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FALL 2018

The Customer and the Supply Chain of the Future



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FALL 2018

The Customer and the Supply Chain of the Future



Technology-enabled, created and driven change in the world is gaining speed. The news is full of the progress being made in autonomous cars that will transform our cities, save tens of thousands of lives and billions of dollars every year. Robots that were once limited to factories are now found in hospitals and will soon be in our homes. Gene editing technology that will ensure a sustainable food supply as our population grows will one day eliminate disease and ultimately extend human life. To name but a few.

Underpinning all of this are advancements in computing, data storage and communications. Artificial intelligence, neuromorphic processors, quantum computing and 5G cellular communication will supercharge the pace of introduction and the rate of tech-based changes that each of us experiences in our lifetime.

Technological advancement is exponential and many feel that it has reached the point on the exponential curve where it will begin rising nearly vertically. Science fiction is becoming science fact all around us.

In our world, Industry 4.0 and Smart Factories are manifestations of leading-edge technology at work. Industry 4.0 is a name given to the current trend of automation and data exchange in manufacturing technologies. Industry 4.0 fosters what has been called the Smart Fac-

tory. According to McKinsey Consulting, there are four design principles behind Industry 4.0:

- **Interoperability** – the ability of machines, devices, sensors and people to connect and communicate with each other via the Internet of Things (IoT).
- **Information transparency** – the ability of information systems to create a virtual copy of the physical world by enriching digital plant models with sensor data. This requires the aggregation of raw sensor data to higher-value context information.
- **Technical assistance** – first, the ability of assistance systems to support humans by aggregating and visualizing information comprehensively for making informed decisions and solving urgent problems on short notice. Second, the ability of cyber physical systems to physically support humans by conducting a range of tasks that are

unpleasant, too exhausting, or unsafe for their human coworkers.

- **Decentralized decisions** – the ability of cyber physical systems to make decisions on their own and to perform their tasks as autonomously as possible. Only in the case of exceptions, interferences, or conflicting goals, are tasks delegated to a higher level.

A real world example of a Smart Factory is the new Adidas speed factory where athletic shoes are made using robots and 3D printing. These highly automated factories enable Adidas to manufacturer in close proximity to their customers rather than centralizing manufacturing in low-cost labor areas such as Southeast Asia — still home today to most of the world's apparel manufacturing. A single Adidas speed factory employs 180 people

and delivers the same output as a factory in Vietnam employing thousands. Low-cost labor countries once took jobs from high-cost labor countries; however, increasingly today, technology is bringing those jobs back.

In order to keep up, the way commerce is conducted will also change. The blockchain, IoT, robotic process automation (RPA) and application process interfaces (API) that are becoming mainstream will transform not only commerce but the very nature of work. Skeptical? You are using APIs today. These are software intermediaries that enable two applications on different plat-

forms to easily talk to each other and pass data back and forth. Each time you use an app like Facebook, send an Instant Message, or check the weather on your phone, you are using an API.

Today, the early adopters in our customer base are using APIs to generate requests for quotations, to check inventory availability and lead times, and even place orders. The use of APIs can make the entire transactional process between an OEM and a distributor occur, from start to finish, in minutes from the time the OEM's bill of material and production forecast are finalized, no buyers or salespeople involved, only computers. The future of commerce is increasingly autonomous systems doing business with each other.

And the future of all work, even so called white-collar work, which includes selling, is increasingly automated. According to Forrester

*In 2018 alone,
RPA-based digital
workers (bots) will replace
or augment 311,000
office and administrative
positions and 260,000
sales and related jobs
to deliver enhanced
customer experiences.*



Michael Knight

President, TTI Semiconductor Group (TSG) and SVP Corporate Business Development, for TTI Inc.

Michael Knight is the senior vice president of TTI Americas, a Berkshire Hathaway subsidiary, and is responsible for product management, corporate marketing and sales for key vertical markets. He also is responsible for mergers and acquisitions at TTI, and he heads the newly-formed TTI Semiconductor Group, which consists of two acquisitions — Symmetry Electronics in North America and Changnam in Korea.

Michael has worked in the electronic components industry since the mid-1980s. Prior to joining TTI Americas, he worked for a number of distributors and component manufacturers, including a manufacturers' rep firm in Northern California.

He has held a variety of national and global leadership roles in sales, marketing, operations and general management. In the late 1990s, Michael launched a successful tech start-up in the semiconductor materials space.

(continued on next page)

COVER STORY: Supply chain of the future

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Research, as businesses become more acclimated to automation RPA will take over more and more low-value repetitive tasks and rote work. In 2018 alone, RPA-based digital workers (bots) will replace or augment 311,000 office and administrative positions and 260,000 sales and related jobs to deliver enhanced customer experiences.

Today's electronic component supply chain has evolved to deal with extreme inefficiencies that have become worse as supply chains have grown more complex. The singular goal of the supply chain is to deliver OEMs the parts they need, in the right quantities and packaging, at the right time, at the right place. With electronic systems being comprised of hundreds, sometimes thousands, of different component types, each made by different manufacturers, each of whom are manufacturing in different locations around the world, this is no small task. The largest OEMs

**ERA is excited to
announce that TTI's
Michael Knight will close
the ERA 50th Anniversary
Conference in Austin,
Texas, Feb. 24 - 26, 2019,
with a presentation on
"TECHNOLOGY IN THE
ROARING '20s: How the
tech party rages on
in the 2020s."**

have the clout and the volume to manage most of this directly with their chosen component manufacturers. Although, as supply chain complexity has grown and recently been destabilized by a supply/demand imbalance, even these OEMs are increasingly using distribution as a source. All other OEMs use resellers (ideally, authorized distributors) to secure the parts they need.

Throughout the supply chain today there are salespeople bridging the communication gaps in the chain, educating the customer about the latest component technologies, matching up OEMs' needs with component manufacturers' capabilities, positioning, quoting, cajoling and finally, closing the deal. In this way, selling has been a contact sport since 9,000 B.C.; however, based on the changes being created through technology, it would be naive to believe it will continue like this into the future.

Studies by Ernst and Young, PwC and

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Steve Karr

*President and Outside Sales Rep
ArKco Sales, Inc.*

With so many ERA members, it is not easy to get to know every rep, manufacturer and distributor 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 Steve Karr, president and outside sales rep for ArKco Sales, Inc., located in Mahtomedi, Minn.

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

Tell us a little about yourself.

I live in Stillwater, Minn., the birthplace of Minnesota, with my wife of 22 years, Dana. We have three children, Maddie (21), Sam (18), Ben (15), and our Boxer dog, Jazz (6). Currently, I am the president and outside sales rep at ArKco Sales, a second generation, family-owned rep firm that my father, Bob Karr, started 41 years ago. I have been with ArKco Sales for 25 years.

What are some things you enjoy outside of the workplace?

I enjoy many outdoor activities: bow hunting, hiking, camping, biking, alpine skiing, fishing, golf and ice hockey. My wife and I enjoy watching our daughter compete in gymnastics at the University of Denver, and our boys compete on their high school teams. I also enjoy participating in the local Relay for Life, practicing my faith, family time, traveling and eating local foods when on the road. I enjoy reading, competition and trying to be a good person every day.

