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Vancouver, B.C. - September 15, 2011
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Distribution & Supply magazine serves electrical distributors across Canada. It provides distribution personnel with the information they need to perform their jobs better and run their businesses more efficiently and profitably.

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It's election season in Ontario and, once again, electricity issues have taken centre stage. Some have set their sights squarely on the province's feed-in-tariff (FIT) program for alternative energy, but repealing this program would be a mistake, and send the wrong signal to the rest of Canada.



Cover photo by Steve Mann / Shutterstock.com



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Energy efficiency should not be a pie-in-the-sky crusade for the environment... it's an argument for common sense and reducing costs. Though very real, the environmental benefits are immaterial.

Selling energy efficiency

This edition of Distribution & Supply comes to you right before what could prove a landmark election in the province of Ontario. And while this is a national publication, what ends up happening in Ontario after the October election could have a profound ripple effect across the rest of Canada. I'm speaking, specifically, about Ontario's feed-in-tariff (FIT) program for renewable energy projects—and other provinces are watching.

The ruling Liberals instituted the program (as part of the province's Green Energy Act) to stimulate and develop a green energy economy. Some say they had to do *something* to replace all the manufacturing jobs that left the province, others say it is simply the right thing to do for the times in which we live.

Regardless, the Progressive Conservative party has said that, if elected to power, it will stop the FIT program: specifically, put an end to lucrative FIT contracts that are borne on the backs of Ontario taxpayers.

I've spoken with electrical contractors and manufacturers in Ontario about *their take* on the upcoming election. Understandably, contractors involved in FIT projects (and those who are trying to get a piece of that action) do not want to see that program diminish; it presents a fantastic revenue stream!

But what about manufacturers, especially the ones who specifically started/expanded operations in Ontario to take part in the green energy economy? From my conversations with them, they are keeping a watchful eye, but are not too concerned overall. In fact, they think it would be absolute folly for the PCs to tear down FIT. Plain and simple, *it has* generated investment and created jobs, and positions the province as a leader in green energy.

But I digress... more on this discussion in John De Vellis' piece "Repealing Ontario's Green Energy Act bad for Ontario... and Canada!". Unlike renewable energy, though, one thing I imagine most people can get behind is energy efficiency. After all, saving some bucks by reducing energy consumption through smart, strategic upgrades/investments is a lot different than paying for a new wind farm.

This has nothing to do with being "green". As with the FIT program above, not everyone wants to get behind the green movement. Not everyone

cares whether their building is LEED-certified. One should not have to invest in occupancy sensors for lighting and HVAC because it is "green" or "sustainable" or "environmentally friendly" or anything of the sort; one should make these investments because they will save money.

When I talk to people about Energy Management Canada (another news source we work on), I proudly tell them our mandate has *nothing to do with saving the environment*. We're all about informing owners, managers, consultants and other consumers about things they can do to reduce energy consumption which, ultimately, reduces their annual energy bill. (And anyone who reduces their energy consumption obviously helps the environment by reducing the amount of fuel we have to burn, or hydro plants we have to build, to generate electricity.)

This, I argue, is the best way to market and exploit spending on energy efficiency. What's more likely to get buy-in from the average consumer? You telling them they can save 10% on energy costs annually, or that they might save some endangered tree frog in Madagascar? Exactly.

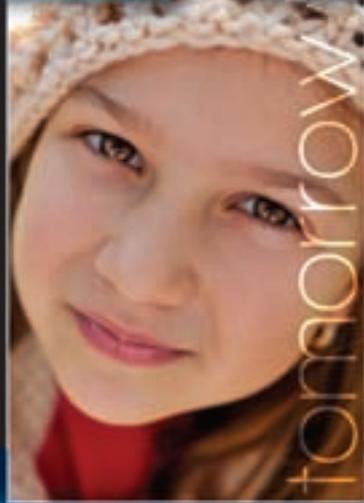
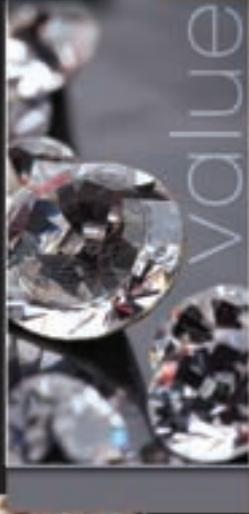
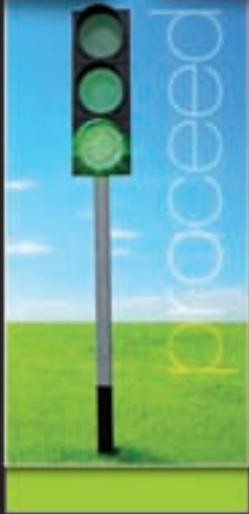
Energy efficiency should not be a pie-in-the-sky crusade for the environment... it's an argument for common sense and reducing costs. Though very real, the environmental benefits are immaterial.

While proactive energy efficiency involves numerous building systems, its success depends heavily upon electrical and low-voltage communications systems... something in which electrical distributors are (or should be) already well-versed.

And because the distributor already has the partnerships and the channels, it should become more than just a place to buy energy-efficient *stuff* on credit. He should foster the expertise to be able to suggest (and deliver) energy-efficient solutions for a very lucrative market.

Don't wait for someone else to tell you your future as an electrical distributor. Make your future! ■

Anthony Capkun



What's so special about being a Thomas & Betts Signature Service electrical distributor? More than a loyalty program, Signature Service is our company-wide commitment to provide the highest levels of service and support to our distributor partners across Canada.

Our objective? Increase your sales, reduce your transaction costs and strengthen our mutual prospects for growth.



Improve the commitment behind the words?

Look for new developments in 2012.
Thanks to everybody who contributed their words in our recent survey.

Capitalizing on the energy management industry

The concept of energy management is not new; sadly, its early proponents failed to ignite the niche—not because it wasn't there, but because we were not ready, and the dynamics that drove it were somewhat far afield.

John Kerr has been involved in the Canadian electrical market for over 25 years, consulting to electrical equipment manufacturers and publishing his annual research, "Project Pathfinder". You can reach him at johnkerr@kerrwil.com.

By attending the Supply and Distribution Council's Market Summit in April, I got an insight into this business few would get. Preparing for the upcoming S&D conference in June were 50 of your colleagues from both manufacturing and distribution; they discussed, debated and reviewed the industry from many perspectives, including the evolving alternate energy segment.

One of the participants succinctly summarized the nature of the discussion when he asked whether our industry is well-positioned to get any benefit out of being in the energy efficiency business, and would green technologies actually give us any lift in sales and profits. He wondered aloud whether we would let the green market escape us as did the network & cabling segment some years ago.

The dynamics that drive our market are changing. Once king, brand loyalty has lost its place against pricing and commodity strategies. Smaller customers buy a lot more differently than larger ones as compared to 10 years ago, while selling value-added/-solutions attributes are ever present.

Is it time for a return to the value of marketing?

The concept of energy management is not new; sadly, its early proponents failed to ignite the niche—not because it wasn't there, but because we were not ready, and the dynamics that drove it where somewhat far afield. Solutions selling, ROI justifications, inventory investments and complicated engineering needs drove the channel away and providers toward a sell-direct mindset. Back then, industry saw a common ground for the products we make and sell, but they could not weave it together.

