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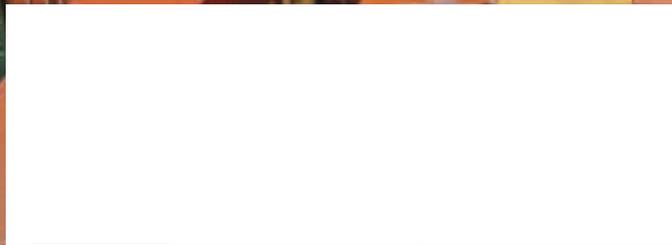
## Counterfeits are coming to Canada

But how many, and who can find them all?

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Cyberattack, social assassination,  
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The advertisement for Nexans Instaglide cable features a blue background. On the left, there are three cables (blue, red, black) with their copper conductors exposed. On the right, there is a 3D maze graphic with a black line tracing a path through it. A QR code is located in the bottom right corner of the ad area.

# NEW VANCOUVER FACILITY FOR **TECHSPAN**

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## TECHSPAN TO OPEN NEW FACILITY IN WESTERN CANADA

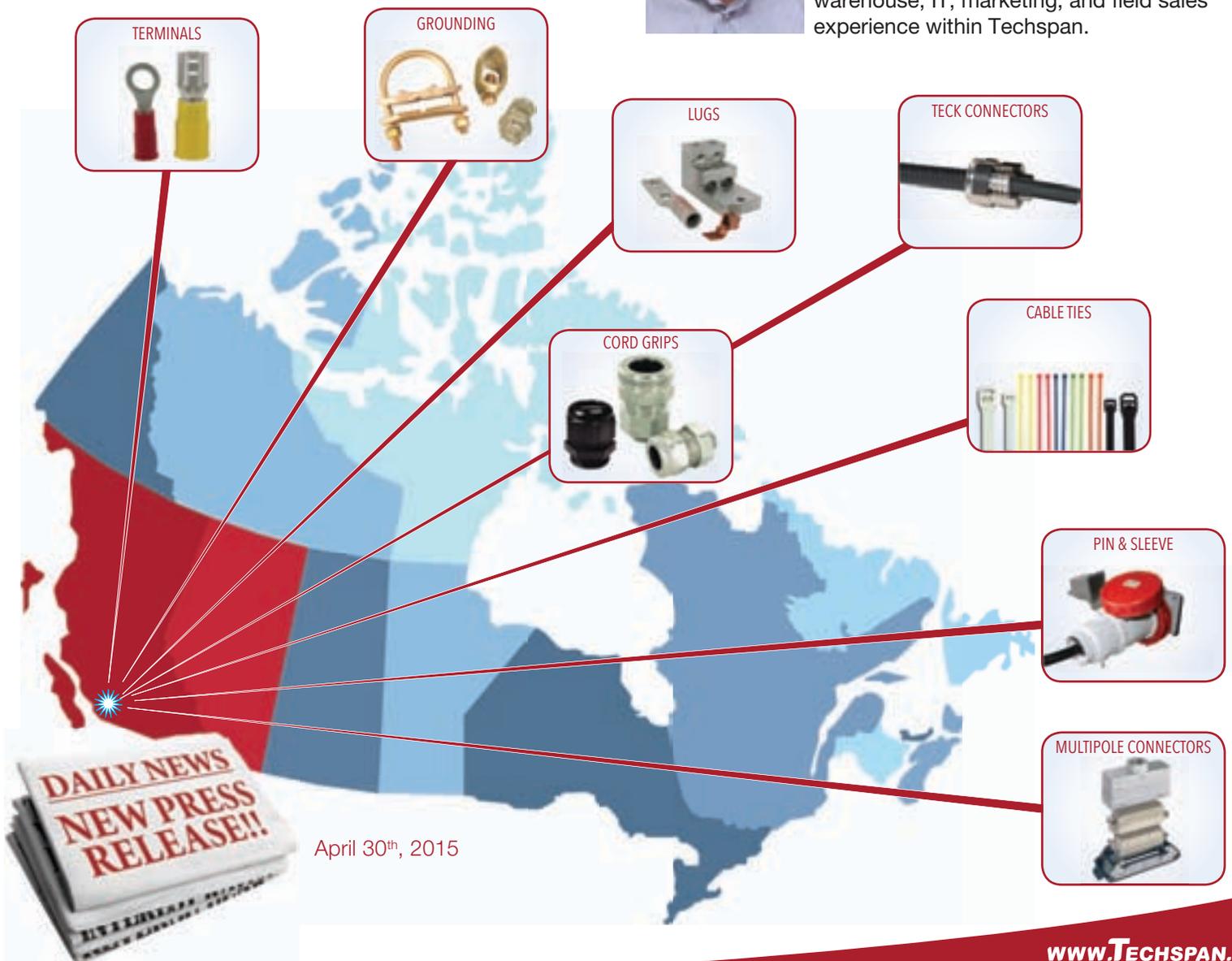
Techspan Industries announced today that they will be setting up a full scale packaging, sub-assembly, and warehousing facility in Vancouver, BC.

