FOCUS

A publication of the Power-Motion Technology Representatives Association (PTRA)

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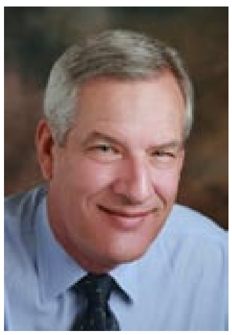
Inside This Issue:

President's Perspective

by Ron Haynes, PTRA President


Ron Haynes

I will be the first to admit that when it comes to the digital world, I am not fully hooked up, nor will you find me on the leading edge of technology. As one who has difficulties deciphering a vanity license plate, the thought of text messaging presents some serious challenges. Unfortunately the pressure is building, and slowly and reluctantly I am moving closer to entering the world of SMS, and have accepted the fact that soon I will be communicating with my thumbs.

According to the wireless industry's trade association, CTIA, Americans punch out more than two billion lines of text each day. As a nation we are texting, e-mailing and instant messaging more then we are talking. What is even more amazing is we are just now catching up with the rest of the world when it comes to business texting, as text has been a preferred method of communication in Asia and Europe for many years.

The benefits of wireless technology and real time communication are obvious, as it has allowed us to expand time and virtually be in two places at once. But like most good things it does come with a price, and what we gain in speed and convenience we can quickly loose in style, purpose, listening and follow-up, which are the four key elements of business communication.

Whether it is text, e-mail or voice mail, it still comes down to our ability to listen, comprehend and recognize that communication still requires forethought and composure. Which on the surface sounds pretty basic, but the next time you opt to scan your PDA or attempt to reply to a text e-mail or voice message while driving, think about the consequences not only in terms of safety but in the actual quality of the response as well.

When it comes to communication the goal has always remained the same — it has to be clear, concise and informative, as words can indeed mean different things to different people. And perhaps the following quotation taken from the first section of a basic listening skills seminar has never been truer.

> *"I know you believe you understood what you think I said, but I am not sure you realize that what you heard [or read] is not what I meant."*

So no matter how you chose to communicate, during the course of the work week remember it is your business voice and for it to serve you effectively it has to clearly and professionally convey your message. ▲

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

2009 PTRA Annual Conference
"STAYING AHEAD OF THE CURVE"

by Jerry Rhodes, Conference Chairman


Jerry Rhodes

The 2009 PTRA Annual Conference is quickly approaching. Only four months away!

— SAVE THE DATE —

The 2009 conference is scheduled for April 29 to May 2, 2009, at the JW Marriott Starr Pass Resort & Spa in Tucson, Arizona, **www.jwmarriottstarrpass.com**. The Marriott offers numerous activities like hiking, tennis, biking, a spa, a collection of outdoor water features, a club just for the kids, and the list goes on, and on, and on, and on. *A spectacular facility!*

This year's theme is ***"Staying Ahead Of The Curve."*** This can mean a lot of things to a lot of people, but do some of these comments sound like you?

- "I would like to stay ahead of my competition"
- "I would like to learn new sales techniques"
- "I would like to hear from a well-known economist with answers to help me prepare for the future (both business and personal)"

If you answer yes to any of these, you will not be disappointed with this year's conference.

The conference is really starting to come together. The resort, speakers, and itinerary are all chosen and all that is left to do is put on the final touches.

A question you may be asking yourself is, "With the economy the way it is why would I go to the conference?" I can sum it up in five answers:

1. **Networking with people in your industry**. There isn't a better way to get an understanding of what is happening in your industry than to talk with your peers.

2. **Meet and conduct business**. What a perfect way for manufacturers to interact with their representatives and to meet with them to discuss the state of the economy, goals, quotas, etc…

3. **Education**. This year's breakout sessions are going to be packed full of useful take-away information. Information such as:
   - Legal advice
   - Sales techniques
   - Financial planning
   - Hiring and retaining the right people
   - Helpful tips for new and small rep agencies

4. **Look for new Lines/Representatives**. Need to pick up another line to help make ends meet?

