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The basics of good
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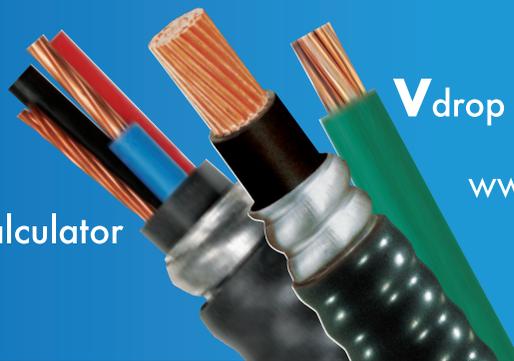
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Distribution & Supply magazine serves electrical distributors across Canada. It provides distribution personnel with the information they need to perform their jobs better and run their businesses more efficiently and profitably.

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Published by Annex Publishing & Printing Inc.
222 Edward Street, Aurora, Ontario L4G 1W6
Tel. 905-727-0077 • Fax 905-727-0017

Publication Mail Agreement #40065710

Return Undeliverable Canadian Addresses to Circulation dept.
P.O. Box 530, Simcoe, ON N3Y 4N5
e-mail: kthomson@annexweb.com

United States Second Class Postage Paid at Lewiston, NY
(USPS-741-470) US POSTMASTER: Send address changes to
Distribution & Supply, P.O. Box 8145, Lewiston, NY 14092
Printed in Canada ISSN 0013-4244

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SUBSCRIPTION RATES:

Canada: Single issue \$7.00 (including GST)

USA: \$11.00 (US) and International \$13.00 (US) per single issue

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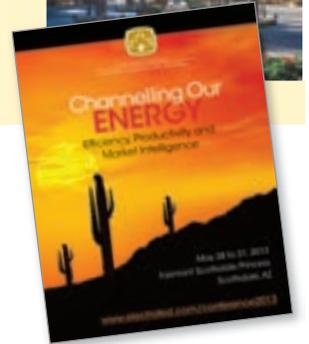
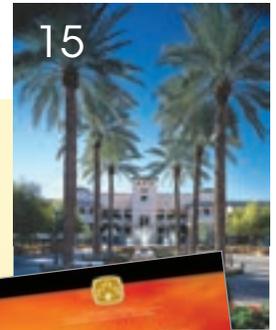
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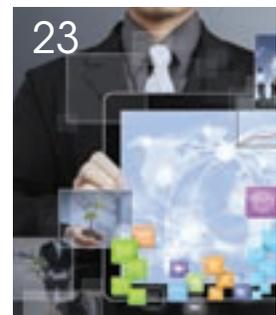
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Ask a charity the scale of its dreams and how they measure progress.

Corporate social responsibility and charitable giving

While reading up on what others are saying on the subject of corporate social responsibility, I stumbled upon an excellent TED Talk by Dan Pallotta, who discusses our broken relationship with charities.

I don't want to give away his whole talk, which you should really watch for yourself (visit www.ted.com and search "Pallotta" for his talk "The way we think about charity is dead wrong"), but he challenges us to change the way we think about changing the world.

Unlike the for-profit sector, he says, too many non-profits are rewarded for how little they spend: not for what they get done. The biggest mental hurdle is the question of overhead in the non-profit sector: "What percentage of my donation goes to the cause versus overhead?"

Pallotta focuses on two major problems with this question. "First, it makes us think that overhead is a negative, that it is somehow not part of the cause. But it absolutely is, especially if it's being used for growth," says Pallotta, adding that this leads to the second problem: "... it forces organizations to go without the overhead things they really need to grow in the interest of keeping overhead low".

What's better, asks Pallotta: a bake sale with only 5% overhead that nets only \$71 for charity, or a professional fundraising enterprise that nets \$71 million? He adds that, rather than ask a charity the rate of its overhead, ask about the scale of its dreams, how they measure progress, and what resources it needs to make them come true.

It's a compelling argument and, after watching Pallotta, I'm no longer a bake sale guy. ■

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Keeping to the theme of social responsibility and giving, Electro-Federation Canada and its members have been helping students across Canada reach their education and career objectives by awarding over \$600,000 in scholarships through the EFC Foundation Scholarship Program since 1995. This year, the foundation will award over \$80,000 across 35 scholarships.

"With focus on providing support to university and college students in their quest for higher education, and their pursuit for an exciting career in the electrical and electronics industries, the EFC Scholarship Foundation is fostering a community of excellence across Canada," says foundation chair, Tim Horsman.

What I like about the scholarship program is that it is unique to the electrical, electronics and telecom industries, and it's nationwide... attracting both sponsors and applicants from one coast to the other.

I applaud the organizations who have stepped up to invest in our future human capital, and encourage others to join the program as sponsors for the 2014 installment. ■

Anthony Caplan

Taking our partnership
TO THE NEXT LEVEL



Fundamental to the way we do business and a key component of Signature Service, Business Process Improvement (BPI) initiatives take our partnership to the next level by increasing the efficiency of the joint transactions and processes required to get our products to the end-user market.

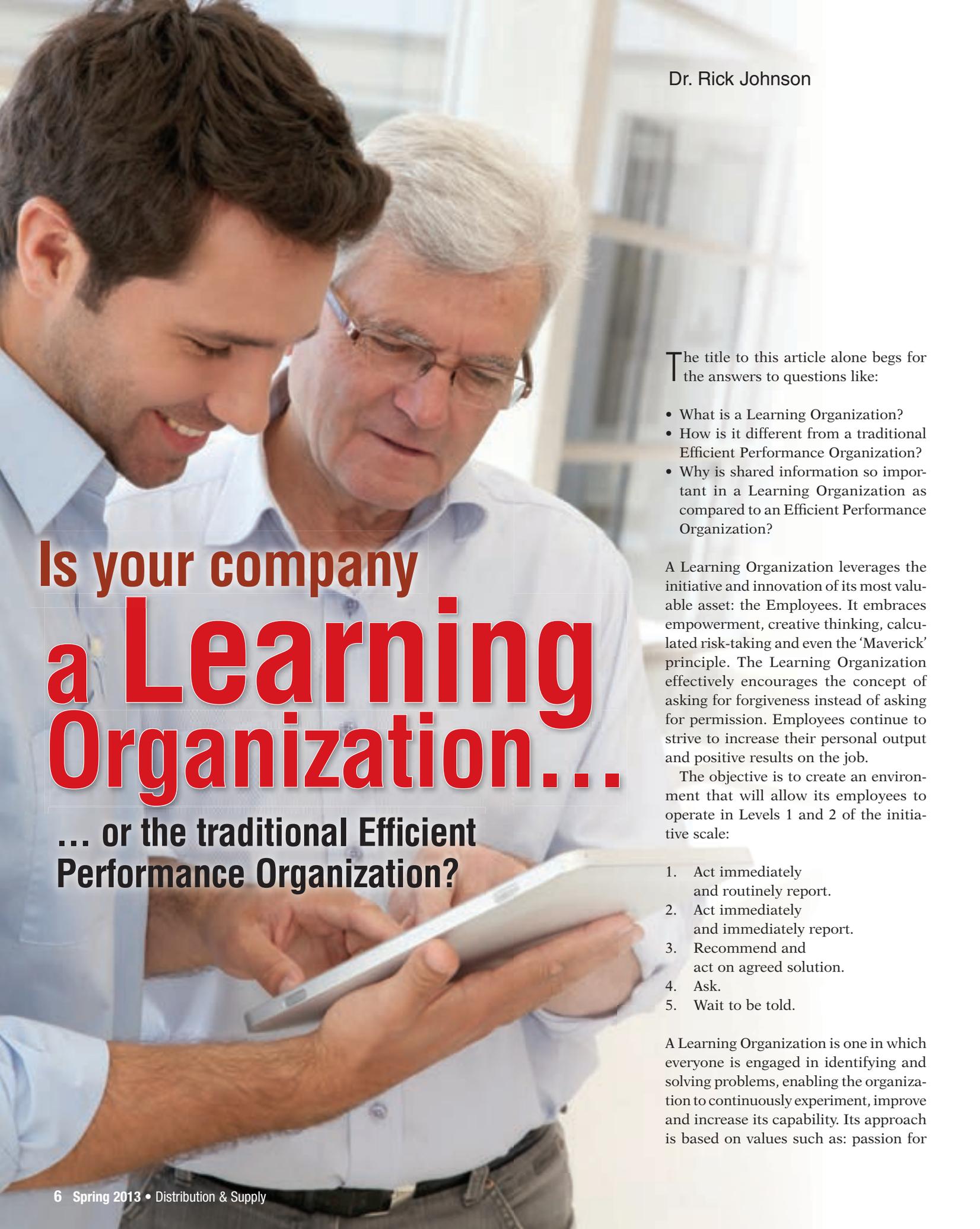
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Is your company a Learning Organization...

