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era Electronics Representatives Association

SUMMER 2024



WIN THE HEARTS AND MINDS OF YOUR SALES TEAM

Best practices for managing a
sales force

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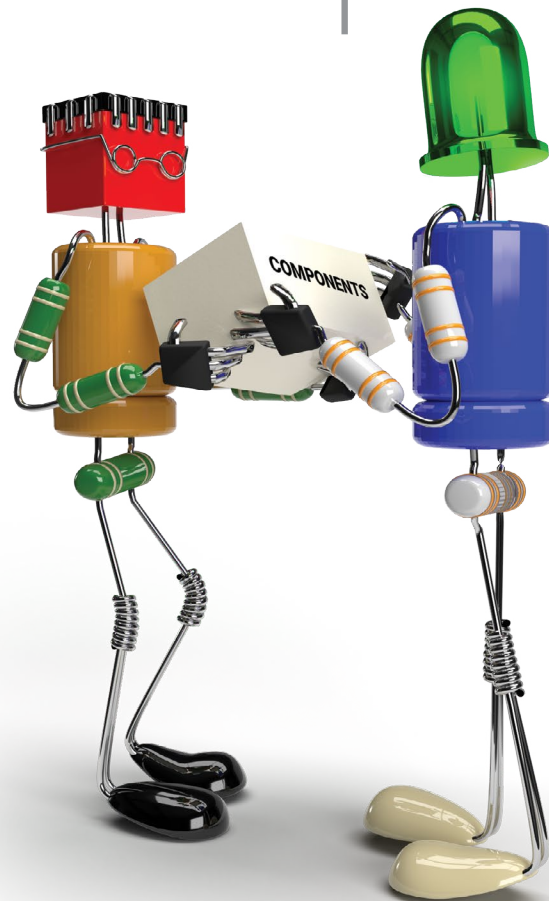


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WIN THE HEARTS AND MINDS OF YOUR SALES TEAM

Best practices for managing a sales force

COVER STORY

Effective management of a sales force is crucial for any organization looking to drive revenue growth and achieve its business objectives. In this article, we will explore the best practices for managing a sales force, highlighting strategies that can help you optimize your sales team's performance and drive business success.

Have you ever wondered how to get your sales force to be motivated and productive, to find those critical new business opportunities? I had the honor of interviewing two of the most well-known industry executive sales managers in this industry, Michael Calabria and Cesare Giammarco. Cesare Giammarco spent 35 years in the electronics components industry instituting, managing and integrating manufacturers' reps globally into multiple organizations. Michael Calabria spent 45 years in this industry and was recognized for his incredible leadership in growing market share and brand recognition on behalf of the companies for which he worked. Both men now serve as consultants for the industry and for ERA. Each has earned a reputation for unprecedented success in deploying manufacturers' representatives and a winning strategy on behalf of their organizations.

Culture trumps strategy

In these recent challenging times, one of my manufacturer's managers approached me and asked: "How do we structure the commission plans, policies and procedures to build productivity with our sales representatives?" It made me think, "What makes the high performing salesperson tick? What gets their attention?" The results and answers I learned from Mike and Cesare may surprise you.

Here are some basics about their view of managing a sales organization:

- **Make your representatives a very real extension of your organization.** Both Mike and Cesare reinforced the need to integrate and embed the rep network into the organization. Practically, this means elevated communications, intense connectivity and a high level of feedback.

- **Ask your representatives: What would be a meaningful incentive that would inspire your team?** Mike deployed this technique during one of the most volatile supply chain eras in the electronics industry. His representatives came back with a proposal for high levels of commissions on new, strategic products.

- **Show your representatives that they are a part of your organization,** valued and included

in policy making, compensation plans and aligning together in goals and objectives. If you do this, they will believe in your mission. Additionally, ask questions such as: "How do you want to be paid? How should we support you in new product roll-out initiatives?" Make this effort a process, not just a one-off conversation.

- **Build a positive culture.** The manufacturers' representative business is a tough business; a positive culture of inclusivity will win your representatives' hearts and minds. Mike stated that when a representative earned record commissions, he would make a call to management and congratulate them for their incredible success! This really hit home with me. (My own story: Recently a supplier paid a record amount in the month of February — a shipment worth over a quarter million dollars shipped to a single customer. Our sales manager and I were ecstatic. Then I got the call from the president of said supplier. His exact words: "I was forced to write a check for \$87,000 — my CFO is not happy!" What a buzzkill. We went from feeling like this particular supplier was the most strategic, critical partner, to wondering if we were now on the chopping block because we were being paid "too much." You may be wondering how we responded. Our answer was, "I would hope we both made a mutual profit!" But the damage was done and the culture of that partnership was poisoned.)

- **Get buy-in and commitment from your sales team on the front end of NPI** (new product initiatives) — how to reach the customers and distribution partners, and what the representative feels are effective go-to market strategies.

Some of the same strategies of working with a manufacturers' representative firm also apply to direct or interdependent sales organizations. The concept is to act as if your representative is no different than any employees. Take the rep owner, manager, sales leader and treat them as an extension of your personal management team. Jack Welch, former CEO of General Electric, made clear similar philosophical strategies in the way he prioritized his management team. He gathered them into an "inner circle" and made it clear to them that they were the strategic leaders of the organization and ingrained the priority of executing the priorities of the organization. Sound good? I would hope so — we would all do well to get the results that Jack Welch achieved at GE! The old saying, "Culture trumps strategy," is a perfect example

(continued on next page)

By Cameron English, CPMR

With contributions from ERA Consultants Michael Calabria and Cesare Giammarco

of what I believe Mike was sharing with me about his success. This begs the questions: Are you treating your representative leadership as an extension of your team? Are you gathering them in as strategic leaders in your company? As an executive leader, do you connect to the rep leadership? Do you have a CFO that complains about the outflow of commission dollars? And, the million-dollar question: Does your organization view the representative partners strategically or as a necessary evil/expense? If you are a supplier, you might be thinking, “Hold on. Is it not the representative’s job to connect with us as well?” And the answer would be yes, of course. I would add that in my experience, often times representatives are viewed as outliers, or necessary evils, in a structured organization.

The basic block and tackle for sales force management remains the same, for either a representative or a direct sales force. The common mistake made by sales leadership in deploying a representative is one of perspective. Do you view your representative as an outside, third-party entity and independent representative body? Can you move the perspective of your executive leadership to view your representatives as “interdependent” or as an extension of your priorities of sales and marketing?

Investing in your sales team

Cesare and I talked about the perspective of larger organizations and the struggle with a complex hierarchy. Of course,

politics, personal ambition and differing views are a challenge for any organization. Cesare has a gift for persuading his management team to view the sales representative commission investment as strategic and critical to the growth of the organization. In Cesare’s view, if the sales function is viewed and prioritized equally to, let’s say, R&D, CRM systems or top talent recruitment, the funnel will prosper.

His observation is that management commitment to the representative model is key. When you see new managers come in and flip-flop back and forth between representative models and direct, or put in a hybrid structure, it sends a message of a lack of commitment. The often-held policy of commission rates going down as sales exceed certain benchmark levels — sometimes decreasing 10-20 percent — sends a very clear message that success and progress are not a corporate priority. Taking accounts “in-house” that have become very strong strategic accounts over time due to the contribution of the representative, kills all feeling of connection with a representative wanting to continue to invest their time, talent and resources in your company’s product development. Consider the fact that some electronic technology segments can see development times of 2-5 years. The FDA and military aerospace industry require certification and approvals for funding. In aviation, all aircraft and internal systems used on aircraft must be certified, taking a minimum of 3 to 5 years prior to production. Your representatives need a reason to invest and trust in their investment of that much “long tail” development work.

Cesare explained how critical it is to create a “macro message” — one that permeates the management team with a buy-in to support and embrace the representative model and to educate the organization of the role of the representative.

At this point, I realize you may be thinking how one-sided this perspective is. This is a representative’s myopic perspective of how organizations should work. Here’s the key point, and the part I think was most surprising to me — the fact that both Cesare and Mike were in violent agreement that successful representative management was directly tied to integrating and including the representative organization in the very heart of the organization. The success they both experienced with building the presence of their companies’ position in the market was a direct result of this strategy.

Finally, here are a few more concepts that I gleaned from the conversation. These may resonate with you, and possibly help you provide your own organization with a framework to build upon.

Set clear goals and objectives. Establishing clear goals and objectives is the foundation of effective sales force management. Communicate these goals to your sales team, providing them with a clear understanding of what is expected of them.

Hire the right talent. Look for individuals who possess the necessary skills, knowledge and traits to excel in their roles. Consider factors such as sales experience, product knowledge, communication skills and adaptability when making hiring decisions.