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

ArKco Sales has been an ERA member since 1978. I can remember 25 years ago, when I began working at ArKco Sales in outside sales, attending ERA conferences and local ERA events where Ray Hall and the membership spoke so well about the rep function. It was exciting and special to me because I was able to interact with the ERA membership and our rep network that has been such an important component to our firm's success.

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

I grew up with it. My mother and father taught us through their daily actions and around the dinner table about the values of discipline, teamwork, commitment to working hard and playing hard, developing strong faith, education, and the risk-taking associated with a successful rep firm. Eventually, it was the number of good people — reps, customers, principals and distributors — that I met through my father, along with the dynamic entrepreneurial environment and competitive nature of the electronics industry that attracted me to a career at ArKco.

What have you found to be most rewarding about the rep business?

For me, it is about the people, travel and sense of purpose that makes up this profession. It is, without a doubt, the feelings I get when touring a manufacturing facility and knowing the importance of the sales function to all of the employees at the factory. Without sales, the principal doesn't build components and the OEM doesn't build a product for the market. When our function is done well, it is one of the best feelings to know that your performance can mean so much to others, locally and globally.

Briefly describe your rep firm.

Founded in 1977, ArKco Sales is an electromechanical solutions firm and long-time member of the Minnesota ERA Chapter. We have seven outside field sales reps and two inside sales team members at our main office in Mahtomedi, Minn., and a branch office in Cedar Rapids, Iowa. Our company is focused on providing consistent, professional sales and relationship management to our customers, for our principals, and with our distributor partners.

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

Over recent years, we have implemented more team-based internal contests, fully transparent goal setting, latest sales technology integration and time management programs. We work to foster a consistent team-based culture with open communication where what's good for our sales team ultimately benefits the individual and those we service.

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?

People first; any company is only as good as its people. ERA has provided our firm the opportunity to network with many of the best sales professionals in the industry. The resources and opportunities that ERA provides to learn from others and establish industry relationships is second to none. Most important, ERA and its membership was

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‘We don’t do that here’ — Protecting your human capital

Photo courtesy of Freepik.

There is a workplace that keeps owners, executives and other leaders awake all night. Missing from that workplace is “respect.” The leaders know that every day brings the potential for turnover, poor productivity, low morale, legal problems with the state or federal government, or something much worse — violence.

Leaders who sleep well at night understand how to identify and eliminate offensive behaviors and how to create a culture where employees value “respect.” The company has a Standard of Conduct policy, disseminates it widely and enforces it vigorously. Every member of management is vigilant and stops acts of disrespect. Employees are empowered to report acts of disrespect with impunity.

A great leader demonstrated his method in my presence after observing an employee on a lunch break with coworkers relate a conversation that included some profanity and sexual language. Later in the day, the company leader invited the employee to visit in his office and said, “I wanted you to know I heard your conversation at lunch time. It caused me to believe that no one has told you that ‘We don’t do that here.’ We believe that profane and sexual conversation is disrespectful and inconsistent with our culture. So, just in case

you did not know that your conversation was inappropriate, I wanted to be the one to tell you. Thank you for your time.” He is a genius!

“We don’t do that here” was part of the company nomenclature (for acting disrespectful) and was invoked in a variety of situations to identify inappropriate behavior. Typically, the kinds of behavior that fit under the “We don’t do that here” can be defined into three types, but they are not uniquely different. None is more egregious than another and the consequences can be horrifying, destroying the business and devastating the employees.

Sexual harassment

Sexual harassment has nothing to do with sex; it is about power. The offender uses position, influence, affiliation, or even physical size, to harass the victim. There are two kinds of sexual harassment. Submitting to sexual demands in order to keep a job, get a raise, or be promoted, is quid pro quo and most egregious when it involves employees of unequal power. It is not hard to describe but it is impossible to defend. The offending behavior could be jokes, inappropriate touching, sexual remarks, videos, cartoons or sexual profanity.

Sexual harassment is prohibited by federal law

and the laws of every state in the U.S. The Equal Employment Opportunity Commission (EEOC) enforces these laws and they have published the 2017 statistics regarding the claims filed with the Federal Government only. These numbers do not include claims filed at the state or local level and do not include those who filed a lawsuit directly in state or federal court.

Number of Claims filed for Sexual harassment with the EEOC: 12,428

- Percent of claims filed by males: 16.5 percent
- Claims determined to be without probable cause: about one-third
- Amount of money awarded to claimants: \$46.3 million (just federal)

In addition to a workplace culture that confronts inappropriate behavior, every company must have a well-written policy and a procedure to enforce it. The EEOC has clearly described the elements that must be included in the policy and exactly what a company must do to prevent punitive outcomes.

Hostile workplace

A hostile workplace is a workplace that interferes with the ability to perform the work because of the hostile actions of a coworker, subordinate, supervisor, or other stakeholder. A workplace bully is the person usually responsible for a hostile workplace. This is a different challenge for companies to manage than a violation of the Civil Rights Law. There are laws in every state to prohibit bullying in schools but no such laws exist to prevent bullies at work. California is ahead on this topic and defines workplace bullying as repeated, health-harming mistreatment at work. Workplace bullying can include verbal abuse, intimidating or humiliating behavior, or interference with the victim's work. There is no specific law against workplace bullying in California, but California employees have the right to sue the bully or their employer if the workplace bullying violates workplace harassment or discrimination laws, such as the California Fair Employment & Housing Act (FEHA).

California also requires supervisors to be trained regarding abusive behavior and 30 states have introduced a bill called the Healthy Workplace Law. The Workplace Bullying Institute in Bellingham, Wash., researched the cost of allowing a bully to victimize a workplace. The research is the gold standard used to demonstrate that allowing a workplace bully is financially prohibitive, and will assure the company earns a reputation as the Employer of Last Resort. The WBI research shows:

- Turnover: Combined salaries of departed workers x 1.5
 - Opportunity lost: Lost revenue
 - Absenteeism: Number of missed hours x hourly rate
 - Presenteeism: Total salaries of checked out workers
 - Legal defense: Varies
 - Worker's comp.: Varies
- For an employee paid \$50,000 annually, the grand total could look like:
- Turnover: \$75,000
 - Opportunity lost: \$30,000
 - Absenteeism: \$250
 - Presenteeism: \$50,000

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Weller

Time to take stock — the fall harvest of our entire year's efforts!

Here we are in the final quarter of the year ... summer turns to autumn, autumn quickly turns to winter. For those of us in the “snow country,” we then hunker down and wait patiently for spring — a time when we “perennials” (versus millennials) spring back to life and take up the cause for another year!

The fourth quarter of the calendar year brings a beehive of activity. The past year's plans and budgets get reviewed. How did we do? Where did we fall short and why? We also start and finish the planning process for the upcoming year. What are our goals? What new products do we want to introduce? How many new folks do we want to add to our organizations? Where will we find them? Where will we find the time and resources to train them? How do we keep our existing team members up to speed on all of the new things that our industry throws at us? How can we address non-performers with tact and grace while always doing what is right for the organization as a whole?

