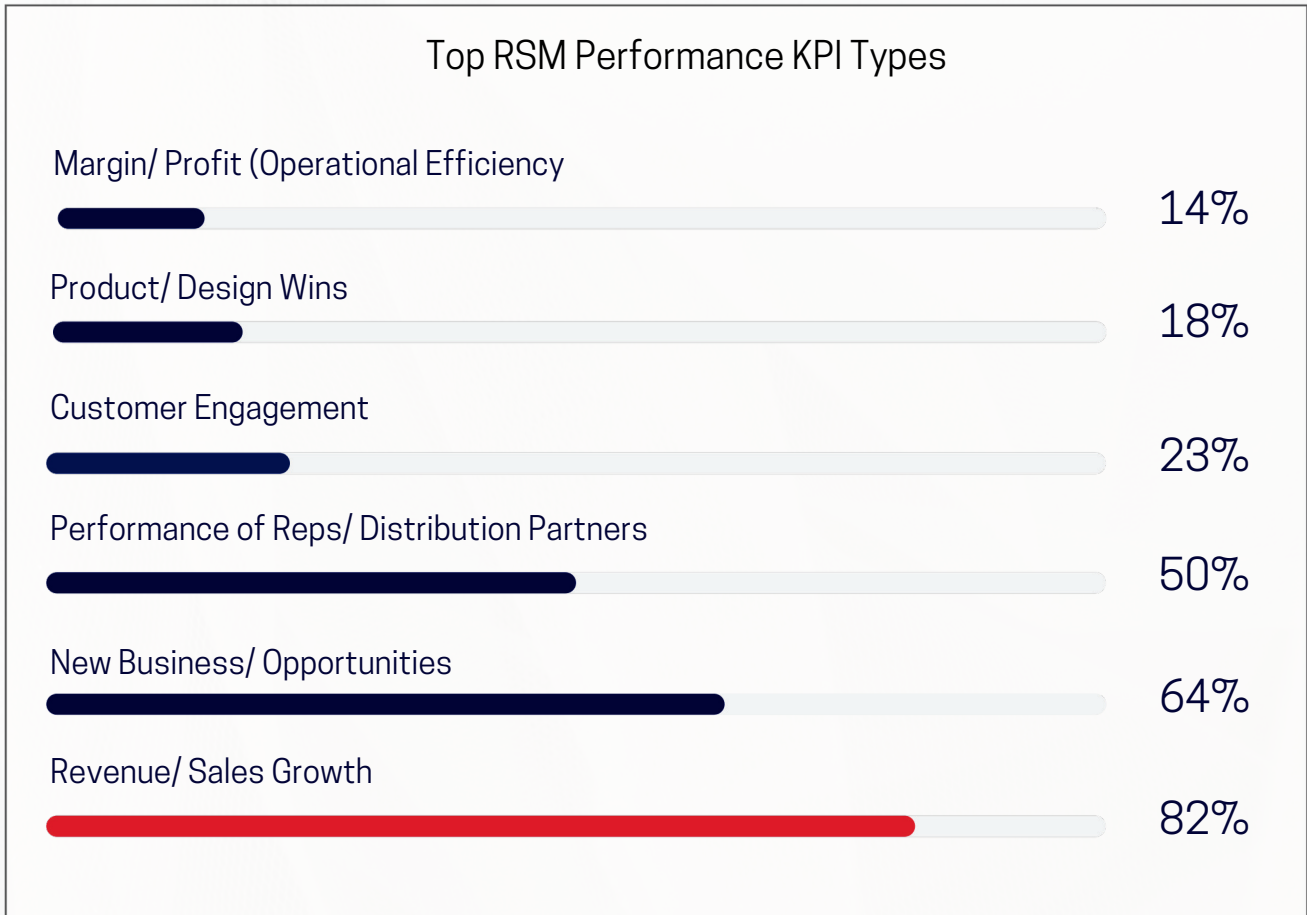
There is a clear theme of Regional Managers being required to visit a territory 2-3 times a year.



QUESTION 3

“What are the top 3-5 key performance indicators (KPIs) used to measure your Regional Manager’s performance?”

22 Responses



Together is Better!