Provide ongoing training and development. Invest in your sales team’s ongoing training and development to ensure they have the skills and knowledge needed to succeed. Provide regular coaching, feedback and mentoring to help them improve their performance. Consider offering training programs, workshops or conferences to enhance their skills and knowledge.

Foster a positive sales culture. Create a positive sales culture that encourages collaboration, innovation and continuous improvement. Recognize and reward outstanding performance, provide opportunities for growth and advancement, and encourage open communication and feedback.

Use data-driven insights. Use data-driven insights to monitor and analyze your sales team’s performance. Track key metrics such as sales volume, conversion rates, customer satisfaction and employee engagement to identify areas for improvement. Use data to make informed decisions about training, coaching and resource allocation.

Empower sales teams. Empower your sales teams to make decisions and take ownership of their work. Provide them with the necessary resources, autonomy and authority to make deals happen. Encourage them to take calculated risks and think creatively to solve problems.

Leverage technology. Leverage technology to streamline sales processes, improve efficiency and enhance customer engagement. Consider using CRM software, sales automation tools and other technologies to help your sales team stay organized and focused.

Recognize and reward outstanding performance. Recognize and reward outstanding performance to motivate your sales team to achieve their goals. Consider offering incentives such as bonuses, commissions or recognition programs to reward top performers.

Monitor progress and adjust. Monitor your sales team’s progress regularly and make adjustments as needed. Identify areas for improvement and implement changes to optimize performance.

Lead by example. Lead by example by setting a positive tone at the top of the organization. Demonstrate your commitment to the sales team’s success by being accessible, approachable and transparent.

Final thoughts

Are there any concepts above that do not apply to a representative firm versus a direct sales force? I would argue that the nature of sales is universal and what works, simply works. Mike, Cesare and I all agree on these final thoughts and best practices to consider.

- Keep your sales representatives integrated, communicating and connected to the organization. Develop a strong customer relationship strategy. Conduct regular feedback sessions.
- Encourage collaboration between sales teams.
- Incentives work. Ask your representatives what motivates and works to get their team focused. Celebrate milestones and achievements.
- Sales and marketing must be a priority in your organization; if not, no strategy will work.
- Culture matters. Customer-facing and responsive

support, and clear and accurate information flow to the sales team will differentiate you from 80 percent of your competition.

- Structure your commissions so that they pay out, to the point of ludicrous profit, to your representatives. I know this may be a point of contention for the CFO, but this one thing will gain the attention of your sales team and establish your long-term market share and presence in your technology, perhaps more than any other aspect of strategy and execution.

A well-managed sales team can not only meet but exceed sales targets, build strong customer relationships and provide a competitive edge in the market for your company. ■

About the authors

Cameron English, CPMR, is president of English Technical Sales and Senior Vice President of Industry on the ERA Executive Committee. Mike Calabria and Cesare Giammarco possess more than 80 years combined of sales management experience in the electronics components industry and are now consultants for ERA.

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SOMEONE YOU SHOULD KNOW



Shirley Mathew
Supplier Business Manager
Master Electronics

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 Shirley Mathew, supplier business manager at Master Electronics.

The Representor asked Mathew a few questions about her time in the distribution business and her experiences with ERA. Here is what she had to say.

Tell us a little bit about yourself.

I was born and raised in Montreal, Quebec, Canada, and I have resided in the DFW area of Texas since 2012 with my beautiful family. I am outgoing and energetic. I am an extrovert by nature and really love meeting new people from diverse backgrounds.

How long have you been in the distribution business?

My first opportunity with a distributor was in 2006.

How did you become interested in the electronics industry?

My interest in the electronics industry started when I landed my first job straight out of college as a phone operator at a distributor of electronic components. By networking and speaking to different people at different levels in the industry, I quickly became interested and eager to learn more about it!

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

I would have to say all of the meaningful, long-lasting relationships and friendships I have made along the way have been the most rewarding part of the business for me. Additionally, the industry affords anyone entering it a multitude of opportunities whether it be in sales, marketing, operations, finance, quality, data analytics and many other unique areas. You can follow the path that most interests you and aligns with your skillset.

Briefly describe your organization.

Master Electronics distinguishes itself through its unique vision, mission and values. The company emphasizes a forward-thinking, entrepreneurial approach, with a commitment to innovation and excellence in the electronics industry. Our mission centers around providing exceptional products and services, fostering customer satisfaction and driving technological advancements. Our values include integrity, quality, customer focus and continuous improvement, reflecting a strong dedication to achieving long-term success.

What are some recent innovations, best practices and innovations your organization has made?

Master Electronics is highly data driven and continuously evolves, making process enhancements to keep up with today’s rapidly changing technology landscape. This focus on data allows

the company to make informed decisions, optimize operations and innovate effectively. By leveraging the latest advancements in technology and continuously refining our processes, Master Electronics maintains its competitive edge and ensures it meets the evolving needs of customers. We are continuously working on tools to extract valuable actionable information from various data sets.

Along with data, we love to look at trends. Very recently we invited our valued supplier partners, customers and rep firms to join us on a call with a reputable economist. On this call, a tremendous amount of data and trends were shared to prepare us all for the potential outcomes of the future.

What have you learned or what contacts have you made through ERA that have had the most positive impact on your business?

The ERA organization is invaluable. They do an impeccable job of bringing together all sides of the industry, the representatives, the distributors and manufacturers. With their extensive offering of resources, ERA allows the communication of all three sides to be seamless. The majority of contacts I have made in the industry are either members of or are involved with the ERA organization in some capacity. The Master team who attends the ERA conference provides positive feedback and gains a deeper outlook and clarity on the industry from various perspectives.

What are some things you enjoy outside of the workplace?

I love volunteering opportunities that involve children, and often volunteer at events that allow me to do so. I very much enjoy traveling. Whether it be road trips to hidden gems more locally, or flying overseas, any chance to experience something new in different places is always exciting to me. Above all, spending time with family and friends and enjoying the hecticness of motherhood and family life is what I live for!

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

Although my name may not reflect it, my nationality is South Asian, with my parents originating from India. I am deeply rooted in my culture and try to incorporate as much as I can into my family life. ■

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Dylan Yingling
Outside Sales Representative
Wallace Electronic Sales

To gain better insight into how early career professionals in the electronics industry have turned challenges into opportunities to ensure continued growth, The Representor interviewed Dylan Yingling, outside sales representative for Wallace Electronic Sales.

He shared how honesty, humility and an appetite for learning has helped him make the transition from the restaurant industry to electronic component sales.

Please tell us a little bit about yourself, personally and professionally.

I am 30 years old and was born and raised in Columbia, S.C. I now live in Kernersville, N.C. I have a twin brother who lives in Alabama and works as a cardiac perfusionist. Growing up with a twin was such a blessing; having a partner in crime to navigate childhood with was a perfect way to grow up.

My amazing wife and I are expecting our first child in October, and we couldn't be more excited to start our family! We have two dogs, Luna and Ruby, who do a great job of teaching and reminding us about unconditional love and not to take life too seriously. Sports are a huge fixture in my life; baseball, football and basketball are the big three I love. Few things make me happier in life than sitting on a porch with my friends and hearing Scott Hansen say, "Seven hours of commercial-free football starts NOW." Also, Go Gamecocks! I started off my work life pursuing a career in restaurants. In high school my first job was at a Jersey Mike's which was a springboard into my love of food, customer service and delivering a product/service that enhances someone's life. My last restaurant job was working as the GM of a family-owned local Italian restaurant called Alodia's. This opportunity was a catalyst in helping me develop personally and professionally. Cooking, reading books and spending time with my family and friends round out the rest of what makes me tick.

What made you choose this industry as your current career path?

The restaurant business is fun, but very demanding. I hit a fork in the road and decided that I couldn't sustain that lifestyle forever, so I started looking for what was next. My best friend was working in the industry and being the excellent sales guy he is, he convinced me that I would love it and find the same fulfillment I had in the restaurant industry. He was right! I've been in the electronics industry now for 2.5 years, all with Wallace Electronic Sales.

What are some of the main challenges you encountered as you embarked on your career journey?

Focusing on the things you can control and not worrying about the things you can't. This took me a long time to figure out and is still a work in progress. You can put your head down and try to outwork your peers to success, but a rising tide lifts all boats. Understanding this has been very helpful in growing within the companies I've worked for and developing relationships that are rock solid.

What are some steps that you have taken to overcome these challenges and to ensure that you can establish and nurture a successful career?

Being empathetic, having perspective, thinking long-term and constantly working on being a better leader through service.

What are training tools or networking/industry events you find beneficial to your professional growth?

The ERA Conference has been tremendous for my professional growth. Spending time with industry folks meeting face-to-face and talking about the challenges we are seeing, successes we have had and opinions on where the industry is headed is invaluable. Each time I walk away with more tools in my toolbelt and feeling like I am a part of something bigger than just our rep firm.

