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WINTER 2017

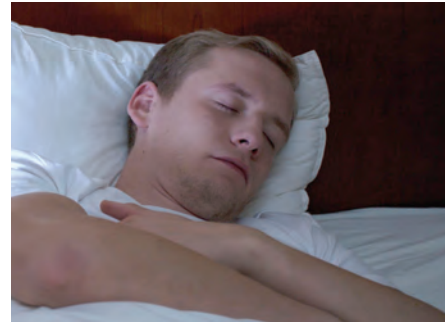
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2017 INDUSTRY FORECAST

**A review
of key trends,
challenges and opportunities**



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WINTER 2017

2017 INDUSTRY FORECAST



**A review
of key trends,
challenges and opportunities**



In the wake of the 2016 U.S. presidential election, analysts are scrambling to update their economic forecasts for 2017, with many reporting inconclusive outlooks.

It is expected that the Republican-led Congress and the Trump Administration will support a large fiscal stimulus, which is likely going to include a sizable tax package for businesses and individuals, and possibly be passed sometime in late summer or early fall of 2017.

According to a recent Bloomberg report, the fiscal stimulus, including plans for investment in infrastructure, has led to an increase in confidence in the financial health of corporate America.

However, the Federal Reserve provided only a minor upward revision to its 2017 economic outlook despite the high post-election optimism in the markets.

In addition, the expectations of economic growth and interest rate hikes have pushed the U.S. dollar to its highest level in 14 years, according to Forbes. The strong dollar is expected to impact already struggling U.S. manufacturing activity and exports in the upcoming year.

That said, industries such as aerospace and defense, which suffered a setback for the past three years as a result of weaker U.S. defense budgets, are expected to rebound in 2017. The increase in the domestic defense budget and growth in defense budgets of important allied nations spurred by emergent global security threats are projected to aid the sector as a whole.

The global distribution market is also facing uncertainty. According to a December 2016 Global Purchasing report, electronics distributors are forecasting modest business growth in 2017, with slightly better numbers than 2016. However, the results of the U.S. election, the Brexit vote in June, as well as upcoming elections in Europe are creating a challenging environment for industry decision makers.

Still, U.S. electronics distributors are projecting revenue growth from IoT-related investments. And if federal investment in infrastructure comes through, it is expected to drive a strong semiconductor and sensor demand for the next several years.

In today's challenging and uncertain business

climate, the Electronics Representatives Association (ERA) strives to stay on top of industry trends and opportunities. To keep its members informed and up to date on today's industry issues, ERA put together a 2017 Industry Forecast.

The report was generated via an electronic survey, which was conducted entirely over the Internet in December 2016. It offers a current assessment and 2017 outlook of the electronics industry, based on rep, distributor and manufacturer ERA member feedback.

Seventy seven percent of survey respondents identified themselves as reps, 16 percent stated that they are manufacturers, and 7 percent of respondents stated that they are distributors.

Almost half of respondents (46 percent) rated 2016 as a good, very good or excellent business year for their organizations, while more than half (54 percent) rated 2016 as a poor to mediocre business year.

Despite continued economic uncertainty, the electronics industry appears to have a very positive outlook for 2017. More than two thirds (69 percent) of survey respondents rated the overall health of their firms as either good or very good, and the majority (82 percent) expect that 2017 will be either a good, very good or excellent year for their business. Whether or not this optimism is based on lower expectations from sluggish growth in the

past few years remains to be seen.

In addition, the majority of respondents ranked the economy, business partnerships with reps, manufacturers and distributors, as well as strategic planning and new market initiatives as the most important issues for their organizations in the upcoming year.

They also shared that, when planning for 2017, the highest sales growth is projected to come from the military/defense, medical, industrial, IoT, automotive and lighting markets.

So will the electronics industry's optimism remain strong as 2017 unravels? Read on for detailed survey data of ERA's 2017 Industry Forecast (pages 6 and 12).

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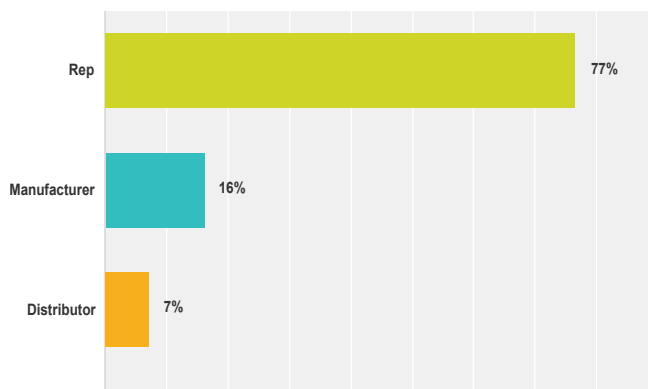
ERA strives to stay on top of industry trends and opportunities. To keep its members informed and up to date on today's industry issues, ERA put together a 2017 Industry Forecast.

This article was written by Neda Simeonova, editor of The Representer.

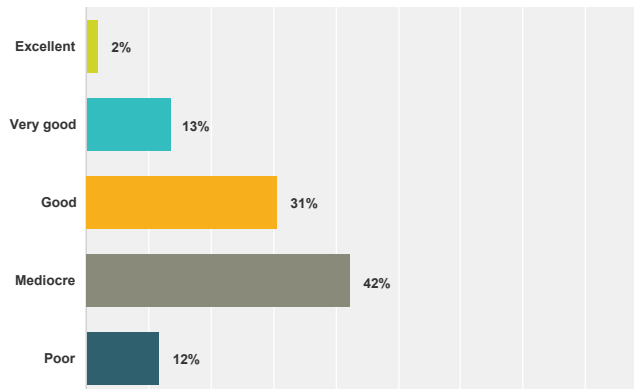
COVER STORY: 2017 Industry Forecast

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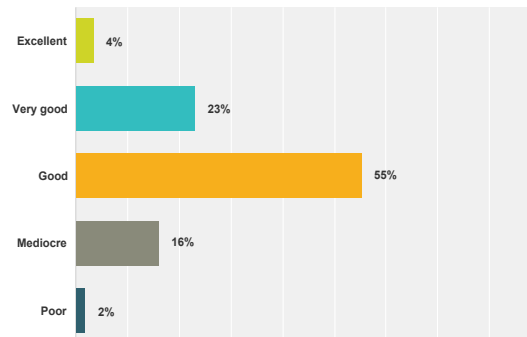
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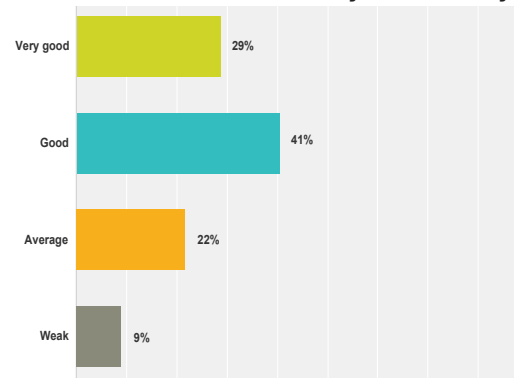
How do you rate this year (2016) as a business year for your organization?



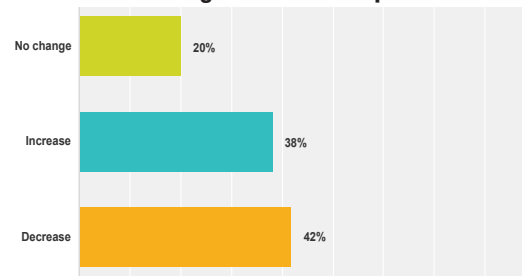
How do you expect to rate next year (2017) as a business year for your organization?



How would you rate the overall health of your firm today?



How has your organization's revenue changed in 2016 compared to 2015?



(continued on page 12)

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Tom Wichert
Vice President of Sales
TDK-Lambda Americas Inc.

With so many ERA members, it is not easy to get to know every rep and manufacturer in the business. "Someone You Should Know" is The Representor department that gives readers the chance to learn about fellow ERA members, including how their time is spent both in and out of the office.

Meet Tom Wichert, vice president of sales of TDK-Lambda Americas Inc., headquartered in National City, Calif. He specializes in strategic relationships, business plan and new product development.

The Representor asked Tom a few questions about his time in the electronics industry and his experiences with ERA. Here is what he had to say.

Tell us a little bit about yourself.

I was born and raised on Long Island's beautiful south shore, where boating has been a major part of my life. My youthful memories are numerous trips across the Great South Bay to Fire Island. I am married and have three children (ages 18 to 23). It's amazing to me how we raise them all the same and yet as they grow, their individual personalities blossom to make them so different.

I am a die-hard West Virginia University Mountaineer, where I obtained my B.S.E.E. and a proud Hofstra graduate where I obtained my MBA. I am a firm believer in strategic selling, utilizing the philosophies of Miller Heimen.