“Techspan is committed to supporting the ongoing growth of our distributor customers in British Columbia and Alberta” said Frank Dunnigan, President and CEO. “Speed-to-market with next day delivery is a keystone of our business model. We are excited to deliver this standard to Western Canada. While some manufacturers are shrinking their Canadian based service, Techspan continues to invest in Canadian facilities and employment” he said.

The new facility will inventory over 8,000 sku’s of connector, wire management, control and automation products. In keeping with Techspan’s commitment to service, many hard-to-get C and D items will also be stocked. The facility is expected to be fully operational by the end of October, 2015.



Effective June 15, 2015, Sean Dunnigan will be promoted to the new position of General Manager – Western Operations and will be based in Vancouver. Sean is a graduate of McGill University and is uniquely qualified for this position with warehouse, IT, marketing, and field sales experience within Techspan.



*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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The electrical industry, in all its various disciplines, deserves so much more attention than just the act of turning off the lights for one hour once a year!

## Wonderful industry... so where is “World Electrical Day”?

“I dropped out of university after one year—I was bored stiff—and started in the warehouse and ended up running a \$2-billion business,” said recently retired VP and GM of Wesco Distribution Canada LP, Harald Henze who—as you’ve probably already learned through EBMag.com or our tweets from @EBMag—is this year’s EFC Industry Recognition Award winner.

He joins the likes of last year’s winner, Charlie Cipolla, and others like Doug Baldwin, Wayne Donaldson, René Marineau, Michael Kenney, et al.

Electro-Federation Canada bestows the award at its annual general meeting, which is where you hear the best quotes from the award winners... the quotes that *don’t* make it into the press release; where speeches are roughly scripted but also ad-libbed, and where IRA recipients speak from the heart.

Being there... it’s where you get the good stuff. It’s where Henze spoke with great pride about the industry of which he was a part for 43 years:

We work in an industry that has such an enormous role to play in the development of our country... the infrastructure of that country. The products that we sell create societies and build societies. They have function, they have value. In all my life I’ve felt very, very good about working in an industry that makes those kinds of contributions.

A sentiment that is echoed by last year’s IRA recipient, Charlie Cipolla who, during his acceptance speech, said:

I’ve been very fortunate in my career to have worked in a wonderful industry [...] It’s phenomenal what the electrical industry does and, if there’s a criticism, it’s that we don’t tell our story to the outside world [...] It’s miraculous the things that we can do with electricity, and shame on us for not telling that story and making people more aware.

You’re never going to hear that kind of straightforward honesty in a press release—only in person—and it’s the kind of ammunition we need for promulgating the opportunities available in (and the overall awesomeness

of) the electrical industry to the next generation. As you’ll see in this issue, EFC members are doing just that—spreading the good word—and kudos to them, but let’s also take these conversations to the streets.

On that note, why is it that we have a “World Plumbing Day” (March 11) but no “World Electrical Day”?

Sure, we have “National Lineman Appreciation Day” in the States (April 18) and some would say we have “Earth Day”, and there’s also “National Day of Mourning” (April 28), and 2015 is the International Year of Light... but there is simply no “World Electrical Day”.

After not being able to find anything myself, I called the IBEW-1st District and, after they did some poking around themselves, they admitted they could not find a “Day” that was specifically dedicated to “Electrical”. And they don’t have one themselves. Same result with the Canadian Electrical Contractors Association. I couldn’t find anything on the International Electrotechnical Commission’s website, either.

Does this mean the electrical industry doesn’t deserve its own “Day”? No. To Charlie’s point, it means we stink at “telling that story and making people more aware”. The electrical industry, in all its various disciplines, deserves so much more attention than just the act of turning off the lights for one hour once a year!