Do you think there is enough new talent entering the electronics industry? What could make this field more attractive to future young professionals?

I do think that we need new talent in the electronics industry, but I also think it's trending in the right direction. The Mark Motsinger White Pin Internship is a great program to introduce college-aged kids to the industry. The NEXGEN group at ERA is wonderful for bringing together new hires in the industry. This industry is dynamic, fulfilling, challenging and every day is different. The field itself is attractive, but the things that make it attractive need to be communicated at a higher level.

Where do you see your profession and the industry 10 to 20 years from now?

The rep model coupled with strong distribution relationships is the most economical way for many manufacturers to go to market, and I don't think that will change. Interactions will continue to become more virtual and automated. That makes face-to-face time with customers even more valuable/crucial for developing relationships and helping the customer be successful.

Professionally, what keeps you up at night?

The idea of not fully understanding the technical aspects and technologies in the industry. Not having any background in engineering, the learning curve for selling and understanding electronics has been steep. It's easy to get flustered and self-conscious about not knowing the technical information but being honest, humble and having an appetite for learning have helped significantly. ■



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by **Walter E. Tobin**
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At EDS, there were a lot of questions around the state of the union of our industry. When are things going to turn around? When is business going to get better? When is the excess inventory in the channel going to get burned off so we can get back to booking new orders? When will things get back to “normal”? Defining words like “things,” “getting better,” “excess inventory” and “normal” depends on the lens that you are looking through: a manufacturer, a rep and a distributor may define these words very differently. What about our customer? How would they define them? I think very differently.

And what about Wall Street and the financial investment community? What do they think about the times we are in today? Do they even understand the challenges of our industry? Do they even care about anything other than the stock price of the publicly traded companies? Do they look at anything other than return on working capital, gross profit margins, net gross profit margins, total days of inventory, inventory levels and turns and days sales outstanding and days of collections? Inventory is a dirty word on Wall Street — yet, somewhere along any supply chain there has to be inventory. But everyone wants someone else to carry the inventory on their P&L and “not on mine!”

Our industry has grown up over the years by relying on manufacturers to continue to develop and manufacture highly complex electronic components and make them available to a broad range of customers who have varied levels of sophistication in their ability to forecast demand and then manage their supply chain. On what do they base their demand forecasts? Certainly, the inputs of their manufacturing teams who have to plan out their build cycles based on what? The forecasts that they are receiving from their own customers and sales force. How accurate are these forecasts? How often are they changed? How do they manage the forecasts that come in from their manufacturing teams, who need product inside of a manufacturer’s lead time?

Their first call may be to their manufacturer partners: “Can you manage this unforecasted demand for us? We need the product in four weeks versus the manufacturing lead time of 12 weeks!” This “unforecasted demand inside of manufacturer’s lead time” is placed at the feet of the distribution community. After all, isn’t that

the role of distribution?

The typical distributor services anywhere from 20,000-40,000 customers, all with supply chains that get set at the beginning of a month or quarter, only to have them blown up by these unforecasted demands right after they are transmitted to their suppliers. Can you imagine the challenge of the distributor who is aggregating the forecasts of thousands of customers whose forecasts are +/-25 percent wrong? How does the distributor accurately forecast its own demand on their manufacturers and even come close to being correct?

When the pandemic hit, many of us panicked — we rushed out to get product and we double- and triple-ordered parts. You could not get masks or ventilators; remember those days? However, throughout the first 18 months of the pandemic, with product on allocation and in a shortage mode, when you asked any company, “How’s business?” the answer usually was, “I am having a record year.” How could this have been true? Someone was ordering, shipping and billing something to someone.

Many of us were experiencing book-to-bill ratios of over 10:1. Then, as things eased up a bit, we were waiting for “the golden screw” — that final part on the bill of materials (BOM) that we were waiting for to release the BOM to the manufacturing floor. Once the golden screw came in, we rushed to cancel the overages that we bought on the other devices and begged our suppliers (distribution or the manufacturer direct) to let us both cancel or backlog and/or return the overages that we bought.

We were then faced with both the manufacturers and distributors enforcing NCNR orders that we willingly agreed to a year prior simply to get parts: after all, no one had ever enforced these NCNR orders! Well guess what? They did.

Now here we are in 2024, finally almost recovered from the excess inventory up-and-down of the supply chain. We went from a sellers’ market to a buyers’ market in 18 months. What do you think the next cycle will be — a sellers’ market again? The only thing we do not know is when.

So, here we are, trying to manage a very complicated supply chain that consists of sophisticated state-of-the-art electronic components, selling to manufacturers who will incorporate these parts into their own products.

They have outsourced manufacturing to the world of EMS which usually relies on the distributors to their supply chain — often due to their supply chain expertise and/or discounted/extended payment terms.

In most cases, the demand from the OEM customer, either direct or via EMS, is inaccurate. The demand forecast is based on manufacturers’ lead times which are often inaccurate or not in line with lead times.

So, in many cases, with all of our supply chain automation, adoption of APIs, etc., we are simply transmitting bad information faster! Yet, Wall Street thinks we are managing commodity items, parts that are easy to set lead times for and easy to forecast demand. Not so!

So, what is a customer to do? How can any OEM or EMS company reward great performance and punish bad performance? Simple! Change the archaic ways of measuring the supply chain teams on purchase price variance (PPV) and go back to looking at the total cost of ownership (TCOO) that was introduced by economist W. Edwards Deming years ago. What good is a low price when the quality is not there? When the product is not there?

Any supply chain executive will usually lose their job when they do one of two things: 1) Buy too much — They buy extra quantities to get a lower price to satisfy their PPV goal and they end up with excess inventory that may take the company another 12-18 months to burn off. Yet, the buyer hits his/her PPV goal and gets additional incentives. The CFO has the buyer terminated. 2) Buy too little — The buyer may reward an order to a supplier that gives them a low price but then cannot meet the expected lead time to the manufacturing floor — the manufacturing line stops. The buyer may be asked, “Where are the parts?” They may respond that they bought from the lowest price solution to hit their PPV goal. The line gets shut down; the buyer is terminated.

Buyers generally do not get terminated for paying a few pennies more. After all, the cost of an individual part represents .000001 percent of the total COGS in any BOM and the line hums and there is no excess inventory on the company’s P&L.

Suppliers need to be measured on their total cost of ownership. Do customers even look at this today? When was the last time you told your customer about your on-time delivery and quality ratings? Have them ask the competition what their ratings are. Start this today at your own customer base.

It is up to us to change the game here — to take away the price discussion and take it back to TCOO.

Any good supplier should be able to say, “Our prices come with parts.” Nothing else matters. ■

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- ERA LIVE
- ERA Talks (Podcast)
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- ERA Bulletin Board
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ERA White Papers & Industry Standards

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- NEW - Selling Effectively Through Manufacturers' Reps
- Manufacturers' Rep Toolkit
- Powering Up Your Brand: Strategies for Successful Marketing and Branding in the Electronics Industry
- The Solution to Cost-Effective Sales Coverage is Hiding in Plain Sight
- Staying on Course - Tips for More Effective Manufacturer/Representative Quarterly Meetings
- Rep to Manufacturer Communication: Reinforcing the Mutual Value
- Introduction to Manufacturers' Reps
- Line Conflicts: Navigating to a Mutually Beneficial Resolution
- Thriving on Change 2014: How the Field Sales Function Keeps Evolving
- Guidelines to Planning a Territory Visit
- Developing New Markets with Professional Field Sales Reps
- POS - Recommended Technical Standards for Distribution Point-of-Sale Reporting
- Split Influence (Commission) Recommendations for the Electronics Industry
- Split Commission Request Form, in Excel format

ERA Meetings & Programs

Sales Training for Electronics Professionals (STEP).....Sept. 24-26, 2024
Chapter Officer Leadership Training (COLT).....Nov. 6-8, 2024
electronica.....Nov. 12-15, 2024
ERA Conference.....Feb. 23-25, 2025

ELECTRONICA

electronica 2024 paves the way for an all-electric society

As an established industry event, electronica has been bringing the international electronics industry together for 60 years – the next time will be from November 12 to 15, 2024 at the Trade Fair Center Munich, Germany. In its anniversary year, the trade fair and conference will focus on an all-electric society, whether with innovations in the exhibition area, application-oriented lectures in the extensive conference and forum program or in sociopolitical discussions such as the CEO Roundtable.

“The high level of exhibitor interest in electronica continues. In 2024, we will occupy all 18 exhibition halls for the first time, together with SEMICON Europa, being held in two halls at the same time. That means we are heading for the biggest electronica ever and will once again cover the entire range of products, technologies and solutions in the electronics industry,” said Katja Stolle, exhibition director. Compared to previous events, the share of international exhibitors has risen again in 2024 and will be around 60 percent. The trade fair has seen especially strong growth among companies from the U.S., South Korea, Japan, Taiwan and China.