What are some things you enjoy outside of the workplace?

I really enjoy boating, fishing, golfing and red wine! With golf, my good friends have advised me that I have plenty of room for improvement. I find as I get older, I enjoy good red wine more. I love venturing into New York City to explore different foods and cultures.

From the music desk, I can't get enough of Billy Joel, Bruce Springsteen, Van Morrison, Zac Brown Band, Old Dominion, Dave Mathews and Jimmy Buffet. I am a true Parrot Head!

How long have you been an ERA member and how long in the electronics manufacturing business?

The Lambda group was acquired by TDK back in 2006 and integrated into the TDK family of companies. It's been 11 years — how time flies! TDK and TDK-Lambda have been ERA members for many years. I have been in the electronics industry straight out of college, circa 1985.

How did you become interested in being a manufacturing executive in the electronics industry?

MacGyver! ... I always wanted to build things with electronic components. The journey of moving to sales and then an executive role was a natural extension of my passion for this industry.

What have you found to be most rewarding about being in the manufacturing business and/or the electronics industry?

Seeing and/or being a part of the innovation and evolution of technology. With the fast pace of innovation, it's really an exciting time for this industry. The challenge is to excite this passion in the next generation of young MacGyvers.

Briefly describe your company.

TDK-Lambda is recognized as the world's

leading manufacturer of industrial power supplies. Founded in 1948, the original Lambda business grew steadily and acquired a strong reputation for its high standards of reliable products. The DNA of the traditional Lambda Company is driven by an engineering culture with heavy emphasis on quality and reliability.

What recent innovations, best practices and/or changes has your company made?

With the continued market pressure to always reduce costs, the drive internally has been to focus on automating as many procedures and processes as possible. This logic applies not only to the traditional manufacturing arena, but encompasses sales, inside sales, quality, engineering and logistics. Increased flexibility around our standard power solutions is a result of a keen focus on customer innovation and adapting to shifts in the North American market.

What have you learned and/or what contacts have you made through ERA that have had the greatest positive impacts on you and/or your business?

One of the greatest impacts is the recognition of the intrinsic value of representative sales as an extension of our direct sales team. One positive impact on TDK-Lambda was leveraging the strength of local relationships. Lee Davidson (past president of Allied Electronics) liked to remind me that America and Europe are not vastly different. Both geographies are comprised of many different cultures by region. America is the "United" States of America whereas Europe is the "connected" countries of the E.U.

Are you active on social media? Do you follow ERA? Have ERA updates via social media been helpful to you?

Keeping up with the changing dynamics of social media makes this computer-mediated technology a challenge. I have an account with Facebook and LinkedIn and follow ERA through LinkedIn. TDK-Lambda is active with Facebook, LinkedIn, Twitter and YouTube, while also maintaining some blog sites.

What is one interesting fact that people may not know about you?

I spent my youth harvesting shellfish "clams" on the Great South Bay. From the age of 14 until my junior year of college, I worked on a 22-foot Garvey clam boat about one mile off shore harvesting clams. This venture enabled me to help fund some my college education.

"Yes I am a pirate, two hundred years too late!"

— Jimmy Buffet

ERA Conference: Join the discussion and accelerate your business

by Holly Myers, CPMR



Holly Myers

Holly Myers joined the North Carolina-based rep firm, Wallace Electronic Sales, as a sales and marketing manager in 2005. She received her CPMR certification in 2011. Holly currently is serving as the chair of the ERA Conference Committee. She was the recipient of the 2015 Jess Spoons ERA White Pin Scholarship Award.

You can reach Holly Myers by email at holly.myers@wes-inc.com.



In February, ERA is returning to the AT&T Conference Center in Austin, Texas, for its 48th Management and Marketing Conference designed around the theme, “Collaborate, Differentiate, Accelerate! Drive to Excellence.”

This year’s event focus emphasizes how critical it is for reps, manufacturers and distributors to collaborate in order to better serve customers and each other, to differentiate their companies and services, and to accelerate the rate at which they evolve to remain profitable in today’s competitive global marketplace.

The conference is ERA’s biggest annual educational and networking event that provides collaborative and educational opportunities for collective discussion to grow your business. There is no better forum that offers reps, manufacturers and distributors the opportunity to learn and exchange ideas in a formal two-day gathering with industry peers.

So what makes this a don’t-miss event?

In today’s challenging business climate, our industry is experiencing rapid changes. They are fueled by the way our customers access information and choose components for designs. Changes also are driven by technological advancements, new market players, emerging

markets, and of course, the challenging economic climate.

The 2017 conference agenda is carefully structured to address these key issues.

From a strong lineup of general sessions to hands-on breakout seminars to various networking events, this year’s conference is sure to strengthen attendees’ business resilience and energize them to get through these challenging and changing times

General sessions and breakout seminars

The 2017 conference agenda will feature a customized keynote program by Jon Petz, author, humorist and former telecon industry executive and manufacturers’ representative of Columbus, Ohio. This is a don’t-miss presentation that will offer attendees a memorable combination of real-life experiences and encourage audience participation, all focusing on the importance of collaborating, differentiating and accelerating your business.

Other general sessions include:

- **Demand Creation, Part 1:** “Who Is (or Should Be) Doing What?” will feature a panel discussion among manufacturers, distributors and reps. It is more important

than ever for each entity of ERA to work together — manufacturer, distributor and rep — to maximize the demand creation process, as well as differentiate each of their value propositions within the process to best meet the needs of the customer.

• **Demand Creation, Part 2:** “From the Design Engineers’ Perspective” will feature a question-and-answer forum with design engineers. The session will educate us how and when engineers engage salespeople and what value we bring from their perspectives.

• **Amazon:** “What You Need to Know about Its Current and Future Sales Model,” presented by Colin Puckett and Andy Auperlee of Amazon. As new fulfillment options emerge in the market, ERA feels it is important to make members aware of Amazon’s presence and future plans for our industry.

• **Emerging Markets:** “New Energy Markets: Where Are the Opportunities?” will feature a general session presentation by Littelfuse, Inc. Executive Chairman Gordon Hunter. He will share his insights of this hot industry sector and explore the latest products in the energy market, as well as what’s coming in 2017 and beyond.

• **New Technologies:** “DO ROBOTS POOP? Technology’s Impact and Influence on the Evolution of Human Life” will feature a closing general session presented by Michael Knight, senior vice president for the Americas, TTI, Inc. Not only is the way we go about doing business driving change in the way we work day-to-day, but the rapid growth in technology continues to affect our lives. Knight will discuss what will drive future growth in our industry and what we can expect in the future. This is a not-to-be missed session!

Further emphasizing the conference theme, the agenda will feature 14 different breakouts offering attendees practical business, legal, management and marketing information for reps, manufacturers and distributors. Some of the key breakout sessions that deserve a mention include:

- Best Practices in Rep-Distributor Relationships: How to Become More Valuable to Each Other;
- LinkedIn Workshop: Maximizing the Sales Tool;
- Minimizing Conflicts in Rep-Distributor Partnerships and How Manufacturers Can

Help Prevent Them;

- Rep Councils: Why Every Manufacturer and Distributor Should Have One; and
- Technology Swap Shop 2017: Who’s Using What and How.

Conference highlights

In addition to the information-packed agenda, the conference will offer attendees a variety of networking opportunities. On Sunday, Feb. 26, ERA has reserved a number of morning

(continued on page 30)



element14

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These companies joined ERA during the third quarter of 2016.

(The ERA chapter of each rep firm is listed in *italics* after the company name.)

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Out of change and chaos comes opportunity

The election is over and now we can begin to go about a more normal daily existence while watching a new president take over the USA. Regardless of what your party affiliation is, at least the election is OVER!

Over the past few weeks, we have seen a major manufacturer eliminate its entire rep network and begin to rely solely on its “to-be-hired” direct sales teams and their channel.

We have also seen a major manufacturer eliminate its entire distribution support team, eliminating the ability for the distributors to do any demand creation, thus reducing the distribution margin to “fulfillment only” in 2017.

Mergers and buyouts continue on the semiconductor side with another major acquisition underway — immediately after this newly acquiring company has just swallowed another semiconductor company.

So what does this all mean to us and what can we do about it?

Frankly, not a lot, other than to continue to work hard to demonstrate our strong value proposition as a manufacturer, rep or distributor. It's time to strut our stuff! Show ALL how we deliver a strong value proposition to the CUSTOMER on their behalf.

Someone once said, “If you get the customer into your tent, everyone else will follow!”

So how can each one of us work harder or better or smarter to get this done? Perhaps we cannot work any harder. After all, there are only so many hours in the day.