Consider again Henze’s statement:

The products that we sell create societies and build societies.

I would love to see us get the ball rolling on a “Canada Electrical Day” and, with everyone’s international contacts, I would not be surprised to see this initiative snowball into something global... a “World Electrical Day”.

This industry of society-builders has earned it and deserves it. ■



# Celebrating Innovation & Excellence!

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Electrical Business is a proud sponsor of Electro-Federation Canada's 2015 Marketing Awards program, seeking excellence in the category of

### CUSTOMER EVENT/TRADE SHOW

This award recognizes the best overall electrical industry event in two categories. On your entry form, note whether your company is a manufacturer or distributor, and category: sales less than \$50 million, or greater.

Submissions must be from Electro-Federation Canada members only and can be for any event where attendees are invited (trade show, conference, training/education event, product expo, virtual event, etc.). Please provide samples of marketing materials.

The EFC Marketing Awards program is designed to recognize organizations demonstrating marketing excellence and innovation within the Canadian electrical manufacturing and distribution and electronics industry.

### WHO'S ELIGIBLE?

These awards are applicable for 2014 and 2013 marketing programs within Canada. The program may have started prior to these dates and/or be ongoing.

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Winners will be announced at a special event on November 4, 2015.

For complete details, and other award categories, visit [www.electrofed.com/awards](http://www.electrofed.com/awards)

# Promising careers await in elctrical distribution

... but do *they* know that?

Renée Francoeur



Heather Gerrie had early dreams of seeing her father's business, Gerrie Electric, morph into Gerrie & Daughters.

"There were very few women in the industry, and I thought that would be *so cool* to have that shingle outside," she said, reminiscing. She stayed true to her young ambition and today, along with her sister Elaine, runs the distributorship founded by their father, Ken.

"Those personal relationships you have with the team, your customers, vendors... it's what drives you. It's special," Heather said, fondly recalling tagging along with her dad when he'd visit customers.

But attracting the next generation to the field of electrical distribution isn't always that easy.

"It's a challenge for the industry in general," said Heather. "We tend to stay within our circle, and students don't often think about the distribution business as an option. I don't think it gets the publicity in the schools that it should."

Infusing businesses with young blood is critical to carry any company through, added Wayne Donaldson, retired from Rexel Canada Electric Inc. and a past chair of Electro-Federation Canada's Supply & Distribution Council, but it's "a hell of a challenge nowadays".

### Making distribution a relevant career

Part of the problem could be preconceived notions. Electrical distribution has never been considered a glamorous business, said Jim Wamsley, western sales manager for House of Electrical, but that lacklustre connotation simply doesn't speak to the reality of a constantly evolving industry, he added.

While Wamsley admits electrical distribution has been slower to adapt to changing communications technology, such as social media, he noted it is still an exciting environment when it comes to new technology.

"We are always working with our manufacturers to promote new technology, new products and stay on the leading edge of factory automation. This is a big attraction to the next generation," he said.

At House of Electrical, appealing to fresh graduates hinges on drawing connections between their education and future job skills.

Not everyone who graduates in robotic automation will be designing robots for a living, Wamsley noted. The reality is a few graduates will design, but even more will maintain or sell. This distinction isn't always clear in the hallowed halls of university, he explained, but it also doesn't mean the magic is lost.

In distribution, students from various fields—engineering, design, industrial automation—are more than equipped to provide solutions to customers; whether it's from a selling standpoint or information standpoint, Wamsley said, adding that helping those first few customers is an eye-opening for many new employees.



PHOTO A. CAPKUN

"Once these graduates feel like they are contributing based on what they learned in their educations, there's a bigger interest, bigger drive to succeed in the career because they feel relevant."

— House of Electrical's  
Jim Wamsley.



PHOTO A. CAPKUN

Wayne Donaldson, retired from Rexel, advises distributors to have a mentoring plan for new hires, as well as a human resources training development plan.

"Once these graduates feel like they are contributing based on what they learned in their educations, there's a bigger interest, bigger drive to succeed in the career because they feel relevant," Wamsley observed. "That's the key: relevance. You go to school, work hard to get good marks and you want to use that in your career."

### Back to school

Being *present* is also vital for companies looking for new blood, Donaldson said, meaning they need to attend tradeshow, job fairs and seminars at post-secondary institutions, as well as high schools.