Global innovation platform

With exhibitors from a total of more than 50 countries and all electronics sectors, electronica will bring the entire industry together at the technology hub of Munich. Companies ranging from key players to startups will showcase their innovations that are helping to pave the way for an all-electric society. The exhibition area will feature several new or expanded offerings: the EMS Pavilion, bringing together manufacturing service providers for electronic components, the Printed Electronics Pavilion, where suppliers of flexible and printed electronics will present themselves, and the Sensor Pavilion.

Stimulus, trends and practical knowledge

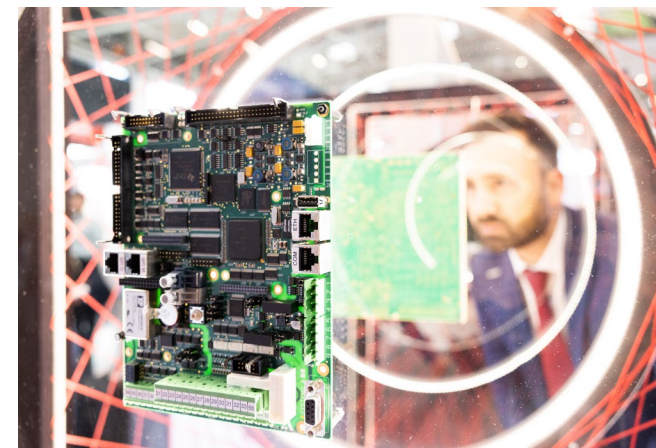
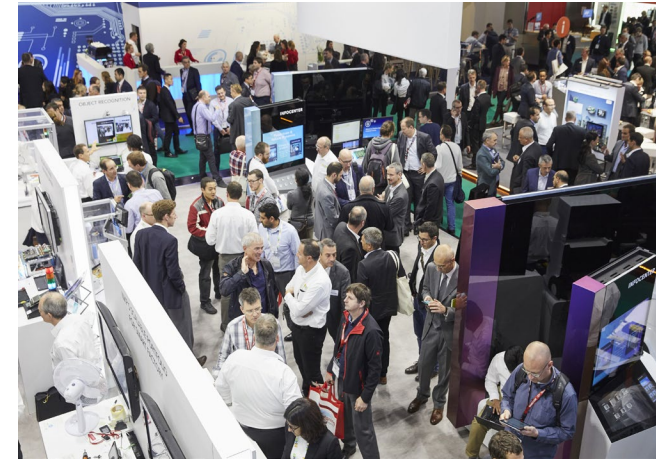
“Since electronica sees itself as THE innovation meeting

point and driving force in the industry, we attach great importance to a comprehensive, future-oriented supporting program that leaves plenty of room for exchanging specialist knowledge and ideas,” said Caroline Pannier, deputy exhibition director of electronica. The focus will be on topics such as sustainability, artificial intelligence, e-mobility, smart energy, automation or connectivity, which underline the significance of the electronics industry as an enabler for sustainable technologies. At the CEO Roundtable, top decision-makers from the

industry such as Jochen Hanebeck (Infineon), Jean-Marc Chery (STMicroelectronics) and Kurt Sievers (NXP Semiconductors) will discuss the latest trends and challenges. At the accompanying conferences, experts will talk about current developments in the areas of automotive and wireless systems and applications.

The extensive forum program will focus on practical knowledge. Existing topic areas have been expanded and new thematic focal points added such as AI, machine learning and women in tech, so that the electronica forums cover practically all fields of application. The former Embedded Platforms Conference has become the Embedded Platforms & Industrial Control Forum, with an even stronger focus on mechanical engineering and automation. Another important part of the supporting program are initiatives for career planning and promoting new talent in order to counter the ever-present shortage of skilled workers.

For more information about electronica, please visit <https://electronica.de/en/>. ■





2025 ERA Conference Volunteers

ERA extends its thanks to these distinguished and dedicated volunteers who are serving on the 2025 Conference Core Committee and Subcommittees. This group gives selflessly of their time, and their commitment to developing a dynamic and valuable program is deeply appreciated.

Save the date! The next ERA Conference is scheduled for Feb. 23-25, 2025 in Austin, TX. Registration and sponsorships will open mid-August! Visit www.era.org for more information.

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ERA XCOM DIGEST

“Pay attention to what you pay attention to” – Amy Krouse Rosenthal

In trying to focus and prioritize, we may ask ourselves, where are our thoughts? ERA's STEP (Sales Training for Electronics Professionals) 2024 is at phase zero (at the time I am writing this.)

A blank piece of paper stares up at me, but many topics are emerging. What do we want to pay attention to as we move from EDS into the second half of 2024 and look at the rebounding sales after our over-inventoried first half of 2024? (Optimism!) Is it the communication between generations? How to have more productive distributor trainings, principal QPS's (quarterly planning sessions), customer meetings that we can hold face-to-face when confirmed? How to improve productivity with AI or new-to-us digital tools as we analyze the data? Synergistic selling as we wade through the titles of our customers and find the decision maker and look at their product block diagrams and design cycles, asking the right questions and listening to the answers to find the best fit for all? All the while trying to brand ourselves, motivate ourselves, use our energy effectively and develop our careers vertically and horizontally, committed to our mission statement

and beyond?

What a long way of saying there is a lot there and where we choose to spend the 525,600 minutes in a year is important. That well-known song from the musical RENT has timeless thoughts on this issue. We will come together Sept. 24-26 (ERA STEP 2024) for nine, 75-minute virtual sessions that are dedicated to these issues and more in our electronics industry. Together we will listen and collaborate (in real time or afterwards in informal discussions) to find best practices as we meet on the rollercoaster and step off for a while and recalibrate.

ERA continues to grow its membership through extraordinary efforts led by Ama Derringer, ERA's membership coordinator, and share education centered on the needs of our members – rep, distributor and manufacturer. I challenge you to find something outside of your comfort zone to learn next quarter. It may be outside of your job description but still in the electronics industry and ultimately help you with your success – tangible or intangible. It all counts. Together we are better! ■

EDUCATION UPDATE

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Pay attention to what you pay attention to







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MEMBERSHIP UPDATE

John Hutson, CPMR
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Sr. Vice President, Membership
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Collaborating with
ERA's member service
providers



May has turned into June, and if you are like me, you have a high spring in your step coming off of what proved to be an incredible 2024 EDS Summit.

EDS will always be what you make of it, and this year's event provided all who participated the same opportunities to engage with industry colleagues as past EDS conferences, although I feel that the change in venue super charged this element of the event. I can provide a list of ways that Resort World positively impacted my EDS experience, but right at the top of the list would have to be the level of exposure to my industry colleagues that the venue provided under one roof.

More exposure to leaders in our industry improves our ability to network, and net-working provides the opportunity to learn through collaboration. The layout at Resorts World afforded me the opportunity to see more people more often for a longer period of time, thus enhancing my overall collaborative experience. Seeing my fellow reps, distributors and manufacturers under these enhanced conditions was extremely rewarding, but one noticeable difference with this EDS was the amount of engagement that I had with many of ERA's member service providers. Spending more time with these people reminded me of how valuable their products and services are, and that they represent yet another example of the value that comes with an ERA membership.

Spending more time with these service providers was a rewarding experience because many of them have proven to be invaluable in helping my organization with their products and/or their consultation over the years. As much commonality that exists in general business needs and practices, our industry continues to be unique. This is true for manufacturers' representatives, distributors and manufacturers alike. How we get

*ERA member service
providers have a unique
understanding of this
industry that many do
not — take advantage of
their services!*

our product to market and the terminology that we use can be extremely foreign to those outside of our industry. This has been concerning whenever I have had to look outside of our industry for solutions, whereas I have found ERA's member service providers' existing knowledge of what we do and how we do it to be comforting.

ERA's service providers have products and services that include:

- Legal services
 - Education
 - Software, CRM & web design
 - Operation & personnel management
 - Marketing & sales management
 - Shipping & car rental discounts
- With the exception of a car rental discount, I have utilized every one of these services, and in every instance, it was a rewarding experience that

improved either myself and/or my organization. I strongly endorse all of them and encourage you to consider their products and their industry expertise.

I want to thank all of ERA's service providers for the support that you provide to ERA's membership. Your understanding of our industry enhances your services in a way that your competitors from outside our industry struggle to comprehend. Special thanks to the folks I spent quality time with at EDS—that is always a rewarding experience. And lastly, for those ERA members who have not considered utilizing one of our service providers, please reach out to them. Their industry experience has them well positioned to offer solutions that may be exactly what you need. ■

In 2024, the electronics industry in the U.S. is still dealing with a significant issue — excessive inventory. This problem is still affecting numerous manufacturers and distributors and has multifaceted origins and far-reaching consequences. But a good understanding of the underlying causes, the current impact and potential solutions is crucial for those in our industry to navigate these turbulent times.

