

ERA Today



ERA SoCal Newsletter

**ELECTRONICS REPRESENTATIVES ASSOCIATION
SOUTHERN CALIFORNIA CHAPTER**

March 2005



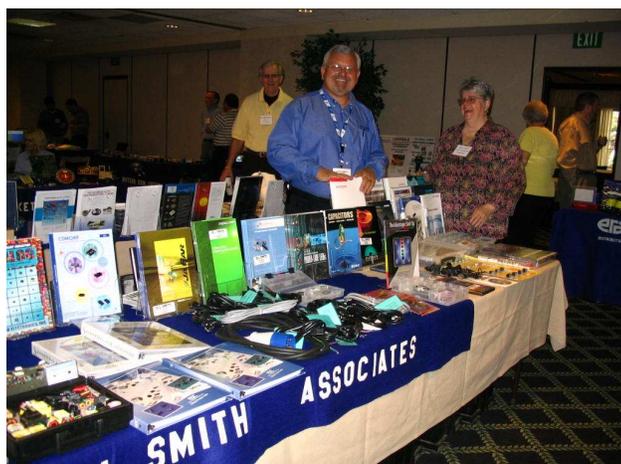
Is there an HSA in your future?

At our December 1 chapter meeting Paula Wilson helped us understand the advantages of a Health Savings Accounts. Employers and employees alike can save big money. Paula is a registered health underwriter, registered employee benefits consultant and the 2004–2005 regional legislative chair for the National Association of Health Underwriters.



Dick Neumann tells more than 60 people about reps of the future at February 3 chapter event

Industry and economic changes affect how professional field sales firms operate as reps explore new markets, products, niches, and directions. Thanks to Tom McCarthy for his assistance in setting up this terrific chapter event.



The ERA Las Vegas Show

On March 3, 2005 our tabletop show visited Las Vegas for the second time. Hotel San Remo was good and customers enjoyed it. Drawing folks continues to be a challenge.



Dick Neumann and chapter VP, Tom Felts

A former rep, Dick is a principal with definite ideas about what is and what should be happening in rep firm operations and rep-principal relationships.



Joe Miller and Jay Ownby, both of MANA, with Bill Herold at our January 25 Software Owner's Forum.

Software Owner's Forum

Planned topics for this forum included all programs used by manufacturers' representatives including "Front Office" software to help with sales (primarily contact management and opportunity tracking), plus "Back Office" software for commission tracking, compensation, accounting, etc. Other software soon faded into the background as the forum fast became a Contact Management discussion with ACT! and Goldmine preferred. Moderator Harrison Frank surmised that members focused on this area due to its intimate relevance to the sales function and revenue generation.

Owner's Forums Still Popular

The popular lunchtime event continues to be a valuable time for reps gathering to discuss common problems and solutions. Owner's Forums do not have outsiders present, our own members share their considerable expertise.



Webmaster, Bill Perry, flanked by Dean Marxer and Mark Thompson, participated in the Software session

ERA Southern California Chapter

offers many activities and resources such as professional seminars, business and sales training, regional trade shows, a weekly email newsletter, the ERA Today newsletter, and much more. For more information call 949-551-5200 or send an email message to mcgillis@erascal.org

The Chapter Directory

Is your page up to date? The chapter directory remains the industry standard and the only way prospective customers and principals can find member firms by product, manufacturer or member company. However, the directory is only as good as the information supplied by members on their directory pages. Members enter and maintain their own data at www.erascal.org

ERA Friday Breakfast

Meet early to share food, news, camaraderie and solutions to problems.

CPMR? Need CEUs?

ERA Chapter Meetings and Owner's Forums can be used for CEUs. It's one more good reason to participate.



Andy & Steve Swift, Ted Krone and Tom Felts at the Software Owner's Forum in Cypress.

From The President

By Steve Goldman



I would first like to thank all of our dedicated members of the Southern California ERA Chapter for giving me the opportunity to serve as your President.

When January 1st rolled around, my first thought was, "I need an aspirin from last night!" No, seriously, it

seems like just yesterday everyone was talking about Y2K and how all the computers in the world are going to freeze up. Well, that did not happen. What did freeze up was domestic manufacturing and our livelihood, SALES!