How can any of us do all of this in the fourth quarter? We simply can't!

We are all human. Sometimes, we have a tendency to put off the tough things and hope that they will fix themselves — the non-performers become rock stars; hard-to-crack customers suddenly open the doors to us; we finally sign that new supplier that we have been courting for years; we “get the nod” that we will be the new rep or distributor for the newly-merged companies; and new potential hires fall into our laps.

See, I told you that sometimes no action is the best action! Or is it? Did we just get lucky in a few areas? What if our inaction leads to continued erosion of non-performers or the

issues simply get worse? In many cases, this is our reality.

We generally see a flurry of activity in the fourth quarter as we reflect on the past three quarters and plan for the next calendar year.

But what if we tried to do a bit of this past-reflection and forward-thinking during each quarter? What if we take each quarter as its own period — let it stand on its own merits — and plan the next quarter on what we learned from the last quarter? Will we allocate the time and sweat equity into this process at the end of each quarter?

Our industry is thriving today. Try and explain to your non-industry family and friends that “Things are great when you can't get parts.” It is counter-intuitive for sure, isn't it? But wait, we have all been through this before, haven't we? It is not a question of IF these times of product constraint will change but WHEN they will change.

What are YOU and your company doing TODAY to prepare for when the

market turns? Have you provided any specific actions into your 2019 plan so you can be prepared, so that you can beat your competition to the punch? Or, will you let the market manage you versus you managing it?

Let's not let the fourth quarter be the only quarter that we put on our thinking caps and PLAN. Try to find the time and COURAGE to do this each quarter. Your manufacturer principals, employees and customers will thank you for it, and perhaps, “punish” you with increased orders, new lines to sell and happier and better-equipped team members.

I gotta go now and do my own annual plan for ERA. Why did I put this off to the fourth quarter?

Your perennial CEO.



by Walter E. Tobin
ERA CEO
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Let's not let the fourth quarter be the only quarter that we put on our thinking caps and PLAN. Try to find the time and COURAGE to do this each quarter.



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ERA is celebrating its 50th Anniversary Conference on Feb. 24-26, 2019 at the AT&T Executive Education & Conference Center in Austin, Texas. Join us in honoring the significance of this milestone and the people who have laid the foundation to help make ERA the quality organization that is today.

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Establishing a successful rep-manufacturer relationship

I would like to share an interesting dialogue on LinkedIn thanks to a recent post by ERA member Bill Herold, CPMR, of Conquest Technical Sales in Southern California. Bill's post and the subsequent comments speak to the recurring theme of companies looking for new reps to grow their business without structuring an equitable program that recognizes the value brought by the rep; the investment necessary to grow their business; and the need to build a trust-based relationship in order to make that invest together — a great dialogue indeed about the issue, stimulated by Bill's post!

It is exciting to see thought leaders, like Bill, initiate an open discussion, beyond the ERA community, to help reinforce the value of manufacturers' representatives.

Let's take a look at the critical components needed to establish a foundation upon which a successful rep-manufacturer relationship can be developed.

Recognition of the rep value proposition

Fundamentally, the core value of the manufacturers' representative is his or her knowledge of and access to the markets they serve. Because they are selling products that have synergy with the prospective principal's products and have been doing so, in most cases for years, if not decades, they know the territory and the territory knows them! Consider that the rep's IP and don't expect to get it for free!

Return on investment

Make no doubt about it, taking on a new line is an investment of the biggest asset a rep has; their peoples' time! As you look at investment options for your personal portfolios, let's hope you do so with a clear understanding of the risks and rewards

associated with your choices. Your rep agreement should reflect recognition of the need for investment and provide a clear path to sustainable returns on those investments. Commission-only salespeople have a fundamental drive to win. You can avail yourselves of that fire in the belly if you help them win and ensure that they will receive equitable return on the investment of their time and IP.

This might be seen as stating the obvious,

but take a close look at your rep agreement and do a candid assessment of how you are *ensuring* that return. Imagine if the same conditions were offered to you by your investment advisor and ask yourselves if you would invest based on the conditions in your rep contract. Reps needs are simple. Give them a product that delivers solutions to their customers' needs and pay them when they win that business for you!

Trust is established by an honest commitment to invest together, respect of each other's contributions, and rewards that honor the work that's been done.

A foundation of trust

Whether in sports, the military or business, teams do best when they trust each other and know they have each other's backs. That can't be legislated by verbiage in a contract, although T's & C's are important parts of ensuring ROI. Trust is established by an honest commitment to invest together, respect of each other's contributions, and rewards that honor the work that's been done. The best reps and the best manufacturers understand this and attribute their mutual success to an unyielding adherence to these principles.

Thanks to Bill Herold and other thought leaders in our community for continuing to help develop the understanding of how manufacturers and reps can succeed together. Take every opportunity you can to help spread the word. It is not a complicated story but it is one that needs to be reinforced!



by David Norris
Norris & Associates Inc.
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THE MICHIGAN

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The Michigan ERA is revitalizing our chapter. We have elected new officers to our board.

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FEATURE ARTICLE: Protecting your human capital

(continued from page 9)

- Legal defense: \$30,000
 - Workers comp.: \$2,000
- TOTAL: \$187,250

Our employees often mistake the hostile workplace created by a bully with the hostile work environment covered by the Civil Rights Act sexual harassment regulations, although they are different. The conduct of a bully may actually violate the Civil Rights law when the victim was selected based on gender, race, national origin, or another of the classes protected by the Civil Rights laws. The employee complaint would then be called a discrimination claim — same church ... different pew!

Some employees, who complain about a workplace bully, become ill and file a Worker's Compensation claim related to the stress. Substantiating a claim for workplace stress was once almost impossible to prove, but that has changed. Employees may also demand damages beyond lost income and medical bills.

Workplace violence

If company leaders need any reason beyond their commitment to a culture of respect for ensuring that every employee understands that "We don't do that here," they need only consider what OSHA has to say about this subject.

OSHA defines workplace violence as "any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the work site." A report commissioned by the Department of Justice suggests that there are about 1.7 million incidents of workplace violence in the U.S. each year. Workplace assaults cause about 500,000 employees to lose 1,751,000 days of work annually. Employees who fall victim to workplace violence lose \$55 million annually in wages. However, workplace violence is not only costly to employees; it also adds up to a \$4.2 billion annual expense for employers as well. When indirect costs such as loss of public image, insurance, and lost productivity are added, the total cost to employers increases to between \$6.4 and \$36 billion annually.

These statistics may seem mind boggling to a typical business person, but a more stunning statistic is that workplace murder is the third leading cause of multiple-fatality incidents on the job in the U.S. and is the leading cause of death on the job for women.

Many states have workplace violence laws and almost every major company has a written policy because their insurance company demands it. Few leaders still have the optimistic view that an act of violence would not happen at their business. They know that employees have complicated personal issues, unrelated to work, that can escalate to an act of domestic violence that takes place in the workplace between the domestic partners. They also know they must not allow situations to exist that promote violence.

