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THE VOICE OF MULTIPLE-LINE SELLING IN THE ELECTRONICS INDUSTRY

era Electronics Representatives Association

FALL 2023

CONTENT MARKETING THAT ENGAGES ENGINEERS

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FALL 2023

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CONTENT MARKETING THAT ENGAGES ENGINEERS

6 key steps to building a plan for your firm

COVER STORY

Marketing can seem daunting these days, especially with the explosion of media channels, generative AI tools and ever-changing Google algorithms. By using the right audience-centric framework, you can develop a comprehensive and right-sized marketing strategy that will help you reach new customers, build loyalty with existing customers and increase revenue. In this article, we'll explore the six essential components to include in your marketing plan.

Develop audience personas

When it comes to creating a successful marketing strategy, understanding your audience is essential. By creating detailed profiles of your potential customers, you can gain insight into their behavior, needs and preferences. You can then carry this information into your marketing plan, from messaging and channel selection to content along the (sometimes very long!) buyer's journey, from design to production.

While there are multiple job functions on a buying team, you may decide to dedicate most of your marketing efforts towards the technical specifier (who first finds you) and the technical leader (often the final decision-maker). Once you've prioritized, assess their pain points and what is driving them to seek a solution. This will be the basis of your tailored content strategy and activity plan, which will greatly increase the likelihood of success.

Set SMART goals

Whether you're looking to expand your customer base, increase sales or simply improve your overall marketing efforts, setting SMART goals is the first step toward achieving those goals. It's also important to align your organization's focus and clearly define what marketing success looks like. By making goals measurable, achievable and

realistic, you can keep your team on track and ensure that everyone works together toward the same objectives. SMART goals aren't just a conceptual framework — they provide the foundation for long-term success, allowing you to track progress and adjust course as needed. Here are a few examples of SMART goals:

- Grow our brand authority score from 15 to 20 by Q2 2024
- Increase the number of sales qualified automotive leads by 15 percent by Q4 2023
- Grow organic web traffic by 30 percent in 2024

Each marketing goal should support a business goal, so it's important to time



Figure 1. Audience personas help you to better understand your audience's needs and identify ways you can help them achieve their goals.

Identify your unique value proposition

Your unique value proposition helps you build a stronger brand, attract more customers and set you apart from your competition. It is what makes your brand, product or service stand out in the minds of potential customers. It could be your expertise in a specific niche, your exceptional customer service, or perhaps a unique selling point that nobody else offers.

A good way to get started on crafting your value proposition is to assemble a small team of stakeholders in your organization and take some time to reflect on what differentiates you from your competitors. Ask your customers (and perhaps lost prospects) to gain an external perspective. Then test your messaging in the market and refine as necessary.

Your value proposition needs to be communicated clearly, prominently and consistently in all your content and by your sales reps so that prospects know exactly what sets you apart and

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By Wendy Covey

COVER STORY: Developing a strategic content marketing plan

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why they should choose you.

Develop an activity plan

Now that you've identified and prioritized your target personas and crafted your unique value proposition, it's time to choose marketing channels and activities to reach them.

There are many tactics to choose from. Some involve leveraging industry communities, such as technical publications, trade shows and associations or search engines. Other tactics leverage the community you've built, including your website, database and social media presence.

When choosing channels, meet your target personas where they are. Based on your persona work and past marketing successes (and failures), you should have a pretty good idea of where to start. Industry research, such as the State of Marketing to Engineers report and Mind of the Engineer study, can also provide insight. Keep in mind that information needs and sources change throughout the buyer's journey, and you want to be in the right places and the right time with the right message.

Here are a few channels which are particularly effective targeting design engineers:

- Supplier/vendor websites housing helpful content written with the persona's pain points and needs in mind
- LinkedIn engagement including sharing and engaging with educational posts
- Webinars where persona pain points are addressed by a technical subject-matter expert
- Targeted advertising with a compelling call-to-action (think e-book, white paper, webinar)

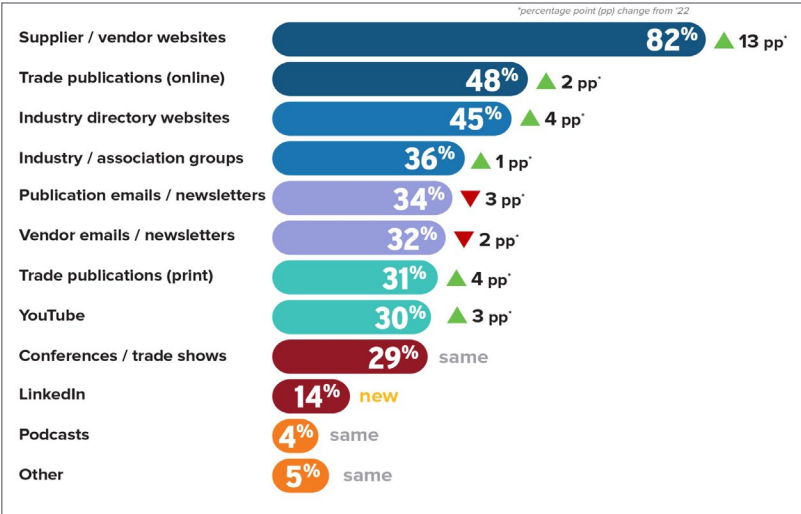


Figure 2. When asked where they routinely seek information when researching a product or service for a work-related purchase, most technical buyers look to online resources, according to the 2023 State of Marketing to Engineers report.



Figure 3. An example marketing campaign.

- Industry conference presentations and booths
 - Contributed articles in technical publications
- With limited time and budget, a campaign approach can help you stay focused and maximize your impact. A campaign is an integrated set of activities tied by a common goal and/or theme. Companies often run 2-4 campaigns concurrently, and they usually last 6-12 months. Figure 3 is an example campaign centered upon a Bluetooth application in medical devices.

Develop a budget and set deadlines

Creating a successful plan starts with establishing a realistic budget and setting achievable deadlines. Without clear financial boundaries, projects may exceed their intended scope, causing delays and impacting end results. Experts recommend a B2B marketing budget of around 10 percent of annual gross revenue. Evaluate your tactics and channels and prioritize your marketing spend where it can have the greatest impact on reaching your target audience and maximizing ROI.

With your budget established, you'll need to attach time and/or dollars to each marketing tactic and channel, along with deadlines and next

steps across your execution. Keep yourself and your team accountable

with ongoing task management to ensure that each task is completed on time, on message and on budget.

Track results and adjust

Do not set it and forget it. When it comes to executing a successful marketing program, tracking your results is key. Through regular monitoring, you can gain valuable insights into what's working and what's not. Whether it's tweaking your messaging, changing your targeting or adjusting your budget, monitoring

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results and adjusting your plan as needed is essential for staying on track and achieving your goals. With the ability to adapt to changes, you can better position your company for success in an ever-evolving market.

A strategic marketing plan is key to success

As you now know, marketing planning is a heady process and requires time and focus. It is worth it! Creating and following a thoughtful marketing plan is the best way to maximize the dollars you invest, not only in marketing activities, but your investment in your sales team as well. If marketing can attract prospects, build trust and generate qualified leads, your sales team can spend more time on high-impact activities such as closing and nurturing key accounts.

Carve out time this Q4 to tackle your marketing plan and set your business up for success in 2024! ■

About the Author

Wendy Covey is a CEO, technical marketing leader, author of *Content Marketing, Engineered*, one of *The Wall Street Journal's* 10 Most Innovative Entrepreneurs in America...and she holds a Texas fishing record. Over the past 25 years, Wendy and her team at TREW Marketing have helped hundreds of highly technical companies build trust and fill their pipelines through strategy-first marketing.



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Tom Cullinan
Distribution Sales Manager
Brandel-Stephens Co.

With so many ERA members, it is not easy to get to know every rep, manufacturer and distributor in the business. "Someone You Should Know" is The Representor department that gives readers the chance to learn about fellow ERA members, including how their time is spent both in and out of the office.

Meet Tom Cullinan, distribution sales manager, at Brandel-Stephens Co.

The Representor asked Cullinan a few questions about his time as a manufacturer's representative and his experiences with ERA. Here is what he had to say.

Tell us a little bit about yourself.

I grew up in Needham, Mass., and I obtained a bachelor's degree from Boston College. Since 2005, I have called South Florida home and I now reside in Boynton Beach, Fla., with my wife, Mary Glynn and our three children Tucker, Charles and Brie.

What are some things you enjoy outside of the workplace?

In my free time I enjoy watching my three children compete on the athletic fields or golf course. I like to play golf and tennis as much as possible and enjoy watching the New England Patriots!

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

I have been involved with ERA since 2018. My co-worker, and FL-Sunshine ERA president, Greg Warren, has been instrumental in getting me involved at the local level and at the national level. I have been with Brandel-Stephens since the fall of 2006 covering many territories in Florida.

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

I was working in the mortgage business and looking to make a change. Ed Toomey, president of Brandel-Stephens, asked if I would be interested in helping to grow their business in the Southeast. I jumped at the chance to work with him and learn how to sell interconnect products. It was a great decision.