... or the traditional Efficient Performance Organization?

The title to this article alone begs for the answers to questions like:

- What is a Learning Organization?
- How is it different from a traditional Efficient Performance Organization?
- Why is shared information so important in a Learning Organization as compared to an Efficient Performance Organization?

A Learning Organization leverages the initiative and innovation of its most valuable asset: the Employees. It embraces empowerment, creative thinking, calculated risk-taking and even the 'Maverick' principle. The Learning Organization effectively encourages the concept of asking for forgiveness instead of asking for permission. Employees continue to strive to increase their personal output and positive results on the job.

The objective is to create an environment that will allow its employees to operate in Levels 1 and 2 of the initiative scale:

1. Act immediately and routinely report.
2. Act immediately and immediately report.
3. Recommend and act on agreed solution.
4. Ask.
5. Wait to be told.

A Learning Organization is one in which everyone is engaged in identifying and solving problems, enabling the organization to continuously experiment, improve and increase its capability. Its approach is based on values such as: passion for



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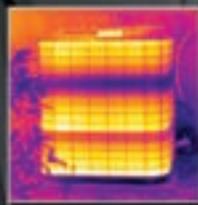
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learning, communication, collaboration, team-building, people value, caring, culture of excellence, change, problem-solving and personal development.

The Learning Organization understands the concept that today's and future generations believe emphatically that you must work to live, *not* live to work. Its cultural development is important to its success. The culture itself must embrace the concept of becoming employer-of-choice, which means the culture is built upon the value of its employees. A social, caring atmosphere exists, and employee issues are taken seriously.

Some companies recognized their dilemma years ago. Many of the top performers in industry are at the top because they strive to be employers-of-choice. These are forward-thinking companies that have found solutions to their recruitment and retention challenges by adopting/adapting Learning Organization concepts. Following in their footsteps, however, requires an initial 'gut check'. Honestly ask yourself how your employees would answer questions like:

- Do you receive counseling on a career plan?
- Is there a current wage and salary plan in place?
- Do performance incentives exist?
- Do you receive regular training and instruction?
- Do you receive performance updates and recognition beyond a once-a-year chat with your boss?
- Does customer feedback play a role in performance evaluations?
- Does employee feedback and participation exist in the strategic planning process?
- Are suggestions reviewed and awarded?
- Is there both a formal and informal communication channel?
- Does collaboration exist at various levels throughout the organization?
- Are innovation and creativity encouraged?

These questions relate to the basic core competencies of human resources: staffing, training, rewarding, recognizing and organizing. The business strategic plan cannot succeed without paying attention to this part of the business. Learning Organizations facilitate their employees' involvement and feedback in this process. This basic premise embraces the concepts of a Learning Organization: human development is critical.

The differences between the EPO (Efficient Performance Organization) and the LO (Learning Organization) revolve around all five elements of organizational design: structure, tasks, systems, culture and strategy.

Structure

The EPO is based on a vertical structure with a much-defined hierarchy of command in a more functional design. Very little collaboration occurs and cross-functional integration of responsibilities is non-existent. The LO embraces a more horizontal structure that encourages more cross-functional activity without a caste system getting in the way of efficient communication and departmental cooperation and efficiency.

Tasks

Tasks are clearly defined in the EPO, supported by job descriptions and/or functions that break down those tasks with a clear description of expectations for performance. The LO, by contrast, embraces initiative, creativity and the 'role' concept. The role may continuously change and evolve based on specific goals, challenges and organizational objectives. The team concept is the platform, which supports each and every role as they evolve.

Systems

As corporations grow and become more complex, the necessity for formal business systems become mandatory. These systems not only support operational functions but manage the flow of information throughout the organization. This role in the EPO is to manage the complexity of the information and provide a vehicle for pinpointing deviation from standards. The LO uses systems to optimize performance by creating a knowledge management environment, which becomes a vehicle for collaboration and the capture of intellectual property to be passed on and utilized for employee growth and development. A 'knowledge dashboard' often exists to store information and facilitate collaboration. A specific communication strategy exists within the LO.

Culture

The EPO culture is more of an autocratic type of an environment that may employ old-school methodology and, in some cases, may employ the 'Slap & Point' method of motivation or the 'Carrot and the Club' methodology. The LO encourages openness, continuous improvement, change, equality and, often, is described as a family atmosphere, where employees are treated with respect. It embraces the 'Lead Wolf Model' of leadership (email me for a copy).

Strategy

The EPO develops a strategy at the top of the organization that often dictates a vision and a mission statement. The strategy supporting that vision is generally developed by top management only, with little or no input from employees in the organization. This process ignores the real value of a strategic plan, which is embodied in the process itself.

The LO recognizes strategic planning as a management tool. It is used to help an organization clarify its future direction; to focus

its energy, and to help members of the organization work toward the same goals. The planning process adjusts the organization's direction in response to a changing environment. Strategic planning is a disciplined effort to support fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it, with a focus on where it wants to go and how it is going to get there.

Discipline is a prerequisite to this process because it requires laser-like persistence to result in a productive strategic planning initiative. The process raises a sequence of questions that helps planners examine current reality, test assumptions, gather and incorporate information about the present, and perform trend analysis on the future industry environment.

Strategic planning involves anticipating the future environment, creating an end game analysis so decisions can be made in the present. This means that, over time, the organization must regularly perform trend analysis to make the best decisions it can at any given point; it must manage, as well as plan, strategically.

That said, strategic planning is not a substitute for the exercise of judgment by leadership. Ultimately, the buck stops somewhere. The strategic planning process does not make the organization work: it can only support the sound judgment and reasoning skills that people bring to the organization. In the LO, strategic planning is a creative process, and the fresh insight arrived at during the process might very well alter past initiatives.

Planning consumes resources—a precious commodity. As a process that eventually defines the direction and activities of the organization, it can be an overwhelming and daunting task. Despite the overwhelming nature of the process, the benefits of planning can far outweigh the hard work and pain involved in the process.

LOs emphasize that the true value of a strategic plan is not in the document itself, but in the process of creating it, which involves numerous employees from the bottom up. This empowers them to be more effective and better-informed leaders, managers and decision-makers.

Compare and contrast

Shared information is critical in a Learning Organization because its approach is based on values such as: passion for learning, communication, collaboration, team-building, people value, caring, culture for excellence, change, problem-solving and personal development. This is in sharp contrast to the Efficient Performance Organization, where information is treated as a basis for detecting deviation from standards. ■

Dr. Rick Johnson is the founder of CEO Strategist LLC (www.ceostrategist.com), an experienced-based firm specializing in leadership development, strategic planning and sales effectiveness, with a focus on creating competitive advantage in wholesale distribution. You can contact Rick at rick@ceostrategist.com, and be sure to sign up for his free monthly newsletter "The Howl".



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LOSING SLEEP

over getting the most
out of your sales
training dollars?

Jim Baston

It's 3 am and you haven't slept a wink. You have tossed and turned all night. You went to bed grappling with a problem that has gripped distributors since their very inception, and you can't seem to shake it. Although you're tired, you resign yourself to run the question through your mind one more time in the hopes you will finally be able to solve it and go to sleep.