If an employer allows a hostile workplace to exist, the potential for violence increases. Every bully must hear, "We don't do that here." Any employee who is allowed to abuse power is a target for violence and his/her colleagues may become collateral damage. This is particularly important information for those in positions of authority to remember. Disciplinary actions, especially those that end in termination, are especially concerning. We know that preparation is essential, demonstrating respect is critical, and every employee must be allowed to leave with his/her dignity intact. At every termination, it is the goal of HR professionals that the employee leaves peacefully and no one gets hurt! Terminated employees are frequently the perpetrator of workplace violence with multiple deaths and injuries.

To the enlightened leader, who insists that respect is always the bedrock on which the company culture rests, you will sleep well tonight and you can be sure that your employees are grateful that you care and you are unafraid to always do the right thing. ■



Nancye M. Combs, AEP, SPHR

President and CEO of HR Enterprise Inc.

Nancye Combs is a voice of authority on human resources and organizational development. She speaks, consults, writes and offers expert witness testimony on workplace issues. She is president and CEO of HR Enterprise, Inc., in Louisville, Ky., and spent 20 years as a corporate business executive before founding a consulting practice. She provides management advisory services to hundreds of executives in business, industry, education, and government in North America, South America, Europe and Asia. Nancye also is the retained consultant for the members of trade associations, such as Specialty Tools and Fasteners Distributors Association, one of America's largest trade associations, and works extensively with distributors and manufacturers worldwide. Nancy has been a featured speaker at the White House on programs with the President, the Vice President and members of the U.S. Cabinet. She was named one of the top women business owners in Louisville and received the Award of Professional Excellence from the Louisville Society for Human Resource Management, which awards a scholarship in her name.

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COVER STORY: Supply chain of the future

(continued from page 6)

McKinsey note that the number of salespeople in the economy has dropped more than 25 percent since the Great Recession, even while most sales volumes recovered and went on to reach record levels. Examples have been cited where salespeople are no longer involved in routine, repetitive transactions. All component salespeople today probably can agree that it is continually more difficult to get an in-person customer appointment — be they buyer or engineer. No surprise, given the availability of information on the internet and the speed and ease of communication enabled by email and texting. Most salespeople will also reluctantly agree that this depersonalization trend isn't going to reverse itself. Given where technology is today and what is forthcoming, it is quite possible that in the future selling will no longer be a contact sport. Without the contact, is it really selling?

In the future, it is likely that many traditional elements of selling will be automated by technology. Activities such as pricing and delivery, recommending alternatives, data sourcing, expediting, and the like will be the first to go. Engineering support, supplier and product positioning, and value proposition delivery may soon follow. Without direct people-to-people interface, a salesperson's ability to influence a decision will be greatly reduced, and when the decision is made by a computer, it disappears altogether.

That said, until all elements of the supply chain — from where the raw material components are produced to the end user of the electronic device or system that is manufactured — are perfectly connected, and the entire supply chain is virtual, transparent and lightning fast, things will go wrong. In the near term, humans are still best equipped to deal with those problems and exceptions, whether caused by unexpected upsides in customer forecasts, sudden drops in those forecasts, product failures, and rapid changes in component lead times. The people dealing with much of this today are most often titled salespeople. Though not technically selling, this after sales service is vital to securing

(continued on page 28)



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

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Planning for disaster improves everyday confidence

Benjamin Franklin once said, “By failing to prepare, you are preparing to fail.”

As global manufacturers, and the companies who represent us, we have stakeholders who depend on us. We can't afford to fail, so instead we need to plan. Proper planning ensures that both our products and our business will not fail, even in the most dire situations — large scale environmental disasters, terror attacks and more.

Disaster relief ISO 22301

Our company recently went through the process to develop a comprehensive business continuity management system (BCMS) that successfully passed its audit by TUV Rheinland of North America to become ISO 22301 certified.

As a representative, why would you want to know that your supplier has attained this certification? Completing the steps to achieve it was not merely a superficial exercise; it forced us to look at every aspect of our business to assess our risks and develop a plan to mitigate them. Through this audit, we re-committed to our core company values of continuous improvement and reliability by involving every member of our staff and asking them to consider how they would respond to various emergency situations.

What is ISO 22301?

Stemming from disaster recovery contingency planning efforts dating back to the 1980s, business continuity management

(BCM) refers to the process of actively planning and preparing for business disruptions caused by natural disasters and other unforeseen circumstances.

ISO 22301 is the international standard regulating BCM practices and management. Obtaining this critical certification illustrates a company's commitment to maintaining quality BCM practices and ensures that stakeholders are protected and customers receive high-quality, reliable services and products.

Comprised of 10 clauses, ISO 22301 outlines specific company requirements in clauses 4 through 10. These guidelines are as follows:

Clause 4, Context of the Organization

— This clause specifies that a company must have thorough knowledge of its organization's BCM needs and strategies, and identify key stakeholders; this is integral to understanding the overall scope and needs of the required BCM system.

Clause 5, Leadership — Clause 5 states that top management must

understand the importance of BCM practices and how to effectively apply them in a BCMS.

Clause 6, Planning — This clause requires a company to have a full risk mitigation plan with clear objectives specified.

Clause 7, Support — Clause 7 states that

(continued on next page)



by Bill Dull
President
Triad Magnetics

Bill Dull is a leader in the power magnetism field with more than 35 years of experience in the industry. His background leading North American divisions of Japanese, Chinese and Taiwanese companies has provided expertise in the global market, with key business and marketing strengths in the magnetism arena.

In his role as president of Triad Magnetics for the past 15 years, Dull manages a diversified portfolio of standard power transformers, inductors and power supplies, as well as Triad's U.S. Design Center in Perris, Calif., which provides extensive custom design services.

You can reach Bill Dull at wdull@triadmagnetics.com.



Burning container ship owned by Kosmo SVCS Inc., and previously registered to Hyundai Merchant. On March 21, 2006, the vessel was en route from ports in China and Singapore through the Gulf of Aden about 60 miles south of the coast of Yemen.

a company must have sufficient access to the various resources required to effectively conduct BCMS procedures.

Clause 8, Operations — This clause, the longest of the standards, requires risk assessment and continued development of BCM strategies as assessed risks evolve over time, as well as detailed BCM plans and clearly defined response structures.

Clause 9, Evaluation — This clause sets requirements for regular performance evaluations and reviews of a company's BCM program, as well as communication of the results to stakeholders.

Clause 10, Improvement — Clause 10 defines the actions a company must take to ensure that its BCM continues to develop and improve over time, such as practice exercises and audits.

What does this mean for our customers?

With this BCM plan in place, a company is positioned to recover and resume operations quickly after any interruption, so that your business doesn't suffer.

Completing the certification process was a valuable way to go through department by department and look at all the systems in place to assess their effectiveness. In doing so, we were able to improve not only our planned disaster response, but our daily operations. We had to thoughtfully evaluate the way we would address various potential problems, and this exercise highlighted strengths and weaknesses that we otherwise might not have discovered. It gave both management and employees a greater confidence that we have the capability and experience to be able to address any unforeseen circumstance in a comprehensive, logical way.