Can we work better? I am not sure. Can we do better territory planning, better pre-call planning, better overall preparation, more calls per day, etc.?

Can we work smarter? How so? Can we take advantage of better productivity tools, software enhancements to our daily lives in note taking to PC transformation, better use of YouTube videos on our websites, etc.?

One way to work smarter is to collaborate better with our new ERA member constituency — distribution.

Oh, I know that we have always been (or supposed to have been) working together — the reps and the distributors — but have we really? We often hear, “We are both competitors to each other! How does that work?” Competitors on a specific socket at a specific customer, for sure. On agreed-to customers and agreed-to sockets, however, we are PARTNERS. Together, we are stronger in front of the customer and in front of our common manufacturers.

It is time for us — reps and distributors — to unite, to stop being lone rangers trying to go it alone at the customer, to show the manufacturer who “has the juice” with the customer.

Who cares who gets the credit when a new design is won or a new order is booked? We WON IT, TOGETHER! Manufacturers should be thrilled that their reps and their distributors are working together, for this is the sales model that they have designed and one that they want to see work!

I know that this is not easy. Each one of us has an example of how someone violated the sacred trust of selling and took an order direct versus putting it through the partnered distributor. OR how a distributor ended up booking the socket in another competing supplier on its line card versus the rep's line. We carry all of these transgressions around like the books around Jacob Marley's neck, and we continue to bring them up as the reason why a rep will not work with a distributor or a distributor will not work with a rep.

Guess what? It's time to cut the chains, to turn the page, to forgive and forget, and to recommit to WORK TOGETHER as one team, rep and distributor, because it is what the manufacturer wants!

All rep commissions and distribution margins come from the manufacturers. We get NO revenue from the customer. It is critical that we keep the manufacturers HAPPY by working hard TOGETHER to mutually hit the sales and marketing goals set out by them.

(continued on page 20)



by Walter E. Tobin

ERA CEO

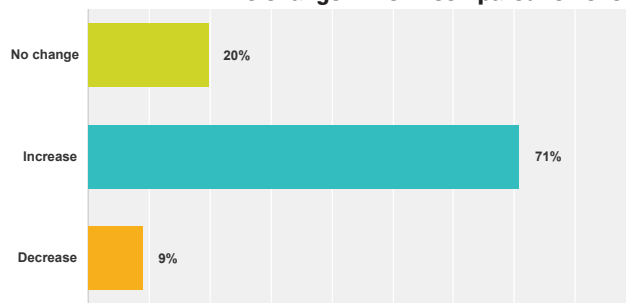
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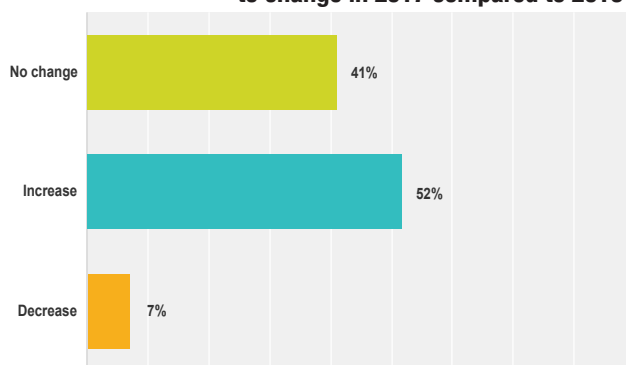
COVER STORY: 2017 Industry Forecast

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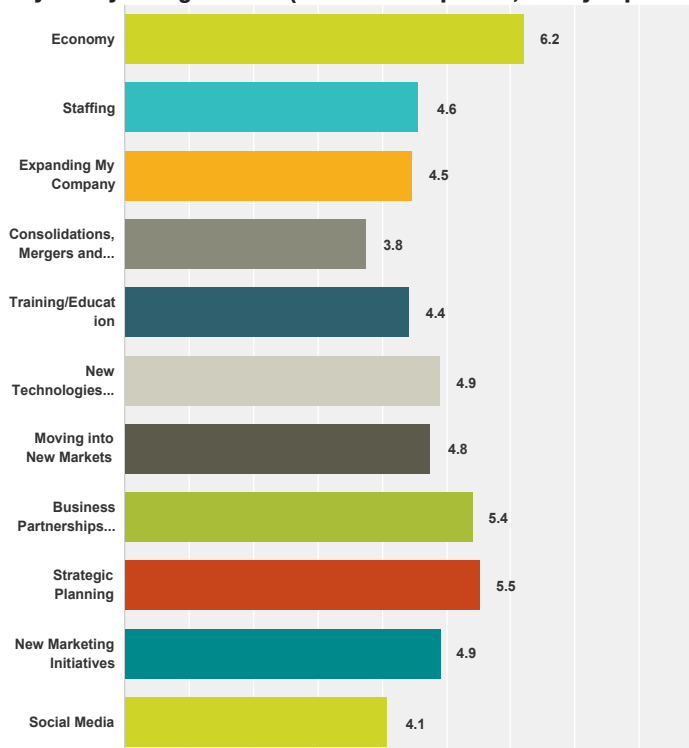
How do you expect your organization's revenue to change in 2017 compared to 2016?



How do you expect your total operating cost to change in 2017 compared to 2016?



Rate how important each of the following topics will be in the coming year to your organization (1=not at all important, 7=very important).



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ERA reflections: A look back at key changes and accomplishments

As the ERA President for the past two years, I would like to take a look back and reflect on all of the changes, and yes, accomplishments, that have taken place at ERA during this time. These accomplishments are the a direct result of the hard work of the Executive Committee members, our CEO Walter Tobin and the fabulous ERA staff.

Membership growth

Any discussion of the immediate achievements must start with ERA's irrepressible CEO Walter Tobin. Since coming onboard in September 2015, his work on membership has been nothing short of spectacular. Because of Walter's fine work, membership has grown significantly in 2016, including the expansion of ERA's membership to include authorized distributors of electronic components. I personally believe that because of these efforts we are a much stronger association than we were two years ago.

I also wanted to take this opportunity to congratulate our Chairman of the Board, Paul Nielsen, CPMR, of Brainard-Nielsen Marketing, Inc., on a job well done. Paul not only did a great job as chairman, he was a great mentor to me, and I owe him a great big thank you for helping this neophyte.

ERA annual conference

Next, I would like to mention ERA's Management and Marketing Conference. Until recently, the conference was a bi-annual event, led by ERA's Senior Vice President/Education Kathie Cahill, CPMR. Following on its success in 2016, the conference now has transitioned to an annual event. Kathie, along with the Conference Committee and ERA staff, have had to put in a lot of hours to ensure that the upcoming 48th Management and Marketing Conference, scheduled Feb. 26-28, 2017, in Austin, Texas, is a success. And I have no doubt that it will

be a boffo event!

Free bi-monthly teleforums

ERA's free bi-monthly teleforums also deserve a mention. The teleforums continue to flourish under the guidance of Nicki Weiss of Saleswise, certified professional sales management coach and sales columnist for *The Representor* magazine. Teleforum attendance has increased significantly over the past two years, and I expect that they will continue to be very popular with our members. If you haven't attended one of the teleforums, I strongly urge you to do it.

ERA staff

Any reflection of the past two years must also include kudos to the ERA staff, including Tess Hill, Karin Derkacz, Stephanie Tierney, Need Simeonova, Bill Warfield and Kathy Green. They truly have done and continue to do the heavy lifting for all of us volunteers, and believe me, we could not function to any level of competence without their help and guidance.

ERA chapters

As we continue our stroll down memory lane, let's also recognize the work Walter Tobin and the Executive Committee have and are doing to reinvigorate the ERA chapters that have not been active in the recent past. This work will continue and I believe will yield very positive long-term results for our association. If you are currently in an area that does not have an active chapter, please contact Walter and or our staff to explore what can be done to get things going in your area. I'm quite certain that I have left out several items from the last two years that deserve to be highlighted, but in the interest of time and an upcoming QBR, I will leave it at that.

If I have missed mentioning anyone, please
(continued on page 30)



by Dan Parks, CPMR
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ERA President
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... membership has grown significantly in 2016, including the expansion of ERA's membership to include authorized distributors of electronic components. I personally believe that because of these efforts we are a much stronger association than we were two years ago.

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Rep recovers commissions and exemplary damages from principal

Most reps hunt for some valuable takeaways when a relationship with a principal ends badly. No hard searching was necessary after a recently completed rep-principal trial in Chicago, where the final count of useful “lessons learned” proved nearly as abundant as the sales rep’s recovery.

In ERA member rep’s assumed name, Electronics Sales Promoters (ESP), v. manufacturer’s assumed name, Full of Bull Principal, Inc. (FoBP), the principal failed to pay certain commissions to ESP before and upon termination, no matter its contractual obligation. When ESP filed suit to recover the unpaid commissions, plus exemplary damages and attorneys’ fees under the little-used Illinois Sales Rep statute, FoBP attempted every defense in the book. A few are worth sharing.