Then, as now, opportunity required us to address our business models and change our expectations.

The electrical channel needs to really change it up. In many cases, we need to adopt a full-time marketing and promotional mindset to drive demand. We need to bring on board

more technical staff to support this mindset, but understanding that our market is vastly segmented is the key to success. Marketing is a must, not an afterthought.

For the first time in a long time, some manufacturers and distributors are willing to work together to create the teams that buy, specify, install and, eventually, maintain energy management and alternative energy products.

With this comes the expectation—from each contractor, building owner and consulting engineer—for fast, specific information. If we've learned our lesson from the datacom niche, we will be preparing unique messaging strategies and coverage of the segments that will affect the buy. For us, it means a return to making specification calls, accepting longer sales cycles and being more involved and *way more* visible.

No longer is having the right price with stock close by the issue; instead, can you add value by helping the contractor better understand opportunities so he, in turn, is better positioned to reinforce your efforts in building awareness and influencing the specification.

Hesitance from the market is understandable, what with 50 new LED suppliers flooding the market, and the recent volatility in pricing as demonstrated by the solar segment in Ontario. We are in flux, and the demands on our present structure is great, but the move to energy efficiency is here to stay. Here is opportunity for a large group of distributors and manufacturers... aligning efforts, targeting the segments together, and setting out specific roles and goals while leveraging relationships will carry the day.

What's the most interesting, though, is this opportunity will give us a benefit few have discussed but many desire; selling energy management and alternative energy solutions may, in fact, allow us to get back to our roots where partnership and margin drove the day, and where looking beyond price brought industry future opportunity. ■

Where are we now with the new Electrical Council?

In the last edition of *Distribution & Supply*, I discussed the launch of the new Electrical Council—an organization born from the merger of two Electro-Federation Canada (EFC) councils—EEMAC (Electrical Equipment Manufacturers Association of Canada) and the Supply & Distribution Council (S&D)—which aims to represent the entire electrical product channel in Canada.

But how about learning more of this new group from a different voice? I mean, of course, the Electrical Council's chair, Tim Horsman. Tim is the president and CEO of E.B. Horsman & Son, an independently owned and operated British Columbia-based distributor of electrical supplies. Its primary customers are contractors, OEMs, industrial end users, institutions and systems integrators. He is the fifth-generation Horsman involved with the company, and sits on the Affiliated Distributors Executive Council.



*Electrical Council chair,
Tim Horsman, president and CEO
of E.B. Horsman & Son*

Complementary Strengths

EC combines S&D's unparalleled networking, education and market research strengths with EEMAC's effective work in codes and standards, federal and provincial legislation, and the securing of close-knit product section camaraderie. The merging of the two councils into one enables a more simplified structure, allowing members to receive all-access privilege for all efforts.

Collaboration

EC increases collaboration between manufacturers, distributors and reps, which is especially important now given market convergence and divergence.

Community

EC creates a communal group that merges synergies of both EEMAC and S&D to create a single, comprehensive trade association representing all interests of the electrical market.

Common Voice

EC provides a single, cohesive perspective from all market segments on regulatory and policy development, product safety and environmental/sustainability issues.

Collective Understanding

EC facilitates a better understanding of market segment roles and responsibilities for government-mandated product recycling and safety regulations.

I look forward to paving a new path for the Electrical Council. A special thanks to John Sencich, past chair of S&D, and Greg Passler, past chair of EEMAC, as well as both executive teams for leading the charge with this change.

Electrical Council members manufacture, distribute and sell a range of electrical products, including: distribution equipment; industrial controls; lighting; motors and generators; transformers; wire and cable; wiring supplies; and electric heating. EC promotes and advances members' needs and interests by maintaining a strong focus on electrical safety, government relations, codes and standards, product sections, national and regional networking, education, industry statistics, market research and sustainability.

As an electrical distributor or manufacturer, I strongly encourage you to visit www.electrical-council.ca to learn more about the benefits that come with membership. get involved and help charter a course for our industry. ■



Rick McCarten serves as vice-president of the Electrical Council of Electro-Federation Canada (www.electrical-council.ca). He has spent more than 30 years in the electrical market, where he has helped developing training, education, market research, and national & regional networking programs for Canada's electrical market in Canada. You can reach him at rmccarten@electrofed.com.

I am pleased to introduce Electro-Federation Canada's Electrical Council: a group that offers one voice for the electrical market in Canada. With the government's growing involvement in product recycling, energy efficiency, and safety; the convergence and divergence of the marketplace today; and the digital revolution accelerating at top speed in our industry, there has never been a greater need to more closely connect manufacturers, distributors and reps. Together, we can champion this new industry together!

The Electrical Council (EC) offers the following important benefits:

Build a bonfire with the Annual Performance Review

Dr. Rick Johnson



I have nine reviews to complete by the end of the month. The pressure of the deadline outweighs my obligation to employees... to let them know how they are doing, and how I can help them.

When your Annual Performance Review is the only employee review you undertake all year, then it is worthless.

Since you only do one review a year, chances are good you base your opinion of an employee's performance only on the last two months or so. Had the employee done something wrong during that two-month period, he would get a poor review, even though he may have been stellar the rest of the year. Is that fair?

If this is your process, then put every last annual performance review into a big pile and burn them.

Are performance reviews important?

Some critics will argue that performance reviews are worthless and should be abolished altogether, but this isn't really an option. Performance reviews are, after all, a cornerstone for managing performance. It's about accountability, right? In reality, though, performance

reviews don't hold people accountable—managers do. Employees must understand their employer's expectations, and this cannot be accomplished in a meeting that happens just once a year.

The purpose of the performance review is *not to build a case* for termination, nor is it to write a "Hallmark moment" about an employee's greatness. No, the purpose of the review is to let the employee know where he stands; how he is doing. It helps determine what the company can do to help the employee become the best at what he does; to both acknowledge his contributions while helping him recognize his weaknesses and identify areas requiring additional training and development.

You cannot accomplish these objectives when you are forced to complete multiple reviews under pressure, and most certainly cannot (and should not) accomplish these objectives when you consider only the last several months of an employee's performance. As managers and as leaders,

we owe it to our employees to help them develop their talents. It's good for them, good for us and good for the organization.

Employees want to be held accountable; they want to know how they're doing. They cannot strive for excellence when they do not know where they stand. Performance reviews can guide an employee's progress. They can illuminate the employee's career path, highlight areas requiring improvement and, with employee input, help create a plan for correcting problems.

For employees to improve and maintain their job performance and skills, it is necessary to periodically review their performance and provide appropriate feedback, coaching and mentoring.

The starting point of any coaching process is setting goals and expectations, then observing behaviour and providing specific performance feedback *over the course of the year*. A monthly coaching discussion will keep the employee informed and allow you to make an objective assessment of his progress.