Do you have a territory open and are tired of talking with headhunters or placing news ads?

This is the venue to meet with multiple people that can help solve your problems and increase your revenue!!!

5. **A chance to get away from the daily grind**. Soak up the sun, enjoy a beverage, and recharge your battery!

To get the most out of the conference please plan to arrive in the afternoon on Wednesday April 29th and depart Sunday May 3rd—that way you will be able to join us for the (maybe not so) traditional Closing Banquet Saturday evening.

You will leave the conference with ideas to help you. ▲

Coaching Salespeople

by Nicki Weiss, SalesWise

Nicki Weiss

In talking with hundreds of reps, one thing that consistently comes up is how they would like to be coached by their manager so they can achieve more.

Here is what many currently get from their managers, and they want *less of it:*

- Being told what they're doing wrong
- Having sales calls taken over by their manager
- Not asked enough questions, but rather being told what to do
- Pressure
- Little to no acknowledgment
- Focus on weaknesses rather than on strengths
- Reactivity

In talking with at least 100 rep firm managers they, too, would like to be more impactful leaders and coaches. They just don't know how. Most rep firm managers don't really know what it means to coach since they don't have effective role models from their own experience.

Coaching is an attitude. Coaching is a discipline. Coaching is a structure. Coaching unleashes extraordinary performance in reps.

Effective leaders define themselves as coaches and teachers. Rather than constantly dealing with problems and telling people what to do, strong leaders empower and enable others to solve problems on their own, take risks, make decisions, tackle new challenges, and learn from their experiences.

They don't just see their reps as who they are today, but who they could be in the future.

You don't need to coach to stay ordinary or mediocre. Talk to any world class athlete, and they've all been coached continuously throughout their career. They can't be at the top of their game without a coach.

If you are serious about wanting to bring out the best in your reps, learn how to become a coach-like leader. Come to the PTRA 37th annual conference to learn the secrets, and best practices, of coaching for extraordinary sales performance.

Nicki Weiss is an internationally recognized Certified Professional Sales Management Coach, Master Trainer, and workshop leader. Nicki will be conducting breakout sessions on two topics at the 2009 Conference — "Five Worst Mistakes Salespeople Make" and "How to Create a Team of Rep Superstars." ▲

2009 PTRA Conference Schedule at a Glance

Wednesday, April 29

Registration
First Timers Reception
Welcome Reception

Thursday, April 30

"Walk for the Cure"
Spouse/Guest Breakfast
General Session

- How to do business with Motion Industries
  — *Wayne Law, Motion Industries*
- A steel manufacturer's perspective of the steel industry
  — *Eric Nystrom, Nucor Steel*

Annual Golf Tournament

Friday, May 1

Breakout Sessions

- Financial Planning
- Five Worst Mistakes Salespeople Make
- Hiring and Developing the Right People
- How to Create a Team of Rep Superstars
- Anatomy of a Lawsuit — How to Avoid Suing and Being Sued and What Happens if it Happens
- Growth Strategies for Small and/or New Rep Firms

RepMIX —
Representative-Principal Information Exchange

Saturday, May 2

General Session

- Trends in the Rep Profession
  — *Bryan Shirley, MANA*
- See the Future Before Your Competition Does!
  — *Economist Alan Beaulieu, Institute for Trend Research*

Closing Banquet

WANTED: New Members REWARD: Free ’09 Dues!

by Walt Brooks, Membership Chairman

Walt Brooks

Ask any PTRA member and I am sure they will agree that in addition to doing a great conference each year, membership most definitely has its privileges. The benefits of membership and the networking that our conference affords each of us is second to none, and is most definitely worth the price of admission which at this point is a true bargain. Think of how much more we could do for you as an association if we were larger.

We are asking you to help us grow our ranks and plan to reward those who “get the sale” on the recruitment of new members. Here’s the deal:

Get a fellow rep or a principal to join PTRA *and* attend the 2009 conference and all or part of your dues for the following year will be ***FREE!*** Here’s how it works:

When you get the commitment from the rep or manufacturer that wants to join, have them fill out and submit the application form downloaded from the PTRA website at www.ptra.org. Make sure they list you as the sponsor, then either call or email PTRA letting us know the name of the new member.