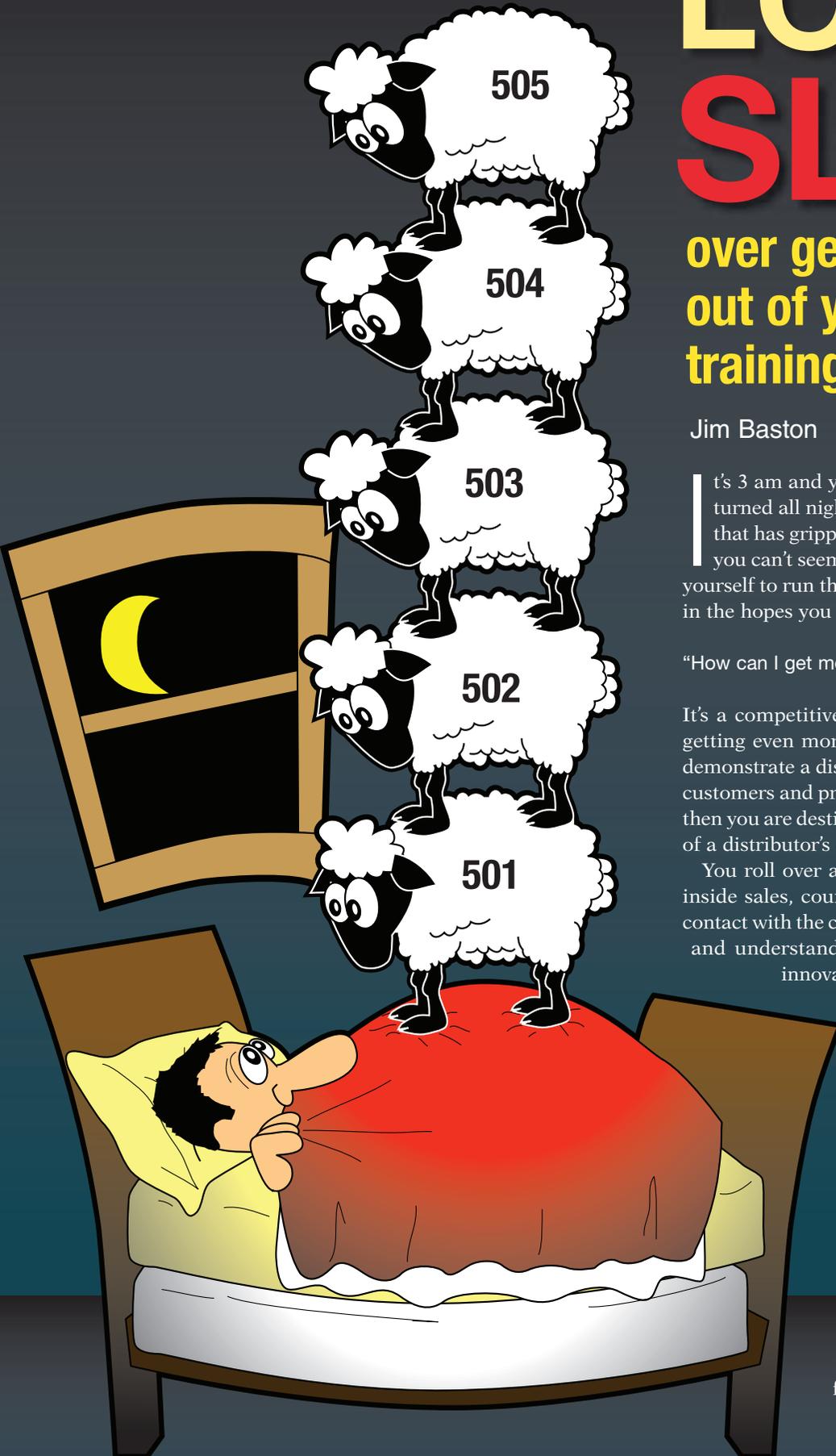
"How can I get more out of my limited sales training dollars?"

It's a competitive world out there, and all things point to it getting even more so. Unless, as a company, you can clearly demonstrate a distinct competitive advantage—and show your customers and prospects the value of a relationship with you—then you are destined to compete on price... and that is the start of a distributor's downhill spiral to despair and misery.

You roll over and consider your business' front lines: your inside sales, counter and outside salespeople. They have the contact with the customer. They have the opportunity to explore and understand customers' needs, and come up with the innovative approaches that will help them succeed in their own competitive environments, which will differentiate you from your competitors. But, to do this effectively, they need to step up their game. They must become better salespeople.

You are determined to invest in sales training for them, but funds are limited and, without realizing it, you're back to where you started: How can I get more out of my limited sales training dollars?

The fact of the matter is there is a lot you can do that will ensure your training dollars are well spent. Here are some actions you can take to secure a superior return for your investment, and a strong and profitable future for your business.



Product knowledge

Start by facilitating a continuous learning environment

We cannot sell what we do not know or understand. Although only one part of sales success, knowledge of your products and services is absolutely vital when you want to provide a proactive approach to addressing your customers' needs. With knowledge comes appreciation of the application of the product that, in turn, leads to how the product can be applied to help a customer achieve his goals.

Knowledge also brings confidence, and confidence brings the willingness to raise the subject with the customer. We provide real value when we are able to present to a customer with new ideas they have not considered and can drive real improvements for their business. Without knowledge, we become reactive to customer requests, and this greatly diminishes the value we can provide, and we are forced to compete largely on price and delivery.

To address the knowledge part of the successful sales equation, we must foster a continuous learning environment. We cannot leave this to chance. Our inside, counter and outside salespeople have to recognize both the value to themselves and to the customer of having a strong knowledge of the products they are selling. They must accept that the responsibility of learning as much about the products and services you offer is theirs, and they should not expect to be spoon-fed the information they will need to be successful.

Having said that, we must ensure that—as managers—we offer every opportunity for that learning to take place, and this can be done in several ways:

- Engage your manufacturers to provide regular lunch-and-learns and other learning opportunities.¹
- Have individual staff members teach the rest of your team about new products and their application.
- While waiting in a customer's lobby, encourage salespeople to spend their time reading product information brochures.
- Have a Product of the Week, or monthly focus.
- Have regular tests or quizzes to keep everyone sharp.

Trust-based relationships

Choose a sales training program/approach that integrates proved trust-building methodologies into the skills and strategy training

People who thrive in sales recognize that, in addition to their products and services, success comes from mastering and balancing three more components of successful selling: skills, strategy and relationships.

As a salesperson, skills are important. We need to know how to ask questions and how to handle resistance. Strategy is important, too: knowing when to ask for the order, or understanding the best time to stand our ground during a negotiation process are two examples. Relationships built on trust are necessary ingredients for success as well. Without a strong relationship, we may never be invited to compete for the sale or, when we are invited, we will be competing from a distinct disadvantage, and all the sales skills and strategy in the world will have limited effect.

Despite the critical role that trust-based relationships play in sales

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success, many books and sales programs focus primarily on the skills and the strategy of selling. They present techniques on how to handle objections or strategies based on typical sales scenarios. There is nothing inherently wrong with this; in fact, these are important components of sales success. However, it is problematic when sales skills and strategies are presented in exclusion of the critical role that trust-based relationships play in overall success.

Building trust is a skill and, like any skill, can be learned. To get more out of your training investment, look for sales programs that include trust-building approaches as an integral part of the application of sales skills and strategies. Look for programs that recognize technique and strategy without trust can be perceived as manipulation. Ensure the sales training you are considering gives more than lip service to the relationship part of sales, and provides proved, tangible approaches that build trust through every interaction. In this way, the very application of the skills and strategies that are taught will contribute to the prospect's trust in their relationship with your inside, counter and outside salespeople.

Referrals

Encourage repeat and referral business by enhancing the customer experience

Inside and counter salespeople can take small steps that significantly enhance the customer experience. Here, the investment can be low and the payoff very high. Companies that create a positive customer experience are rewarded through customer loyalty, and their customers will often recommend them to friends and colleagues.

It is no surprise that companies who create a positive experience for their customers also tend to perform better. A study conducted between 2007 and 2009 found that the companies who were leaders in delivering an exceptional customer experience "... outperformed the broader stock market, generating cumulative total returns that were 41% better than the S&P 500 Index and 145% better than ... [companies that lagged in delivering a positive customer experience]".²

Start by defining what you want the customer experience to be, then instill these expectations in your sales team. For example, how do you want inside sales to answer the phone? How should your counter team engage walk-in customers? How should your sales team manage emotional customers? Think about every possible customer contact and how your sales team should act to deliver on the customer experience you want.

Cross-selling

Encourage your team to cross-sell and/or up-sell as a strategy to add value, not a tactic to increase line items

We can improve our profitability by increasing the average number of line items per order, and this is often achieved by up-selling and/or cross-selling. It is important to approach this as an opportunity to provide a higher level of service rather than an activity to put more line items on a page. The end result may be the same (i.e. more line items per order), but the enthusiasm for participating will be much higher in the former.

Our team needs to recognize that one of the greatest services they can provide for their customers is to explore with them their purchasing needs to ensure they purchase everything they require. For example, a customer may come to the counter to purchase a particular item and may have overlooked a critical

part required for its installation. That customer will thank the counter salesperson who reminded them before they left for the jobsite. They will equally appreciate the sharp salesperson who recommends an alternative product with enhanced features that better meets the requirements of the customer's application.

Skills adoption

Coach, support and reinforce

As managers, we are measured not so much by what we do, but by what our team does. As a result, our own success depends on us taking every available opportunity to help our teams be the best they can be.

There is a lot of evidence that directly ties the efforts of the manager to the effectiveness of a learning program. For example, a large personnel management association found that training followed by coaching demonstrated a 400% improvement in skills adoption versus training without follow-up coaching.³ Other research has suggested that as much as 75% of the overall effectiveness of a training initiative depends upon the manager's actions both before and after the training takes place, and only 25% depended upon the quality of the training itself.

So what can a manager do to drive up the training effectiveness? Here are a few ideas:

- Introduce all training initiatives by promoting them as important to the individual as well as the organization, and emphasize how they will contribute to the overall goal of enhancing the customer experience.
- At the end of all training sessions, ask individuals to create personal commitments they will undertake within a specified time, and follow-up to see how they are progressing.
- Provide 'mini' reinforcement exercises to reinforce and allow practice of the key skills taught in the training.
- Actively coach your team around the core behaviours that will deliver the customer experience.

