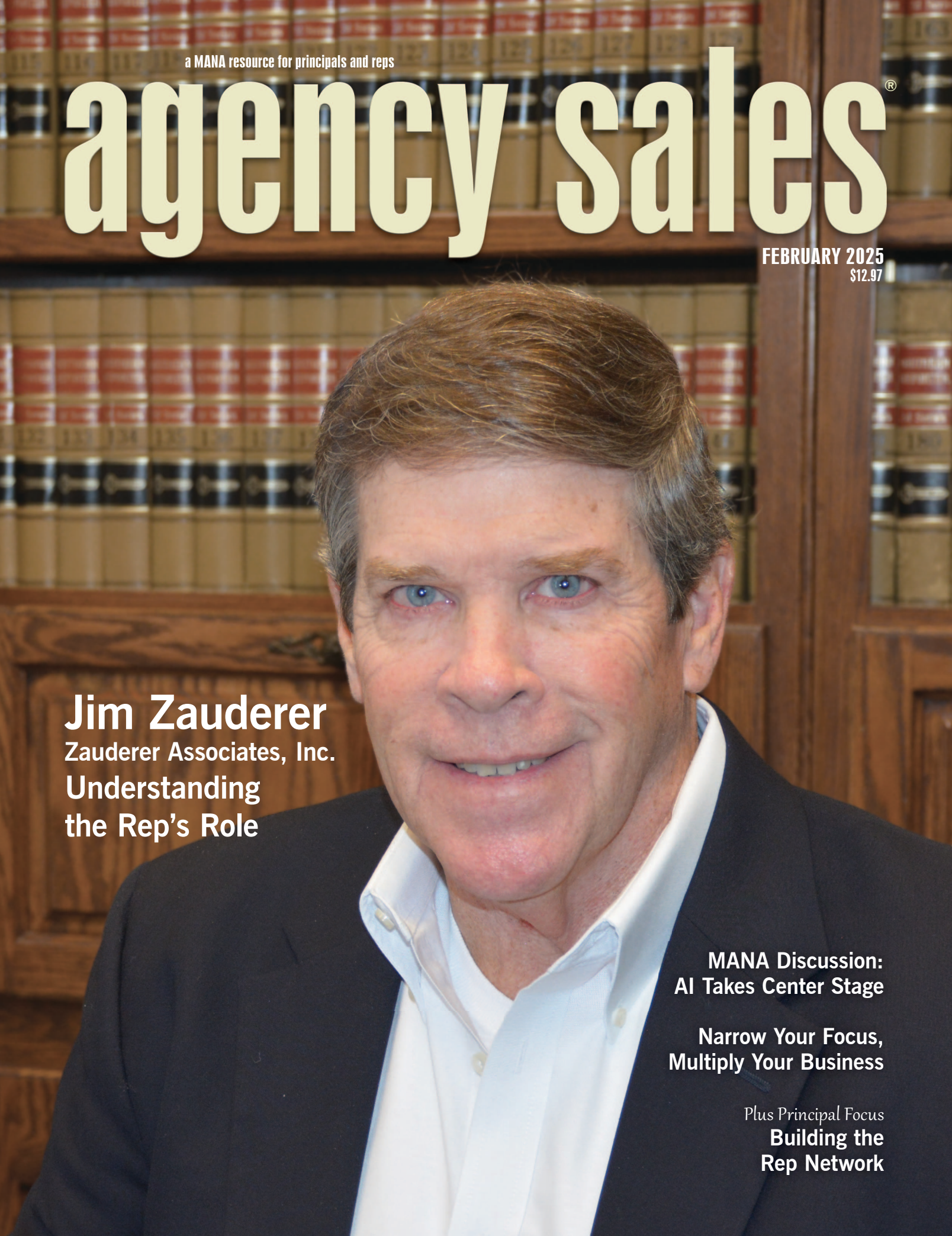


a MANA resource for principals and reps

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A portrait of Jim Zauderer, a middle-aged man with brown hair and blue eyes, wearing a dark suit jacket over a light blue shirt. He is smiling slightly and looking towards the camera. The background is a wooden bookshelf filled with many books, some with red and gold spines.

Jim Zauderer

Zauderer Associates, Inc.

**Understanding
the Rep's Role**

**MANA Discussion:
AI Takes Center Stage**

**Narrow Your Focus,
Multiply Your Business**

Plus Principal Focus
**Building the
Rep Network**



Boasting of more than 70 years in business, ZAI has been a MANA member for half a century. Seen here with a small sample of parts the agency has been involved with over the years are Jim Zauderer (second generation — president) and Lindsey Zauderer Pierce (third generation) administration and finance.

