

Late last year the ECIA released the results of the study entitled, ‘The Value Delivered by Authorized Channel Partners for Electronic Components,’ to identify, analyze, and document the value of authorized channel partners in the electronics components supply chain. The study was conclusive: working with the authorized channel yields key benefits in important strategic and competitive areas.

In this article, we will zero in on the findings related to the value of manufacturers’ representatives. In the electronics components industry, manufacturers’ reps play a pivotal role in augmenting geographical reach and bridging the gap between manufacturers and local customers. The report investigates the process of employing manufacturer reps to bolster geographic presence, focusing on their profound relationships with local clientele, which makes them indispensable in channel partnerships. (See chart below from Executive Summary)



CONCLUSIONS – MANUFACTURER REPRESENTATIVES

1 Expertise: Independent manufacturers’ representatives are experts in their field and have a deep understanding of the products they represent. They can provide valuable guidance and advice to manufacturers and customers.	6 Customer service: Independent manufacturers’ representatives are committed to providing excellent customer service and can provide customers with quick response times and personalized attention.
2 Market knowledge: Independent manufacturers’ representatives have a thorough knowledge of the market and can help manufacturers understand their competitors and identify new opportunities.	7 Flexibility: Independent manufacturers’ representatives can adapt quickly to changing market conditions and customer needs, providing manufacturers with the flexibility they need to stay competitive.
3 Sales support: Independent manufacturers’ representatives can provide manufacturers with sales support, including lead generation, product demonstrations, and customer presentations.	8 Regional expertise: Independent manufacturers’ representatives have a deep knowledge of their local markets, including cultural nuances and business practices, and can help manufacturers navigate these differences.
4 Cost-effectiveness: Independent manufacturers’ representatives offer a cost-effective way for manufacturers to expand their sales and marketing efforts without adding to their overhead.	9 Technical support: Independent manufacturers’ representatives can provide customers with technical support and troubleshooting, ensuring that their products are used correctly and efficiently.
5 Brand representation: Independent manufacturing representatives among customers.	10 Relationship building: Independent manufacturers’ representatives are skilled at building strong relationships with customers and can help manufacturers establish and maintain long-term partnerships.



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Drilling down on these benefits can shed light on how and why reps can offer this value:

Expertise: Manufacturers’ reps have a limited number of lines, so their focus makes them more proficient in the technology behind the components they sell. They don’t carry competing lines, so they have deep expertise in the products they represent. Their knowledge is focused and deep. Furthermore, by design, their product lines are synergistic - the products are focused on specific solutions. For example, in an IoT device design, they might start with the motion sensors with a customer, but they bring along the microcontroller, the Bluetooth radio and antenna, and the other sensors that are needed for that application.

Another example: they might have an existing customer at the concept stage for a new product on the cutting edge of the application. The rep is working with them in a consultative role for multiple technology blocks for that new product, including components that typically aren't introduced at the concept stage; working with a rep means manufacturers can get into that design early with supporting product lines.

Market knowledge. The rep is closer to the market, enabling them to identify early on which customers are growing, which customers are considering bringing on new products. And conversely, they know which are in the opposite situation — which customers are phasing out products or have changed their channel strategy. Reps know the accounts in their territory intimately, enabling them to be very efficient in how they spend their marketing efforts.

Cost effectiveness. Manufacturers evaluating the rep channel today see the benefits of the variable cost model, the larger staff, and the intellectual property of the rep firm in that market. As a rule, there is lower turnover in rep organizations. Manufacturers know that turnover among account managers is expensive in time and money. They factor in the lost opportunity costs as a new person gets up and running. A manufacturer knows that they can mitigate risk by working with reps who have deep personal relationships with the markets they serve. Many reps have decades-long experience with their product lines.

Customer service. Selling multiple lines to the customer raises the customer's value to the rep and incentivizes them to champion that customer with the manufacturer, even if, from a manufacturers' standpoint, that customer seems less important. For the rep, because of the multiple opportunities, and because of the long-term relationship, a rep doesn't give up on a customer very easily.

Region/geographic issues. The territories have specific cultural and business nuances that are well understood by the rep. For example, in Quebec, most of the customer speak French. The rep that lives and breathes that territory is better able to understand and service the customer. In a market like Texas, which is spread out, it would take multiple travel days to cover the territory effectively; using reps with multiple offices and staff can be most effective. Likewise, in smaller markets, e.g. upstate NY where the DTAM is about 2%, a manufacturer would tend to skip that territory and focus on larger DTAM markets.

Relationship building. The rep builds relationships not only with the customer, but with the manufacturer, and the distributors in the regional market. The deep relationships with all the channel partners are of value in making that sale most efficient. The customers, the manufacturers, the FAEs, and distributors all become more effective in bringing products to market when reps act as liaisons in the territories.

Voice of the Customer. Reps can hand deliver samples, getting immediate feedback from the customer about how well the product meets their needs. This valuable market intelligence gives manufacturers the customer input needed to expand product offerings to successfully meet customers' current and future needs. Sales support from the rep means that they are directly tied into the manufacturers' organization's CRM systems, enabling highly efficient real-time data about the sales process. This means the manufacturer needs fewer support staff.

