



Power-Motion Technology Representatives Association

FOCUS

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President's Perspective

by Mark S. Tsatsos, CPMR, House of Motors, Inc., Golden Valley, MN, PTR A President

The Times are "A-Changing"

Over the last couple of years we have seen many changes in our industry, our businesses, our administration, our conference site, and so many other things. In talking to members, I'm not entirely sure that you members that have not been to our conference recently understand how we have changed the content.

We have put a large emphasis on the feedback of our membership, especially as it pertains to the sessions and information presented at these conferences. As a result the content has become much more important to our businesses, and the feedback gets better every year. Although it's probably one of the best networking opportunities there is in our industry, it has become even more informative on "hot buttons" and subjects that are very critical to our everyday businesses.

As you are probably aware, we had to change the location of our 2006 Conference from Cancun to the Tampa Bay area because of Hurricane Wilma. Fortunately our administrative team has done an outstanding job of getting us a fantastic yet affordable Conference Site on short notice. In fact I'm very impressed the facility and the response we are getting from the staff of the Westin Innisbrook Golf Resort. If you like to golf you won't want to miss this one!!

Look for Conference Chairman Jay Holder's report on Page 6.

And don't forget that our web site has become even more informative, interactive and user-friendly. You can now register online for the conference at www.ptra.org.

We continue to strive to improve our association, and the conference is the "heart" of our PTR A body. Once again, if you haven't been to our conference lately, I think you will like the agenda Jay Holder has put together.

What changes do you need to be thinking about? Just a reminder of all the benefits you get from your membership, especially now that MANA has included some great avenues for education and information. We strongly endorse the CPMR program that is a three-level, on-campus executive course designed to enhance productivity and professionalism for the representative's firm. The ongoing education materials available from MRERF are worth reviewing, and of course access to legal counsel with Kramer & Kramer who are familiar with our industry, are just a few you need to review.

The one constant thing in this world is change. Learn how to adapt. See you at the conference! ▲



Mark Tsatsos



DICHTOMATIK
AMERICAS

January 24, 2006

Dear PTRAs Members,

As the President of the Allied membership of the PTRAs, I am very excited to announce that this year's conference will offer us the solution to a problem we have discussed for many years — maximizing time with our reps at the annual conference.

As members of this organization, we realize that the defining point of our successful utilization of independent sales representatives in our businesses is directly related to the relationships we have with them. Over the years it has been difficult at best to find the time to have private time with our reps to go over business, discuss past performance, future goals, new products and other subjects which require discussion.

This year, for the first time, the Board has given us a full half day where we can schedule individual sessions to privately discuss these and other matters, such as:

- Meeting with our representatives who are in attendance.
- Meeting with prospective representatives for open territories.
- Meeting with other Allied Members to discuss mutual issues.
- Schedule time with PTRAs's legal counsel.

The concept mirrors the very successful PTDA MD-IDEX format which has become a cornerstone in their annual event. Allied Members will be given the opportunity to reserve a private 8' x 10' booth, furnished with a small conference table and chairs. The morning will be divided into eight half-hour segments beginning at 8:00 a.m. and finishing at 12:00 p.m. Allied Members can schedule up to eight 25-minute sessions, or four 55-minute sessions, or any combination totaling four hours, minus five-minute changeover times. Schedules will be strictly adhered to, so you can expect your meetings to come off as planned.

As this is the first time we have ever had the opportunity to attempt this type of format, it will be somewhat experimental and subject to review at formal meetings. However, since I have been a member for over 12 years we have looked for ways to enhance the Rep-Allied relationship through our memberships, and this appears to answer many issues.

With the recent last-minute changes created by the damage to Cancun, the health of our organization will be determined to a large extent by this year's participation. I sincerely hope you will plan, not only to attend this year's conference and strongly urge all of your reps to attend as well, but plan in advance your participation in these interactive meetings.

Sincerely yours,

John E. Rice, President, Dichtomatik Americas
Chairman, Allied Advisory Board, PTRAs

Conference Saves Attendee Thousands In Health Insurance Costs

by Chris Brisbane, CPMR, Brisbane Industrial, Jim Thorpe, PA, PTRAs First Vice President

While discussing PTRAs conferences and topics with friends and industry colleagues, we have heard many opinions about what you perceive as the value of the association. You have said you don't want time management seminars, but instead specific topics to help run your company more effectively. You want PTRAs to continue its evolution into a true business and industry resource. You want measurable results from participating in our conferences.

