

A Bimonthly Newsletter of the Association for Hose and Accessories Distribution

OCTOBER 2012

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Save These Important NAHAD Dates

Nov 13 - 15 Sales Professional

2012	Training Camp Dayton, OH
April 20	- 2429th Annual Meeting
2013	& Convention
	Gaylord National

Harbor
Washington, DC

April 26 – 3030th Annual Meeting

2014

& Convention
JW Marriott Desert
Ridge
Phoenix, AZ

VISIT www.nahad.org for

NAHAD Convention 2012 Slide Show



Profit Improvement Report

Surviving the Recovery

By Dr. Albert D. Bates President, Profit Planning Group

The American economy continues to grow at a rate that is somewhere between modest

and anemic. Good economic news is almost always followed by bad news. The hope that a rising tide would lift all boats seems ephemeral.

In a slow-growing market, the challenge is to somehow maintain sales momentum at a rate that exceeds the growth of the market as a whole. It is a difficult, but not insurmountable, task.

This report looks at sales growth in a somewhat unconventional manner. It will do so by exploring two aspects of the sales equation:

- The Sales Mandate—An examination of the relationship between sales growth and profitability.
- **Cost of Goods Not Sold**—Some specific suggestions for ensuring that the firm gets every dollar of potential sales.

The Sales Mandate

One of the central tenets of profit improvement is that sales must grow faster than the expenses required to generate those sales. In particular, sales must increase faster than payroll expenses—including all salaries, commissions, bonuses, social costs (Medicare and FICA) as well as health insurance and retirement, usually a 401(k) program.

The real requirement with regard to sales growth is for that increase in sales to be larger than the increase in payroll expense. This is what is commonly call a sales-to-payroll differential. A realistic target for the differential is two percent.

If sales increases by 10.0%, then payroll could be allowed to increase by 8.0% to support the sales increase. As long as sales volume is growing at a reasonable rate, such as 10.0%, then the objective seems "easy" to achieve. When only a 5.0% increase in sales is possible, payroll must be controlled more aggressively, so that only a 3.0% increase is allowed.

Continued on page 10

Congratulations Exam Passers

The following NAHAD Listed Members have successfully passed a Hose Assembly Guidelines Specification or Design and Fabrication Exam from 05/11/2012 to 09/18/2012

Corrugated Metal Hose (Specification)

- William Busse, Jr., Motion Industries
- Shelley Fleming, National Hose & Accessory
- Andrew Denne, Hose Supplies New Zealand Ltd.
- Jeff Glosch, Motion Industries
- Anthony Mudd, National Hose & Accessory
- Steve Ward, Twin City Hose, Inc.
- Mike Petron, Motion Industries
- Eric Roach, LewisGoetz
- Stuart Wittet, Trinidad Hose
- · Gary Mattson, Motion Industries
- · Lester Rosales, Motion Industries
- · Chad Carter, Motion Industries
- Bill Southern, Motion Industries
- James Allen, Motion Industries
- Chuck McCombs, Motion Industries
- · David Wilmoth, Motion Industries
- Christopher Desselle, GHX INDUSTRIAL, LLC

Industrial Hose (Specification)

- Wendy Moore, Norwesco
- Ralf Bose, Norwesco
- Tony Ainsworth, Blackwoods Protector
- Andrew Balerud, LewisGoetz
- Jeff Buttleman, LewisGoetz
- Debbie Drennan, LewisGoetz
- John Phillips, Robsco Inc.
- Stuart Wittet, Trinidad Hose Company
- Al Melendez, Amazon Hose
- Ismael Varagas, Amazon Hose
- Steven Rembert, Amazon Hose
- Gilberto Cardona, Amazon Hose
- Mark Luinstra, LewisGoetz
- · Jamey Compton, LewisGoetz
- Robert Morales, National Hose
- Chris McCrary, LewisGoetz
- Cody Graham, LewisGoetz
- Brendan Miller, Peerless Mill Supply
- Bryan Colquitt, LewisGoetz
- Joseph Schoth, LewisGoetz
- Murray Brunt, Norwesco
- · Audrey Dastrup, LewisGoetz

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PRESIDENT'S LETTER



Dear NAHAD Members,

The NAHAD Board meets on a semi-annual basis; one meeting scheduled during the annual meeting and the other in late September of each year. Every three years, the Board engages in an expanded planning exercise which helps us establish organizational priorities for the coming years. With the fall meeting freshly behind us (at the time of this publication) we would like to share some of the activity on the meeting agenda.

Typical of any organization we have the required approval of meeting minutes, budget reviews, annual audit reviews, Committee reports and general governance as established by the Association Bylaws. Specific areas of discussion worth sharing include:

- 1. A detailed review of the year-to-date (YTD) Operating Statement which is reviewed monthly by the Executive Committee and semi-annually with the entire Board.
- 2. Nominating Committee activities for future Board seats and the George Carver Award.
- 3. A Board study of suggestions and opinion provided by the membership after each annual meeting to continually improve the content of that event.
- 4. A thorough review of the major objectives established by the Board every three years to make certain we are acting on these objectives and staying on course with activities tied to the Hose Safety Institute, regular communication to the membership, branding of the organization, growing the organization, etc.
- Dialogue regarding potential threats to industry associations due to industry consolidation of vendors and distributors.
- 6. Keeping the NAHAD value proposition relevant i.e. make certain we are spending money on items that truly provide value.
- 7. Review of the Membership model as our industry changes.
- 8. Other future association impact discussion points, such as communication, volunteerism, education, etc.

There is a time commitment made on the part of each of our Board members to keep our organization progressive, fiscally sound and of great value to our membership. Please join me in thanking them for this effort, their commitment over two long weekends each year and their interest in our industry. Their ongoing commitment ensures NAHAD's success, which will translate to the continuing success of our members' businesses. They take the responsibility for organizational oversight of this NAHAD organization very seriously.

Regards

Don Fritzinger, NAHAD President



NAHAD Board of Directors met on September 22 at the Gaylord National In Washington, DC, site of the 2013 Annual Convention.