Testimonials Attest to the Value of the Manufacturers' Rep model

In summary, manufacturers' reps are smaller, nimbler entrepreneurial companies that can make quick decisions and invest wisely. They have evolved over the years from the basic variable cost advantage to the manufacturer to offering digital marketing, advanced analytics, professional services, relationships with channel partners, and more. The evidence is compelling, supported by results experienced by their channel partners:

Dinah Cowles - Sr Sales Leader Electronics - 3M

"Over the past 5 years, 3M Interconnect has optimized our sales organization by shifting to a manufacturing rep firm model supported by 3M regional sales managers, marketing and application engineering.

Our rep partners play a vital role in driving our commercial success by expanding our sales reach, accelerating pipeline growth, and deepening relationships at our end-users. Their localized presence, knowledge of the market, and technical expertise enable us to increase the size and quality of our sales funnel, identify new design-in opportunities, deliver faster voice of the customer, and create customized marketing messaging by geography and segment. Our reps have also strengthened our channel strategy by improving both local branch & corporate visibility with key distributors, driving & supporting infield programs and promotions and advancing sell-through at point-of-sale.

"The metrics speak for themselves. Since 2023, our pipeline has grown by triple digits and we've seen consistent improvement in critical KPIs:

- New customer acquisition*
- Funnel conversion rates and time-to-close*
- Lead-to-opportunity conversion*
- OEM and design engineer engagement*
- Design registrations*

Beyond execution, our rep partners contribute valuable industry insight—gained from supporting complementary principal lines—which helps us identify emerging trends and pivot toward high-growth opportunities. Their partnership continues to shape our direction and position us for long-term success."

Karim Yasmine - Executive Vice President, Global Product Marketing & Supplier Management - Future Electronics

"In our business, aligned and synergistic relationships help drive profitable growth, demand creation, and lasting customer engagements. We consider our partnership with the Americas Manufacturers Reps community as one of the most significant and game-changing partnerships in the industry. As we collaborate with the rep community, we create value for our joint customer base by leveraging our complementary core competencies, knowledge, strengths, and capabilities.

"As a distributor, we recognize the manufacturers' rep position in the value chain, in helping us accelerate adoption at the customer level. We firmly believe that these relationships enable us to bring solutions to our customers more efficiently, effectively, and in a timely fashion. Market

upside is significant, and those best aligned in the value chain will ensure share gains and be in a position to develop true demand creation progress within the growing customer base.”

Gary Mountford - Strategic Consultant – SCHURTER Inc.

“In 2024, Schurter went through a global transformation away from a family-owned Swiss model, to a global customer centric company, making technology and investments decisions based on customer and market needs. As the US is a critical market, the Rep Model enabled Schurter to rapidly expand our customer base and achieve greater customer intimacy in both the local markets and customers, as well as with the global leaders with critical design and product decisions being driven from the Americas.

“Since implementing this model, in 2024, Schurter has grown its new business opportunity (NBO) funnel in the America’s by 10X, (coming from a very small starting point). Based on the market growth information we were able to gather this year at EDS, we believe our POS is growing at 2X the market rate through May, so we are happy with the investment we have made in the Rep Model to date. Long term, growing faster than the market, and consistently increasing our market share and customer base in the America’s marketplace, is a critical component of our global growth strategy.

“This model works well for manufacturers that need to reach and serve many customers in a large geographic territory. If 80% of sales come from a handful of customers, a direct sales force probably makes more sense. For many manufacturers like Schurter, we serve close to 2K customers to reach 80% of our sales and building a direct sales team to service these customers would be cost prohibitive.”.

Neil Morrow - Sr. Director, Americas Mass Market Sales - ams OSRAM Group

“One component of ams OSRAM’s “Re-establish the Base” (RtB) program, launched in 2023, involved expanding our customer base in the mass market, and investments were made to build a sales structure around that. We opted to increase our sales rep coverage, and today we have coverage in all of America’s markets. This was the fastest approach to achieve sales growth by leveraging the manufacturers’ rep’s deep customer and distributor relationships in key local geographies, as well as leveraging the product and market knowledge our reps possess through years of working on synergistic lines.

“I do recommend the sales rep model to other manufacturers; however, a couple things need to be considered. First, the approach to regional sales management and field application engineering support to the mass market should be carefully constructed and adequately staffed. Secondly, manufacturers need to be patient with their investment into sales reps and the supporting team, because it takes just as long to bring solutions to market from a small or mid-sized customer as from a large OEM. During this time of growth, manufacturers may find that overall sales productivity, in terms of sales per headcount, is weaker in contrast to a house-team approach. But in the long run, efficiency wins and ROI proves favorable to the rep model.

“We are outperforming the market, and much of that success may be attributed to our sales representatives.”

Independent Manufacturers’ Reps continue to bring substantial value to component customers. Along with Distributors and Component Manufacturers, the ECIA Independent Manufacturers Rep Council is one of three critical 'legs' of the electronic component industry sales channel. This group helps streamline best practices in the industry. For more information, [please see this list of Rep Council initiatives.](#)