We need to make a commitment to every one of our direct reports that we will spend a minimum of 30 minutes per month discussing their performance. A simple 4x6



TIPS on Performance Reviews

- Be fair and objective by assessing job performance against pre-determined job-related standards. Involve the employee in the development of the action plan.
- Include specific and measurable goals with action plans on how to achieve them. Set time frames to review accomplished goals, identify possible obstacles and ways to overcome them.
- Encourage feedback from your employee. Review your own feedback by beginning with the employee's strengths, then moving tactfully into weaknesses.
- End the review by summarizing the action plan for improvements so the employee clearly understands what's expected of him. End on a positive note and set a date for the next review. The outcome of this review should come as no surprise to the employee when you continually review, evaluate and provide feedback.

card noting that monthly discussion, kept in the employee's file, provides tremendous insight when it comes time for an annual review (e-mail me for a sample card form).

We now have 12 individual documented discussions to which we can refer when reviewing an employee's performance. They will show the employee's progress (or lack thereof), and whether any support, training, mentoring or coaching has occurred over the course of the year.

There are numerous ways you can observe an employee's performance, depending on the employee's job function. Outside sales is easy: a 'ride-along' is a great way to observe performance. Other techniques include:

- Spending one day each month actually working in the warehouse.
- Inbox e-mail training. Here, the employee is asked to handle every e-mail you receive over the course of one day and make a decision as to what action should be taken.

Conducting the Performance Review

- Create a self-review. Have your employee rate himself by filling out a Performance Evaluation prior to his review. Tell him to provide specific examples to back up his ratings. Review his evaluation before you meet. This will provide for a more interactive meeting.
- Always focus on a positive before you discuss a negative. Keep the review as objective as possible with facts and data. Follow your company's review form precisely (it is organized in that fashion for a reason). Do not speculate, make assumptions or offer opinions as to why something is what it is. Do, however, ask a lot of questions.
- Focus on the differences between the self-review and your own. Create a continuous follow-up schedule. Remember, employees are your most precious asset. Respect them, train, coach and mentor them; trust them, and they will create competitive advantage for your company.
- (E-mail me for a one-page general guideline worksheet for conducting a Performance Appraisal. Copy it for every supervisor for them to review prior to conducting Performance Reviews.)

- Reviewing specific key performance indicators (KPIs).
- Working side-by-side with the employee on a special project.

Performance reviews will never be 100% accurate nor 100% objective, which is why it's a good idea for HR to review the reviews—especially when they only occur annually. Yes, performance reviews will probably never go away, but we must not lose sight of the fact that

the more critical aspect of leadership, coaching and mentoring is setting and communicating your expectations. ■

Dr. Rick Johnson is the founder of CEO Strategist LLC, an experienced-based firm specializing in leadership development, strategic planning and sales effectiveness focusing on the creation of competitive advantage in wholesale distribution. With over 30 years in the wholesale distribution business, Johnson is a highly sought-after speaker and trainer. To learn more, visit www.ceostrategist.com.



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CSA – MAKING STANDARDS WORK FOR PEOPLE AND BUSINESS

A NOVEL IDEA: strategic relationship on-boarding

David Nour

You've heard the old adage that people don't leave jobs, they leave managers. It makes me wonder: what do your employees learn about how your company builds and values relationships?

We teach new-hires all about our company (its products and services, maybe even competitive landscape and key market trends), yet seldom do we help show them how to build strategic relationships—both within our company and without. I've seen both formal and informal mentoring programs that are world-class in every aspect of their design, development and delivery, yet overlook this crucial component.

Is it because we assume new employees have already learned this skill? If they came from a Big Name organization, do we assume they learned these skills there? Or do we not consider relationship-building an important subject because the new-hire is outgoing, or his specific job doesn't seem to require building relationships? Regardless, all of these assumptions are flawed.

In our consulting work with both large and small public and private companies, we see employees of varying business stature reach a job or career plateau, then get bored and leave, because they lack the willingness and ability to build strategic relationships—with their teams, departments, across the organization, and externally with key market influencers.

As such, here are 10 best practices for helping new employees—at any level—get a running start in identifying, building and nurturing strategic relationships to drive performance and results:

1 Start the new-hire's learning on Day One. The first item on the agenda should be a meeting with a respected executive who helps them understand that personal and professional success will not be based on a product or service, but upon the manner in which they develop lasting relationships. Share three best practices and ask them about the relationships they want to develop during their time with the organization versus their expected achievements.

2 Assign peer-level relationship mentors. Assign new-hires to a "relationship colleague" who literally walks them around and introduces them to key influencers, and who travels or works on a project with them to provide credibility by association. They need a peer from which to learn and bounce ideas, and to whom they can relate without structural/authoritative pressures or the need to impress.

3 Help them form a "Relationship Advisory Board". Particularly at the manager level, help them develop a group of subject matter experts and experienced peers—inside and outside of the organization—to act as an informal panel of relationship advisors.

4 Institute and reward relationship coaching by managers. New-hires are often trying to figure out which end is up. As a person moves up in the organization, hand-holding obviously decreases; nonetheless, establish appropriate expectations and a reward system for managers that encourages coaching on the value of strategic relationships.



5 Integrate relationship development into your management training. How do managers learn how to build relationships if no one will teach them (the kiss of death, by the way)? First-level managers are exactly at the right point in their careers for relationship development training because they're open to learning. It is ideal to develop a foundation of good habits and skills early.

6 Raise the bar on HR's strategic relationship value. HR's role doesn't start or end with getting the candidate hired; they must continually reach out to employees, introducing insights on the most valuable relationships within the organization. Every new-hire should think of HR as a go-to-resource and know when to call them for strategic relationship help.

7 Provide mandatory relationship compliance training. Relationships go bad when there are misaligned expectations. When you want to reduce your legal liability, help employees understand—early and often—how to effectively set the right expectations.

8 Provide a relationship coach. Not every company or individual can afford to hire an external coach, but it's a worthwhile investment for a high-performer who may be rough around the edges, a newly promoted manager or executive, or a valuable employee or team that works remotely.

9 Develop a new-hire relationship integration process. There are cliques in many organizations; maybe due to the tenured nature of the culture, or because of an acquisition and people who came with it, or people who have followed a specific manager. New-hires often feel like outsiders, so conduct a new-hire relationship integration process. It's a great way for a team to get to know a new teammate or manager, build early rapport, and establish mutual expectations.

10 Provide one relationship-centric book per month. Why not get a new employee off to a great start by providing them one relationship-centric book each month and ask them to present a summary at an informal Lunch and Learn? Here are my top five recommendations:

- c) "The Starfish and The Spider" by Ori Brafman and Rod A. Beckstrom.
- d) "Six Degrees" by Duncan J. Watts.
- e) "Influence: The Psychology of Persuasion" by Robert B. Cialdini, Ph.D.

When you enable your employees to build lasting, trusting and candid relationships throughout the organization, you stand to lose a lot less incredible talent. ■

David Nour is the thought leader on Relationship Economics: the quantifiable value of business relationships. The Nour Group Inc. has attracted consulting clients such as KPMG, Siemens, Alvarez & Marsal, Assurant, HP and over 100 marquee organizations in driving growth through unique return on their strategic relationships. He is the author of several books, including the best-selling "Relationship Economics". Visit www.relationshipeconomics.net.