Once we’ve confirmed that they have joined and registered for the 2009 conference, your next year’s dues invoice will include a discount of $375! ▲

Lines Available

Amtech Drives, Inc.
2171 West Park Court, Suite G
Stone Mountain, GA 30087
www.amtechdrives.com

CONTACT
Ken Schmanski, General Manager
(770) 377-1771, fax (678) 894-4043
e-mail: kschmanski@amtechdrives.com

TERRITORIES OPEN
Northern AL, Northern CA, CO, CT, DE, DC, GA, IL, IN, KS, KY, ME, MI, MA, MD, MN, ND, SD, IA, MO, MT, NE, NH, NJ, NM, NY, OH, PA, RI, UT, VT, WI.

PRODUCT DESCRIPTION
Variable Frequency Drives (VFDs), High Frequency VFDs, Soft Starters, Custom Solutions.

TARGET MARKETS
Distribution, small & medium OEMs, fan & pump applications, all industries requiring VFDs and soft starters, energy saving and process improvements.

Member News

Don Melton and Steve Martin join **BC&H Company.** Melton joined the BC&H sales force in February. Martin came with us in September. Both bring decades of experience in mechanical and electrical products as well as management skills necessary to be successful in our industry. They will certainly help us continue to grow our business for our principals. Melton lives in Monroe, North Carolina, and Martin lives in Lynchburg, Virginia. We are pleased to have them as part of our team.

Hilco is pleased to announce the addition of Brad Pearson to our application engineering team. Pearson is an electrical engineer who worked as manufacturing and controls engineer for OEM automation providers, a system integrator automotive tier 1 company. Pearson is located in Charlotte, North Carolina and will be supporting our customers and distributors in South Carolina and most of North Carolina. Pearson replaces Rich Horton as an application engineer. Horton moved from Charlotte to Columbia, South Carolina, to become Hilco territory manager covering a newly defined territory (eastern South Carolina).

CPMR Marks 20 Years Serving the Rep Profession

Platinum is the traditional 20th anniversary gift. Sure it's expensive but when you look back over two decades, what better way to acknowledge the value of time spent together than affixing something of great value to it? That's why the 20th anniversary celebration in January of MRERF's CPMR program is so important — and so valuable — to PTRA and the manufacturers' representative profession.

The Certified Professional Manufacturers Representative (CPMR) program is available for anyone providing outsourced sales functions to manufacturers, regardless of industry. It is a professional designation earned by an individual, not a firm.

The CPMR program is executive education for firm owners and managers. Participants invest one week annually for three years on campus at Arizona State University. Attendees gain knowledge and insight into operating a business more effectively and profitably. Included among the many subjects in the program's curriculum are:

- Understanding the Legal Concerns of Your Firm
- Line Profitability Analysis
- Succession Planning

During the three years of CPMR programming, designation participants create an international network of colleagues with a common body of knowledge and mutual ethical standards. Reaching beyond a single industry and across the profession, the CPMR designation identifies individuals who are committed to being on the leading edge of their profession.

The sheer number of reps who have participated in the program only partially tell the story of the program's success. Since its inception 20 years ago, a total of 2,015 reps have graduated. Of that number, 67 are PTRA members. Currently, there are 205 reps enrolled in the program and another 100 are expected to begin next month. The real measure of the program's success, however, becomes clear after weighing the words of successful graduates.

Consider the following:

- Even though it was a good 14 years ago that **Joel Casaubon** completed his CPMR education, he still values the three years spent gaining the certification. According to Casaubon, **Canner, Associates, Inc.,** Sturbridge, Massachusetts, "CPMR outlined in a formal fashion many of the practices we thought we already followed, but perhaps weren't following properly. To get to that point you had to be made aware of how to conduct business properly. My background was in sales & marketing — as opposed to running a business. CPMR puts all the information that a businessman in sales needs in order to be successful."