One major goal of our association is to build value in the rep profession and provide tangible benefit as a business resource through quantifiable results. Our association directors and their affiliates will tell you that if you come away with at least one action item and monitor your progress with that item, you should be able to demonstrate one of these tangible benefits.

Brisbane Industrial was fortunate enough to participate in the 2005 conference. While health insurance may be a boring topic, the benefit of an effective plan and ultimately the effect on your bottom line demands regular attention. The options available for alternative health insurance programs were presented in a specific seminar during that conference. What follows is the story of how one rep firm was able to use information they learned at that seminar to stem the rising flood of health insurance costs.

"We knew that our senators, representatives and governor in Pennsylvania were considering legislation that could affect the health insurance industry and potentially begin mandatory employer supply and configuration of health insurance programs. The lobbying effort by the insurance providers was growing because they were protecting their base and trying to eliminate the available alternatives. We figured we had to join the lobbying effort to make our voice heard regarding the potential effects on small business. We contacted NFIB, SBA and our state representatives to get a sense of the pressures, voiced our opinions, monitored the progress and ultimately determined the actions we could take regardless of legislation.

"Mission accomplished. We learned that our legislature is listening. They generally consider small business in their deliberations and the subsequent effects of their actions. Our participation in the State Builders Association provided the avenue for acquiring creative alternative solutions to our ever-escalating health insurance premiums (20 percent increases annually). We executed a co-share co-pay self-insured high-deductible plan that covers the

major medical expense features previously offered. Our employees now pay 25 dollars per office visit, which remains their responsibility. We executed a high-deductible insurance plan. The first one thousand dollars of predetermined qualified expense is the responsibility of the employee on an annual basis. We eliminated vision and dental as services covered.

"Now that sounds like we eliminated some benefits to our employees, but here's the beautiful part of the deal. We evaluated the actual medical expense, needs and experience of each employee and found we're healthy, i.e., we have minimal average daily requirements. We could afford to go to a high-deductible program with a minimum amount of pain. If we are faced with a pandemic, our total cash flow expense necessary to support all employees would be twelve thousand dollars. We weren't required to establish a health savings account for the individual employees. That means we retain the cash and reduce the net expense on our bottom line. Premiums were reduced 26 percent. Our cash flow budgeting remained unchanged but



Chris Brisbane

continues on page 4 ➔



Linda McKee

Westin Innisbrook Golf Resort

by Linda McKee, PTRA Headquarters, Lake Forest, CA, PTRA Conference Planner

I have just returned from visiting the Innisbrook in preparation for our annual conference and was pleasantly surprised.

It is a beautiful resort set in a rural type setting — very quiet, serene and relaxing. This resort sits on over 1,000 acres and is one of the supreme golf resorts in the country. Everything is very well manicured, yet still keeps that rural, natural state. Nature is very much a part of this resort.

Service is the keyword here. Whatever it takes to get it done seems to be the motto. Everyone on staff was very hospitable and eager to please, from the front desk to the tram drivers to the wait staff to the concierges and business center staff.

And the food is great. There are several restaurants on the property with two open for dinner — Bamboos, a more casual setting, and Packard's Steakhouse, an excellent, slightly more upscale eatery. There is also Toscana's Italian Restaurant open Friday and Saturday evenings for dinner only. I didn't get a chance to sample their fare, but I bet you'll think you are in Italy when you taste the food.

I think we have made a great choice with the Innisbrook, and I am sure they and our great conference chairman, Jay Holder, will give us a fantastic conference. ▲

Conference Saves Attendee Thousands

➔ continued from page 3

enhanced by about 25 hundred dollars per month. Internally, we established a one-year savings plan where the premium savings are held in a money market account in the company's name. After the initial six months, our experience indicates no catastrophic events have occurred, and we are now extending the savings plan to one year. Payback occurred in five months. Our intention is to provide vision and dental reimbursements as well as remunerate the employee for the qualified premium expenses. Qualified expenses are identified, accumulated annually and calculated by the plan administrator. At the end of this first year, no further contributions will be submitted to the money market account. This savings vehicle will become self-sustaining at that time and will cover the health expenses we desire which now includes the dental and vision benefits. The cash account, plus savings from the reduced ex-

pense, remains at our disposal. The cash account covers the expenses for an all-inclusive catastrophic event should one occur, which is highly unlikely. We will establish rules for the use of this cash account and potentially employee reimbursement if or when funds are used. We must be sure the account is available if a serious situation does occur and therefore guarantee coverage.