Factors

Here are several factors that have converged to create the excessive inventory dilemma in 2024:

- **Supply chain disruptions.** The global supply chain has faced persistent disruptions due to geopolitical tensions, lingering effects of the COVID-19 pandemic and natural disasters. These disruptions have led to unpredictable supply patterns, causing manufacturers to stockpile components to mitigate potential shortages.

- **Forecasting errors.** Rapid technological advancements and changing consumer preferences have made accurate demand forecasting more challenging. Many manufacturers overestimated the demand for certain electronic products, leading to overproduction and surplus inventory.

- **Economic uncertainty.** Economic volatility, influenced by inflationary pressures and fluctuating consumer spending, has added to the complexity. Consumers today are more cautious with their expenditures, leading to slower sales and higher inventory levels for many electronics products.

- **Technological obsolescence.** The fast-paced nature of the electronics industry means that products can quickly become outdated. Excessive inventory of older models can accumulate as new technologies and products are released, reducing the appeal of older stock.

Consequences

The consequences of excessive inventory are extensive, affecting various facets of the electronics distribution landscape. Some examples are:

- **Financial strain.** Holding excess inventory ties up significant capital that could otherwise be invested in innovation, marketing or operational improvements. The cost of warehousing and maintaining surplus stock further erodes profit margins.

- **Price reductions and discounts.** To clear out excess inventory, manufacturers and distributors are often compelled to offer substantial discounts and promotions. While this

can help reduce stock levels, it also diminishes profitability and can devalue the brand.

- **Operational inefficiencies.** Excessive inventory can lead to logistical challenges, including storage limitations and increased handling requirements. This can strain the supply chain and disrupt the smooth flow of goods from manufacturers to consumers.

- **Environmental impact.** Unsold electronic products contribute to electronic waste (e-waste) if they are eventually discarded. This environmental concern is heightened by the high turnover rate of technology products and the difficulty in recycling complex electronic components.

To address this problem, a diverse approach is required involving strategic planning, technological investment and adaptive management practices. Enhanced demand forecasting, flexible manufacturing practices, collaborative supply chain management, product lifecycle management and sustainable practices are all ways manufacturers and distributors can improve the planning process and address the problem directly.

I feel the excessive inventory problem will remain in the second half of 2024 and present a significant challenge for many electronic distributors and manufacturers. After attending the EDS Summit in May in Las Vegas and meeting with several electronic industry partners, the feeling of many was an expectation that things will improve dramatically in 2025. Many believe production will once again increase demand in key markets like robotics, industrial automation, medical technology and consumer electronics. This will help to ease the excess inventory situation and force manufacturers and distributors to begin the process of restocking, helping to stimulate the recovery expected.

However, by understanding the root causes and implementing strategic solutions, the industry can navigate this issue effectively. Embracing technological advancements, enhancing collaboration and adopting sustainable practices will be essential in overcoming the inventory overload and ensuring a resilient and prosperous future for the electronics industry.

As always if you would like to reach out to me directly to discuss this topic or any others that are pertinent to our industry, please do not hesitate to email me at: ken.bellero@schaffner.com or give me a call 732-910-1717 anytime! ■

MANUFACTURING
UPDATE

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The excessive inventory
problem



INDUSTRY UPDATE

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Using logic & creativity
for problem-solving



In 1999, R.E.M. released a song titled “The Great Beyond,” featuring a refrain that often comes to mind: “I’m pushing an elephant up the stairs / I’m tossing out punchlines / That were never there / Over my shoulder a piano falls / Crashing to the ground....” Perhaps you can relate?

Just like any other business, being a manufacturer’s representative requires a significant amount of problem-solving. There are myriad ways to approach problems, typically dependent on their type and scale. However, a few general problem-solving concepts have proven helpful in various circumstances.

Problem-solving begins with defining the problem and identifying its root cause. For those with a technical background, like me, this is where logical thinking is particularly advantageous. Years ago, we started importing our commission information into our CRM, ensuring our end customers and CMs were correctly entered for every billing. When solving service problems for customers, we delve into the minutiae of our data—slicing, dicing and drilling down until the history becomes clear.

Identifying the root cause of a problem also requires research and inquiry with stakeholders. I recently encountered the “Five Whys” technique and realized I had been using a similar approach for years. For instance, if your factory is delivering late and customers are getting angry, you reach out to the right person at the plant who says they can’t help you. Why? Because they don’t have parts. Why? Because the parts have been allocated to another program. Why? You get the idea.

In the quest to identify the root cause, it is often crucial to step back and consider the entire system. We tend to react to what is directly in front of us. When considering adding a manufacturer, you need to evaluate your line card synergy, your sales resources and skill sets, the risks, rewards and probabilities of outcomes. Additionally, you should consider

*Problem-solve by
identifying the root cause,
considering the entire
picture, articulating the
problem to an outsider
and using the Pareto
principle.*

both your short-term and long-term goals. This approach might require a Venn diagram or a reflective walk in the woods—whatever helps you fully grasp the larger implications.

I’ve always believed that the best problem solvers are highly creative. Personally, my creativity sometimes needs a boost, so I rely on key people to spark my ideas. Don’t let your ego interfere with effective problem-solving; relying on others to elevate your thinking is not a sign of weakness.

Explain your problem to someone else—an associate, your 12-year-old daughter, a retired friend on the pickleball court or anyone you consider forthright and creative. I often think of the wisdom dispensed by Forrest Gump to whomever sat next to him on the park bench. Sometimes, you just need to articulate the problem out loud and gain a new perspective.

Finally, a brainstorming session with your team can generate solutions and foster buy-in. Are you missing your sales targets with a line? What can be done? Gather your team and compile a list of ideas without judgment, and you’ll be on your way to forming a solution.

There’s an economics concept known as the 80/20 rule or Pareto principle. It states that 80 percent of outcomes result from 20 percent of causes. This principle is used to determine the factors most responsible for success and focus on them to improve results. It’s an important concept to keep in mind when deciding which problems to prioritize.

So, that elephant you’re pushing up the stairs—do you need more people to help you push? Does the elephant really need to go up the stairs? By using logic and creativity, I’m confident you will find your answer. ■



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The Florida-Sunshine ERA Chapter promotes and advances the growth and professionalism of our members through education, networking, peer discussion groups and service to our customers and community.

For details on Florida-Sunshine ERA, visit
erasunshine.org.

Sales rep prevails "up front" and recovers commissions and overrides



by Adam Glazer
ERA General Counsel

Adam J. Glazer is a partner in the law firm of SFBBG and serves as general counsel to ERA. He is also a regular contributor to The Representor, and participates in Expert Access, the program that offers telephone consultations to ERA members.

You may contact Adam Glazer at 312-648-2300 or email him at adam.glazer@sfbbg.com.

I think I'd like to be remembered as someone who beat the odds through just plain determination...that I persevered. Because I think that being somewhat of a pest to life, constantly plaguing and pursuing, will bring results.

—Sylvester Stallone

The warm climate and urban environment in the twin cities of Dallas and Fort Worth lends itself to infestations of pests, including ants, termites, mosquitoes and rodents. Recognizing the opportunity this creates, Julien's Pest Control d/b/a Evolve Pest Control ("Evolve") handed sales representative Brad Liston a five-year contract beginning in January 2021 to market pest control services in the greater Dallas-Fort Worth area.

Liston generated \$362,491 in revenue for Evolve through personal sales in just his first year and was quickly named a sales representative manager.

Under the terms of their agreement, Evolve was to pay Liston 60 percent commission on all qualifying personal sales, plus \$100 per sale that he serviced during each pay period. As a manager, Liston was also to receive "overrides" of 55 percent on all active annual service contracts sold by reps working under him.

When Evolve failed to pay Liston the \$217,494.60 in commissions owed just on his own qualifying sales, Liston decided to take Sly Stallone's advice and become a pest to Evolve. He plagued and pursued Evolve by filing suit in federal court.

Liston made the strategic decision to move for summary judgment on only his strongest claim—for breach of contract. Generally, proving a breach of contract is a relatively uncomplicated matter, requiring the plaintiff to show only proof of the existence of a valid contract, a breach by the defendant and resulting damages. And when a contract is deemed unambiguous by the court, the analysis is usually quite straightforward.

Here, the federal judge sitting in Salt Lake City had little difficulty finding that Evolve failed to pay the agreed 60 percent commission on Liston's qualifying personal sales. Before concluding this failure to pay was a breach of contract, however, the judge recognized the need for a deep dive into the contract language.

The parties disputed whether it was Liston or Evolve who terminated the contract, a key point for purposes of determining the commissions due. Liston qualified for significantly less upon termination if he was the party walking away. Per the parties' contract: "If Sales Rep terminates the Agreement and does not work the dates required by the Agreement, Sales Rep will receive a maximum of their up front pay per each qualifying, active, paying sale and forfeits all overrides and bonuses."

