

## ELECTRONIC SYSTEMS INTEGRATION

**Gary Ponto, CPMR**  
GP Marketing  
Kirkland, Wash.

### Lower tech costs fuel 'race to bottom' pricing

It seems that every conversation I have with an integrator or distributor ends up getting around to the topic of "the race to bottom" regarding product pricing. There is no doubt that technology costs are falling and product pricing is as well, with many off-shore competitors entering the U.S. at really low pricing to penetrate the markets. Import products are pushing pricing and margins down in some electronic industries faster than others, but it is coming, and fast, into many markets. So I ask you, does a brand name still matter to your customer as a consumer? Does a brand name warrant a higher price?

I will step up and answer my own question by stating that I believe it is support, not brand, that is now taking over integrators' and distributors' preferences for a product or product line. The two together are very powerful. Technology is moving so fast that our customers need more support than ever before, and I believe cutbacks in this area by manufacturers are a shortcoming for long-term growth.

IP products are becoming more of the norm for AV and security installations. These products are bringing new integrators into these markets. They are network and datacom providers, and they tend to work at lower product price margins than the traditional AV and security integrators. They also offer service contracts to retain customers and provide a larger array of services to building managers.

Technology: Is this going to change our markets, customers and/or rep firms? Are you ready?

## INSTRUMENTATION, AUTOMATION & CONTROLS

**Tom Diercksmeier, CPMR**  
AG Technologies, LLC  
Scottsdale, Ariz.

### Use of Intelligent bus architectures is growing

Intelligent bus architectures are making their way more into the industrial control arena. PROFIBUS and ethernet IP are the two major standards. With these architectures, sensors and control elements can be integrated into a single network. There is software that makes it very easy for end users to convert their systems over to these networks.

Many industries, such as electric utilities, mining and water/waste water processing, are expanding their control systems via the ethernet-based and PROFIBUS I/O products. With the ever-increasing price of gold and silver, many mines are still requesting capital funds for plant upgrades and expansion. Even titanium processing plants are upgrading their facilities in anticipation of future increased prices. Ethernet, PROFIBUS and wireless I/O are very cost effective methods of adding to existing legacy control networks.

Throughout many plants, especially in the food and beverage industry, there is an increase in the number of parameters that are being measured. In food and beverage, the usage of individual ingredients is being monitored very precisely to maintain their individual recipes, to ensure the accuracy of the batch for the recipe and to eliminate waste of materials.

Sensor calibration hardware sales are still on the increase. There are two reasons for this: ensuring accuracy of the measurements in the field and increased agency regulations. Documenting calibrators are leading the way in calibrator sales. These types of calibrators store the measured values automatically which eliminates the human error aspect of measurement. They can also upload their data to the control system.

The market for sensors and instrumentation is increasing due to the lower cost of sensors. As companies try to increase efficiencies of their production lines, the more monitoring they are doing, thus driving increased sensor and instrumentation usage.

If there are any questions, please contact me at 602-329-2147 or send an email to [tom@agtechnologiesllc.com](mailto:tom@agtechnologiesllc.com).

QUALITY BENEFITS PROGRAMS

**REPCARE**

**REPS: For quotes on life, accident and long-term disability insurance, contact REPCARE at 888-243-0174 or [RepCare@adcbenefits.com](mailto:RepCare@adcbenefits.com).**

Time flies! It's an old cliché but very true. By the time you read this, half of 2015 is in the history books, and so far, the economy seems to be moving in a positive direction.

The auto industry has recovered nicely, albeit with a lot of controversy and recalls. I noted with interest an article about BMW's facility in South Carolina. Last year the plant produced 364,000 vehicles, and some 70 percent were exported to 140 markets worldwide. Over the next few years, BMW plans to spend \$1 billion to ramp up production to 450,000 vehicles and add 1,000 jobs. So U.S. jobs are being created to fuel an export market. What a concept!

In looking to improve efficiency and quick turnaround in model manufacturing, Toyota plans to adopt a modular manufacturing strategy that will allow it to operate smaller and more flexible assembly lines. The company feels this move will cut costs and improve production. Over the past several months, the U.S. has been hampered by the employees' work slowdown at west coast ports. It has had a pretty dramatic impact in some areas. On another automotive note relating to that, Honda has felt minimal effects from the west coast ports problem since more than 80 percent of the parts used in Honda's North American-built vehicles are domestic. That's a nice benefit of using "made in America."

We have seen a lot of positives in our area. Housing, particularly apartment building, is very robust and with increasing prices fueling concern about another boom to bust. Industry seems strong as well with employment increasing. Since January 2010, employment in U.S. factories has risen by 900,000 to 12.3 million, recouping more than 30 percent of the jobs lost in the downturn. One note of interest is that there are more than 500,000 skilled manufacturing jobs unfilled. That will probably grow as Americans age out of the workforce.

By 2030, it is estimated that 20 percent of Americans will be 65 or older. That is impacting more than manufacturing. I just noted that some local municipalities are facing shortages as 25 percent or more of employees are facing retirement in the near future. What to do? This reality means that we must reach out to our youth today to encourage them to get an education appropriate to the vocation they desire. We should also stress the importance of flexibility so they realize that, in today's volatile world, their vocations may change many times over the course of their working years.

## MATERIALS, ASSEMBLY, PRODUCTION & SUPPLY

**Troy Gunnin**  
Sun Rep, Inc.  
Tampa, Fla.

### There's good news in the auto industry recovery



## UNIVERSITY



This convenient, low-cost educational service offers **ALL** ERA member company personnel (and your families) **HUNDREDS of ONLINE COURSES** to boost your knowledge, skills and professionalism.

**ERA UNIVERSITY**, in partnership with ed2go, an affiliation of 1,500 educational institutions, delivers:

- **Instructor-facilitated classes** with live interaction to connect with both faculty and fellow students.
  - Access to lessons **when** you choose, **where** you choose, any time, **24-7**.
  - A vast array of courses, covering **sales and marketing, business skills, software training and technology, personal development** and much, much more.
    - Easy **on-line registration** ... with **NO** textbooks required ... and **NO** minimum or maximum class sizes, so there are **NEVER** any cancellations.
  - **Certificate of completion** for each course.

Most classes run for **six weeks** and include 12 two-hour lessons (that's **24 hours** of instruction!) for just **\$79** per course. To view the entire catalog ... read all the details about each class and instructor ... and then register, go to **ed2go.com/era**.