



Power-Motion Technology Representatives Association

# FOCUS

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## President's Perspective

by Mark S. Tsatsos, House of Motors, Inc., Golden Valley, MN, PTRA President

If you missed the conference in San Antonio, you missed one of the best opportunities in recent years! The programs were not only informative, but offered many chances for interaction and sharing of strategies that hit some hot buttons! See the summary and photos on page two.

If you did attend and escaped without completing your survey be sure and get it to us ASAP, as this is very critical to future conferences. Mark down the week of April 21, 2006 for next year's event.

We had a large number of new members, or first time attendees, probably one of the largest numbers in recent history! Thank you and help us continue to grow; it's vital to our group to keep expanding ideas and membership.

I would like to take this opportunity to thank Pam Bess and Liza Grove from C L Associates. They will be leaving as our association manage-

ment company, and I want to formally thank them for making the transition to a new association manager in a smooth and professional manner.

Pam and Liza worked very hard for several years to help us make PTRA one



Liza Grove (left) and Pam Bess from C L Associates with Gregg Smith, outgoing PTRA president.

of the best trade associations today! We thank them both, and wish them the best in their future endeavors.

If you haven't seen the web site lately, continue to check it out, as we continually offer more links and educational opportunities all the time. The increase in resources will continue to grow rapidly for your benefit.

By the time you get this issue of our *FOCUS* newsletter you will have received an invoice for your next year's dues, and you may have noticed that dues have increased. We hope you will accept that the costs of doing business as an Association continue to rise just like your costs do. We haven't had a dues increase for over 10 years, but rising costs have finally caught up with us. We fully intend that your membership in PTRA will continue to be a valuable investment. ▲



Mark Tsatsos, PTRA's incoming president

## PTRA Attendees Focus On Manufacturing's Economic Impact

There was no shortage of valuable take-home information for the more than 220 registrants — including 50 first-time attendees — at the 33rd annual PTRA conference in San Antonio, Texas. The four-day conference conducted under the theme of “Joining Forces for Increased Profits!” provided attendees wide-ranging presentations on important subjects including the economy, marketing, health care options, working with distributors, and inside sales support.

Addressing the economy — and more specifically how it is impacting the manufacturing sector — Stephen Gold, vice president and executive director, National Association of Manufacturers (NAM), Washington, D.C., noted that “if we’re to enjoy the benefits of a ‘new economy’ it’s going to need manufacturing at the core, providing a critical mass. Manufacturing matters. It creates jobs, but more importantly, it is the single most important generator of wealth in this country.”

Gold emphasized that the importance of manufacturing was not necessarily in the products that are

produced, but rather “it’s the manufacturing process that makes us prosperous. Manufacturing starts with an idea. Either it comes from someone like Thomas Edison or Steve Jobs. Then manufacturing research and development leads to investment in people, equipment and various other spillovers that result in unintended benefits for the economy. All of these spillovers lead to more competitive pricing, higher quality products and a higher standard of living.”

### Impact of Globalization

Taking a bead on the subject of globalization and how growing competition from Asia will impact U.S.-based manufacturing, Gold discussed challenges the United States faces:

- **Rising non-production costs** — “What U.S. manufacturers face here are self-inflicted wounds. There are five factors that add considerably to non-production costs: governmental regulations, health care costs, high energy and raw material costs, taxation, and high legal costs.”



Members of PTRA's Board of Directors: (left to right) Mark Tsatsos, Chris Brisbane, Joel Casaubon, Ron Haynes, Jay Holder, Don Elfstrom and Dale Hermanson.



PTRA's outgoing President Gregg Smith (right) presents a gavel to incoming President Mark Tsatsos.



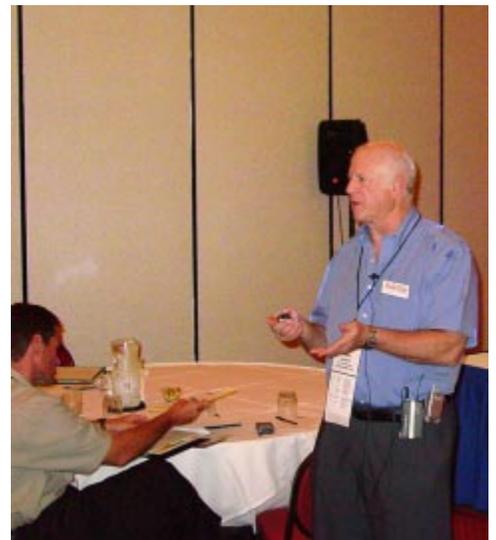
The conference started with a welcome reception.



A special reception was held for first-time conference attendees.



More Board of Directors: (left to right) Jim Mabrey, Jerry Rhodes, Robin Tetrault, John Rice, Ray Mazurek, Doug Bower and Mike Richie.



John Haskell reminded manufacturers how important it is to have their reps provide forecasting information on a regular basis.



Left to right: Tom Calvario, Mike Richie, Don Elfstrom and Duncan MacDonald related some of their experiences training and compensating inside sales staffs during the panel presentation on Inside Sales & Support.



MANA President & CEO Joe Miller compares notes with NAM's Stephen Gold prior to the latter's presentation on "U.S. Manufacturing in a Global Economy."



The importance of reps building relationships with independent distributors was stressed by James Webster, DXP Enterprises, Inc., Houston, Texas.

He explained that when you add these costs together "it adds 22% to our overhead. That means every morning a manufacturer opens for business, he faces 22% in additional costs that competitors in other areas of the world do not. This puts us at a tremendous competitive disadvantage."