Understanding the Rep's Role

BY JACK FOSTER

When he's asked what manufacturers ought to understand and appreciate when it comes to the role the independent manufacturers' rep plays in marketing and selling their products, Jim Zauderer displays a keen understanding of the true value of reps and the relationship they have with their suppliers.

According to Zauderer, president of Zauderer Associates, Inc. (ZAI), Atlanta, Georgia, "I'd guess that the one thing that stands out when manufacturers think about their reps would be the question, 'Are they out there working for me every day? How much of the rep's time is the principal getting?' Since reps are only paid commissions for what they sell, they are certainly motivated, and it is incumbent upon the rep to maximize his time and effectiveness for each of his principals.

"Obviously, it's easy for the principal to judge success on an Excel spreadsheet. However, the intangible part of

the relationship is that a good rep can bring many opportunities to a principal that are never converted as a result of pricing, long lead times, inability to manufacture the item due to a lack of engineering expertise or equipment, etc. What happens is that the rep may be blamed for a lack of sales, but the problem may be more complicated than what the Excel spreadsheet shows. The rep's success is interwoven with the principal's ability to deliver all the necessary intangibles. A company salesperson faces the same challenges but is guaranteed an income."

While on the one hand, the above defines what the

"The rep's success is interwoven with the principal's ability to deliver all the necessary intangibles."

The ZAI File

Location: Originally headquartered in New York, Zauderer Associates, Inc. (ZAI) relocated outside of Atlanta, Georgia in 2019.

Founded: 1954

Website: www.zauderer.com

Products and Services:

Aluminum extrusions, expanded metal, rivets, rivet setting machines, injection molded plastics, air moving wheels/blades, urethane film/tubing, dielectric welding, gaskets.

Regional Offices: Georgia, Massachusetts, Michigan, New Jersey, and North Carolina.

manufacturer ought to be aware of when viewing reps, on the other hand, Zauderer has an appreciation for the challenges that his principals face. “Over our 70-year history, we’ve had a good deal of experience being a part of manufacturing companies. As a result, we don’t take anything for granted in the relationship we enjoy with our principals. We know what they’re up against. They have to invest in people and capital equipment, buy materials, invest in inventory, etc. On top of that, they have to deal with the uncertainty of ever-changing government regulations and many other things being thrown at them. We 100 percent appreciate what they are faced with when it comes to conducting business. A good example of what I refer to occurred during Covid when supply lines were virtually destroyed. As a nation we still don’t understand the severe damage that was done to the aforementioned supply chains — manufacturers’ ability to hire the right types of employees, allowing people to work offsite and then facing the challenge of bringing them back. These all had major impacts on manufacturing and as reps, we do appreciate the difficulties they face.”

“We’ve now been in business for 70 years as of 2024, and are in our third generation.”

Operating for 70 Years

It’s because of his and his agency’s understanding of the relative roles of rep and manufacturer that has allowed the agency, which opened its doors in New York State 70 years ago, to defy the odds and be one of the 13 percent of family-owned businesses that survived and thrived for more than 60 years.

According to Jim Zauderer, “My father started ZAI in 1954, the year I was born. ZAI was a New York/New England rep firm until I graduated from Georgia Tech in 1976. It was at that point I joined the company and opened up the mid-Atlantic states of North and South Carolina and Virginia. These states were later handled by someone else in ZAI, and I then opened up the deep south which included Georgia, Florida, Alabama, Tennessee and Mississippi. My father passed away in 1987, and I eventually became the president of the agency. We opened the Midwest and soon covered everything east of the Mississippi River. We have always represented job shops that manufacture custom-engineered components and have always sold to the OEM manufacturing customer. We do have a few international principals but 90 percent of the companies that we represent are domestic. We have never really sold to distributors. We deal primarily with purchasing and engineering at OEM manufacturers. We’ve now been in business for 70 years as of 2024, and are in our third generation.”

The agency currently operates with seven outside sales engineers with an administrative office in the Atlanta area that handles all support. All employees are direct. Zauderer explains, “It is rare that we have had personnel

“We have always advertised our agency in MANA and have picked up some great principals through that relationship.”

turnover, but when we do, we always turn to MANA and also advertise in web-based search engines.”

If that’s how ZAI finds employees when there’s a need, then when it comes to finding prospective principals, Zauderer explains, “We have always advertised our agency in MANA and have picked up some great principals through that relationship. We also are contacted directly by potential new principals because of our website and the many marketing tools that we employ.”