NAHAD 29th Annual Meeting & Convention

Gaylord National Convention Center National Harbor, Maryland April 20-24, 2013

Preliminary Schedule

Friday, April 19, 2013

- Committee and Board Meetings
- Early Registration Opens at 2:00 pm

Saturday, April 20, 2013

- · Main Arrival Day
- Registration (9:00 am 7:30 pm)
- · Board Breakfast Meeting
- · Speed Networking Luncheon and Sessions*
- Opening and General Session (2:00 pm 5:00 pm)
- First Timers Reception
- Opening Welcome Reception

Sunday, April 21, 2013

- Registration (8:00 am 5:00 pm)
- Delegate Breakfast and Spouse Brunch
- UID in a Day morning session
- · Luncheon with Key Note Speaker
- · UID in a Day afternoon session
- · Manufacturers and Associates Hospitalities Evening

Monday, April 22, 2013

- Registration (7:30 am 12:30 pm)
- Delegate Breakfast
- Annual Meeting of Members
- · General Education Session
- Golf Tournament at Lake Presidential*
- Tours of Washington Attractions*
- Exhibitor Set-up of Showcase Booths
- Open Evening to Entertain and Enjoy Washington, DC

Tuesday, April 23, 2013

- Registration (7:30 am 2:00 pm)
- Delegate Breakfast
- Spouse Tour with Luncheon*
- Showcase of Hose Solutions (9:00 am 2:00 pm)
- Trading Partners Meetings* (2:00 pm 5:00 pm)
- · Cocktails, Closing Dinner and Entertainment
- · Children's Dinner and Party*

Wednesday, April 24, 2013

- Departures
- * Requires Pre-registration

Test Pilots Needed for New Hose Safety

Institute Exams



AHAD's Hose Safety Institute (HSI) is now soliciting candidates to pilot the new on-line Hose Assembly Guidelines exams. NAHAD and Hose Safety Institute member companies may nominate up to 3 participants for each of

For NAHAD members who are not currently HSI members, this is a great way to gain access to the exams and see the value they can have for your company. Participation in the pilot exams will also provide you with a greatly

reduced price for the new Hose Safety Institute Handbook

Pilot exams will be offered at *no cost* (a \$59 value), although the company must purchase at least one copy of the new *Handbook* (at a pre-publication price of \$79 each) for review and use by the exam participants.

the five exams.

Member companies may submit candidates by completing the form on the NAHAD website. Completed forms should be emailed to dmitchell@nahad.org by October 8, 2012. Candidates may be nominated to take one to five exams, depending on their areas of expertise. Applicants will be contacted with additional information once final candidates are selected.

Following two years of effort by over 100 volunteer experts, the NAHAD Hose Safety Institute will soon introduce the all new *Handbook for the Design & Specification of Safe Hose Assemblies*. This new 301 page compendium includes updated and expanded content for the design and specification of industrial, hydraulic, fluoropolymer, corrugated metal and composite hose assemblies, as well as enhanced information regarding industry definitions, hose assembly cleaning, packing and storage, assembly testing, quality programs, and more.

Along with the new *Handbook*, the Institute is also introducing **five new online examinations**, based on the content contained in all 16 chapters of the *Handbook*. These new exams will replace the current Hose Assembly Specification exams, effective in early 2013. The new exams, like the current ones, will be made available to NAHAD Hose Safety Institute Members for testing the knowledge of employees, enabling them to provide better customer service, and providing an opportunity to recognize their achievement, as well as for meeting compliance with Hose Safety Institute membership requirements.

A final step in the development of the new exams requires conducting a **Pilot Testing process**, to verify the validity of all exam questions, and to determine the pass/fail score for each exam. **NAHAD is seeking approximately 25 members to take each of the new open-book, online exams.** Pilot exams will be offered at no cost (a \$59 value), although the company must purchase at least one copy of the new Handbook (at a pre-publication price of \$79 each) for review and use by the exam participants.

Participating employees should be representative of your company - inside/outside sales, warehouse persons, hose assembly fabricators, etc – and reflect a range of experience and competency, from fairly recent hires with little experience to those who are your best experts. Each online exam includes 60 - 70 multiple-choice questions, with one correct answer per question, requiring 45 to 60 minutes to complete. Candidates will be allowed to reference the Hose Safety Institute Handbook during the exam, but are encouraged to study it prior to the exams.

Once the Pilot Testing process is concluded, all participants who achieve a passing score will receive credit for successfully completing the test and will receive a Certificate of Completion. Their success will apply to meeting the company's Hose Safety Institute membership requirements. Completed forms should be emailed to dmitchell@nahad.org by October 8, 2012.

- · Jon Hostrander, RW Connection, Inc.
- Marshall Black, RW Connection, Inc.
- Travis Tschumy, Blackwoods Protector
- Ed Coward, Norwesco
- Brandon Marshall, GHX INDUSTRIAL, LLC
- David Reinhardt, GHX INDUSTRIAL, LLC
- Martin Mackall, LewisGoetz
- Robert Wason, LewisGoetz
- Andy Lee, Hose Supplies New Zealand Ltd.
- Steve Archer, Hose Supplies New Zealand Ltd.
- · Nigel Bennett, Hose Supplies New Zealand Ltd.
- Andrew Denne, Hose Supplies New Zealand Ltd.
- Shelly Salisbury, National Hose & Accessory
- Nathan Hanna, National Hose & Accessory
- Dan Rochelle, LewisGoetz
- Michael Lopez, Auster Rubber Company
- Derek Weidell, LewisGoetz
- Tim Conn, GHX INDUSTRIAL, LLC
- Kevin Mark, Norwesco
- Don Presley, GHX INDUSTRIAL, LLC
- Neil Miko, Norwesco
- Steve Davison, Veyance
- Randy Kish, Veyance
- Donya Marshall, GHX INDUSTRIAL, LLC
- David Nelson, Motion Industries
- Daniel Arnold, Motion Industries
- Ronnie Anderson, Motion Industries
- Darren Hill, Motion Industries
- James Overton, Motion Industries Lester Rosales, Motion Industries
- Bryan Winterling, Motion Industries
- Casey Greenfield, Motion Industries
- · William Otto, Motion Industries
- William Busse, Jr., Motion Industries
- Derek Utley, LewisGoetz
- Patrick Swint, LewisGoetz
- Justin McCoy, LewisGoetz
- Frederick Mitchell, JGB Enterprises Inc.
- · Mike Jones, RW Connection, Inc.

Composite Hose (Specification)

- · Travis Tschumy, Blackwoods Protector
- Nick Watson, Hose Supplies New Zealand Ltd.
- Nigel Bennett, Hose Supplies New Zealand Ltd.
- Andrew Denne, Hose Supplies New Zealand Ltd.
- · Craig McDonald, Blackwoods Protector

Hydraulic Hose (Specification)

- Robert Watson, LewisGoetz
- Chris McCray, LewisGoetz
- Joseph Schoth, LewisGoetz
- Jeremy Gallman, LewisGoetz
- Marcus McGuire, LewisGoetz
- Eric Roach, LewisGoetz
- Gregg Brannon, LewisGoetz
- Stuart Wittet, Trinidad Hose Company
- Adam Gilbert, Hatec
- David Reinhardt, GHX INDUSTRIAL, LLC

- Murray Brunt, Norwesco
- Miseal Luna, National Hose
- Don Presley, GHX INDUSTRIAL, LLC
- Jonathan Reeves, LewisGoetz
- Loren Dobs, LewisGoetz
- Jon Hostrander, RW Connection, Inc.
- Ed Coward, Norwesco
- Brandon Marshall, GHX INDUSTRIAL,
- Brian Walker, LewisGoetz
- Ivan Tyson, LewisGoetz
- Jessie Walters, LewisGoetz
- Audrey Dastrup, LewisGoetz
- Nick Green, National Hose & Accessory
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- Cody Graham, LewisGoetz
- Marshall Black, RW Connection
- Donya Marshall, GHX INDUSTRIAL, LLC
- Wendy Moore, Norwesco
- Neil Miko, Norwesco
- Jeff Shoff, RW Connection
- Karina Robinson, Veyance
- John O'Leary, LewisGoetz
- James Allen, Motion Industries
- Daniel Arnold, Motion Industries
- Douglass Lindstrom, Motion Industries
- Lester Rosales, Motion Industries
- Bryan Winerling, Motion Industries
- Casey Greenfield, Motion Industries
- · William Otto, Motion Industries
- · William Busse, Jr., Motion Industries