“The key to winning as a team is to make sure we know and understand the KPI metrics of our RSM. By far, meeting the territory “budget” is number one. But another KPI, especially in today's market, is filling the funnel which means making sure the RSM has many new opportunities. Keeping the RSM up to date and including them in customer engagement is also important.”

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QUESTION 3

Further Insights

Notable responses Included:

- “Sales orders opportunities.”
- “Number of new inquiries from reps/customers. Number of inquiries that turn into business. Performance of reps in territories covered.”
- “New business wins.”
- “Customer Visits, POS\$, New Rep Projects, New Accounts.”
- “Sales growth, design/NBO activity, sample activity.”
- “NBO funnel, sales growth, territory visits (F2F and virtual).”
- “Design Win Revenue, Sales Revenue, Valid New Opportunity.”
- “New opportunities brought in and how many opportunities are closed and won.”
- “Sales dollars, RFQs”
- “Revenue opportunities, samples.”
- “Sales vs budget.”
- “OEM Sales growth, POS, sales growth for new opportunities.”
- “Design in activities and revenue.”

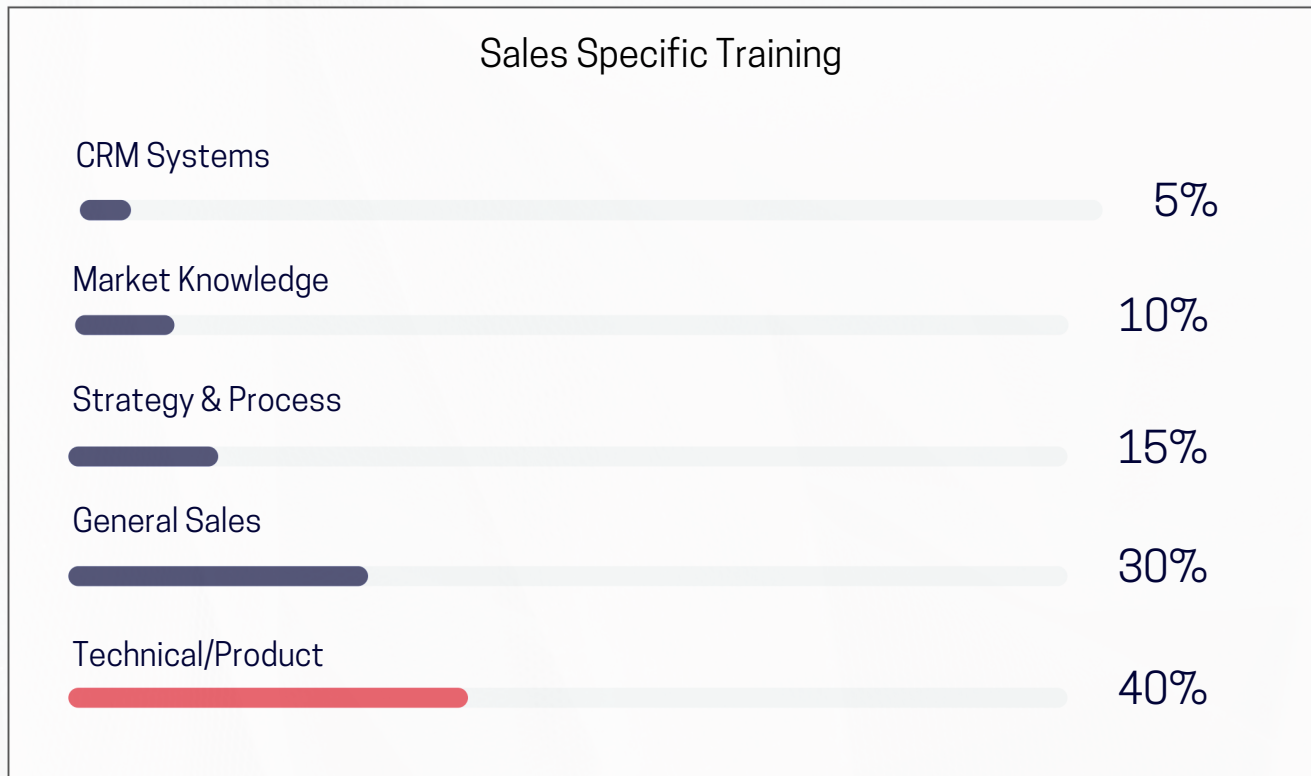
Note on Results:

The responses were grouped into common KPI themes, as noted in the chart above. KPIs related to Revenue or Sales Growth were the most common. KPIs related to operational efficiency were the least common.

