

No Room for Complacency for Keller Industrial Products

BY JACK FOSTER

Looking for an independent manufacturers' rep firm that possesses the attributes that manufacturers look for and MANA touts? Look no further than Keller Industrial Products, Inc., of Clarence, New York. The agency, now in its eighty-second year — and counting — can boast of deep roots in the territory it serves, not to mention a lengthy record of firm relationships with its principals that average more than 25 years of service. Buried in that average is the fact that Keller can trace its relationship with one principal back more than 50 years to 1966.



The team at Keller Industrial Products, clockwise from left, Doug Martino, Paul Rozgonyi, Greg Matthews, Vin Nolan (partner at Keller), Abe Tibebu, Mike O'Brien and Jim Rhoades.

According to Greg Matthews, a partner in the firm, "You can look at the name Keller Industrial Products, and it's probably one of the least attractive business names there is. But we've been here so long and people in the industry know who we are — we've got no intention of changing it."

In 1937, the Keller family established Keller Industrial Products in Rochester, New York, as a distributor of hydraulic and pneumatic components, primarily serving the machine tool and industrial marketplaces. In 1986, the Keller family's second-generation owner, Tay Keller, sold the business to a long-time employee, Chuck Prey. Eleven years later, in 1997, the business was purchased by its third owner (Matthews), a professional sales veteran who had been with the company for a decade. Today, the agency is based in Clarence, New York (near Buffalo) and has seven outside sales representatives and a business manager, with satellite offices in Rochester and Syracuse, New York; Philadelphia; Pittsburgh and Baltimore.

Over the years, Keller has migrated from its roots as a distributor to its current and primary role as an out-sourced professional sales organization of engineered components. According to Matthews, "We have a database of sales to more than 4,000 customers in the industrial machinery marketplace — 350 of which we are actively cultivating, the majority of whom are OEMs." Additionally, Matthews explains, "Keller remains focused on the machine tool and automated machinery OEM marketplace through mechanical power transmission, motion control, and automation components. While we continue to look at new representation opportunities, we will only work with those manufacturers who have a solid history of high-quality, engineered components that are synergistic with our current product lines and customers."

Tracing Rep Roots

Matthews traces his own roots with Keller to 1986 when his father-in-law, Chuck Prey, approached him

with the news he was planning on buying out Tay Keller, and wanted to know if he had interest in joining his team. "I was just 22 years old and felt I was in a low-risk position career-wise to make the move, so why not do it? However, while I was already involved in sales, I have to admit I knew absolutely nothing about the market or the products that Keller sold. The most important consideration was that I knew I could sell — all I had to do was get trained on the products, and that's what we did."

Since then, Matthews has led the agency through tremendous growth. Matthews believes that part of that growth is due to Keller's long-standing relationships with its principals, but also the caliber of the agency's team. Says Matthews, "If there's one thing I can say right now it's that we have the absolute best team we've ever had. They're young, well-trained, and they're motivated to sell an enviable line card. With our anticipated growth, we'll likely be hiring an additional sales team member in the next several years."

Staying on that latter point, Matthews notes that may be easier said than done. "When I attend any of our industry or national meetings and see the reps and factory people who are there, it seems we are all on the older, more mature side of our career paths, and those tend to be the types of resumes we receive when we are looking to hire. Perhaps that is because the physics of some of our mechanical product lines simply don't change. However, more and more of our lines — and today's customer base — require us to have a working knowledge of CAD, automation, and mechatronics, which tends to come more intuitively to the younger generations. In looking to hire young professionals, we also have a challenge in that they have limited exposure throughout high school and college to our advanced manufacturing economy in the United States, which is about 12 percent of the GDP. To meet the challenge of how to attract these candidates, we believe we've got to offer an appealing challenge and an appealing opportunity to them. The challenge is to be an expert on the products we represent, and, a detective or doctor within the companies we call on — effectively

finding problems and helping diagnose a solution for our customers. The opportunity is to make a great living by growing the territory for themselves over a long horizon. I'm not talking at all about greed here. What I'm talking about is motivation to succeed. If we can show a sales professional that there is an opportunity for them to achieve their goals through an appealing challenge, they'll fit right in with us."

Matthews continued on the subject of motivating the sales force by saying, "Like all rep firms are paid, our sales team, too, is paid on commission. They understand that concept and they understand that if they decide they're just going to work 40 hours a week, they'll be paid accordingly. Now I don't expect my team to work on weekends. On the other hand, if they want to work 50-60 hours a week, they're going to reap the rewards of their extra work. Our job is to present them with that challenge and that opportunity to achieve."

Dealing With Change

Armed with more than 30 years as a rep under his belt, Matthews maintains that the job of the rep has changed quite a bit over the years, many of those changes riding on the back of technological developments. "If you look back to when I started," he says, "it would have been next to impossible for one outside salesperson to annually write \$5-6-million dollars' worth of business. Just look at all you had to do to get the job done starting with seeing the customer, then all the faxing and sending drawings back and forth, not to mention staying in touch with the manufacturer. Today technology allows us to get the job done much more easily.