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

First and foremost, the relationships that I have made with the customers, manufacturers, distributors and my colleagues have been the most rewarding. Secondly, using our great line card to solve customer's problems with innovative technology and customer support is also rewarding. Since I'm writing this on the anniversary of the September 11th attacks, a good portion of our customers are defense contractors, and it's always good to know that the brave service men and women have the best equipment to protect our freedoms.

Briefly describe your rep firm.

Brandel-Stephens was established in 1966 as a manufacturers' representative in the Southeastern U.S., representing electromechanical components and systems

within varied markets including defense, aerospace, transportation, industrial, medical and telecom. Knowledge and experience are the cornerstones on which the foundation of our business and relationships are built. Our success is directly attributed to our customers, factories, and product and territorial expertise.

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

I think we have all become experts in Teams or Zoom over the past few years, and virtual selling has gotten easier thanks to tips from ERA Talks podcasts and ERA virtual sales training.

Our team has put a lot of effort into getting back to a pre-COVID style of sales effort. We make it a point to set up in-person meetings because even with all the great training that we have all received over the past few years, nothing beats a face-to-face call. The personal touch is invaluable.

What have you learned and/or what contacts have you made through ERA that have had the greatest positive impacts on you and/or your business?

The COLT training program that I did last year definitely stands out as one of the most impactful ERA events. I would highly suggest everyone interested in chapter leadership attends COLT training. I found it to be very helpful in planning our local chapter events. Plus, it was unbelievable to spend time with many talented individuals throughout the country. A close second behind the COLT training is the yearly ERA Conference in Austin. I believe it is the electronics industry can't-miss event of the year! Also, whether at local or national events, it has been such a pleasure to become friendly with the competition.

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

ERA CEO Walter Tobin and I are both proud graduates of Boston College. Go Eagles! Also, my mother and Walter coached youth soccer together in my hometown of Needham, Mass. ■

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A sales rep's journey of professional growth



Claudia Guerrero
Account Manager
Techni-Source Corp.

To gain better insight into how young professionals in the electronics industry have survived and thrived, The Representor interviewed Claudia Guerrero, account manager at Techni-Source Corp.

Guerrero shared how, in her professional journey as a manufacturer's representative, she has built her confidence by leaning on past experiences in supply chain management and perfecting the art of following up, meeting prep and practicing empathy.

Please tell us a little bit about yourself (personally and professionally).
First, let me say thank you for the invitation to participate in the Fall issue of *The Representor*.

From a professional standpoint, I'm originally from Guadalajara, Mexico, where my career started in supply chain at Sanmina. After moving to the U.S. and working a few more years in purchasing, life took me to the rep world with Techni-Source and I became an outside sales representative in October 2020.

Personally, I like to spend my free time playing/practicing golf, going to the gym and going on walks with my lovely pug Coco. With all these activities I like listening to music, audiobooks or podcasts. Recently I've started to meditate by controlling my breathing. I do this exercise every morning for at least five minutes, which seems to improve my focus and relaxation.

How long have you worked in the electronics industry?
I've been in positions of supply chain and mostly planning and purchasing for around 11 years. I have been with Techni-Source for five years, although only three as an outside sales rep.

What made you choose this industry as your current career path?
My bachelor's degree is in International Business, so the supply chain field was fitting. I was ready to

try something new after 11 years and decided to move to the sales side.
What are some of the main challenges you encountered as you embarked on your career journey?
One challenge, for sure, was starting my field sales career at the time when the

Follow-up and empathy have been key in my business relationships and development with customers, distributors and principals.

world was shut down. Another challenge was trying to be patient with the learning curve that the new rep position has, which in my situation was the engineering side of things. Third, learning and understanding how the products from the manufacturers we represent fit with each customer. As a supply chain professional, you mostly deal with part numbers.

What steps have you taken to overcome these challenges and ensure that you can establish and nurture a successful career?
Looking for tools and skills from my previous positions that could help me is how I realized that "follow up and empathy" have been key in my business relationships and development with customers, distributors and principals.
Training and exposure to different scenarios, markets, products and customers are some of the other factors that have built my confidence and helped me overcome the challenges along the way.

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What were some training tools or networking/industry events that you found beneficial to your professional growth?
All the manufacturers that we represent at TSC have some sort of onboarding training as well as quarterly product releases with training and quizzes.
Attending Arizona ERA chapter events has been fundamentally important for my network since all the key players are meeting at the same spot and collaborating for the same goal. The EDS Summit in Las Vegas, ERA's annual conference in Austin and being part of the ERA NEXGEN group have all helped to grow my network.

Do you think that there is enough new talent entering the electronics industry and what could make this field more attractive to young professionals?
No, unfortunately not. What could make this field more attractive to young professionals? We can start with some sort of marketing event to make it known to young people as I believe there's not much information and understanding as to what exactly an electronics manufacturers' representative is. The world changed in 2020 as well as the way of doing business. We need to adapt to the new ways of developing relationships and listen to the newer generations.

Where do you see your profession and the industry 10 to 20 years from now?
We ARE the future; this is the industry you want to be in. It is exciting to see the world changing, evolving and adapting with all the technological developments, particularly with AI, automation, power harvesting, sustainability and connectivity.

Professionally, what keeps you up at night?
Probably all of the ideas and situations that I imagine.
If I'm scheduled to meet with a customer, distributor or any of our principals, in my head I try to mimic and play the situation with different scenarios. It's a way of practicing a little bit for the meeting and trying to plan and structure the meeting. If there's something that I didn't think about before, I send myself an email to follow up the day after or before the meeting. ■

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EXECUTIVE COMMENTARY

The hurrier I go – the behinder I get!

This time a year ago, many of us were asking our partners (and were also asked by them), “How’s business?”

We then may have listed a litany of challenges that we were dealing with: long and uncertain lead times, unclear/inaccurate forecasts from our customers and being asked to adhere to and/or pass along NCNR clauses that had never seen before. There were shipping issues, port backups, the Great Resignation phenomenon, work-from-home issues, the search for the “golden screw”— so many things for us to consider and manage every day.

Yet, when a follow-up question was asked or we asked, “How’s your revenue this year?” we often said or heard, “We are having a record year!”

How was that even possible? I guess there must have been some product somewhere that was able to be shipped and billed to someone.

Was all of this product really needed? We have now become aware that there was a lot of double/triple ordering done to hedge our bets on averting product shortages. We may have agreed to NCNR clauses that we would have never even considered to agree to in the past, all while hoping that our own “golden screws” arrived on our docks.

So here we are a year later. Lead times have returned to a more normal cadence and many golden screws have been received. The NCNR clauses that we agreed to are now being enforced, all leading to a period of declining bookings with book-to-bill ratios falling below 1:1. We are now relying on our past order backlog to sustain us.

Bookings down, billings falling, inventory rising...yikes! What are we do to now?

Some companies have adopted a “damn the torpedoes: full speed ahead” policy: cancel open orders, refuse shipments on past orders placed and accepted in good faith, renege on NCNR orders and begin to sell excess inventory on the open/gray market. This is all to achieve some short-term relief and to try to maximize their own quarterly/annual financials.

Some of these tactics are working! Some companies are demanding lower prices due to the return of a “buyer’s market” and to take advantage of companies who are now swimming (drowning?) in inventory. These companies are under pressure to reduce their own inventories and sell at reduced prices that will then lead to their own lower margins, which will then wreak havoc on their own

financials.

In addition when companies sell their excess inventory to the gray market, it sits out there only to be sold down the road to customers who may take advantage of lower prices who may have bought this product from the authorized manufacturer/distributor channel who were relying on new orders down the road to help *them* sell their inventory. This excess inventory sits out there and then is sold down the road at lower prices —another short-term action that has longer-term ramifications on our supply chain.

When COVID-19 hit and the supply chain “broke,” why did it break? Because no one had any “upside” inventory to support the need for unforecasted demand inside of lead time. Customers were clamoring for manufacturers to simply “turn on” or build factories to support this unforecasted demand and many were asking as to why the distributors did not have more product on their shelves.

We will never learn, will we? But here we are again, looking to take margin away from the company to our left and right in the supply chain and to demand lower prices which then limits their ability to fund unforecasted inventory in the supply chain.

We need to try to take the long-term approach. It doesn’t help that Wall Street forces public companies to look at business on a 90-day horizon which forces public companies to do the yin and yang every 90 days. Wall Street also forces our publicly traded suppliers and channel partners to fight each other while customers are looking to us to right the ship, all while demanding lower prices.

A new and perhaps naive approach is for each one of us to ask the company above and below us in the supply chain for their help and guidance on preventing the supply chain disaster of the COVID-19 period from happening again. Ask, “What do you need from us?” Perhaps allow them to make a bit more margin on our business to then help fund new factories, unforecasted demand and shorter lead times. Build a true partnership based on mutual respect and trust, and not just on price alone.

Try it on one of your supply chain partnerships and see what they say. What harm can it do? You may end up positioning your company ahead of the rest of your competitors when times get tough again. It’s worth a try! ■



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ERA is hosting its annual conference Feb. 25-27, 2024, at the AT&T Executive Conference Center in Austin, TX. For more information about the event and to register online, visit <https://era.org/>

Best practices for travel season



by John O'Brien, CPMR
Coakley, Boyd and Abbett
ERA Chairman of the Board
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As the days shorten, the nights start to get cooler and leaves begin to change colors, it can only mean one thing — fall is right around the corner. In our industry though, fall is usually that time of resurgence. Everyone has worked through their summer vacations and with winter looming, it's time to get as much done as we can.