QUESTION 4

“Please provide the SALES-specific training you provide your Regional Managers.”

20 Responses



Product Knowledge Is Not Key?

“The surprising metric is that less than 50% of the respondents have Product Technical knowledge as a training focus. The customers are expecting that “the person from the factory” have the product knowledge to answer their questions. The local Manufacturer Representative brings the Market Knowledge and Sales Strategy for each customer which aligns with the responses being less than 25% for these. It is highly recommended that the manufacturer do specific product trainings on a regular time frame with the Manufacturer Representative to exceed the customer's expectations.”

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QUESTION 4

Further Insights

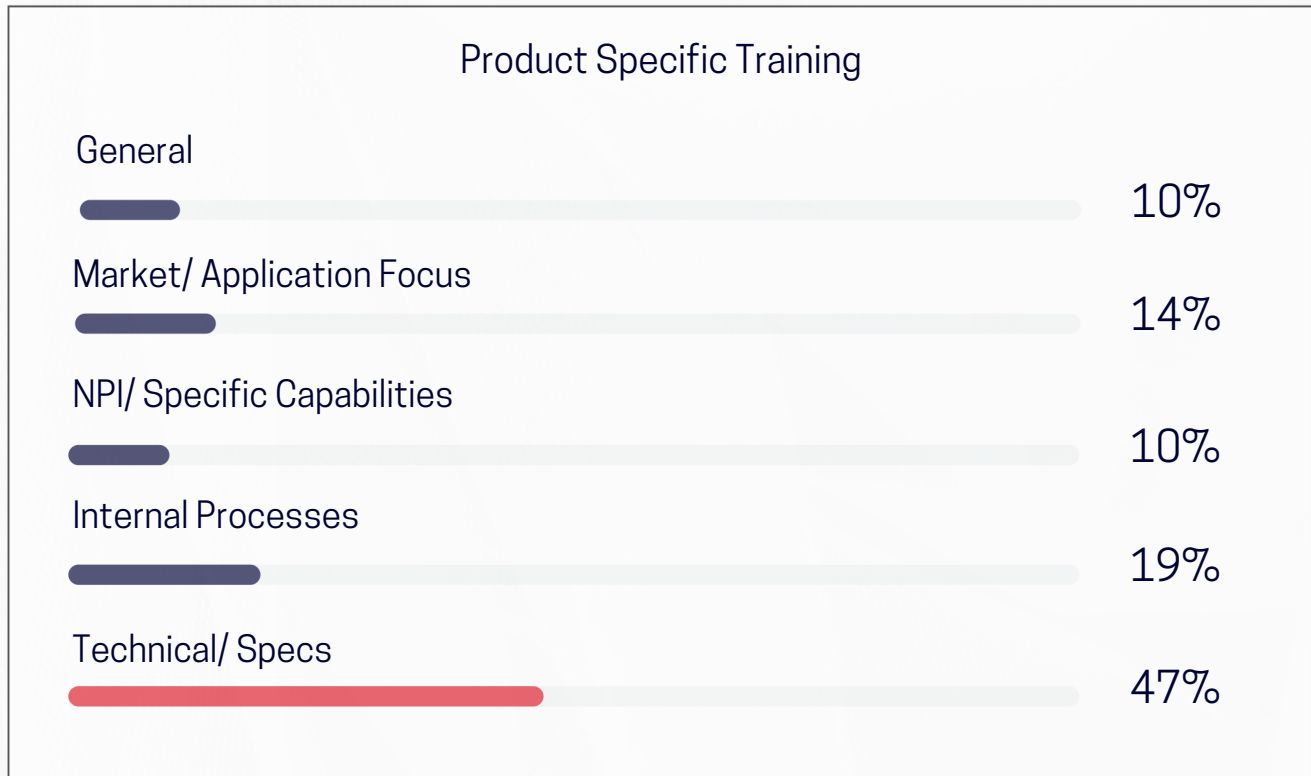
Notable responses Included:

- “Technical trainings, information from disty HQ, data visualization trainings.”
- “New product introduction training, market information, application training, success stories.”
- “It depends ... RSMs are free to identify what SALES specific training they need to be better; we discuss and draft an action plan.”
- “Updates on new products we are launching and technical-specific product training.”
- “Sporadic training on how to promote solutions rather than product specs.”
- “Daily and ongoing meetings, we need to do better with NPI launches.”
- “Educate on top markets in our territory and effective distribution partners in those markets.”
- “ERA Conference, mutual travel, weekly sales calls.”