If you are losing sleep, wondering how to get the most from your investment in sales training, you are not alone. This is a common concern. However, before you look outside for the answers, consider what you and your management team can do to drive higher returns from your training dollar. And, when you do this, not only will you see greater skills adoption and retention resulting in improved sales and reduced turnover, but you will be able to enjoy a better night's sleep.

Notes

- ¹. Some manufacturers have self-learning/online product training programs for some of their key products. Find out what is available for your staff.
- ². "Yes, Virginia, There is a Return on Customer Experience Investments" by Jon Picoult, February 6, 2010.
- ³. "Coaching ROI: 'Wow' your Clients with Real Results" by Susan Battley. ■

Jim Baston is president of BBA Consulting Group Inc., a management consulting and training firm dedicated to helping technical product and service firms reap the profits locked in the untapped potential of their business development efforts.



ELECTRICAL COUNCIL

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d&s
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update

A house divided spells change

Electro-Federation Canada's data collection of distributor sales across Canada shows a strong industry sales growth of 5.7%. That is a very positive number, especially considering the dilemma in which the rest of the world appears to be. However, if we take a closer look at that growth, we see huge swings in readings between the various regions.

Not only does the average 'speed' of the collective region's economy not show a true reading of what is happening in Canada, but it would also be a mistake to use that one answer to set government policy and your corporate strategy.

Alberta—to no one's surprise—comes in at a whopping growth speed of 16.7% (based on 2012 sales data compared to 2011). By comparison, the Atlantic Region (N.S., N.B., P.E.I. and Nfld.) shows a decline of -5.2%. The range in sales growth is 21.9%—a huge difference when you consider the Bank of Canada interest rates are now in decimals.

When you have an economy running at across the board of 5.7%, it is relatively easy to establish an economic policy for the country. But how do you set interest rates or determine national policy when your growth by region ranges by 22%? Having only one policy means that someone will win and someone will lose.

It is no secret that our dollar running at par with the U.S. is based on our Western oil sales. In economic terms, it is called the Dutch disease; it is based on the Netherlands finding offshore oil, which increased their currency's value but ended up hurting manufacturing in the country.

Our high dollar is having the same effect on our manufacturing industry. A recent article in the *Globe and Mail* showed that, despite our strong financial support to bail out the auto industry in the 2008 crisis, only 5.4% of the auto industry investment since then has been ear-marked for Canadian manufacturing. In just the last two years, we have lost over 50,000 high-paying jobs in the auto industry because of the lack of investment. That's downsizing: 50,000 fewer jobs and about \$1.5 billion less in income tax. Small wonder that Ontario—the auto province—shows a growth of only 1.7%.

Meantime, we see no programs in place to revive



Canadian Electrical Industry Dashboard: REGIONS

Were each of these speedometers attached to a vehicle travelling at speed, what would be the average speed? And, if we knew, would it matter?

the auto industry, but we do see a lot of public relations for pipelines to Texas and to the Pacific to sell more oil. Alberta's Premier Redford lobbies in Washington while Ontario's Premier Wynne fiddles around with trying to save money and face, placating the province's power-based, taxpayer-paid teacher's union.

More oil sales will make it even harder to compete on the manufacturing level. I like Harper as a prime minister, but he is clearly a man from Alberta. From the dashboard diagram above, there is a vast amount of work that needs to be done to correct the regional disparity. The federal government needs to work independently with each region to do what is best for that region. The provinces need to be more concerned with their economic output.

From an electrical industry corporate level, Ontario stills holds 468 of total locations; 103 of them are Canadian head offices and 82 are manufacturing facilities. In Alberta, where you find all the growth, there are only nine head offices and 15 manufacturing facilities. Comparatively, sales in Ontario to sales in Alberta are still 2 to 1, but the ratio for head offices is 10 to 1; manufacturing is 5 to 1; and total employees in our industry 4 to 1, respectively. Those ratios will change to match the dollars. History shows that population and businesses always follow the money.

Regardless from where in Canada the commodity or the manufactured goods come, I would prefer that we sell more automobiles than oil, and more BlackBerry smartphones than potash or iron ore. I think it makes strong economic sense to engage Canadians in healthy, constructive work. Apparently, someone needs to tell that to our government. ■



Rick McCarten is vice-president, Electrical Council, Electro-Federation Canada. Visit www.electrofed.com/ec.

CEMRA Manufacturers Group

Kevin Smythe

CEMRA reps will continue working with manufacturers to recognize the rep model, encouraging manufacturers to look to reps as the source for sales and marketing of their products.



In conjunction with supportive manufacturers in EFC's Electrical Council, the Canadian Electrical Manufacturers Representatives Association (CEMRA) has formed a working group to further improve the relationship between representatives and their principals.

CEMRA—a group of independent sales representatives in the electrical industry—was organized to promote the continued growth of its members through the strengthening of their sales, marketing and management skills. CEMRA was also formed to advocate to both electrical industry customers and suppliers the advantages of doing business through independent sales representatives.

To this end, the association develops and maintains programs, and aligns itself with activities designed to help independent sales representatives conduct their businesses in an ethical, efficient and productive manner.

In an effort to improve working relationships, Electro-Federation Canada was pleased to support CEMRA's recently-formed CEMRA Manufacturers Group (CMG)—the counterpart to NEMRA's NMG (National Electrical Manufacturers Representatives Association in the States). CMG is an allied group of EFC reps and manufacturer members who go-to-market principally through the use of independent manufacturers representatives.

This group was formed and launched at the Electrical Council (EC) Conference in Whistler, May 2012, and has become an important part of CEMRA and EFC. CMG adds value by providing opportunities for open dialogue between manufacturers and reps, improving communication and opening the door to discussions on the management of issues that affect the working relations of both manufacturers and reps.

The CMG group meets in person, annually, at the EC Conference, and holds conference calls every other month. This group is also part of a best practices forum that allows its members to work toward resolutions and recommendations on issues between manufacturers and reps that can be shared with Electro-Federation Canada members and the Canadian electrical industry as a whole through the EFC website (www.electrofed.com). This group strives to understand expectations, and the impact of industry and marketplace changes as they occur.

Topics for discussion have included: the impact of industry mergers and acquisitions; effective and efficient reporting systems for reps for the purpose of communicating key information, and using their time more efficiently so that they are not bogged down by endless reports.

Reporting is of key importance, and members have recognized the need for reports to be more consistent. After all, manufacturers expect to be better informed about new business opportunities, new and different approaches, have access to accurately maintained contact information, track project follow-up, manage key accounts and distribution issues to assess how issues were solved, including any further follow-up that may be necessary.

CEMRA reps will continue working with manufacturers to recognize the rep model, encouraging manufacturers to look to reps as the source for sales and marketing of their products.

The next in-person CMG meeting will be held as an open meeting for all EFC member reps and manufacturers. It will be held at the Electrical Council conference in Scottsdale, Az., May 27 at 1:00 pm. If you are an EFC rep or manufacturer member, you are welcome to attend this open session. ■



Kevin Smythe is the CEMRA chair for 2011-2013 and president of Adanac Sales, a manufacturer rep serving the electrical industry in British Columbia. He can be reached at kmysythe@adanacsales.com.



ELECTRICAL COUNCIL
ELECTRO-FEDERATION CANADA

Channelling Our **ENERGY**

Efficiency, Productivity and
Market Intelligence

May 28 to 31, 2013

Fairmont Scottsdale Princess

Scottsdale, AZ

www.electrofed.com/conference2013



Channelling Our Energy!

This year many of you told us that it is time to search internally for ideas to help our industry. We need to listen to our own experts more. We are listening and adapting to your requests. This year's theme, "Channelling Our Energy", is about applying our expertise to the opportunities and challenges that are at hand. We will hear from Pierre Charron, Rexel Canada Electrical Inc. and Carol McGlogan, Philips Lighting Canada, co-chairs of IDEA, about the importance of prominently displaying your product line on the Internet. Also, other channel experts will discuss a new, enhanced industry statistical program and share a proposal for a new returnable reel program.

While we are strongly committed to giving voice to champions of change in our channel, we have also lined up industry experts who are closely connected to our channel's issues. Mark Roush of Experience Light will share his vision of the dynamic, fast-paced lighting industry. Mark Herbek of Cleveland Research will share insight on our channel's competitors and what they offer that challenges our market philosophy.

As well, our need to both focus on and address the challenges of change will be headlined by experts such as Patricia Mohr from Scotiabank, one of the best economists in Canada. We also welcome keynote speaker David Hurst, a Canadian author and former Vice President of a North American industrial distributor, who will discuss how change is a natural occurrence and when you understand how it works, you can make it work for you. Wrapping up the program will be our closing keynote Jim Carroll, a Canadian futurist, trends, creativity and innovation expert who will share seven tips on how to deal with the change that surrounds us.

All in all, this year's conference program will provide insight on the changes that our channel is facing and how they are affecting our businesses. I encourage you to take part in the business and networking programs that we have lined up. We are confident that this program will be one of the most industry-rewarding experiences to date.