Heather feels this technique has been a success, pointing to a recent job fair at McMaster University in Hamilton where the company's automation manager was in tow.

"We had some programmable controllers, a little drive and blinking lights that attracted people to the booth and we ended up with a larger lineup than the others," Heather remarked. "That just proves why we need to be present."

Elaine added the sisters are also always ready to participate in panels or act as guest speakers at school events to get the word out about the breadth of options in distribution.

"We also participate in Electro-Federation's scholarship program and we feel that that's an important way to get our name out there," Elaine said. "We get to know the candidates. They come to Gerrie Electric and meet our staff, and that generates quite a bit of interest."

At House of Electrical, employees have returned to their colleges and universities and joined peer groups or advisory councils, Wamsley said, "to keep current with trends and education," as well as familiarize students with the company.

### Range of roles for the uncertain

Talking up the diverse opportunities in the distributor's world would help attract the next generation, too, suggested Elaine.

It's not just about sales; there are logistics, finance, purchasing and marketing careers in distribution, just to name a few, Heather added.

"Let's say you start off in the warehouse or administration; well, there are opportunities to try other roles and progress into once you're in. And I'd say most distributors are open to encouraging their

people to find their passion, and encourage promotions from within. If counter sales isn't right for you, maybe marketing is," Elaine opined.

"One day I'm working on operations; the next, sales or technology," Elaine said. "Our company likes to try new things when it comes to innovation and creativity, making for a fun environment. We want our staff to be excited about coming into work. That's the essence of who we are. It's not just our order desk that has a new challenge every day."

As an example, Heather detailed how a group of employees came

PHOTO COURTESY GERRIE ELECTRIC.



Family-run Gerrie Electric is full of always-evolving opportunities for fresh talent, say CEOs Heather and Elaine Gerrie. Left ladder, top to bottom: David Kwant, Jacqueline Kwant, Jonathan Kwant. Across bottom, left to right: Elaine Gerrie Valentini, Ken Gerrie, Heather Gerrie Kwant. Right ladder: Whitney Reinhart, Taylor Reinhart, Joanna Kwant.

PHOTO BY KAZ NOVAK. COURTESY THE HAMILTON SPECTATOR.



Jean Greaves, Gerrie Electric's director of human resources and Ken Cherrett, director of industrial sales, talk to a student during a McMaster University job fair.

up with the idea for an online store and web strategy. Those same employees are now preparing to launch stage two of that strategy.

Donaldson advises distributors to have a mentoring plan for new hires, as well as a human resources training development plan.

### Share your success stories

For Sean Bernard, Franklin Empire's Greater Toronto Area contractor sales manager, marketing today's careers in electrical distribution is all about social media and case studies, like himself.

Bernard said he uses LinkedIn to attract new employees and get the word out about open positions, but he also encourages those in the industry to share their own stories.

His words of wisdom to anyone sitting on the fence when it comes to jumping into the industry? "Just give it a chance; I started in quotations at Canlyte with little to no electrical knowledge, went to outside sales, distributor outside sales, and now I manage a team of 10."

That's one of the bonuses in the industry, Bernard continued: room for advancement.

"It's a small industry but a very big industry at the same time, and I'm a great example of that because I started out with a manufacturer, and I actually called on Franklin Empire as a customer," he said.

That relationship evolved, turning into a career opportunity.

"I saw it as a new challenge," Bernard said. "Nine years ago I gave this industry a shot and, lo and behold, I'm still here and looking to progress even further."

Bernard noted how there are currently two people on his team who started in the warehouse, learning product numbers, and were promoted to project co-ordination, managing fairly large projects on their own.

"In a nutshell, the sky's the limit with a distributor," said Bernard enthusiastically. "There is opportunity upon opportunity, so we just have to get the word out." ■



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## Changing your hiring policy

**E**FC will be releasing its research project on young talent at this year's Electrical Industry Conference in Banff. In the report, we have studied what youth are looking for in a career, and what their perceptions are of our industry. As part of our research, we also surveyed our sector about their employment needs and industry perceptions.

Our members from across the industry (reps, distributors and manufacturers) said that 60% of who they are looking to hire need to have experience. The remaining 40% are expected to be young talent. This 60/40 ratio is a pretty good mix in normal times, but we are heading for an unusual period in which the replacing workforce will actually be smaller than current employment. As stated in the report, we will be replacing 9.6 million baby boomers with only 7.3 million Millennials entering the workforce.