Based upon this language, the court decided it was unnecessary to determine which party actually terminated, and instead the issue involved whether Liston's commissions qualify as "up front pay," or if they are forfeited as an "override" or a "bonus." Evolve would only be considered in breach if the commissions allegedly due are not forfeited as overrides.

The contract did not include a definition of "up front pay." Fortunately, other language in the contract enabled the judge to recognize that "commissions" and "overrides" were treated differently than "up front pay." A definition of an override agreement was provided: "a contract between a sales manager and a sales representative that provides that a commission be paid to the manager of sales."

The "overrides" allowed reps like Liston who manage salespeople to receive "55 percent commission on all current active annual service contracts sold by salespeople who work under or for" him. The court ultimately concluded that these are the "overrides" forfeited if the sales rep terminates, not the 60 percent commission (or \$217,494.60) that Liston sued to recover.

Evolve tried arguing that the \$100 paid for each sale serviced during the pay period was the "up front pay," not the 60 percent commission paid for qualifying personal sales. But the court found "no basis for this distinction" in that both types of commission are listed in the contract under a "commission" heading.

This position by Evolve also proved "inconsistent with their argument that the court must use the plain meaning of 'up front pay,' which is paid or payable in advance, to decide what qualifies as 'up front pay.'" Because the amounts owed to Liston for both types of commissions depend on qualifying sales, they are

LEGALLY SPEAKING (continued)

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determined after-the-fact and are not paid "in advance."

With the breach safely established, the remaining consideration was the resulting damages. The parties agreed that Liston generated the \$362,491 in revenue for Evolve on which no commissions were paid. Evolve tried to defend against the all-but-certain award by suggesting the damages "might be too high," but failed to present any evidence showing they should get reduced.

Defending a lawsuit on the grounds that a plaintiff who went to the trouble of proving his case at trial could receive a significant award is roughly akin to complaining that a skilled fisherman in a lake recently stocked with trout just might reel one in. Ultimately, the judge granted summary judgment to Liston on his breach of contract claim and awarded him every penny of the \$171,194.60 in damages that he sought. Liston enforcing his contract against the much larger and better funded Evolve, like Stallone in his own epitaph, showed himself as someone who "beat the odds," and indeed "through sheer determination...persevered." ■

MEMBER SERVICES

For a complete list of ERA's **Recognized Resources**, visit the Member Services page on ERA.org or scan the QR code below. **Avis and Hertz Car Rentals** member discounts are ONLY accessible via the ERA website).

- **BUDDE MARKETING SYSTEMS** is a leading provider of point-of-sale (POS) reporting. Call 708-301-2111 or email sales@buddemarketing.com.
- **EDGEWATER RESEARCH** offers research published on technology, digital advertising, e-commerce and consumer. Visit edgewaterresearch.com.
- **G&G CREATIVE SERVICES** creates impactful brands, websites, email & marketing campaigns, managed hosting, website policies, ADA compliance & ongoing technical support. Visit ggcreative.nyc/era.
- **JJM SEARCH** is the global executive search firm founded by Carla Mahrt, a 20-year electronics industry veteran. Visit jjmsearch.com.
- **LECTRIX** is a results-driven marketing company that serves electronics manufacturers, suppliers and representatives. Visit lectrixgroup.com.
- **REPFABRIC + EMPOWERING SYSTEMS'** efficiency tools for manufacturers and representatives. Sync data with partners, see trends with analytics and manage your sales pipeline in one system. Contact Carroll at carroll.boysen@repfabric.com, or 888-297-2750 x709.
- **SCHOENBERG FINKEL BEEDERMAN BELL & GLAZER LLC** offers legal Expert Access services to all ERA members. Visit sfbbg.com or call Adam Glazer at 312-648-2300.
- **UPS** is an ERA member service provider for shipping of all kinds. For discounts of up to 34 percent, call 800-MEMBERS (636-2377). ■

Scan QR code for more
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Buy-sell agreements are a key component for succession planning



by J. Christian Manalli
Partner, SFBBG

J. Christian Manalli is a partner in the Chicago law firm of Schoenberg Finkel Beederman Bell Glazer LLC. Manalli concentrates his practice on federal tax, estate planning, probate and general business matters.

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If you own a business with one or more other people, have you thought about what would happen if one of you died tomorrow? An insured buy-sell agreement is a solution that allows your business to continue operating by providing a source of funds to compensate the deceased owner's family for his or her share of the company, without having to liquidate company assets. The surviving owners rarely wish to become partners with a deceased owner's heirs and the heirs rarely wish to get involved with the day-to-day operations of their loved one's business. So, what exactly is a buy-sell agreement? Simply put, a buy-sell agreement is a legal contract that outlines the terms for the transfer of a deceased owner's share of the company upon death. The purchase price is set out in the agreement so that there is no haggling over price or terms between the surviving owner(s) and the decedent's family. Buy-sell agreements are generally funded using insurance policies on the lives of the owners and can be structured either as a cross-purchase agreement or a stock redemption agreement. The stock redemption agreement and cross-purchase agreement each have advantages and disadvantages for the owners to consider when deciding upon the best plan for their situation

Cross-purchase agreements

The most common form of a buy-sell agreement for small and closely held companies is the cross-purchase agreement. Under a cross-purchase agreement, each owner of the company takes out and is the beneficiary of an insurance policy on the lives of each of the other owners. When an owner dies, the cross-purchase agreement requires the other owner(s) to use the insurance proceeds to purchase the deceased owner's share of the business from the deceased owner's heirs or other designated beneficiaries. These policies are paid for by each owner personally, and not by the company. A company may choose to reimburse the owners for the insurance premium payments, but such reimbursements are not deductible as business expenses by the company. Each owner should

purchase a life insurance policy on the other owner(s) with a face amount equal to the agreed upon value of the insured owner's share of the company.

Some of the advantages of cross-purchase agreements are as follows:

- Cross-purchase agreements are simple to set up.
- The transaction occurs outside the company, between the owners themselves. Accordingly, the life insurance policies and their proceeds are protected from the claims of the company's creditors.
- The life insurance proceeds payable are not taxable to the beneficiary, and the deceased owner's estate receives a stepped-up basis in the ownership interest being sold. Accordingly, there is no tax liability to the buying party or the selling party.

Moreover, because the basis of the ownership interest acquired by the surviving owner(s) is equal to the fair market value of the ownership interest acquired, the surviving owner(s) overall basis in their ownership interest in the company is increased, resulting in a lower capital gain on any subsequent sale of stock. For example, assume that Owner A and Owner B each own a 50 percent interest in their company and each 50 percent interest is worth \$500,000 with a basis of \$100,000. Under a cross-purchase agreement, A and B each obtain life insurance policies with a face value of \$500,000 on each other's lives. If A dies first, her estate receives \$500,000 from B, and B receives a 100 percent interest in the company, worth \$1 million and a basis of \$600,000.

- No risk that the life insurance proceeds will be added to the value of the company for purposes of valuing the deceased owner's ownership interest for estate tax purposes.

Some of the disadvantages of cross-purchase agreements are as follows:

- If the business has several owners, the number of life insurance policies needed can be cumbersome, particularly if there are multiple life insurance policies that need to be reshuffled

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every time an owner dies. Aside from the complexity, the policy reshuffling itself may trigger income tax problems that could destroy the tax-free character of the life insurance death benefit.

- There is a potential for disparity in the cost for life insurance premiums on owners who are older or in poor health versus owners who are younger and in good health. For example, insurance premiums on the life of a 30-year-old owner will be cheaper than premiums on the life of a 50-year-old owner.
- Control of the company could shift among surviving owners, depending on the size of ownership interests transferred and the order of deaths.

Stock redemption agreements

A stock redemption agreement is another common form of a buy-sell agreement for small and closely held companies, particularly for companies with more than a few owners. Under a stock redemption agreement, the company takes out and is the beneficiary of insurance policies on the lives of each of the owners. When an owner dies, the stock redemption agreement requires the company to use the insurance proceeds to purchase the deceased owner's share of the business from the deceased owner's heirs or other designated beneficiaries. These policies are paid for by the company. Each life insurance policy should have a face amount equal to the agreed upon value of each insured owner's ownership interest in the company.

