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95th Anniversary Issue

Electrical Wholesaling's 95th Anniversary Salute

Page 20

Times & Trends: Observations on Our Industry

Page 8

Electrical Fads that Faded

Page 21

The Numbers Tell Our Story

Page 31

Technology to Watch in the Future

Page 34



***Booster Shots for
Your Sales Effort***

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FEATURES

20 EW'S 95TH ANNIVERSARY SALUTE

A look at some of the questions, ideas, trends and possibilities that matter most in the electrical market.

21 FADS CAN FADE

Ten big trends that didn't turn out as expected.

28 EYE ON ACQUISITIONS

Waves of M&As have shaped the electrical market and HT Capital's Burke Burkhardt expects to see more of them in the future.

31 THE NUMBERS THAT TELL OUR STORY

Who better to tell EW readers where the electrical economy has been and where it's going in the future than Herm Isenstein, the electrical market's pre-eminent economist.

34 FUTUREVIEW 2015

The electrical market's future looks even more interesting than where we have been in the past.

37 THE POWER OF GOOD HABITS

The authors teach you how to build better sales habits.

39 WHY NON-STOCK IS A NO-NO

The author believes non-stock items are the scourge of the electrical wholesaling industry and he offers some ideas on how to get rid of them.

DEPARTMENTS

8 TIMES & TRENDS

The Way We Were: While it's more productive to look to the future than to dwell on the past, we can often learn from history's most timeless lessons.

12 NEWS WATCH

Get a recap of the electrical wholesaling industry's biggest news.

14 ELECTROSTATS

Monitor the electrical market's key economic indicators.

15 BULLETIN BOARD

Learn about new promotions, distributor and rep news, industry events, training and more.

43 PEOPLE

Find out who's on the move.



The Old-Timer's Pal

The youngsters in the gang may experiment with this or that tool—but tucked away in the old-timer's belt, you'll always find Klein Pliers. The man with the sprinkling of gray in his hair just says, "Klein's, please!" to the fellow behind the counter.

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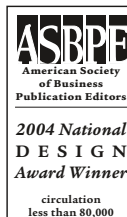
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needs and applications. Over the years, Chauvin Arnoux[®] Inc. has developed extensive expertise and knowledge in many product lines, including: current probes, multimeters (the first multimeter patented in 1937!), ground testers, insulation testers, environmental testers and many others in the portable test instrument realm.

In 1976, AEMC[®] Instruments joined the Chauvin Arnoux[®] Group and established its very own market in the United States with the creations of professional test and measurement equipment. Today, AEMC[®] Instruments serves North, South & Central Americas, Mexico, Australia and New Zealand, providing products that encompass the latest international standards for quality and safety.

1909



The first megohmmeter was built into a wooden case comprised of a DC power supply, a decade resistance box and a galvanometer with analog scale and needle to indicate the resistance. The measured value was calculated using a null balance technique using the decade resistance box and the meter scale.

1977



Model 1250N incorporated a built-in, sealed alternator and constant DC voltage circuit to provide a very stable resistance reading. The easy hand-cranked operation provided a steady, DC voltage output across the entire range for consistently reliable readings.

1979



In 1979, we introduced Model 1000N, a portable, multi-range, high-sensitivity megohmmeter capable of measuring a wide range of insulation resistances from 1 kilohm to 1000 gigohms. The Model 1000N had five test voltages of 50, 100, 250, 500 and 1000V.

1999



In 1999, AEMC[®] developed a line of digital/analog and multi-functional handheld meters. The megohmmeters provide clear and easy readings enhanced by a bright blue electroluminescent backlight.

[One product line that stands out is Insulation Testers/Megohmmeters]

Our megohmmeter line finds its roots in the early 1900s. Limited technology was available, so a galvanometer and a decade resistance box combined with a DC power source was used to make one of the first megohmmeters. Years later, hand-cranked technology, first using a generator, provided the test voltage. Today, similar technology is used in the Models 6501 and 6503 hand-cranked magnetizer, but a regulated alternator provides rectified test voltage and a sealed case protects the meter from the environment. Electronics set in the 1950s and 60s gave birth to electronic megohmmeters with electronic amplifiers. Eventually, digital displays came to the scene, though analog meters remained due to customer habits and preference.

Today, megohmmeters are digital and incorporate many intelligent features. Timers, alarms and variable test voltages are becoming common. AEMC® introduced a unique line of professional megohmmeters (Models 1050, 1060, 5050, 5060, 5070, 6505, 6527, 6550 & 6555) with added features, such as: memory; automated tests and results (internal calculations of DAR, PI and other measurements); graphical displays; PC control; and, report compliant software. Market feedback has been very positive and the megohmmeters are setting new industry standards. All AEMC® manufactured megohmmeters are designed to the latest international safety and testing standards, and are CE marked.

2000



One of our first digital handheld that provides four functional tests. It is a megohmmeter, DC voltmeter, AC voltmeter, ohmmeter and a continuity tester. The Model 1026 tests at 250V, 500V and 1000V and measures insulation resistance from 1k Ω to 4000M Ω .

2001



2001 gave birth to well designed waterproof megohmmeters that encased and protected the tester for field use. Measurements are now displayed on a large dual-display LCD with bargraph for quick viewing of changes or trends.

2004



The year that marked progression in the engineering of megohmmeters was when AEMC® released their digital 5000V megohmmeter field testers. Model 5070 offers real-time graphic plot of measurements and digital presentation of test results. Another exciting feature is that the results can be generated directly using software for graphing and analysis.

2012



In 2012, AEMC® recently introduced expert digital insulation testers. Models 6550 & 6555 are the only fully automated 10kV & 15kV graphical megohmmeters.

95 Years Strong

While it's more productive to look to the future than to dwell on the past, we can often learn from history's most timeless lessons.

What do you say about a magazine that has survived two World Wars, a depression and several recessions? One word comes to mind: resilient. Contributing to this resilience has been the editorial staff's ability to provide the information that readers need to run their businesses more profitably and sell more electrical supplies.

Paging through back issues of the magazines over the past few months in preparation for this issue reinforced our belief that the editorial equation hasn't changed. Sure, more readers want this information in a digital format so they can access it 24/7 on their smartphones, tablets or other electronic devices, but the core editorial content we publish each month to fulfill that mission hasn't changed much over the years.

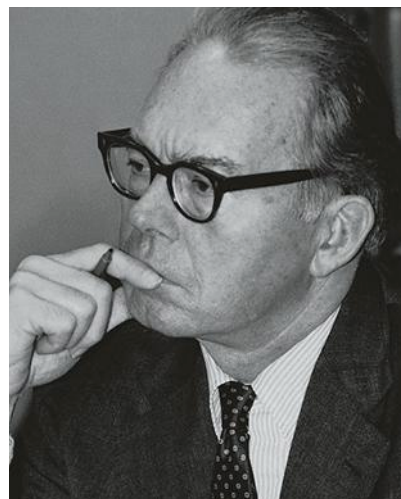
I didn't realize how little *EW's* editorial mission had changed until I read what George Ganzenmuller wrote in his "Times & Trends" in *EW's* 50th Anniversary issue published in March, 1970.

By Jim Lucy, Chief Editor

George was the magazine's chief editor for more than 30 years and he hired me in Nov. 1982. What he wrote 45 years ago about the magazine's editorial mission still rings true today:

"Over the decades, we have constantly sought to fulfill these editorial objectives:

- To define, analyze, and offer solutions to the industry's major problems.
- To inspire better performance through spotlighting the successful methods of individuals and firms.
- To advance the industry through ideas or approaches drawn from our foremost authorities on subjects of vital interest to our field.
- To present product information in an easy-to-understand manner.
- To pinpoint market opportunities.
- To assemble and interpret market statistics.
- To provide a strong medium of communication between distributors and manufacturers on matters of mutual interest.
- To search out the attitudes of distributors' customers as they reflect on the performance of the industry.



George Ganzenmuller, *EW's* chief editor for more than 30 years.

- To build a better appreciation of the economic advantages of wholesale distribution."

I also enjoyed what he wrote about the theme of *EW's* 50th Anniversary Issue, because its intent is very similar to what we have attempted to provide in our 95th Anniversary salute beginning on page 20.

"When we started to plan our 50th Anniversary issue in the fall of 1968, we decided that our primary focus would be on the future, not the past. It might have pleased our editorial vanity to fill our pages with a nostalgic recounting of our role in guiding the industry to greatness. But readers could ask us, as readers should, 'What have you done for us lately?'"

"No publication or any organization for that matter, can expect to coast on past performance or old formulas. It's what you do here and now, and even more important how you prepare for the future that count."

I learned so much about this industry from George Ganzenmuller, and from his hand-picked successor as chief editor, Andrea Herbert. It's been an honor for me to write for *EW* in this same "Times & Trends" column as my mentors, George and Andrea. Little did I know, I would still be learning from George to this day from what he wrote in "Times & Trends" 45 years ago.

SALES TIPS

The March, 1920 of "The Jobber's Salesman," *Electrical Wholesaling's* predecessor, published some "Sales Don'ts" that still have legs 95 years later. Here are some of the best:

- Don't argue – illustrate.
- Don't ever tell a prospect that he is mistaken.
- Don't talk price; talk quality even though your price is low.
- Don't run down the other fellow's goods; talk the reason why of your goods.
- Don't neglect the fact legs often make up for brains in getting orders – although one isn't much good without the other.
- Don't smoke in the presence of a prospect unless he invites you to do so.
- Don't neglect to read the trade journals in your line.

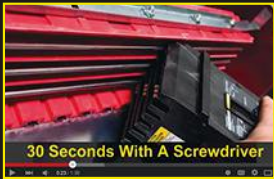
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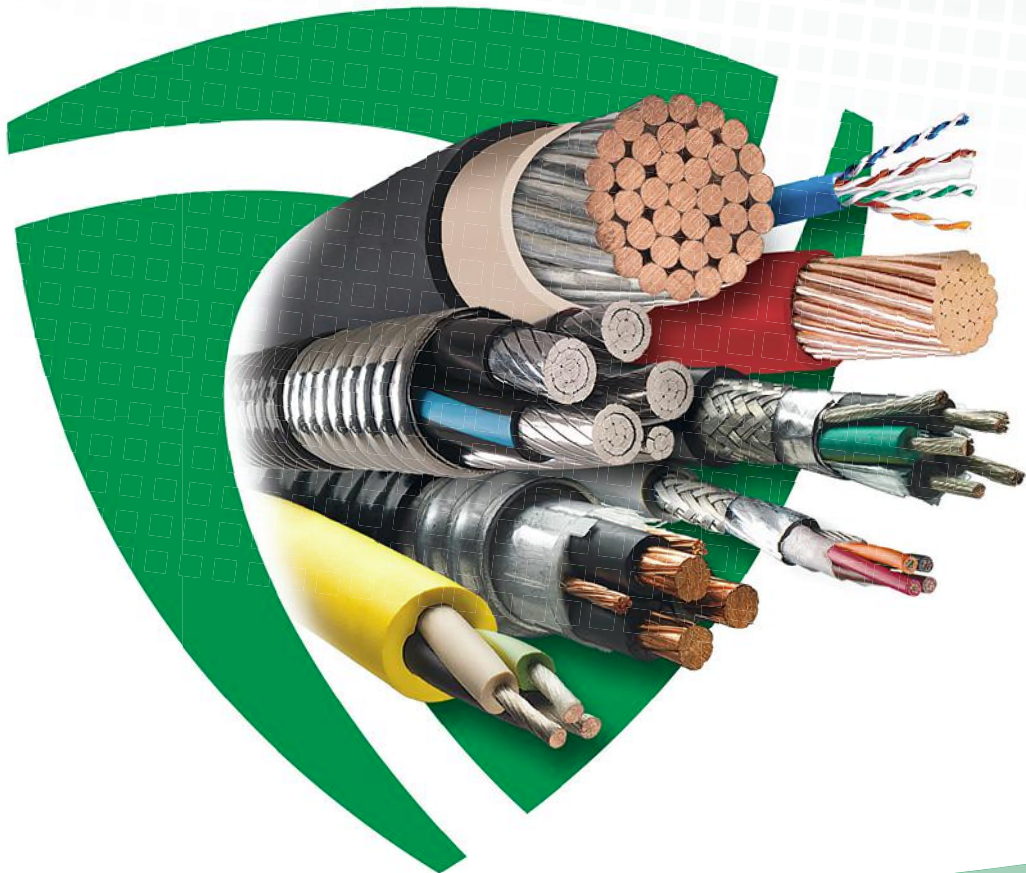
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Osram and Philips Move Away from Legacy Lighting Businesses

For insight on just how big an impact the shift to solid-state lighting technology is making on the lighting industry, the continuing repositioning by manufacturers of legacy lighting technologies should give an inescapable clue.