"On the contrary, however, there are some things about technology that aren't so favorable. Today all principals want you to stay in touch with them — on their CRM systems — which are not ours. I'm the first one to understand and appreciate the fact that our principals need to have eyes on projects and opportunities in the funnel which helps them plan for their business. But every time the salesperson has to provide the factory with a

"You can look at the name Keller Industrial Products, and it's probably one of the least attractive business names there is. But we've been here so long and people in the industry know who we are...."

Keller Industrial Products recently launched their new website.

"If there's one thing I can say right now it's that we have the absolute best team we've ever had."



Greg Matthews

report, it is a drain on the salesperson's time to advance opportunities and uncover new ones. Time is the single and most important avenue for growth. The more face time we have with our customers, the greater the volume and quality in the funnel. Consider that our agency has seven sales guys out in the field. If each of them has three and a half hours of reports each week, our principals have to know they're losing twenty-four and a half hours of selling time *each week*. While reporting is needed, we must mitigate the amount of time spent on it."

Matthews also maintains that another important communications tool has been manufacturer rep councils that he or someone else from the agency has served on. "Simply put, manufacturers should have and use rep councils. I believe in them."

Commenting on the danger that some councils face in that they turn into complaint sessions for the rep, Matthews cautions that that should be avoided. "Whenever that tone is set, I've been quick to push back on my fellow reps. The danger is often that some reps have an individual problem and they want to use the council to correct it. Instead, we should always be working on ideas on how to work better together to grow our businesses, not on individual problems."

Common Concerns

Communicating with principals and wisely participating in rep councils aren't the only areas of importance to Keller — and all reps for that matter. In some other

“While reporting is needed, we must mitigate the amount of time spent on it.”

areas, Matthews shares how much his agency has in common with so many of his rep peers:

- **Succession plans** — Just as he joined the agency more than 30 years ago to succeed his father in law, Matthews explains that there is a plan in place for the future of the agency, the basics of which have been communicated to principals. “Each of our principals knows that at some time in the future, I’ll be bought out and by whom, and we’re all on the same page.”
- **Shared territorial development fees** — Matthews explained that this is a subject that has been discussed within the agency but adds, “We haven’t encountered this contractually yet. I think that most of the time when an opportunity to represent a line arises, it is not coming with significant business in the territory, and, they often don’t understand the amount of time and effort to be invested by the sales team before any business is booked. On top of that, every time you pick up a new line you can’t delude yourself into thinking that the synergistic fit is going to be so perfect that it reduces that amount of time and effort that needs to be invested before the orders arise.” And, when that new line does present itself, Matthews adds, “When I think there might be a fit, I’ll send it along to our team for consideration. In addition, with a prospective new line, we’ll make a couple of calls in the territory in order to determine if there is some potential for that line. In the end, we’ll decide as a team whether to move forward with it.”
- **Education and training** — If anything reveals Matthews’ belief in the value of continuing education and training, it’s the CPMR designation that appears after his name. In addition, when it comes to product training, “That’s something we want and rely heavily on our manufacturers for. Let me add to that the value we see in joint sales calls with our manufacturers. That’s something we appreciate our manufacturers investing in. When they do, we are eager to accommodate them and push them across the regions within our territory to

meet with customers and add to the product, factory and applications knowledge of our team.”

- **Social media** — Matthews explains that LinkedIn and the agency’s website (www.KellerIndustrial.com) are the two most valuable online tools for the agency. “We’ve found that LinkedIn is a very valuable sales tool. We’re heavily into synergistic selling and building long-term relationships, but our customers have ever-changing staffs and structures. It’s amazing how efficiently LinkedIn can help us understand the roles (and often new names) within the companies we call on.” Also, Matthews commented on how quickly the standards for a website have evolved, and, is in the finishing stages of the agency’s website overhaul. “Presenting a modern, thoughtful website is an important part of letting potential principals know the professionalism with which the business is run.”
 - **MANA membership** — When asked about his agency’s long-standing membership in MANA, which recently passed the 60-year mark, Matthews notes that when “I joined the company in 1987 and then became a partner in 1996, I simply inherited our MANA membership. Having said that, there’s never been an occasion over the years when it comes time to renew my annual membership that I regret it or have the thought that there isn’t value. MANA is a large and diverse organization and there’s any number of articles, documents, or services that benefit its membership. From day one, I recognized the value of the association and I regularly use the tools MANA provides, including the recommended contract and *Agency Sales* magazine.”
- Finally, when Matthews is asked what his agency might look like if *Agency Sales* makes a return visit in five years, he notes, “We’ll probably be bigger than we are today. There’s an adage that maintains, ‘complacency kills.’ We and our principals won’t allow us to be complacent.”

MANA welcomes your comments on this article. Write to us at mana@manaonline.org.

Not a member of MANA? Visit MANAonline.org to find out more.