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- a) "Relationship Economics" by David Nour.
- b) "What Got You Here, Won't Get You

Avoid getting busted as an internet spammer!

Jessica Foster

If you use internet/email processes for your marketing communications, then you should be aware of new legislation passed in Canada on December 15, 2010. Bill C-28 comes into effect September 2011, and you'll want to ensure your marketing communications methodologies are on the right side of the law. Failure to comply could cost individuals up to \$1 million in fines and corporations up to \$10 million dollars per infraction.

The bill is 79-pages long, and it is complex. Rather than try to provide legal advice or a complete analysis of the act, I will simply discuss the potential ramifications of this act to your daily business practices.

What is Bill C-28?

Bill C-28, the "Fighting Internet and Wireless Spam Act" (FISA), aims to deter and prevent deceptive and damaging forms of spam and internet practices. After long consultations with industry, organizations, legal experts and interested parties, Canada has now passed a bill that aims to increase the reliability and trustworthiness of the digital economy for Canadians. A full copy of this bill can be viewed on Industry Canada's website (tinyurl.com/EBMagBillC28).

The legislation deals with how, when, where and why you are authorized to send commercial electronic messages, including e-mails, text/instant messages, social media messages, telephone calls and voicemail messages intended to solicit business.

You may be asking yourself: "As a legitimate business, how will FISA affect my daily business operation?" In a nutshell, you will be required to obtain permission (either implied or expressed) from your potential clients *before* you can legally send them electronic messages about your business and services.



Canada passes Bill C-28: Fighting Internet and Wireless Spam Act

In addition, it is advisable to maintain records so that you are able to prove, if needed, that you have received this permission.

What is a commercial message?

A commercial message is one that contains content intended to solicit business or commerce. FISA covers more than just the words contained in the message: it also includes commercial website page content (but only when a link to that page is included in the transmitted message).

What is permission?

As mentioned, FISA requires you to get permission from your clients and potential clients before communicating with them electronically. Within the act, both *expressed* and *implied* permissions are acceptable, but what is the difference between the two?

Express permission describes a situation in which clients (or potential clients) have formally opted-in to receive commercial

messages from you. They check a box on a website registration form, or mail-in a point-of-purchase postcard requesting your communications. This is, by far, the strongest form of consent.

Implied permission, on the other hand, denotes consent that is not actually stated, but is inferred by another action taken by your clients. For example, when you already have an existing business relationship with customers, it is *implied* that they expect ongoing business-related communications from you.

In addition, *implied* permission may include persons you may not even know, as long as their business and duties are relevant to your business, and their contact information has been made publicly available to you.

Beyond permission

There are two more very important issues that FISA-compliance requires and that may affect the way you presently communicate with your customers. These include (but are not limited to):

- All commercial message e-mails and electronic newsletters you send to your clients must contain the full name of the sender along with valid contact information. You are likely already doing this, as it is only common sense to provide your clients with a way to get in touch with you. That said, it is no longer an option with FISA, but a must-have.
- All of your commercial messages must provide the recipient with a working mechanism, manual or otherwise, for them to opt-out of receiving any further electronic correspondence from you. It is also very important that you monitor and honour these Unsubscribe requests to ensure FISA compliance.

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Rebound with **THE ECONOMY**



Develop the right online strategy for the recovery

Susan Orr

It's no secret that the recession has taken a toll on Canadian industrial businesses but, slowly, many companies appear to be emerging from the worst of it. Now, every day, we hear evidence of a gradual economic upswing—small numbers as they may be, but the beginnings of a rebound nonetheless. For example, data from Statistics Canada shows Canada's real gross domestic product (GDP) grew 0.2% in the third quarter of 2009 and 1.2% in the next quarter—a reversal of nine months of declines.

Now is the time to rebuild your business in line with the growing economy, diversifying into new markets and attracting more buyers for your products or services. Many of your competitors are likely doing this already, sharpening their marketing and sales strategies to build an edge for their companies.

For example, they're paying more

attention to the place where their would-be customers are researching *and buying*: the internet. Companies that are garnering business from new markets (or more from current markets, for that matter) are making better use of their websites on a 24/7 basis so that they're as successful as seasoned sales executives. Research shows that a supplier's website is the #1 influencing factor in a business-to-business buying decision.

The challenge, though, is identifying your prospective customers, anticipating their needs, and answering them without ever having a phone conversation. Today, 90% of American industrial buyers go online to search, qualify, evaluate/compare and select suppliers—and they do so anonymously. This new level of anonymity, coupled with the fact that 73% of engineers research three to five suppliers before making a selection, affirms that

having a strong internet presence will give your business a competitive advantage. In Canada, the patterns are the same; industrial buyers look first to the web, and make purchasing decisions based on the content that's available.

Empowering your website to penetrate new markets

There is a roadmap for succeeding in this online environment. First, it's helpful to do a little 'soul-searching' in terms of identifying the new markets with which you want to do business, and how you can serve their specific needs. Ask yourself: What are our core competencies as they relate to these targets? What do we offer that is integral to their ability to do business? How can we deliver added value and turn our customers' ideas into reality?

Now, think about how you can express this on your website.

In the past, you had conversations on the phone or in person with potential customers as they were starting to research suppliers. For example, prospects asked you for your product catalogue, data sheets, pricing and availability, and images or CAD drawings. They may have asked about your capabilities, new technologies, quality assurances, certifications, materials and tolerances based on their specific needs. They may have faxed or handed you a drawing, specs or an RFQ. Or they may have requested samples.

Today, the internet has drastically reduced those one-on-one opportunities, and industrial buyers expect to find all of this detailed information and functionality on your website. For instance, engineers often need to compare several parts side-by-side, and increasingly expect to find downloadable CAD models on a supplier's site. When they don't, they move to another supplier's site. As a result, it's critical that your site replicates online what you or your customer service staff

Avoid getting busted as an internet spammer!

The sky is not falling!

In no way should FISA reduce or hinder your legitimate business practices, so don't panic. The core requirements of FISA are straightforward and inexpensive.

One of the results of this legislation is it will prompt you to maintain relevant and legitimate contact with clients and potential clients. There are affordable business management systems that will help you build your business by engaging your clients and potential clients through professional, interactive website tools and legitimate e-mail correspondence. These systems also will help you maintain your customer list and minimize the time required to legitimately correspond with your clients through mass e-mailing tools and automation—all while maintaining FISA compliance.

While visiting your website, potential clients will gladly provide you with consent when they believe it will be beneficial to them. They will welcome the convenience of online website tools such as newsletter subscriptions, through which they may willingly provide you with their e-mail address and consent to receive further communications from you—all within the rules of FISA.

As mentioned at the outset, FISA legislation comes into effect this month. If you haven't already done so, consider its implications and put appropriate business practices into place to ensure your compliance in electronic communications. ■

Jessica Foster writes collaboratively with co-staff on behalf of mindZplay Solutions, a developer of online software solutions that enable small businesses, professionals and volunteer organizations in a variety of industries to benefit from internet technologies. Visit www.mindzplay.com or call (888) 373-6996.



do offline, so you can still have effective sales 'conversations' and get new business.