The choice by Siemens in 2013 to split off its Osram/Sylvania lighting business into an independent company was a huge indicator that a large industrial technology conglomerate didn't see lighting's prospects as a good fit for its growth plans. Royal Philips, after more than a century in lighting, followed suit last year, spinning off its Lumileds LED components and automotive lighting businesses as a separate unit (bought last month by Chinese investment fund GO Scale Capital), while its Lighting Solutions business prepares for a potential initial public offering as a stand-alone company later this spring.

Last month, Osram itself signaled that its management believes the future lies outside its legacy lighting business. The group announced that its managing board will recommend to the company's supervisory board that it set up its lamps business as a separate company. This would place Osram's focus squarely on solid-state lighting components and the automotive lighting sector.

"Based on its discussions held on April 15, 2015, the Managing Board of OSRAM Licht AG intends to transfer the general lighting lamps business into an independent structure. This business includes the traditional as well as the LED-based lamps

of the current business units CLB and LLS. The measure is to be submitted to the Supervisory Board at its next regular meeting on April 28, 2015. In fiscal 2013/14 this business generated worldwide sales of about €2 billion. The independent legal structure is to provide the basis for the further development of the business, while also considering partnerships," said the Osram statement.

The transfer will include most of Osram's traditional light bulb and LED general lighting business, which account for about 40% of Osram's revenues at €2 billion (\$2.5 billion). Those revenues have been on a slide of late, with the company's general lighting business dropping 15% and returning an EBITDA margin of 4.6%, compared with 6% for the group overall.

The rise of new competitors large and small, many with origins in semiconductors, networking and consumer technology, has placed a premium on nimbleness and speed that was hard to match from within a large conglomerate. At the same time, the outlook for profitability of lighting systems is expected to dim fairly rapidly as the retrofit market makes progress toward replacing legacy lighting technologies with longer-lived LEDs and prices for components face rapid decline.

"The electronics industry is very quick, and innovation is what drives them," said lighting industry veteran Bill Attardi of Attardi Marketing, who covers lighting in his *EnergyWatch* newsletter. "Philips and Siemens may not have the capability to innovate like that on a fast-paced basis."

GRAYBAR BUYS BIG AUTOMATION DISTRIBUTOR IN GEORGIA

Graybar Electric Co., St. Louis, moved to expand its interest in the factory automation market with an agreement to acquire Advantage Industrial Automation, Duluth, Ga., an industrial automation specialty distributor with six locations throughout the Southeast.

Graybar has made industrial automation a growth focus at various times over the years, but Advantage is its first automation-oriented acquisition since its Graybar Canada business bought AVAD Industrial Sales in Sudbury, Ontario, in 2010. In its 2014 annual report filings with the Security & Exchange Commission (SEC), employee-owned Graybar reported that industrial and utility sales, combined, accounted for 21.7% of total sales, compared with 54.7% construction and 22.1% commercial, institutional and government.

Advantage provides control and automation solutions to industrial users, original equipment manufacturers (OEMs) and system integrators with a strong emphasis on intelligent manufacturing and plant-floor data. Advantage was founded in 1989 and primarily serves the food & beverage, consumer products, water & wastewater, energy and material handling markets in Alabama, Georgia, Kentucky, North Carolina, South Carolina and Tennessee, according

to the company's website.

Advantage Industrial works closely with key Graybar supplier Schneider Electric as part of its Automation and Control Excellence (ACE) distributor program. Advantage was named Schneider's ACE Distributor of the Year in 2013 in the Solutions category.

As a subsidiary of Graybar, the company will continue to operate under the Advantage Industrial Automation name with the same employees, leadership team and suppliers, Graybar said. "As we focus on growing our industrial business, Advantage brings valuable experience and a strong reputation as a provider of control and automation solutions," Kathleen Mazzarella, Graybar's chairman, president and CEO, said in a press release.

A note to customers on Advantage Industrial's website mentions the added breadth and depth of product and service offerings the company gains as part of Graybar. "Our depth of experience in automation and control solutions, combined with Graybar's extensive product offer, logistics infrastructure and supply chain capabilities, provides you with unmatched personal service, backed by the strength of a large, well-respected company."

WESCO BUYS HILL COUNTRY ELECTRIC

WESCO International Inc., Pittsburgh, has entered into a definitive agreement to acquire Hill Country Electric Supply, Austin, Texas. Closing is expected to occur in May 2015. Hill Country generates approximately \$140 million in annual revenues from nine locations in central and south Texas, primarily in the Austin and San Antonio regions. The company focuses on the commercial construction market and was ranked #56 on *EW*'s most recent Top 200 ranking, while WESCO was ranked #2 on the listing. HT Capital Advisors, New York, was the exclusive financial advisor to Hill Country Electric Supply for the transaction.

In a WESCO press release on the acquisition, John Engel, WESCO's chairman, president, and CEO said, "Hill Country is a well-established electrical distributor with strong brand recognition in the Texas construction market and a solid organic growth history."

Scott Schieffer, Hill Country's president, said in the press release, "We are excited to begin this new chapter in Hill Country's history with WESCO. We share WESCO's strong focus on customer service and together we expect to deliver even more value for our customers."

In 2014, WESCO had annual sales of approximately \$7.9 billion and employed approximately 9,400 people.

Acuity Buys ByteLight

Acuity Brands bolstered its indoor location services with an agreement to acquire ByteLight Inc., Boston. The company said the combination of ByteLight's technology with Acuity's visible light communication (VLC)-enabled drivers and LED lighting will provide retailers with a method of delivering digital content to shoppers and associates within a retail store in an effort to increase customer loyalty and revenues while also reducing operating expenses.

EIS Buys Wire Supplier

EIS Inc., a wholly-owned subsidiary of the publicly held Genuine Parts Co., has acquired Connect-Air International Inc., Seattle, a distributor of VDV wire and cable, from Wincove Capital. EIS' other wire and cable brands were combined under the Genuine Cable Group in April 2014.

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VITAL STATISTICS

CONSTRUCTION

New Construction Put-in-Place (\$ billions, SAAR)

	Mar '15 ₁	Feb '15 ₂	Mo. % Change	Mar '14	YTY % Change
Total Construction	966.56	972.87	-0.6	947.3	2.0
Total Private Construction	702.39	704.67	-0.3	682.3	2.9
Residential	348.95	354.61	-1.6	358.1	-2.6
Lodging	17.21	16.28	5.7	14.1	22.4
Office	42.25	41.07	2.9	33.5	26.3
Commercial	57.45	59.04	-2.7	51.3	12.1
Health care	29.18	29.04	0.5	28.4	2.8
Educational	15.60	15.68	-0.5	16.0	-2.6
Religious	2.88	3.04	-5.2	3.5	-17.8
Amusement and recreation	8.87	9.18	-3.4	6.8	29.5
Transportation	13.47	13.03	3.3	11.3	19
Communication	16.19	14.46	12	17.7	-8.6
Power	79.08	79.79	-0.9	94.1	-16
Electric	35.20	36.23	-2.9	63.9	-44.9
Manufacturing	69.81	67.93	2.8	46.3	50.7
Total Public Construction	264.17	268.20	-1.5	265.0	-0.3
Residential	5.79	5.84	-0.9	5.0	16.5
Office	7.69	7.81	-1.5	8.2	-6.3
Commercial	2.18	1.94	12.4	1.6	35.8
Health care	8.77	8.83	-0.7	9.6	-9
Educational	58.43	59.73	-2.2	60.3	-3.1
Public safety	8.06	8.30	-3	9.1	-11.5
Amusement and recreation	9.46	9.73	-2.7	8.0	18.9
Transportation	31.16	31.14	0.1	29.6	5.4
Power	10.28	10.32	-0.3	12.0	-14
Highway and street	78.05	79.93	-2.4	82.6	-5.6
Sewage and waste disposal	23.85	23.88	-0.1	19.7	21.2
Water supply	11.82	11.31	4.4	11.6	2
Conservation and development	7.40	8.36	-11.5	6.7	11.1

	Mar '15 ₁	Feb '15 ₂	Mo. % Change	Mar '14	YTY % Change
Housing starts (SAAR)					
Total (thousands of units)	926	908	2.0%	950	-2.5%
Single-family (thousands of units)	618	592	4.4%	635	-2.7%
Multi-family (thousands)	287	309	-7.1%	301	-4.7%

EMPLOYMENT WAGE & PRICE STATISTICS

	Mo.	Latest Month	Mo. % Change	Year ago	YTY % Change
Employment, Electrical Contractors (thousands)	FEB	790.9	0.6	767.5	3.0
Hourly wage, Electrical Contractors (\$)	FEB	27.1	-0.4	27	0.1
Copper prices (cents per pound)	MAR	270.79	3.2	307.2	-11.9

INDUSTRIAL MARKET

	Mo.	Latest Month	Mo. % Change	Year ago	YTY % Change
Electrical Mfrs' Shipments (\$ billions)	FEB	3,412	0.1	3,330	2.5
Electrical Mfrs' Inventories (\$ billions SA)	FEB	4,751	0.1	4,840	-1.8
Electrical Mfrs' Inventory-to-Shipments ratio	FEB	1,392	0.1	1,435	-4.2
Electrical Mfrs' New Orders (\$ billions SA)	FEB	3,417	-0.1	3,401	0.5
Machine Tool Orders (\$ millions)	FEB	298.7	-10.2	347.30	-14
Industrial Capacity Utilization (percent, SA)	MAR	77.1	77.1 pts.	76.80	0.4 pts.
Purchasing Managers Index (percent)	MAR	51.5	-1.4 pts.	53.7	-2.2 pts.

Footnotes: 1 - preliminary; 2 - revised; 3 - includes residential improvements; Z - less than 0.005 percent; SA - seasonally adjusted; SAAR - seasonally adjusted annual rate. **Sources:** Construction Put-in-Place statistics - Department of Commerce; Housing starts - Department of Commerce's Census Bureau; Electrical contractor employment numbers and hourly wage - Department of Labor; Copper prices - Metals Week; Electrical manufacturers' shipment data - Department of Commerce; Machine Tool Orders - Association for Manufacturing Technology; Industrial Capacity Utilization - Federal Reserve Board; and Purchasing Managers Index - Institute for Supply Management.

Note: Additional economic data relevant to the electrical industry is available on a bi-weekly basis by subscribing to *Electrical Marketing* newsletter. For subscription information see www.electricalmarketing.com.

NEMA EBCI INDEX SLUMPS IN APRIL

NEMA's Electroindustry Business Conditions Index (EBCI) for current conditions in North America declined in April after holding largely steady during the first quarter. The index fell to 54.8 after ranging from 57.5 to 58.3 during the January to March period. The share of panelists stating that business conditions improved on a month-over-month basis rose to 38% in April from 33% in March. However, the share claiming conditions deteriorated rose even more — to 29% in April from 17% in March. One-third of panelists reported business conditions were unchanged in April, versus half in March.