Fluoropolymer Hose (Specification)

- Mike Petron, Motion Industries
- Will Jenkins, RW Connection
- Bill Southern, Motion Industries
- Brandon Rostas, Motion Industries
- Lester Rosales, Motion Industries
- Bryan Winterling, Motion Industries
- Jon Mugnier, Motion Industries William Otto, Motion Industries
- Chuck McCombs, Motion Industries
- William Busse, Jr, Motion Industries
- Jesse Compton, Motion Industries
- Larry Wild, LewisGoetz

Corrugated Metal Hose (Design and Fabrication)

- · William Busse, Jr., Motion Industries
- Frank Caprio, Hose Master
- Joseph Valenti, Hose Master
- · Brian McMahon, The Briggs Company
- Larry Wild, LewisGoetz
- James Allen, Motion Industries
- Lester Rosales, Motion Industries
- Phillip Thomas, Motion Industries Bill Southern, Motion Industries
- Mike Petron, Motion Industries

Industrial Hose (Design and Fabrication)

- Lillian Reynolds, The Briggs Company
- Ian Brewster, Arco Hose
- Curtis Bristow, Power Equipment and Engineering
- Todd Jones, GHX INDUSTRIAL, LLC
- Karen Rader, GHX INDUSTRIAL, LLC
- Eric Baker, GHX INDUSTRIAL, LLC
- Dennis Blakemore, Summers Rubber Company
- Brian Shonebarger, Hart Industries, Inc.
- Joe Egan, Motion Industries

- James Overton, Motion Industries

- Sam Carrabino, Motion Industries
- Dwight Davis, Amazon Hose
- William Busse, Jr, Motion Industries
- Frederick Mitchell, JGB Enterprises Inc.
- Randy Thompson, Amazon Hose & Rubber Company

Sue Cox, Summers Rubber

Hydraulic Hose (Design and Fabrication)

- Sue Cox, Summers Rubber Company
- Karen Rader, GHX INDUSTRIAL, LLC
- Todd Jones, GHX INDUSTRIAL, LLC
- Allan Pierce, GHX INDUSTRIAL, LLC Dennis Blackmore, Summers Rubber

- Randy Thompson, Amazon Hose
- Albert Bookhart, GHX INDUSTRIAL, LLC
- Mike Petron, Motion Industries
- Daniel Arnold, Motion Industries
- Brad Klages, Motion Industries
- Chris Grillo, LewisGoetz

Fluoropolymer Hose

- Sue Cox, Summers Rubber Company
- Jesse Compton, Motion Industries
- Glendon Gerard. Motion Industries
- Jim Thissen, Rubber & Accessories, Inc.

- Sue Cox, Summers Rubber Company

- Brandon Marshall, GHX INDUSTRIAL, LLC
- Allan Pierce, GHX INDUSTRIAL, LLC
- Albert Bookhart, GHX INDUSTRIAL, LLC

- Darren Hill, Motion Industries
- Daniel Arnold, Motion Industries
- Lester Rosales, Motion Industries
- Casey Greenfield, Motion Industries
- Barry Spurney, Amazon Hose
- Bruce Behrstock, Ace Hose and Rubber Co.

- William Busse, Jr., Motion Industries
- Eric Baker, GHX INDUSTRIAL, LLC
- Timothy Conn, GHX INDUSTRIAL, LLC
- Company
- Brandon Marshall, GHC
- Dwight Davis, Amazon Hose Barry Spurney, Amazon Hose
- Joe Egan, Motion Industries
- Sam Carrabino, Motion Industries
- Brandon Rostas, Motion Industries
- Lester Rosales, Motion Industries
- Casey Greebfild, Motion Industries

(Design and Fabrication)

- Lester Rosales, Motion Industries
- William Busse, Jr., Motion Industries



The Fundamental Sales Competency

By Tom Reilly, author of Value-Added Selling

hen reduced to its single dynamic, buying and selling is an information exchange. The buyer provides the seller

with information about his or her needs; the seller processes that information, and offers the buyer information about a solution to satisfy these needs. Accordingly, the fundamental competency in which salespeople must achieve mastery is communicating. Communicating in sales means asking the right questions, listening, and explaining the value of a solution to the buyer. In this installment of Sales Bytes, we will explore what it means to ask good questions and listen.

Probing is the fundamental selling skill. Salespeople ask questions for several reasons: to gain information about the buyer's needs; to discover the buyer's definition of value; and to demonstrate a genuine concern by the salesperson for the buyer's welfare. It follows that the questions must encourage the buyer to respond openly and honestly about their needs. This means two things for salespeople.

First, the questions should be open ended. Open-ended questions generally begin with why, how, what, or tell me about. These questions encourage the buyer to offer a lengthy response. When the salesperson's objective is to get as much information as possible, the questions should be open ended. Second, the questions should have a neutral intent. Some salespeople attempt to shape the buyer's thinking by asking questions that are self-serving. Buyers respond predictably to this-they get defensive and feel manipulated. How would you respond to this question by a salesperson, "Quality and service are important to you, aren't they?" Who can say "No" to this question! If the intent is to get the other person to open up about his or her needs, the questions must inspire trust.

A complementary skill to probing is active listening. Active listening is more than the awareness of sound. It is patiently listening and responding to the buyer. This means setting aside one's personal agenda to process accurately what the other person says. This is difficult for salespeople that want to shape the buyer's responses to fit their presentation. If your intent is to give buyers the opportunity to express their perception of the unvarnished truth, you must listen actively and non-judgmentally to what they have to say. This in-depth understanding of their view of things will help you frame your sales message—the topic of next week's Sales Bytes.

The Fundamental Sales Competency Part-II

In Part 1, we explored the first half of the communications exchange—probing and listening. In this installment of Sales Bytes, we explore the other half of the communications exchange—how to communicate more effectively your value.

These simple rules of presenting will help you frame your message more convincingly.

- Sell what is relevant. Make sure that what you present parallels how the buyer answered your questions. Your message must reflect the buyer's needs, wants, and concerns.
- Present a value proposition that resonates with the level of decision maker to whom you are presenting. For purchasing agents, present a logistics solution. For users, present a usage-oriented solution. For high-level decision makers, present a financial solution that reflects a positive impact on their bottom line.
- Discuss all three dimensions of value: product features and benefits; company value-added; and personal commitments that you will make.
- Keep your presentation long enough to convince, yet short enough to hold the buyer's attention. Use the less-is-more model of communication. Practice brevity.
- Offer proof sources that demonstrate the lower risk of your solution. Demonstrate the safety and security of your solution.
- · Keep your buyer actively engaged throughout the presentation by asking involvement questions, conducting demonstrations, and giving the buyer something to sell with internally.