QUESTION 5

“Please provide the product-specific training you provide your regional managers.”

21 Responses



“Manufacturers place a high priority on technical product training for regional managers, aligning with survey feedback that highlights the value of thorough training. Outpace emphasizes that Regional Managers should be technical assets, capable of adding value in front of customers. With face-to-face meetings at a premium, the technical expertise of our regional managers is essential for making each interaction highly valuable.”

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QUESTION 5

Further Insights

Notable responses Included:

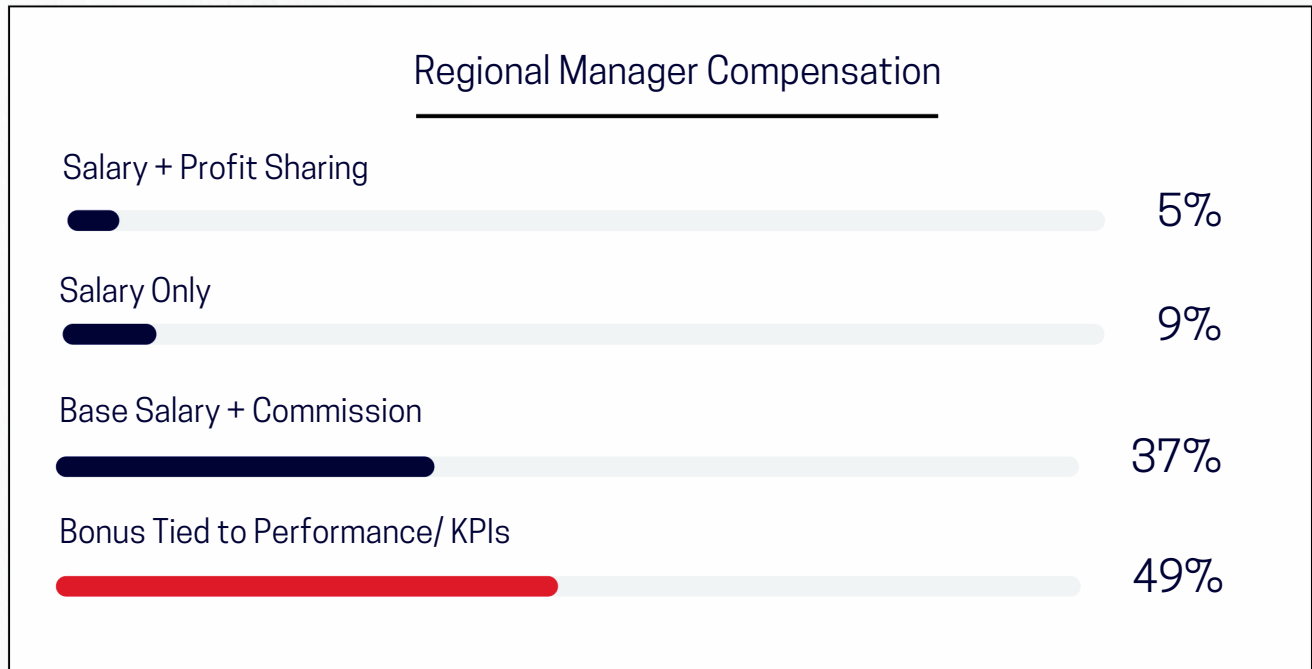
- “Technical documentation and training by R&D twice per year.”
- “The diversity of our product line is more conducive to training for the products into which our components are assembled, so we focus on a combination of the two.”
- “Product training with the specific product managers. Ongoing training as new products arrive.”
- “Educate on what products we are selling at our target customers in the territory and WHY.”
- “Engineering team spends time with RSMs in product review.”
- Onboarding on existing products, basic overviews of NPI or acquisition-based new products.”
- “Internal training sessions, joint sales calls, webinars, weekly sales calls.”
- “New Product Introductions.”
- “All products all the time. They need to field 80% of questions now.”
- “Industries and applications the product can be used in and how the product can be used. Also, what benefit it provides to the customer.”