Some of the advantages of stock redemption agreements are as follows:

- Stock redemption agreements are easier to administer for businesses with more than just a few owners, and fewer policies are required.
 - The cost of the premiums on the lives of the owners is split evenly among owners, regardless of their age or condition of health.
 - The company may have greater resources to make the required premium payments than would the individual owners under a cross-purchase agreement, including the ability to borrow funds to make payments, if necessary.
- Some of the disadvantages of stock redemption agreements are as follows:
- The transaction occurs inside the company, and the life insurance policies and their proceeds are not protected from the claims of the company's creditors.
 - Owners with a higher percentage ownership interest in the company end up paying more of the cost of the premium payments.
 - The redemption of a deceased owner's interest by the company will not have the same favorable effect of increasing the tax basis of the surviving owners as would the case with a cross-purchase agreement.
 - Under a recent U.S. Supreme Court decision (Connelly v. United States, U.S., No. 23-146, June 6, 2024), the life insurance proceeds may be added to the value of the company for purposes of valuing the deceased owner's interest in the company for estate tax purposes, resulting in an amount significantly higher than the value of the agreed upon buy-out.

Which type of buy-sell agreement works better for you and your company will depend on a variety of factors, including the number of owners, their relative health and ages, the financial condition of the owners, the financial condition of your company and tax considerations. However, regardless of whether you choose a cross-purchase agreement or a stock redemption agreement, both varieties offer a sound solution to the problem of providing liquidity for the purchase of a deceased owner's share, certainty of price and terms of the buy-out, continuity of operations and continuity of management for your business. ■



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.

COLT 2024

ERA has confirmed the Chapter Officers Leadership Training program will once again be held virtually this fall. The dates for this dynamic, hands-on educational program geared towards current and up-and-coming chapter leaders, will be November 6-8, 2024. Registration will open in early August. Visit www.era.org for more information.

ARIZONA

Arizona ERA held its 3rd annual golf tournament on May 29. It was the chapter's best one yet with nearly 70 attendees, with an awards luncheon after the golf outing. A big shout-out to all of the sponsors and attendees that made this event a great success. Thank you!



CAROLINAS

Carolinas ERA continues to host its monthly virtual networking events focused on various industry topics of discussion for each session. John Hutson, CPMR, president of MacInnis Group, was the chapter's guest speaker in May. John provided an intriguing history of his rep journey, current position in ERA and his vision of the manufacturers' rep of the future. All indicators point to a bright future of the rep model.

The chapter has firmly scheduled its annual CERA Charity Golf Tournament which will be held at Wildwood Golf Club in Raleigh, N.C., on October 10. The planning team has

been diligently planning to ensure this will be a fantastic day of fun and friendship with our reps, manufacturers and distributors!

CHICAGOLAND-WISCONSIN

For the third year in a row, Chicagoland-Wisconsin ERA hosted an industry social gathering at Summerfest on June 22. Over 40 area reps, manufacturers, distributors and customers attended this fun-filled networking event.

EMPIRE STATE

Empire State ERA will hold its annual Charity Golf Event on August 5 at Clifton Springs Country Club. This year, the chapter has worked with the Tanzola family to help honor Chuck Tanzola's legacy in the industry and community. To better service membership, the tournament committee has moved the event back to Clifton Springs after some great years at Ravenwood. Check out empireera.org/events for more information. Also, the Empire ERA continues to stay in touch with and support the Baker girls with their Julie Baker Golf Event as it has grown beyond an annual day of golf. Check out what they are up to at juliebakermemorialgolf.com.

FLORIDA-SUNSHINE

Thank you to everyone from the Florida-Sunshine ERA who joined the chapter's annual golf tournament on June 6. The event hosted 67 people in total. This year's donation went to the Blake Bortles Foundation. The list of all who help make this event successful is long. Thank you volunteers and thank you attendees! Through the group's generosity and giving back, a donation of \$1,500 was raised for the Blake Bortles Foundation.

INDIANA-KENTUCKY

Indiana-Kentucky ERA hosted a day at the Indy 500 racetrack in May, with guest Walter Tobin, ERA CEO. A full day of fun and networking was had, with lunch and a suite to watch the race!

METRO NEW YORK

Metro NY ERA hosted the Steve Alford Memorial Golf outing on June 24 at Saint Georges Golf and Country Club. This annual event is more than just a day on the greens; it is an opportunity to honor the memory of Steve, who was a longtime chapter leader, and help raise money for Long Island Cares for veterans in need.

MEXICO

Thank you to all who attended the inaugural Mexico ERA event in Guadalajara in June! The chapter was thrilled to have around 65 attendees, with plenty of networking time together as well as a great presentation by Walter Tobin, ERA CEO, who further explained the value of ERA along with the benefits of having a local chapter. The goal of the event was to present an in-depth picture of ERA to the Mexico market, and to get support in starting a chapter with our great representatives, distributors and manufacturers in the area. We have had many responses from attendees sharing excitement and a willingness to further the effort to start a chapter!



MID-LANTIC

Mid-Lantic ERA held its 2nd Annual TopGolf Event in Mt Laurel, N.J. in April. Approximately 75 people from 10 distributors and 20 different rep firms, along with a couple of manufacturers and some "special" guests, were in attendance. This represented a 40 percent increase over last year's inaugural event. Thank you to all our sponsors who helped make this night such a rousing success!

John Jacobsen, of Jacobsen Associates Inc., was presented with a Lifetime Membership Award for his 45 years as a prominent member of ERA. Congratulations, John! The Chapter also raised more than \$500 in a charity raffle which was donated to CHOP (Children's Hospital of Philadelphia). Nothing but positive feedback followed this event. We look forward to hosting again in 2025!



NORTHERN CALIFORNIA

Northern California ERA hosted a Top Golf event in San Jose on June 6 benefitting Special Olympics. More than 40 people attended, including three new ERA members! The Chapter donated over \$5,000 to Special Olympics of Northern California. Upcoming chapter events are on the calendar and highly anticipated.

OHIO

Ohio ERA extended a very warm welcome to a group of area reps, manufacturers and distributors who came out for the Lake Erie Crushers games on May 29. Despite the chilly temperatures, a great day was had by all. Mark Counts, branch manager at Hughes-Peters, had the honor of throwing out the honorary first pitch!

PACIFIC NORTHWEST

Pacific Northwest ERA hosted a get-together in February where participants tried axe-throwing. In June, the chapter hosted an event with the NW Electronics Design & Manufacturing Expo (NEDME) group of electronics manufacturers at the Golden Valley Brewery and Restaurant. This gave the reps an opportunity to meet some new prospective customers. The chapter has been doing these get-togethers for many years. The chapter will attend NEDME in October!

SOUTHERN CALIFORNIA

The response to Southern California ERA's San Diego Social in June was overwhelming! With over 75 attendees at Draft Republic Brewery, it was a night of networking and fun. We aim to make this an annual tradition! Thank you to the amazing sponsors that made the night possible! Next up, we have the following events planned: The Sagebrush Social on Sept. 19; the Anaheim Electronics & Manufacturing Show on Oct. 2-3; and the Operation Homefront Golf Tournament on Oct. 29; and an economic update event on Nov. 14. ■



Thermal management: Everything you need to know about fans

By Rutronik

For the proper functioning and longevity of electronic systems, the maximum operating temperature of any component must not be permanently and/or significantly exceeded. To ensure this, thermal management is often necessary, for example with a fan. The decisive factor here is the selection of the optimum model for the application in question.

A fan uses a motor to generate a rotation of the fan blades and thus a pressure difference, which in turn causes a continuous airflow. The fan consists of a rotating part, the impeller, and a fixed part, the package.

The different types of fans

There are numerous types of fans. If it is a question of using them to cool an electronic device, the most important criterion is the direction of the airflow. Accordingly, a distinction is made between:

- Axial fans (the airflow is parallel to the axis)
- Radial fans (the airflow is perpendicular to the axis)
- Tangential fans or cross-flow fans (their long package produces a wide, flat airflow perpendicular to the axis and tangential to the package)
- Spiral radial fans (the blades in the impeller are not straight as in radial fans, but have a spiral or helical structure; this allows them to produce an airflow that is somewhere between that of an axial fan and a radial fan, as seen in Figure 1.

In addition, fans are classified by their supply voltage as DC voltage or AC voltage fans. Current AC models are primarily electronically commutated fans. They achieve higher energy efficiency due to their brushless DC motor and electronic control.

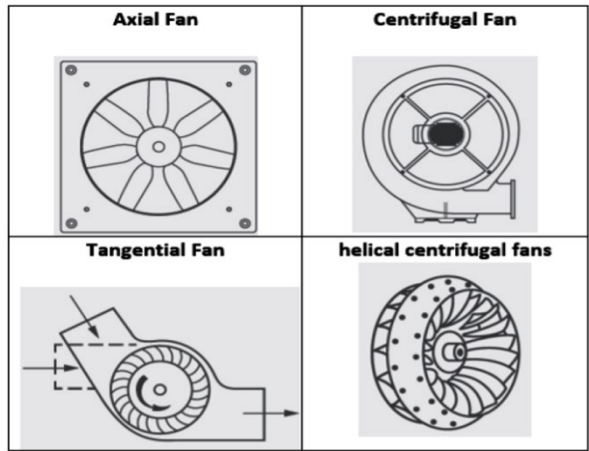


Figure 1.