For most of us, this signals the beginning of the travel season. Traditionally, our customers come out of the summer diligently working on new design starts or finalizing new designs that were begun earlier in the year. During the onset of COVID-19, due to supply chain issues, our customers' focus was on getting parts, building product and driving revenues. Engineering efforts switched from design to sustainability as they needed to add sources to BOMs to try to get parts in to make revenue numbers. In many cases, designing a next-generation product fell to the back burner in support of these efforts.

Indications are that new design starts are now heading in an upward direction. We're seeing more engineering requests, sample requests, RFQs and general inquiries which are usually pretty good drivers towards new designs. I have heard that many OEMs are not taking on as many new designs as they would previously, opting for one or two next-generation designs rather than trying to undertake too much too quickly.

So as this travel season is now upon us, let's take a look at some best practices:

- Be considerate of people's time. Manufacturers are taking time from their offices and homes to be out helping us drive new opportunities. Make sure you're scheduling

meals and windshield time appropriately.

- Be conscientious of the current market conditions. Many companies have or are limiting travel and entertainment budgets, so be fair with the hotels and restaurants you choose.

- Be flexible. Not all companies and employees are back to the office. Flex time within our customers is still a real thing.

You may need to substitute or supplement in-person visits with virtual visits.

- Keep everyone involved. It's important that the reps, manufacturers and distributors are all aligned during these design times. When appropriate, involve all parties in your visits.

- Be diligent. I've always felt it is very important for us reps to take copious notes when traveling with our

principals. There will be action items from every visit. I firmly believe that it is our responsibility as the rep to follow these to completion.

- Learn, learn, learn. I've learned more in a couple customer visits with a principal than I ever did watching PowerPoint trainings. The experience is invaluable.

To all my friends out there: happy hunting this season. I hope you land "the big one." ■

I've learned more in a couple customer visits with a principal than I ever did watching PowerPoint trainings. The experience is invaluable.

The false narrative of mutual exclusivity

Every day we are presented with choices of how we spend our time: Coke or Pepsi, Democrat or Republican, Giants or Jets, Yankees or Mets, (oh, okay Cubs or White Sox), etc. However, sometimes we make these choices "either/or" decisions when in fact, the options are not mutually exclusive.

For example, "Work smarter, not harder" — No doubt you've heard this repeated many times. What you may not know is the origin of the phrase. I used Google to find out that it was coined by industrial engineer Allen F. Morgenstern in the 1930s during his development of the work simplification program. The program's intent was to increase the ability of people to produce more with less effort — ostensibly through the use of efficient processes and effort multiplying tools. Makes a lot of sense, doesn't it?

Yet, while I readily understand the concept and agree with the efficient process premise, I would also offer the observation that working smarter and working harder are NOT mutually exclusive! Is this an "either/or" statement? Why not "both/and" instead? Was the original concept designed to relieve one of the responsibilities of hard work? I don't think so, but in many instances today, I believe that we have made this statement a justification for less effort.

There are, of course, many notable exceptions. I am proud to pay tribute to the smart and hard work of the outstanding ERA staff. In 2017, the ERA staff undertook the task of migrating the national ERA Conference from a biannual event to an annual event, without a proportional increase in staffing resources to undertake the effort. Coupling hard work with an enviably smart volunteer committee structure, they raised the bar and our expectations. They could have stopped there and would have been judged as very successful. However, consider the (incomplete) list below of new initiatives supported by the ERA staff over the last few years: the ERA/Edgewater Business Environment Survey (2023); ERA SearchLink.ai (2023); ERA HoverMap (2022); ERA Mark Motsinger White Pin Internship (2022); ERA Water Cooler (2020)/ERA LIVE (2022); the updated Manufacturers' Representatives Toolkit (2022); ERA STEP (Sales Training for Electronics Professionals) (2021); ERA new membership support (2021); and the ERA Talks podcast (2020).

Their repeated commitment to smart and hard work has not only delivered value to the members of ERA, but has also placed the Association in the strongest position ever. Well done, team!

Returning to the initial theme of this article, let me also give another example of a potential false choice that I believe is prevalent today.

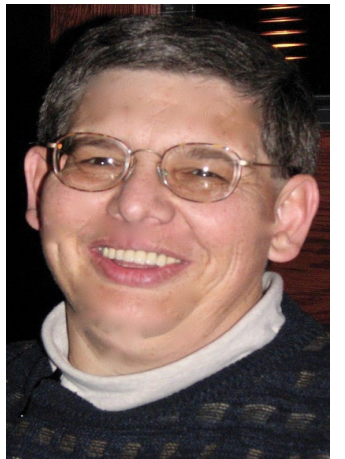
One of the challenges facing every organization in our industry is finding and introducing new, younger people into the business. ERA has addressed this challenge head-on with the creation of ERA White Pin Internships and the formation of the ERA NEXGEN Special Interest Group. While both efforts are in their nascent stages, they are beginning to show dividends for those involved and our industry.

Yet, while these are good initial steps, at a recent local ERA chapter online panel discussion I attended, I was not surprised to hear members of the NEXGEN group readily agree that it was advantageous to their careers to change jobs/companies frequently in order to achieve personal development and career goals. They cited the ability to accelerate personal development, find greater skills and learning opportunities, achieve a greater salary/on-target earnings (OTE) growth, climb the corporate ladder faster, improve work/life balance and avoid stagnation as the primary benefits of such action. I am confident that this thinking is not unique to our industry, and concede it may even be accurate in the majority of situations. However, I am equally convinced that personal/professional development and staying with one company are not mutually exclusive.

One of the many benefits I've enjoyed by being a manufacturers' representative is the variety of experiences and responsibilities I've had—each of which has provided me an opportunity to develop new skills encompassing a variety of disciplines, including sales, sales management, business development, human resources, IT support, marketing, legal and financial (all within 40+ years with a single company). While this is my personal story, I know that I am not unique in this. Take a look around at the longevity evidence in the industry. (As an aside, the thoughts presented by the NEXGEN members do present both a warning and an opportunity for those looking to develop new employees. I encourage us to collectively be smart and work hard to rise to the challenges!)

As I conclude, I hope that my observations serve as food for thought. Yes, there are many times when choices are either/or — but not always. Avoid the false narrative of mutual exclusivity!

I appreciate and welcome the feedback and comments I get from each of you. As always, I can be reached at ctanzola@fusionsourcing.com. And I look forward to seeing you in person at the annual ERA Conference in Austin in February 2024— all systems go! ■



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

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

ERA XCOM DIGEST

As a representative covering the Southwestern U.S., I am often approached by foreign companies wanting to expand into the North American market. The lack of awareness about the way U.S. manufacturers' representative and distribution channels live and breathe is sometimes astonishing. The lost-in-translation aspect and cultural disconnect is something to which we should pay attention.

What is at risk? If our agreements degenerate into non-exclusive and short-term—and with regards to termination, one-sided in nature—our quality of life as representatives will also degenerate, especially in the area of “pioneering lines.”

Our company has established a policy guideline as follows. If we engage a pioneering line (no existing residuals), we expect the agreement to maintain:

- Extended credit for commissions on sales for a minimum of 180 days after termination (lifetime of product is preferred)
- Elevated commissions for all new business to incentivize the sales team
- Territory visits by invitation only
- Reports are deal flow-focused, meaning not a routine-generated exercise or guarantee to be submitted monthly, only as needed in the pursuit of business
- Splits are an absolute non-negotiable, meaning if the business goes offshore, it is tracked and compensated for

Recently, I was approached by an Asian semiconductor line that wanted to establish business in North America. They were in the process of establishing a distribution network and needed to get their representative network built. Here was the structure of their proposed agreement:

- Commission subject to change depending on profit to the supplier, but base rate was offered at 2 percent
- No reference to paying on POS
- Non-compete to represent a competitive supplier for two years after termination
- Non-exclusive territory
- Each order needed to be registered in advance in order to receive credit and, in turn, compensation

I took exception to all of the above and countered with:

- Full commission at 5 percent
- 180 days of commission credit for all

existing sales and all sales captured after termination

- Exclusive territory—credit for every sale in our geographic area for both POS and direct
- No non-compete after termination
- No registering each order

When we discussed these issues and the offered commission rate that was lower than the industry standard, the president of the supplier said that their competition was at 2 percent commission. After researching the competition sales position in the U.S., I pointed out that the competition maintained a representative network supporting \$11.5 billion in sales in North America, so it was not a fair comparison to a situation that required a representative to build a territory from scratch.

It has been observed that an estimated 600 days to first commission compensation is the norm for getting a territory started. This number reference includes getting the design win, getting the program through proto stage, pre-production and full production. And then, it usually takes 30 to 60 days for the supplier to receive payment from invoice. I would add that the typical agreement pays the representative commission 30 days after the supplier is paid.

Have you ever been told, “Just take our products with you and sell them when you make calls for your other suppliers!” Well, in the words of a good friend and fellow representative, “If it is that easy, why not just do it yourself?”