Post-termination commission obligations are fully enforceable

Through representing FoBP for many years, ESP had earned the contractual right to receive six months of continuing commissions upon termination without cause by FoBP. Yet, when FoBP terminated ESP without cause, it failed to pay any post-termination commissions. In defense of its non-payment, FoBP argued that it intended to pay these commissions, but ESP sued it too fast. Really.

FoBP’s president acknowledged that certain post-termination commissions were owed, but testified that because it disputed the amount ESP claimed, FoBP was justified in paying no commissions. The trial court recognized how unreasonable this position was and ruled that FoBP should have at least paid the amounts it knew were due, disputing only the balance. Holding onto the entire compensation due the rep because the rep took legal action was entirely inappropriate.

‘Best efforts’ language furnishes no defense

Like many rep contracts, FoBP’s included a clause obliging ESP to use its “best efforts” to promote the FoBP product line. Such clauses generally serve as signals to the rep that it can’t sign the contract and then retire to Tahiti, expecting commission checks to roll in. Reps who sign up with FoBP (or any other principal utilizing such language) must act reasonably to promote FoBP’s products. Significantly, however, reps can and should act just as reasonably to promote their other lines.

The defense attempted by FoBP of claiming ESP failed to use its “best efforts” was a defense that could be used by any principal charged with failing to pay commissions due. No matter how many millions in sales the rep brought in, if only “best efforts” were used then so many millions more could have been realized. Read literally, any time the multi-line rep spent servicing principal B could be construed as time spent away from principal A, demonstrating the rep’s failure to use its best efforts for principal A.

The trial judge recognized that asserting ESP failed to use its best efforts for FoBP was necessarily speculative and unprovable, and therefore invalid. While some jurisdictions will enforce this language, others do not favor such language unless the vague and immeasurable term “best efforts” is defined in the contract. Illinois is one state where the term remains an aspirational but unenforceable and vague goal, much like acting with “commercial reasonableness” or in “good faith.”

Sales reps are not fiduciaries

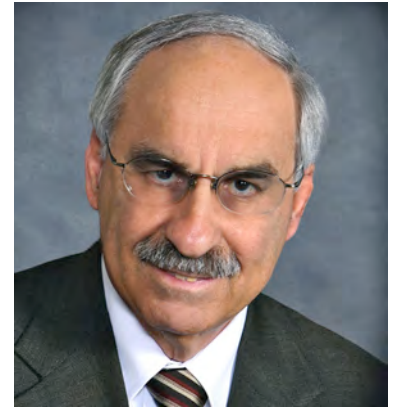
Next, FoBP asserted that certain actions taken or not taken by ESP violated fiduciary duties owed to it under the law. Fiduciaries owe a high duty to act in the best interests of another. The hole in this argument, as the court recognized, was that independent sales reps generally owe no such duties.

Most states only recognize fiduciary duties in certain relationships, such as between an attorney and client or a physician and patient, or under special circumstances where one party places trust and confidence in another who thereby gains influence and superiority over him.

Sales rep contracts are usually entered between two commercial entities where the rights and obligations of each are spelled out in some detail. Neither party can pretend to have placed trust and confidence in the other beyond the terms agreed to in the contract. Nor does the traditional role of a sales rep, promoting the principal’s products or services in the marketplace in exchange for an agreed upon commission, suggest the placement of any physician-patient like trust.

In ordinary business transactions, each party guards its own interests, and no fiduciary duty arises. As the court recognized in rejecting FoBP’s attempt to impose a fiduciary duty

(continued on page 20)



by Gerald M. Newman
ERA General Counsel

Gerald M. Newman, partner in the law firm of Schoenberg, Finkel, Newman & Rosenberg, LLC, serves as general counsel to ERA and is a regular contributor to The Representor. He participates in Expert Access, the program that offers telephone consultations to ERA members.

Gerry co-authored this article with his partner, Adam Glazer.

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Coming up in 2017: Tax rules are open to change

Taxes have never been so open to change as they presently are. Planning for the tax future is almost impossible. Republicans want to lower taxes and increase infrastructure spending, which would appear to hugely increase the deficit via lower income and increased spending. They want to do away with the alternative minimum tax and the Obamacare investment tax, which were deemed necessary for the budget. This rejection would hugely benefit the high income taxpayers but do nothing for those in the lower wage brackets because they are not presently paying those taxes anyway. So we will have to wait and see what happens in 2017. This article, then, is limited to 2016 taxes because they will be difficult to change mid-filing season.

Tax rules on auto expense deductions

We can review the tax rules on autos, which haven't changed for ages. There was a recent court case involving an Aston Martin auto, which had been fully deducted for tax purposes. This was an easy one for the court to throw out because the taxpayer produced no records. The rules have been around a long time. To be deductible, the owner must keep a diary or expense statement showing by date how many miles were driven, the destination and the business purpose. Further, the costs should be verified by receipts. The IRS is willing to accept parking costs detailed in the expense reports, and the records are to be done "contemporaneously."

There is no way around maintaining driving records. However, you can substitute an IRS-approved rate per mile to escape keeping cost records. The rate-per-mile amount is computed by the IRS annually (sometimes every six months). The rate for 2016 tax returns is 54 cents per business mile. This covers all business expenses except parking and tolls. It is therefore a substitution for gas, oil, maintenance, insurance, depreciation, repairs, licenses and city stickers. People recording high mileage will find this an advantage. For people with low business mileage, the mileage allowance may not work out as well unless their personal mileage is extremely high. Taxpayers cannot switch to this method; they have to adopt it on the first tax return upon acquisition of a new car.

Filing date changes

There are some filing date changes affecting 2016 returns. Regular "C" corporations that close on Dec. 31, 2016, will have a due date of April 18, 2017, with a five-month extension to Sept. 15, 2017. Thus the original filing is a month later than previous years, but the extension ends on the same date that it always did. The dates for "S" corporations, however, are the same as they always were, thus the filing date remains March 15, 2017, with the extension period to Sept. 15.

Now, it gets tricky. Fiscal year "C" corporations with the exception of those with fiscal years ending on June 30, will have a three-and-a-half-month regular filing period, thus the equivalent of an April 15 filing for a calendar year corporation, but they will have a six-month extension period. Thus their extended due date will be out 10 months instead of nine. Corporations ending their year June 30 have their own dates. Their original due date remains two and a half months — thus Sept. 15. But then they get a seven-month extension period to April 15, so the extended due date is 10 months out. Then there will be a switch in the year 2025 whereby the original due date is extended three and a half months to Oct. 15, while the extension date remains April 15, thus putting June 30 corporations on the same schedule as all the other closings other than calendar year. Of course, this is subject to change. You once again have to wonder, what was Congress thinking?

Social security tax changes

Just to update some more personal items, the wage limit subject to Social Security tax was raised a whopping \$8,700 per year, from \$118,500 to \$127,200 (7.3 percent). That will provide an increase of \$539.40 for each individual who earns that much or more, and the employer must match that amount.

Individuals over 65 years of age lose their five-year exemption in 2017 that allowed them to reduce medical expenses by 7.5 percent instead of 10 percent. Beginning with the tax year 2017, everyone will be reducing their medical expenses by 10 percent of gross income on Schedule A of form 1040. The 10 percent amount has always been used for purposes of the alternative minimum tax.



by **Stanton B. Herzog, CPA**
ERA Tax, Audit & Accounting Consultant

Stanton B. Herzog, CPA, principal in the firm of Applebaum, Herzog & Associates, P.C., Northbrook, Ill., serves as ERA's accountant and is a regular contributor to The Representor. He is available to speak at chapter or group meetings on a variety of financial and tax-related topics. He also participates in Expert Access, the program that offers telephone consultations to ERA members.

You can call Stan Herzog at 847-564-1040, fax him at 847-564-1041, or email him at sherzog@theahagroup.com.



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For details on the association and its members, go to

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SCHOENBERG, FINKEL, NEWMAN & ROSENBERG, LLC, offers legal Expert Access services to all ERA members. An initial consultation on any commission recovery or other rep-related business matter is available without charge. Visit salesreplawyers.com. Or call Gerry Newman or Adam Glazer at 312-648-2300.

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ERA UNIVERSITY provides members, employees and families with hundreds of online college, business, technology and special interest courses through 1,500 educational institutions. The instructor-led classes offer live interaction and access to lessons 24-7. Most classes run six weeks and include 12 two-hour lessons for \$79. For details and a catalog, go to ed2go.com/era.

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ALL ERA TELEFORUM AUDIO FILES, covering 30+ educational topics for both reps and manufacturers, are now available at no charge to members. To review the teleforum library and download files, go to era.org.