Presenting a compelling argument means giving the buyer enough relevant information so that he or she is more anxious to buy than you are to sell. When buyer desire peaks, closing is merely working out the details for your first delivery.

Tom Reilly's 2012 Seminar Schedule

October 24-25 Value-Added Selling (two-day seminar) at Tom Reilly Training Center

November 12-15 Value-Added Selling MASTERS PROGRAM at Tom Reilly Training Center

Registration: Call his office at 1-636-537-3360 or send an email to linda@tomreillytraining.com

Visit their website at www.TomReillyTraining.com for brochures of these programs.

The author has been a presenter at NAHAD's Annual Conventions.

NEW MEMBER PROFILES

Parkland Engineering LTD.

ormed initially in 1978 as a Newcastle upon Tyne company selling hose & fittings



mile radius. Parkland now has

branches in Aberdeen, Glasgow & Teesside all with substantial stocks complete with full assembly & testing facilities.

The Newcastle site now includes a rubber hose manufacturing facility making specialist rubber hoses including shaped hoses which are supplied to a number of world class original equipment manufacturers of heavy earth moving equipment, diesel engines & Road Sweeper Machines throughout the UK & Europe. Customers include Caterpillar, Komatsu, Hannomag, JCB & Perkins Engines.

The company serves markets in the UK, France, Germany, Norway, Sweden, Italy, Spain, Belgium and China. Their largest market segments are heavy earth moving equipment & agricultural plant, Chemical, Pharmaceutical, Road sweeper & Fire services. Their largest suppliers are the major manufacturers of industrial & hydraulic hose in Europe and in the USA.

"I have worked continuously for Parkland for 34 years as M.D.," states Robert Sutherland, "and, I have been in the hose industry for 55 years, initially with George Angus as Product Development Manager then as Director of Marketing with Dunlop industrial hose division."

"We feel that our differentiation is the superior product quality of our "in house" manufactured hoses," he continues. "All Parkland bought in products are of the highest quality, all supported by experienced, well trained staff offering a flexible, local, on time delivery service using Parkland transport from stocks held at every Branch. We also offer an On Site hose testing and certification service across the UK, backed up by our comprehensive electronic data management system providing full hose and testing traceability."

The company joined NAHAD in March 2012 with the goal of benefitting from NAHADs training & certification program, as well as the growing reputation and standing NAHAD thathas in the hose industry. "We want to be associated with high quality organizations, concludes Mr. Sutherland.

PARKLAND ENGINEERING LTD.

Unit 99/3 Chollerton Drive, North Tyne Ind. Est. Benton Newcastle, Upon Tyne, ENGLAND NE12952 sales@parkland-eng.co.uk www.parkland-eng.co.uk

CONNECTIONS Member to Member Exchange

Lillbacka has introduced the Finn Power



FS50 hose skiver capable of skiving hydraulic hoses

(external and internal) from dimensions 3/16" to 2".

Finn Power FS50 hose skiver dual symmetrical skiving blade will balance the cut by cutting simultaneously from two sides of the hose. Skiving diameter adjustment for the cutting blades is made with simple motion from one knob to move both blades simultaneously, in for smaller diameter and out for larger diameter. The blade holder has marked scale for easy diameter adjustment. No tools or guess work are needed to set the skiving diameter.

Finn Power FS50 hose skiver is operated from a foot pedal allowing both hands to be used for guiding the hose in desired alignment with the skiving tools. Skiver rotation direction can be selected from the manual switch on the operating panel. Finn Power FS50 hose skiver has a removable tray for easy disposal of the skiving debris from the machine. For more information, call 1-847-301-1300 or visit www.lillbackausa.com.



Smart-Hose Technologies is

pleased to announce the addition of Bill Thompson to the Smart-Hose Sales Team. Bill Thompson is an experienced leader who has successfully developed cornerstone relationships with key people in the following industries Chemical Refineries, Petro Chemical plants, Dock Terminals, Oil/Gas Exploration and OEM industries and brings with him thirty years of experience in the hose and fitting industry.

Bill joined the Smart-Hose team in May of 2012 and will be working with the company's distributors in the Gulf Coast markets to help grow Smart-Hose sales. Bill and his family reside in the Clear Lake section of Houston.

The **Parker Industrial Hose Division** has



established a special category or discussions Select Hose Assembly egory of distributors-

Fabricators (SHAFs)—to service the Aircraft Fueling, Anhydrous Ammonia and Composite Hose markets. These applications require specific Parker components and particular fabrication equipment and expertise. These select distributors are a valuable resource for servicing these distinct markets. Visit www.Safehose.com (How to Order/Where to Buy) for contact information for Select Hose Assembly Fabricators.

McGill Hose & Coupling, Inc. of East



Longmeadow, MA has announced the acquisi-

Richardson, Inc., located at 199 Anthony Street in East Providence, RI. The combination of RNB's talent, extensive selections of industrial and hydraulic hose and fittings with the added capabilities and services of McGill Hose will provide customers with the most complete and local source for products and services for safe fluid handling. This new location will service the Rhode Island and Southeastern Massachusetts markets.

For over 50 years, McGill Hose & Coupling has been specializing in the fabrication and distribution of a comprehensive line of flexible hose, fittings, fluid handling components and NAHAD and UL-recognized industrial hose assemblies. In addition to a full selection of industrial, hydraulic, metal and Teflon hose and plastic tubing and hose, they stock quick couplings/disconnects, metric hose, fittings and tubing. Complementary products include hose accessories, products for spill containment, overfill protection, hose protection products and protective clothing. Services include made to order hydraulic hose, fittings and adaptors, as well as pipe and tube bending. For more information, is available at www.mcgillhose.com.

Reelcraft Series 5000, 7000 and 8000

REELCRAFT

enclosed reels feature a steel enclo-

sure that offers an additional level of protection for the hose from potentially harmful foreign debris. These reels are designed such that removing the cover on either side will allow access to the majority of serviceable parts. A full flow shaft and swivel assure maximum product delivery. Steel components are individually powder coated prior to assembly. Cast guide assembly offers four nylon guide rollers to guard hose from wear due to angular hose pull. For additional information call 1-800-444-3134 or visit Reelcraft at www.reelcraft.com.

Penflex is pleased to announce the launch of their new "mobile website". Visit www.penflex.com from a smart phone to be automatically directed to this site. A customer will be able to go to the full site by clicking "view full website" link.

This website can be viewed practically from any "smart" mobile devices as iPhone, iPad, iPod touch, Android, Samsung Galaxy Tablet 2, the Kindle Fire etc.

The site is designed with "customer's convenience" in mind. The technical information for a specific product (hose series) can be viewed and downloaded as one page document. All technical tools such as - Temperature Adjustment Factors Calculator, Maximum Working Pressure and Braid Coverage Calculator, Flow Velocity Calculator, Minimum Live Hose Length Calculators and others are also available for use on this mobile website. Contact information of Sales. Customer Support and Engineering team are also available.

