

# Sales Representatives, Wholesale and Manufacturing

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## Significant Points

- Earnings of sales representatives usually are based on a combination of salary and commission.
- Many individuals with previous sales experience enter the occupation without a college degree; however, a bachelor's degree increasingly is required.
- Prospects will be best for those with the appropriate knowledge or technical expertise, and the personal traits necessary for successful selling.

## Nature of the Work

Sales representatives are an important part of manufacturers' and wholesalers' success. Regardless of the type of product they sell, their primary duties are to interest wholesale and retail buyers and purchasing agents in their merchandise, and to address any of the client's questions or concerns. Sales representatives represent one or several manufacturers or wholesale distributors by selling one product or a complimentary line of products. Sales representatives also advise clients on methods to reduce costs, use their products, and increase sales. They market their company's products to manufacturers, wholesale and retail establishments, construction contractors, government agencies, and other institutions. (Retail salespersons, who sell directly to consumers, and sales engineers, who specialize in sales of technical products and services, are discussed elsewhere in the *Handbook*.)

Depending on where they work, sales representatives have different job titles. Those employed directly by a manufacturer or wholesaler often are called *sales representatives*. *Manufacturers' agents* or *manufacturers' representatives* are self-employed sales workers or independent firms who contract their services to all types of manufacturing companies. However, many of these titles are used interchangeably.

Sales representatives spend much of their time traveling to and visiting with prospective buyers and current clients. During a sales call, they discuss the client's needs and suggest how their merchandise or services can meet those needs. They may show samples or catalogs that describe items their company stocks and inform customers about prices, availability, and ways in which their products can save money and improve productivity. Because a vast number of manufacturers and wholesalers sell similar products, sales representatives must emphasize any unique qualities of their products and services. Manufacturers' agents or manufacturers' representatives might sell several complimentary products made by different manufacturers and, thus, take a broad approach to their customers' business. Sales representatives may help install new equipment and train employees. They also take orders and resolve any problems with or complaints about the merchandise.

Obtaining new accounts is an important part of the job. Sales representatives follow leads from other clients, track advertisements in trade journals, participate in trade shows and conferences, and may visit potential clients unannounced. In addition, they may spend time meeting with and entertaining prospective clients during evenings and weekends.

In a process that can take several months, sales representatives present their product and negotiate the sale. Aided by a laptop com-

puter connected to the Internet, they often can answer technical and nontechnical questions immediately.

Frequently, sales representatives who lack technical expertise work as a team with a technical expert. In this arrangement, the technical expert—sometimes a sales engineer—will attend the sales presentation to explain the product and answer questions or concerns. The sales representative makes the preliminary contact with customers, introduces the company's product, and closes the sale. The representative is then able to spend more time maintaining and soliciting accounts and less time acquiring technical knowledge. After the sale, representatives may make followup visits to ensure that the equipment is functioning properly and may even help train customers' employees to operate and maintain new equipment. Those selling consumer goods often suggest how and where merchandise should be displayed. Working with retailers, they may help arrange promotional programs, store displays, and advertising.

Sales representatives have several duties beyond selling products. They also analyze sales statistics; prepare reports; and handle administrative duties, such as filing their expense account reports, scheduling appointments, and making travel plans. They study literature about new and existing products and monitor the sales, prices, and products of their competitors.

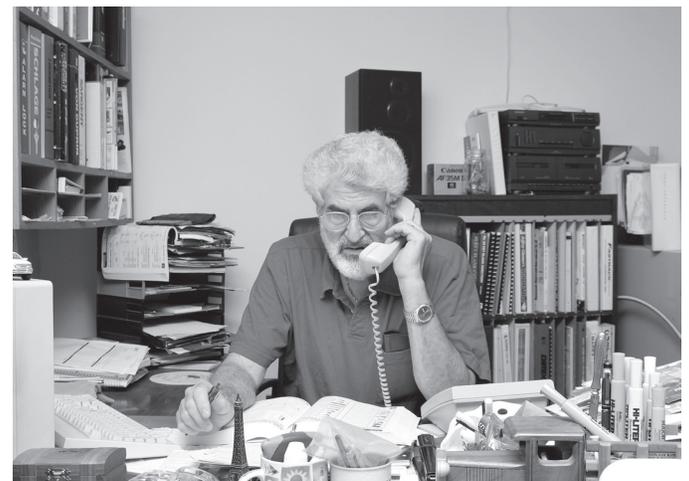
Manufacturers' agents who operate a sales agency must also manage their business. This requires organizational and general business skills, as well as knowledge of accounting, marketing, and administration.