*For a complete list of ERA's Recognized Resources, check out the Member Services page at era.org. Then link to a service provider's home page for more information. Or take advantage of services from companies like **Office Products, Avis and Hertz Car Rentals** (which are accessible ONLY via the ERA website).*

EXECUTIVE COMMENTARY: Working together

(continued from page 11)

As Ben Franklin said, “We must, indeed, all hang together or, most assuredly, we shall all hang separately.”

Let’s commit that 2017 is the year of collaboration and create opportunity for our rep company and our distribution company for our common manufacturers out of the chaos that appears on the horizon. We have no other choice. We want to reduce or eliminate any more surprises in 2017! ■

LEGALLY SPEAKING: Commission recovery

(continued from page 15)

on ESP, sales reps and principals generally follow this practice of looking out for their own interests, and no fiduciary relationship arises between them.

Windows to protest can and do slam shut

Preventing ESP from recording a complete victory in the case, FoBP invoked the contract provision effectively requiring all complaints with commission payments to be brought within 30 days. As is common after a sales rep successfully procures sales, many orders from customers in ESP’s territory came into FoBP directly without notification to ESP. Accordingly, when ESP received its monthly commission check, it had no way to know if additional, unreported sales were made by FoBP and not commissioned.

Although ESP’s suit pleaded that FoBP not only failed to pay commissions during the contract term, but also failed to disclose the orders on which the commissionable were due, denying it a fair opportunity to complain about the non-payment, the court proved surprisingly unconcerned. Without disclosure by FoBP of the sales made, ESP literally needed ESP to discover and timely complain of the non-payment, yet the court still enforced the 30-day provision and denied this portion of ESP’s commission claim.

This adverse ruling could easily be viewed as a mistake by a busy Cook County trial judge. Plainly, the court should have construed the 30-day period as running from the time ESP discovered that uncommissioned sales were made, not 30 days from when the sales were made and concealed. Yet, the court may well have felt some sympathies for FoBP or its counsel, and elected to hand one piece of the dispute to the defense in order to deliver a more balanced outcome.

Exemplary damages awarded

After listening to all the evidence at trial, the judge applied the Illinois Sales Rep Act as written and awarded ESP exemplary damages on top of the commissions determined to be due. This was no small feat.

Many Illinois judges misread the mandatory language found in the statute providing that manufacturers who fail to timely pay commissions due “shall be liable in a civil action for exemplary damages in an amount which does not exceed three times the amount of the commissions owed to the sales representative” as optional. The authors often encounter judges who erroneously refuse to award exemplary damages under this statute, reasoning that even though the withholding of commissions was unfair and in breach of the parties’ contract, the manufacturer did not act maliciously or near criminally, a standard not contained in the statute.

Fortunately for ESP, its assigned judge understood the statute to require an exemplary damages award once FoBP was shown to have failed to timely pay the commissions due, and he entered an appropriate sanction for such failure on top of the commissions found owing. At press time, the court was still considering the amount of attorneys’ fees and costs to award under the statute as well.

Worth the fight

Undoubtedly, FoBP believed that by forcing ESP to litigate every argument it could devise, regardless of the credibility, it would wear out ESP’s spirit or finances and prevent the suit from ever reaching trial. By seeing the fight through to the end, ESP enjoyed not only the satisfaction of the trial victory, but a rare exemplary damages award as well, plus the expected reimbursement of its litigation expenses. The inapplicable defense arguments attempted here should find no more success in other commission recovery actions, and ESP authorized this article in order to get that important message out. ■

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Is your marketing 'salty' enough?

The best marketers know that what worked before does not necessarily work today.

The old idea of “push” marketing has now been replaced. It is not even “pull” marketing. Instead, the key is to be able to persuade people in a pleasant way to embrace you, your products and your services.

Relationship marketing

Today, things are different. You can't force people to watch your ads. There are so many choices that people are programmed to flip channels at light speed. We also have a whole generation trained in “the art of the delete key” when it comes to junk mail.

I recently conducted a training session with some very sophisticated marketers struggling with the new reality of selling. Social media is about connecting with people. That feeling has permeated over into other areas of doing business as well. If you can't push something on the public so they will buy, what can a serious marketer do?

Focus on relationship marketing. This is how you can attract people and build quality, mutually beneficial relationships in business today.

Generate customer interest

It has long been said that “You can lead a horse to water but you can't make him drink.” That is true.

However, if you give the horse some salt beforehand — I don't recommend this at all, but work with me just for the sake of illustration — you will vastly increase the chances that the horse will want your water. Also, if you make the environment “hot” for your message, that horse will be mighty thirsty!

So what “salt” can you, as a relationship marketer, give to horses (your potential clients, customers and buyers) that will make them want to “drink?”

Today, things are different from before, but certain essentials remain the same. You have to generate incredible interest in what it is you

are doing. You also have to provide serious value, as defined by your buyers, not you. What is it that your buyers are looking for? What is it that they need? How can you help them achieve resolution of their problems and the issues that confront them?

Do your research

To get this information, you have to do your research. Don't just assume that you know what customers want. The desires and needs of your customers change regularly. What worked yesterday is not necessarily going to work today or tomorrow.

You need to continually acquire new market-valuable skills. Always learn new information. Specifically, learn information that is valuable to your customer, that is worth their time, money and energy.

You need to continually acquire new market-valuable skills. Always learn new information. Specifically, learn information that is valuable to your customer, that is worth their time, money and energy.

When I was speaking to the group of marketers that I mentioned earlier, we talked about the importance of getting involved in Facebook and LinkedIn groups of their target market. The same applies to you. You should be involved in these groups, not as a pushy salesperson, but as a helpful resource. Be the person that customers want to go to for vital industry information. Keep honing and fine-tuning your skills.

Once you have the skills and the market gets to know you, your problem will be selecting the best offer. Not a bad problem to have!

Make your marketing and your exposure to the world very “salty.” The more appealing your marketing, the more people will gravitate to you to buy what you have. Your focus — particularly in times like these — should be on getting better at what you do in a market-valuable way. Get really good at resolving pain points for others, and make your service second-to-none.

Here is to lots of horses drinking your water, you “salty marketer,” you!



by Terry Brock

Terry Brock is a marketing coach who helps business owners market more effectively leveraging technology. He shows busy professionals how to squeeze more out of their busy days by using the right rules and tools.

You can reach Terry at 407-363-0505, by email at terry@terrybrock.com or through his website at terrybrock.com. Also, look for Terry on Twitter @TerryBrock.

REGISTRATIONS ARE ROLLING IN FOR ERA'S 2017 CONFERENCE

The registration list is growing every day for ERA's 48th Management and Marketing Conference, scheduled Feb. 26-28, 2017, at the AT&T Conference Center in Austin, Texas. The theme of the conference is "Collaborate, Differentiate, Accelerate! Drive to Excellence."

The six general sessions on the conference program include: a keynote bringing the theme to life with practical demonstrations by author and humorist Jon Petz; a presentation by Amazon executives on their company's current and future sales model in the electronics industry; two sessions focusing on demand creation — one featuring a panel of reps, manufacturers and distributors discussing who is, or should be, responsible for what in the demand creation process, and the second consisting of interviews with design engineers about how they manage their varying design cycle processes; an exploration of new energy markets by Gordon Hunter of Littelfuse; and perspectives by Michael Knight of TTI, Inc., covering the upcoming technology changes that will be the sources of electronics industry growth.

Other conference program segments include 14 new breakout seminars, including sessions on rep and principal evaluations, best practices and minimizing conflicts in rep-distributor partnerships, creating and enhancing a company's digital image, moving missionary lines off ground zero and a human resource management workshop. For details on the full program and to register, visit era.org.

MANUFACTURER AND DISTRIBUTOR JOIN EXECUTIVE COMMITTEE

The ERA Executive Committee and Board of Directors have two new members with the recent addition of a manufacturer and a distributor to the association's leadership team. Ken Beltero, president of Schaffner EMC, and Chris Beeson, executive vice president of sales and supplier development of Digi-Key Electronics, have accepted appointments to serve alongside the six rep members who make up the executive committee. (*See full roster of the Executive Committee on page 3 of this issue.*) They will attend their first ERA Board meeting in Austin, Texas, on March 1, immediately following the ERA Conference.

ERA CEO Walter Tobin says, "We are thrilled to expand ERA's Executive Committee with the addition of manufacturer and distributor delegates. This action will benefit all three constituents of our members and continue to build stronger partnerships among reps, manufacturers and distributors in the field."