The EBCI Index is a monthly survey of senior executives at electrical manufacturers published by the National Electrical Manufacturers Association (NEMA), Rosslyn, Va. Any score over the 50-point level indicates a greater number of panelists from the electrical market see conditions improving than see them deteriorating.

The EBCI for future North American conditions declined for a second month in a row. The index retreated to 66.7 points in April from 75 points in March and 78.9 points in February. Forty-eight percent of April's panelists expect the business environment to improve over the next six months, while 14% expect it to decline. In March these figures from the NEMA survey of member companies were 61% and 11%, respectively.

The 2015 housing market's slow start, probably due in part to rough winter weather, may account for the decline in optimism. While total and single-family housing starts rebounded in March, all segments of the home-building business were down year-over-year (YOY). Total housing starts were up 2% in March to 926,000, but were down 2.5% YOY, while single-family starts were up 4.4% to 618,000 but down 2.7% YOY. At 287,000 starts, multi-family starts were down 7.1% in March and down 4.7% YOY. ■

Fromm Awards Top Performers

Fromm Electric Supply, Reading, Pa., recently celebrated the accomplishments of five associates by presenting them with its Chairman's Circle Award. The 2014 Chairman's Circle inductees were: Jill Klodowski, senior account manager; William Dennis Randolph, senior account manager; Josh Holly, inside sales manager; Charles Vincent, PLC/software specialist; and Robert Moratelli, inside sales associate.

Established in 2006, the award recognizes associates who demonstrate exceptional leadership and/or performance that significantly impacts the company's success. Winners are celebrated at an annual Chairman's Circle event, and have their names engraved on a plaque displayed in Fromm's Reading headquarters.



Fromm's 2014 Chairman's Circle Recipients: Front row (left to right) - Robert Moratelli, Charles Vincent, Jill Klodowski, William Dennis Randolph. Back row (left to right) - Jon Gerhart (V.P.-industrial sales); Josh Holly; Michael Fromm (CEO); John Hanna (president & COO); and Lou Fromm (V.P. - business development).

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33139A	22	120-277	E26 Medium	4000	80	50000	2200	7-1/4" (184mm)	7-3/8" (186mm)	Yes
33140A	54	120-277	E26 Medium	4000	80	50000	5400	10-1/5" (259mm)	10-1/2" (265mm)	Yes
33140B	54	120-277	E39 Mogul	4000	80	50000	5400	10-2/5" (259mm)	10-1/2" (265mm)	Yes
33141A	80	120-277	E39 Mogul	4000	80	50000	8000	10-1/2" (265mm)	10-7/8" (276mm)	Yes
33142A	120	120-277	E39 Mogul	4000	80	50000	12000	11-5/8" (296mm)	12" (305mm)	Yes



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INDUSTRY EVENTS

May 16-19

NAED ANNUAL CONFERENCE

Chicago; National Association of Electrical Distributors (NAED) www.naed.org

May 18-21

WINDPOWER 2015

Orlando, Fla.; American Wind Energy Association (AWEA), www.awea.org

June 14-16

2015 EASA ANNUAL CONFERENCE & TRADE SHOW

San Antonio, Texas; Electrical Apparatus Service Association (EASA), www.easa.org

August 10-12

ADVENTURE MARKETING CONFERENCE

Chicago; National Association of Electrical Distributors (NAED), www.naed.org

September 14-17

SOLARPOWER 2015

Anaheim, Calif.; Solar Energy Industries Association (SEIA) and Solar Electric Power Association (SEPA), www.solarpowerinternational.com

October 18-21

AD NORTH AMERICAN ELECTRICAL DIVISION ANNUAL MEETING

National Harbor, Md.; Affiliated Distributors, www.adhq.com

November 9-11

NAED EASTERN CONFERENCE

Orlando, Fla.; National Association of Electrical Distributors (NAED) www.naed.org



Amazon Rebrands B2B Efforts and Embarks on New Hiring Initiative

Kirsten Newbold-Knipp offers an interesting update in “3 Reasons Amazon should strike fear and inspiration into the heart of B2B marketers,” a Gartner blog about where AmazonSupply is at with its hiring plans. In part, here is what she had to say:

“Amazon is looking to hire your best talent. In the last several weeks, AmazonSupply has increased already strong hiring plans with 50-plus openings geared specifically at B2B. Given that B2B merchandising is not part of their core DNA, it stands to reason that Amazon will use their substantially deep pockets to find the best and brightest talent with experience doing B2B at scale.

“This will enable them to move fast, blending their in-house customer experience smarts with fresh talent that knows B2B – but it also means that your most talented team members might be lured to Seattle before you know it.”

The company also announced that its AmazonSupply business would be morphing into Amazon Business on May 13. Said Amazon.com on the new Amazon Business website, “Amazon Business takes the best of Amazon and tailors it to the needs of businesses. Choose from hundreds of millions of products, now available in a shopping experience built for your business. Get Free Two-Day Shipping on orders of \$49 or more.”

Got an Item for Bulletin Board?

It's easy to have your company included in the pages of Electrical Wholesaling's Bulletin Board. It's as simple as submitting a description and photographs.

Some of the subjects covered in Bulletin Board include:

- Charitable Events/Donations
- Product Promotions
- Contests
- Distributor Support/Training
- Ground Breakings
- Industry Awards/Recognitions

Send pertinent information to Doug Chandler, Executive Editor, 9800 Metcalf Ave., Overland Park, KS 66212. Or you may e-mail information to doug.chandler@penton.com. All electronic photos should be in “jpg,” “tif” or “eps” format at no less than 300 dots per inch. Questions? Call (913) 967-1951.

NEEDHAM ELECTRIC HOSTS SOCIAL MEDIA SEMINAR

Needham Electric Supply, Canton, Mass., recently hosted a free seminar in March, "Taking Your Business Online 101," for their customers. Needham Electric's marketing manager and social media specialist presented to a group of electricians and contractors, covering topics such as how to set up a business page on Facebook, LinkedIn, Twitter and Google+.

The marketing team shared tips on content to post, frequency, how to advertise, best practices and the importance of prompt response to customer inquiries and comments. The seminar highlighted the ease, availability and usefulness of social media as a tool to advertise and boost sales for small businesses and independent contractors. Needham Electric recently hosted a similar seminar at its Laconia, N.H., branch.



Taking Your
Business Online
101

A FREE Seminar!

Learn the basics of social media, websites, online ordering and more.

Be found, be social and be useful online!

NEEDHAM
ELECTRIC SUPPLY

Graphic by Mary Arscott - Needham Electric Supply



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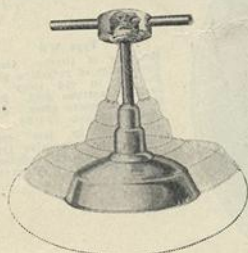
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Unitet Swivel Joints allow fixtures to swing through an angle of approximately 15 degrees from the perpendicular.

Insures Perfect Alignment of Lighting Fixtures

Appleton Swivel Fixture Joints and Covers are designed to provide and maintain the perfect alignment of pendant lighting fixtures that adds so much to the general appearance of large factory rooms where the lights are hung in long rows. Lighting engineers also recommend the use of Appleton Swivel Joints and Covers because fixtures must be hung plumb if they are to do their part in producing a uniform distribution of light throughout the plant.

ELIMINATES BREAKAGE

The Appleton Swivel Joint allows the fixture to swing in any direction through an angle of at least fifteen degrees from the perpendicular. This flexibility prevents damage or breakage when the fixtures are struck by ladders, pipes, boards or moving machinery as they frequently are in every busy plant.

You will find these efficient little fittings fully pictured, described, and priced on pages 156 and 183 of Catalog 9-C, which lists all Appleton products—"Unitets" (one for every wiring need), "Uniduct," Conduit Clamps and Hangers, Switch Boxes, and the famous "Reelites."

Catalog 9-C has a pictorial index which is a great help in locating special fittings. If you know what you want, you can easily find it in the pictorial index even though you do not know what to call it.

You may not need Catalog 9-C right now but you undoubtedly will in the near future, so write for a copy today and have it on hand when the emergency arises.



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*Appleton Electric Company advertisement, circa 1924.

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125 YEARS OF WHAT'S NEXT.





Electrical Wholesaling's 95th Anniversary Salute

A look at some of the questions, ideas, trends and possibilities that matter most in the electrical wholesaling industry.

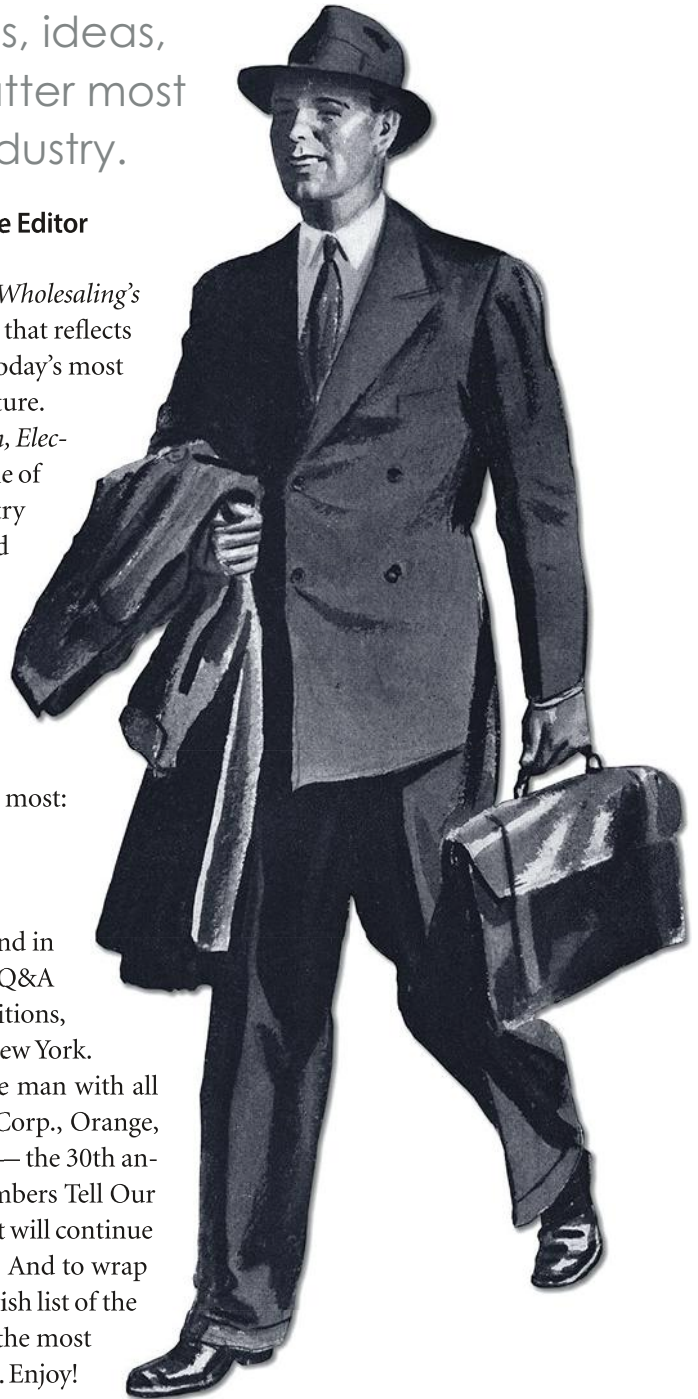
By Jim Lucy, Chief Editor, and Doug Chandler, Executive Editor

To celebrate our magazine's 95th year, *Electrical Wholesaling's* editors decided take a multi-pronged approach that reflects on the past, answers questions about some of today's most pressing concerns, and looks forward to the future.