Making the transition to these online interactions requires strategic thinking, as well as expert execution. This starts at the research stage. A serious buyer will go to a general search engine and type in his need. The more detailed the search, the more qualified the buyer. For instance, a prospect who is likely to buy will enter something like "high-current air circuit breaker" versus just "circuit breaker".

It's important to have the information on your site in the right format so that buyers will find you, and search engines will index you. Unfortunately, only 12% of industrial/manufacturing websites are regularly optimized for search engines or have a clear and compelling message.

How does your site measure up? Evaluate it using a strategy called VSET to determine whether any improvements are in order:

V - Verify

Ensure your site makes it easy for prospects to immediately determine you have what they're looking for. Research demonstrates that companies only have 5-8 seconds to do this before prospects hit the Back button and look for other suppliers.

S - Search

Give buyers the ability to look for the exact products, services or specifications they need in multiple ways; for example, by application or product parameters.

E - Evaluate

Provide enough detailed information for prospects to make buying decisions, such as side-by-side comparison capabilities based on materials, voltage ratings, breaking performance and pricing.

T - Take action

Offer multiple ways for buyers to request additional information, from phone numbers and Contact Us/RFQ forms on every page, to shopping cart technology to enable online purchases (where appropriate).

Case in point: CDM expands business globally

It's not every day that a small, family owned business grows into a worldwide company on which every branch of the U.S. military depends (along with defence contractors such as Northrop Grumman and Lockheed Martin). CDM Electronics, a stocking distributor of electronic connectors, coaxial cables and other interconnect products for electronic devices has accomplished this by paying more attention to its online sales strategies.

In 2004, CDM Electronics' general manager, Carmen DeLeo, set a five-year strategic plan to more than double annual revenue to \$10 million. He realized CDM's website did the company a disservice: it lacked product consistency, depth and intelligent navigation, and positioned the company as a regional player.

CDM transformed its website into an always-on sales force, with an online catalogue at its foundation. It examined the thousands of products CDM distributes, assessing the information provided by manufacturers, then augmented it with more detail, specifications and photos to meet and exceed site visitors' expectations. The detailed product descriptions are helping CDM to be found on industrial and general search engines, introducing them to engineers around the world.

Just a few years later, CDM set a new record for annual sales: \$15 million in 2008. The company has done about \$1.3 million in international business since the launch of its catalogue, too, and new clients include the government of Argentina. Northrop Grumman honoured CDM with Supplier Excellence and World Class Supplier Awards for 2008, an achievement CDM attributes directly to the improvement of its site.

Now is the time to ride the wave of our emerging economic recovery and take a cue from CDM; empower your website to ensure new markets looking for the products or services you offer will find you and buy from you. ■

Susan Orr is senior director, strategic marketing at ThomasNet, which helps industrial companies create websites to grow their sales revenues. ThomasNet.com connects industrial suppliers and buyers worldwide. You can reach Susan at sorr@thomasnet.com.

Repealing Ontario's Green Energy Act bad for Ontario...

And bad for Canada!

John De Vellis

It's election season in Ontario and, once again, electricity issues have taken centre stage. Opposition Leader Tim Hudak has lambasted the governing Liberals over the handling of the energy file, and the Green Energy Act in particular. But repealing the act, as he suggests, would be a mistake. Here's why.

The Green Energy Act, 2009 (GEA) is part of an omnibus bill (Bill 150) designed to promote the development of renewable electricity generation in Ontario. GEA created the feed-in tariff (FIT) program, which guarantees specific rates for energy generated from renewable sources such as wind, solar, biogas and geothermal. At the same time, the government amended a number of existing statutes to reduce regulatory hurdles for green energy developers by creating a streamlined 'one-stop' approvals process for these projects.

Green energy developers were given priority access to the transmission grid. GEA also increases energy efficiency standards in Ontario's building code and for household appliances, and sets electricity conservation targets for local utilities. What's more, it has created a new industry of green energy developers and manufacturers of turbines, solar panels and other components, as well as spin-off jobs in service industries.

Hudak says GEA and, in particular, the FIT program, is too expensive and has mused about cancelling it. But his criticisms of the FIT program are misguided.

First, most green energy has not come online yet and cannot be blamed for recent increases in electricity prices. According to Ontario's Independent Electricity System Operator (IESO), green energy currently accounts for less than 4% of Ontario's electricity supply. Most utilities in Ontario have had to ramp up their capital and operations programs in recent years to deal with aging infrastructure. In addition, distribution rates were frozen from 2002 to 2006. Finally, HST was added to electricity bills, beginning in July 2010. The result has been double-digit distribution rate increases, most of which cannot be linked to green energy.

Detractors of green energy point to the difference between rates paid to green energy developers and the current market price. But that is a false comparison. First, we already pay nuclear and gas-fired generators rates that are often higher than the spot market price. Second, cost comparisons being touted between green energy and non-green energy are not 'apples-to-apples'. Green energy is new power and can't be compared to existing generation, much of which will have to be replaced over the next 20 years in any event. When compared to the cost of, say, new nuclear, green energy is very competitive. A 2010 study by two Duke University professors found that the average cost of new nuclear generation is \$0.16 per kilowatt hour, which is higher than the FIT tariff rates for

wind projects in Ontario.

In July 2011, the Pembina Institute (a not-for-profit think tank) released a study that says cancelling GEA would have little effect on electricity rates in Ontario. In fact, the study says further investment in green energy would likely save Ontario ratepayers money over the next 15 years as natural gas becomes more expensive and as the cost of technology for green energy continues to come down.

The study, "Behind the switch: pricing Ontario electricity options", examines how scaling back Ontario's plans to develop green energy would affect electricity rates. It used an integrated energy system simulator to compare two scenarios. The first scenario is based on Ontario's current Long-Term Energy Plan, in which a large part of new electricity generation comes from additional renewable capacity supported under the Green Energy Act. The second scenario tests the effect of eliminating the act and expanding natural gas in place of future green energy resources. (Both scenarios assumed that the current commitments to generating 50% of Ontario's electricity supply remained unchanged.)

The conclusion? Consumer electricity prices are set to continue rising sharply over the next decade under either scenario, with prices peaking around 2022 when Ontario's nuclear fleet is scheduled to undergo significant shutdowns. And even if future contracts



Electric vehicles: charging stands & infrastructure

Mark Clapper

Photo by Steve Mann / Shutterstock.com

Fuelled by environmental concerns, the cost of energy and advancements in battery technology, the electric vehicle (EV) continues to march toward mainstream society; along with that march come the associated concerns over the electrical infrastructure required to support them.

This article will offer some basic insights in the areas of electric vehicle architecture, charging stands and the associated charging equipment infrastructure.

Some history

To gain some perspective on the electric vehicle, let's take a brief walk through its history.

Although the exact date is unknown, a Scottish inventor named Robert Anderson developed the first electric carriage in the 1832-1839 timeframe. Anderson's carriage was powered by non-rechargeable batteries available at that time.

He was followed by the American, Thomas Davenport, who is credited with the first practical EV: a locomotive, back in 1835.

Through the remainder of the 19th century, various inventors and scientists made contributions to this industry, including the first lead acid rechargeable battery in 1859 by French physicist Gaston Plante, and an American-built EV by William Morrison of Des Moines, Iowa (1891).