REYNOLDS TO RECEIVE 2016 WHITE PIN GROUP – JESS SPOONTS AWARD

The ERA White Pin Group has announced that Buzz Reynolds of Performance Technical Sales in North Carolina is the 2016 recipient of the Jess Spoonstons - ERA White Pin Group Scholarship. He was nominated by the Carolinas ERA Board in recognition of his volunteer work as the chapter's chair of membership activities and in particular for his efforts to reactivate the Dixie Chapter of the association.

The award is named for the late Jess Spoonstons, an ERA past president, member of the organization's Hall of Fame and past coordinator of the White Pin Group. Reynolds will receive a \$1,000 grant to be used for continuing education as a professional rep.

NEW APPOINTMENTS MADE TO EDS BOARD

The ERA Executive Committee has appointed two new members to the EDS Board. They are Robert Logan, CPMR, of Kruvand Associates, Inc., and Mike Swenson, CPMR, of the Mel Foster Company. They succeed outgoing EDS board members Kathie Cahill, CPMR, of Net Sales Company and Dave Rossi of Empire Technical Associates. The other ERA members on the EDS Board, whose terms are continuing, are Dave Norris of Norris & Associates, Inc., and John O'Brien, CPMR, of Coakley, Boyd and Abbott, Inc. The EDS Board consists of members from its two sponsoring organizations, ERA and the Electronic Components Industry Association (ECIA).

IN MEMORIAM

ERA mourns the loss in late November of **Gary Yantis**, the founder of Midtec Associates, Inc., of St. Louis and Kansas City. He was 69 and had served as president of the firm from its establishment in 1977 until 2010 when he retired. Matt Pansing, Midtec's president, says, "I couldn't have asked for a better boss for the 27 years I worked for him. He was my mentor and taught me most of what I know about the rep industry." Memorial donations can be made to the Johnson County Young Matrons Scholarship Fund, 11700 W. 148th St., Overland Park, KS 66221-9654.

Improvisation techniques can improve your rep firm's business

"Improvisation is a quality until it becomes habit."

— Anonymous

Last year I started taking improvisation lessons. I am a somewhat self-conscious introvert. I wanted to learn to speak up more quickly in meetings without feeling that pit in my stomach. I wanted to think faster on my feet, to expand my coaching range by working more fluidly with my clients' energy, and to do something that didn't resemble my everyday life. It's been great.

Here is what I didn't know:

- a) There are rules for improvisation.
- b) If we followed some of these rules in the business world, we would quickly amp up the ability to trust our teammates and bosses, think more effectively under pressure, sell and manage more effectively, and have a blast doing it.

If we followed some of these [improvisation] rules in the business world, we would quickly amp up the ability to trust our teammates and bosses, think more effectively under pressure, sell and manage more effectively, and have a blast doing it.

Teaching kindness

Above all, I learned that improv is about teaching kindness. Who knew?

For example, we played a game called "Hotspot." As a group we turned our faces to the wall, and one of us had to go into the middle of the room and start singing — how embarrassing! Quickly, one of us facing the wall had to save the singer by taking his or her place and singing ourselves. Repeat. Save and sing ... save and sing.

The point of the exercise is to take a risk, not let your teammates make idiots of themselves for too long, and not to make them feel like idiots when you save them. Just save them, and perhaps, make them look good.

What a concept!

What if that was the focus of how we interact with each other in meetings? Take a risk ... I will save you when you risk ... and I will try to make you look good.

Participation rates at your rep firm meetings would probably increase.

Improv rules require participants to accept and cooperate with each other, listen interactively, and jointly advance the action of a given task while continually supporting each other to be successful.

Applying improv activities in rep meetings

Here are two improv activities you can use in any rep firm meeting, live or virtual. Each activity takes only minutes.

1. "Yes, and ..." (versus "No, but ..." or "Yes, but ...")

The intent: To tell a story by accepting and building on each other's ideas rather than by blocking them.

The process: One person starts a story by saying a simple sentence (i.e., "Joe went to the store."). The next person adds to the storyline, beginning his/her sentence with: "Yes, and ... he bought an ice cream cone." Everyone keeps going until the story concludes.

Feel free to start with a ridiculous premise (i.e., "Barb created a new soft drink from gasoline.") without killing off anyone.

You may notice that some people have trouble accepting and building. Our group experienced this. Ask the person who blocked an idea to try again, using "Yes, and ..."

After playing this game, have the meeting facilitator request that "Yes, and ..." be used as a way to proceed during the meeting discussion. See what happens.

The business payoff: Break down barriers and generate ideas, increase cooperation, trust, and a positive work environment. You can do this activity on the phone, so it works well for virtual teams.

2. Tongue twisters

The intent: Loosen up everyone's lips before a meeting begins. Try the following tongue twisters by reciting each one as a group about 10 times, very quickly.



by Nicki Weiss

Certified Professional Sales Management Coach and Master Trainer

Nicki Weiss is an internationally recognized Certified Professional Sales and Leadership Coach, Master Trainer, thought leader, speaker and facilitator. Since 1992, she has trained and coached more than 20,000 business leaders, sales teams and reps. Nicki has a particular passion for working with manufacturers, distributors and rep firms in the electronics industry.

Nicki is ERA's sales consultant, the brainchild and facilitator of ERA's free teleforum programs and the founder of the SalesWise Academy. Every day, leaders wake up knowing that they, their technical reps and field sales engineers need to sharpen their focus and their skills. But they don't have the tools, resources or patience to continually help enhance their strategy, communication and relationship building skills. The SalesWise Academy fills that void and delivers those skill-building lessons. To learn more, go to saleswise.ca or call 416-778-4145.

(continued on page 28)

MATERIALS, ASSEMBLY, PRODUCTION & SUPPLY

Troy Gunnin
Sun Rep
Tampa, Fla.

Reviewing the impact of online purchasing and sales

Stop, take a deep breath and relax. I think the political ad barrage is over — but wait, the holiday ad blitz is just starting. Oh well, the advertising media will capitalize on the advertising dollars as the advertisers try to relieve us of our dollars.

I'm writing this column on CyberMonday, and you will be reading it well after the New Year. We just experienced Black Friday and Small Business Saturday, and from all reports the results were mixed. Thankfully, many of the retailers waited until at least the evening of Thanksgiving to open and some not at all.

In our area at least, there was no line of campers waiting for a couple of days for the big box stores to open. In fact, one TV station was at one of the stores that was scheduled to open at 8:00 a.m. on Black Friday. The station was on the air starting at 5:00 a.m., and the TV crew were the only people there. That does not mean that business was slow, but I think it does mean that perhaps the shopping patterns are changing.

I have no idea what the CyberMonday numbers will look like, but I suspect they will be large. Many people have gotten so accustomed to sitting at their desk or kitchen table and placing orders, and perhaps their order waiting for them when they get home, that they have no desire to battle the crowds at the store. Many retailers offer free delivery and if you don't like what you ordered, items can be returned for full credit. This is a sign of the times ... we want instant gratification. As the old statement goes, "Lord, Give Me Patience, and Give It to Me Right Now!"

I'm curious about how online purchasing is affecting reps and their customers. I would love to hear your feedback at tgunnin@sunrep.com. Are your distributors participating? How effective are they in penetrating the market? Are your manufacturers soliciting orders directly? If so, how effective are their efforts, and are you receiving commission on those sales? How involved are YOU in using online media to promote sales with your customer base?

As we move into 2017, we must keep an open mind and approach with each opportunity, whether face-to-face or online, with an attitude of service to both our customers and principals.

Share you thoughts on how we as reps can do a better job in this changing landscape. I'll share the information I get in a later column.

COMPONENTS

Chuck Tanzola, CPMR
Fusion Sourcing Group
Ithaca, N.Y.
ERA Senior VP/Industry

How large is the pie? Market outlook and attitude

As we approach the end of another calendar year, industry conversation centers around answering the question, "What happened to the components market this year — was it up or down, and by how much?" This is inevitably followed by "What will next year bring?"

Over the coming days and weeks, manufacturers, distributors, reps, and even industry associations will begin reviewing year-end sales results, completing TAM and SAM studies, reading analysts' reports, and undertaking various other activities to answer these questions.

Once the reports are in, the interpretation phase will begin. Did we outperform the market (which most reports will indicate declined by 2 to 5 percent in North America in 2016)? Which products are the most active — LEDs, sensors, or displays? What are the hot markets — IoT, military/aerospace, medical — and are we engaged in them? If we are not involved in these markets, what should we do to engage?

As the calendar year comes to a close, let me leave you with a little story for your consideration. A salesman, with the fresh optimism of a new year, hurries into a pizza parlor in January and orders his favorite personal pizza with meatballs and mushrooms. (These are my favorite pizza toppings; what are yours?) The clerk asks, "How many slices, six or eight?" (In New York, pizza is always measured in slices.) The salesman replies, "Eight please. I am really hungry today. Better make it to go though, I'm running late and have to get to a customer appointment." Fifteen minutes later, the salesman rushes out with his order in hand; and the aroma of freshly made pizza in the air.