So where are we today? The American people voted our U.S. President for a second term, Interest Rates remain (for the time being) at record lows and domestic manufacturing seems to be picking back up. Keeping in mind what all of those reading this column have in common, let me focus on the latter.

I have been speaking to many Reps the past couple months and the majority have seen a nice turn of events recently. As for my company, our YTD Sales have a trend to greatly beat our year 2000, a year that most all of us had seen as our last very prosperous period. The idea I'm leaning to is looking forward and perhaps the need to concentrate on a different sales formula than what we have done in the past.

One thing that has held fairly constant over the past 20 years is commission rates. I would guess average commission is in the 4~6% rate for component Reps and at times slightly higher for fabrication Reps. What can we do as a business owner to increase sales AND increase the sales revenue of our outside sales staff? One thing we implemented was to become a non-stocking Distributor. We took one of our Asian component product lines and worked out a deal with our Principal/U.S. Distributor (which for many years we have had a Sales Rep agreement at 5%) and became the Point of Sale. Our Principal in addition gives us Distributor Pricing to increase our sales potential. Our existing customers have remained as they were with us acting as the Rep, however, if we feel a new potential customer is better fit (financially for us) with our company acting as the Distributor, that is how we approach them. This turns our 5% commission sale into a range common to other distributors while our customer is often obtaining an exceptional price. We try to avoid taking possession of the material. Our

company sends a Purchase Order to our Supplier along with a Packing List and our Custom Shipping Labels. It is a "Blind Ship" meaning the customer receives the product as though it left OUR back door. There is no question that in a blind ship arrangement one must have a loyal and trusting relationship with your Supplier.

Since this has become so successful for us, last year we added a second commodity. For this next endeavor, we went to one of our good customers we knew buys many commodities themselves off-shore. We asked them if there was any one commodity they have had difficulty with, whether it is quality, delivery or service related. We got the answer and went looking for it ourselves. Using the Internet, we found an Asian source that by luck had their U.S. Distributor located in California. Long story short, we had the product quoted and marked up accordingly (having a target price is helpful), obtained product samples and had our customer approve them. Within 5 weeks of asking the initial question of our customer, we had a nice size purchase order with an attractive Gross Profit. With greater sales dollar potential comes greater risk. I would only advise this approach with customers you know have strong financial standings and pay their bills on time.

I believe we all need to start thinking outside the box. The Sales Representative business model is changing so staying stagnant is a recipe for failure. Here's a thought... how long would a high tech OEM exist if they only had one product and were not prepared by R&D for a succeeding one? As Representatives and Distributors, I believe a similar approach now holds true for our business. If not as extreme as what we did in turning part Distributor, perhaps another method of change is simply improving your Customer Service. That in itself goes a long way.

Brainstorming for new ideas and approaching them as a group can help bring on success. Attend the ERA Breakfasts held every Friday in Irvine or the second Friday of each month in Chatsworth ... and network!. Attend our Owner Forums held throughout the year with topics focused on the Rep owner and how to improve your business and network! Attend our guest Speaker Events held every couple of months (usually at the Cypress Marriott) and get a terrific presentation on a subject related to our business ... and network! Plus don't forget our upcoming ERA Electrotech Shows in Santa Barbara and San Luis Obispo. Oh...and network!

Best wishes to all our ERA Representative and Distributor members for a successful 2005!



ERA Hires Rich Rust As New CEO

The Electronics Representatives Association (ERA) has announced the hiring of a new top administrator to succeed retiring Executive Vice President and CEO Raymond J. Hall. On Jan. 28, the association's board of directors unanimously approved a three-year contract with Rich Rust, 52, CEO of Thorson Rocky Mountain, Inc. of Highlands Ranch, Colo., an ERA member representative firm.

Rust's contract as CEO of ERA took effect Feb. 1. He is in the process of selling his rep company and will carry out his new responsibilities from an office in Colorado. The ERA headquarters will remain in Chicago.

Hall's 35-year tenure as CEO of ERA officially concluded on Dec. 31, as specified in a three-year succession agreement signed last March. During this second year of the succession plan, Hall will serve as vice chairman/industry for the ERA Board of Directors and will support Rust as he assumes his new post.