It may surprise you to know that the first electric taxi in the U.S. hit the streets of New York City in 1897, and that the heyday for EVs in the U.S. was in the year 1900, when 28% of the 4192 cars produced were electric. That heyday was short-lived though, due in large part to the introduction of the first gasoline-powered, mass-produced vehicle in 1908: the Henry Ford Model T.

Wind the clock forward 110 years, and the introduction of the Nissan Leaf and Chevy Volt are upon us. Couple this with global EV charging stand projections of 3 million units by 2015, and we find ourselves asking not if, but when the electric vehicle population will develop, and how can we prepare our infrastructure to fuel the new machines.

Terminology

There are several terms that are widely used to describe electric vehicles:

● *Hybrid vehicle*

A vehicle that uses two or more distinct power sources to propel a vehicle. The term most commonly refers to hybrid electric vehicles (HEVs) which combine a combustion engine and one or more electric motors.

● *PHEV (Plug-in Hybrid Electric Vehicle)*

An electric hybrid vehicle with rechargeable batteries that can be restored to a full charge by connecting to an external power source (charging stand).

● *BEV (Battery Electric Vehicle)*

A vehicle that uses one or more electric motors for propulsion and uses rechargeable batteries as the sole power source.

● *EV (Electric vehicle)*

A generic reference often used to describe PHEV and BEV.

● *EVSE (Electric Vehicle Supply Equipment)*

EV charging stands & infrastructure

Basic electrical components

- BEV inlet & connector. The inlet is the "on-vehicle device" and the connector (plug) is associated with the charging stand. There may be

a single AC inlet or a combination of separate AC and DC inlets. The AC inlet is used for Level 1 or 2 charging, while the DC inlet is associated with Level 3 charging. The power inlet is the primary method of recharging the batteries. The combination of the inlet and connector is referred to as the coupler.

- An AC-DC switch mode power supply. The power supply has several functions. It converts AC input power to DC to charge the on-vehicle battery pack. It also has intelligence to know the charge status of the battery, and may also take into account any thermal information from the battery, along with any ventilation requirements.
- A rechargeable battery pack. Stores the energy required to power the vehicle. Lithium-ion batteries are typical.
- A motor or motors to propel the vehicle. Typically AC for on-road vehicles.
- A controller to invert the DC battery supply to AC to regulate the frequency and voltage supplied to the motor and, thereby, regulate speed. The controller receives its input signal from the accelerator pedal.
- Input signal. An accelerator pedal. Allows the operator to change the power demand to the controller, typically done through a potentiometer.
- The ability to regenerate the kinetic energy associated with vehicle movement and braking to recharge the batteries. The recovery of this energy is not enough to completely recharge the batteries, but can help extend the driving range of the vehicle. In combustion-engine vehicles, this energy is lost as heat through the braking assembly. In BEVs, the motor can be used to slow the vehicle, acting as a motor during acceleration and a generator during deceleration.

Standards & codes

There are four key standards related to safety, installation and connecting EVSE to the electric vehicle. They are briefly outlined below for reference purposes.

- UL 2594 - Electric Vehicle Supply Equipment. This standard covers EVSE, rated a maximum of 250VAC/ 60 Hz which is intended to provide power to an electric vehicle with an onboard charging unit. The products covered include EV power outlets, EV cord sets, and EV Level 1 & 2 charging stands.
- UL 2231 – Personnel Protection Systems for EV Supply Circuits. UL 2231 covers devices and systems intended for use in accordance with the National Electric Code to reduce the

risk of electric shock to the user from accessible parts in grounded or isolated circuits for charging EVs.

- NEC Article 625 – Electric Vehicle Charging System. The provisions of this article cover the electrical conductors and equipment external to the EV that connect to a supply of electricity by conductive or inductive means, and the installation of the equipment and devices related to EV charging.
- SAE J1772 – Electric Vehicle and PHEV Conductive Charge Coupler. This SAE recommended practice covers the general physical, electrical, functional and performance requirements to facilitate conductive charging of EV/ PHEV vehicles in North America. This document defines a common EV/ PHEV and supply equipment vehicle conductive charging method, including operational requirements and the functional and dimensional requirements for the vehicle inlet and mating connector.

Now let's explore the charging stands, their features, and end with some installation considerations.

Charging stands

The charging stand is the primary method to recharge the batteries within the BEV. It has a typical voltage rating of 600 volts and below and, in broad terms, is responsible for:

- a) The safe charging of on the vehicle batteries.
- b) Commerce: the ability to facilitate multiple payment options.
- c) Open communication protocols for monitoring, and intelligent metering for smart grid interface.
- d) Aesthetics, ease of use and the flexibility to support future technology enhancements.

The most common reference used to describe an EV charging stand is its level. The industry recognizes three: 1, 2 and 3, with the primary differentiator between each level being charging speed, power requirements and cost. Generally speaking, faster charging comes along with increased power requirements and equipment cost.

Charging: electrical & time parameters

The typical performance of each level is briefly listed below.

- *Level 1*, slow charging, 15+ hours
- *Level 2*, faster charging, 4 – 6 hours
- *Level 3*, ultra-fast charge, 15 – 30 minutes



Note the above times describe a charge from a fully depleted battery source. Actual charge time will vary based on the charge level and condition of the batteries. Article 625.14 of the NEC does a nice job of outlining the ratings of charging stand level, outlined below.

Level 1 charging

- Power: 120vAC
- Overcurrent device 15A or 20A, depending on receptacle.
- Maximum allowable load 12A (1.4 kVA)
- Connection: The NEC permits connection to a common grounded NEMA 5-15R or 5-20R, receptacle (plug & cord).
- Charge time: 15+ hours
- Application: "Opportunity charging"

Level 2 charging

The NEC notes this as the primary and preferred method of charging at both private and public facilities.

- Power : 240vAC or 208vAC
- Maximum allowable load is 32A (7.7 kVA @ 240V, 6.7kVA @ 208V)
- Minimum overcurrent device: 40A
- Connection: SAE J1172
- Charge time: 4 to 6 hours
- Application: private & public

Level 3 charging

- The NEC likens Level 3 charging to the equivalent of a commercial gasoline dispensing station.
- The cost premium for Level 3 chargers may approach an order of magnitude higher than Level 2.
- Because of individual power supply requirements and available voltage sources, exact voltage and load specifications have not been defined. Refer to individual manufacturers for more information. An example of a Level 3 charger may be a 480V, 400A, 3-phase service.
- Charge time: 15 to 30 minutes.
- Application: Public



Because Level 2 charging is considered the primary charging method, the balance of this article will focus on this level.

Charging: safety-related parameters

As previously noted, the charger is tasked with the “safe” charging of the on-vehicle battery system. When one thinks of charging stands, a picture of a person standing in a puddle with an energized power cord comes to mind. To prevent this picture from ending poorly, the aforementioned codes & standards combine to ensure that items such as electrical interlocks, automatic cable de-energizing, ventilation interlocks and personnel protection are addressed before allowing electrical power to be applied to the EV.