If you are a regular visitor to www.ewweb.com, *Electrical Wholesaling's* website, you have probably noticed some of the 95th Anniversary Photo Galleries, which honor industry legends and the electrical industry's greatest inventors, and take a whimsical look at how some sales basics never change. With tongue firmly in cheek, Executive Editor Doug Chandler builds on that whimsy with a feature article on short-lived industry fads and predictions for the future that never quite panned out. For our look at some of today's most press concerns and our wish list for the future, we focused on the three questions we get asked most:

- Who is buying whom?
- How's business?
- Which technologies are for real?

To get a reading on the M&A acquisition climate now and in the future, check out "Eye On Acquisitions," (page 28), a Q&A with one of the electrical market's leading experts on acquisitions, Burke Burkhardt, senior managing director, HT Capital, New York. To answer the question, "How's business?," we went to the man with all the economic answers, Herm Isenstein, president, DISC Corp., Orange, Conn. Herm is also celebrating a big anniversary this year — the 30th anniversary of DISC's launch in 1985. In the Q&A "The Numbers Tell Our Story" (page 31), Herm discusses the economic engines that will continue to power the electrical wholesaling industry in the future. And to wrap things, in "FutureView 2015," (page 34) we put together a wish list of the 10 technological and marketing advances that could have the most impact on the electrical wholesaling industry down the road. Enjoy!



Fads Can Fade

Electrical distributors have faced periods of turmoil and tantalizing potential throughout their history. Here's a look at 10 sources of excitement or anxiety that didn't quite pan out as predicted – or haven't yet, anyway.

Like most industries of any kind, and human culture in general, the electrical industry over the years seems to pass from buzzword to buzzword as the threat or opportunity of the moment captures widespread attention. Publications such as *Electrical Wholesaling* certainly play a role in the process, with extended features, special sections and ongoing coverage of the hype versus the reality and the nuances of change as it takes hold. Our editors have always given a cautious eye to new-fangled things, or we try to, but we're by no means immune to the excitement of radical new opportunities or overwhelming threats that promise to bring major changes to the industry as we know it and the lives of the business owners, managers, salespeople, support teams, associates and friends who make up our reader family. Also, big change is fun to write about.

But if there's a rule about these big stories, it would be that they almost never go the way either their proponents or opponents foretell. The truth is many of the buzzwords that have arisen over the 95 years we and our counterparts of the past have covered the wholesale electrical products market have in fact left a substantial lasting impression on the electrical business.

In many cases, they morphed and continued to grow under new names or new models. Some were successful enough that they were absorbed into the standard operating procedure of the industry. We may not use the original jargon anymore, but the lessons they taught have persisted.

With that in mind, and in no particular order, here's a look back at some of the more interesting trends that captured



Copyright Fox Photos, Getty Images

everyone's attention for a time and the way they changed or didn't change the industry according to predictions when they emerged. The good news is that electrical distributors seem to have learned something from every single one.

TVs and Toasters as Major Lines.

Most of us have no personal recollection of the days when electrical appliances and televisions were commonly sold by electrical wholesalers. Those markets were taken away by other channels. In our 1970 celebration of the magazine's 50th year, general descriptions of electrical distributors' primary markets focused on electrical contractors, industrials and dealers. Dealers sold appliances and other electrical goods to the

general public at retail. The dealers and the appliance business were a nice chunk of volume and diversification for electrical distributors then, and various articles back through our history offered distributors good advice on things like lighting their showrooms to make the appliances more attractive.

This history of distributors losing their hold on the appliance categories does still come up now and then as a cautionary tale about how the market can shift away from traditional distribution. It came up when home theater and security systems emerged as a distinct market and again lately in regard to solid-state lighting, distributed solar and wind generation and energy storage. It's a lingering lesson of seeing a market shift to a different pattern

By Doug Chandler, Executive Editor

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that takes away a sizable segment of a distributor's sales, a shift we are all but certain to see again.

Web-Driven Disintermediation. It seemed likely in the early days of the web that the increased information flow and advanced logistics made possible by new information technologies would take a chunk out of most forms of distribution or eliminate them entirely. Web retail portals and reverse auctions would make the whole buying and selling process fundamentally different than what had gone before. The dot-com boom looked like a proliferation of threats and tech advocates' predictions of a sea change of colossal proportions seemed very credible.

It didn't happen, and the lesson reinforced the value of local brick-and-mortar suppliers with staffs of experts and helpful flesh-and-blood people you can punch in the nose if things go wrong. (You don't actually throw the punch, but it's reassuring to know you could – I mean, where do you even look for the nose on an algorithm?)

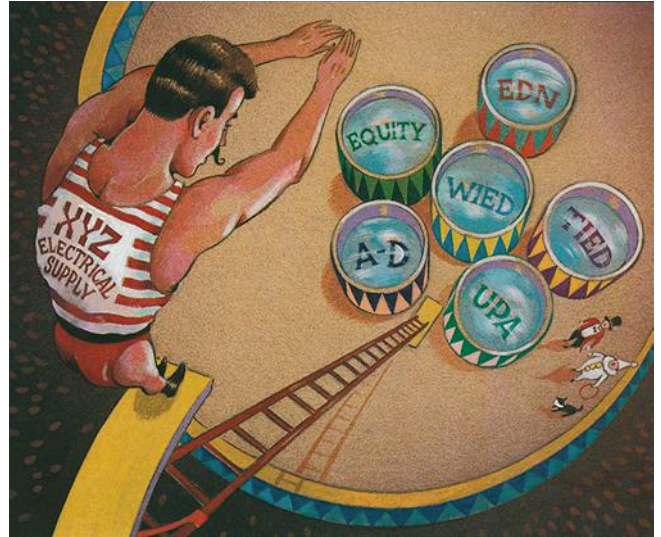
All the same, the concern that whole markets with business models based on using technology to circumvent traditional distribution altogether arises again and again. It has made a recent comeback with Amazon showing renewed interest in the business-to-business market.

The Integrated Supply Revolution. Electrical distributors serving the industrial market sweated through some dark times in the late 1990s and early 2000s when many of their largest customers moved aggressively to consolidate their purchasing with as few suppliers as they could. The responses varied from strings of acquisitions combining distributors from different MRO verticals under one name, to alliances of various kinds.

The alliances turned out to be very difficult to manage, but some who stuck with integrated supply gained a loyal following. Some of the acquisitions driven by this urge to diversify have also seen solid success. For these distributors, integrated supply remains a valuable market. But on the whole, purchasing at large factories appears to have shifted back toward a concentration on best-in-class suppliers in more traditional vertical markets. No doubt that pendulum will swing again.

Residential Datacom and the Smart House. There was a time in the early 1990s when new residential developments sported prominent signs that the homes were wired with CAT5 ethernet cable and network ports in every room. We would all need them to network our personal computers and our new flat-screen televisions.

Residential datacom installations, of course, were mooted by WiFi routers and broad bandwidth connections. And yet the idea of the Smart House is now being revived and embellished with the bigger and incomprehensibly more ambitious idea of the Internet of Things. The widespread conviction that wearable computing and ubiquitous sensor networks will provide enough convenience and entertainment to allay concerns about constant surveillance is inspiring companies from diverse corners of the lighting and networking and other technology markets to devote research and development dollars to the fight for their slice of the IoT's backbone.



Before distributor buying groups consolidated and boosted their emphasis on marketing, the choice to join or not was riskier.

Most of the IoT products seen thus far use wireless methods to transmit data. Interestingly, it may be the Internet of Things that revives interest in hard-wired residential data networks. Once your toaster claims a slice of wireless so it can talk to your Stairmaster, and you can't turn on the lights because your son is downloading a video, the value of low-voltage wiring may again prevail. Bob Karlicek, who leads the Smart Lighting Engineering Research Center at Rennselaer Polytechnic in Troy, N.Y., sees lighting-over-ethernet and new bids to revive power-line carrier data transmission as promising technologies for avoiding problems of wireless bandwidth bottlenecks.

Total Quality Management. In late 20th century when Total Quality Management was the biggest buzzword in management circles, inspired by W. Edwards Demming, Philip Crosby and a handful of other management consultants who had put the concepts to work helping Japan build the most envied and feared manufacturing juggernaut of the time, a number of electrical distributors such as Coughlin Electric and United Electric Supply embraced the principles of TQM.

TQM as a buzzword faded after a few years, but the idea morphed and branched into various modes of addressing consistency and performance and continuous improvement such as Six Sigma and Kaizen and Lean Manufacturing. Many of these approaches, well implemented, have proven useful in making manufacturers and service providers more productive, efficient and profitable, and the lessons were fairly quickly integrated into baseline assumptions about doing business well. The principles of empowering line employees and commitment to constant iterative improvements in products and processes are part of the basic fabric of production these days.

Some customers continue to look for third-party verification of quality improvement processes through ISO 9000 or other forms. Many of the best distributors have and maintain their certifications but it makes fewer waves than it did.

Crashing Waves of Distributor Consolidation. Again and again through the history of the electrical industry, people have made predictions that the electrical distributor market will consolidate to the point that three or so major national players would dominate.

It has yet to happen, and there's no sign that it will soon. The electrical distribution market remains highly fragmented despite brief waves of consolidation over the years. The entire Top 200 list of the largest electrical distributors in the land still accounts for just 65% of the overall electrical sales through distribution. The combination of greater leverage for negotiating pricing and access to capital at lower rates on top of all the economies of scale to be gained from nationwide companies still are offset by the values offered by smaller, local and more agile suppliers.

The Dangers of Buying Groups. Distributors who joined buying groups to consolidate purchases and buy on better terms to compete with the national chains were often cautiously scolded in these pages in the early days for giving away autonomy, creating a new layer of bureaucracy, exposing themselves to legal challenges and putting their focus on purchase price when it should be on selling.

Instead what has faded is most of the concerns around buying groups' legality and justification for their addition of another layer in the channel. The shift by the major buying groups – primarily Affiliated Distributors and IMARK Group and their predecessors – from pricing toward helping manufacturers provide distributors with better marketing support to make more sales was a key innovation in the industry's history. The move to marketing made the groups more widely relevant and in some cases a significant competitive advantage for their distributor members. Indeed, the case could be made that the buying/marketing groups are the reason the consolidation mentioned above hasn't yet come to pass.

Home Centers of Doom. This one arose with the juggernauts of Home Depot and Lowe's and other low-cost retail chains spawning locations in every city and town in the nation. Their finely tuned supply chains and lower-than-wholesale price points ignited fears that they would take a huge hunk out of the electrical distributor business model, starting with the small contractor market. The cries of doom reached a crescendo when Home Depot announced its intention to dominate the professional installer market and set up a subsidiary company focused on that objective.

As it turned out, home centers' business models couldn't match the product expertise and organizational structure of traditional distribution enough to attract more than a fairly small marginal segment of the trade, and even distributors focused on the small contractor market continued to prosper. Indeed, Home Depot's bid to set up an offering for pros was spun off a few years later and morphed into something bearing uncanny resemblance to a traditional wholesaler, HD Supply.

Merchandising Mania. The threat from home centers actually turned out to be a healthy source of inspiration for traditional distribution. It led the industry to consider ideas like loss-leader pricing and inspired a round of merchandising madness that brought a lot of benefits for distributors. It helped raise awareness

FADS OR THE FUTURE?

With stories of dumb smart houses and toasters on the warehouse shelf fresh in mind, now take a look at the list below and see if there's any more clarity about which of the following 10 topics will flourish and which ones will fizzle. When you're done, check out our Future View feature and Jim Lucy's expectations for the years ahead. It starts on page 34.

- The Internet of Things
- 3D Printing
- Lighting as a Service
- Solar and Storage
- Social Media Marketing
- Net Zero Buildings / LEED
- Electric Vehicle Charging Systems
- AmazonSupply (or Amazon Business)
- Digital Natives Reinventing the Industry
- Drone Delivery

among manufacturers about the importance of creating attractive displays for their goods and offering these displays to the trade, not just big box retail. It also led to fresh paint jobs and more thought given to aisle spacing and display rotation in formerly dingy brown-pegboard counters. That's been a very good thing.