## Working Conditions

Some sales representatives have large territories and travel considerably. A sales region may cover several States, so they may be away from home for several days or weeks at a time. Others work near their "home base" and travel mostly by automobile. Due to the nature of the work and the amount of travel, sales representatives may work more than 40 hours per week.

Although the hours are long and often irregular, most sales representatives have the freedom to determine their own schedule. Sales representatives often are on their feet for long periods and may carry heavy sample products, which necessitates some physical stamina.

Dealing with different types of people can be stimulating but demanding. Sales representatives often face competition from rep-



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representatives of other companies. Companies usually set goals or quotas that representatives are expected to meet. Because their earnings depend on commissions, manufacturers' agents are also under the added pressure to maintain and expand their clientele.

### **Employment**

Manufacturers' and wholesale sales representatives held about 1.9 million jobs in 2002. About half of all salaried representatives worked in wholesale trade. Others were employed in manufacturing and mining. Due to the diversity of products and services sold, employment opportunities are available in every part of the country in a wide range of industries.

In addition to those working directly for a firm, many sales representatives are self-employed manufacturers' agents. They often form small sales firms and work for a straight commission based on the value of their own sales. However, manufacturers' agents usually gain experience and recognition with a manufacturer or wholesaler before becoming self-employed.

### **Training, Other Qualifications, and Advancement**

The background needed for sales jobs varies by product line and market. Many employers hire individuals with previous sales experience who do not have a college degree, but often prefer those with some college education. Increasingly employers prefer or require a bachelor's degree as the job requirements have become more technical and analytical. Nevertheless, for some consumer products, factors such as sales ability, personality, and familiarity with brands are more important than educational background. On the other hand, firms selling complex, technical products may require a technical degree in addition to some sales experience. Many sales representatives attend seminars in sales techniques or take courses in marketing, economics, communication, or even a foreign language to provide the extra edge needed to make sales. In general, companies are looking for the best and brightest individuals who have the personality and desire to sell. Sales representatives need to be familiar with computer technology as computers are increasingly used in the workplace to place and track orders and to monitor inventory levels.

Many companies have formal training programs for beginning sales representatives lasting up to 2 years. However, most businesses are accelerating these programs to reduce costs and expedite the returns from training. In some programs, trainees rotate among jobs in plants and offices to learn all phases of production, installation, and distribution of the product. In others, trainees take formal classroom instruction at the plant, followed by on-the-job training under the supervision of a field sales manager.

New workers may get training by accompanying experienced workers on their sales calls. As they gain familiarity with the firm's products and clients, these workers are given increasing responsibility until they are eventually assigned their own territory. As businesses experience greater competition, increased pressure is placed upon sales representatives to produce sales.

Sales representatives stay abreast of new products and the changing needs of their customers in a variety of ways. They attend trade shows at which new products and technologies are showcased. They also attend conferences and conventions to meet other sales representatives and clients and discuss new product developments. In addition, the entire sales force may participate in company-sponsored meetings to review sales performance, product development, sales goals, and profitability.

Those who want to become sales representatives should be goal-oriented and persuasive, and work well both independently and as part of a team. A pleasant personality and appearance, the ability to

communicate well with people, and problem-solving skills are highly valued. Furthermore, completing a sale can take several months and thus requires patience and perseverance.

Frequently, promotion takes the form of an assignment to a larger account or territory where commissions are likely to be greater. Experienced sales representatives may move into jobs as sales trainers, who instruct new employees on selling techniques and company policies and procedures. Those who have good sales records and leadership ability may advance to higher-level positions such as sales supervisor, district manager, or vice president of sales. In addition to advancement opportunities within a firm, some manufacturers' agents go into business for themselves. Others find opportunities in purchasing, advertising, or marketing research.

### **Job Outlook**

Employment of sales representatives, wholesale and manufacturing, is expected to grow about as fast as the average for all occupations through the year 2012 due to continued growth in the variety and number of goods to be sold. Also, many job openings will result from the need to replace workers who transfer to other occupations or leave the labor force.

Prospective customers will still require sales workers to demonstrate or illustrate the particulars of a good or service. However, computer technology makes sales representatives more effective and productive, for example, by allowing them to provide accurate and current information to customers during sales presentations.