If suppliers take the time to review their systems in this manner, it is a good indication of a well-organized organization that can tackle problems step-by-step. Having an ISO 22301 certification can provide both you and your customers an assurance that whatever difficulties arise, this company is ready to resolve them.

Are your suppliers prepared for the next unforeseen disaster? Asking that question could protect you and your customers from costly business disruptions, whether it is under dire circumstances or just your everyday challenges.

About Triad Magnetics

Triad Magnetics is a global leader in the design and manufacture of transformers, power supplies and inductors for a wide range of applications, including switch mode/high frequency, wall plug-in, power transformers, inductors and audio transformers. ■



A FedEx truck in an accident.

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Good facts and good judge support rep's claim for breach of the duty of good faith and fair dealing

The commercial lighting products rep Boston Light Source Inc. (BLS) grew the business in its territory, introduced its principal to many new customers and qualified for incentive-based bonuses as part of its successful performance. Poised to collect on the incentive pay it had earned, the principal terminated and paid neither the incentive nor the earned commissions.

BLS didn't take the termination lying down, and sought recourse with more than one remedy. Sometimes, limiting the relief sought in a commissions dispute to a breach of contract theory is akin to a rep calling on a customer with one product line tied behind its back.

While asserting non-payment for work performed breaches the rep agreement is nearly always a viable claim, when short-sighted principals terminate rep contracts solely to avoid paying commissions due (or to become due), one lesser known remedy can be a bad faith claim.

The law in many states holds that contracts not for a fixed term can ordinarily be terminated for any reason or for no reason, but generally, not to avoid paying a debt for work already performed. This can be viewed as breaching what the law calls the "implied duty of good faith and fair dealing."

Asserting such claims can prove tricky because states view bad faith claims differently, and some jurisdictions are much more favorable than others. However, when a

principal terminates a contract not for any legitimate or neutral reason, but to shed the rep before a sale closes and commissions become due, raising a bad faith claim, which may make additional damages available, should at least be explored.

Asserting a good bad faith claim

Oftentimes when the affected rep is forced to take legal action and asserts a bad faith termination, the manufacturer will seek to dismiss the claim by arguing to the court that alleging a termination was carried out in bad faith is duplicative of the allegation that the termination breached the parties' contract.

Fortunately, more astute judges do not get bamboozled by such flawed views of bad faith theories and recognize the distinction.

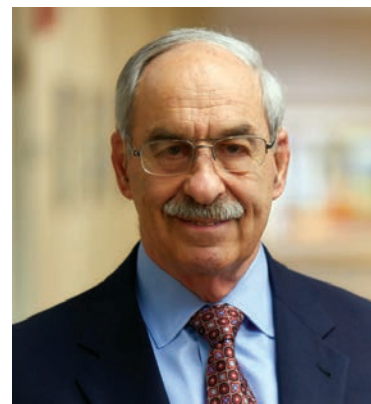
The BLS action brought in the Boston federal court late last year proves illustrative.

Axis Lighting Inc. terminated its 2007 contract with BLS under a common provision enabling either party to terminate with 30 days notice. The contract also stated, however, that BLS was entitled to commissions for three months for any orders registered with Axis within 30 days, or where evidence established that BLS worked on the order.

BLS performed under the contract with great success, helping Axis achieve brand

(continued on page 25)

... When a principal terminates a contract not for any legitimate or neutral reason, but to shed the rep before a sale closes and commissions become due, raising a bad faith claim, which may make additional damages available, should at least be explored.



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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recognition, increasing its sales in the BLS territory, and introducing its customers to Axis management personnel. When Axis added a “sales incentive program” in 2016, BLS became eligible to receive an “incentive bonus” upon achieving certain benchmarks.

Soon after, with many substantial orders pending, including BLS working to finalize the “largest specification for an order of Axis products it had ever created,” the incentive bonus was within reach. Then, Axis lowered the boom.

A “territorial reorganization” was offered as the rationale behind Axis terminating its long-serving and highly successful rep, but BLS wasn’t buying it. In its complaint, BLS asserted Axis terminated in bad faith to avoid paying commissions and incentive bonuses.

Other facts alleged by BLS provided additional color. Axis deliberately delayed accepting orders it had worked on, concealed other orders BLS had generated, falsely credited orders for itself or other reps that BLS procured, and understated other commissions by withholding credit for orders from BLS.

The court recognized that, in Massachusetts, a covenant of good faith and fair dealing is implied in every contract. Massachusetts courts have construed this covenant to mean that “neither party shall do anything that will have the effect of destroying or injuring the rights of the other party to receive the fruits of the contract.”

The Complaint filed by BLS sought to recover for both breach of contract and breach of the implied duty of good faith and fair dealing, among other claims. Axis responded by moving to dismiss all but the breach of contract claim.

In its motion, Axis argued the bad faith claim “does nothing more than allege a breach of contract,” which BLS already pled separately. Suggesting the two claims were duplicative, Axis sought dismissal on the basis that both were based on the premise that after terminating, it failed to pay the commissions and bonuses due.

Bad facts show bad faith

Fortunately for BLS, the perceptive judge determined that the bad faith claim did more than rehash the breach of contract theory. Far from merely repeating the allegation that Axis breached the parties’ contract, the court spotted BLS’s separate assertions that Axis consciously terminated “when it did because it knew there were several large impending orders which if fulfilled would obligate Axis to pay BLS a substantial commission and bonus.”

Together with the other allegations of wrongfully withholding commissions, the court ruled the BLS Complaint “with ease adequately pleads that Axis acted in bad faith and breached an implied covenant of good faith and fair dealing.”

This is not the same as entering judgment in favor of BLS, of course, but the denial of the motion to dismiss is a necessary hurdle to clear on the way to a potential recovery. The ruling proves significant because it contrasts with other court decisions that erroneously fail to draw the distinction between merely breaching a contract and operating in bad faith.

BLS had the goods to demonstrate its principal’s bad faith. When commissions are withheld following a termination, a bad faith claim may likewise lie, but such claims do not enjoy a high success rate. Each situation requires careful consideration of the circumstances surrounding the termination, the contract language, and the law of the particular jurisdiction. ■

ERA ANNOUNCES 2019 CONFERENCE KEYNOTE SPEAKER

ERA announced that Curt Steinhorst, bestselling author of “Can I Have Your Attention? Inspiring Better Work Habits, Focusing Your Team, and Getting Stuff Done in the Constantly Connected Workplace” will be the keynote speaker at the upcoming conference, scheduled Feb. 24-26, 2019, at the AT&T Center in Austin, Texas. Steinhorst will open ERA’s 50th Anniversary Conference program on Monday morning, Feb. 25, with a presentation titled, “Can I Have Your Attention? Reach the Distracted Customer.”