Y2K. The turn of the calendar from 1999 to 2000 was a weird source of anxiety for societies the world over, but its most daunting manifestation came in the information technology world. The choice of computer programmers decades before to standardize dates with a two-digit year instead of four to save memory space led to the prospect of machines all over the world jumping backward a century in time, causing the global networks on which we were then just learning to depend for communications and finance and process control to seize up and die. Forecasts called for financial collapse and rioting in the streets, and large numbers of people hoarded hard currency and critical supplies to weather the disruption. To head off the threat, companies all over the world bid up programming talent in a race against time to reprogram or replace their systems before the calendar turned.

When January 1, 2000, dawned looking very much like the day before and ATMs still dispensed cash as usual and the phones and power grids still provided their services without a hitch, it all looked a little silly, but there were substantial repercussions. It's hard to guess how many of the mergers and acquisitions in the electrical industry during the last couple of years of the 1990s were driven by owners recognizing that they didn't have the financial strength to replace their ERP systems and choosing to sell while the business still worked. On the upside, companies throughout the economy started the new millennium with new computer systems with better functionality and resilience to disruption than the ones they had before. ■

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Eye on Acquisitions

Waves of mergers and acquisitions reshaped the electrical market over the past few decades and HT Capital's Burk Burkhardt expects to see more in the future.

Burk Burkhardt has worked on acquisitions of electrical distributors for more than 20 years at HT Capital Advisors. The company is an investment banking firm with a major focus on the electrical wholesaling industry, and over the years it has represented the owners of many electrical distributors in mergers and acquisitions. These companies include but are not limited to Braid Electric Supply, Crawford Electric Supply, Electrical Wholesalers, Friedman Electric Supply, Harris Electric Supply, Hill Country Electric Supply, Mustang Electric Supply, Mag-Trol Long Beach, Independent Electric Supply (California), Owens Electric Supply, Project Lighting Co., Ralph Pill Electric Supply, Sonepar and Weidenbach-Brown.

As an executive on the HT Capital Advisors team who has worked on many of these acquisitions, we thought he could give us a good idea of what may happen with mergers and acquisitions in the future. He offered his insight in the following Q&A.

Consolidation in the electrical market is happening at a slower pace than in other distribution-based market verticals. Historically speaking, what do you think have been the primary drivers for the pace of mergers and acquisitions in the electrical wholesaling industry?

The primary forces driving consolidation in the electrical distribution industry have been the aggressive acquisition strategies of the national firms and some large



regional firms, including Sonepar, Rexel, WESCO, CED, Crescent and Border States, to enhance their growth prospects and geographic footprints and product offerings; and the fact that due to the highly fragmented nature of the industry, there have been many companies which are potential acquisition candidates. Their owners have been receptive to selling their companies for a variety of reasons, including retirement, estate planning, competitive factors, vendor issues, and lack of financial resources for important capital expenditures, including IT upgrades.

Looking down the road, do you see any big changes in these primary drivers for mergers and acquisitions in the electrical wholesaling industry, or the pace of these deals?

The primary drivers will continue to be the presence of active buyers, and many potential sellers. The pace of M&As, and the industry's merger/acquisition climate will continue to fluctuate because it's closely tied to general economic conditions, specifically the level of residential, commercial and industrial building activity. When the economy is in recession and revenues and

By Jim Lucy, Chief Editor

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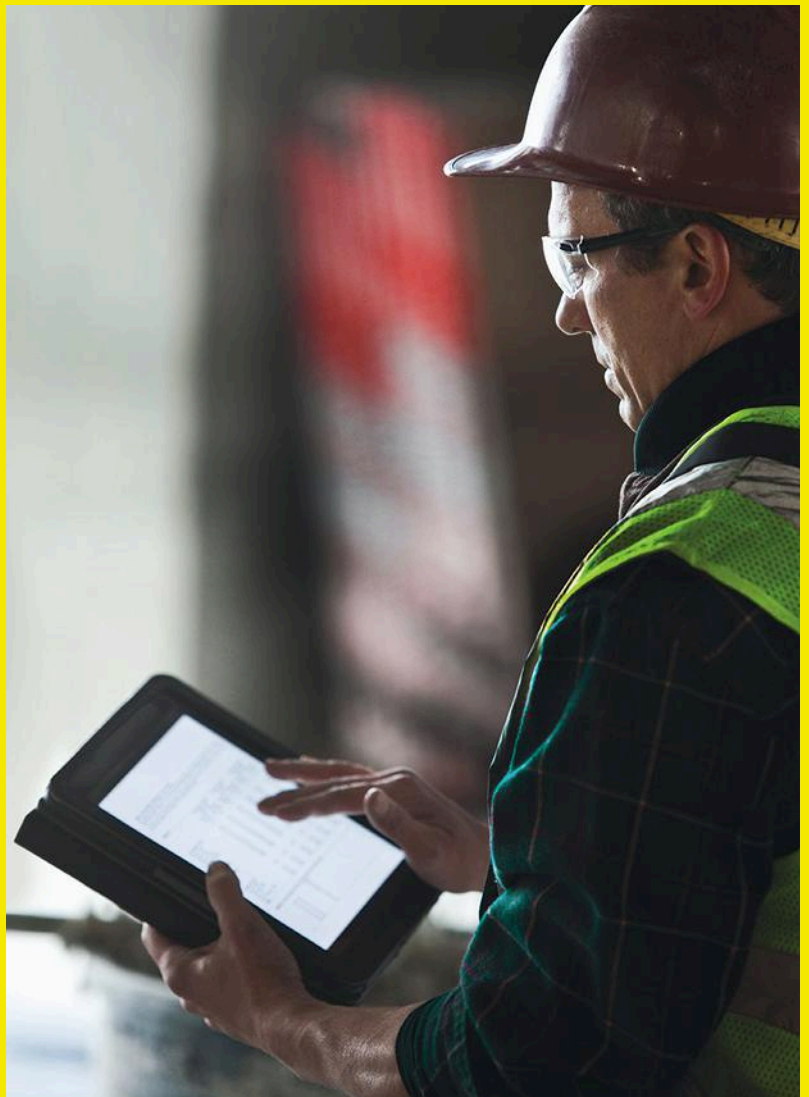
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profitability are down, company owners are reluctant to consider selling, and the buyers have tended to terminate their acquisition activity.

What does the environment look like for acquisitions over the next few years when you consider the overall economic climate, cost of borrowing capital, etc.? Any wild cards that acquirers or acquisition candidates should be looking at?

With the continuation of reasonably good economic conditions in most of the United States and the revenue and profitability recovery that most companies have experienced over the past two years, we anticipate an increased level of merger/acquisition activity in 2015 and beyond. WESCO's recent acquisition of our client Hill Country Electric Supply in Texas, is an example of a transaction that probably would not have happened when the economy was in recession.

We believe the industry is currently experiencing a seller's market, and that a window of opportunity is open for owners of companies of all sizes to sell their companies at attractive valuations and satisfy their other objectives. Timing is often everything in the world of mergers and acquisitions, and the ideal time to explore selling a company is when business is on the uptick and there are multiple buyers. All of the nationals and several large regionals are actively on the acquisition hunt for sizable acquisitions, as well as for smaller transactions to fill in gaps in their geographic footprint.

Would it be possible for a new player from outside the electrical industry to come into the market and build a large regional or even national presence through acquisitions? Or do you think it would be more likely that an existing electrical distributor could/would build a large platform?

While we believe electrical distributors will be the primary buyers of other companies in the industry, they may face some competition from companies in other distribution sectors in the future. Many industry observers wonder whether Kaman Corp.'s foray into the industrial

MEET BURKE BURKHARDT

Burk Burkhardt has been with HT Capital Advisors since 1994. Prior to joining the firm, he was a general investment banker for over 10 years with Janney Montgomery Scott, the investment banking subsidiary of Penn Mutual Life. He began his career as a financial analyst with Aetna Life and Casualty's Private Placement Financing Department and subsequently was elected an officer and became manager of Aetna's Corporate Development Department. He is a U.S. Army Veteran and holds an A.B. from Brown University; an MBA from Columbia University Business School; and an L.L.B. from Duke University School of Law. He can be contacted at (212) 759-9080 or cburkhardt@htcapital.com.



Burk Burkhardt

segment with the acquisition of Minarik and the subsequent favorable distribution arrangement with Schneider could be a precursor of other similar transactions. We have received inquiries over the past year from several large companies in other distribution sectors, including plumbing, flowmeter, and power transmission distribution, expressing an interest in acquiring an electrical distribution company.

We believe that it's possible that one of the top 50 companies on EW's Top 200 list could be acquired by a large company from another wholesale distribution sector to form the basis for a substantial regional or national platform. We know one or two of them are thinking about it because they have contacted us to see if we have any ideas.

There have been many international transactions over the past few years, including Sonepar's recent agreement to acquire Rexel's operations in Brazil, Chile and Peru. Do you expect to see more international transactions in 2015 and beyond?

We believe that Sonepar and Rexel will continue to expand their international operations through acquisition. Based on recent involvement we have had we believe that several other large electrical distributors, some with limited international exposure currently, are interested in foreign acquisitions. Also, while quiet lately, we believe that EDGE Investment Partners, the 11-member consortium of U.S. electrical distributors, is

still on the prowl for acquisitions in foreign markets. For many years, Eric Lomas, the president of our firm, and I managed our Electrical Distribution team. In recognition of an increase in domestic and international merger/activity we recently beefed up our team with the addition of Jean-Damien Perrier, who has been with our firm for six years, and has 20 years of international investment banking experience.

With all the transactions HT Capital has completed over the past 20 years what has been the valuation range, and what kind of valuations are you seeing today?

Over the past 20 years, and in more recent years, the valuation range has been in the 4x-8x adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) adjusted for excess salaries and bonuses, and for various non-recurring expenses. On occasion we have achieved valuations over 8x for our clients, usually for large extremely well-positioned companies sought after by multiple potential buyers. Many factors affect valuation, including company size, historic track record and growth prospects, attractiveness of the geographic territory, vendor and customer relationships, and management strength, to name a few. We have found that many owners do not have a realistic idea of what their companies are worth. To avoid wasting anyone's time, prior to taking on an assignment we usually give the owners what we believe is an achievable valuation range. ■

THE NUMBERS TELL OUR STORY

Who better to tell *EW* readers where the electrical economy has been and where it's going in the future than Herm Isenstein, the electrical market's pre-eminent economist.

Herm Isenstein has analyzed the electrical wholesaling industry's economic cycles for 30 years as president of DISC Corp., Orange, Conn. Since founding DISC in 1985, he has provided a generation of industry executives with the sales forecasts they need to measure market share and guide their companies. We recently got Herm's take on the economic cycles that have the most dramatic impact on the electrical market.

In your 30 years of analyzing market data in the electrical wholesaling market for DISC Corp., has the basic mix of end user markets that electrical distributors serve changed very much?

Technology has changed many of the products that distributors and manufacturers now sell, but distributors still serve four major end markets – the contractor, industrial, institutional and utility markets. These end markets have different cycles which respond to the cycles in the overall economy.

Even though there have been a whole raft of product changes, and other vast changes in technology, these major segments are very predictable to the extent that we are able to predict the key economic drivers of the electrical industry. If I knew with a high degree of certainty how non-residential construction and residential construction are going to change I can tell you with a high degree of confidence how each of the key segments served by distributors is going to change and I can dig fairly deep into

the geographic layers. That is powerful information in the hands of an intelligent manager.

DISC gave the electrical wholesaling industry ample early warning of the Great Recession. What did you see in your data that enabled you to make that judgment?

