**Multi-territor-ial rep: Good idea?**

Multi-territor-ial rep: Good idea? By Gary Udell

Over the last several years, in conjunction with distributor consolidation, the professional beauty industry has witnessed the emergence of the multi-territorial rep (MTR) —a rep agency that attempts to cover more than one of the traditional five territories. Initially, the MTR concept seemed plausible and was hailed by some as a template for the future. The "hype" sounded good—one sales meeting for many territories, one rep principal to deal with and one commission check to write. (The bean counters like that one). However, reality has set in, and for the most part, this concept is lacking in discernable results. One reason is that in most cases, the MTR rep agency expands by buying a weak group in a territory. This group still remains weak regardless of who owns it. Secondly, there is also the problem of an MTR maintaining the same high standard in all territories. Currently, there are some manufacturers who use multi-territorial reps that face the issue of having only one or two of the several territories doing well. Hence, the manufacturer faces the dilemma of how to increase business in one or two territories that are not doing well without "rocking the boat" in the other areas.

Another problem with the MTR concept is that it lends itself to "hi-lighting" (i.e.: calling only on certain dealers), therefore lacking in thorough coverage or maximizing a manufacturer’s exposure in a particular territory. Too often, strategies and decisions are based on one or two national accounts, which many times are not best for a particular territory. In fact, the consolidation of rep groups has lead to a similar result that is produced with distributor consolidation, which simply put is, "the sum of the parts does not equal the whole." The overall business in all the combined territories never seems to equal what the total business was prior to merging. In addition, whether it is a manufacturer, distributor or a rep agency, the bigger the organization, the less prevalent is the "espirit de corp." It is also more difficult to effectively manage and respond quickly to the marketplace. In many cases, MTR rep principals do not have a thorough knowledge of all the territories they cover, nor do they understand the many complex nuances and undercurrents. They do not know or have a history with the key distributors in the area. Clearly, the jury is out on MTR.

As a rep principal of a large independent regional sales agency, I believe that investing and expanding within a single territory (the Northeast) is the best path for us. We are able to serve both our manufacturers and customers on a much higher and professional level. The professional beauty business is still a personal business. When the "shake-out" from consolidation is completed, the strong, independent and regional distributors and rep agencies will be successful, because they will be able to provide a much higher degree of service. Besides, regardless of what segment of our industry you are in, who wants to put "all your eggs in one basket?"

Gary Udell is the president of Gerry Udell, Inc., a Northeast rep firm. He and his brother, Glenn, are principals in the firm that was founded by their father in 1960. Gary served on the board of directors of the Beauty & Barber Supply Institute and serves on the board of the Professional Beauty Association.