Electrical interlocks

Level 2 charging stands are required to have an electrical interlock that de-energizes the EV connector and cable whenever it is uncoupled from the vehicle.

In other words, power is not supplied to the coupler until positive confirmation that the inlet and connector are properly mated together. Conversely, if they are mated, are under load and become disjointed, power will be automatically removed. Please note, this requirement is not present for Level 1 charging.

Automatic cable deenergization

Have you ever seen somebody drive off from the gas station with the hose still in the tank? With this scenario in mind, the NEC states that the “EVSE or cable-connector combination must have an automatic means to de-energize the cable conductors and electric

vehicle connector when they are exposed to a strain that could result in either cable rupture or separation of the cable from the connector and exposure of live parts”. Once again, this requirement is not mandated for plug and cord type chargers (Level 1).

Personnel protection

Both UL 2231 and the NEC outline the requirements for a listed system of personnel protection against electrical shock. Unlike the previous two items, both Level 1 and Level 2 EVSE have to meet this requirement.

Ventilation interlocks - indoor applications

Hydrogen build-up is always a consideration when talking about battery charging. As such, EVSE can be listed or labelled as suitable for charging EVs indoors without ventilation or listed and labelled as suitable for use for charging EVs that require ventilation for indoor charging. EVSE bearing the second label is required to have an interlock in the connector that prevents the EV from being charged until it receives positive confirmation that ventilation is present.

Commerce and Communications

Commerce and communications are two key items that a charging stand needs to accommodate. The owners of the infrastructure need methods to collect a fee for charging stand use, to monitor their infrastructure for service needs, and to allow their clients access to applications that show where EV stands are located, their status, etc.

Commerce

For a publicly accessible EV charging stands, some type of fee collection method will be a necessity. This means that designers of the EVSE infrastructure will need to become comfortable with the specification and installation of these items.

Communications

In addition to communications related to commerce, the charging stands will also need to have the options to communicate with the utilities for smart grid metering and with third party applications. The third party applications cover functions that range from identifying stand locations and status, to maintenance and collection services.

Since EV charging stands are relatively new and will be in the public eye, some

of the frequently asked questions about them include: What do they look like? Do they come in different colours? What are the mounting configurations? And, “What is inside the box?” Unlike the typical electrical installation which is behind closed doors, owners in this operating space are concerned not only with function, but that the design not be obtrusive to the surroundings and be easy to use.

The shape and colour offering of a charging stand will vary by manufacturer, but they can typically be categorized into a pedestal, pole or wall-mounted product.

Installation considerations

The basic installation considerations associated with EV charging stands and upstream equipment are not unlike those we see daily.

The governing installation standard for EVSE is Article 625 of the NEC. This article mandates the usual items that pertain to:

- Overcurrent protection – NEC 625.21
- Personnel protection – NEC 625.22, UL 2231
- Cable sizing, type, physical length and mounting height – NEC 625.17

Outside of the above, there are some non-traditional tasks that may require additional thought, potential code revisions, design time and, perhaps, some new skill sets:

- An audit of the available kVA capacity in the system, both from a utility and installed equipment viewpoint.
- Harmonics: Since each EV has an “on-vehicle” switch mode power supply associated with it (AC/DC), there will be some level of harmonic distortion generated by this device. At present, there is not a large volume of information to quantify the impact and the potential need for mitigation in the upstream equipment.
- Ventilation requirements (indoor): Refer to NEC 625.29D.
- Load balancing: Level 1 and 2 charging stands are single-phase load and, as such, should be balanced in the typical fashion of dispersing them among A-B, B-C and C-A connections.
- Service ratings: In the 2008 NEC, EVs are considered to be continuous loads, which leave no room with regard to reducing upstream capacity needs, based on diversification claims. As we gain more experience with these types of installations,

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perhaps the data will allow the load classifications to change and, in turn, allow service ratings to be reduced.

- 208V versus 240V, 32A, single-phase charging (Level 2). Assuming a constant current of 32A, does the overall kVA available through the charger have any significant impact on charge time reduction? Should the design engineer lean one direction or another? Is it worth the cost to modify an existing 208V service to 240V?
- Communication networks will need to be installed and tested (both wired and wireless).
- Commerce: Installers will need to be versed in the installation and testing of commerce applications that accommodate user authentication, multiple payment methods and bill reporting/generation. The physical location of the equipment will most likely be a challenge. Perhaps the largest item to contend with will be the routing of power and networking conductors and conduits.
- Resale of electricity. The laws around the resale of electricity vary between jurisdictions. New regulations may need to be established.
- Logistics & flow: Installations may stretch outside of the traditional pedestal or pole-mounted applications. Consider an example of a taxicab hub. In this environment the expired battery packs may simply be swapped and the expired batteries placed in recharging racks. A design in this application may mix Level 2 and 3 chargers, and will require that the industrial process/flow of swapping, moving and recharging the batteries will be mapped out.

The EV dates back some 178 years, and it is interesting to see it make a renewed push back into society. The momentum seems to be increasing with new battery plants being constructed, new vehicles being introduced and the U.S. Department of Energy sponsoring pilot EV charging stand installations. This leads to one final thought...the EVs are coming, but is our infrastructure—*your* infrastructure—ready to support them? ■

Mark Clapper is a specification engineer with GE.

Selling on the web? Avoid integration nightmares with Tokenization



Tokenization may be the solution, as it leapfrogs traditional encryption yet is complementary to legacy enterprise systems.

The president and CEO of Paymetric Inc., Larry Wine is an electronic payments industry subject matter expert with more than 20 years of experience. Paymetric is a provider of integrated and secure electronic payment acceptance solutions. Visit www.paymetric.com.

So you've successfully opened a webstore, put your catalogue online and integrated the whole system effectively into your ERP (enterprise resource planning). Now what?

In my last article (D&S Fall 2010, "Avoid integration nightmares with SaaS"), I alluded to security being a serious issue when selling online, yet wholesalers generally aren't doing enough to protect themselves and their customers. According to Databreaches.net, 2009 was the year of the "Mega Data Breach": the number of personal records exposed to hackers (data that included credit card information tied to an individual) skyrocketed to 220 million records in 2009 compared to 35 million in 2008.

To combat this trend, the Payment Card Industry Security Standards Council (PCI SSC) has tightened compliance requirements, initially with its Data Security Standards (PCI DSS). Ever tightening, the compliance rules became more stringent again in 2010. As a response, the industry has been flooded with solutions claiming to provide heightened security for a merchant's data. Undoubtedly, and often blindly, merchants invest in these offerings, mostly out of fear, uncertainty and doubt. What companies don't understand is that most of these solutions are not bulletproof.

Tokenization may be the solution, as it leapfrogs traditional encryption yet is complementary to legacy enterprise systems. With it, sensitive data is removed from enterprise systems. Tokenization works by intercepting cardholder data entered into an enterprise payment acceptance system like a webstore, CRM, ERP or POS, and replaces it with a surrogate number known as a 'token'—a unique ID created to replace the actual data associated with a specific card number.