From an industry-wide perspective, we cannot replace 60% of our current workforce with experienced workers when our pool is being reduced by 25%. Unless, of course, we drag them from another industry, from another country... or out of retirement. To continue with the 60/40 ratio will end up costing money. Costs to pull talent from another industry (who will be in the same predicament as us) will be high. Costs to bring talented experienced workers from other countries will also be high. And efforts to bring back retired employees can only be a reasonably short bridge to a better plan.

Some companies could continue to maintain the hiring ratio of 60/40 but we, as an industry, cannot. Because companies hire on an individual basis, it means the majority of our member companies will have to change their ratio. The report recommends a reversed 40/60 ratio, with 60% representing entry-level hires and 40% representing experienced workers.

This ratio change is enough to dramatically change your hiring policy; your policy on training new recruits, mentoring them, and modifying your corporate business culture. After all, if you need to hire young talent, your No. 1 concern after you have them in the door is to maximize their talent, keep them engaged and keep them on your payroll!



“EFC’s successful scholarship program, and our regions and subcommittees, can also play a role in helping members attract and engage talent.”

The 40/60 ratio is enough for you to change everything you do to better fit the mould that will bring you maximized return. This does not necessarily mean you have to take on the persona of Google, but it does mean you have to develop an attitude that will attract and maintain talented youth.

Finally, the report details our members’ strengths and opportunities from youths’ perspectives. There are several areas that we need to change that can create a positive industry image. The key to our long-term future success may lie in our ability to stand out, attract and harness the power of Millennials.

EFC’s successful scholarship program, and our regions and subcommittees, can also play a role in helping members attract and engage talent. Further analysis of the findings from the report will help us create opportunities in which Electro-Federation Canada can play an active role. ■



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Rick McCarten is a vice-president with Electro-Federation Canada. Visit [www.electrofed.com](http://www.electrofed.com).



# On the road to *legitimate publicity*

## Time to get going on your media relations initiative

Anthony Capkun

**A**s you flip through the pages of Electrical Business Magazine, or scroll your way through EBMag.com, you'll probably see a number of organizations that I refer to as *the usual suspects*—that is, industry players who seem to get published more often than the others guys. Why is that?

The answer is simple: these organizations—regardless of their size or global footprint—actively reach out and push information to the media. They understand the pivotal role that media relations plays in establishing what Jennifer Salo referred to as *legitimate publicity* in her “Go to Market” column in D&S Spring 2014.

In her column, Salo explains that while it is not in any way a substitute for marketing

(as the two must be done in parallel), public relations (PR) “builds awareness of and perception about a person, brand, product or service in an effort to increase the response rate of your marketing efforts”.

For this reason, I always encourage members of our electrical community to send us company news, contribute articles—basically, get themselves published in print and/or online—in an effort to help them establish and foster their own legitimate publicity to complement their marketing efforts.

“When done properly with the help of a media relations expert, PR is a powerful tool for generating enthusiasm and hype about your company,” wrote Salo, but what if you are unprepared (or lack the budget) to hire

a dedicated employee or contractor to help you in the realm of media relations? What constitutes news, anyway?

To address this issue, I recently put together two simple guides for communicating with us, the media. Intended primarily for novices, one guide is for Press Releases, the other for Articles, and both can be download as PDFs from EBMag.com (bottom right-hand corner).

### **The press release**

Press releases are a good way to develop a rapport with a magazine and its editorial staff while pursuing legitimate publicity. There are numerous reasons why an organization may wish to issue a press release to the media, including (but not limited to):



# HOW TO GET ATTENTION!



release *about* your CEO's new blog!).

You can Google tips on how to write a press release, or visit the News section of just about any large organization's website to see how they do it. For our purposes, your press release need not be overly formal... though it must be a press release.

The PR guide at EBMag.com contains more detailed info, including how to send photos, video, etc. Click on "Submit Information" at the bottom right-hand corner.

## Publishing articles

Having an article published is one of the best ways of showing off your expertise in a given subject and expanding your legitimate publicity while advancing the needs of our industry. An article may explore the technical application of a type of technology or process, it may provide a "state-of-the-union" look at an industry issue, it could be a case study, and so on.

In fact, you may have already written an article and are looking to have it published, or maybe you would like to gauge the editor's

interest before you start writing.