I hope to see you and your companion in Scottsdale!

Mark Schroeder

Mark C. Schroeder
2012/2013 Chair, Electrical Council
Regional Channel Manager,
Rockwell Automation Canada

BUSINESS

Wednesday, May 29

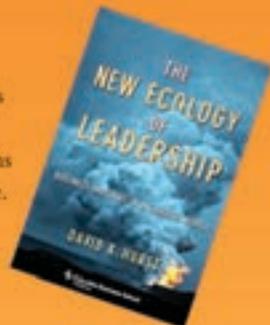
8:30 am - 9:45 am



"The New Ecology of Leadership"

David Hurst
Strategy, Leadership & Change Expert, Author

David Hurst is a reflective practitioner who has a unique niche in the management field through his blend of practical experience and conceptual knowledge. In this presentation, David will discuss how organizations can learn from the past, understand the present and create the future. His approach takes an expansive view of organizations by connecting their development to humankind's evolutionary heritage and cultural history. Crucially, David also tracks the decline of powerful organizations as they age and shows how their strengths become weaknesses in changing circumstances. This presentation will deliver an inspirational synthesis of management theory and practice that will resonate with everyone's experience.



10:00 am - 11:00 am

Opening Remarks & General Assembly

Kevin Mallory, EFC Chair;
Jim Taggart, EFC President & CEO;
Mark Schroeder, EC Chair

11:00 am - 12:00 pm



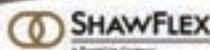
"The Impact of Macro-trends of Construction and Internet Sales on the Electrical Industry"

Mark Herbek
Senior Research Analyst & Partner,
Cleveland Research Company

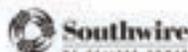
Mark Herbek's presentation will include an overview of current macro-economic conditions within residential and non-residential markets, and the impact these markets have on electrical distribution and adjacent industries. He will cover the current residential and commercial construction landscape, including projects for these end markets over the next year and beyond. Mark will also give a brief overview of the current e-commerce environment as it relates to the distribution industry and how public peers are investing in the future of this channel. In addition, Mark will examine AmazonSupply's current industrial product offering and its impact on the industry to date, as well as current industry trends.



Corporate Sponsors:



STANDARD



Register at www.electrofed.com/conference2013

PROGRAM

Thursday, May 30

8:30 am - 9:15 am



"The Commodity Price Outlook for 2013-14; Implications for Electrical Distributors"

Patricia M. Mohr

Vice President, Economics & Commodity Market Specialist, Scotiabank, Toronto

In this presentation, Patricia Mohr, a leading economist who works closely with Corporate and Investment Banking, will comment on the outlook for global economic conditions, currency trends and the impact on base metal, steel, oil and gas prices. She will also address the growing dominance of China in world commodity markets, prospects for growth under China's new economic leadership, U.S. fiscal challenges and prospects, and the outlook for the resource industries and industrial markets in Canada. Patricia developed the Scotiabank Commodity Price Index – the first Index designed to measure price trends for Canadian commodities in export markets.

9:15 am - 10:00 am



"Overcoming Our Barriers to Digital Marketing"

Pierre Charron

Rexel Canada Electrical Inc.

Carol McGlogan

Philips Lighting Canada

With the advent of e-commerce all around us, our industry has continued to rely on older methods of sales and marketing. Digital sales are everywhere; clearly, our channel must master this or lose to new competitors. This presentation will explore how we can overcome barriers that we ourselves have created; how we can secure sales on a daily basis; and what kind of commitment is required from your company *now* to participate in digital marketing.



10:15 am - 10:45 am

"Statistical Data Moving Forward – More Information for Your Business"

Dan Drazilov

WESCO Distribution Canada LP

Roger Little

Westburne Electric Canada

Dan Drazilov and Roger Little will lead a discussion on how to extract more details from existing sales data and will introduce the *2013 Trends and Forecast Book*—to now feature distributor data. Finally, a new EFC product will be introduced and will be available to members this fall to support budgeting, forecasting and marketing initiatives.

10:45 am - 11:15 am

"Developing a Sustainable & Cost-effective Wire and Cable Reel Program"

Speakers TBA

Returnable reels are something quite unique to Canada. In this new era where Canada leads in environmental programs, it makes good business sense to improve our use of wire and cable reels. Find out the progress on this effort from the Electrical Council's Wire and Cable section and how this program can lower costs and improve efficiency in our industry.

11:15 am - 12:00 pm



"The Lighting Revolution"

Mark Roush, FIES

Marketing Consultant, Experience Light, LLC

A robust speaker with 30 years of experience as a lighting professional, Mark Roush will examine the current position of lighting technology, application and practice with a direct stand on issues. Mark will discuss the future of lighting within the next 20 years, with a focus on such areas as: the current state and future outlook of LEDs; what the next technology challenge facing the lighting business is; and what this business will look like by 2020. Mark will present an engaging and lively discussion – so come prepared to challenge the controversial status quo in lighting.

1:00 pm - 2:00 pm



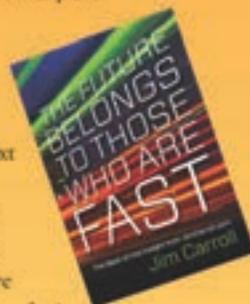
"Seven Things You Need to Do Right Now: Aligning the Fast Future to Your Current Strategy"

Jim Carroll

Futurist, Trends, Creativity & Innovation Expert

Jim Carroll is widely-recognized as one of the world's leading global futurists on trends and innovation.

Jim's presentation will centre on innovation in the context of future trends. He will share insight on the fundamental truths relating to the industry, products, competition, skills requirements, organizational capabilities, and our ability to respond to rapid change. He will also explore how innovative organizations succeed by mastering the pace of the new high velocity economy, and how the furious pace of technological innovation and the rapid emergence of new technologies have impacted entire industries. In this keynote, Jim will challenge you to confront the "big trends" that you need to face head-on and what you should be doing *right now*.



For full presentation details and speaker bios, visit
www.electrofed.com/conference2013/speakers-presentations

Join your industry colleagues and friends at this year's Electrical Council Annual Conference—hosted in a majestic desert mountain destination like no other!

Conference Headquarters



The Fairmont Scottsdale Princess

This Fairmont property exhibits Spanish-style architecture with a modern, contemporary edge, and is scenically set against the backdrop of Arizona's McDowell Mountains. The hotel features 649 remodeled guestrooms and a new, state-of-the-art conference centre—making this the largest meeting resort in the Fairmont Hotels & Resorts portfolio worldwide.

Hotel Information

The Fairmont Scottsdale Princess
7575 East Princess Drive
Scottsdale, AZ USA 85255-5802
1-888-823-7055
www.fairmont.com/Scottsdale

Hotel Room Reservations

Delegates are responsible for making their own hotel reservations at the Fairmont Scottsdale Princess hotel. When booking a room, please contact the hotel directly at 1-888-823-7055 and mention that you are with the Electro-Federation Canada Group (or Group #EFC0513_001) or link to the reservation page at <https://resweb.passkey.com/gsf/cf2013>

The cut-off date for room reservations is April 26, 2013, after which date, reservations will be accepted by the hotel on an availability basis.

Room Categories and Rates:

Electro-Federation Canada has reserved a block of rooms within various accommodation categories at the Fairmont Scottsdale Princess hotel. **Note:** Electro-Federation Canada reserves the right to remove/re-assign your room reservation in the conference room block if you cancel your conference registration.

Visit www.electrofed.com/conference2013/accommodations for guestroom specifications and room rates.

Hotel Deposit:

A hotel deposit of \$199 will be applied to your conference registration fee. Upon check-out, this hotel deposit will be credited to your guestroom account, valid only during the conference. To take advantage of the preferential room rates and the \$199 credit, it is imperative that you use the reservation code:

Electro-Federation Canada Group, or Group #EFC0513_001 when making your reservation.

Conference Fees

Delegate Early-bird Registration Fee
\$990 + applicable taxes + \$199 Fairmont Scottsdale hotel deposit. Rate available up to, and including, March 31, 2013.

Delegate Registration Fee (as of April 1, 2013)

\$1055 + applicable taxes + \$199 Fairmont Scottsdale hotel deposit. Rate applies to registrations received on or after April 1, 2013.

Delegate fee includes: Business program presentations, opening reception, two continental breakfasts, refreshment breaks, walk-around luncheon, Chair's reception, awards dinner, entertainment and dance, closing banquet luncheon, closing reception, and invaluable industry networking!

Companion Fee:

\$380 + applicable taxes

Companion fee includes:

Business program presentations, opening reception, one continental breakfast, walk-around luncheon, Chair's reception, awards dinner, entertainment and dance, closing reception, and companion networking. Companions are also welcome and encouraged to attend the business program presentations.