How about the position some agreements try to take on commission rates? You may hear, “Commission rates are subject to change based on profitability of the situation related to the customer opportunity.” My response to that is, when you give me authority over your cost accounting, I will agree to that statement. There are times when the competition does get tough. In the worst-case scenario, let's make sure that the agreement states: “Commission rates will be negotiated prior to the customer receiving a quote.” This at least gives the representative an opportunity to advocate for a fair reduction in percentage. I would add that a 5- to 4-percent reduction is actually a 20 percent move in the total revenues paid to the representative. Is the manufacturer moving 20 percent off of

REP UPDATE

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Quality of sales representation & the dangers of weak representation agreements



MANUFACTURING
UPDATE

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Navigating the complexities of manufacturers' representatives who are considering adding competing lines



A topic that has been discussed over the years between manufacturers and their reps has been what is the right decision when it comes to considering adding a competing line. This article is my attempt to present some of the issues that could arise and cause major problems when a rep feels the need to, or may be presented with the decision to, add a competing line based on a merger or acquisition of a competitor by one of their key lines. I will also suggest some best practices if, in fact, a rep must seriously consider taking on a competing line. My expectation is that reps will consider some of these suggestions before making this decision.

Our representatives play a crucial role in bridging the gap between manufacturers, distributors and their customers. They act as the face of the brand, promoting products and ensuring a smooth distribution process. However, conflicts will arise when manufacturers' reps are approached to add competing lines to their portfolio. Here are some aspects to take into consideration when entertaining the thought of adding a competing line.

- **Conflict of interest.** When a manufacturers' representative considers adding competing lines, conflicts of interest can arise. They are put in a delicate position of balancing the interests of multiple brands, potentially compromising their loyalty and commitment to each. This conflict may lead to strained relationships with both manufacturers and customers, as trust and transparency become questionable.

- **Brand dilution.** Adding competing lines to a rep's portfolio can dilute the brand image and value. Manufacturers may worry that their products will be overshadowed or receive lesser attention from the reps, resulting in decreased sales and market share. Customers and distributors may also have concerns, as they may question the reps' ability to prioritize and effectively promote products.

- **Market segmentation.** Representing competing brands can lead to market segmentation challenges. The manufacturers' rep may have to divide their efforts and resources among various brands, potentially spreading themselves too thin. This can result in a lack of focus and reduced effectiveness in promoting any individual brand, leading to suboptimal results for all parties involved.

- **Ethical considerations.** The addition of competing lines raises ethical questions for manufacturers' representatives. They must navigate a fine line between promoting their existing brands while not undercutting the competition. Transparency and open

communication become paramount to ensure that all parties involved are aware of potential conflicts and are comfortable with the representation arrangement.

With the ever-changing landscape of the electronics industry, due to consolidations and mergers, it may be necessary to consider solutions to these conflicts if they arise.

My suggestion is that the manufacturers' rep should consider several strategies as potential solutions:

- **Clear communication.** Open and transparent communication between the reps, manufacturers and distributors is crucial. This ensures that everyone is aware of the potential conflicts and can make informed decisions.

- **Segmented representation.** Manufacturers' reps can consider segmenting their representation by product category or target market. This allows them to focus their efforts on specific brands, avoiding direct competition between the lines they represent.

- **Prioritization and balance.** By clearly prioritizing their existing brands and ensuring a balance in their representation, manufacturers' reps can maintain trust and loyalty with all parties involved. This involves setting expectations and boundaries to manage potential conflicts effectively.

- **Non-compete agreements.** Manufacturers can consider implementing non-compete agreements with their reps to protect their brand interests. These agreements can outline the scope of representation and establish boundaries regarding adding competing lines.

The decision by manufacturers' representatives to add competing lines can create conflicts and challenges for all parties involved. However, with open communication, strategic planning and a focus on maintaining loyalty and transparency, these conflicts can be navigated successfully if handled correctly. My expectation is that manufacturers' reps that are considering this scenario understand the decision and how it may affect them in the future. By implementing appropriate solutions, manufacturers' reps can continue to play a vital role in promoting brands while ensuring the best interests of manufacturers, distributors and customers are met.

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

I am thrilled to report on the tremendous success of three summer 2023 ERA Mark Motsinger White Pin internships. Feedback provided to the White Pin internship committee from both the candidates and their rep employers was overwhelmingly positive. Here are some of the highlights from the committee's check-in calls.

Firm: John E. Boeing Company (JEBCO), Nashua, N.H.

Intern: Imad Hankour, UMass Lowell, Mechanical Engineering

Rep Firm Owner: Don Higley

Imad Hankour had a great experience working with Don Higley and the team at JEBCO. The training wheels were taken off quickly as Imad spent time shadowing the account managers and working on several important projects. "The Boeing team was very patient with me, and they gave me a variety of tasks," said Hankour. "It was a mix of engineering and sales and always something new. It never got stale and there was always something to learn." He also mentioned that he spent the most time "shadowing the FSRs and witnessed in person what they do. After graduation, I want to do the same thing."

"Imad was a fast learner, and he was fearless," said Higley. "He worked with customers and distributors and was in contact with our principals who were very encouraging and supportive of the program. The internship was not only great for Imad but was a great experience for the company. Imad taught us quite a few things that we did not know. We can't wait for him to come back to work in May."

"The White Pin Internship is an excellent program," said Higley. "It was well worth the time and effort. This was the first intern we have had in 10 years and because of the great experience we will continue to pursue it over the coming summers."

Firm: TAARCOM, Inc., Santa Clara, Calif.

Intern: Dylan Phillips, Worcester Polytechnic Institute, Computer Science, Data Science

Rep Firm Owner: Ian Trevelyan

This was Dylan's second internship with TAARCOM. "In his second year, Dylan understands the industry better, knows the jargon and had great back/forth communication with customers and principals,"

said Trevelyan. "His value to TAARCOM increased enormously in his second year."

He added, "Dylan completed various business development tasks including software coding of distributor POS reports, commission database, various upgrades to our website and CRM data entry. Dylan is interested in joining TAARCOM after graduation and looks to develop his skills for outside sales."

"The TAARCOM team was thrilled to have our returning summer intern, Dylan Phillips, participate in the 2023 White Pin Internship program," said Erin Fox, sales and marketing distribution manager at TAARCOM. "ERA's commitment to fostering learning and growth is truly commendable. Thank you, ERA, for investing in Dylan's development and opening doors to a brighter future! The TAARCOM team is deeply appreciative of the experience."

"I met Dylan at a golf outing in the Bay area," said Walter Tobin, ERA CEO. "He was engaging and conducted himself professionally with us older guys. He was not intimidated. Kudos to the TAARCOM team for the proper onboarding of Dylan."

Firm: C C Electro Sales, Inc., Plymouth, Mich.

Intern: Liam Liburdi, Michigan State University, Applied Engineering Sciences

Rep Firm Owner: Matt Cohen

Using his technical sales focus of study at MSU, Liam Liburdi was excited to contribute to the sales process on customer calls with the outside sales team. "Liam started his summer embodying the field application engineer (FAE) role in our firm," said Matt Cohen. "He completed a two-hour training on AI hardware, and it never left him all summer. He used ChatGPT to come up with a sales plan and introduced it to a hard-to-penetrate customer."

"Liam was a self-starter from the beginning, learned highly complex products, provided sound research, and got comfortable texting, emailing and calling customers," said Cohen. "Liam helped with format and content in a principal's quarterly business review (QBR) that will help us for the next 18 months. His tenacity will benefit him for his upcoming career."

Interestingly, Cohen also shared that MSU as well as other universities are offering technical sales classes and training, and some are

INDUSTRY
UPDATE

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Summer 2023 White Pin internship success



DISTRIBUTION UPDATE

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Investing in the future – the 2024 ERA Conference



I'm going to come right out and say it. This is a pitch for our community to come out en masse for ERA's annual conference in Austin, Texas, on February 25-27, 2024.

Rightly so, we tend to be more explicit in prioritizing investments in uncertain times. There's a heightened focus to ensure that monies spent generate tangible return on investment. I would make the case that investing in our talent, whether it be in good or challenging times, is one the most tangible ways to generate return.

The theme this year of "Energizing our Customers' Experience"—with a particular focus on enabling field selling resources—is a perfect focal point for a market trying to navigate its way back to growth. Often where markets are looking for direction, the customer process can have a tendency to slow down. The impact places a premium on our business development and customer base expansion activities, and a tangible output of how our field selling resources generate return.

Last year's conference sold out and had an extensive waitlist. The timing couldn't be better to come together in Austin and to collaborate and share best practices as a community. In addition to the rich content of the conference itself, it offers a highly productive environment for meeting with key partners.

I'm in. See you there! ■

EDUCATION UPDATE

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What is in a job description?



What is in a job description? A lot—for our next generation. Our role as a salesperson has changed and the description needs to be updated to include marketing communications. People don't want to be known as "salespeople." That term is a connotation that items are being forced on others. When we hear about a salesperson, a used car salesperson comes to mind. While they are important, well-intentioned people, their reputation (unfortunately) has become tainted. It is not the career choice of many.