Job prospects for wholesale sales representatives will be better than those for manufacturing sales representatives because manufacturers are expected to continue contracting out sales duties to independent agents rather than using in-house or direct selling personnel. Agents are paid only if they sell, which reduces the overhead cost to their clients. Also, by using an agent who usually contracts his or her services to more than one company, companies can share costs with the other companies involved with that agent. As their customers and manufacturers continue to merge with other companies, independent agents and other wholesale trade firms will, in response, also merge with each other to better serve their clients. Although the demand for independent sales agents will increase over the 2002-12 projection period, the supply is expected to remain stable or decline because of the difficulties associated with self-employment. This factor could lead to many opportunities for sales representatives to start their own independent sales agencies.

Those interested in this occupation should keep in mind that direct selling opportunities in manufacturing are likely to be best for products for which there is strong demand. Furthermore, jobs will be most plentiful in small wholesale and manufacturing firms because a growing number of these companies will rely on agents to market their products as a way to control their costs and expand their customer base.

Employment opportunities and earnings may fluctuate from year to year because sales are affected by changing economic conditions, legislative issues, and consumer preferences. Job prospects will be best for persons with the appropriate knowledge or technical expertise as well as the personal traits necessary for successful selling.

### **Earnings**

Compensation methods vary significantly by the type of firm and product sold. Most employers use a combination of salary and commission or salary plus bonus. Commissions usually are based on the amount of sales, whereas bonuses may depend on individual

performance, on the performance of all sales workers in the group or district, or on the company's performance.

Median annual earnings of sales representatives, wholesale and manufacturing, technical and scientific products, were \$55,740, including commission, in 2002. The middle 50 percent earned between \$39,480 and \$79,380 a year. The lowest 10 percent earned less than \$28,770, and the highest 10 percent earned more than \$108,010 a year. Median annual earnings in the industries employing the largest numbers of sales representatives, technical and scientific products, in 2002 were as follows:

Wholesale electronic markets and agents and brokers .....	\$64,070
Professional and commercial equipment and supplies merchant wholesalers .....	60,890
Drugs and druggists' sundries merchant wholesalers .....	57,890
Machinery, equipment, and supplies merchant wholesalers .....	53,140
Electrical and electronic goods merchant wholesalers .....	50,550

Median annual earnings of sales representatives, wholesale and manufacturing, except technical and scientific products, were \$42,730, including commission, in 2002. The middle 50 percent earned between \$30,660 and \$60,970 a year. The lowest 10 percent earned less than \$22,610, and the highest 10 percent earned more than \$88,990 a year. Median annual earnings in the industries employing the largest numbers of sales representatives, except technical and scientific products, in 2002 were as follows:

Wholesale electronic markets and agents and brokers .....	\$48,320
Machinery, equipment, and supplies merchant wholesalers .....	44,030
Professional and commercial equipment and supplies merchant wholesalers .....	43,880
Grocery and related product wholesalers .....	41,840
Miscellaneous nondurable goods merchant wholesalers .....	37,940

In addition to their earnings, sales representatives usually are reimbursed for expenses such as transportation costs, meals, hotels, and entertaining customers. They often receive benefits such as health and life insurance, pension plan, vacation and sick leave, personal use of a company car, and frequent flyer mileage. Some companies offer incentives such as free vacation trips or gifts for outstanding sales workers.

Unlike those working directly for a manufacturer or wholesaler, manufacturers' agents are paid strictly on commission and usually are not reimbursed for expenses. Depending on the type of product or products they are selling, their experience in the field, and the number of clients, their earnings can be significantly higher or lower than those working in direct sales.

### **Related Occupations**

Sales representatives, wholesale and manufacturing, must have sales ability and knowledge of the products they sell. Other occupations that require similar skills include advertising, marketing, promotions, and public relations, and sales managers; insurance sales agents; purchasing managers, buyers, and purchasing agents; real estate brokers and sales agents; retail salespersons; sales engineers; and securities, commodities, and financial services sales agents.

### **Sources of Additional Information**

Information on careers for manufacturers' representatives and agents is available from:

- ▶ Manufacturers' Agents National Association, P.O. Box 3467, Laguna Hills, CA 92654-3467. Internet: <http://www.manaonline.org>
- ▶ Manufacturers' Representatives Educational Research Foundation, P.O. Box 247, Geneva, IL 60134. Internet: <http://www.mrref.org>