April arrives, the same salesman strolls into the same pizza parlor and repeats his order

from January, to which the clerk replies, "Sorry, we are out of meatballs. People have been eating more vegetables, so we haven't been keeping meatballs in stock." Expressing disappointment to the clerk, the salesman relents and settles for a ham and pineapple pizza. Clerk confirms the order, makes the pizza, cuts it into eight slices, and the salesman proceeds on his way, with the clerk's voice in his ears as he departs, "Come back again soon."

July rolls around, and the salesman finds himself outside the same pizza parlor, but instead wanders into the health food store next door and orders a salad, thinking, "I need to look into this vegetable trend, plus they were out of meatballs last time anyway." Pizza parlor clerk sees him through the plate glass store windows, waves as the salesman strolls by and makes a note to himself (and maybe even an entry into his CRM system).

Ninety days or so later, the leaves have changed, and now the sky is cloudy and gray with a hint of snow, and the same salesman shuffles into the same pizza parlor and before he can order his favorite lunch, the same clerk — having already been alerted by his CRM system — announces proudly, "Your meatball and mushroom pie is just coming out of the oven," to which the salesman replies, "Well, thanks, that's impressive, but sales have been flat this year and I am a little budget constrained, so I was going to settle for a plain cheese pie today." The clerk, not to be deterred, offers the premium pie at a discount and looks for confirmation from the salesman when he says, "Eight slices, right?" This time the salesman responds, "I'll take it, but you better make it six because I don't think I can eat eight!"

In full disclosure, any similarity of this story to actual events is purely coincidental (Other than the part about meatballs and mushrooms being my favorite toppings; that's true.). So, what is the point of the story? Simply this: No matter how you slice it, the size of the pie is what it is; and how you address it is largely a function of your outlook and attitude.

Wishing you all happy and healthy holidays and a successful New Year! As always, I welcome your comments and feedback at ctanzola@fusionsourcing.com.

With the election of Donald Trump as president, the test, measurement and sensor communities are hopeful for an increase in business. There is already a ramp up in aerospace, military and satellite programs that have been sitting idle. There is hope that there will be an increase in funding for some of these programs.

High on the list will be aircraft programs for both new and existing aircrafts. In addition to the components and sensors used on aircrafts, there will be an increase in the flight testing of these planes and vehicles. As the vehicles get more sophisticated and capable, the testing methods get increasingly complex.

On the industrial side of the market, there is an increased emphasis on predictive maintenance systems and sensors. Predominate markets for these systems are the electrical power generation and mining industries. The renewed emphasis in the power generation fields and the increasing mineral prices are the main drivers for the increase in business. Vibration monitoring sensors seem to be leading products in these systems. The cost of replacing generators and cooling fans is a dominant reason for installing these preventive systems. Fixing the bearings in these large motors during scheduled plant outages is far more cost effective than unscheduled repairs and shutting down the facility unexpectedly.

As the year draws to a close, many facilities are looking to start using their 2017 budget money. All indications show that it will be a good year for instrumentation and sensors.

I hope that you all have a safe and happy holiday season. I look forward to contributing more articles in 2017. If you have any questions or comments, I can be contacted at tom@agtechnologiesllc.com.

(continued on the next page)

INSTRUMENTATION, AUTOMATION & CONTROLS

Tom Diercksmeyer, CPMR
A. G. Technologies, LLC
Scottsdale, Ariz.

Forecast shows a strong year for instrumentation and sensors

ELECTRONIC SYSTEMS INTEGRATION

Gary Ponto, CPMR

GP Marketing
Kirkland, Wash.

New market segments are driving opportunities

2016 has been an interesting year for the audio-video and commercial security markets. Both had growth, but not at the rate that most manufacturers were hoping for. Even though we have seen new players enter these industries hoping to gain market share, low-cost offshore companies have won this battle. This also has led to a reduction in staffing for most rep firms as costs have gone up at a far greater rate than income.

We continue to see adjustments in these markets in the form of acquisitions and new product introductions which are driving some changes in the go-to-market strategies to achieve growth. Some of these new growth opportunities are outside of the traditional markets for the company that makes the purchase, adding more field salespeople into a geographic area for sales coverage.

I am also seeing more hybrid approaches to field sales forces. Manufacturers are finding creative ways to add more salespeople by mixing factory direct salespeople with reps, and in some cases, multiple rep groups in a single territory allowing both to sell the same products. The issue with this is that market separation is becoming less defined between audio, data and security. The lines between these markets are becoming much more blurred together, and in many cases, the same contractor is doing all of these systems when just a few years ago this was not the case.

I am seeing distributors entering markets they are not known for to try to build their customers' market share because their customers are branching out into new markets. They often are looking to reps to help them enter these new markets by sending projects and customers to them rather than selling these projects on the customer's direct account. Overall, I am hearing from the distribution channel that they are not growing at the rate they would like to, while the contractors/integrators are telling me they are having a very strong year, and most have more work than they can handle.

I wish this was really optimistic news, but the reality is that many integration companies downsized in the past years. Therefore, being "booked full" does not mean business is growing in double digits, which is what we are all looking for to recover from the recession.

With the changes in the market players, the lines blurring between market segments and more offshore competition entering our markets, we as reps need to be making adjustments too. We need to be looking at driving our business at the source — the end user. Create the demand wherever we can. Integrators and distributors have so many options for "like" products today that we need to be the ones driving our businesses to pull the business through the channel.

Change has always been in a rep's business life, but it is coming faster than ever before. ■

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Chapter News reports the local activities of the 22 chapters of ERA. The chapters sponsor educational and training workshops, local trade shows, legislative and industry projects to enhance the professionalism of individual members and to advance the goals and mission of the national association.

CAROLINAS

The Carolinas Chapter is continuing its monthly networking breakfasts throughout the winter.

The CERA 13th Annual Dick Paden Memorial Golf Tournament was held on Oct. 10, 2016, at Wildwood Green in Raleigh, N.C. Hurricane Matthew caused some setbacks, but the tournament went on.

CHICAGOLAND - WISCONSIN

The chapter held a very successful round table on Sept. 30 titled, "The Evolving Customer, Rep and Distributor Relationship." The event drew record attendance.

Tom Trzeciak, chapter president, attended COLT (Chapter Officer Leadership Training) the Webinar in October and the in-person workshop on Nov. 1-2. Bob Evans, CPMR, chapter board member, hosted COLT.

Charley Cohon, CEO of MANA (Manufacturers' Agents National Association), will join members on Jan. 13, 2017, for a round table discussion about reps adapting to changes in the industry.

The chapter is proud to be sponsoring the upcoming ERA 48th Marketing and Management Conference in Austin, Texas. Chicagoland-Wisconsin also grew its membership by four members in 2016.

EMPIRE STATE

The Empire State Chapter hosted its annual holiday luncheon on Dec. 9 in Victor, N.Y.

The chapter was fortunate to have Julie Baker of GMA attend COLT.

Empire also grew its rep and distributor membership in 2016. Continued growth and leadership training are goals for the chapter in

2017, along with the addition of new content based on shared best practices from fellow chapters.

FLORIDA-SUNSHINE

Pat Bamberg, Florida Sunshine Chapter board member and recording secre-

tary, has just completed the COLT program.

The chapter also held its latest board of directors meeting on Nov. 11, focusing on the 2017 annual DTAM meeting. The DTAM presentation is planned for April 2017, with a possible combined program to include a presentation from a member of the ERA consulting staff.

METRO NEW YORK

The ERA Metro New York Chapter held a holiday event on Dec. 8. A dinner program about social media followed. The presentation was given by Gina Lauria Daschbach, former director of marketing for Crestron Electronics.

NEW ENGLAND

The New England Chapter held a holiday party on Dec. 15. The chapter also sent Adam Anderson of Norris & Associates to COLT.

NORTHERN CALIFORNIA

The chapter held its 2016 Electronics Industry Christmas Party and Charity Event on Dec. 7. Proceeds from the event will benefit children at Lucile Packard Children's Hospital at Stanford and Oakland Children's Hospital. The party included dinner, entertainment and beautiful holiday décor.

The chapter also sent Alex Cox of Cox Corp. to COLT for training.

SOUTHERN CALIFORNIA

Southern California ERA held a 2017 planning meeting on Dec. 1.

The chapter also sent Bobbie Scobie of O'Donnell Associates South, Inc., to COLT.

SPIRIT OF ST. LOUIS

The Spirit of St. Louis Chapter held a holiday dinner on Dec. 14 at Paul Mineo's in Westport Plaza. The chapter also held a chapter meeting on Jan. 9 at Spiro's West restaurant in Chesterfield, Mo.