"This latest development illustrates our continued dedication to our customers as we strive to be your trusted source for the highest quality corrugated metal hose and braid products," states Robert Barker, company president.

Fifty years is a long time for a product to be in existence. NewAge's Clearflo® PVC tub-



ing was introduced in the spring of 1962, and the company is

pleased to note its 50th anniversary. Clearflo is now used for fluid and air transfer and for protective jacketing, just as it has been for the past five decades.

Two other products from NewAge Industries, Newflex® reinforced PVC hose and Silbrade® reinforced silicone hose, have also reached special occasions, namely 25th anniversaries. Introduced in 1987, they too serve a function similar to Clearflo, although their market focus differs.

As with most of NewAge's tubing and hose, the catalyst for these products was customer need. The company had been offering Nylobrade® reinforced PVC hose for several years but found that customers did not always need such a robust hose – something without the braid reinforcement would do. Clearflo clear, unreinforced PVC tubing became part of the company's offering. It could (and still does) handle many of Nylobrade's applications, such as water and fluid feeds, chemical transfer, food and beverage handling, lines for instrumentation and pneumatics, and medical device components, but without the extra weight and expense of polyester braid reinforcement for higher pressure carrying capabilities.

For more information, visit these productspecific web pages: http://www.newageindustries.com/clearflo-clear-pvc-tubing.asp, http://www.newageindustries.com/newflex.asp , http://www.newageindustries.com/ silbrade-silicone-hose.asp.

Singer Equities has acquired Industrial and



Marine Equipment Co., Inc. with headquarters in New Orleans, Louisiana. Industrial and Marine, founded in 1947, is a

leading distributor of hydraulic and pneumatic components to the oil and gas, marine and industrial marketplace in the Gulf Coast Region. Services include hydraulic hose, industrial hose, metal hose and expansion joint fabrication, certification and testing. The company will continue to operate as Industrial and Marine Equipment and will be a part of Spartan Industrial Products with locations in Belle Chasse, Houma, Broussard and Golden Meadow, Louisiana.

Singer Equities is a group of value added distributors of industrial rubber products and services and as a result of the merger with Bishop Lifting Products, which specializes in the distribution of lifting and rigging products, testing and fabricating services, recently formed SBP Holding LP, the parent company. SBP Holding LP with 30 locations throughout the country serves the construction, oil/gas, marine, defense, food, agricultural and specialized OEM industries providing intricate assembly, testing, certifications, field inspection and installation services in high pressure and critical service applications. Singer Equities President Don Fritzinger said "Industrial and Marine Equipment provides a strong strategic fit for our organization and we are pleased Paul Haworth, Daniel Haworth and their entire team will remain with our growing organization." For further information please visit www.singerequities.com and

www.lifting.com.

Gates MegaFlex® hose line combines flexi-



bility with a lightweight and durable construction for maximum productivity. The key fea-

ture MegaFlex hoses offer is a 1-to-1 bend radius, where the bend radius equals hose I.D., allowing for virtually kink-free routing in confined spaces for easier installation and service. Visit Gates.com/MegaFlex to learn how Gates MegaFlex hoses keep its customer's operation running efficiently.

The Lynchburg branch of TIPCO

on-hand and readily available.

Technologies was recently featured in the *LB*, TECHNOLOGIES, INC. Lynchburg Business magazine. "Everyone uses a flexible connection for something," John Genco, TIPCO's Virginia Sales Manager told the magazine. "A lot of people don't think about it until it breaks." Genoc explained that TIPCO focuses on speed to market, understanding that timing is everything for the customer, who relies on working equipment in order to succeed in a competitive market. To ensure timeliness, TIPCO branches are part retail store, part assembly warehouse with ample supplies

Epicor Software Corporation announces a strengthened alliance to deliver enhanced customer relationship management (CRM) and sales force automation (SFA) capabilities to wholesale distributors through a strategic alliance with Tour de Force CRM Inc. The Tour de Force CRM application integrates with Epicor Prophet 21, Epicor Eclipse and Epicor Prelude enterprise resource planning (ERP) solutions for wholesale distribution.

Epicor has long provided embedded CRM capabilities for its wholesale distribution ERP



systems. The SFA and business intelli-

gence features provided by Tour de Force CRM are very complementary to the Epicor offerings.

"Prophet 21 CRM is a great fit for the majority of distribution organizations and includes a wide range of functionality to better manage contacts, marketing activities, and sales force automation," said Kevin Roach, executive vice president and general manager, ERP Americas for Epicor. "Through our alliance with Tour de Force CRM, we now will also bring to market a best-in-class solution for distribution organizations with more advanced needs, such as appointment and expense tracking, event marketing, and project management."

"What really differentiates Tour de Force CRM from generic CRM solutions is that it was designed specifically for distributors," said Matt Hartman, president and CEO of Tour de Force CRM. "In fact, 80 percent of the Tour de Force CRM user base is in distribution. So the solution works the way distributors need it to work."

Strengths of the Tour de Force CRM solution include complete mobile access to sales force automation tools and information, and the ability for distributors to configure the system to their specific processes.

"This strategic alliance with Epicor to deliver enhanced sales force automation to the wholesale distribution market has been long awaited," said Hartman. "We have a long history of integration with Epicor Prophet 21, Epicor Eclipse and Epicor Prelude, as well as a strong customer base among users of all three systems. To be recognized as a recommended provider allows us to further expand the CRM integration points with all three ERP offerings."

HBD Industries, Inc. announces the promotion of Mr. David D. Cawthon to the position



of General HBD/Thermoid,

Inc., Chanute, KS, Manufacturing Plant. HBD/Thermoid, Inc. is a subsidiary of HBD Industries, Inc., one of the largest industrial product suppliers in North America.

"We are very pleased to promote David D. Cawthon to General Manager for the Chanute Operations of HBD/Thermoid, Inc.," said Randy L. Greely, Chairman and CEO of HBD Industries, Inc. "David's extensive experience gained through several prior positions with

CONNECTIONS

continued

HBD/Thermoid in operations, shipping/ receiving, quality management and process improvement will help him in directing the operations of the Chanute Plant and assisting the company in our efforts to produce the best quality and most reliable industrial rubber products available."

Mr. David D. Cawthon has been an employee at the HBD/Thermoid- Chanute, KS Manufacturing Plant for 38 years. Most recently, Mr. Cawthon was responsible for and managed the company's compliance with AS 9100C, other quality management systems, customer audits and recertification audits. He is a Certified Lean Six Sigma Green Belt with formal training in quality control, process improvement, root cause analysis and maintenance. Mr. Cawthon was raised in Chanute, KS and resides nearby with his wife.

The HBD/Thermoid Chanute, KS plant produces Aeroduct ®, a complete line of aviation ducting, hose and ground support products, as well as industrial ventilation, fume control and material handling ducting products.