The biggest impact for the electrical industry was in 2009 when industry sales tanked by more than 20%. We were seeing things as early as 2007 and 2008 in the overall U.S. economy that were big red flags. We weren't the only ones seeing it; there were warning signs all over the place. We saw a lot of credit being extended and over-extended. This gave rise to a bubble and a lot of people bought into that bubble. When you have a bubble, somebody is going to punch a hole in it and it is going to burst. Then it's just a ques-

tion of how fast and how far down it goes.

What set us apart from other people in the electrical industry is how we analyze the industry. We don't nod our heads when a key economic indicator like construction changes up or down. We are able to take that change and quantify how the demand for electrical distributor products is going to change. We know what makes the industry change and by how much. So when construction plunges by more than 20% as it did in 2009, we know within a few percentage points just how much industry sales are going to change.

We all know that it is not one factor but several factors that influence how the industry is going to behave. We are able to account for each of them in a very measurable way.



By Jim Lucy, Chief Editor



The bubble was there for all to see. Our value added is that we know what the key economic drivers are and we know how much the industry will change when those drivers change. The hard part is to do a good job in forecasting the key drivers.

Were there any other economic events or business cycles in your 30 years with DISC that had as big of an impact on the electrical wholesaling industry?

The American economy was coming off a huge burst of inflation in 1974 and the electrical industry had a great year. But that bubble burst. And in 1975 industry sales fell 10% which, at that time, was a record

decline and very painful for the industry. We had never experienced that previously. I can recall Kurt Kuhlman, the general manager of my division, saying it was the worst day of his life when he had to lay off so many people. But as with all cycles, we recovered — 1976 and 1977 were decent years — and 1978 sales grew by fully 25%. At the NAED conferences that year everyone was all smiles.

But for distributors and vendors the tough part is trying to stay ahead of the curve or at least stay with it so you can adequately manage your resources both on the upswing and downswing. That's the huge challenge facing decision makers in this construction driven industry. It's all about catching the

cycle and managing your business on those terms. Our challenge at DISC is to give you the clear warning signals, up or down.

Despite the current dip in oil prices, most economists seem to agree that the United States will be a bigger player in the oil and natural gas markets. If this country doesn't have to import as much oil and can export more of what it produces, what impact will it have on the electrical market?

That is such a hot issue now. We have laws in place that restrict oil exports and that is holding back growth in the American economy. We could be a big-time player

MEET HERM ISENSTEIN

Herm Isenstein began building DISC's foundation in his native New Hampshire when his older brother, Stan, advised him to change his major from political science to economics at the University of New Hampshire (UNH). The chairman at UNH's Economics Dept., Professor Bill Henry, mentored Herm, and after he graduated from UNH advised him to fulfill his military commitment as an infantry officer and then consider returning to do graduate work. He chose a small school with a strong economics department — the University of Rhode Island — where he was awarded a research fellowship and a full tuition paid scholarship.

After graduating with honors he landed a job as a general economist at the U.S. Department of Agriculture in Washington, D.C. In that capacity he had the opportunity to work in three key areas that were the mainstay of his career.

He worked with a team of economists analyzing and forecasting the general economy which served as the framework for commodity specialists to develop their outlook for demand for key agricultural commodities.

He was part of a four-member task force to analyze the interdependence between the manufacturing sector and agricultural sector and how changes in the overall economy impacted each.

Little did he know at the time that this analytical approach would be the basis for his now widely used MarketTrack program in the electrical industry showing end-market demand for electrical distributor products.

Third, he projected how the agricultural industry would look in the next 15 years and 25 years. This was well received and was instrumental in his gaining admission into the graduate division at the University of Chicago.

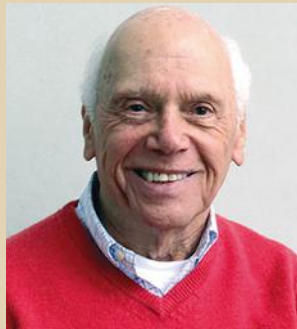
While at the University of Chicago he received an MBA from the Graduate School of Business. He was also in the doctoral program in the economics department where he had the opportunity to study under several Nobel Prize winners, including the famed economist, Milton Friedman. One of his classmates, Bob Lucas, went on to win the Nobel Prize in Economics.

He returned to Washington, D.C., and for several years worked in the Department of Commerce in conjunction with the State Department preparing position papers for the U.S. delegation to the Organization for Economic Cooperation and Development (OECD) in Paris, France.

He left Washington to accept a position as an economist with the Iranian Oil Operating Companies based in Tehran, Iran. He spent four years in Tehran where he served as an advisor to the Operating Companies' efforts to promote economic development for the overall Iranian economy. At the same time, he worked with a team of economists

and engineers analyzing capital investment projects in oil producing and refining operations.

Returning from Iran in 1974 he went to work for GE Supply where he developed techniques to quantify the underlying relationship between the electrical industry and its key economic drivers. Clearly segmenting the industry's major markets led to improved resource allocation and simplified the planning process. This analysis and the resulting forecasts were available to managers at GE Supply and GE's manufacturing divisions. The positive feedback he got at GE for his interpretation of how the industry is segmented and how it behaves gave him the confidence to start DISC Corp. and to provide economic forecasts and analysis to the entire electrical market.



Herm Isenstein

in the global energy market. A freer hand to export our surplus oil and gas would promote growth in the American economy and that would, of course, promote growth in the electrical industry.

There is a direct impact on the electrical industry here. Just witness how much electrical industry sales jumped in those areas with the increase in shale exploration. DISC can measure the impact and in our latest April MSA analysis we can see the strong impact of the ups and downs of exploration on electrical industry sales in areas like Fargo, El Paso, Tulsa, etc.

For the electrical industry the battle ground is always at the local level. So I prefer to look at the direct impact of energy exploration in terms of how it directly affects the areas served by distributors directly, not so much at the national level.

And, of course, demand for one industry's output requires inputs from another industry creating a rippling effect across

all industries. Electrical distributors serve over 900 different industries and, in one way or another, whatever happens in the energy industry is going to affect electrical distributors across the board.

One philosophical note, Nassim Nicholas Taleb made a name for himself with his bestseller, "The Black Swan: The Impact of the Highly Improbable." As an economist, what are the toughest economic cycles/environments to analyze? What sort of Black Swan economic events keep you up at night?

That's a very hard question. Black Swan – isn't that like, expect the unexpected? In the electrical industry it's all about trying to figure out where you've been, where you are now and where you're going. In this industry there is a paucity of industry data and little or no hard product data. So it's hard for vendors, reps and distributors to know with

certainty what the past looks like and what the future holds. I like to think that DISC has contributed to everyone's understanding about the industry's past, present and future. But I'd like to make a solid contribution on the product front and with a little hard data I think I can do a lot with it.

But truthfully, what keeps me up at night is the responsibility I feel whenever I release a new outlook. I recognize many businesses rely on what I project and their profitability as well as the welfare of their employees are influenced in some way. It's not only a matter of pushing the send button and letting the numbers drop out. I revisit every update three ways to Sunday before I let go. And I know I am going to miss sometimes. I just want to be confident that I am steering the industry in the right direction and we are in the right ball park. I want to continue to do that.

(Continued on page 36)



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FutureView 2015

The electrical market's future looks even more interesting than where we have been in the past.

In an industry with as much tradition as the electrical business, it's always fun to reminisce about the past. But *Electrical Wholesaling's* 95th Anniversary is also a perfect opportunity to take a peak over the next hill and offer a wish list of the 10 things that could have the most impact on this industry in the future. *Electrical Wholesaling* published a similar FutureView article for its 75th anniversary 20 years ago in 1995, and the trends we saw back then seem pretty quaint in retrospect, considering all the changes that have happened since.

For instance, in that article, we talked about how "mind-blowing amounts of information" would be transmitted over the Internet. The World Wide Web existed back then, but it wasn't even a deer trail through the thicket of digital information compared to the mega-land superhighway that now carries a bazillion pieces of data every second. Since that time, changes and opportunities have hit the electrical wholesaling industry at warp-speed. Some of these changes will be fueled by technology and others by more efficient ways of bringing electrical products to market. Following is wish list *Electrical Wholesaling's* editors put together of the technological improvements we think could have the most impact on the electrical market.

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1. A day when the solar and wind industries aren't so dependent on federal incentives. The growth of the solar and wind markets over the past decade are impressive indeed. But they will become even more widely accepted when they don't rely on federal tax credits and other financial incentives to become more cost effective. New-generation solar cells have

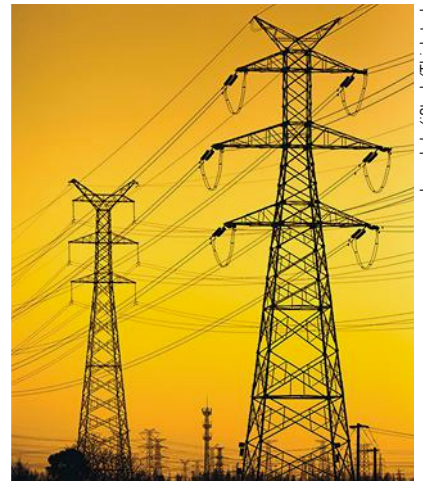
come a long way over the past few years in how efficiently they convert sunlight into electricity, but they still have a ways to go.



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2. An energy storage technology that allows solar fields and wind farms to store energy when it's not needed and feed it onto the grid when there's demand. Wind turbines don't produce electricity when the wind doesn't blow, and photovoltaic (PV) cells don't do much in the dark. And there are times when turbines and PV cells produce more electricity than the power grid needs, so electric utilities are looking to smooth out this intermittent flow of power into their grid with large-scale energy storage systems. Elon Musk's recent announcement that Tesla would begin producing the Tesla Powerpack battery for utilities and Powerwall battery system for homes is quite intriguing and it will be fascinating to see these products fulfill his promise of a revolutionary battery storage technology.

3. A modernized U.S. power grid that integrates electricity produced by rooftop power systems and large-scale PV fields, wind farms and other renewables, natu-



shansekal/iStock/Thinkstock

By Jim Lucy, Chief Editor

ral gas turbines and microgrids without unnecessary red tape from power companies thrown up to protect their legacy investments in conventional power plants. In the coming years, electric utilities will be in the middle of a huge battle between proponents of centralized versus decentralized power production. Some utilities are doing all they can to integrate solar, wind and other renewables into their existing power structure because they need to produce more power to service their customers and these energy sources are less expensive than building traditional power plants. But other utilities that don't see the same future increase in power demand seem to be spinning out miles of legislative red tape to slow down the advance of decentralized power production from renewables.

4. Cost-competitive electric vehicles you can drive without a touch of range anxiety. The move by Tesla and other auto companies into the electric vehicle market has been fascinating to watch. While it hasn't quite yet totally revolutionized the auto industry, once less-expensive, dependable, long-range batteries are developed, watch out. The sales opportunities for electrical distributors, manufacturers and reps with EV charging systems and related products such as circuit breakers, cabling and enclosures will be tremendous.



omada/Stock/Thinkstock

5. A reasonably priced online storefront – or some sort of outsourced e-commerce option – that allows even the smallest electrical distributors to compete on the same level as online giants like amazon.com and www.grainger.com. The six-figure investment it reportedly takes to build and maintain a top-shelf online storefront in the electrical market has thus far proved to be an impediment for their widespread use in the electrical wholesaling industry. Is there a better way out there for smaller distributors?

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6. A related challenge is the need for a dependable, easily updated, robust and easy-to-use online database for electrical products.

This database would include product specifications, pricing, installation videos, selling tools and other technical and marketing data that electrical manufacturers, independent reps, distributors and end users can integrate into their product selection, shopping and fulfillment processes. IDEA, Rosslyn, Va., has done a massive amount of work toward making this a reality and has built out a way to transmit and store error-free data. But more work needs to be done on the rich data end of the equation so distributors can have easy access to cut sheets, installation videos and other selling tools.