Instead, you may want to describe that we share ideas through marketing and work together to create exciting new products through collaboration. It is people-to-people communication. After the job description, we can describe the working environment and mention things to be aware of as we describe it—such as, openness to creativity and doing things a new way. Work-life balance. Creating sustainability goals or an environmental vision for our manufacturers and customers. While I have watched our ERA NEXGEN group and White Pin Internship program develop, I realize that the next generation is a master of researching customers and products, while they share best practices of how to reach the creators of the "next best thing." ERA has hosted countless [Conference](#) breakout sessions and [STEP](#) training modules that address the soft skills like listening, trust and resilience, while peppering in the negotiation and tools to find the next big customer, or how to use video or ChatGPT in your introductions and beyond.

Fall is the time to attend job fairs and find your interns! Purdue University offers a business and engineering combined degree, and Michigan State University has an applied engineering degree that has dedicated sales leadership classes included. I have given them ERA white papers on the manufacturers' rep model to share in class. Talk to your favorite university and you might be amazed at what is right next door—students with an interest in what we do. Share your passion for this crazy industry! My suggestion is that you craft your job description carefully to capture the true essence of what we do. The intern is a breath of fresh air in your office that stimulates so much more than monetary gain. You learn from them as much or more than they learn from you in the short summer timeline. It is a great way to move forward in this ever-changing world! ■

I hope that this edition of *The Representative* finds all of you rested and relaxed after an enjoyable summer. I suspect that you too may have found the post-COVID spike in the summer crowds a little trying at times, but it was certainly great to be getting back to a post-COVID normal.

As we transition from summer to fall, you may be finding your 2023 metrics to be as trying as those summer crowds. It was well predicted that 2023 was going to be a correction year, but these ups and downs can still test your patience. Riding the slow-moving ups and downs on a merry-go-round may be fun as a child—and may still be for some of you—but this is not our preference in business. The good news is that the subtle movement of a carousel is better than that of a rollercoaster.

I cannot help but recognize the value of an ERA membership as we continue to ride these "carousel conditions" into the waning months of the year. Be it during disruptive, corrective or stable times, making informed decisions is always a best practice. ERA continues to provide its members with many invaluable sources of information that can keep you informed, and the single greatest repository for this information is the ERA website. When was the last time you spent some time on ERA.org? It is loaded with tools that can help you navigate your business through all market conditions. A few that you may consider are:

- **Resource tab:** Here you will find links to all kinds of valuable information that includes access to industry experts across many disciplines, the Manufacturers' Rep Toolkit and Member Resources, which includes updated POS reports.
- **Publications:** It might be a recent piece, or one from the past, but the White Papers & Publications section might help inspire your next great idea.

When was the last time you spent some time on ERA.org? It is loaded with tools that can help you navigate your business through all market conditions.

- **Events:** Educating through networking is a cornerstone of ERA, and we are planning more events, both online and in-person, than ever before. Be it the upcoming conference, a local chapter event or an online ERA LIVE event, remember to participate and learn from the collective.
- **HoverMap:** Would you like to get some fresh perspectives from another rep, but you misplaced their contact information? Why not use the Hover Map to track them down?
- **ERA SearchLink.ai:** This powerful search tool may help you find the contact that you are looking for that can turn your business around. Have you integrated it into your organization?
- **Lines Available:** Maybe there is a gap in your product portfolio that can be filled with a manufacturer member from the Lines Available bulletin. Have you looked recently?
- **Online Tools:** This is a collection of many digital tools, with ERA Podcasts being just one. Have you listened to an ERA Podcast recently while driving to your next meeting?

For those who prefer a more stable business environment, it is good to see that 2023 is more of a carousel and less of a rollercoaster ride. Nonetheless, ERA's website has information that can make this ride more enjoyable. If you have not done so recently, I encourage you to take a time out, update your password, sign in, take a deep dive and enjoy the experience. ■

MEMBERSHIP UPDATE

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Carousel conditions



The ‘Windfall Gals’ reject manufacturer’s contention that paying the rep was a windfall



By Adam J. Glazer
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Just a few months ago, on the fifth floor of the courthouse in a sleepy Philadelphia suburb, an international manufacturing conglomerate squared off for 3½ days against a local sales rep. The battle was over commissions due under the terms of their contract, plus statutory damages. In a first for this counsel (and the seasoned trial judge), a single-sex jury was selected: eight women who, for reasons explained below, would later form a chat group known as the “Windfall Gals.”

Background

Rigorous Electronics Performers, LLC or REP (not its real name) contracted with Manipulating Financial Results, Inc. or MFR (also a pseudonym) to represent its product line in an Atlantic seaboard territory. MFR’s key personnel knew REP’s salespeople from their joint service at a previous manufacturer. When an opportunity arose to develop sales at a large customer of MFR whom they had all previously called upon, it was only natural for MFR to reach out to the familiar sales professionals at REP.

These familiar faces explained to REP that MFR was owned by a foreign concern with no experience using independent reps, and strongly urged REP to avoid rocking the boat.

The contract

The parties’ written agreement was mostly unremarkable, calling for REP to receive a 5 percent commission on all sales into its territory. Termination could be affected via certified mail with 30 days’ notice, and payment of all commissions due within 120 days of the notice. Changes to the agreement required the written consent of both parties.

Tucked away in the agreement, however, was one cryptic sentence that read: “Manufacturer reserves the right to reduce commissions on ‘windfall projects.’” Unlike other contract terms like “products,” “order” and “net invoice price,” the unusual phrase “windfall projects” was not defined.

The verdict also provided vindication for one rep’s decision to stand up for itself rather than allowing a manufacturer to ignore key terms in its own contract and wrongfully keep for itself hundreds of thousands in earned commissions.

The rep grows the business and pays the price

REP proceeded to prioritize this project for MFR, and the results were self-evident. After spending years working closely with the customer and building demand for MFR’s product, REP successfully opened the firehose to a flow of sales that would exceed \$50 million.

Its reward? Just prior to the project entering the production phase, an ominous conference call with certain MFR officials was scheduled.

Because business was booming and MFR had never complained about its performance, REP had no reason to foresee the incoming blow. During a call that MFR’s own witness at trial described as a “one-way discussion,” REP was told its 5 percent commissions would be slashed for the production phase of this project to only 1.5 percent. MFR higher-ups had purportedly decided cost cuts were needed for the project to work.

REP responded that this massive 70 percent reduction was “unacceptable,” but to no avail. The decision had already been made and the conference call was organized merely to convey it.

The true Hobson’s choice that confronted REP is all too common for successful sales reps. A sales rep spends years of time, effort and resources developing and growing business at a major account, and then falls victim to a principal who exploits the rep’s

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vulnerable position by disregarding the contract terms and reducing commissions.

Unable to affect the decision already made, does a rep — with employees and their families to consider in addition to other costs — quit in protest and walk away from a 1.5 percent commission of the production volumes? Or does the rep keep its shoulder to the wheel and accept the commissions it can get from a project painstakingly cultivated, and then hope it can protect its contract rights?

A comedy of errors

To make matters worse for REP, once production sales were well underway, MFR often paid even less than the 1.5 percent rate. Further, even though REP followed MFR’s advice about not rocking the boat, it still got terminated as part of a corporate reorganization together with several other reps. REP learned of this when it opened its mail to find a notice of termination dated January 2020 addressed to REP, but stating that MFR “wishes to terminate our current Representative Agreement with” — a different rep.

MFR soon recognized its mistake and sent a corrected notice actually terminating REP. Yet, both of these letters were sent U.S. Mail when the parties’ contract, wholly drafted by MFR, required such notices to go out certified mail.

A demand letter on behalf of REP was soon issued to MFR seeking to resolve the dispute out of court at the contractual commission rate, and pointing out the ineffective termination notice. In response, MFR made no effort to settle, but in August 2020 sent a new termination by certified mail. This certified mailing referenced and enclosed a copy of the original notice terminating a different rep, not the corrected notice.

In response to the demand letter, MFR’s counsel asserted for the first time that the commission reduction unilaterally taken was on a “windfall project” that REP had not impacted.

The legal claims

Consistent with Pennsylvania law (and the law in many other states), REP was not required to terminate after suffering MFR’s commission cut to preserve its right to get paid at the contract rate. Instead, after protesting the reduction, it could continue to perform and bring suit following termination to recover the underpaid commissions.

REP claimed not only for breach of contract, but also under the New Jersey Sales Representative Act to recover an additional three times the commissions due, plus attorney’s fees and costs. The statutory claim will likely form the subject of a separate column.

The evidence at trial

The ladies of the jury received evidence of the contract’s terms, including the 5 percent commission rate and how amendments required both sides to consent in writing. They also heard undisputed testimony about the years-long effort of REP to develop the subject business on a priority basis for MFR to the tune of \$50 million in sales before termination.

Unable to dispute that the contract called for a much higher rate than it paid, MFR tried defending at trial with two main arguments. By cashing the commission checks at the reduced rate, MFR argued to the jury, REP waived any right to complain about the lower rate. And MFR presented its primary defense that it had a contractual right to lower REP’s commissions on what it claimed was a “windfall project.” Witnesses for both sides testified that REP pushed back when informed of the massive rate cut by stating it was “unacceptable,” and the jurors accepted that REP then followed MFR’s instructions by not rocking the boat. They easily found no waiver had occurred.

Meanwhile, the jurors took their nickname from listening with disbelief to MFR’s argument that the \$50 million in sales substantially generated by REP should be viewed as a “windfall project.” Not only did they refuse to allow MFR to define this term for the first time at trial, but they recognized that because this term was never used during REP’s period of service that the only proper means to reduce commissions was via the contract’s amendment process — requiring the consent of both sides.