TEXAS

The chapter held an event on Nov. 15 titled, "Paving the Way into the Future." The program focused on the mechanics of re-establishing the ERA Texas Chapter, top line growth and best rep practices. ERA CEO Walter Tobin attended the event and served as the program moderator. The panel members were Jim Olson of Erickson Sales, David Frager of Intelimark and Jeff May of Logix Sales.



COLT (Chapter Officer Leadership Training) attendees participated in chapter brainstorming activities at the in-person workshop on Nov. 1-2 in Chicago.

SA1ESWISE: Applying improvisation techniques

(continued from page 23)

- Unique New York
- Toy boat
- Red leather, yellow leather
- She stood on the balcony, inexplicably mimicking him hiccupping, amicably welcoming him in. Good luck with this one! It's not as bad as it looks.

The business payoff: Everybody has already tripped over their tongue in a group, so it should help people participate individually. This is great for virtual rep firm meetings.

Improv's emphasis on generosity, cooperation, trust and experimentation counterbalances fear and releases creativity. Be willing to take more risks, accept and advance others' ideas, and trust you will know what to do. The magic of improv is that it nurtures us as creative, connected human beings, and this can drive business performance.

Business book recommendation: "Working With You Is Killing Me," by Katherine Crowley and Kathi Elster.

Too much of our time at work is spent ensnared in emotional traps, as somebody does something that drives us nuts and we can't figure out how to get unhooked. The authors of this book offer a four-step program to break loose from such situation. I'm tempted to say easy four-step process, but of course it's never easy. They reinforce their model with many examples of how it can be applied in different situations. ■

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For details and an order form, go to era.org.

Electronics Representatives Association



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- Line Portfolio Evaluation
- Outsourced Field Sales: Adding Value for the Customer (CD)
- Outsourcing Field Sales (Fortune Magazine Reprint)
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- Selling Through Manufacturers' Representatives
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- Recommended Technical Standards for Distribution Point-of-Sale Reporting
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- Split Influence Recommendations for the Electronics Industry
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- Manufacturer Membership (Roster and Information)
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- ERA Membership Pins

ERA Meetings & Programs

- ERA Conference - Feb. 26-28, 2017
- Board of Directors Meeting - March 1, 2017

A book review and recommendation by Dan Beaulieu

What Customers Crave: How to Create Relevant and Memorable Experiences at Every Touchpoint

by Nicholas Webb

Copyright: 2017 Amacom

Price: \$25

Pages: 257 with Endnotes and Index

Much more than customer service

Customer service is out and customer experience is in. It is no longer enough to deliver great customer service. Instead, you have to deliver an entire customer experience, and a great experience at that.

Customers want to feel good about the very act of working with you. They want to feel that you are on their side and that you have their best interests at heart. They want to “crave” working with you. If you don’t quite understand what customers crave, then you should read this book.

This book goes beyond traditional thoughts about service. In the first part of the book, Nicholas Webb talks about something we all have become aware of — creating customer value. He points out that it is much more effective to keep a customer happy than it is to get a new customer. According Webb, “... probability of selling to a new prospect is 5 to 20 percent, while the probability of selling to an existing customer is 60 to 70 percent.”

Webb goes on to explain just how we can provide value to our customers. He describes in detail how to create a customer confidence in you, your company and your products and services.

This is one of those books that incites great thoughts and ideas by giving you “triggers” that get you thinking about customers in a way you have not done before. The book shows you how to put yourself in their place and grow your understanding of how customers view you and your company, and most importantly, what they expect from you.

I especially like a section in the book on how to “Make an upset customer a lifelong customer in five easy steps.” The five steps include:

1. **Affirm** - Create a complete understanding of the problem and what it means to the customer.
2. **Listen** - Yes, shut up and listen, and **hear** exactly what the customer is saying to you.
3. **Confirm** - Repeat back to the customer what the problem is so that he or she is confident that you understand ... that you get it.
4. **Fix** - You know what the problem is; now fix it.
5. **Follow up** - Yes, follow up to make sure that the problem is solved and the customer is completely satisfied.

I would like to add a note of my own: You must take these steps as quickly as possible so that the situation is alleviated in the blink of an eye. Doing this will in fact make the customer respect you for life.

There is simply too much information in this book to cover it all in this column. There is great information from learning everything you can about your customers to getting referrals and recommendations. This is a must-read book for anyone who is serious about customer service and retention ... and who isn't?

Dan Beaulieu is the president and founder of D.B. Management, LLC, a consulting firm specializing in all aspects of sales, marketing and branding with a focus on rep-principal relationships. His latest book is The PCB 101 Handbook which can be purchased online by emailing danbeaulieu@aol.com. Dan is also the author of “It’s Only Common Sense,” a weekly sales column appearing at pcb007.com. Dan can be reached at 207-649-0879.



FEATURE ARTICLE: ERA Conference

(continued from page 9)

tee times at the Golf Club at Star Ranch, about 20 minutes from the AT&T Conference Center. Later on Sunday, the conference will open with a Welcome Reception. The always popular Conference Theme Party will take place on Monday, Feb. 27, at the Stubbs Bar B-Q restaurant, located only about a mile and half from the conference hotel. Transportation will be provided. At the Theme Party, attendees will have the opportunity to express their competitive nature by participating in slot car racing.

Join the discussion

Working together as manufacturers, distributors and reps is more important than ever. Planning and strategizing as individual companies and collectively as

a group are key to growing and succeeding in our industry. Differentiating your company's role and processes, requires strategic planning, execution and evaluation as an ongoing cycle.

The 2017 ERA Conference provides opportunities for growth in all of these areas: general sessions for future predictions, breakout sessions in collaborating as a collective team, as well as talks on strategic planning in business practices and marketing for your individual businesses.

There is no time to waste. We must accelerate our plans to adjust to the changing business environment to remain competitive and relevant. I invite you to join the discussion and conference with us in February in Austin to learn, strategize and network with your peers! ■

FROM THE TOP: ERA reflections

(continued from page 13)

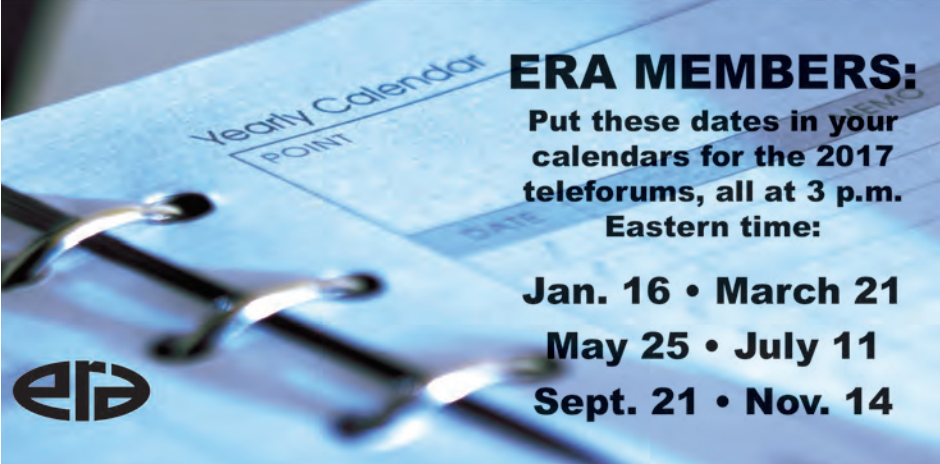
know that it is not intentional. Much like my flip phone, I have memory limits.

Going forward fearlessly into 2017, the current ERA Executive Committee Senior Vice President/Fiscal and Legal, David Norris, will ascend to the presidency, and I will gladly move up to Chairman where I lead from behind. We will kick off 2017 with what should be a great conference in Austin in February. I expect that the new 2017-2019 Executive Committee — which will include Ken Bellero, president of Schaffner EMC, representing our manufacturing members, and Chris Beeson, executive vice president of sales and supplier management for Digi-Key Electronics, representing our distribution members — will bring new

and fresh ideas that will make ERA an even more effective organization.

Walter will continue his never ending quest for new members, and I'm certain that he will find a way to grow our membership significantly next year. ERA's Communications Director, Neda Simonova, taking the place of the irreplaceable Tess Hill, who will remain an integral part of ERA, is a wonderful addition to the ERA team, and the entire ERA staff will continue their excellent work.

All in all, next year should be really special. I personally can't wait for 2016 to end as it has been a tough year for our firm. So bring on the New Year, and see you all at the ERA Conference in Austin! ■



ERA MEMBERS:
Put these dates in your
calendars for the 2017
teleforums, all at 3 p.m.
Eastern time:
Jan. 16 • March 21
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Ads are due March 3 for the

Spring 2017 issue of *The Representer*, which will feature the annual EDS supplement.

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