Conference Kids are Welcome

Children are offered complimentary registration, and are invited to participate in this year's conference tours and activities*. Children under 19 years of age are not permitted to attend any of the conference networking events, including the receptions, luncheons, awards evening or golf tournament.

**some restrictions apply*

Cancellation Policy

80% refund given if received in writing by April 12, 2013

50% refund given if received in writing by April 30, 2013

There will be no refunds given after April 30, 2013

Substitutions will be accepted up until May 10, 2013

Travel

The main airport servicing Scottsdale is the Phoenix Sky Harbor International Airport, located approximately 20 minutes away from Scottsdale.

Air Canada is the official travel carrier for this year's conference. To book your airline tickets, visit www.aircanada.com and enter EFC's Promotion Code: 4NJJ6EZ1 to receive the special discount.

The discount travel period is from Tuesday, May 21, 2013 to Friday, June 07, 2013.

Conference Attire

Conference Programs: resort casual
Awards Evening, Dinner & Dance: summer casual - sundresses for the ladies; slacks, shirt and sports jackets for men. No ties or gala gowns required.

Tours and Activities: casual - sportswear and comfortable footwear

CEMRA Evening: casual attire - jeans are suggested

Conference Enquiries?

Please contact Swati Patel at spatel@electrofed.com, 647-260-3090.

BUSINESS INTERACTION AND NETWORKING

CEMRA Manufacturers Group Meeting (Open Session)

Monday, May 27

1:00 – 4:00 pm

The new CEMRA Manufacturers Group (CMG) will be hosting an open meeting for all manufacturers who deal with reps. This open session provides a forum at which timely, relevant issues relating to the rep and manufacturer relationship can be discussed. All CEMRA and manufacturer members are invited and encouraged to attend this open session.

First-Year Attendee Reception

Tuesday, May 28, 5:00 – 6:00 pm

This reception provides a great opportunity for first-year conference delegates and guests to kick-start their conference experience, and to meet other first-year attendees and the EC Executive Committee.

Opening Reception:

Hot, Hot Scottsdale Welcome

Tuesday, May 28, 5:30 – 7:00 pm

The Electrical Council executives will welcome conference delegates and companions to Scottsdale. Attendees will have the opportunity to connect with industry colleagues and meet new friends.

Walk-around Luncheon:

A Taste of Arizona

Wednesday, May 29, 12:00 – 1:00 pm

The survey says... the walk-around luncheon is one of the most valuable networking opportunities for conference attendees. All conference delegates and companions are invited to this luncheon.

Head Office Meetings

Wednesday, May 29, 1:00 pm – 5:00 pm

Thursday, May 30, 2:00 pm – 5:00 pm

Distributors and manufacturers can host private meetings during the conference. To register your company for a meeting space, visit

www.electrofed.com/Conference_2013/meetings. Note: It is the responsibility of the manufacturer and distributor to arrange for a convenient meeting time. EFC staff will not schedule or confirm appointments.

Tours & Activities

Exciting adventures have been planned for you to explore some of the most unique and scenic places that this desert mountain area has to offer. Please refer to the conference agenda (see centrefold) for tour listings and



CONFERENCE TOURS AND ACTIVITIES

Scottsdale offers exciting options for things to see and do. Explore the tours and activities that have been lined up at this year's conference and experience Scottsdale's desert mountain beauty!

Tour #1: Out on the Town - Scottsdale City Tour, Lunch & Shopping

Tuesday, May 28

10:00 am - 1:00 pm, with individual shopping time until 4:00 pm

\$125 USD



Whether it's your first time in Scottsdale or you're a returning visitor, this city tour will entice all. While 'out on the town', this narrated tour will lead you through the Scottsdale region, including a showcase of the best shopping district in the valley. Following the city tour, participants will enjoy a luncheon, before heading to one of the famous Scottsdale shopping locations. There are few destinations that can match Scottsdale's shopping variety. From the medieval charm of the Borgata to the sprawling retail causeways of Scottsdale Fashion Square, you'll find exactly what you're looking for...and more!

NOTE: Shopping shuttle schedules, including resort departure times, will be provided to participants in advance of this tour.

Tour #2: Desert Jeep Tour

Thursday, May 30

2:30 - 5:00 pm

\$130 USD



While the Sonoran Desert offers some of the most scenic, rugged terrain in the western U.S., there are few ways to access it—until now! Enter the domain of the four-wheel drive vehicle for an off-road adventure you'll never forget. Drivers are well-versed in the legends and lore of the desert and will pass on their stories as you make your way through the desert. This tour includes a mini walk-about, where you can step out and experience the desert first-hand. **NOTE:** Participants are encouraged to wear comfortable walking shoes, a hat, sunglasses and sunscreen.

Tour #3: Post-Conference Day

Trip Red Rock Rendezvous:

Sedona & Oak Creek Canyon Tour

Friday, May 31

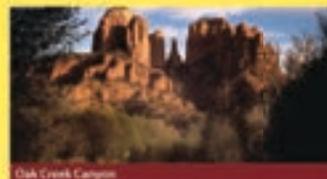
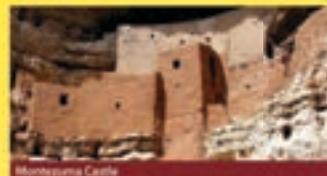
9:00 am - 5:00 pm

\$175 USD

There are few sights as inspiring as Sedona's spectacular red rock formations. Experience the stunning, high country beauty of Northern Arizona in this tour that takes you high above the desert floor to cooler climes; on a

visit to Montezuma Castle, a five-story, twenty room cliff dwelling carved into the side of the mountain by the Sinagua Indians more than 800 years ago; and to the charming town of Sedona, nestled between towering, vibrant red rock formations. Finally, take in the beauty of Oak Creek Canyon, located just north of Sedona, where spirited water flows at the foot of dense evergreen forests. This tour is a red rock rendezvous that will leave you breathless.

Tour includes: Deluxe transportation, iced coolers with bottled water and soft drinks aboard bus, professional tour guide, admission to Montezuma's Castle.



Notes: Time will be allocated for participants to shop and have lunch in Sedona. Participants are encouraged to wear comfortable walking shoes and sunglasses, and to bring a camera.

New this year – all tours will be run by Adventure Arizona and registration will be conducted via a separate link on the Electrical Council's conference site.

All tours and activities will be

accompanied by a professional tour guide. Participants are encouraged to wear suitable casual attire and comfortable footwear as tours run rain or shine.

Electro-Federation Canada reserves the right to cancel tours if the minimum number of participants is not reached. **Substitution/Cancellation Policy:** Full refunds will be granted if cancellations are received in writing to EFC prior to April 30, 2013. Tour cancellations received after April 30th will not be refunded. Substitutions are available up until the tour commences.

Bucket List Activities

We all know the term "one for the bucket list", or "check it off the bucket list", pertains to individual dreams that people place on a list of things to see, do or experience during their lifetime.

While in Scottsdale there are a number of things to experience that can be added to your bucket list, such as:

- Fly to Vegas for a weekend of gaming and shopping
- Fly to California for a west coast wine experience, or live like a movie star for a weekend
- Take a helicopter tour of the Grand Canyon
- Join in a marathon of outstanding golf games

...or anything else that has been on your bucket list can be 'checked off' while in Scottsdale, Arizona! Visit www.experiencescottsdale.com for more information and to arrange your experience.

times. For full tour descriptions, visit www.electrofed.com/Conference2013/tours.

EC Chair's Awards Banquet

Wednesday, May 29

6:30 pm – Chair's Reception

7:30 pm – Awards Dinner,

Entertainment

"Sizzling Hot Scottsdale"

Join Electrical Council Chair, Mark Schroeder and his wife Liz, as they welcome you to this banquet, which will feature an awards program, dinner, special entertainment and a dance. Attire for the evening is summer casual – sundresses for the

ladies; and slacks, shirts and sport jackets for the men. *No gowns, suits or ties required.*

Conference Closing Keynote

Presentation Luncheon

& Change of Chairmanship

Thursday, May 30,

12:00 – 2:00 pm

The exchange of the gavel will take place at this closing luncheon, officially concluding the 2012 Electrical Council (EC) Chair's term and formally inaugurating the 2013 EC Chair. Learn what the executives have in-store for members for the coming year.

Closing Reception:

Sin City Scottsdale

Thursday, May 30, 5:00 - 6:00 pm

Conference attendees have indicated that networking with industry peers is one of the primary reasons for participating in this annual conference. This is a great opportunity to bid farewell to fellow conference attendees.

Optional Dinner Event by

CEMRA:

Denim & Diamonds Street Party

Thursday, May 30, 6:00 – 10:00 pm

Pre-registration required

All delegates and companions are

welcome to join CEMRA for this unique evening. This year's CEMRA event is located onsite on the Fairmont Scottsdale Princess grounds—at the Crown P Corral Arizona, a southern town façade with artificial buildings. This casual outdoor evening will include a welcome cocktail, a buffet dinner and the Valley's hottest cover band for entertainment. *Attire for this event is casual; denim...and diamonds/"bling" are suggested.* Book early, as CEMRA-hosted events sell out fast!

