

PostScripts®

Fulfillment Programs and Cash Flow

By Tom Quinn
Director of Fulfillment Services, MFSA

The subjects of shipping deposits and freight charges are often discussed among members. Some companies can afford to carry the shipping charges for clients without significantly affecting their cash flow. However, most cannot afford to carry their clients' costs without some additional compensation to offset the cost of money. As recorded in MFSA's last Fulfillment Benchmark Survey, invoices aged for approximately 52 days before payment. This would mean that a fulfillment company would carry a program client for up to 70 days on shipping charges, if they did not have a deposit to cover these costs. This problem is fur-

ther compounded when an analysis of a standard monthly program invoice indicates that approximately 2/3 of the total amount of the invoice is for shipping & postage charges. It is quite clear that the industry standard is to have a deposit. Below is an excerpt from MFSA's Fulfillment Trade Customs.

5. Postage/Freight Payments: *Clients provide postage and freight charge advances, prior to mailing and shipping, based on mutually agreed to estimates of anticipated needs and as stipulated in the proposal. Fulfillment companies may either mark-up or provide discounts to published shipping prices based on the term stipulated in the signed proposal.*

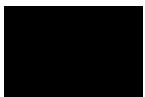
The billing parameters in the Fulfillment Trade Customs are broad to cover the many different situations encountered in client relationships, but one thing is sure – a deposit is recommended for all activities that require shipping, regardless
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Mary Ann Bennett and Jon Runstrom, both of BCC Software, Inc., enjoy the "windy but exciting" island luau on the final night of the Mid-Winter Conference in Hawaii. Both BCC Software and Bowe Bell + Howell sponsored the Island reception and luau.

MFSA Thanks Its Mid-Winter Conference Sponsors

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Island Reception/ Luau Dinner



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MFSA Membership Offers Something for Everyone!

By Scott Schuh
MFSA Chairman

There's something for everyone as a member of MFSA and, throughout this year, I'm hopeful that our association service offerings and its value will grow even more. As I write this, I have just returned from the Mid-Winter Conference in heaven, uh, I mean Hawaii. What a beautiful setting it was for a fabulous conference put on by Ken Wartman and his planning team. Kudos to our new director of confer-

ences, Jennifer Root, who did an outstanding job too.

Picturesque venues are great but what your MFSA staff and member volunteers strive to put together is timely educational content that helps you add value in your business.



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page 2)*

C. Scott Schuh

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How To Find and Develop Good Sales Talent

By Erik Weiss
Federal Direct, Senior Vice President, Marketing and Sales

It has always been difficult to find good salespeople, which is why they are compensated handsomely when they succeed. Lately, securing sales talent has grown much more competitive, with the sales department often becoming the first place that companies want to expand once economic conditions permit.

Finding salespeople is not unlike finding new clients. It is always a numbers game. Hiring several recruiters and purchasing advertising should eventually result in finding some qualified candidates, just as calling on many prospective companies usually can be expected to produce at least some sales. And as with sales, the most effective way to find and nurture talented salespeople is to identify an opportunity where your company can provide particular value. There should be significant revenue potential for the salesperson and a valuable product or service to tout in a specific market. The more focused a company can be in identifying sales opportunities, the greater its chances not only to hire talented salespeople, but also to increase their success.



Erik Weiss

It is not just about base salary

Regardless of their base salary, if any, salespeople ultimately are compensated according to their performance. Even if a prospective salesperson is guaranteed a high salary or draw, continued employment is never unconditional. Salespeople understand this, and although the market may dictate a required minimum base, first-year compensation alone will not be the driving force behind a prospective salesperson's decision to join a firm. In most circumstances, assuming a relatively standard compensation plan, it is the earning and growth potential of the job – not first-year salary – that matters most. If a candidate takes a job solely because of a high draw or salary, he or she probably views the position as temporary and may soon be encouraged by a higher bidder to leave. Finding top performers requires finding people who are best suited to a particular job description. And the description should be predicated on identifying a unique opportunity for the right salesperson to pursue.

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The job description

Firms need to acquire knowledge about the industries they serve or wish to serve. After identifying target companies – along with desired products, services, and service requirements – you must determine why and how your firm provides particular value. The salesperson's job description will reflect the desired contacts, knowledge, and experience needed to open doors to the targeted market. A good sales candidate, meanwhile, will have the industry vocabulary to communicate the firm's value proposition. Although a candidate may need training in certain areas, it is easier to teach subjects in which your own firm is competent than it is to train candidates for industries where your firm has a steep learning curve.

Hiring from outside the industry

Particularly in the current competitive climate for salespeople, firms need to be open to training industry outsiders. Not only are there talented professionals outside the mailing and fulfillment industry, but diverse personnel can often provide significant value for a company. In B2B environments, firms usually sell products and services to businesses in several sectors. It can be valuable on many levels to have staff members who implicitly understand the nature of an industry that purchases your company's services. They speak the industry jargon; they have contacts that can give them referrals, which is a much more efficient way to reach prospects than cold calling, and they have insights into the needs of the clients and prospects. This makes them more effective in addressing their customers' requirements and helping your company develop the necessary products and services to serve a specific market.

Common theories on salespeople

Salespeople, in general, have a bad rap. Conventional wisdom dictates reasons why most salespeople are not worthy of a job.

Some common theories:

- Sales experience is necessary because unproven candidates will require tremendous resources and ultimately may decide that selling is not for them.
- Experienced salespeople looking for new jobs are inherently not worthy because successful ones would never be

interested in leaving their current positions.

- Successful salespeople require too much money and, by accepting another company's job offer, they prove that they are disloyal and will eventually leave you, too, for a better offer.

If the job description and search are not focused, those theories are almost certain to be borne out. Companies need to understand the opportunities that exist for their services and identify how talented salespeople with specific contacts and experience may be able to succeed. Like successful businesses, top sales performers create differentiation and develop niches by targeting particular industries, products, and services. Once an opportunity has been identified, sales managers should learn about the market, meet with people in the industry, and then determine the background that salespeople will need.

Where to look

Websites, newspapers, databases, and recruiters are all common places to attract job seekers. With all of the mediums available to find candidates, sifting through resumes can be a costly and laborious process. Once an opportunity in a particular industry vertical has been recognized, focus on publications and recruiters that specialize in the desired fields. Current customers in these areas may be able to refer candidates. The more you participate in a targeted field, such as by attending trade shows and similar events, the more potential you will have to get referrals, and the better you will be able to identify the best job descriptions and candidates. By homing in on the desired experience and potentially lucrative opportunity for the right person, you will increase your company's appeal to the most appropriate candidates.

What to look for

Even if a candidate seems to have a perfect background for a particular sales position, his or her success will depend mainly on sales skills. Ambition, intelligence, and a strong work ethic are essential attributes. It is true that sometimes the best people can succeed no matter what the circumstances. But if your company cannot effectively identify the opportunity, the best candidates are unlikely to accept the job – unless, of course, you overpay them. But that would almost surely bring a poor return on investment.



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