"We have blanketed protection for everyone, reduced expenses and improved cash flow.

"The point is, had we not participated in the PTRA seminar, we wouldn't have acquired the information necessary to initiate the evaluation, engage in reasonably intelligent conversation, solicit the proper help or establish and execute the plan. The result of this one seminar has provided us the savings that has more than offset our PTRA membership and conference expenses."

PTRA does provide quantifiable value, but you only get out what you put in. You have to participate, especially in a conference, to experience measurable results. ▲

Lines Available

Advanced Control Systems Corp.

35 Corporate Park Drive
Pembroke, MA 02359
www.acsmotion.com

Contact:

Chuck Marshall, President
(781) 829-9228, fax (781) 829-9875
E-mail: sales@acsmotion.com

Terr. open: AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MA, MD, MI, MN, MS,

MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, PR, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY.

Product: Advanced Control Systems designs and manufactures stepping motor drives, integrated driver controllers and stand alone programmable machine controllers for scientific and industrial applications.



"Lines Available" Communication To Reps

Allied Members of PTRA may announce their interest in recruiting reps through our Lines Available service. For more information and an application go to www.ptra.org

Members' News

RPT, LLC. (Reliable Power Transmission) is pleased to announce the additions of Aaron Bond and Tiffany Crump to the sales staff. Bond will cover the Louisiana-Texas Gulf Coast and Crump will be covering north Texas. This brings total sales coverage for RPT to four people covering Texas, Oklahoma, Arkansas and Louisiana.

In addition RPT would like to announce the recent opening of RPT Mexico, LLC., with the main office located in Queretaro, Mexico. For more information visit www.reliable-pt.com.

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.

IRS Increases Mileage Compensation For Workers

Internal Revenue Service, reflecting higher prices at gas pumps nationwide, on September 9, 2005, increased the mileage reimbursement rate that workers claim when using personal cars for work. The decision raised the rate to 48.5 cents a mile for the last four months of the year, after which the tax agency again took a look at gas prices and reevaluated the rate.

Effective January 1, 2006, the IRS mileage rate is 44.5 cents.

Many businesses use the IRS rate as a benchmark for reimbursing employees for travel costs. ▲



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.

“The Times Are Changing”

by Jay Holder, N.O. Holder & Associates, Inc., Greenville, SC, PTRA Conference Chairman

It is ironic that this year's conference theme is based on “Changing Times.” As you know by now, after a couple of months reassuring PTRA that everything would be ready for our April Conference, the Marriott CasaMagna Cancun Resort pulled the plug on us just as we were printing the brochures and registration information. Well it was time to deal with the “change” and do it quickly.

Our new staff at PTRA Headquarters had already investigated back up plans in case Cancun couldn't recover in time. After reviewing several possible choices we chose the beautiful Westin Innisbrook Golf Resort. Luckily we were able to keep our April 26-29 dates, and our quest speakers were willing to continue their participation. You should have already received the 2006 Conference Brochure and Registration information in the mail, and you may also register on-line at www.ptra.org.

Because of the time crunch involved in changing locations we were still working on details for some of the “Optional Activities” when the conference brochure was mailed. By now you should have received a mailing and

e-mail updates on the optional activities. Golf Chairman Kevin Springstead has put together a great tournament that we will be playing on the “Island Course.” The “Island Course” has previously hosted U.S Open qualifying as well as an NCAA National Championship won by Phil Mickleson. Don't forget to sign up for a golf sponsorship! You may also call the course directly to set up additional rounds for Friday or Saturday afternoon.

You may sign up for the “Optional Activities” at www.ptra.org as well as find information on things to do in the local area.

