



beware of backorders

Out of stock products kill customer relationships and lead to employee disengagement.

Get reps selling the right lines from day one

By Tina Serio

We know that a backordered item has a negative effect on customer service and most likely your retention of that customer. But have you ever examined how distributors end up with these backordered products in the first place? Most likely it's a salesperson selling whatever products a customer wants instead of the key items currently in stock. Though, to be fair, managers probably never taught them the right way to sell.

The approach to bringing on a new salesperson should be a strong onboarding program that covers all aspects of operations, but especially focuses on how to sell only the key products and lines that are stocked. After this initial instruction, keep training ongoing with consistent reinforcement.

Sadly, this doesn't happen. Instead, distributor sales reps start out with a few accounts, a few weeks of shadowing and a lot of catalogs, and managers see what sticks. The result? Good salespeople sell things... lots of things... lots of things distributors don't stock; lots of things from vendors that don't provide strategic pricing; and lots of things from intermediaries that may or may not deliver in a timely manner. When these things happen, distributors can expect late deliveries, low margins or to be re-negotiating with new customers for different items that are stocked.

If your overall approach to onboarding doesn't consider efficient operations and customer service, no other method of engagement or incentives will keep your team happy and dedicated to serving you and your customers.

Why? Because good salespeople are competitive and they care about being heroes and partners for their customers. Problems with delivering products that are ordered (on-time and accurately) undermine everything they do.

In addition, young salespeople are still naïve and altruistic. If you ask them to sell from catalogs just to see if they can do it without educating them first on stocked items, then you put them in a negative situation from the start. These optimistic and promising young sales stars are now spending time consistently explaining to their new accounts (to whom they've promised the world) how they have to wait another week for the product, or accept a product that isn't what they originally wanted, or pay "X" percent more due to special orders.

Besides poor customer service, these types of problems quickly lead to employee disengagement. Distributors will either have unmotivated reps or vacancies to fill. Neither scenario is attractive.

I understand distributors want to sell a lot of items, and they need to deploy new team members quickly. According to a 2013 survey, 65 percent of distributor owners/sales managers cite concern over retention as the biggest reason they do not want to spend time and money on training young sales talent. But this catalog methodology is bad news. By avoiding training, you're practically inviting young salespeople—and, as a result, customers—to leave.

Get reps started off right from day one. Take the time to educate them on your system and how to sell strategically. You'll find fewer backorders and more reps who stick around. It's a lot easier and nicer to get acclimated to a new company when clients are happy because their salespeople actually deliver on what was promised. **SM**

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