QUESTION 6

“Describe how your Regional Manager’s compensation is tied to performance within their territory.”

21 Responses



Growth Pays

“Most RSM Compensation plans reward growth performance. As Reps, it is important to understand the ‘scorekeeping’ metrics for each RSM to align territory strategies and set expectations. Ideally there is input from all sides to ensure realistic expectations.”

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QUESTION 6

Further Insights

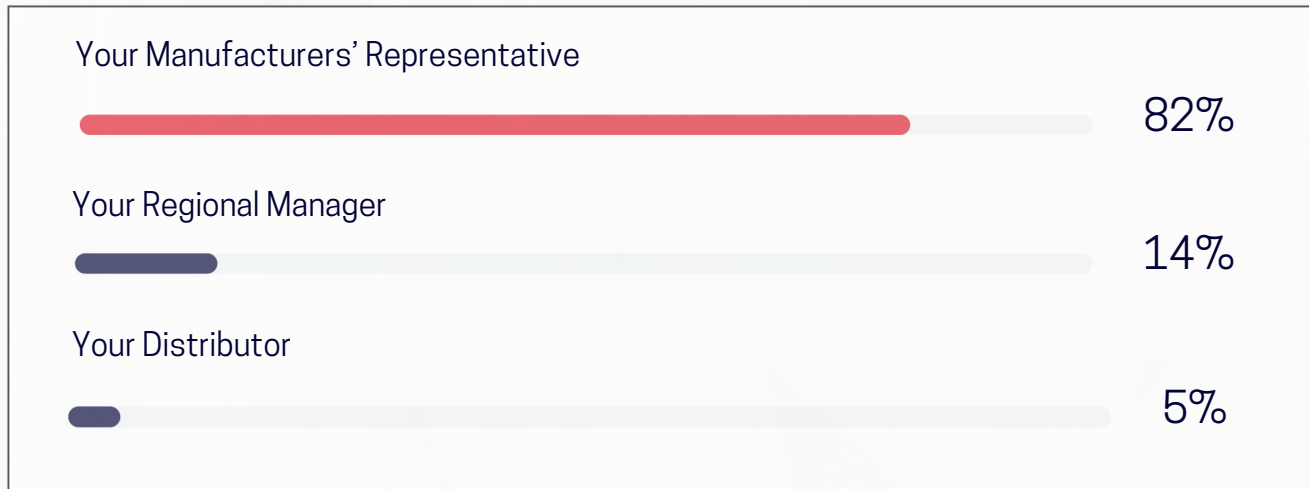
Notable responses Included:

- “End of year bonus tied to KPI.”
- “Base salary & commission.”
- “Bonus tied to regional profitability.”
- “They have a nice salary with a competitive bonus tied to selling growth.”
- “Salary + Commission based on increased sales.”
- “Bonus tied to overall sales and growth and NBO activity.”
- “Base first, 15-25% additional annual incentive.”
- “Bonus tied directly to Revenue goal.”
- “Sales growth. Design/production wins.”

QUESTION 7

“Who do you expect to own the customer relationship?”

22 Responses



The Rep Owns the Customer Relationship

“Outpace asserts the primary function of the Rep is ownership and management of the customer relationship. Survey data confirms >80% of Manufacturers agree, strengthening alignments between Customer and Supplier.”

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QUESTION 8

“How important is it that your Regional Manager possesses technical knowledge?”

22 Responses



“Most of respondents believe that technical knowledge for RSMs is key. We agree – we would much rather be in a position where our RSMs “know more than we do” about the product when in front of the customer. It really impacts the perceived value of spending that time with us when the RSM comes out to make visits in the territory. It builds trust and they will be much more likely to say “Yes” next time they are in the territory.”

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QUESTION 9

“Please provide any additional comments you would like to share about the Regional Manager role within your organization.”