The jury verdict

Taking only about two hours to deliberate, including lunch, the jury returned a verdict in favor of REP, and started counting the commissions due 120 days from the August 2020 termination notice, not the invalid January attempt urged by MFR. This yielded a healthy recovery for REP, even before counting the statutory damages and attorney’s fees made available under New Jersey law.

The verdict also provided vindication for one rep’s decision to stand up for itself rather than allowing a manufacturer to ignore key terms in its own contract and wrongfully keep for itself hundreds of thousands in earned commissions. To their credit, the “Windfall Gals” sent a decisive message against bullying a sales rep. ■

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Maximizing the qualified business income tax deduction for sole owner/sole employee businesses



by Bruce E. Bell, CPA/Attorney

Bruce E. Bell is a CPA/Attorney practicing at the Chicago law firm of Schoenberg Finkel Beiderman Bell Glazer LLC. A founding member of the firm, Bruce chairs the firm's transactional and tax practices. He concentrates on federal tax, estate planning and general business matters. Bruce can be reached at 312-648-2300 or bruce.bell@sfbbg.com.

The 2017 Tax Act introduced a new deduction for pass-through entities. Owners of S corporations, sole proprietorships, partnerships and limited liability companies treated as sole proprietorships are entitled to an income tax deduction of up to 20 percent of their qualified business income (“QBI”) on their personal income tax returns. Despite the fact that the QBI deduction has been available for years, many individuals starting their own businesses as sole owner companies with no employees continue to experience confusion in selecting the optimal structure to take advantage of the 20 percent tax deduction.

Qualified business income, generally speaking, is income derived from a trade or business. An employee’s wages do not constitute QBI. Passive income such as interest and dividends are also excluded from the QBI definition. The intention of the statute is to offer a deduction for the active business income that is earned by pass thru entities.

As an individual’s taxable income exceeds a threshold amount, the QBI deduction may be subject to an additional limitation. The threshold amount is based on all of an individual’s income, not just income derived from the business, and is currently \$364,200 for married taxpayers filing joint income tax returns with their spouses and \$182,100 for single taxpayers. Subject to a phaseout of these limitations, once these threshold amounts of income are reached, the QBI deduction cannot exceed the greater of (a) 50 percent of the wages paid by the business or (b) the sum of 25 percent of the wages paid by the business and 2½ percent of the non-depreciated basis of certain business property.

Since S corporation owners can receive salaries from their businesses, wages paid to an S corporation owner will be taken into account in determining the wage limitations where income exceeds the thresholds. Owners of sole proprietorships and limited liability companies treated as proprietorships, however, cannot pay wages to themselves. Accordingly, the wage limitations for individuals whose income exceeds the thresholds may significantly curtail or even eliminate the QBI deduction for these businesses.

In selecting the proper business structure, there is no one structure that is optimal for all sole owner businesses with no employees.

Where an individual taxpayer’s income is below the applicable threshold, a sole proprietorship or a limited liability company treated as a sole proprietorship is often the recommended structure. In these circumstances, a 20 percent income tax deduction may be allowed for the full amount of the qualified business income. Because income is below the threshold, the wage limitations are inapplicable to such businesses. Once an individual’s income exceeds the thresholds, the QBI deduction for a sole proprietorship or a limited liability company treated as a sole proprietorship will be subject to the wage limitation which may eliminate the deduction unless the business owns a significant amount of property which can permit a QBI deduction for 2 ½ percent of the basis of such property.

Now consider an S corporation owner. Since S corporation owners rendering services to their corporations must pay some salary to themselves, the QBI deduction will not be as beneficial where the owner’s income is below the threshold since the income paid to the owner as wages does not qualify for the QBI deduction. Where the owner’s income exceeds the threshold, the S corporation structure becomes more beneficial as the owner can, subject to reasonable principles acceptable to the IRS, increase his/her salary to maximize the QBI deduction.

In seeking to maximize the QBI deduction, business owners must consider another limitation applicable to businesses which constitute special service trades or businesses (“SSTBs”). Doctors, lawyers, accountants and a host of other professional service providers cannot take a QBI deduction when their business income exceeds the thresholds set forth above. Subject to a phaseout of these limitations, the QBI deduction may not be available if the owner’s income exceeds the applicable threshold.

All business owners must recognize that there are multiple factors that must be taken into account in deciding upon a business structure. Navigating through the multiple complexities of the tax code to maximize the QBI deduction is no doubt a significant factor. Other factors should not be ignored as many considerations come into play in selecting a business structure. ■

MARKETING GROUP DIGEST

MATERIALS, ASSEMBLY, PRODUCTION & SUPPLY

Troy Gunnin - Sun Rep Inc. - Tampa, Fla.
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A half century of insight

Where has the time gone? By the time you read this it will be the 4th quarter of 2023. As I thought about this, I looked back at the half century I have been in this amazing business and thought that perhaps for the “newcomers” (25 years or less) that I would share some insight into the “olden days.”

A normal week would start with a detailed travel plan for the week. That would include ensuring that the trunk of your car was stocked with current literature and samples for the week’s sales calls. If the calls were out of town, you probably left home early on Monday morning and would return on Friday. Your GPS was a box containing maps of all the cities in your territory. You knew the best hotels to stay in every town and got to know the desk clerks on a first name basis. You always had a pocket full of quarters and knew the location of every pay phone in the territory. Many of your customers became good friends, and with some, you got to know their families. It was indeed a person-to-person business.

If you were calling on general line distributors, you would likely do inventories and write (yes, physically write) purchase orders. In most cases you would accumulate the orders and at the end of the trip, separate by principal and mail (yep, snail mail) the orders to the various factories. Expect to put 40,000 or more miles on your car each year. That’s a lot of windshield time. You got to know factory personnel personally when you spent a lot of time together in the car and evenings at hotels. Many became friends as well as business associates. I look back and realize that those were great times and lifelong friendships were established that have endured through the years.

Fast forward to 2023. It’s an instantaneous environment. Compare the snail mail orders with being able to order it in the morning and have it delivered by afternoon (and if you are Amazon Prime, probably free shipping). How long has it been since you saw a payphone? Many sales calls are electronic — Zoom, Teams, etc. Gone are the days with a trunk full of literature, it’s all in electronic format. Product demos can be done online, eliminating in many cases the need for those cumbersome demo cases. Along the way, the fax machine became an important means of placing orders and communicating. How long has it been since you sent or received a fax? Do you even have a fax machine now?

You “newbies” of today will be the “old timers” in a few years. Can we even imagine what you will pass along to the next generation? I’m not even going to go there. I can only look to the future in awe when I see the changes that I have experienced. ■



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The latest Wi-Fi standards fit for current and future requirements

By Kerstin Naser, Corporate Product Manager Wireless at Rutronik

The latest Wi-Fi standard, Wi-Fi 6, and its extension, Wi-Fi 6E, promise high data transmission speeds, higher capacity and low latency, even in environments with many network subscribers. These advantages open up numerous new application options and areas of use, but also give rise to new requirements.

The much-cited refrigerator that automatically orders food has not caught on, but many other smart home devices have, such as washing machines that inform their owners via smartphone that the laundry is done. This is made possible by Wi-Fi, one of the best-known and most widespread wireless technologies. More and more devices offer a Wi-Fi interface, and not just in the smart home sector. Wi-Fi is also increasingly finding its way into industrial environments through applications such as mobile robots, crane systems, automated guided vehicles or even safety and security systems and the networking of sensors in production lines. Virtual reality and gaming applications, as well as wallboxes, also use this wireless technology.

The new application areas also place new requirements on the technology; and despite the increasing number of subscribers in the Wi-Fi network, users expect a stable network connection. That is why the Wi-Fi Alliance is constantly further developing the standards. Since the first IEEE 802.11 protocol appeared back in 1997, data throughput has improved significantly with each new Wi-Fi standard.

This time, however, the Wi-Fi Alliance has not only optimized the technology, but also the naming: Wi-Fi 6 and Wi-Fi 6E (E = enhanced/extended) replace the cumbersome title IEEE 802.11ax. The predecessor standards have also been given new names: IEEE 802.11ac is now called Wi-Fi 5 and IEEE 802.11n is now Wi-Fi 4.

Technically speaking, Wi-Fi 6 and

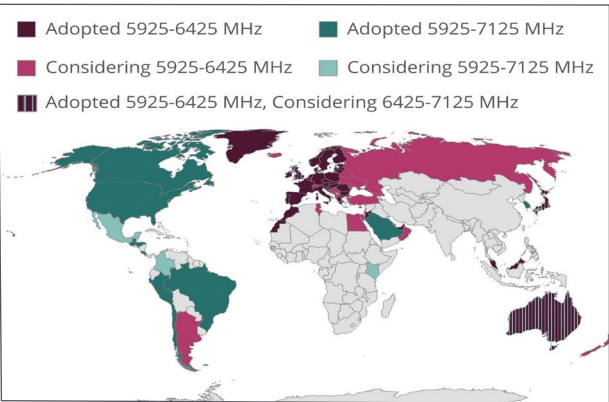


Figure 1. Countries where Wi-Fi 6E is supported. (as of April 2022)

Wi-Fi 6E offer a whole range of enhancements:

OFDMA (orthogonal frequency division multiple access): OFDMA is an extension of the OFDM method used in Wi-Fi 5 technology. While only one data packet can be transmitted to a single terminal within a given time window when using OFDM, OFDMA enables the transmission of multiple sets of data for various terminals in the same data packet. This increases data rate efficiency and reduces network latency significantly.