Rust's experience as a professional field sales rep extends over 24 years. He joined Thorson Rocky Mountain, Inc. in 1981 as a sales engineer and became managing partner in 1987. The firm has operations in Colorado, Utah and Idaho. Rust holds a mechanical engineering degree from the South Dakota School of Mines and Technology and held several positions with Westinghouse Electric Corporation before joining Thorson. He's chaired rep councils for a number of manufacturers and is the current vice president of the board of the Electronic Distribution Show and Conference (EDS). For ERA, Rust has served as chair of the Large Rep Firm Special Interest Group and has been a frequent contributor to ERA conference programs. His most recent presentation,

titled "Thriving on Chaos," was delivered at the 2004 ERA National Conference in Phoenix last September.

"I'm very excited about the opportunity to join the ERA team," Rust says. "Ray and his staff are incredibly dedicated to supporting the professional field sales function. ERA has played an important role in my development as a business owner, providing me with the tools and insight to enhance my company's success. Today's global marketplace presents us all with many challenges. I'm looking forward to working with our members, both reps and manufacturers, and industry associates to meet those challenges and create new opportunities."

ERA President Michael Kunz, CPMR, of R. W. Kunz & Associates in St. Louis, Mo., led the search for the new CEO and comments, "It was very tough to find a successor for an industry icon like Ray Hall. In Rich Rust, ERA gains the experience of a highly successful rep who's been active in our industry. We are confident that Rich's perspective and commitment will benefit ERA's membership retention and recruitment among both reps and manufacturers. And having Ray Hall available for the next two years to help guide Rich in all facets of association management is an important plus."

Hall adds that his successor "brings to ERA a unique combination of general business, industry experience, technical background and rep knowledge of the professional field sales function." The veteran association executive also notes, "It is rare that an association looking for succession in its chief staff level gets the opportunity offered ERA. Our Executive Committee spent half a year examining this decision and working out the details with Rich. I look forward to helping coordinate the transition and assisting Rich as he assumes the reins of CEO to direct the future of ERA. Like so many associations, ERA is in the throes of transition. Rich's involvement will bring new ideas, views and approaches. It will be an exciting time!"

Rust in Owner's Forum

Rich Rust joins members to participate in the ERA Southern California Owner's Forum: Revenue, The Bottom Line Really Does Matter, March 16, 2005 at Chanteclair Restaurant in Irvine.

ERA SoCal 2004-2005 Officers

President

Steve Goldman, Image Associates
805-777-1106

Chairman of the Board

Bob O'Brien, Signal Enterprises
818-957-0640

Vice President

Tom Felts, Techrep Components
310-539-9070

Treasurer

Bill Greenfield, Texel
714-281-4916

National Delegate

Bob O'Brien, Signal Enterprises
818-957-0640

Membership Chairman

Gary Smith, G.L. Smith Associates
714-701-1800

SOCALEE Show Director

Gary Smith, G.L. Smith Associates
714-701-1800

Government Affairs Director

Ed Reese, Motion Components
714-255-1080

Distributor Chairman

Dave Burgener, Projections Unlimited
714-544-2700

Who is ERA Southern California?

The Southern California Chapter is one of the largest in the ERA. Our activities encompass education, training, publications, trade shows, networking opportunities and the opportunity to interface with reps, distributors and manufacturers for discussion of issues and problem solving .

The Southern California territory stretches from Central California through Orange County and the desert counties into Southern Nevada. Many Southern California reps have extensive business operations in San Diego and Mexico.

Members in Southern California are professionals; ERA helps them maintain that sharp edge with services, programs and benefits that enhance their knowledge and expertise.

ERA manufacturer's representatives are highly motivated, independent business people who sell electronic products for more than one manufacturer to customers in an exclusive geographic territory. In our case, the southern part of California.

Our members are experts who know the territory and are skilled in identifying new customers and opportunities. They add customers, serve existing customers and manage strategic accounts. Their customers range from giant companies to emerging accounts.

The ERA Southern California Chapter offers many activities and resources such as professional seminars, business and sales training, regional trade shows, a weekly email newsletter, the ERA Today newsletter, and much more. For more information, call (949-551-5200) or e-mail the Chapter office.