15 Responses

Notable responses Included:

- The customer relationship is owned by the Rep but for large accounts or key target accounts, the Regional Manager needs to be responsible.
- It's becoming increasingly difficult to find capable managers, so our investment has to be in both the rep and the manager to ensure we're getting the proper coverage.
- This is an easy job: know the product, drive a focused selling approach, and look at the POS.
- Respect is a big factor- both ways.
- Effective, knowledgeable regional managers are welcome to visit anytime.
- The RSM is the facilitator to help support the representatives in the field. Ideally the RSM can do all of the reporting so the Reps can remain in the field and not be bogged down with reports. 50% of the RSM's job is to follow-up with field sales on opportunities.
- The Third-party Sales Representative firms are key. The Regional Manager must keep the Sales Representatives motivated and supplied with the latest tools and information.
- Must know the product, have integrity, and have social skills to be successful for us.
- There are no minimum territory visit metrics. The high expectation is that every RSM will meet their respective high expectations of strong relationships in all directions and an efficient and profitable sales funnel.



QUESTION 9

Continued

Notable responses Included:

- We struggle to hire Regional Managers with Technical Knowledge.
- RM and Representative relationship needs to be an ongoing, consistent partnership in order to see real growth within the territory. If the Representative is not able to grow customers within the territory, then the RM will be responsible to.
- Must be a go-getter!
- On the largest accounts we expect the RSM to 'own' the relationship as much as possible - on other accounts, it is expected to be shared with the Reps.
- Regionals are expected to be local resources to all customers and partners.

“It is All About Bringing Value!

“It really is about bringing value to the team. Each of the team members needs to perform per their role: RSM with NPI and overall product knowledge, company knowledge, and acting as an advocate for the Rep, Distributor, and customer; the manufacturer’s rep with customer knowledge and relationships, program management, and distributor support; the Distributor with new opportunity identification and supply chain support.”

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TAKEAWAY

CONVERSATIONS

Comments from Outpace Members

● “Success hinges on a clear understanding and agreement of expectations between the RSM, manufacturer, and rep, focusing on respecting the rep's ownership of customer relationships, the quality / level of the RSM's product / technical knowledge, and a mutually agreed upon (annual? recurring?) plan with defined goals and strategies.”

● “The regional manager’s role is key in facilitating the manufacturer and representative relationship, and can be critical in either improving or complicating the sales partnership. The building blocks of a strong and effective relationship begin with clear communication between manufacturer and representative, common and defined goals for the territory, customer focused collaboration, and utilizing of the strengths that each party brings to the sales effort. A properly trained and equipped regional manager will support the efforts of the representative and help drive sales for the manufacturer.”

● “Manufacturers surveyed emphasize both revenue growth and technical product knowledge, which align with my expectations as a representative. When Technical Regional Managers are incentivized to drive growth and combine their efforts with the relationships and territory expertise of manufacturer’s reps, it creates a winning team. Effective communication and collaboration are crucial to making this strategy successful.”

● “RSM / Rep Alignment is best executed by a clear understanding of strategy and KPI as a mutually crafted tactical plan for the specific manufacturer/territory. More critically, it is crucial to be aligned on all customer engagement cycles with the Rep owning the customer relationship and deploying the right resource at the right time.”



TAKEAWAY

CONVERSATIONS

Continued

● *“A rep's job is to make the principal regional sales manager look good. This can only be done with a clear understanding of what is required and measured. Trust is a very important piece of the equation and sometimes needs to be built over time. The directive flows from the top down. Work together to achieve the agreed upon goals.”*

“A good Regional Sales Manager works with the Sales Rep to understand the customer needs and then accesses the necessary factory resources on time to close the sale. This support is most often getting prioritization within the factory for technical, pricing, and delivery resources. They need to understand that they are part of a cohesive team whose only goal is to support the rep and, by extension, the customer.”

● *“The highest performing manufacturers are those with the clearest set of expectations throughout their hierarchy- regional sales managers included- whether utilizing a direct force, or managing representatives. Accountability to a plan leads to outcomes we expect: traction and performance in the field. Planning, training, alignment of needs, alignment of expectations for manufacturers and representatives- these are the building blocks to success. Is there a gap between the territory plan you put together for next year and the corresponding involvement your rep had in developing that plan?”*





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