Casaubon says he'll never forget the value and continues to earn the CPMR Continuing Education Units (CEUs) to this day.

If CPMR was good for him, what does the rep think it can provide for others? Casaubon is quick to answer that question when he says "I guess when all things are considered, it really depends on the value an individual places on education. I believe that many reps consider themselves simply as salesmen. Maybe if that's all they aspire to, that's great. But if an individual wants to grow and expand his abilities, he should definitely consider CPMR. It's a great program and the ideal way to advance yourself professionally in your chosen profession."

- Echoing Casaubon's thoughts is **Mark Tsatsos, House of Motors, Inc.,** Minneapolis, Minnesota. "The fact is that most rep owners have gravitated to the top of their organizations because they are good salespeople to begin with. That's not enough, however. Just being a successful salesman doesn't make you good in accounting and in other areas in which a rep owner has to be proficient."

Some of the other valuable areas included in the curriculum he points to are methods to

CPMR continues on page 7 ➜

Welcome New PTRA Members

Principal Members:

Kevin Rich
Carter Manufacturing Co., Inc.
Grand Haven, MI
616-842-8760

Neil Sisloff
Motion Specialists International
Erlanger, KY
859-282-6820

Mike Gulas
Oiles America Corporation
Plymouth, MI
519-274-3410

Representative Members:

Michael Malcoun
Automation Equipment, Inc.
West Bloomfield, MI
248-568-2833

Gil Cyrulnik
Kinetic Technologies, Inc.
Auburn Hills, MI
248-299-9300

Marshall Maguire
Maguire Technologies
Salisbury, MA
978-462-0701

Charles Cohon
Prime Devices Corp.
Glenview, IL
847-729-2550

Be Careful What You Wish For — You Might Just Get It!

by Pat Brown, PTRA Insurance Advisor

"Universal Medicare or 'Medicare-like' systems for all U.S. citizens"

The explanation of the current Medicare system and the uncovering of the actual costs is very complex due to the funding mechanisms and the variety of taxes collected from workers, making the actual Medicare system costs difficult to precisely estimate. However we can look at some FACTS relating to the current Medicare system.

1. **Employees** pay, via FICA withholding tax on payearoll, about 6.2% of wages to Social Security and about 1.45% of wages to Medicare for a total of 7.65% (FICA withholding) of wages. **Employers** pay a matching amount (7.65%), therefore the total withheld and paid to Medicare from taxes on wages amounts to about 2.9% of wages. The other 12.4% of FICA withheld and paid by your employer is paid to Social Security. Medicare taxes of 2.9% are applied to all wages earned, without limit, while taxes of 12.4% for Social Security have a wage limit on taxability.

2. **Medicare taxes (2.9% of wages)** are basically used to fund Medicare Part "A," the hospital coverage portion of Medicare, which is "free" or without premiums to recipients. Medicare Part "B," the non-hospital portion of Medicare, is supposedly 50% covered by the premiums paid from recipients and 50% paid from US "general revenue" or other income and business taxes collected by the Federal Government. Medicare currently covers over 40 million US citizens.

3. **If you are not yet age 65** or are otherwise not eligible for Medicare (non-citizens, never worked, etc.) you can buy Medicare coverage. The monthly premiums for coverage by Medicare for those currently not eligible or not yet age 65 are as follows for 2008.

   a) Medicare Part "A" — $423/month for a hospital plan that has an annual deductible of $1,042 and pays 100% of hospital charges* for the first 90 days/year.

   b) Medicare Part "B" — $193/month** for a "doctor" and "outpatient benefits" plan that has an annual deductible of $135/year and covers 80% of Medicare-determined fees for services. There is no "out of pocket limit" and therefore the 20% not paid by Medicare is payable by the recipient on all Part "B" allowable charges.

   c) Medicare Part "D" — $28/month **average** (2007) premium for a Rx (prescription drug) coverage plan that pays about 45% to 65% of RX costs, including premium, co-pays and "donut hole." For those with severe chronic conditions, Part "D" may end up paying 75% to 85% of total costs, however the monthly premiums will be as much as $85/month for these situations.