The most important selection criteria

Airflow volume is also an important indicator for selecting a fan. It is characterized by the amount of air that is discharged from or introduced into an electronic system within a given period.

Fans impart the necessary pressure to an air mass to create a pressure differential and thus airflow. Three types of pressure are involved in this process:

- Static pressure (PE) is the force exerted by the stationary air on the system walls perpendicular to it.
- Dynamic pressure (PD) is the force per unit area and is used to overcome the resistance of the airflow in a system. It therefore ensures that the air moves and is generated by the rotational speed of the fan. It is always positive and has the same direction as the airflow.
- Total pressure is the sum of PE and PD at a given point in the system. This is the pressure exerted by the air on a body resisting its motion at that point. It is important to note that the total pressure at different points in a system can vary due to the velocity and flow conditions of the air.

Factors influencing life expectancy

The most important factors influencing a fan's service life are its temperature profile and its type of bearing. In the case of a plain bearing, it again depends heavily on the lubricants used. A two-ball bearing consists of small metal balls in a raceway, allowing for lower friction and higher efficiency. More detailed information on the fan's operating temperature profile can typically be found in its data sheet.

Main markets

Fans are used in numerous industries to remove heat and maintain optimal temperatures. Major markets include:

- Electronics: For cooling internal components and preventing overheating.
- HVAC (heating, ventilation, and air conditioning): For air circulation, indoor temperature regulation and for generally improving air quality in buildings, homes, offices and industrial facilities.
- Motor vehicles: For regulating the engine temperature and preventing overheating.
- Renewable energy: For use mainly in wind turbines and solar inverter cabinets.
- Industry: For keeping machines and equipment, e.g. in manufacturing, power generation, or petrochemical industries, at their optimal operating temperatures.

- Data centers: For ensuring cooling to remove heat generated by servers and other IT infrastructure. Fans are an important component of data center cooling systems.
- Consumer electronics: For refrigerators, air cleaners or game consoles.
- Aerospace: For cooling systems and components.

Innovations — Where do we start?

Further development of fans focuses on the following aspects:

Energy efficiency. Fan suppliers are working to improve the aerodynamic design of fan blades, reduce friction losses and optimize motor efficiency to achieve higher overall energy efficiency. This includes the use of advanced materials and manufacturing techniques to reduce weight and increase performance.

Improved ball bearings. Suppliers are using newly developed bearing technologies to increase the reliability and service life of their fans. For example, fluid dynamic bearings (FDBs) and magnetic levitation bearings (MLBs) offer a longer service life and lower noise compared to conventional plain or ball bearings.

Noise reduction. An important issue in fan applications, especially in environments where low noise levels are required. Technical development focuses on improved blade designs, optimized motor controls and the use of noise-absorbing materials. Computational fluid dynamic simulations and other modeling techniques are used to study and minimize noise.

Fan control systems. These play a major role in optimizing fan performance and overall system efficiency. Intelligent control algorithms that dynamically adjust the fan speed based on temperature, humidity and other environmental factors ensure that fans operate at maximum efficiency while creating optimal cooling conditions.

Integration with cooling systems. Aiming to maximize the heat dissipation of the entire cooling system, fans are integrated with other cooling technologies such as heat sinks, radiators and liquid cooling systems.

Smart and IoT-enabled fans. The Internet of Things (IoT) has enabled the development of smart fans with advanced features and connectivity. They can be monitored and controlled remotely and enable real-time adjustments based on environmental conditions and user preferences. In addition, IoT-enabled fans can provide valuable data on performance, energy consumption, and maintenance needs for their optimization and predictive maintenance.

All of these advances aim to further improve the cooling performance of fans, further reduce their energy consumption, and provide more reliable and efficient cooling systems for a wide range of industries. ■

STEP 2024
REGISTRATION NOW
OPEN

Registration is now open for ERA's fourth annual STEP (Sales Training for Electronics Professionals), taking place Sept. 24-26, 2024, and will offer electronics professionals a chance to take a "step" up in their careers and sharpen their skills. This live, virtual training, sponsored by TTI Family of Specialists, will include an array of useful topics and be conducted by a mix of professional sales trainers and electronics industry experts. Stay tuned for information throughout the summer regarding speakers, sessions and program agenda.

Past training recordings are archived and available for purchase on the ERA website, for those who did not attend live training in 2021, 2022 or 2023. Visit era.org/step for more details.

ERA PUBLISHES
NEW RESOURCE FOR
MEMBERS

ERA proudly introduces a new resource for members, "Selling Effectively through Manufacturers' Reps," a comprehensive presentation that helps explain what a manufacturers' rep is and why a principal should choose a rep firm for field sales. It gives a detailed picture of how a rep firm works, what the model delivers and effective strategies for success between the two parties.

Reps may use this presentation as an onboarding tool for a new principal or an existing principal who may be new to manufacturers' reps. It could even be used for new hires within the rep firm. The intention is that this module will help the rep firm and principal to enhance their mutual relationship.

The presentation, created by Mark Motsinger, CPMR, president, Wallace Electronic Sales and Cesare Giammarco, ERA Consultant, covers what a manufacturers' representative is; what the rep model delivers to the principal; the cost of running a rep firm; territory management; the legal relationship between the rep and principal; and more!

ERA members can download the presentation at: era.org/selling-effectively-through-manufacturers-reps.

ERA ANNOUNCES 2025
CORE CONFERENCE
COMMITTEE MEMBERS

ERA has announced the chair, vice chair and members of the 2025 Annual ERA Conference Committee. Jeff May, president, Logix Sales & Marketing, will serve as Conference Committee Chair and Perry Thornton, president, Pinnacle Marketing, will serve as Conference Committee Vice Chair. The remainder of the 2025 Conference Committee leaders are as follows: Adam Grigor, president, Tech-Trek Ltd.—Breakout Sessions Co-Chair; Paula Renfrow, vice president, Americas Marketing, TTI Inc.—Breakout Sessions Co-Chair; Mark Wachtel, president, SJ Associates—Keynote/General Sessions Co-Chair; Tom Wichert, executive vice president, sales and marketing, TDK Lambda—Keynote/General Sessions Co-Chair; Lisa Dietrich, distribution manager, Conley Associates—Sponsorships Co-Chair; John O'Brien, CPMR, president, Coakley Boyd & Abbott—Sponsorships Co-Chair; Todd McAtee, SVP, business development, Mouser Electronics & SVP, demand development & global operations, XTG—Conference Advisor; and Ellen Coan, CPMR, vice president, operations, C C Electro Sales Inc.—Executive Committee Liaison.

The 2025 ERA Conference will be ERA's 56th national conference and will take place once again at the AT&T Hotel & Conference Center in Austin, Texas, on Feb. 23-25, 2025. ERA plans to announce the Conference theme and open attendee/sponsorship registration this summer.

ERA INTRODUCES
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NEW RECOGNIZED
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ERA is excited to add a new member service provider, G&G Creative Services, to its list of Recognized Resource companies.

G&G Creative is a women-owned agency in New York City that specializes in digital transformation for businesses across the country of all sizes. G&G creates impactful brands, websites, email and marketing campaigns, and offers a suite of digital products like managed hosting, website policies, ADA compliance and ongoing technical support. Their approach blends artistry, innovation and strategic thinking to drive growth, sales and ROI.

Learn more about G&G at ggcreative.nyc/era. ■

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Sales Training for Electronics Professionals

Sept. 24 - 26, 2024

REGISTRATION NOW OPEN!

ERA's 4th annual sales professional training event will take place once again in a live, virtual, dynamic format
— providing attendees with nine, 75-minute sessions covering an array of topics.
Sessions are conducted live by a mix of professional sales trainers and by industry sales executives and
attendees can expect to learn useful tactical takeaways, best practices and key tools to succeed at sales in
today's ever-changing market.

Find out more information
and register for STEP:



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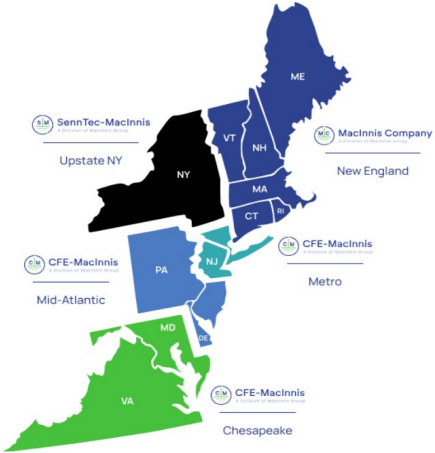
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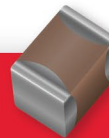
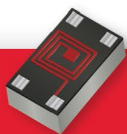
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