The reality is many companies don't truly understand the security vulnerabilities presented by electronic payments when integrating a new e-commerce system into the ERP, nor do they understand the various solutions on the market. They may think they are secure when they install today's encryption technologies, for example, but are at actually in great risk of a breach or an audit resulting in hefty fines that could bring them to their knees. Unfortunately, most find out the hard way. ■

HST/GST and the manufacturer sales rep

The independent agent in the electrical industry has always felt the need to belong. No one company, no one person has the ability to function to their fullest operating strictly on his own, without some outside help... some joint advantage.

This year, CEMRA hired an accounting firm KPMG to look at the rules for applying HST/GST. What we found will save your business a lot of time, effort and money over the long haul.

KPMG looked at three key issues:

1. What rate of HST applies to sales commissions charged by sales agents to Canadian vendors?
2. What rate of HST applies to sales commissions charged by sales agents to non-resident vendors registered for HST purposes?
3. What rate of HST applies to sales commissions charged to unregistered, non-resident vendors?

Here are KPMG's findings:

- Where the vendor is a resident of Canada, the sales agent will be required to charge applicable GST/HST based on the vendor's Canadian address.
- Where the vendor is a non-resident, and the sales of the goods are made outside Canada, the sales agent's commissions will be zero-rated from GST/HST.
- Where the sales of goods are made in Canada but the vendor is a non-registered, non-resident and not carrying on business in Canada, the sales agent's commission will be zero-rated from GST/HST.
- Where the vendor is a non-resident but registered for GST/HST, and the sales of the goods are made in Canada (but no Canadian business address is obtained for the vendor), then the sales agent will be required to charge applicable GST/HST based on where the Canadian element of the service is primarily performed.
- When a vendor is located in a province with HST—regardless of where the product is sold in Canada, and regardless of from where the product is shipped—the sales agent must collect HST. Should the sales agent not collect, then he and the vendor are responsible for the implementation of the law (Ontario and British Columbia, July 2010).

For a full report, CEMRA and members can contact Electro-Federation Canada. Visit www.electrofed.com.

It pays to become a CEMRA member

The independent agent in the electrical industry has always felt the need to belong. No one company, no one person has the ability to function to their fullest operating strictly on his own, without some outside

help... some joint advantage. CEMRA membership is one of the most valuable assets that you can have in today's changing marketplace.

CEMRA has close ties to both the National Electrical Manufacturers Representative Association in the United States (NEMRA, an association of over 500 agency and 250 manufacturer members) and Electro-Federation Canada's new Electrical Council (formerly Supply & Distribution Council). So with just one membership you can join three important electrical industry associations.

With NEMRA, you get the latest on rep talk, access and exposure with the North America Rep Locator, and an invitation to the annual conference.

With EFC, you get a weekly newsletter, access to Canadian seminars and educational programs (on such things as sales and electronic commerce), access to principals and customers, and an invite to the annual conference (CEMRA's annual meeting is held in conjunction with this conference).

CEMRA acts on behalf of over 49 representative agencies employing over 250 salespeople. I encourage you to get involved, use the resources available to you through CEMRA, and get the maximum benefit from your membership. To learn more about the benefits of CEMRA and its ongoing initiatives, please visit www.cemra.ca. ■

Who is Curtis Flavel?

Curtis Flavel, a 4th year Electrical Engineering student specializing in Power at the University of Saskatchewan—is the 2010 recipient of CEMRA's Academic Leadership Award. Curtis has been a member and volunteer with the Saskatoon Engineering Students Society, and has volunteered with the Regina and Saskatoon Food Banks.

Electricity has "fascinated" Curtis for many years, as he grew up being mentored by his father and grandfather, both of whom worked in the industry. Curtis's father is an employee of Eaton Electrical.

We wish Curtis continued success in his studies, and look forward to his future contributions to the electrical industry.

Kevin Smythe is the principal of Adanac Sales (www.adanacsales.com), which was incorporated in 1991 to serve the electrical industry in British Columbia. Kevin is the new chair of CEMRA (Canadian Electrical Manufacturers Representative Association). Visit www.cemra.ca.

Getting the most from co-op funds

The best place to solve these challenges is at the planning stage, and that begins with agreement on the key goals for the manufacturer-distributor relationship.

There is often a disconnect in the channel when it comes to co-op funds. Many manufacturers feel that a significant portion goes toward activities that provide no benefit; distributors, meantime, are often challenged to fully utilize co-op funds toward key business goals. The administration of co-op funds is also a strain organizational resources.

Before you get to co-op, you need to have alignment in the channel regarding key business goals. The goal is usually to increase sales, but it is important to agree (and write down) how that will be achieved. Is it through success with new products, increased focus on specific accounts or expanding business relationships? Goals should be prioritized, as they will guide the allocation of co-op funds.

The manufacturer must be aware of, and aligned with, the distributor's overall goals. It is often important for distributors to have all their significant manufacturers supporting key marketing and business initiatives.

The best place to solve these challenges is at the planning stage, and that begins with agreement on the key goals for the manufacturer-distributor relationship. From there you can put in place a co-op action plan around five basic building blocks.

1. Customer seminars and communications

Distributor tradeshows, in-house seminars, email newsletters and direct mail are all key components of a distributor's communications. The manufacturer should strive to participate; he usually already has appropriate marketing communications (marcom) material, but should have it adapted to the distributor's format. These are great tools for aligning the marcom strategy across the channel, as you will be reaching a good base of well-targeted customers who know where to buy. For this reason, any manufacturer with a significant marcom budget should include a channel partner component utilizing co-op funds.

2. Stock and counter sales promotions

Well-designed promotions move product; that's why they are popular. For distributors, they are an important tactic for increasing or defending market share. They work best when demand is seasonally high and when there are no other barriers. For the manufacturer, they have some limitations as they can simply shift demand from one distributor or one month to another. Good promotions have novelty value to get attention and

raise awareness with potential customers and within the distributor sales team. A sales growth plan should not depend on promotions for results, but they are an essential tool whenever stock sales are important.

3. Employee training

Distributor salespeople sell what they know. Manufacturer-sponsored training strives to get them to where you and they want to be. There are a lot of ways of delivering training with varying impacts on cost, reach and effectiveness. A periodic assessment of training needs will help set the priority and budget for training. Tailoring the training will get the most bang for your co-op training investment.

4. Customer relationship development

Fishing trips and golf outings can build close three-way relationships with key customer executives. However, the cost on a per person basis can be significant. This type of activity is best when focused on accounts that are currently cash cows or high growth for both the manufacturer and distributor. It can be difficult to assess the value of these investments, but you can be disadvantaged if you are not building relationships at the same level as your key competitors.

5. Supplier branding and awareness

This is important when a distributor takes on a new brand or when a company changes their name. Otherwise, the benefits are not that significant. It is often the case that the trinkets and trash side of co-op gets more than it should.

Building an action plan

The co-op budget can be allocated across these five building blocks and within each area the key initiatives will be identified. From the overall list of key initiatives, timelines and responsibilities can be assigned to team members. This provides management visibility on key initiatives and simplifies overall administration, as small requests can be aggregated under each building block.

Each year, the co-op planning session should review what has changed in mutual business goals, assess prior year program performance and adjust funding priorities. This provides long-term continuity and will ensure a win-win co-op program that supports your mutual business goals. ■



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