Therefore, based on the above calculations, a Medicare coverage plan for the typical, **below age 65** year old person, carries a premium of about $616/month without an Rx card and about $644/month with an Rx card. However, the benefits under the above Medicare plans are not the same as the "standard PPO" plan that is typically applicable under privately insured group medical plans. That is why many Medicare recipients purchase "Medigap" supplemental plans from private insurance companies to cover the things and costs not covered by Medicare. These plans usually cost between $110 and $140/month for plans that cover the 20% of Part "B" and the Part "A and B" annual deductibles. If we add this "Medigap" premium to the above, we see that a plan of coverage equal to or better than a typically available "standard PPO" plan would carry a premium of between $726 and $784 per month or between $8,712 and $9,408 per year.

This total cost is very comparable to the, now available, premiums for a standard PPO plan at age 60-65 in the small business marketplace. Commonly left out by the politicos are the huge costs to administer. If we add 100 million plus newly covered people to Medicare, someone will have to process the paperwork. These paperwork processors will cost something and the politicos usually don't want to talk about this feature because it will be hugely expensive whether these processors are government employees or "outsourced"

* The allowable, price controlled, hospital charges for Part "A," are set by Medicare and are not as high as the typically-billed daily room rates that a hospital would bill a person under age 65. The Medicare-allowable daily room rates are about 55% to 65% of typical hospital room rates.

** The 2008 specified premium for Medicare recipients with an income of less than $82,000/year is $96.40/month I have doubled this specified premium because the government pays 50% of costs from premiums collected from recipients and 50% from "general revenues (income taxes)." The allowable, price-controlled, doctor and "outpatient" charges for Part "B" are set by Medicare and are not as high as the typically-billed office visit or lab test. The Medicare allowable fees are about 45-55% of the typically-billed amounts. **These above premium amounts are taken from the Federal "Medicare and You" booklet for 2008** published for Medicare recipients by the Federal Center for Medicare and Medicaid Services.

employees of non-governmental, private service firms. So, when promises to reduce the costs of medical insurance are made, the reality is quite different. The only way to reduce costs is to limit or otherwise restrict services covered and paid for by a “Medicare-like” plan.

We have seen reality in Massachusetts and Maine where the “universal health care plans” have not accomplished “universal” coverage and have increased medical insurance costs by 100% in those two states. California, Illinois, and Pennsylvania have state proposals for plans similar to Massachusetts and Maine.

In the some other states, we have seen 50% to 100% increases (or more) in cost over the past few years because of state mandates and other state rules like “community rating” and “guaranteed issue” that were imposed. Average Medical Insurance in Massachusetts ($16,897/year), New Jersey ($10,398/year) and New York ($12,254/year) costs are two to three times as much, per year, as are costs in Michigan ($4,118/year), Wisconsin ($3,087/year), Utah ($3,259/year), and Texas ($5,011/year) due to mandates and state rules imposed by elected officials in those states, according to the AHIP Center for Policy Research.

Conclusion

In 2007 we spent about $2.4 trillion dollars on medical/health care in the USA to cover about 310 million citizens. That works out to about $7,746, per citizen, per year. So at a minimum, our average premium must be about $645.50/month for medical/health insurance annual expenditures at today’s billings. The private insurers carry about 50% of that total to cover about 200 million people (310 million minus Medicare recipients of 45 million, minus 45 million uninsured, minus all government employees of 20 million, equals 200 million covered by private insurance). If we spread the “Medicare for all” plan to all citizens, a number of things happen to the medical/healthcare system. The total annual costs will increase by, at a minimum, 15-20% in order to cover the uninsured. That increases our total annual costs to between $2.76 trillion and $2.88 trillion dollars. As a result, our annual premium, per person, increases to between $742 and $775/month. If we eliminate the “Medicare allowable lower payments” to medical care providers (hospitals and doctors) we see the costs increase by another 30-40%, so now our Total annual costs increase to between $3.6 and $3.75 trillion which means an annual premium of between $968 and $1006/month.