Hi-Tech Duravent introduces UVD, a polyurethane vinyl blend hose reinforced



HI-TECH with an industrial PVC helix. Offering flexibili-**DURAVENT** ty, durability and trans-Flexible Hose & Ducting parency, UVD is ideal

for lawn and leaf collection applications. UVD is available in 25' and 50' lengths. For more information, please call 1-800-348-6500 or visit their website www.hitechduravent.com

Tribute, Inc. congratulates Manager of



Unix Product Development Dawn Hawkins

on 20 years of service! Dawn joins seven other Tribute employees with over 20 years of service, many of whom started their career at the fluid power distributor who founded Tribute Software, B.W. Rogers. With an average tenure over 15 years, Sue Malyi, TrulinX Support and Implementations, has the longevity title with 34 years of service at Tribute, Inc.

Tribute also salutes B.W. Rogers, The Hope Group, Controlled Motion Solutions, and Applied Energy who have celebrated over 30 years of partnership with Tribute, Inc. and twenty-five other companies who have been loyal Tribute customers for more than 20 years. Dixon Quick Coupling has broken ground



The Right Connection™

on a 100,000 square-foot manufacturing plant in Gastonia, NC. The new facility will become

Dixon Quick Coupling's manufacturing, customer service, warehouse and divisional headquarters. Construction should be completed by the end of the year with manufacturing slated to begin during the first quarter of 2013.

Dixon Quick Coupling manufactures pneumatic and hydraulic hose fittings used in the oil and natural gas, agricultural, construction and industrial sectors. With this project Dixon strengthens its nearly century old commitment to U.S. based manufacturing. For more information on Dixon's pneumatic and hydraulic product lines or on the new facility, please call 1-800-839-9022.

IVG is announcing their ability to be the go-

ivg colbachini spa to-company

able to react on a very

short notice and fulfill the most demanding industrial hose requirements especially when necessary to promptly aid emergency operations for natural or man- made disasters, from Antarctica to the Sahara desert and around the globe. "While our standard products grant us the necessary continuity in our day to day business activities, it is the special projects that really make us renowned worldwide for our responsiveness and tremendous manufacturing capabilities" says Paolo Valente, General Manager of IVG USA.

In his 20+ year experience with IVG, numerous off the wall hose requests have been fulfilled thanks to a direct line of communication that any of IVG's clients benefit through Paolo Valente with the top management, chief engineer, and ownership of the company. For any question or inquiry about standard or special industrial hose needs, contact Paolo Valente at 1-888-IVG-HOSE, email: paolo.valente@ivgusa.com.

The **Brennan Industries** mobile web app



offers easy access to the Brennan product

catalog and product cross-reference tool for quick product comparisons. Optimized for use on iPhones and Android devices, the app puts more than 30,000 Brennan products, comparison data and contact information in the palm of your hand. To use, visit www.BrennanInc.com/mobile on a mobile device.

PT Coupling has manufactured a new Safety Bump® out of Alloy 356-T6



Aluminum. These are an alternative choice to the traditional cam and

groove caps and plugs, providing a comfortable handle for the driver's hand and a "bump" that extends beyond the hose fittings and cam arms, protecting them from damage. They will be available in 2", 3" and 4" inch male and female couplings, they are antistatic and used in the petroleum applications. Please contact PT Coupling for availability 1-800-654-0320, or visit their newly revised web site: www.ptcoupling.com

As Apache moves toward their 50th anniver-



sary in 2013 they are Think Forward. the company's strate-

gic direction for their industrial business, focusing on solely distributors and OEMs as their channel to market on industrial products. Apache will work directly with their key end user customers through a transition period, connecting them with a distributor that will continue to source Apache's prod-

The transition to this new business model is not something taken has lightly by Apache, but has been of a broader market strategy. In the last three years, Apache acquired two new industrial and agricultural belt businesses and a molded rubber company, coupled with organic growth driven by their relationships with distributors and OEMs in the industrial market.

"A solid partnership is the key to our success. We believe that success begins and ends with a united effort. By working together as partners our businesses will flow more seamlessly and we can work more effectively. Together we can provide the kind of solutions that will change industry in the future." Says Tom Pientok, President & CEO.

Spectronics Corporation announces the

SPECTRONICS new Spectroline® CORPORATION OPTI-LUXTM 365, a powerful yet compact leak detection flashlight that provides enhanced UV light for

optimal fluorescent dye response. It's ideal for all industrial fluid system applications. The OPTI-LUX 365 works with all oil- and

water-based fluorescent dyes: OIL-GLOTM 22 (yellow), OIL-GLOTM 30 (white), OIL-GLOTM 33 (green), OIL-GLOTM 40 (bright blue), OIL-GLOTM 44 (yellow/green), OIL-GLOTM 45 (blue) and OIL-GLOTM 50 (red), as well as WD-801 and WD-802 water dyes. It produces a brilliant glow that makes all leaks easier to find, while slashing valuable diagnostic time! The flashlight even works with difficult-to-fluoresce dirty fluids.

The OPTI-LUX 365 is compact, lightweight and more than twice as powerful as most corded, high-intensity UV lamps. "Instant-on" operation enables the flashlight to reach full power immediately, and it provides up to four hours of continuous run-time. The rugged, anodized aluminum lamp body reduces corrosion and stands up to years of heavy use.

The flashlight comes complete with a lanyard, belt holster, two rechargeable batteries, smart charging cradle with AC power cord and UV-absorbing spectacles, all conveniently packaged in a padded carrying case.

Flexaust enters the bark mulch blow-



ing market with Flex-Tube® PU.

This flexible hose is 80% lighter and 33% more flexible than conventional heavier hoses making it easier for workers to handle in longer lengths. Flex-Tube® PU Outdoor Transfer Hose is a co-extruded all plastic hose that features urethane construction with a smooth interior and a dragresistant spiral ABS helix wearstrip. It remains flexible in cooler temperatures making it perfect for early spring and late fall clean-ups. Flex-Tube® PU is available in 4-inch, 5-inch and 6-inch sizes and 50 foot, 75 foot and longer lengths by request. Flex-Tube® PU is customizable for that customer who needs OEM color matching for the wearstrip. Cuffs are also available.

The leaves are falling. Don't get caught without leaf vacuum hose! Flexaust's product line up for fall is ready and in stock. The leaf and lawn product line is used on residential tractor vacs, heavy-duty truck loaders, and heavy weight, heavyduty municipality clean-up trucks. Call 1-800-343-0428 or visit www.flexaust.com/ind-hosemarket/lawn-leaf-collection for additional details.

Welcome NAHAD **New Members**

Distributors

Alaska Rubber Mr. Mike Mortensen

C.O.O.