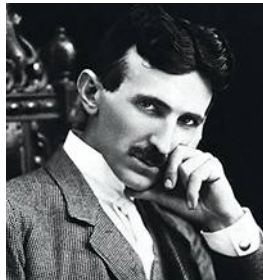


7. A profitable business model that electrical distributors can build and use to compete for the future sales of integrated LED lighting systems.

It will be fascinating to see where electrical distributors fit into the channel for selling LED lighting systems over the next decade, and which companies solve the inventory management riddle of knowing just how much to stock in a product where the technology is changing so fast.

8. Wireless power expands from short-distance, lower power applications into something really grand.

Okay, so maybe this one is really out there. But if there was a way, like Nikola Tesla imagined 100 years ago, to transmit massive amounts of power long distances wirelessly through the air – wow – think of how that would change the entire electrical industry.



9. Adding brains to gazillions of electrical devices as part of the Internet of Things movement sparks a whole new avenue of retrofit work.

This one isn't too hard to imagine happening, so it will be important for everyone in the electrical channel to keep up with new products that have sensors with IP (Internet Protocol) addresses so they can be monitored or controlled remotely.

10. More distributors buy into the concept of providing end users with one-stop shop for a package of electrical and non-electrical products by partnering with and or acquiring distributors from other verticals,

Turtle & Hughes, Linden, N.J.; Schaedler YESCO, Harrisburg, Pa.; Rumsey Electric, Conshohocken, Pa.; and Winwholesale, Dayton, Ohio, have been doing this for years, but the concept could work in many other regional markets. ■

(Continued from page 33)

What made you first decide to launch DISC in 1985, and what were some of the early challenges?

While I enjoyed working at GE as an economist and got a lot of positive feedback, I wanted to run my own my business. I decided I would just do it, and if it didn't work I would just get another job. I struggled at first, but my family, including my wife and five kids, were all very supportive. No one does it alone. I had friends who helped answer many questions for me. It wasn't the technical stuff, it was how do I market DISC and put it in front of the industry. One of my best friends said to me is, "This is an electronic world, and if you are going to produce all of these numbers, you better put this in an electronic format." He also said make sure you give customers the opportunity to integrate the forecasts into their own sales territories. This required customized software that took me several years to develop. When I began, Excel didn't exist. It was Lotus 1-2-3. Access didn't exist so customized software had to be written in a language that was extremely difficult to master for the functionality I wanted. It took two years before I was able to get a programmer to write sensible code to do what I wanted. It took another year before I was able to package it with my data and put it front of potential customers. I made no money for three years. But people stuck with me.

Bob Murphy, who at that time was with Hubbell Wiring Devices, in was one of the first, if not the first customer I had. He was instrumental in helping me refine the detail geographic data and I am grateful for his help.

Who were some of your industry mentors that helped you get DISC off the ground?

Marv Schylling, NAED president, was enormously helpful to me. His wise comments, I think, made the difference in succeeding or not. The National Association of Electrical Distributors (NAED) under his direction gave me so many chances to get in front of the industry. Some of the other people who helped me along the way were Art Hooper, NAED president; And Ken Hooper, Art's son and now president of the National Electrical Manufacturers Representatives Association (NEMRA); Panduit's Jack Caveney, Tristate's John Waltersdorf, NEMRA's Hank Bergson and George Young (editor of TED magazine); All-Phase's Ron Kinney and EESCO's Stan Weiss were early advocates. I also want to pay tribute to George Ganzenmuller with *Electrical Wholesaling*. ■

If you have any questions about DISC's subscription-based data services, contact Herm at herm@discorp.com or 203-799-3673.

The Power of GOOD HABITS

In their third article about their “Flow” sales training series, the authors teach you the basics of building better sales habits.

You might ask, “What’s new about habits? And how can habits help us sell better and reach flow states more often?”

Dozens of books, podcasts, seminars and apps about habits are available, and it’s been more than 25 years since Stephen Covey dazzled us with *The 7 Habits of Highly Effective People*. What could be new?

Two things are new, both the result of recent brain research. They have revolutionized how sales leaders in the electrical industry should think about habits. They are:

- We now know that over 95% of what each of your salespeople do each day is controlled by habits.

- We now know how habits form and we can develop almost any habit we decide to.

Skeptical? Read on to learn how we are helping our team master the skill of developing new and better sales habits. Have you failed to lose weight and keep it off? Failed to follow-through on a New Year’s Resolution? Failed to implement even one great idea from the last NAED, NEMRA, IMARK or AD seminar? You are not alone. In fact, you’re in good company.

Instead of changing ourselves, most of us look for ways to avoid change by changing employers, spouses, pant sizes, medications, etc., to accommodate the way we are. Change makes us uncomfortable. It’s such a bother, and most of us do not believe we can change.

We avoid change because we fail to recognize how much of what we do is habitual. Recent brain research has revealed that over 95% of the activities we do in each sales work day is run by habit. In effect, our subconscious brain actually controls our



By Mike Rockwood and Lou Pontarelli

Toonstyle.com/Thinkstock

daily sales activities based on learned patterns simply repeated to achieve predicted results.

So, if we try to change and don't understand the power of habits and how to form new habits, we fail frequently and mostly stop trying to change at all. That does not serve us well in this dynamic sales environment.

Some have theorized that the evolutionary role of habits is to free the executive part of our brains to prioritize and focus on the most critical issues of survival such as danger, food and reproduction. Whatever the role, recognizing the power of habits is the first step in taking control of them.

THE WRONG HABITS

The right habits are what make a salesperson successful. And the most successful salespeople make the habit changes necessary to constantly refine their sales activities. They make the job look easy because to them it actually is easy. They have good sales habits and are good at developing even better ones. Many of your sales habits hold you back from achieving higher levels of productivity and flow. Common ones include:

Habitual time management. You start no earlier than your competitors do and end your day no later than your competitors do. Think about that.

Habitual perfectionism. You try to do too much, too well, too fast, to please too many.

Habitual sales calls. You spend too much time and too many meals with non-key people from non-key customers and suppliers, leaving too little time for the most important ones of all.

Habitual work practices. You do not take advantage of new tools and practices to increase your productivity.

Habitual communications styles. You do not ask enough questions or the right ones and you probably do not listen well. Most of us do not.

Imagine the salesperson who does not have these bad habits, but has the opposite good habits. He will beat you consistently and seemingly effortlessly.

Crowd out bad habits by starting good habits. By understanding how habits are formed and acting on that knowledge,



Mike Rockwood (left) and Lou Pontarelli, Associated of Los Angeles, put their heads together to develop this innovative sales training course.

new habits can be developed to crowd-out or overpower the less desirable ones. Habits have three components: “the cue,” “the routine” and “the reward.”

The “cue” is the stimulant that starts the habit. One example is when you get into your car to drive to work. The “routine” is what you do to respond to the cue. For instance, the route you take, speed you drive and so on, executed mostly without interruption by habit, by your subconscious mind. Your “reward” is arriving at work, just like you wanted. The habit is reinforced, to be repeated again tomorrow morning.

Developing a new habit requires four things:

Name it. In writing, with clarity and in detail name the habit you wish to develop.

Find the motivation. Whether this comes from sincere personal motivation to achieve the goal, from a desire to support the rest of the team or from embarrassment avoidance, it makes no difference. The key is to make sure motivation is there.

Get group support. Jenny Craig knew it, and so did Bill Wilson, founder of Alcoholics Anonymous. A support group with fast feedback is essential to forming new habits. Joining with your sales team and publicly announcing your intent to develop the new habit has a powerful emotional and psychological impact that cements

your resolve.

Practice the new habit for a prolonged period. Depending on the complexity of the habit, researchers agree it takes between 21 and 120 days of practice before the new habit is formed and you begin performing it without “thinking” about the new habit.

NOT ALL HABITS ARE EQUAL

Some “Keystone Habits,” are more important than others, because mastery of them improves other critical behaviors. Sales examples include:

1. Making five outbound “warm” phone calls each day. Credit for this one goes to Amanda Wolfe from NW Electrical Supply. I learned it from her at a recent IMARK Sales Builders meeting.

2. Showing up on-time, ready to work, every day.

3. Doing what you say you will do, always.

4. Following through on all things you start.

5. Working on important things first, every single day.

6. Being in-person, eyeball-to-eyeball with your most important customers every working day.

To us, this final one is the most “key-

(Continued on page 42)

Why Non-Stock Inventory is a No-No

The author believes non-stock items are the scourge of the electrical wholesaling industry and he offers some ideas on how to get rid of them.



diaojiang / iStock/Thinkstock

On the way to the bank to deposit my profits, I looked at my smartphone report that said my inventory grew by 28% without my knowledge or consent. Aside from almost having a wreck and heart attack, I threw my phone on the car floor!

By Allen Ray

Is that a little too dramatic? Not for some distributors I know. Many of them tell me their inventory has grown anywhere from 15% to 35% in a single year even though they really didn't plan on investing that much money to service their customers. Many said they had pre-determined the amount of dollars they were prepared to invest at their yearly planning sessions, but to their frustration the overall dollar size

continued to grow. Following are some examples that might raise your eyebrows. Names and all descriptions of the guilty distributors are being withheld because of likely embarrassment.

Example #1. This distributor does about \$225 million to \$260 million in annual sales but has approximately \$14 million on the books as non-stock/unclassified and unpriced items. That's a big deal,



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particularly when you consider how many people a distributor needs to handle this inventory. This distributor figures he has enough inventory to service over 110% of his current customer base. On top of that, he knows he's being cherry picked by certain contractors.

To make matters worse, in a rising copper price market, customers hedge their bets on the price of copper by placing a large order for the copper and then putting it on hold. The distributor's salesperson knows that the customer is hedging the price of copper and doesn't charge the customer any money to play with the "distributor's money," because the distributor buys at that price. If the price of copper goes down, the customer cancels the order and then re-orders at the lower price. It's like buying fuel or oil futures, and it's a no-risk bet for the customer.

Example #2. This distributor is in the \$190 million to \$210 million range in annual sales and has approximately \$11.9 million in non-stock/unclassified inventory. There was no telling what was lurking in dark corners. Approximately \$3.3 million in these items were eventually reclassified and is available for sale. While it was reclassified, it was not planned inventory. But it sits on the shelf unwanted, tying up cash.

WHY NON-STOCK INVENTORY APPEARS ON THE SHELVES

Non-stock inventory is the scourge of all distribution industries. Distributors didn't plan on having it and certainly didn't plan on investing money in it, but they get stuck with it on the shelf. With the purchase of new ERP (enterprise resource planning) systems, many distributors now have the software to collect SPAs (special pricing authorizations). But non-stock inventory is still something that many distributors aspire to conquer, but few have solved. Let's look at how unplanned inventory ends up your shelves. Generally speaking, non-stock can be lumped into several categories.

Local fill contract agreements gone bad. A local fill contract is a gentlemen's agreement between two competing distributors who are often in the same marketplace. They usually agree that if one company has a customer who needs an item, the other one will sell it to them at a pre-determined benchmark price, such as 20% off one of the Trade Service price columns, which are supposed to be published by manufacturers.

In these agreements, the distributors generally don't expose their inventory levels, because a competing distributor could make a very good living off someone's inventory investment and have no risk at all. Local fill agreements turn sour when final billing does not match perceived agreements. Distributors are just trying to service their customers.

Non-stock-purchases from the manufacturer. The order cancels mid-shipment and ends up on the distributor's shelf. To add to the problem the manufacturer has a minimum amount greater than the distributor needs.

Unassigned freight cost. Distributors sometimes see this at the end of the year.

Shipping delays. Products for projects that ship long sometimes end up on the distributor's shelf.