ERA 2019 Conference Committee Chair John Hutson, CPMR, of MacInnis Group, said, “A big thank you to our devoted Keynote Sub-Committee members who volunteered a great deal of their time and expertise to research the 2019 conference keynote speaker. Based on the talent pool of world-class speakers that they came up with, it is no surprise that they found a keynote candidate as impressive as Curt Steinhorst to kick-off the 50th Anniversary Conference. During the selection process, the sub-committee constantly kept at the front of their minds the need to have a keynote speaker who would offer conference attendees real tangible takeaways, and Curt fits the bill. His presentation will help attendees understand how to communicate with customers effectively and spark ideas about how to work smarter in this age of digital distraction. I am confident that Curt’s humor, energy and insight will keep everyone engaged and entertained.”

For more information about the 2019 ERA 50th Anniversary Conference, visit <https://era.org/era-events/era-conference/>.

OHIO ERA HONORS HARRY ABRAMSON WITH LIFE MEMBERSHIP AWARD

The Ohio Chapter of ERA awarded industry veteran, Harry Abramson, Life Membership in October 2017.

Harry founded Electronic Salesmasters Inc. in 1972. He established industry notoriety by virtue of his firm’s peak performance, hundreds of articles and speaking appearances at ERA’s national conferences and chapter meetings and sister trade association MANA. Harry coined the acronym SOQNOP — selling on quality not on price — and his team walked the talk.

He has an electrical engineering degree from Temple University and entered the electronics industry as an engineer at RCA in Camden, N.J. He eventually transitioned to a marketing position at TRW while pursuing a B.S. degree in business at La Salle University. He was later recruited by Trinkle Sales (now TSI). After nine years, he was ultimately availed the opportunity to take over the Sprague Electric factory direct sales office in Ohio. Many TSI lines followed him as well as territory expansion into five contiguous states. Presently, his son Spencer is at the helm and ESI has just expanded into Florida.

Harry is quick to credit his early mentors for a major part of his success. Accordingly, he adopted the mantra that he expressed on the front or tailend of his presentations, “I share what I know to help others grow.”

His ERA involvement included serving as vice president of the Components Group and president of the Ohio Chapter. Under his leadership the chapter was awarded the National Chapter of the Year Award.

Harry states, “I am deeply honored and moved by the recognition of ERA’s prestigious Life Membership Award.”

Harry and his wife Linda reside both in Beachwood, Ohio, and Boca Raton, Fla. They enjoy their 12 grandchildren, passion for jazz and cruising. He be reached by email at hja725@yahoo.com, or at 216.406.4119.

U.S. CONSUMER CONFIDENCE RISES TO 18-YEAR HIGH IN SEPTEMBER

Industrial Distribution reported that U.S. consumer confidence jumped to an 18-year high in September.

According to the Conference Board its consumer confidence index climbed to 138.4 in September from 134.7 in August. The reading was the highest since September 2000. The index measures consumers’ assessment of current economic conditions and their outlook for the next six months. Both improved in September. The U.S. economy grew at an annual pace of 4.2 percent from April through July, the fastest rate in nearly four years. And the unemployment is 3.9 percent, near a 50-year low.

The strong job market impressed Americans responding to the Conference Board survey: 45.7 percent said jobs were “plentiful” — most since January 2001.

GLOBAL SEMICONDUCTOR EQUIPMENT BILLINGS REMAIN HIGH IN SECOND QUARTER OF 2018

Worldwide semiconductor manufacturing equipment billings, which hit a record high of \$17 billion in the first quarter of 2018, dropped by 1 percent to \$16.7 billion in the second quarter, according to SEMI. The billings level for second-quarter 2018 represented a 19 percent increase compared to a year earlier.

China saw the largest sequential growth among all regions in the second quarter, with equipment billings rising 44 percent on quarter to \$3.79 billion. Korea remained the largest market for semiconductor equipment in the second quarter, with sales of US\$4.86 billion, and Taiwan fell to the fourth position with sales of \$2.19 billion in the second quarter, while Japan moved to the third spot with sales of \$2.28 billion, SEMI reported.

Overview of proposed regulations on the 20% income reduction

We have the initial regulations on the new section of the tax law called Code Section 199A. Understanding this regulation (reg) is more complicated than expected. Let's start with a review of how the law is constructed.

The law allows a 20 percent deduction of income earned by all types of BUSINESS entities other than regular corporations conducted in the U.S. Past that simple statement, there are only complications reducing the deduction.

The first basic complication is that the deduction is limited to the lesser of the above 20 percent, or 20 percent of the individual taxpayer's net TAXABLE income MINUS any net capital gains.

The IRS then announced a requirement that the net income of the business entity has to be reduced by any capital gains and investment income derived solely from investments of cash that the company might be using even if temporary. Of course, the exclusion would not apply to sales of assets used in the business.

The next basic complication relates to taxpayers whose net taxable income is greater than \$157,000 for a single taxpayer, or \$315,000 on a joint return. For those individuals, there is a hurdle to overcome. They have to compute their reduction based upon the LESSER of the 20 percent of business income, or the GREATER of 50 percent of "W-2 wages," or 25 percent of W-2 wages plus 2.5 percent of the cost of all assets whose "depreciation period" has not expired. The depreciation period is not the depreciation used on the tax return, but the regular depreciation period for that type of asset. Thus, even if first-year write-off was used for tax purposes, the asset would be eligible for the 2.5 percent calculation for the expected life of the asset.

The third hurdle is that individuals in certain areas of business are faded out of the calculation over the next \$50,000/\$100,000 of income; i.e., they have no deduction after

\$207,500 as a single individual or \$415,000 on a joint return. These businesses are health, law, accounting, actuarial science, performing arts, consulting, athletics, financial services, brokerage services, investments, trading, and businesses that rely on "reputation or skills" of one or more of its owners.

The new regs fortunately take a very limited stand regarding that last category. The IRS will limit this category to endorsements, photos or likeness of individuals, and appear-

ance fees. The regs also define consulting to exclude cases where income is derived from commissions on sale. Commission salesmen and sales companies appear to be clear of this hurdle. Where the business has some minor income from the above factors, it won't affect the computations if that income is less than 10 percent of gross income, with gross income less than 25 million, or 5 percent of the gross if greater than that.

The IRS reached an interesting conclusion regarding what constitutes W-2 wages. S corporations must pay their officers reasonable salaries in arising at the net income eligible for the 20 percent deduction. This actually is in accordance with the long-standing IRS position of expecting S corporations to pay payroll taxes based upon reasonable salaries for officers. On the other hand, regarding partnerships, the IRS has ruled that partners do not have salaries, and even guaranteed payments are not salaries and therefore do not reduce net income.

Partnerships, LLCs and S corporations need to provide their partners/owners with the additional information necessary for the partners to compute their 20 percent deduction. If the businesses qualify for the deduction, it doesn't matter that the partners are not active in the business. The additional items are the partner's share of W-2 income and their share of total

(continued on next page)



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.

COVER STORY: Supply chain of the future

(continued from page 16)

business in the future, and so it falls to the salesperson to manage expectations and disruptions for their customers.