1024-QAM (quadrature amplitude modulation): Compared to Wi-Fi 5, which uses the 256-QAM modulation method,

1024-QAM allows a 25 percent higher data throughput with Wi-Fi 6. With 1024-QAM, a total of 10 bits can be transmitted; with 256-QAM, it is only 8 bits. This is particularly advantageous in environments characterized by a high density of WLAN terminals, for example in railroad stations or at large events.

MU-MIMO (multi-user - multiple input, multiple output): By breaking up the available bandwidth into separate spatial streams, communication via multiple antennas between an access point and multiple devices is possible simultaneously, both downlink and uplink. With Wi-Fi 5, this only worked for downlink. As a result, Wi-Fi 6 further reduces network latency and provides greater stability.

TWT (target wake time): TWT “wakes up” network subscribers to transmit data only at specific times. The rest of the time, the devices “sleep” and thus require less energy. This also avoids interference in the network communication, since sleeping subscribers do not transmit data and do not block the communication streams—a decisive plus point, especially in industrial automation with many sensor applications.

BSS (basic service set) coloring: Each BSS, consisting of an access point and the clients', is assigned a “color” (i.e., a number) as soon as another BSS is in its vicinity. Signals from another network can therefore be detected and ignored. This allows more efficient use of the streams and better transmission quality.

Security standard WPA3 (Wi-Fi Protected Access 3): Compared to its predecessor standard WPA2, WPA3 provides significant enhancements in the area of authentication and encryption, as well as in the configuration of WLAN devices. Moreover, it ensures greater security at public hotspots. The WPA3 standard is mandatory for Wi-Fi 6 certified products.

Wi-Fi 6E offers even more advantages

Wi-Fi 6E offers more than just the aforesaid advantages: extension to the 6 GHz band, for instance. Wi-Fi 6E is also based on

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TECH CORNER: The latest Wi-Fi standards

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the IEEE 802.11ax Wi-Fi standard, thus supporting all the technologies mentioned, just like Wi-Fi 6. However, only the now heavily congested original 2.4 GHz and 5 GHz bands are defined for Wi-Fi 6. In contrast, the 6 GHz band is also available with Wi-Fi 6E. Further 80 MHz and up to seven additional 160 MHz spatial streams for data transmission allow even higher data throughput with wider spatial streams. The 2.4 GHz and 5 GHz bands, which devices with older Wi-Fi standards use for transmission, are relieved, which in turn leads to lower latency. This makes Wi-Fi 6E an ideal solution for gaming, streaming and virtual reality applications.

However, Wi-Fi use of the 6 GHz band has not yet been opened up in some countries. The USA started in 2020; Figure 1 shows which other countries have since followed its lead.

Switching over requires new hardware

Anyone who is now considering switching to Wi-Fi 6 or Wi-Fi 6E should keep in mind that devices with older Wi-Fi standards cannot simply be upgraded to Wi-Fi 6/6E through a software update. This means that all routers and devices that need to use the latest standard must be equipped with new hardware. Wi-Fi 6/6E devices, on the other hand, are backwards compatible with older Wi-Fi standards.

Established standard

Products are, therefore, available and numerous device suppliers are already applying them. According to the Wi-Fi Alliance, 2.3 billion and 350 million of the total 29 billion Wi-Fi devices shipped in 2022 will be equipped with Wi-Fi 6 and Wi-Fi 6E respectively (see Figure 2). Thanks to their advantages, the overall share of the new standards will certainly increase significantly. ■

XCOM DIGEST - REP UPDATE: Cameron English, CPMR

(continued from page 19)

the quoted price?

Our industry talks about “long tail” products when the issue for us as representatives is long tail return on investment.

What does this all mean for us as professionals? Unless we stand firm on maintaining high standards in regard to agreement structure and expectations, we risk eroding our level of quality of return on investment as an industry in general.

In his recent white paper, “The Solution to Cost-Effective Sales Coverage is Hiding in Plain Sight,” available to ERA members on era.org, Cesare Giammarco outlines the cost for a manufacturer to maintain a direct sales force. The startup and maintenance cost are substantial. This cost hurdle represents leverage for us as representatives. The suppliers need to have a sales force to build their position in the market. When it comes to demand creation, we are the only option next to a direct sales force. When you analyze the data, a representative strategy is clearly more efficient in most cases.

This begs the question: why would any of us as representatives agree to a weak contract? In fact, we should be demanding retainers and up-front start-up fees to engage a supplier. I would add that the established suppliers, who are making the investment, paying every month for on-going sales should question any representative that would engage a pioneering line.

If we are to uphold a commitment to professionalism, it is imperative we maintain strong agreements. The minute one of our ranks accepts a less-than-quality representation agreement, the entire industry is in jeopardy of seeing diminished expectations. When standards are degraded, return will soon follow. ■

XCOM DIGEST - INDUSTRY UPDATE: Kingsland Coombs, CPMR, CSP

(continued from page 21)

even focused on the manufacturers’ representative model.

The ERA White Pin committee will begin the process for the 2024 summer program in late fall 2023. Rep firms do need to submit applications to qualify for the subsidy. Rep and internship application forms can be found at: <https://era.org/about-era/era-white-pin-rep-intern-process-and-program/>. Application forms should be submitted no later than February 28, 2024. Applications will be reviewed in the order of date submitted.

College career fairs are taking place right now, so if your rep firm is interested in an internship, make sure to participate. The successful 2023 interns were recruited based on academics with a focus on technology, high energy and a curiosity for outside sales. ■

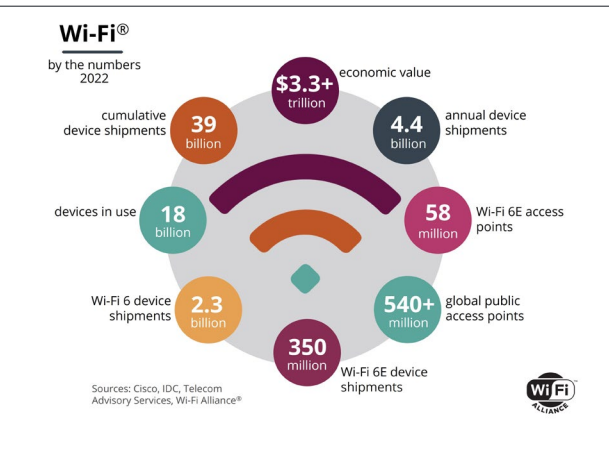


Figure 2. Wi-Fi is a market with billions of devices and an economic value currently estimated at \$3.3 trillion.



Chapter News reports the local activities of the 22 chapters of ERA. The chapters sponsor educational and training workshops, local trade shows, legislative and industry projects to enhance the professionalism of individual members and to advance the goals and mission of the national association.

COLT 2023

The Chapter Officers Leadership Training (COLT) program will once again be held virtually this year, on November 1-3. There is no cost to register and registrations are still being accepted. Visit the [COLT information page](#) for more information.

ARIZONA

Arizona ERA is making some changes to keep pace with the increased activity and growth. Cameron English, CPMR, of English Technical Sales, has moved into the chairman of the board role, and Kevin Davis of Techni-Source has taken on the role of president. Rick Dale of Kruvand-FTS has moved into the position of vice president. Wyatt Gifford of English Technical Sales has accepted the responsibilities of secretary/treasurer. Fiona Biggins of English Technical Sales has resigned from the Board to focus on other business responsibilities, and Alicia Doten of Techni-Source has joined the chapter as administrative and events manager.

While all of this is happening, the chapter is excited to be hosting its Q3 Happy Hour with guest speaker Darrin Duffy, senior category manager at Mercury Systems. Plans are also being put in place for our second annual golf tournament in May 2024.

Arizona ERA continues to serve the industry in our market, and the momentum is moving us toward greater participation with our members, partners and customers. We're anxious to see all that we can accomplish together as we grow.

CANADA

Canada ERA hosted a successful golf tournament at Glen Eagle Golf Club in Caledon, Ontario, recently. The chapter is pleased to announce that the event raised \$20,000 for the Make-A-Wish Foundation.



CAROLINAS

The 2023 Networking Series has benefited greatly this year from a diverse array of presenters, including Dennis Reed, senior research analyst at Edgewater Research, who provided an electronic industry overview, and Jeff Bade, vice president of Budde Marketing, with a review of best utilizing Budde's unique tools. We look forward to future events with

our very own Walter Tobin, and innovations from Phase Dock.

Beginning mid-year, the chapter invited the FL-Sunshine ERA chapter to join its breakfast and lunch events and looks forward to collaborating with them for future interesting topics.

Additionally, the chapter is pleased to announce it hosted its 20th Annual CERA Memorial Golf Tournament at the Challenge Golf Club in Graham, N.C. on Oct. 6 in memory of Keith Phillips. Since 2005, CERA has given multiple scholarships to college-bound dependents of member reps and distributors. The chapter has also donated to the American Diabetes Association, the American Heart Association and the American Cancer Society. This is all funded by the annual golf tournament.