5811 Old Seward Highway Anchorage, AK 99518 mike@alaskarubber.com www.alaskarubber.com (907) 562-2200 (800) 478-7600 Fax: (907) 561-7600

Aurora Industrial Supplies Inc. Mr. Ryan Williams

Sales Manager P.O. Box 278 Aurora, NC 27806 ryanwilliams@aurind.com www.aurind.com (252) 322-5017 Fax: (252) 322-4233

Mr. Mark Siktberg

Director of Fluid Power 8000 Hub Pkwv Cleveland, OH 44125 msiktberg@bdi-usa.com www.bdi-usa.com (216) 642-9100 Fax: (216) 264-9573

Central De Mangueras, S.A. CR

Ms. Ana Cristina Castro Odio

General Manager La Uruca, 150 Oeste de La Plaza de Deportes San Jose, COSTA RICA 241-1150

acastro@centralde

mangueras.com www.centraldemangueras.com (011) 506-22561111 Fax: (011) 506-22228513

Choice Supply Inc. Mr. Andrew Smith

President 1512-10th Street Nisku, AB T9E 7S4 **CANADA** andrew@choiceinc.ca www.choicesupplyinc.com (780) 955-3770

Fax: (780) 955-3720

Controlled Motion Solutions Mr. Mike Merrow

Fluid Connector Product Manager 911 N Poinsettia Street Santa Ana, CA 92701 mmerrow@comoso.com www.comoso.com (800) 696-6165 Fax: (714) 541-2266

Found It Now Mr. Rvan Heller

President/Owner 310 12th Ave W Williston, ND 58801 founditnow1@yahoo.com www.founditnow.com (701) 572-9835 Fax: (701) 572-5321

Halton Engine Industrial Hose Ltd.

Mr. Dale Devlin President 360 Steeles Ave. Milton, ON L9T 1Y4 CANADA

dale@haltonauto.com www.altonindustrial.net (905) 878-7085 Fax: (905) 878-2827

HyPower Systems Mr. Doug Graham

Branch Manager 242 MacAlpine Crescent Fort McMurray, AB T9H 4A6 **CANADA**

dougg@hypower.com www.hvpower.com (780) 791-1880 Fax: (780) 791-0263

Hyspeco Inc

Mr Jason Vanderwall

Director Of Fluid Connectors 1729 S Sabin Wichita, KS 67209 jvanderwall@hyspeco.com www.hyspeco.com (316) 943-0254 Fax: (316) 943-2546

Parkland Engineering Ltd. Mr. Robert Douglas Sutherland, M.D.

Unit 99/3 Chollerton Drive North Tyne Ind. Est. Benton Newcastle, Upon Tyne, ENGLAND NE12952 doug@parkland-eng.co.uk www.parkland-eng.co.uk 44 191 2709730 Fax: 44 191 2709740

Manufacturers

Grand River Rubber and Plastics Inc.

Mr. Donald Chaplin Senior Vice President 2029 Aetna Road PO Box 477 Ashtabula, OH 44005-0477 dchaplin@grrp.com www.grandriverrubber.com (440) 998-2900 Fax: (440) 992-3989

UV International LLC Mr. Vinod Jhun Jhunwala

President/CEO 240 Cedar Knolls Road Suite 100 Cedar Knolls, NJ 07927 vinod@uvintl.com www.uvintl.com (973) 775-1660 Fax: (973) 775-1680

Associate

World Wide Metric Inc. Mr. George Contos **CEO**

37 Readington Road Branchbury, NJ 08876 george@worldwidemetric.com www.worldwidemetric.com (732) 247-2300 (855) 225-5993 Fax: (732) 247-7258

Affiliate

Crimson Investment Mr. Andrew Polacek

1000 Marina, Suite 105 Brisbane, CA 94598 andrew polacek@crimson in vestment.com www.crimsoninvestment.com (650) 827-5420 Fax: (650) 827-1005

A Managerial Sidebar: Isn't a Higher Growth Rate Better?

Intuitively it would seem that faster sales growth would always produce a dramatically higher level of profit than slower growth. In truth, the real key is the ability to generate the sales-to-payroll differential.

For the typical NAHAD member, 5.0% sales growth combined with 3.0% payroll growth drives profit from the current \$350,000 to \$402,500. With 10.0% sales growth and 8.0% payroll growth profit increases to \$420,000.

Admittedly, \$420,000 is higher than \$402,500. However, the difference is not dramatic. Both scenarios reflect a significant improvement in profitability.

The Impact of a 2% Sales to Payroll Differential

Income Statement\$ Net Sales	Current	5% Sales	10% Sales
	Results	Growth	Growth
	\$8,000,000	\$8,400,000	\$8,800,000
Cost of Goods Sold Gross Margin Expenses	<u>4,960,000</u> 3,040,000	<u>5,208,000</u> 3,192,000	<u>5,456,000</u> 3,344,000
Payroll All Other Expenses Total Expenses Profit Before Taxes	1,750,000	1,802,500	1,890,000
	<u>940,000</u>	<u>987,000</u>	<u>1,034,000</u>
	<u>2,690,000</u>	<u>2,789,500</u>	<u>2,924,000</u>
	\$350,000	\$402,500	\$420,000
Income Statement% Net Sales Cost of Goods Sold Gross Margin Expenses	100.0	100.0	100.0
	<u>62.0</u>	<u>62.0</u>	<u>62.0</u>
	38.0	38.0	38.0
Payroll All Other Expenses Total Expenses Profit Before Taxes	21.9	21.5	21.5
	11.8	11.8	11.8
	33.6	33.2	33.2
	4.4	4.8	4.8

Exhibit 1: The Challenge of Under-performing Salespeople For the Typical NAHAD Member

	Current	Per	80%
Income Statement\$	Results	Salesperson	Salesperson
Net Sales	\$8,000,000	\$1,333,333	\$1,066,667
Cost of Goods Sold	4,960,000	826,667	661,333
Gross Margin	3,040,000	506,667	405,333
Expenses		·	,
Sales Commissions	304,000	50,667	40,533
Variable Expenses	400,000	66,667	53,333
Fixed Expenses	<u>1,986,000</u>	331,000	331,000
Total Expenses	<u>2,690,000</u>	448,333	424,867
Profit Before Taxes	\$350,000	\$58,333	-\$19,533
Income Statement%			
Net Sales	100.0	100.0	100.0
Cost of Goods Sold	62.0	<u>62.0</u>	<u>62.0</u>
Gross Margin	38.0	38.0	38.0
Expenses			00.0
Sales Commissions	3.8	3.8	3.8
Variable Expenses	5.0	5.0	5.0
Fixed Expenses	<u>24.8</u>	<u>24.8</u>	<u>31.0</u>
Total Expenses	33.6	33.6	39.8
Profit Before Taxes	4.4	4.4	-1.8

Surviving the Recovery

Continued from page 1

It is extremely important to note that *in terms of profitability* the 10.0% sales growth/8.0% payroll growth model is really not that much better than the 5.0% sales growth/3.0% payroll growth model. Any time sales growth outpaces payroll growth (holding other factors constant) profit will increase appreciably. The challenge occurs when sales growth is very slow or even non-existent.

Theoretically, a 2.0% sales-to-payroll differential can be generated even if sales are flat. With no sales growth, payroll would have to be reduced by 2.0%. There is the obvious potential for a death spiral in such a situation. Lower sales leads to lower payroll which leads to poor customer service. Eventually, this leads to even lower sales.