All players in the component supply chain need to understand where technology is headed and the changes that will be enabled related to how electronic components will be selected, sourced, and acquired. Speed, efficiency and elimination of surprises are the promise. As new technology that will make that promise reality becomes ubiquitous, it will change the definition of the various roles in the supply chain of today, including that of salespeople. It won't happen in the blink of an eye, but the pace of change will be more exponential than linear. In all change lies opportunity for those who understand it, master it and are proactive. Great salespeople have those skills in spades. In the supply chain of the future, they may not be titled salespeople anymore, but they will have a role to play. Now is the perfect time to start working on and defining that role. ■

SOMEONE YOU SHOULD KNOW: Steve Karr

(continued from page 7)

there for our firm and family when my only sibling and fellow ArKco Sales team member, Sarah (Rooker) Karr, lost her warrior battle with brain cancer three years ago. We are forever grateful to ERA and the posthumous White Pin honor that she so very much deserved during her time with us.

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

I am active on LinkedIn and Twitter. LinkedIn is my business connectivity and Twitter is to follow my kids' athletic teams, share experiences, and to follow interests outside of work. I follow ERA and it follows me. ERA updates have become more important over the past year as useful alerts.

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

I was a varsity three sport athlete (football, ice hockey and baseball) in high school, played college baseball, and I continue to play hockey weekly today (started playing over 40 years ago). Team sports gave me the tools and experiences to work with diverse people, situations and problems that are found in the ever-changing global electronics industry. ■

THE SUBJECT IS TAXING: 20% income reduction

(continued from previous page)

assets for the 2.5 percent calculation.

Note that since the calculation of the Alternative Minimum Tax (AMT) is done after the determination of taxable income including the 20 percent deduction, the deduction will take place before AMT is calculated.

In a more permissive note, in the event that individuals own property that they rent to their business, that rental income can be eligible for the 20 percent deduction.

The regs then throw in something about REITs. REITs are considered business income if they produce a profit; however, a loss will be carried forward to following years until there is a REIT profit, and will not offset other business income available for the 20 percent reduction. REITs are excluded from the limitations pertaining to W-2 wages and business assets.

The above does not take into account the many situations that might occur which could complicate the deduction. This article should be considered a general introduction to the subject. ■

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“How long do you expect this drought of components to last?” If I had a dime for every time I’ve been asked this question over the past few months, I think I would be in a lounge chair sipping an adult beverage and relaxing on a beach somewhere. As I reported in my Summer 2018 article in *The Representer*, citing the conversation at EDS 2018, this continues to be the question on many people’s minds. The combination of the two trends continues; business seems to be booming with new consumption and the supply is overtaxed.

In its August 2018 Report on Business, the Institute of Supply Management reported that the “New Orders Index registered 65.1 percent, an increase of 4.9 percentage points from the July reading of 60.2 percent,” and that the “Production Index registered 63.3 percent, a 4.8 percentage points increase compared to the July reading of 58.5 percent.” Granted these figures take into account overall markets, but our electronics industry is lumped in there, and I venture to guess that our specific numbers are even greater. The ISM reported that its index has risen for 112 consecutive months; that’s solid growth.

Demand is strong as reported by many manufacturers and distributors. Take for instance Mick Elliott’s August 2018 Disty Blog where Elliott quoted Arrow’s Global Components Unit President, Andy King as saying, “We still have a fairly constrained supply situation on MLCC (multilayer ceramic capacitors). There’s more product coming through and out to the marketplace, but the demand is outstripping that.”

In his EDS address, TTT’s Michael Knight opined, “Regardless of what happens to the economy in 2019, it will be a good year for us as well, and hold onto your seats, 2020 is going to take off.” Knight sees a strong economy for his company as well as others in the electronics industry.

In an online article from Aug. 21, 2018, Advanced MP Technology stated, “Since the second half of 2016, OEMs have been coping with the limited supply of capacitors, specifically multilayer ceramic capacitors (MLCC). Some experts believe the shortage will extend to 2019, while many others expect until year 2020.”

So, will the allocation of components temper this dynamic growth? Once the double-booking comes home to roost, most everyone will get the product they need to fuel a booming 2020.

How long do you think this will last?

Several events over the past few weeks have reminded me about the importance of communication. I am also reminded that communication is a two-part occurrence. There is the presentation — spoken, written or visual — and the reception. Now, there is the tricky part.

A number of years ago I was asked to address the subject of communication at an ERA DMR Conference. Some of you youngsters probably don’t remember the Distributor, Manufacturer, Rep conferences of the past. While preparing my notes, my oldest son walked by and I said, “Don’t forget the garbage.” About an hour later he came by again and I asked, “Did you take the garbage out?” to which he replied, “You said, ‘forget the garbage.’” Right then I had my major point for my presentation. Communication must be clearly presented and must be clearly understood.

In today’s fast-paced environment of acronyms, cryptic emails and voice mails, there is ample room for misinterpretation or just flat not understanding what is being transmitted. How many times have we all read the subject line of an email and responded, just to realize that we should have read the entire email?

What I am about to describe is one of the things that prompted me to write this. About three weeks ago, compliments of one of the infamous Tampa thunderstorms, lightning took out our phone system and the phone company interface, inside and outside, and of all things, the dishwasher in the break room. We contacted the phone company, and guess what? They informed us that it is going to be over a week before they can schedule a service call to do the repair. A rep firm just really can’t deal with that. No phones and internet for that long is not acceptable. So we elected to go to a Voice over Internet Protocol (VoIP) system that allowed us to make calls over the internet and we could get up and running the next day. We ported over three rotary lines and left detailed instruction for the remaining two lines and internet to remain intact.

Here is where the communication part comes in. I guess the phone company only read part of the request. They pulled the plug on the entire package. Again, they could not schedule a tech for another week and a half to correct their mistake. As I write this, hopefully they will be here tomorrow. This brought to the forefront the need to be sure instructions are clearly communicated and clearly understood. It also brought to the forefront the need to be sure that we have redundancy to fall back on, which we are addressing now.

As reps, it is vitally important that we clearly communicate internally and with our customers and principals. It is just too easy for something to “slip through the cracks” and be forgotten or misunderstood. Communication is not a one-way, one-time event. Like forming good habits, repetition is essential. Be sure to practice clear communication, both as the communicator and listener, whether verbal, written or visual.

COMPONENTS

Bob Evans, CPMR

EK Micro

Rolling Meadows, Ill.

Economic boom sparks component crisis

MATERIALS, ASSEMBLY, PRODUCTION & SUPPLY

Troy Gunnin

Sun Rep

Tampa, Fla.

The importance of practicing good communication



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.

ARIZONA

The Arizona Chapter sent a survey in September to chapter members on various event logistics. The chapter also is working diligently on the next series and dates of the In Plant shows.

CAROLINAS

The Carolinas Chapter is continuing its monthly networking breakfasts throughout the fall. The chapter held an educational networking event on Sept. 10 about “The Rep of the Future.” John Mitchell, founder of Repfabric, “The Ultimate Efficiency Tool for Reps,” was the guest speaker at the event.