CHICAGOLAND-WISCONSIN

Chicagoland-Wisconsin ERA remains active, preparing to host an educational in-person breakfast on Oct. 13. The event will feature a presentation by Anurag Rana, senior analysts at Bloomberg Intelligence. Rana will discuss current market trends with OEMs/ODMs with an audience of reps, manufacturer and distributors.

INDIANA-KENTUCKY

In August, Indiana-Kentucky ERA hosted its 31st Annual Industry Golf Outing at Golf Club of Indiana in Lebanon, Ind. The chapter had their biggest attendance yet with 84 golfers and 14 volunteers cheering on the winners, who were Hughes Peters of Indianapolis and Southern Ohio in a tie breaker with R.O. Whitesell, TT Electronics and customers Aptiva and Liberty.

Good weather and good fellowship was shared with all! Profits from the event were donated to FIRST Indiana Robotics, which mentors robotics teams at all K-12 Indiana schools. Members of robotics teams from years' past were playing in the tournament and excited to "give back" to FIRST. A home was also found for unused samples! The chapter encourages other chapters to find your local FIRST Robotics group and clean out your offices.

FLORIDA-SUNSHINE

FL-Sunshine ERA hosted its annual charity fundraiser golf tournament on Oct. 12 in Celebration, Fla. Profits from this event will be given to the Blake Bortles Foundation, whose prime goal is to work with individuals with developmental disabilities. (<http://www.blake-bortlesfoundation.com/>.)

In addition, the chapter is poised for its last fundraiser of the year on December 8-9 in Melbourne Fla. This event benefits the Kids Without Christmas, a local 501c3 providing holiday cheer for disadvantaged children.

NEW ENGLAND

New England ERA's 3rd annual golf tournament took place in early September at the beautiful Four Oaks Country Club in Dracut, Mass. The event united seasoned professionals with enthusiastic newcomers, creating a day of competitive golf, culinary delights and valuable networking opportunities.

The day concluded with a raffle, featuring generous donations from our members, coupled with a touching tribute to Norm MacInnis, a devoted industry and long-standing ERA volunteer. Together, the attendees rallied to raise over \$2,000, a heartfelt contribution to the American Heart Association in Norm's honor. The day exemplified the spirit of our industry, where camaraderie and compassion came together to make a meaningful impact.



NORTHERN CALIFORNIA

Northern California ERA proudly presented a virtual panel in August featuring a lineup of four emerging professionals from the electronics industry. The event was streamed live on LinkedIn via StreamYard and engaged participants across the ERA community.

The event provided a platform for the early career professionals to discuss their journeys, challenges and triumphs within the industry. The panelists were Alex Monetta, outside sales representative at Meridian Technical Sales; Christian Alviso, vice president & sales engineering at Luscombe Engineering of San Francisco; Gabriella DeSouza, FAI strategic account manager at Future Electronics; and Erin Fox, distribution sales and marketing manager at TAARCOM.

The event was moderated by Rob Brunson, vice president of sales and marketing at Wallace Electronic Sales, and Hunter Starr, territory manager at Performance Technical Sales. Their engaging style and industry expertise kept the discussions dynamic and the audience captivated. The livestreamed event drew in a virtual audience of more than 70 attendees. Attendees had the opportunity to submit questions ahead of time and during the event via chat, creating an environment of active engagement.

Panelists shared their perspectives on navigating the evolving industry landscape, virtual-to-in-person transitions and building professional connections. They also discussed strategies for empowering teams, fostering relationships and motivating team members.

Additionally, the chapter hosted a virtual event with guest speaker Dennis Reed in September. Dennis Reed's participation was a generous contribution of his time and industry insights, demonstrating his dedication to the ERA community.

SOUTHERN CALIFORNIA

Southern California ERA's June virtual event, AI Language Model, was a resounding success, largely thanks to Matthew Amato, global marketing and public relations manager at IBS Electronics, along with the dedicated team at IBS Electronics Group. Attendees left with valuable insights and a handy AI prompt cheat sheet to enhance their efficiency and productivity in their respective roles.

In July, the chapter proudly unveiled its new website, designed not only for the benefit of chapter members but also as an educational resource for the wider community. The website can be viewed here <https://www.erascal.org/>. The chapter extends its heartfelt appreciation to the website committee members for their invaluable time and guidance: Codi Tennesen from Astron Electronics, Jake Tramel from Bager Sales, Gary Smith from G.L. Smith Associates and Michael McCaig from Luscombe Engineering.

The chapter introduced a scrolling logo bar on the home page and displaying member logos in the membership tab. A simple click on a member logo directs users to the individual member page. Also added were sponsor logos to the event pages to express gratitude for their generous support. The chapter introduced an exclusive members-only area for Southern California ERA, offering sections for announcements, candidates seeking jobs, member directory, job listings, available product lines, past event access and a suggestion box.

The 19th Annual Sagebrush Summer Social was hosted on Sept. 14. This year, the legendary Steve Farley and his band, Burnt Toast, performed with special surprise appearances by industry alumni Ken Davidson and Johnny Garcia. Thanks to the generous support of sponsors, Calsquare Manufacturers' Rep, Rutronik Electronics Worldwide, QualSpec, Triad Magnetics, Ward/Davis Associates, Conquest Technical Sales, DigiKey, Harper and Two, Heilind, Premier Magnetics, TML & Associates, West Electronic Solutions, Astron Electronics, G.L. Smith Associates, Inc., KAI Connect, Kehoe Electronics, Luscombe Engineering, O'Donnell South, Inc., Sager Electronics, and Signal Enterprises, Inc., this free event was open to everyone in the electronics industry.

The chapter was also present at the Anaheim Electronics and Manufacturing Show on Sept. 27-28.

The chapter's annual golf tournament, benefiting Operation Homefront, was held in early October at the Black Gold Golf Course in Yorba Linda. It was an opportunity for everyone to unwind, socialize and enjoy cocktails, dinner and prizes! A heartfelt thank you is extended to Rutronik Electronics Worldwide, a platinum sponsor of the event.

Moving forward, the chapter is actively planning an "Engage with Engineers" event for November and will conclude 2023 with a year-end planning meeting. ■

Unveiling a New Era: Fusion Technical Sales
Arrives in TOLA, Redefining Success Together.



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2024 ERA CONFERENCE
REGISTRATION AND
SPONSORSHIPS OPEN

Attendee and sponsorship registration is open for the 2024 ERA Conference—"All Systems Go: Energizing Our Customers' Experience"—taking place Feb. 25-27, 2024, in Austin, Texas.

At press time for this issue, attendee registration is well over 50 percent capacity, and the hotel room block at the AT&T Hotel & Conference Center is sold out. (Please visit era.org/era-conference for additional information on hotel room reservations.) If you are interested in attending, do not wait. Register today! Sponsorships are still available as well — this is a great way to ensure attendance for you and your colleagues while showing support for this great event.

COLT (CHAPTER
OFFICER LEADERSHIP
TRAINING) 2023
REGISTRATION
IS OPEN

Take your ERA chapter to new heights! Registration is now open for ERA's Chapter Officer Leadership Training (COLT), ERA's dynamic instructional program on chapter management and planning tactics! This virtual program will take place Nov. 1-3. Chapter leaders, and those interested in pursuing a chapter leader role, can expect to gain practical knowledge and creative ideas that will elevate their local chapter's activities, growth and participation. This valuable program is free of charge and is hosted virtually. Chapter leaders who complete COLT 2023 receive one complimentary registration for the 2024 ERA Conference in Austin, Texas! Visit the [COLT information page](#) for more details.

ERA & TTI FAMILY OF
SPECIALISTS ANNOUNCE
STEP SPONSORSHIP

The TTI Family of Specialists (TTI FOS) has agreed to be the exclusive sponsor for ERA's STEP (Sales Training for Electronics Professionals) for the next four years, starting with the 2023 fall STEP program.

STEP will be held for the third consecutive year in late October 2023 in a live, virtual format. The program aims to provide frontline sales and marketing experts from manufacturers' representative firms, distributors and manufacturers an opportunity to receive updated selling tips to help them navigate these ever-changing times.

"TTI FOS is proud to exclusively sponsor ERA's STEP training series for the next four years," said Mike Morton, TTI CEO. "By entering into this partnership, TTI aims to show its continued support for ERA and the rep model. This robust, interactive training program will surely strengthen our entire industry by providing electronics sales professionals an opportunity to sharpen their skillset and learn best practices."

"I want to thank Mike Morton for his continued support and friendship to ERA," said Walter Tobin, ERA CEO. "ERA is most excited and thankful for this commitment from the TTI FOS. This sponsorship will enable ERA to continue to supply best-in-class training for our industry colleagues who deal directly with customers and deliver strong results on a daily basis."

Read the full press release at era.org/era-media-center/.

IN MEMORIAM:
MARTY LINKE

It is with sadness that ERA relays the news of the passing of Martin (Marty) Linke, vice president of Dytec-NCI, a manufacturers' representative in the Midwest.

A 40-year industry veteran, Marty was a longstanding member and volunteer with ERA. He served as a chapter officer in the Chicagoland-Wisconsin ERA chapter, as well as on the Board of ERA, for several years. ■



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