

Industry: Musical Instrument Sales
Business: Manufacturer's Representative

Title Owner
Interviewee Mike M.

Success is tied to high familiarity with the products carried and the targeted market segment, along with fine-tuned communication skills and a love of the business. These factors help me provide quality service to customers and increase sales for my company.

Mike has been in the music business for the past 20 years. His love of music led to a degree in Instrumental Education, which was followed by a master's degree in business. His career has included playing in a prestigious symphony orchestra. For the past five years he has owned his own business, a business where he can remain intimate with music while also utilizing skills in business. Mike is a Manufacturer's Representative for three musical instrument companies, with responsibilities for a geographic region. Acting essentially as district manager and with three salespeople working for him, Mike reports to the sales manager of each of these manufacturers.

Mike...enjoys the freedom and independence afforded by owning his own business.

Entering the Profession

In the past, musicians and performers would retire musically and continue in the industry as representatives or sales managers. This is not how it works today. In fact, to be able to represent musical instrument companies a candidate must be heavily involved in the music industry, have at least a bachelor's degree in music (most entering the field have a master's degree), have at least five years retail experience, and have experience working with musical education in schools.

Training

Training usually occurs incrementally as an individual develops techniques in sales and grows in product knowledge

While some of this comes through mentoring, most requires the initiative of salespeople through studying the field and through continuing education. Once a professional has experience in sales, training is limited to annual sales meetings or trade shows where new sales techniques and new product developments are the focus. These training opportunities are run by musical instrument companies and the training focuses on new products, techniques and technologies.

Performance Determinants & Compensation

A Good Performer is someone who increases the bottom line of the business

Mike meets with manufacturers to forecast sales and determine budgets. Then, Mike's company faces the challenge of matching sales to goals. In order to focus his salespeople, commission rates are set with the rate varying by product and territory. Mike strives to match his salespeople to territories in such a way that they are able to make best use of their skills while providing good customer service.

Ultimately, the loyalty customers feel toward their sales representatives make or break the business.

Musical instrument manufacturers make payment when products are shipped and commissions are paid to the sales representatives at the beginning of the ensuing month. The best aspect of having his salespeople work for commission is that the reward for good performance is directly linked to sales. However, while this leads to striving for high volume, there is a risk of harming customer service. Mike is careful to make sure that his people keep their sights on the value of their customers.

Greatest challenges

In the 90's, the musical instrument industry's biggest challenge was to keep university, college, and other school music programs intact. In recent years there has been an increased effort to make the importance of these programs better understood, with many different groups taking a role in building awareness for the future of music. These efforts have included promotions and public service announcements. In addition, the trade organization, NAMM (National Association of Music Merchants) lobbies in Washington to keep funds flowing to the schools. The benefits from these efforts have been the continuance of these programs despite tightened budget conditions. With organized music programs the mainstay of his business, these lobbying efforts have contributed to his continued growth.

Competition forces companies to be responsive, knowledgeable and innovative

Another major challenge in the last few years has been the increasing sophistication of both customers and competitors. With the heightened use of the internet and with increasingly aggressive competitors, customers are more knowledgeable and they demand more information when making purchases. The only way that manufacturer's representatives can succeed in these conditions is by working closely with manufacturers to gain a thorough product knowledge and by honing their communication skills so as to better serve customers. Even after the sale, salespeople need to stay close to both the manufacturer and to the customer to ensure customers receive a top-quality product.

The profession has evolved tremendously in recent years. Now, a manufacturer's representative must be a business development specialist, working to form alliances with channel partners and with customers. This stresses the importance of training to increase product knowledge, to improve communication skills, and to grow relationships.