

# ERA Today



**ELECTRONICS REPRESENTATIVES ASSOCIATION**  
**SOUTHERN CALIFORNIA CHAPTER**  
**November 2005 Newsletter**



The two hour session was lively and responded to many questions from the audience, most of them sales people concerned with how RoHS will affect their customers and manufacturers.

Many interesting points were brought up, including that nobody runs RoHS. Many countries agreed to RoHS, but it is not monitored by any agency. Self certification is the standard. Many component manufacturers must make compliant parts and non-compliant at the same time since some of their customers need one or the other, depending on their phase-in schedule.

It was a very enlightening session, the chapter dinner and animated conversation were enjoyed by all.

## **The RoHS Chapter Meeting**

This (Restriction of Hazardous Substances) October 18 meeting was one of the most technical in memory. Not that it was about issues with new solders or plastics, instead it highlighted the many issues involved with phasing in Euro-originated requirement to get lead, mercury and other hazardous substances out of products.

Gary Smith created the program and supporting PowerPoint presentation, moderated the discussion and recruited the expert panel. They are:

- Lynn Briley, Sr. Component Engineer, Powerwave
- John Erickson, Sr. Component Engineer, Masimo
- Jay Gatmaitan, Sr. Component Engineer, Endevco
- Debra Boelkes, Services Development Mgr., Arrow





The oversold March Owner's Forum about Revenue



The oversold May Owner's Forum on Offshore Principals



The oversold November Owner's Forum – Becoming The Rep They Can't Live Without

### Oversold Owner's Forums Continue

The March, May and November forums were oversold, participants in each were willing to be at a side table in order to take part when the main table had already been filled to the maximum of twenty-four. The popular lunchtime events continue to be valuable, with reps gathering to discuss common problems and solutions. Owner's Forums do not have presenters, only reps sharing their own considerable expertise.



Friday Breakfasts in Chatsworth



Friday Breakfasts in Tustin



### ERA Friday Breakfast

These groups meet early to share food, news, camaraderie and solutions to problems. It is one of the many benefits of membership. A tradition since 1996, Friday breakfast is a great way for reps and distributors to meet on a regular and informal basis and the information shared is valuable to all. It helps maintain our ongoing sense of community



The Spirent Communications Show on October 26.



A satisfying show in a snug, comfortable setting.

## ERA SoCal Tabletop Shows

This show marked a return to our tabletop show roots – doing them in customer facilities. The Spirent Show pictured above was unusual due to the limited space available in their training room. Exhibitors and attendees alike were in tight quarters but it didn't hurt at all and in fact made for a very friendly atmosphere.

These popular events have been staged by ERA SoCal members since the late 1960s. Smaller communities such as Santa Barbara and San Luis Obispo welcome us with open arms and most participants find the small cost of time and money pays off handsomely in new customer contacts and renewed friendships with existing customers.

## ERA Southern California Chapter

We offer many activities and resources: professional seminars, business and sales training, regional trade shows, weekly newsletter, the ERA Today newsletter, and much more. For information call 949-551-5200 or email [mcgillis@erascal.org](mailto:mcgillis@erascal.org)



Tustin Mimi's had a major renovation this summer



Mini's gave away dessert coupons during construction

## The Chapter Directory

Is your directory page up to date? Our chapter directory remains the gold standard among rep organizations and the one way prospective customers and principals can find member firms by product, manufacturer and company name. The directory is always up to date, as information is supplied by members directly to their own page. Members enter and maintain their data at [www.erascal.org](http://www.erascal.org)

## CPMR? Need CEUs?

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

## Who do I talk to at ERA So Cal?

Do you have a suggestion, comment or complaint about the chapter, it's operation, or an event and not know who to call? At each chapter meeting chapter officers are present wearing gold badges, you can simply talk with any of them. In this newsletter and on the chapter website is a list of chapter officers and committees, feel free to call anyone listed.

## Watch Your Sales Managers Closely

For manufacturers and their representatives

This article was written to explain a successful settlement reached on behalf of a representative who was taken advantage of by a large public company.

First some background: Due to a confidential settlement agreement we cannot give details as to who was involved in this case or what the damages were, but we can give broad details on the situation.

The representative Company represented the principal for approximately four years when the rep was terminated. One of the main reasons for hiring the rep was to try and get the Principal back into a major account which they lost due to engineering shortfalls. The representative patiently marketed the Principal's product for nearly four years, much of that time with limited success due to technical limitations of the product. During that time the rep took the principal on hundreds of sales calls allowing the Principal to see and better understand the market in gathering information to create the correct product. Finally, after many years the Principal finally made the right product. The rep had good contacts at the company the Principal was interested in getting into and rather quickly the Principal was successful. The rep described the situation thereafter as a "perfect storm," the reason being that the Principal eventually took the account direct because (1) the business increased very rapidly to multi millions of dollars per year (2) the sales manager happened to live in the territory (3) the customer was very aggressive price-wise and encouraged the Principal to work direct.