Non-stock inventory with mispricing or no pricing. This happens when salespeople game the system when they log in the order. Some salespeople place the order in a ship-complete category and place it on hold. At a later date, they add it to another order and it will ship. Because the other order is still on hold, your inventory count is

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advertiser's index

Advertiser	Page No.
AEMC	7-8
Appleton Group	18-19
Burndy	IFC
Calpipe	35
Circuit Breaker Sales	42
Damar Worldwide	15
Forest Lighting	5
General Cable	10-11
Ideal Industries	IBC
ILSCO	22-23
Iplex USA	13
Klein Tools	2-3
Orbit Industries	33
Schneider Electric	9
Schneider Electric	29
Southland Electrical Supply	26-27
Southwire	BC
Topaz Lighting	17

This index is a service to our readers. Every effort is made to maintain accuracy, but Electrical Wholesaling cannot assume responsibility for errors or omissions.

off, and no one trusts it.

Distributors have an ongoing fight with customers to pay for freight on non-stock items. Some distributors think that because an item isn't in stock, maybe they should order it. Salespeople have a hard time having that freight discussion with customer.

When the customer is not advised or even notified of the freight cost, strange things happen with the way an order is entered or handled by salespeople. Depending on the business software and the way it's set up, sometimes a salesperson can figure out a way to game the system. Without getting into great detail about how salespeople do this, it often involves forcing a product into a distributor's ERP system with a phony description and price and putting that product on hold. Oftentimes these nonstock items sitting on hold cause lots of problems for the year-end inventory

counts distributors need for rebate purposes and SPAs. The bigger the distributor, the bigger the problem.

Some distributors will blow away the non-stock issue by thinking money is cheap at 1%. The problem with that logic is if bank interest rates go up over 1% what do you do? You've got a larger problem than you think.

OFF-BOOK HIDDEN INVENTORY

Through all these discussions, keep in mind that opportunities exist for non-stock inventory that goes off book or out of the vision of management. In most cases, money has been used to buy this stock one way or another. But the question is, if it's not in your cycle count or visible in your system, is the problem compounded?

The problems with nonstock inven-

tory have been around since the days of Kardex inventory-management systems, and they continue with modern-day ERP systems.

They won't go away unless distributor management makes an extreme effort to put in productivity processes that rely on their computer systems to carefully check and clean out the cancelled orders. Other ways to cut down on non-stock inventory is to watch sales order patterns more closely and to reinforce positive behavior. ■

Allen Ray has years of experience as a distribution business owner and in information systems. He has also been a marketer of product data and is currently a consultant to distributors, advising clients on how to stop profit leakage and grow their bottom line. You can contact him at allen.ray@growthwizards.com.

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(Continued from page 38)

stone” of all sales habits – like playing your position on a sports team. My youth hockey coaches always told us, “It does not matter how tough you are, how good your backhand is or how fast you can skate if you are not out in front of the net. You will not even be in the right place when your teammates need you to score.”

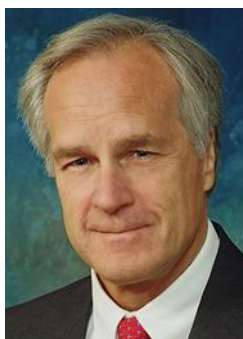
In the same way, it does not matter how well you listen, how well you know the product, how well you ask questions or how organized or productive you are, if you are not “playing your position” in the presence of the most influential people at the most important customers every single day.

This is a Keystone Habit because mastering it maximizes your time in the most demanding place. Your product knowledge, your listening skills, your ability to use questions effectively, your negotiating skills will be sharpened if you spend more time with the top customers and less time with others.

Keystone Habits are more important and they are also more difficult to develop. Our sales team at Associated of Los Angeles has struggled for over a year with Habit #6. This quarter, we've developed an app that helps us get almost instant feedback about how we are doing with the habit. We will let you know in the coming months if we finally make some progress on it. So, when it comes to choosing a Keystone Habit for your sales team to work on, follow the advice of the Old Knight to Indiana Jones. “You must choose, but choose wisely!” ■

Mike Rockwood, executive vice president and general manager, Associated of Los Angeles in Los Angeles and Lou Pontarelli, the company's sales and marketing manager, are sales veterans with years of experience in the electrical market. You can email Mike at mrockwood@associatedla.com and Lou at lpontarelli@associatedla.com.

McNaughton-McKay (Madison Heights, Mich.): **John (Jack) R. McNaughton III** retired on Dec. 31 after 37 years at the company. Jack is the grandson of co-founder John R. McNaughton and was most recently executive V.P. and COO. In related moves at McNaughton-McKay, **Scott Sellers** has been named executive V.P. of operations and **John Kuczmanski** is the new executive V.P. and CFO. Sellers has been working with McNaughton for the last year to transition into his new role and has 31 years of experience with McNaughton-McKay. He is a graduate of Michigan State University with a degree in system sciences. Kuczmanski is a graduate of Michigan State University and has been with McNaughton-McKay since 1998, helping to manage the company's financial assets and interfacing with financial institutions and insurance companies.



McNaughton



Sellers



Kuczmanski

Industry Data Exchange Association, Inc. (IDEA) (Arlington, Va.): **Barbara Prince**, manager, data quality and distributor services has retired after five years with IDEA and 45 years within the electrical channel. She will continue to work as an IDEA consultant with a dedicated focus on IDEA's Data Certification Program and related data quality initiatives. Following Prince's retirement, **Sherri Thorne** has now taken over management of the IDW Data Management Specialist and IDW Data Quality Specialist teams as IDW manager, client services.

Prior to her time with IDEA, Prince began her career in the electrical industry working with Mau-Sherwood Supply, a small industrial distributor in Cleveland, before moving to Carlon/Lamson & Sessions, where she spent 35 years in a number of roles, including data entry, programming, total quality, and electronic data interchange (EDI). She was also responsible for implementing and supporting Carlon's IDW data. When Thomas & Betts later acquired Lamson, Prince helped with integration and IDW data support efforts. Throughout her career, Prince participated on various industry standards committees to develop EDI standards, packaging

guidelines, and bar code guidelines, emphasizing the need for standards in the IDW and in the channel.

Graybar Electric Co. (St. Louis): **Tammy Livers** has been named V.P., strategic accounts. She has nearly 18 years of industry experience, most recently serving as V.P. of sales for Eaton's Residential and Wiring Device Division. In her new assignment, Livers will lead Graybar's strategic accounts organization, which focuses on business development, service and support for large, multi-site and global customers.



Livers

She previously held sales, management and leadership roles with T&B, Hubbell, Cooper Industries and Eaton and was recognized with the National Association of Electrical Distributors (NAED) Trailblazer Award and the National Electrical Manufacturers Representatives Association (NEMRA) Thomas F. Preston Manufacturer of the Year Award.

Crawford Electric Supply/Sonepar USA (Dallas): **Tim Horny** is now president of Crawford Electric Supply. Most recently Horny was regional V.P. of the company's Central/South Texas region.

OBITUARY

Joel Spira, founder and owner of Lutron Electronics Co., Coopersburg, Pa., died April 8, at age 88, according to an article in eastern Pennsylvania's *The Morning Call*. Details on surviving family members outside of his wife, Ruth, and daughter, Susan Hakkarainen, a senior V.P. at Lutron, were not available at press time.

In a business with so many new players from the semiconductor and electronics industries and a steady parade of new execs managing the lighting businesses of mega-conglomerates and then moving on, Joel Spira stood out for decades as a widely respected lighting industry icon. He was the consummate entrepreneur, a familiar face at all of the national lighting events, and a true legend in the lighting market.

Lutron said in a press release that the company's ownership will remain in the Spira family. This is in keeping with the founders, Joel and Ruth Spira's wishes that the company remain a private family-owned and run business. **Ruth Spira** and her daughter, **Susan Hakkarainen**, will be the co-chairmen and will lead the company with **Mike Pessina**, company president, and the current management team.

Electrical Wholesaling magazine (Overland Park, Kan.): **Bob MacArthur**, president of Penton Media's Industrial Group and a long-time leader and friend of this publication, is retiring on May 15 after 25 years in the publishing industry. He joined the company (then known as Intertec Publishing) in 1990 as advertising sales manager in the electrical group and was promoted to associate publisher, publisher, V.P. and senior V.P. before recently attaining his current position.



MacArthur

Dakota Supply Group (DSG) (Fargo, N.D.): The company promoted **Ryan Tracy** to sales manager. In this newly created position, Tracy will work with DSG sales personnel in every department and branch, as well as the company's chief segment officer, to identify and develop areas for growth. He will continue to work out of DSG's Aberdeen, S.D., branch. Tracy has worked for DSG since 1995, most recently as the plumbing segment manager, and for now he will also retain those responsibilities.



Tracy

Affiliated Distributors (AD) (Wayne, Pa.): **David White**, president of Shealy Electrical Wholesalers Inc., Greenville, S.C., is now on the marketing/buying group's board of directors. White said in an AD press release that 2015 marks the 30th anniversary of Shealy Electrical Wholesalers joining AD.



White

Galvan Industries, Inc. (Harrisburg, N.C.): **Roger Montambo** stepped down from his post as V.P. of electrical products on April 1 after 17 years of service. Jim Lund, who joined the company in 2002, will assume his role in leading the electrical products team. **Jeff Walker** and **Wesley Fritsche** will continue as national sales managers. **Michele Warren** and **Hope Corley** will continue as inside sales and customer service support. One of Montambo's major accomplishments at Galvan was spearheading the successful drive for UL listing of galvanized ground rods. He also made sure that every Galvan ground rod that could be listed was listed. "Always take the high road," was, and is, Montambo's mantra where product quality and safety are concerned.

REP NEWS

Galvan Industries Inc., Harrisburg, N.C., added three new reps to serve the commercial/industrial and utilities markets in the Southeast — **Bishop & Brodgon**, Atlanta; **Electrical Sales Associates**, Weston, Fla.; and **W. R. Daniel**, Mooresville, N.C.

Bishop & Brodgon will represent Galvan's line of ground rods, grounding connectors, clamps, tools and accessories to wholesalers in Georgia, Alabama and the Florida panhandle. Electric Sales Associates will represent Galvan products to utilities across the state except for the Panhandle. W.R. Daniel, an established utility market specialist, will represent Galvan to utilities throughout North and South Carolina.

Calconduit, Rancho-Dominguez, Calif., has hired **MWE Inc.**, Kansas City, Mo., to cover Kansas and western Missouri. MWE focuses on electrical construction products and solutions for commercial, residential, and industrial use.

Ryall Group, Lakewood, Colo., will represent *Engineered Products Co. (EPCO)*, Minneapolis, in Colorado and southern Wyoming. Founded in 2004, Ryall Group has satellite offices in Tulsa, Okla.; Salt Lake City; and Williston, N.D.

General Cable, Highland Heights, Ky., awarded two reps with its prestigious 2014 Representative of the Year award: **Casey Electric Sales**, Carol Brand/General Cable Branded Products and **Pacific Western Agencies**, Stabiloy/Nual Brand Products. Winning its Representative Inside Sales Associate of the Year were **Mike Clementson**, **ElectroTech Inc.**, Carol Brand/General Cable Branded Products, and **Terence Uhler**, **Pacific Western Agencies**.

Director's Club Awards were given to the company's reps based on attainment of 2014 business plan objectives were given for both product groups, too. The 2014 Director's Club Awards for Carol Brand & General Cable Branded Products were Northeast region: **C.C. Pierce** and **Vertex Innovative**; East Central region: **Casey Electric Sales** and **Lester Sales**; West Central region: **Case Electric Sales Co., Inc.**, **Rains Electrical Sales Solutions Inc.** and **Byron Carson Co.**; and Southwest region: **EMMCO & Associates** and **ET Cable Sales**.

Director's Club Winners for Stabiloy and Nual Brand Products were East Central region: **Casey Electric Sales**; **Team Electrical Sales**; and **Hawkins Sales of Ohio**; West Central region: **Casey Electric Sales** and **RT Electrical Sales Co.**; and North West Central region: **Pacific Western Agencies**.

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