We have an exciting program lined up this year dealing with a variety of topics. In Thursday's General Session Bob Trinkle will be presenting “Outsourcing the Sales Function ... The Real Costs of Field Sales.” This information will be helpful for both Allied and Active members in determining just how much it costs to operate a sales organization.

Joe Miller, president/CEO of MANA will be addressing the Allied Members during their breakout session. Joe has many years experience as a manufacturers' representative and has worked with hundreds of manufacturers on going to market through manufacturers' representatives. Joe will be covering “Mutual Action Planning versus Quotas — A Great Way to Improve Rep-Principle Cooperation, Communication and Results.”

We are pleased to have Tom Robertshaw joining us. Tom is the senior vice president, sales and strategic planning for Motion Industries, Inc. Tom will be sharing his insight on working with national distribution.

Finally on Saturday we have lined up a format that will allow Allied and Active members to spend time in private face-to-face meetings and/or interviews in a designated format for the first time.

Time is running out so hurry up and get registered! We'll see you in Sunny Florida! ▲



NAICS Codes For Wholesale Trade Agents And Brokers (formerly SIC code)

The 6-digit NAICS (North American Industry Classification System) business code system used by the IRS to classify your business has been undergoing revision since it was first implemented in 1997. A recent joint investigation by MANA and the ERA into NAICS Codes turned up a new code, established in 2002, for manufacturers' representatives.

For reps who sell only on commission and don't buy and resell, the following applies: **425120 Wholesale Trade Agents and Brokers — 2002 NAICS Code.**

Description

This industry comprises wholesale trade agents and brokers acting on behalf of buyers or sellers in the wholesale distribution of goods. Agents and brokers do not take title to the goods being sold. Instead, they receive a commission or fee for their service. Agents and brokers for all durable and non-durable goods are included in this industry.

Illustrative Examples

- Independent sales representatives
- Manufacturers' sales representatives

Alternate Titles

This sector is also called:

- Automobile auctions, wholesale
- Fuel oil truck jobbers
- Petroleum brokers
- Wholesale trade agents and brokers
- Agents and brokers, durable goods, wholesale trade
- Agents and brokers, non-durable goods, wholesale trade
- Durable goods agents and brokers, wholesale trade
- Non-durable goods agents and brokers, wholesale trade

For distributors, the correct code must be selected from the sub-sectors of **"423 Merchant Wholesalers, Durable Goods" or "424 Merchant Wholesalers, Non-durable Goods."**

If you are a manufacturers' representative who also buys and resells, and therefore takes title to some of the products you sell, you will need to choose the code that best describes your business when filing your tax return. Remember, the data in your tax return will be compared to the population of filers who use the same code you use for the purpose of selecting your return for further review. ▲

Welcome New PTRA Members

Active Members:

Blue Ridge Industrial Sales, Inc.

Atlanta, GA
Rodger Burgess
(770) 457-9000

Drive Solutions

Saline, MI
Pete Goethals
(734) 604-6393

Ferguson Sales Company

Covington, LA
Thomas Ferguson
(985) 892-6222

Forbes Engineering Sales, Inc.

Danvers, MA
John Forbes
(978) 777-9100

General Products Group

Boca Raton, FL
Tino Prieto
(561) 477-0368

O.F.B. & Associates

McHenry, IL
Raymond Stojonic
(815) 385-7974

RPT Mexico LLC.

Bellville, TX
Robert Amgler
(979) 865-2551

Visit the Following Web Sites for More Information

- www.naics.com
- www.naicscode.com/default.asp?Q=42
- www.naicscode.com/default.asp?Q=425120

Calendar Of Events

March 22, 2006

MANA Seminar
Starting From Scratch
An Introduction to Creating an Interdependent Sales Force (for Allied Members)
Chicago area
www.manaonline.org

March 23, 2006

MANA Seminar
Effective Rep Sales Force Management
(for Allied Members)
Chicago area
www.MANAonline.org

June 1, 2006

MANA Seminar
Effective Rep Sales Force Management
(for Allied Members)
Dallas area
www.MANAonline.org

Fall 2006

MANA Half-Day Seminars
Successfully Managing Conflicts in the Rep-Manufacturer Relationship
(for Active and Allied Members)
14 cities, check the MANA web site for details
www.MANAonline.org

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.

2005-2006 Board of Directors

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