The rep tried to stay involved with the business that his team had worked so hard to achieve, but the sales manager was insistent and arranged to have the business go direct. We really don't know how much the customer wanted to work direct versus the sales manager wanting to preserve his job by working direct. The rep often knows employees at the factory. If a sales manager can get the rep out of the picture then he has more power.

To prevent losing the line, the sales rep went back to the factory and pleaded his case. He asked for a smaller commission rate or to stay behind the scenes, but the manufacturer (led by the sales manager) wanted to have nothing to do with that and just got rid of the rep. To add insult to injury, the manufacturer did not pay commissions clearly owed.

The Company was a major firm doing sales of tens of millions yearly. In the short run this hurt the rep, but in the long run it was helpful for the rep because as a result the rep was able to attract a very good attorney on contingency. In the state that the illegal act occurred, there is a civil code which says if the rep can prove that the manufacturer willfully withheld commissions, the rep gets triple damages plus legal fees. As

a result of this code, the rep was able to sign on a very good attorney.

So why did the sales manager and Principal not pay commission blatantly owed? We do not really know, but we think it had to do with having better financials as well as an arrogance by the sales manager feeling that they could do what they wanted to do and the rep was "paid enough." The representative had a law suit filed against the Principal and the lawsuit went on for about a year and a half. In the end, it cost the Principal a great deal of time and money. After a year and half a settlement was worked out with the representative. It would have saved the Principal a great deal of money and time to have kept the rep on or to have paid the rep earlier.

The representative was able to get the commissions clearly owed as well as commissions that should have been paid based on design wins done while the representative was working for the Principal.

The rep had other Principals that he sold into the customer who supposedly wanted to work direct, which brings up the question, did the customer really want to work direct or did the sales manager arrange the situation so the principal wanted to work direct by enticing the customer with possible lower cost as an unspoken incentive?

So we come back to the title of the article, "Watch Your Sales Managers Closely." Many times the sales manager has their own best interest in mind and not that of the company. When a representative is terminated, the first thing he wants to do is to get another Principal to replace the business. Because he knows where all the "bones are buried," he will go after the business and as a result the manufacturer's confidential information is given away. As a result the manufacturer should be very careful in switching representatives. If you're going to switch representatives make sure the new one knows the market better and has more real contacts and relationships than the one being terminated.

In many cases, the representative gives continuity to the manufacturer. I have seen some reps outlast four or five sales managers. Sales managers move around a lot, either they are let go by over-aggressive upper management or they get a better offer. In the case discussed, the sales manager left shortly before the lawsuit was settled.

As a lesson to manufacturers, watch your sales managers closely. If you have a good rep that knows the market, treat them well, they can give a great deal of continuity with your customers over the long run and can be very cost-effective for the company. Remember, reps are a variable cost where as sales managers are not.

(Author anonymous)

## **ERA SoCal 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

### **Shows Director**

Bill Herold, Conquest Technical Sales  
805-241-5118

### **Government Affairs Director**

Ed Reese, Motion Components  
714-255-1080

### **Distributor Chairman**

Dave Burgener, Projections Unlimited  
714-544-2700

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## **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, this ERA Today newsletter, regular breakfast meetings, and much more. For more information, call 949-551-5200, check our website [www.erascal.org](http://www.erascal.org) or e-mail the Chapter office: [mcgillis@erascal.org](mailto:mcgillis@erascal.org)

# 2005 EVENTS CALENDAR

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

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

## **ACT! Training Session**

Owner's Forum/Seminar

Cypress Courtyard by Marriott

Mar 16, 2005

## **Revenue**

Owner's Forum

Cypress Courtyard by Marriott

August 11

## **Sagebrush Social**

Social Event

Sagebrush Cantina, Calabasas

October 18, 2005

## **RoHS**

Experts on Restriction of Hazardous Substances.

Chapter Event

October 26, 2005

## **Spirent Communications Show**

Electrotech Show

Spirent in Calabasas

November 15, 2005

## **Become the rep firm they can't live without**

Owner's Forum

Cypress Courtyard by Marriott

December 6, 2005

## **Haas Automation Show**

Electrotech Show

Haas In Oxnard

For current info always check:

[www.erascal.org/calendar.asp](http://www.erascal.org/calendar.asp)

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## **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

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## 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.

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## 2005 Committees

### BOARD OF TRUSTEES

Dan Parks, Chairman  
Harrison Frank  
Bob Baxter  
Bob O'Brien

### BYLAWS

Bill Quinton  
Ed Reese  
Gary Schoenbachler  
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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

### 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  
Dave Snyder

### GOVERNMENT AFFAIRS

Ed Reese, Chairman

### WEBSITE

Bob O'Brien, Board Chairman  
Steve Goldman, Chapter President  
Tom Felts, Vice President  
Bill Perry, Webmaster

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## ERA Southern California

is a trade association for Manufacturers' Representatives and Distributors serving the electronics industry. See more about us at [www.erascal.org](http://www.erascal.org) and [www.era.org](http://www.era.org)

## The Association Office

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