CHICAGOLAND - WISCONSIN

The Chicagoland-Wisconsin Chapter hosted its annual baseball event on Sept. 21. This year, it was the “crosstown classic” Chicago White Sox vs. Chicago Cubs at Guaranteed Rate Field. The chapter also is working on an Oct. 26 event called, “Lie to Me: The Science Behind Hidden Emotions.” Dan Seidman, CEO and founder of Got Influence will be the guest speaker.

DIXIE

The Dixie Chapter held a social gathering and barbecue dinner on Sept. 25. The chapter is planning to conduct a survey on future events, fundraising ideas and featured topics to better serve and engage its members.

EMPIRE STATE

Empire State ERA held its annual signature event on Aug. 6 at Ravenwood Golf Club in Victor, N.Y. The event featured a golf tournament, scholarship program and presentation by the American Cancer Society for the charitable work and donations Empire State continues to provide.

INDIANA-KENTUCKY

The Indiana Kentucky Chapter hosted an annual Electronic Industry Golf Outing on Aug. 10. Sixty attendees, including customers, distributors, principals and reps, participated at the event held at the Golf Club of Indiana.

MINNESOTA

The Minnesota Chapter held an evening program on Aug. 1 featuring guest speaker Michael Knight, president of TTI Semiconductor Group (TSG) and senior vice president of Corporate Business Development at TTI Inc. Knight presented “The Evolution of Homo Sapiens Into Homo Technicaeus.”

METRO NEW YORK

The Metro New York Chapter held a fall dinner event on “The New Tax Code and Its Implications” on Sept. 25. The event featured a dinner discussion with an accountant about the recent changes to the federal tax code.

COLT 2018 slated in October-November

ERA's Chapter Officers Leadership Training (COLT) team will be hosting the one-hour educational webinar program for registered attendees on Wednesday, Oct. 24, 2018. The in-person meeting will be held in Chicago, Nov. 7-8, 2018, at the Double Tree Hilton O'Hare-Rosemont.

COLT is a hands-on instructional program focused on chapter management and planning tactics. The program is a vital tool in chapter planning for chapter managers, board members and anyone taking a chapter leadership role. Attendance is full this year with a large group of attendees from multiple chapters!

For more information on COLT 2018, visit era.org.



NORTHERN CALIFORNIA

The Northern California Chapter hosted a “lunch and learn” event on Aug. 23 featuring guest speaker Stephan Ord, a technology manager for the Flight Opportunities Program at NASA. Ord shared an overview of the program and the latest NASA technology developments.

The chapter also held a social event on Sept. 19 at Campo di Bocce of Los Gatos.

SOUTHWEST CHAPTER

The Southwest Chapter held a lunch event in Austin, Texas, on Aug. 24. The event featured guest speaker Roland Peña, vice president of economic development for the Austin Chamber of Commerce, who has nearly 30

years of experience in economic development and serves as a member of both the Texas Economic Development Council (TEDC) and the International Economic Development Council (IEDC). The chapter's last event of the year will be held in Houston on Nov. 9.

SPIRIT OF ST. LOUIS

The Spirit of St. Louis Chapter held an annual golf tournament on Sept. 7. The event was well attended by local reps, distributors, manufacturers and customers. The chapter welcomed guest speaker ERA CEO Walter Tobin to meeting. Tobin provided some insight on future ERA National initiatives. His enthusiasm and humor were welcomed by the largest chapter audience in more than 10 years.

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Other ERA Services & Publications

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- Locator Online Directory of Manufacturers' Reps
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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
- ERA Code of Ethics
- Recommended Technical Standards for Distribution Point-of-Sale Reporting
- FAQs Manufacturers Ask About Representatives
- Split Influence Recommendations for the Electronics Industry
- State Rep Commission Protection Acts
- ERA Membership Pins
- ERA Logos

ERA Meetings & Programs

- Board of Directors Meeting - Oct. 18, 2018
- COLT Webinar - Oct. 24, 2018
- COLT In-Person Meeting - Nov. 7-8, 2018
- ERA 50th Anniversary Conference - Feb. 24-26, 2019

A book review and recommendation by Dan Beaulieu

The Excellence Dividend: Meeting the Tech Tide with Work That Wows and Jobs That Last

by Tom Peters

Copyright: 2018 Vintage/Trade Paperback

Price: \$17

Pages: 460

Peters is back and he's better than ever!

If you, like me, wait for the release of a Tom Peters' book the way some people wait for a new Stephen King novel, then you are in luck because Peters finally has a new book and it is a winner.

This book covers a myriad of topics in pure Peters fashion. Who but Peters could bring good old meat and potatoes, common sense logic to this fast-moving, new-world order of social media and techno faux communications.

Here are just a few smatterings from this national treasure of business gurus:

- "Whoever tries the most stuff wins, whoever screws up the most stuff sins."
- "For every engineer and marketer on the experience design team, you need an artist, psychologist, musician, theater director and perhaps a shaman."

Oh yeah, you've got that right Tom!

Speaking about social media, here are Peters'

"Big Five:"

- Five minutes to lose a reputation that took 20 years to build;
- 100 percent on employees in the brand with authority to act independently;
- Single Twitter exchange equals one Super Bowl ad;
- Small town/small company/best-in-world via social media presence; and
- Zmot/zero moment of truth.

There are 15 chapters covering everything from execution to excellence to innovation to design (my personal favorite) to the art of listening. Peters combines all aspects of doing business today with the common sense historical values of doing business for the past hundred years.

The best part of this book is Peters himself, that he is back and as vital a business, nay a life voice as ever. Those of you who have followed Peters know what I mean. Those of you who have never heard of him, put down your phone and read this book, it will rock your world.

One last luring tidbit from this book:

According to Tom, "Every meeting that does not stir the imagination AND curiosity of attendees, AND increase bonding, AND cooperation and engagement, AND sense of worth, AND motivate rapid action, AND enhance enthusiasm is a PLO/permanently lost opportunity."

*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 danbbeaulieu@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.*



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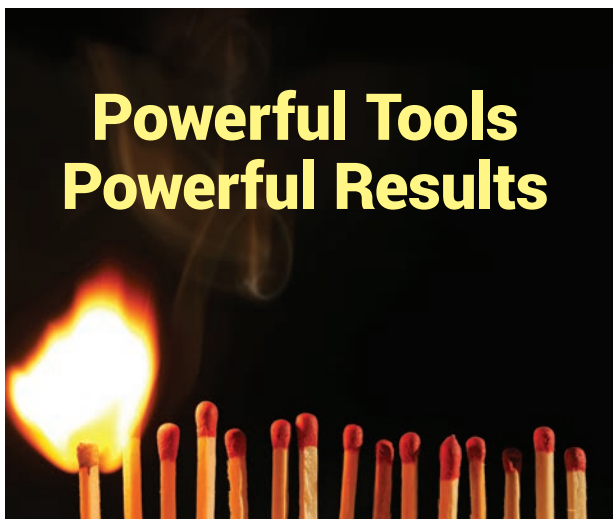
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