Register online at www.electrofed.com/Conference2013.

CHANNELLING OUR

MONDAY, MAY 27 TH	
1:00	
2:00	CEMRA Manufacturers Group Meeting (open session)
3:00	Canadian Regions Meeting
4:00	
5:00	REGISTRATION
6:00	Registration Opens Golf Registration Opens
7:00	
8:00	
11:00	Dinner Appointments

TUESDAY, MAY 28 TH	
8:00	
9:00	
10:00	
11:00	REGISTRATION
12:00	Golf Tournament
1:00	6:30-7:30 am Shuttle transfer to TPC and continental breakfast for golfers
2:00	8:00 am Shotgun Start
3:00	1:30 pm Golf awards, followed by return shuttle to hotel
4:00	Tour #1: Out on the Town – Scottsdale City Tour, Lunch and Shopping individual shopping time available until 4:00 pm
5:00	
6:00	First-Year Attendee Reception
7:00	Opening Reception: Hot, Hot Scottsdale Welcome
11:00	Dinner Appointments

CONFERENCE GOLF TOURNAMENT

TPC Scottsdale — Premier Stadium Course
Tuesday, May 28 • 8:00 am Shotgun Start

A Remarkable Desert Golf Oasis!

Woven into the Sonoran Desert with stunning panoramic views of the McDowell Mountains, the PGA Tour's TPC Scottsdale boasts 36 holes of inspiring golf and a scorecard full of upscale amenities. Visit www.tpc.com for more details.

Tournament Fees

Cost per golfer: \$170 plus applicable taxes
Foursome fee: \$680 plus applicable taxes
TPC Scottsdale Golf Club Rentals: \$75 plus applicable taxes

The tournament fee includes: power cart, green fees, continental breakfast, and transportation. All fees are subject to applicable taxes.

Prizes

Prizes will be awarded in the following categories for each course:
Low Gross – Individual
Low Gross – Foursome

Format Options

Individual or "Texas" Scramble

Transportation

Shuttle service will be available from the Fairmont Scottsdale lobby.

Dress Code

Proper golf attire required - collared shirts, tailored pants or shorts (no cut-offs) and appropriate footwear. Jeans and sweat pants are not acceptable. TPC Scottsdale is proud to be a metal spike-free facility.

Register Early and Secure Your Spot!

Please register early to reserve your spot. Once the TPC Stadium Course fills up, the Championship Course will be used for overflow. Register online at: www.electrofed.com/conference2013

Cancellation/Substitution Policy

All golf cancellations must be received in writing prior to April 30, 2013 for a full refund. No refunds will be granted after this date. All substitutions should be submitted by May 17, 2013.

Register at www.electrofed.com/conference2013

ENERGY

WEDNESDAY, MAY 29 TH	
7:00	
8:00	Continental Breakfast
9:00	Opening Keynote Presentation: <i>The New Ecology of Leadership</i> Speaker: David Hurst
10:00	Break
11:00	Opening Remarks & General Assembly: Kevin Mallory, EFC Chair; Jim Taggart, EFC President & CEO; Mark Schroeder, EC Chair
12:00	Market Intelligence: <i>The Impact of Macro-trends of Construction and Internet Sales on the Electrical Industry</i> Speaker: Mark Herbek
1:00	Walk-around Luncheon: A Taste of Arizona
2:00	CEMRA Annual Meeting
3:00	Head Office Meetings
4:00	CEMRA Ice Cream
5:00	
6:00	
7:00	EC Chair's Awards Banquet 6:30pm Chair's Reception 7:30pm Awards Dinner, Entertainment & Dance

THURSDAY, MAY 30 TH	
7:00	
8:00	Continental Breakfast
9:00	The Commodity Price Outlook for 2013-14 Speaker: Patricia Mohr
10:00	Overcoming Our Barriers to Digital Marketing Speakers: Pierre Charron and Carol McGlogan
11:00	Break
12:00	Statistical Data Moving Forward Speakers: Dan Drazilov and Roger Little
1:00	Developing a Sustainable & Cost-effective Wire and Cable Reel Program Speaker: TBA
2:00	The Lighting Revolution Speaker: Mark Roush
3:00	Conference Closing Keynote Presentation Luncheon & Change of Chairmanship
4:00	Seven Things You Need to Do Right Now: Aligning the Fast Future to Your Current Strategy Speaker: Jim Carroll
5:00	Head Office Meetings
6:00	Tour #2: Desert Jeep Tour
7:00	Sin City Scottsdale Closing Reception
8:00	6:00pm to 10:00pm Optional CEMRA Dinner Event: Denim & Diamonds Street Party Pre-registration required All delegates and companions are welcome
9:00	Dinner Appointments

FRIDAY, MAY 31 ST	
REGISTRATION 8-9 AM	
8:00	8:00am to 5:00pm Golf available Tee times available on Championship Course. Book on your own (call: 480-585-4334)
9:00	9:00am to 5:00pm Tour #3: Post-conference Day Trip Red Rock Rendezvous: Sedona & Oak Creek Canyon Tour
5:00	

Register at www.electrofed.com/conference2013

The end use markets defined

John Kerr

The electrical industry defines its end use markets in three broad segments: Residential, Commercial and Industrial. (Additional segmentation in a more detailed view could include Government and Utilities.)

The end use markets that drive our channel's businesses are critical for understanding where we need to promote. Though this understanding, we can better address the structures of our businesses.

The electrical industry defines its end use markets in three broad segments: Residential, Commercial and Industrial. (Additional segmentation in a more detailed view could include Government and Utilities.)

Each segment operates differently, and each demands a different product mix and different tactics for covering it. Some distributors are focused on a niche or segment, some across all.

What follows is an overview or primer of each segment; the drivers and the products that make up the electrical system or solution for the segment, followed by a detailed view of the market.

Residential market

The residential market is divided into two sub-sectors: new construction, where the electrical contractor is the key target and serviced through traditional counters; and renovation, which is focused mostly on lighting, and where the consumer (homeowner) is serviced through related lighting showrooms and the big box channel.

Often overlooked is the homebuilder niche that has accounted for 30% of all homes built in Canada. They operate in mostly urban (highly concentrated) markets in Canada, and present a unique opportunity for driving bulk purchasing—especially in lighting.

The industry default here has always been price, price and lower price. This seems especially true in commodity products, but availability is the key, and being a reliable and predictable supply partner can win the day.

Continued on page 24

FIGURE 1

MARKET MIX Canada	Broad definition	2012	2012 % of market mix
Commercial/office new construction	Commercial	\$805,937,665	13.69%
Commercial/office maintenance supplies	Commercial	\$294,828,242	5.01%
Commercial/office renovation/retrofit	Commercial	\$316,171,704	5.37%
Other construction	Commercial	\$365,073,562	6.20%
Non building construction	Commercial	\$185,753,682	3.15%
Datacom/Telecom	Commercial	\$110,787,278	1.88%
Total Commercial		\$2,078,552,133	35.30%
Government	Government	\$565,368,450	9.60%
Industrial maintenance & repair supplies	Industrial	\$1,067,773,941	18.13%
Industrial new construction	Industrial	\$177,927,477	3.02%
Industrial renovation/retrofit	Industrial	\$134,175,098	2.28%
Factory automation	Industrial	\$251,115,789	4.26%
Original Equipment Manufacturers	Industrial	\$462,123,315	7.85%
Total Industrial		\$2,093,115,620	35.55%
New home construction (single family)	Residential	\$785,165,517	13.33%
Residential renovation (single family)	Residential	\$271,959,617	4.62%
Multi-unit residential new construction	Residential	\$31,984,911	0.54%
Multi-unit residential maintenance & repair	Residential	\$17,188,376	0.29%
Multi-unit residential renovation	Residential	\$44,943,296	0.76%
Total residential		\$1,151,241,717	19.55%
Power Utilities	Utility	\$580,235,538	9.85%
TOTAL		\$5,888,277,919	100%

John Kerr is president of Kerrwil Integrated Inc., an electrical industry consultancy with expertise in channel, manufacturing and marketing. It has published its annual Pathfinder report on the Canadian electrical industry since 1985 but, in 2013, will be brought under the Electro-Federation Canada banner.

Customer engagement through digital content marketing

Never before have there been so many different tools and platforms available to target and engage content-hungry customers. From websites, blogs and social media to sponsored content, search-driven advertising and multimedia-based editorial, the new media ecosystem is reshaping how businesses engage with their customers.

From a business perspective, social media platforms such as Twitter are essentially brand marketplaces that provide a forum for conversations between a business and its customers. Businesses that are successful at using social media are deploying analytics tools to first target their customers and prospects, as well as the social media channels and topics where they are engaged. They are monitoring and listening, taking part in relevant conversations and adding value by responding to requests, providing information and links to deeper, keyword-rich content.