- **Rising global competition** — "Our current trade deficit is in excess of \$650 billion. And the vast majority of that is with countries with whom we don't have trade agreements. Two-thirds of the deficit comes from trade with Asia."

Having covered the challenge to U.S. manufacturing in working in this environment, he went on to cover opportunities that currently exist because of this country's innovation, productivity, desirability and educated workforce.

### **Inside Sales and Support**

The economy was hardly all that manufacturers and reps learned about during their time in San Antonio. Earlier in the conference they learned about the following:

- In a panel discussion devoted to inside sales and support, the audience learned that many rep firms feel pressure to perform tasks previously performed by their manufacturers. The same panel emphasized the importance of continued training for inside sales.

In a discussion on the same subject, it was agreed that there appears to be a trend among many manufacturers to transfer to the rep functions that were at one time under the purview of the manufacture — with no additional compensation provided to perform the tasks. To counter that pressure one panel member made the point that "We asked for — and received — an additional point from one of our manufacturers for additional work that we perform. Our experience has been that there's no harm in asking and, in fact, when you discuss the subject with your manufacturers, you may be surprised how agreeable they are."

Panel participants were: Don Elfstrom, CPMR, Kacey Enterprises, Inc.; Tom Calvario, CPMR, Mahx F. Linster Inc.; Duncan MacDonald,

CPMR, Engineered Industrial Products; and Mike Richie, CPMR, J.T. Chapman Company. The panel was moderated by Joe Miller, president/CEO of MANA.

### The Value Reps Provide Distributors

A ringing endorsement for the role the manufacturers' representatives play in business was offered by James Webster, DXP Enterprises, Inc., Houston, Texas. DXP is a distributor of capital equipment, technical services and MRO products to the industrial market. "What you do for a living is what this country was built on," he told his audience.

### Partners in Profits

After tracing how the relationship between manufacturer and rep has changed from 1900 to the present, MANA President/CEO Joe Miller described how the relationship today benefits both parties. "In the early stages of this the 21st century, we're at a point where reps are more professional than they've ever been before. Manufacturers, who are experiencing intense pressure on margins, are going lean by downsizing. Their middle management has almost disappeared and they're exercising material cost control. As a result, reps are more in demand today than ever before."

He described some of the value-

added services that manufacturers' representatives currently offer to their manufacturers that encourage the demand for their services:

- Lead qualification.
- JIT delivery.
- Consultative selling.
- Order entry.
- Account management.
- Assembly and kitting.
- Regional sales management.
- Engineering and field work.

Once the manufacturer and the rep agree on what services are to be performed and by whom, what they should strive for is the perfect relationship between each other, according to Miller. Some of the elements that Miller maintained must appear in that relationships are:

- Concern about mutual profitability.
- Mutual respect, understanding, loyalty and integrity.
- Excellent communication up and down between the two.
- Efforts to maximize respective strengths and minimize weaknesses.
- A sharing of mutual objectives.
- Existence of a mutual territorial plan.

Other sessions conducted during the course of the four-day PTRA conference focused on health care options for reps and the importance of marketing — for both the manufacturer and the rep.

Next year's PTRA conference is scheduled for April 26-29, 2006 in Cancun, Mexico. ▲

Let PTRA call attention to your successes, growth and changes! Send in the enclosed Quick Report Form at anytime and we'll include your news in the next edition of *FOCUS*. Or, send us an e-mail: [info@ptra.org](mailto:info@ptra.org).

## PTRA Mission Statement

The Power-Motion Technology Representatives Association (PTRA) is an association of independent manufacturers' representatives and manufacturers dedicated to promoting the sales representation (rep) function in the power transmission and motion control industries. PTRA will strive to offer all members opportunities for education, information exchange, networking with other reps and manufacturers, plus an array of quality services designed to improve career performance and professional stature.



## Calendar Of Events

### June 10, 2005

MANA Rep Sales Force Management (for Allied Members) Chicago Area

### September 13-14, 2005

MRERF Managing Your Manufacturers' Representative Network Program (for Allied Members) Chicago Area

### September 13-16, 2005

MRERF Skills for Sales Success (for Active Members) Chicago Area

### September 29, 2005

MANA Rep Sales Force Management (for Allied Members) Chicago Area

### October 18-20, 2005

PTDA Industry Summit Bally's Las Vegas, Nevada

### October 20, 2005

MANA Do-It-Yourself Marketing (for Allied Members) Chicago Area

### November 15, 2005

MANA Rep Sales Force Management (for Allied Members) Baltimore, Maryland

## PTRA Code Of Ethics

The position of the representative is unique as the liaison between the distributor, the customer, and the manufacturer represented. Therefore, I believe it to be my responsibility:

- To hold my business in high esteem and strive to maintain its prestige.
- To keep the needs of my distributors always uppermost.
- To respect my distributors' confidence and hold in trust personal information.
- To render continuous service to my distributors, customers, and manufacturers.
- To employ every proper and legitimate means to persuade my customers to use the proper equipment for the application, if known, but to rigidly adhere to the highest standards of business and professional conduct concerning these recommendations.
- To present accurately, honestly, and completely every fact essential to my distributors' and customers' final decisions.
- To perfect my skills and add to my knowledge through continuous thought and study.
- To conduct my business on such a high plane that others emulating my example may help raise the standards of our vocation.
- To keep myself informed with respect to my manufacturers' policies, rules, and regulations and observe them in both letter and spirit.
- To respect the prerogatives of and cooperate with all others whose services are constructively related to ours in meeting the needs of our distributors and customers.

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