One way to ensure your article is of interest is to consult what we in the business call the *Editorial Calendar* or *EdCal*, where we list the various topics we'll be covering throughout the year. (For example, EBMag's 2015 EdCal shows subjects such as Lighting, Smart Grid, Energy Management, Circuit Protection, Backup Power, Wiring and Cabling, Wiring Devices, Motors, and so on.)

An article that falls under a topic identified in the EdCal finds favour very quickly with the editor.

Media outlets publish their EdCals in a document called the *Media Kit*, which contains additional information about the magazine itself and the market(s) it serves, as well as advertising information for print, digital, web, video, etc.

It is best to call or email the editor to discuss the possibilities with your article. That gets the ball rolling. If the subject matter is of interest, the editor will ask for a brief abstract or a simple bulleted list describing the article's contents.

At this time, the editor will provide a deadline for the finished article, and where it is slated to be published, and when. The Article guide at EBMag.com contains more detailed info, including the editing and review process, reprints, etc.

## Time to take the plunge

Electrical manufacturers, distributors, agents, etc., in Canada are among the finest in the world, and it would be a shame not to put in just a little extra effort to get the word out. It doesn't take a lot to get your feet wet with media relations and, before you know it, you'll be jumping right in, wondering why you didn't do this sooner. Good luck! ■

- Opening a new facility
- Seeking coverage of a special industry event
- Announcing a new hire
- Speaking at a conference
- Announcing a new product/solution
- Mergers, acquisitions or other business arrangements

The photo galleries, videos, articles, etc., that we publish about events in our industry often originate with a phone call or an email to the editor.

The press release itself is simply a document (Word, PDF, email message, etc.) that contains information specifically tailored to members of the press rather than customers or the general public. It is *not copyrighted* information, as it is supposed to contain text that a member of the press can freely copy, paste and edit.

A product Sell Sheet, for example, *is not* a press release. Your CEO's Blog *is not* a press release (though you could send us a press

## START YOUR MEDIA RELATIONS IN BANFF!

I will be in Banff covering Electro-Federation Canada's annual conference. With all the available networking opportunities, I sincerely hope to meet you and hear all about what your organization has been up to, and what's on the horizon!



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# Counterfeits

## are coming to Canada

Renée Francoeur





**But how many,  
and who can  
find them all?**

**A**phony designer purse is one thing, but a non-authentic circuit breaker on a hospital life support system is quite another. Counterfeit electrical products is not a new phenomenon but, with few statistics available, just how significant is the issue in Canada?

Overall, counterfeit electrical products appear to be growing in number globally, said Vladimir Gagachev, a member of Electro-Federation Canada's EEMAC Policy Advisory Committee and manager of codes and standards for Eaton's Electrical Sector. "In 2012, [counterfeiting] was a \$650-billion global business, and it is predicted to double by next year," Gagachev said.

For the situation on home turf, Gagachev referenced Ontario's Electrical Safety Authority's annual reports to shine some light. ESA investigated 24 reported incidents related to counterfeit products in 2010, representing 3.6% of its product safety investigations that year. In 2012, the percentage of investigations into products with suspected counterfeit labels reached 16%. This percentage rose to 38% in 2013.

These stats, noted Gagachev, indicate a "disturbing trend".

Counterfeit electrical products were really starting to become noticed about 10 years ago, said Richard de Lhorbe, Schneider Electric's manager of codes and standards, and the company's point-person for anti-counterfeiting activities in Canada.

"It has grown since then. Has it made a huge impact yet? I would say probably not," de Lhorbe said. "We haven't necessarily found a large number of them, but we are very concerned about it. As time has gone by there is more and more threat to the system."

According to de Lhorbe, counterfeit activity in other parts of the world has been significantly higher than in Canada. He admitted, however, there is no way of knowing for certain just how many counterfeit products have already slipped (and continue to slip) into the Canadian market.

"I wouldn't exactly say what we have found is the tip of the iceberg, but I would say there are some installations out there that we don't know about yet," he said. "Primarily what we've found so far is re-labelling of moulded-case circuit breakers rather than out-and-out counterfeits... but it's still a counterfeit breaker."

Compounding the problem is the difficulty in identifying counterfeit electrical products, said Terry Hunter, chair of the Canadian Anti-Counterfeiting Network (CACN).