When customers are engaged, they will not only loyally follow you, but they can become powerful and influential advocates for your company and products. Their informal endorsements can create tremendous business value through their social media reach and influence.

Deploying a content marketing strategy that engages your customers requires some basic first steps:

Find your voice

Today, your online prospects and customers can find out more about you and your business than ever before. Undertaking a basic social media audit is a great way to look at your business from the outside in... from the eyes of your customer. A good place to start any content marketing strategy is with an analysis or audit of your current digital footprint and online identity. Take stock of all of your current social media handles. Use search engines and analytics tools to explore what is being said about your company and products. Where are the most relevant conversations taking place? What are the trending topics and #hashtags most relevant to your sales and marketing strategies?

Define your key messages

Most often used by PR pros, a *key message document* is a popular tool that outlines the core statements that define a business. It uses straightforward yet compelling messages to succinctly communicate your strategy, vision/mission, corporate positioning, target customers,



market segments, value proposition, competitive positioning, etc. A key message document can be a useful reference tool for businesses embarking on a content marketing strategy, as it is easily shared with external communicators in your organization, and helps ensure consistency of voice.

Embed keywords and phrases throughout your key message statements to maximize SEO (search engine optimization). Pull together shareable and compelling images, video and audio clips that support key messages and help tell your story.

Listen before you speak

Interacting online with your customers and target audiences requires you to listen. Monitor the trending topics in the social media channels you are targeting. What conversations are most relevant to your business? Take note of popular #hashtags and monitor the most influential participants. Listen to what your prospects, customers and competitors are talking about, and note how those topics are evolving. Consider how and where you can provide information and content of value to those conversations.

Think before you post

Regularly posting content that informs and engages is at the heart of any good content marketing strategy. A very helpful tool in implementing this strategy is a content calendar, where you look ahead and plan posts that are strategically timed to your business objectives. Once you've identified the social media channels you want to target, brainstorm content ideas based on current conversations and trending topics on those sites, as well as what is important to your business. Content can include posts about upcoming seminars, events,

Caroline McGrath

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Commercial market

The commercial construction segment is most important, as it touches the full basket of goods offered at any electrical wholesaler. All in all, it approaches almost 35% of the typical electrical distributor's sales. Sales direct is limited here, as the dependence on reliable and accessible MRO (maintenance, repair and operations) products also gives the channel the incentive to keep stock levels high to service this segment. This product basket is broad, going from lighting and power conditioning to cable tray and switchgear. In fact, the commercial market rivals the industrial segment for the broadest range of electrical products.

Again, the drivers for these projects—which include offices, stores and shopping malls, hotels, institutions and other public buildings—are new construction and retrofits. All result in the construction spike for demand, and all offer the ongoing sales annuity for the MRO or resulting retrofits.

Key products that drive this segment are: voice, data, video (VDV), lighting and switchgear. Key growth products might also include value-added or pre-packaged modular switchgear, energy-efficient lighting, ballasts, solar, wireless, power-conditioning, etc. (In 2012, energy-efficient lighting products have been the key driver.)

The key takeaway here is to understand that the commercial retrofit market is an important segment and sometimes not as obvious.

Industrial market

In the mid-1990s, 10 million square feet of auto plant production facilities were being built in Ontario alone, and this driver in the

electrical equipment market was huge. Prior to that, the investment in pulp and paper and resource industries drove the industrial market here.

With the industrial segment representing upward of 35% of typical distributors' sales, it's an important niche upon which to focus. Here, the profile of the industrial sector is typified by numerous mid-sized entities that range from small injection moulding, packaging or tooling to food processing... and all of these firms and entities need electrical equipment. Many are employing their own electrical maintenance staff, while others rely upon retaining electrical contractors to do whatever electrical work is required.

For the industrial market, an electrical distributor must have a basket of goods that can range from wire connectors to motor control. The lineup is extensive, but the distributor must also possess market knowledge and offer support like logistics/availability and timely delivery and, in some cases, full-time 24/7 access. Key ongoing knowledge of competitors, installed equipment base and numerous plant visits will reinforce any effort.

What must also be understood is that MRO is the key to a consistent revenue stream for any supplier or wholesaler; this MRO approaches 18% of the electrical market's volume.

The numbers that matter

Figure 1 table is adapted from Pathfinders annual market report. The detail presented is sourced from numerous sources and reports and brought together in this market summary. It's a snap shot view but provides a solid picture of the end use markets in Canada. ■

Customer engagement through digital content marketing

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new solutions and services, white papers and anything that might be of interest or informative to your prospects and customers.

Engage

Social media is not the place for one-way communication. If you are going to post content about a new product announcement or other company news, make sure it is interesting and relevant to your audience, and provides an opportunity for feedback. How will the product or service help them? What business problem does it resolve? What is the value proposition? How does it stack up against the competition?



Social media is also not the place for marketing-speak, insider jargon or blatant self promotion. A different approach is required; one that is interactive and shareable, and builds trust and loyalty. Be honest, transparent, authentic and engaging in your posts. This is not an advertising platform. Respond to your customers in a direct, personal and timely manner. Answer their questions, solve their problems, welcome their feedback and, when you get it, thank them for it.

Content marketing is essentially about creating and distributing relevant information to engage and interact with a clearly defined target audience, with the goal of building brand awareness, acquiring leads and, ultimately, generating demand. Businesses that realize how critical content marketing can be to their customer engagement strategies are thriving in the new digital ecosystem by being better listeners, building trust and loyalty, and providing more value to their customers. ■

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The basics of good promotions

Roger Partington

Contractors expect a lot from their distributors, and they frequently view rewards as a symbol of preferred status.

At any given time, a typical distributor branch is running five to ten promotions. These might include several manufacturer-designed promotions, as well as both local and company-wide distributor promotions.

Promotions play a big role in the overall 'energy' of the branch: engaging staff at various levels, and working hard to engage customers. Despite this, success is hard to come by. Promotions compete with one another for attention, and most employees or customers will get highly engaged in only a few promotions over the year.

Local promotions have the advantage of local ownership, and that sometimes shows in the results. National promotions end up the victim of spotty performance. Some branches and markets like certain promotions, but others may not.

Were local promotions better at design, more of them would succeed. So what are the design basics for good promotions?

4 simple objectives

1 | The paramount objective is behavioural change. At the root of it, you are offering a reward to a specific employee group or specific customers for doing something you want. You may be looking for an inside sales person to ask a qualifying question; you may want a counter customer to make an impulse purchase; or you may want a sales rep to introduce a product. A well-designed promotion needs to be specific about what to change, and who to motivate toward change.

2 | The promotion should strive to appropriately reward the desired behaviour. Many promotions miss the mark by rewarding results, and not the behaviour. For example, a rep with one big order wins, yet he didn't even know there was a promotion.

3 | A promotion should be easy to do. You want to keep paperwork, measurement, input fields and complex rules to a minimum. Keep it simple and clear.

4 | Lastly, you want to be able to measure the performance of the promotion. Did you get the results you expect?

Unfortunately, you have a lot of conflict within these four objectives. Creating multiple reward levels tracks rewards more closely to behaviour but also adds complexity. Signing up customers improves your results measurement, but adds extra steps. When you have

conflict between objectives, you need to make compromises. Try to keep behavioural change at the forefront, and look closely at how to achieve what you want—even when it's harder to measure and reward.

Behavioral change: 4 questions to ask

1 | Who are you trying to influence? Is it a specific type of customer, an outside rep or maybe both? Be as specific as you can.

2 | What do they know about your product? You need to know where your target is in the stages of the buying or selling process. Do you need to build awareness, stimulate trial purchase or encourage repeat behaviour? Many promotions miss the mark by assuming that customers or reps are further along in the adoption process than they actually are.

3 | What are their challenges or hot buttons? The key to motivating people is to know what they want.

4 | What do you want them to do next? Should they call the distributor, visit a website, make a sales call, etc.? Be specific.

Once you have answered these four questions, you have the key to motivating behavioural change, and can come up with a reward that makes sense. The rest of the promotion are the rules and steps that help ensure it runs smoothly and fairly, and gives you the results you expect.

Rules for success

One scenario will almost certainly lead to failure: when the product, service or branch is already struggling, a promotion will not fix the underlying problem. That's just putting lipstick on a pig.

The one ingredient that every successful promotion contains is a champion. In a distributor, that champion must be highly visible at the local level while the promotion is running. That's why branch managers are usually the key.

Promotions also need to stand out from everything else that is going on in a busy workday. They need sizzle and creativity. A much-in-demand reward is popular. Some level of novelty or play in how they operate is also good.

Many successful promotions build a recognition factor over time. By repeating the same approach, you build brand equity. You cannot sit back, though: you always need a visible promotion champion for success. ■



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