2005 EVENTS CALENDAR

December 1, 2004

HEALTH SAVINGS ACCOUNTS – (HSA)

Chapter Event

4:00 Program, 6:00 Social time, 6:30 Dinner
Cypress Courtyard by Marriott
Reservations are needed.

Jan 10 - 12, 2005

MD&M + ELECTRONICS WEST

Anaheim Convention Center

Jan 6 - 9, 2005

CONSUMER ELECTRONICS SHOW

Las Vegas

Jan 25, 2005

SOFTWARE

Owner's Forum

Cypress Courtyard by Marriott

Feb 3, 2005

REGIONAL MANAGERS

Chapter Event

4:00 Program, 6:00 Social time, 6:30 Dinner
Cypress Courtyard by Marriott

Mar 3, 2005

LAS VEGAS SHOW

Electrotech Tabletop Show

Hotel San Remo

Mar 16, 2005

REVENUE

Owner's Forum

Cypress Courtyard by Marriott

Apr 12, 2005

GOLETA SHOW

Electrotech Tabletop Show

Santa Barbara Elks Lodge

Apr 13, 2005

SAN LUIS OBISPO SHOW

Electrotech Tabletop Show

San Luis Obispo Veteran's Hall

Apr 27 & 28, 2005

DEL MAR ELECTRONICS SHOW

Del Mar

May 3 - 5, 2005

EDS

Las Vegas

May 11, 2005

OFFSHORE MANUFACTURERS

Owner's Forum

Cypress Courtyard by Marriott

May 25, 2005

60 YEARS of ERA

Chapter Event

4:00 Program, 6:00 Social time, 6:30 Dinner
Cypress Courtyard by Marriott

Jun 22, 2005

SOFTWARE – Contact Management

Owner's Forum/Seminar

Cypress Courtyard by Marriott

For current info always check:

www.erascal.org/calendar.asp

Friday Breakfast

In TUSTIN

Every Friday at 7:00

Mimi's, 17th Street at 55 freeway

In CHATSWORTH

Second Fridays at 7:30

Lamplighter, DeSoto & Nordhoff

ERA Southern California Committees

Committees are at the heart of chapter activities with members involved in every aspect of chapter operations. Most business is conducted by the office and board with committee support. Their actions and recommendations make things happen. Below is a list of Chapter Committees. Please contact any committee chairman for more information.

2004-2005 Committees

BOARD OF TRUSTEES

Bill Sullivan, Chairman
Bob Baxter
Harrison Frank
Dan Parks

BYLAWS

Bill Quinton
Ed Reese
Gary Schoenbachler
Ted Wiltse

FINANCE

Bill Greenfield, Chairman
Bob O'Brien
Steve Goldman
Tom Felts

PROGRAM PLANNING

Tom Felts, Techrep, Chairman
Dave Burgener, Projections Unlimited
Tim Wolfe, PMC Technical Sales
Ed Koshinski, Luscombe Engineering
Dean Marxer, Marble Associates
Tom McCarthy, Quadrep
Bill Myers, Quadrep

MEMBERSHIP

Gary Smith, Chairman
Roy Burtrum
Bill Greenfield
Mark Thompson
Tim Wolfe

SOCALEE

Gary L. Smith, Show Director
Steve Tennessen, Assistant Show Director
Harrison Frank, Show coordinator

OWNER'S FORUMS

Harrison Frank, Chairman
Jim Hill, Hill & Associates
Richard Grenn, Halbar
Bob Jewel, Robert Jewell & Associates
Bill Quinton, Lorill
Monroe Bunge, Goldenwest Sales
Dean Marxer, Marble Associates

SHOWS

Bill Herold, Chairman
Dave Snyder

GOVERNMENT AFFAIRS

Ed Reese, Chairman

WEBSITE

Bob O'Brien, Board Chairman
Steve Goldman, Chapter President
Tom Felts, Vice President
Gary Smith, SOCALEE Show Director
Bill Perry, Webmaster

ERA Southern California

is a trade association for Manufacturers' Representatives and Distributors serving the electronics industry. See more about us at www.erascal.org and www.era.org

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