Prospective Principals

Continuing on the subject of prospective principals, Zauderer adds, “Since there has been a shift from the traditional exclusively assigned territories, and since more and more principals will not turn over any ongoing customers to help generate some income, we’ve found that it has become effective for us to ask for a retainer for the initial start-up period to help offset the costs of the sales launch.

“When we consider working with a principal, we’re always looking for something unique. We want a company that has created a niche for itself and one that has as little competition as possible. As a rep, we want to put ourselves in a position where the customer has fewer choices where to go to get what they need. If a principal

has a niche and possesses a unique expertise on processes and materials that their competitors don’t have, that’s the ideal company we want to conduct business with.

At the same time, he continues, “We’re also looking for principals who are willing to put something into the relationship. We’ll shy away from a principal if they indicate they’re not willing to invest effort and money into the territory.

“When signing on with a new principal it’s incumbent upon a rep to ensure that they negotiate a good deal. That includes ensuring the principal makes an investment in the agency. The rep has to show that he’s willing to commit the time and effort to do the best job possible. At the same time, while the rep can promise that they’re going to work hard, they can’t promise specific results. That’s why it takes two parties (i.e., the rep and the principal) to make the relationship work. It’s a two-way street.”

Chasing Labor Costs

When he’s asked about his agency, armed with 70 years in business and his own lengthy career as a rep, whether he’s seen many changes in the way reps operate, Zauderer responds, “Absolutely. There have been many changes, from the tools that we have used to how we go to market to locate prospects and have prospects find us. It seems

“When we consider working with a principal, we’re always looking for something unique.”

The screenshot shows the homepage of Zauderer Associates Inc. The header features the company logo on the left, which is a hexagon with a stylized 'Z' and the text 'ZAUDERER ASSOCIATES INC. EST. 1954'. To the right of the logo is the tagline 'YOUR SOURCE FOR CUSTOM COMPONENT PARTS & ASSEMBLIES'. Further right is a navigation menu with links: HOME, PRODUCTS, INDUSTRIES, WHY CHOOSE US, ABOUT US, BLOG, and CONTACT. A search icon is located at the far right of the header. The main body of the page has a dark blue background with a faint industrial pattern. On the left, the text 'CELEBRATING 70 YEARS' is prominently displayed in white. Below this, a paragraph states: 'Our mission at Zauderer Associates has always been to provide our customers with excellent service while maintaining the highest standards. We are excited to continue this tradition of excellence in the future.' On the right side of the main body, there is a circular graphic with '70th' in the center and 'ANNIVERSARY' written below it on a ribbon.

“We employ some of the latest AI tools to help engineers and purchasing find us.”

that manufacturing has chased the lowest labor cost for the past 40 years. That started with a migration from the northern to the southern United States, then to the Caribbean and Mexico. After that there was a movement to China and other Asian suppliers. We have also noticed a change in how principals conduct business with reps. At one time, many relationships were a simple handshake. Then contracts became standard procedure. The rep used to sign a contract that gave them an assigned exclusive territory, but that has been replaced to a greater extent by account-only contracts for any customer you might find throughout the United States. It's definitely a different format today.”

And when it comes to change, then there's the matter of a rapidly developing technology. “We have an evolving website (www.zauderer.com) that is constantly being updated. We employ some of the latest AI tools to help engineers and purchasing find us. We also have developed and use AI tools to equip our sales team in finding potential customers and then finding the key decision makers at each of these target accounts. We pay for advertising on Thomas Register and are involved in some of their AI tools. We also advertise with some of the manufacturing industry journals and periodicals that are both in print and online. We have become quite effective with email blasts that target specific industries and always have these email campaigns going in the background while our sales team is constantly working on finding new prospects and taking care of our existing customer base.”

Competing Globally

If changes in how the rep operates aren't enough to keep him busy, Zauderer indicates there's another concern he thinks about. “In general, I worry about a government that makes it harder for manufacturers to succeed and compete in a global market. There are so many hurdles and obstacles for American manufacturers that it drives their costs and prices up. Government does not create jobs, they create incentives that are either positive or negative for job growth. I would love to see the types of incentives that encourage more manufacturing in the United States. There have been some great articles written recently that explain how tariffs can create an incentive for new and expanded American manufacturing, which would bring back much higher-paying jobs to the U.S. middle class.

In conclusion, Zauderer is asked how and why his agency found MANA and maintains its membership in the association. “ZAI has been with MANA for at least 50 of our 70 years. MANA has kept us up to date through their periodicals on all the various news and changes that have occurred in the rep business. MANA's articles that highlight rep agencies are very enlightening and helpful in seeing how other rep agencies navigate the manufacturing industry, from their own structure to the principal to the customer.”

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

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