In the real world (where analysts fear to venture) life without sales growth is unthinkable. With a flat economy, growth must be taken out of a competitor's share. Ultimately, the key to generating a continually higher level of sales growth is enhanced performance by the sales force.

Cost of Goods Not Sold

As long as the economy is growing briskly, an ineffective salesperson is a minor problem. A poor salesperson here, a poor one there; the good ones generate enough volume to cover up the problems. However, as the economy becomes less supportive of automatic growth, this scenario is no longer viable.

Exhibit 1 looks at the profit impact of an ineffective salesperson for the typical member of NAHAD. The first column of numbers demonstrates total company performance. As indicated in the IPR Report, it is a \$8,000,000 firm with a bottom line profit of \$350,000 or 4.4% of sales.

The only detail that might not be clear is that the sales force is being paid a commission equal to 10.0% of the gross margin dollars. In addition, there are other variable expenses equal to 5.0% of sales volume.

The second column simply assumes that there are six salespeople and that every territory is *exactly equal* in potential. Mathematically, all of the numbers in the first column have been divided by six.

The last column examines the profit impact of a salesperson that only produces 80% of what a *typical* salesperson would produce in the same territory. This is not 80% of the top salesperson, but the average one. As can be seen, the territory that should generate \$58,333 in profit actually has lost \$19,533.

The difference between the profit the territory could have generated and what it actually generated is what the author has termed Cost of Goods Not Sold.

This is a loss that is never seen on the income statement because the performance of the poor salesperson is offset by the performance of the good ones. All the firm tends to focus on is the aggregate results in column one.

In the short run, in every territory some sales volume is better than none. In addition, the costs of replacing a salesperson are extremely visible. There are recruitment costs plus the fact that the salesperson will undoubtedly need time to ramp up to a desired level. Even then, the replacement may be no better than the original. These factors make firms extremely hesitant to make staffing changes with regard to sales.

It is not the intent of this report to decimate the sales force. It is simply to state that generating higher profit is indelibly linked to generating a sufficient rate of sales growth. That growth can only be achieved in a sluggish economy if every salesperson is performing adequately. Not spectacularly. Only a few can reach that level. Adequacy should be expected from all.

For outside salespeople, measuring performance accurately requires knowing the potential in each territory. Firms must spend at least some time evaluating account potential. Without this indicator firms can still intuitively distinguish great salespeople from typical, but will have real problems determining whether the low-end performer is inadequate or is saddle with a less-desirable territory.

For inside salespeople, life is much easier. It is only necessary to know the total number of customer contacts. Sales per contact is a simple, but effective ratio.

Ensuring that sales performance is adequate also requires incorporating a specific set of metrics into the company's management information system. In particular, it is essential to understand the extent to which the salesperson is maximizing the potential of every transaction.

Two key factors have always been important in transaction analysis. The first is the number of line items sold per transaction. This measures performance with regard to add-on selling. The second is the average line value. This reflects the capacity for up-selling. Without a system that can pinpoint these issues per-salesperson basis, improvement is simply not possible.

Moving Forward

Sales growth must be maintained at a level that allows the firm to produce a sales-to-payroll differential of something in the 2.0% range. When (not if) the economy starts growing again, this will be easier to accomplish. In the meantime, firms need to use every tool available to ensure that the productivity targets of the sales force are being met.

About the Author:

Dr. Albert D. Bates is founder and president of Profit Planning Group. His latest book, Triple Your Profit!, is available at: www.tripleyourprofitbook.com, as well as Amazon and Barnes & Noble.

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NEW MEMBER PROFILES

Tubing & Metric Hydraulics - A Tess Company

ubing & Metric Hydraulics, Inc was founded by Charles D. Pate in 2001. Experience in the oil & gas industry as well as the hydraulic industry since 1974 has made Tubing & Metric Hydraulics into a well-respected company in the industry. Tubing & Metric Hydraulics became even stronger through its



merger with TESS Norway in January of 2012 combining 19 years of Tubing & Metric experience serving the Gulf Coast with 44 years of TESS Norway experience serving the North Sea.

Tubing & Metric Hydraulics a TESS company specializes in supplying and servicing the oilfield industry with hydraulic & industrial hoses and fittings as well as the industrial, agricultural, refinery and shipping industries.

Their facilities, consisting of 30,000 square feet, are located in Alvin, Texas. The company stocks a vast array of well-known, industry proven manufacturer's products They also offer 24 hour on call service to the local area customers, onshore/offshore oil rigs and platforms, refinery locations, shipping yards & ports, agricultural, on site locations as well as in-house service calls.

Tubing & Metric Hydraulic differentiates itself from its competition by not only being a hydraulic shop that has limited stock but by being a large stocking distributor of five major lines with reputable products including Manuli Hydraulics, IVG, MCS Hydraulics, DNP Americas and IPT Technologies. Tubing & Metric Hydraulics has the products and service to handle their customer's requirements and knowledge of their customer's requirements due to the company's experience in their industry.

"Tubing & Metric Hydraulics partnered up with TESS Norway and additionally NAHAD in order to provide standard and high end training programs to insure proper training techniques whether the need is strategic, tactical or operational," states Charles Pate, president of US operations. "Our training and hands on experience gives us the skills needed to create easier & less expensive procedures to accomplish better results."

Today's market is requiring companies to be more compliant and Tubing & Metric Hydraulics - Alvin, TX is becoming more advanced with compliances: 9001, 14001, API 16D and API 7K. Tubing & Metric Hydraulics will continue to maintain the integrity of company values through educational training programs in accordance with their HSE & QAQC procedures. "These procedures are developed in an ongoing process by the innovative ideas of our people, continues Pate, "Tubing & Metric is able to offer more technological advanced services such as our turn key THM system which evaluates the need for inspection, identification tags, and replacement of hose through a web based program that informs the user of all inspections, materials, processes and replacement time." "Tubing & Metric Hydraulics is a proud member of NAHAD and the joining of NAHAD will allow us to meet and work with other NAHAD members in our industry. We look forward to developing many mutually beneficial relationships with our other NAHAD members," he concludes.

TUBING & METRIC HYDRAULICS INC. A TESS COMPANY

860 FM 517 Alvin, TX 77511 sales@tmhyd.com www.tmhyd.com

NAHAD NEWS • CONNECTIONS FORM FORMALE CONNECTIONS FORM

NAHAD member companies are invited to submit brief news items for inclusion in the "Member-to-Member" section of the NAHAD News. Please write your articles in complete sentences, and limit them to 60 words, including pertinent phone numbers, etc. Camera-ready logos may be submitted and will be included on a space-available basis.

News items should focus on new or additional personnel changes, appointments or promotions, facility expansion, new products lines or advertising/promotion plans. Articles submitted must be typed or neatly printed, and should be written in the products. Of course, all articles will be published on a space-available basis. NAHAD assumes no liability for incorrect or deleted information, but will publish corrections upon request.

Put NAHAN on your P.A. List! Send press releases and your company logo by email to kthompson@nahad.org

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