Pat Brown

The alternative concepts of “price fixing” and “cost control” by the federal government will lessen the number of available hospitals, doctors and providers because they will choose to not accept the lower government payment, just like we see today with Medicare and Medicaid providers.

Today, in Texas, only 38% of primary care physicians are taking new Medicare/Medicaid patients. Across the country, only 600,000 out of 1.5 million physicians are currently willing to treat Medicare and Medicaid patients because of the low rates of reimbursement from Medicare and Medicaid. Hospitals are required to accept Medicare and Medicaid patients and this requirement results in massive cost shifting of unreimbursed costs from Medicare/Medicaid patients to those patients with group and individual insurance plans.

Clearly, a “Medicare for all plan” will not lower total costs. It will simply shift the payment of premium to payroll taxes that will increase from 2.9% of wages to approximately 8-10% of wages. And the governmental employees will be approving benefits, determining next year’s premiums, deductibles, and payments to providers.

Be careful what you wish for — you might just get it. ▲

CPMR

continued from page 4

evaluate employees, strategic planning and how to enhance relationships. Tsatsos adds that making the commitment to CPMR is a prime example of what a rep ought to be doing for himself and his business. “Business owners must understand that they need to invest in their business, and this is one of the best ways for a rep to do that.”

Hardly resting on the laurels the CPMR program receives from graduates, **Susannah Hart,** MRERF’s executive director, explains that the “program is evaluated annually and revised in response to marketplace changes. The CPMR Education Committee observes sessions and considers student evaluations when updating the curriculum and teaching staff. During the course of the last 20 years there have been many improvements in all of the subjects taught in CPMR. Recent changes to the curriculum brought Managing Multiple Generations, Compensation Packages, and Services Marketing to the program. Core sessions are continually improved to meet the changing needs of our participants.” ▲

For more information on the CPMR program—and its 20th anniversary celebration, please visit www.mrerf.org

Calendar Of Events

FOR REPRESENTATIVES

CSP Certification Programs (MRERF)

March 3-6, 2009
Philadelphia, Pennsylvania

April 14-16, 2009
Phoenix, Arizona

May 12-15, 2009
Denver, Colorado

June 9-12, 2009
Minneapolis, Minnesota

September 15-18, 2009
Chicago, Illinois

October 27-30, 2009
St. Louis, Missouri

CPMR Certification Program (MRERF)
January 10-15, 2009
Arizona State University
Tempe, Arizona

PTRA Annual Conference
April 29-May 2, 2009
JW Marriott Starr Pass Resort
Tucson, Arizona

MANA*fest* Conference
May 31-June 3, 2009
Green Valley Ranch Resort
Henderson, Nevada

PTRA Code Of Ethics

The position of Manufacturers' Representative is unique in that the Representative is the liaison between the distributor, the original equipment manufacturer, the consumer, and the company represented.

As a power transmission/motion control advisor, the Representative upholds a high professional responsibility to the distributor and the original equipment manufacturer, and at the same time occupies a position of trust and loyalty to the company represented. Only by observing the highest ethical balance can the Representative avoid conflict between these responsibilities.

As a Manufacturers' Representative, it is my responsibility to:

- Hold my business in high esteem and strive to maintain its prestige.
- Keep the needs of my distributors at the forefront.
- Respect my distributors' confidence and hold in trust personal information.
- 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 their application, if known, while strictly adhering to the highest standards of business and professional conduct concerning these recommendations.
- Present accurately, honestly and completely every fact essential to my distributors' and customers' final decisions.
- Perfect my skills and add to my knowledge through continuous thought and study.
- Conduct my business on such a high plane that others emulating my example may help raise the standards of my profession.
- Keep myself informed with respect to my manufacturers' policies, rules and regulations, and to observe them in both letter and spirit.
- Respect the prerogatives of and cooperate with all others whose services are constructively related to mine in meeting the needs of my distributors and customers.

The PTRA *FOCUS* is a quarterly publication of the Power-Motion Technology Representatives Association

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