"It's really the fear of the unknown... A counterfeit can look identical to the authentic product until you look inside and test the components of that product," Hunter said. "For the overall seizures in the past—if you look at RCMP documents—electrical products are pretty low on the list, but it's only because of the difficulty in finding them."

From the perspective of Brian Monks, the anti-counterfeiting operations vice-president at Underwriters Laboratories Inc. in the U.S., the situation is not improving.

"I think, in this tough economy, there's more people trying to scam and deceive. Counterfeiting is still a very lucrative business; therefore, people are going to continue to do it," he said. "It's easy money for the most part, and counterfeiting electrical products is not seen as a serious crime."

"The penalties are weak," continued Monks and, to support this claim, Gagachev referred to a criminal court case against Quebec's Distributeck Electrique Inc. in March 2014. "This was a crown case, in the federal court in Montreal," Gagachev explained, "where over 90 samples were seized by the RCMP, who obtained a search warrant and had been building a case."

# If it's being made, it's being faked

## Welcome ISO 12931 for brand protection

**A**re you struggling to create a brand protection program with teeth? Do you know where to look, or who to believe, or even what will really work for you? If so, look no further than the newest and only ISO standard specifically designed to create a framework for custom solutions.

Until just several months ago, there was no global brand protection standard that provided industry with a comprehensive plan for dealing with counterfeiting, diversion and fraud as it relates to your company and your products. Enter ISO 12931 "Performance criteria for authentication solutions used to combat counterfeiting of material goods".

In layman's terms, ISO 12931 is the only standard that specifically guides you through the best practices when formulating solutions for brand and product protection. It provides structured approaches (not technology-vendor hype) that help you create custom solutions *before* having to make any decisions regarding hardware/software/packaging technologies.

With ISO 12931, you will have the framework—specific to your exact needs—for identifying current and future brand protection issues, enabling you to qualify and quantify the solution, strategies and technology elements needed, thereby avoiding a lot of trial and error. This means you can evaluate decisions based on risk analysis and tolerance, and best practices—not conjecture. You will be able to answer questions such as:

- What are the counterfeiting issues and what is the likelihood of that threat?
- Which of my material goods are being (or have the potential to be) counterfeited?
- In which locations are we experiencing counterfeiting?
- How are the counterfeits being distributed?
- What is the extent of the risk?
- What may be the possible modes of attack?
- Which areas require protection?
- What are the potential consequences?
- What is the most accurate estimate of potential losses?

Your team will have identified the solutions and, if needed, the technology elements required to act on findings from the risk analysis. They will be equipped to facilitate future strategies for success in planned risk mitigation, and you will have the means to evaluate whether a solution complies with established specifications and is providing a measurable result.



All of these circuit breakers are counterfeit, but it's hard to tell until you test them, explained

Distributeck was found not guilty in the case, so not only did a non-authorized distributor get off the hook, said Gagachev, but he was "afraid it would create a precedent".

### Canada vs. U.S. situation

In 2009, U.S. Customs & Border Protection (CBP) reported that electrical products represented 13% of all counterfeit products seized—the second-highest total of any category. Two years later, electrical equipment (coupled with electronics) moved to the No. 1 position for seizures, CBP reported.

UL works closely with U.S. Customs and averages around two seizures per day at the ports, according to Monks. The situation in Canada is not so different, said Rod Jones, UL Canada investigations manager.

"Obviously there's a ratio to consider: our population and economy are smaller. But as to where it's coming from and how it's getting here—as far as consignment shipments and Fedex and that type of thing as opposed to containers—I'd be surprised if it was different in Canada," Jones said.

Monks explained that it's the "high-volume, low-price" items—extension cords, portable lamps, night-lights, Christmas lights, power bars—that are the most popular with counterfeiters.

According to Hunter, these items are made from smaller amounts of copper or no copper wiring at all, and many explode when tested.

"I don't think it will become a priority in Canada until something really bad happens," Hunter said. "We're doing our best to capture as much as we can; we're working with Chinese customs and inspecting goods before they leave China... The problem itself: let's just say it's increasing every year and I think it's growing faster than the legitimate markets are growing globally... and no one is immune."

### Bill C-8 may help

Canada Border Services Agency (CBSA) does not compile any statistics on the quantity of counterfeit products it seizes, the agency has the authority to seize both regular and suspected counterfeit items. In the not-so-distant past, border guards had limited authority in this department. It was all up to the RCMP.

"Everything was muddy waters and the counterfeit problem was nobody's baby really," Gagachev said. "Customs had no authority to act; they had to call the RCMP and the RCMP had other priorities. It was falling through the cracks."



CACN's Terry Hunter. Photos courtesy Eaton.

There has been a move recently to bring about positive change when it comes to intercepting counterfeits travelling to Canada, and it has stakeholders hopeful about the future.

In December 2014, the Combating Counterfeit Products Act (Bill C-8) was passed into Canadian law. This allows CBSA to detain suspected commercial shipments and contact the rights-holders. The new legislation gives the CBSA “some teeth behind it,” Jones added.

Bill C-8 establishes a voluntary Request for Assistance system that helps rights-holders seek CBSA's help in temporarily detaining suspected counterfeit goods encountered at the border.

It also permits border officers to share certain customs information with rights-holders regarding suspected counterfeit trademarked goods they encounter, providing them with the information required to take civil action.

Approximately 40 brands have registered under the new system, said intellectual property and anti-counterfeit expert Lorne Lipkus of Toronto-based Kestenberg Siegal Lipkus LLP, who added that, to date, there have been no seizures under the new legislation.

While it is still too early to assess Bill C-8's impact, Jones thinks the act might provide an avenue for collecting more Canada-specific statistics on the counterfeit market.

### Is the distributor at risk?

From raids to unmanned aerial drone surveillance, brand and anti-counterfeit agencies continue to take on the army of fraudulent products streaming into the market.

### RCMP CHARGES MONTREAL-IMPORT FOR COUNTERFEIT PRODUCTS

The RCMP laid charges against a company named Montreal-Import and its owner, Rene Major Jr. of Terrebonne, alleging that Major sold electrical products bearing counterfeit UL certification logos.

A police investigation was initiated by the RCMP Federal Investigation Section in January 2014 in response to a complaint laid by UL, and “in view of the potential public safety hazards associated with the sale of counterfeit electrical products”.

As a result of a search conducted at Montreal-Import, the police seized more than 13,000 counterfeit electrical items valued at more than \$154,000.

Rene Major Jr. faces charges for having, by deceit, falsehood or other fraudulent means, made illegal use of the UL trademark on electrical products.

— November 2014, EBMag.com

### Is ISO 12931 a good fit for you?

Answering the following questions will help you determine whether ISO 12931 would be of value to your organization. If you cannot answer the majority of these questions, then you should seriously consider adopting ISO 12931 to bolster your brand protection program.

1. Could ISO 12931 enhance the level of customer trust?
2. Could an audit and/or training in ISO 12931 be used to determine the protection technologies you may need to employ?
3. Could supply chain intelligence from ISO 12931 be useful in eliminating security breaches?
4. Is sourcing a concern? Is there a lack of control on vendor tracking, brand protection... both?
5. What measures have been taken to address brand protection solutions/purchases?
6. What currently connects brand protection needs with the supply chain i.e. sourcing data with product ID and tracking with manufacturing?
7. What tracking software or physical documentation, labelling, etc., are you using, if any?
8. How many subcontractors are involved in final manufacture? Are there any pre-assembled units that make up part of the final product?
9. Are health and safety liability issues a concern, either for sourcing parts or the finished product?
10. What are the current brand protection safeguards for either the final manufactured product or vendor parts?
  - What technology is currently used?
  - Is it used in combination with any other anti-counterfeiting measures?
  - Is it working? To what extent?
  - Is there more that needs to be examined to protect the product and the supply chain?
11. Has a gap analysis been performed with regard to supply chain or brand protection issues (i.e. evidence-based best practices versus current company practices)? If so, what were the results?

### Not fun, but necessary

It is indeed a sobering exercise to attempt to answer the preceding questions with relative accuracy. Only a fraction of brand protection managers have those answers, which is why it is so important *to know what you don't know*.

While the task of implementation can be mind-numbing, most managers familiar with ISO standards understand their importance for ensuring best practices and avoiding any compliance issues. When your objective is to protect your bottom line and brand integrity, ISO 12931 is a must. ■

*Trained in ISO 12931 and ISO 31000, Philip Viggiani is a brand protection specialist assisting companies mitigate risk to their products, brand integrity and ROI. Look him up on LinkedIn ([tinyurl.com/o8xreu7](http://tinyurl.com/o8xreu7)).*

## COUNTERFEIT BREAKERS DISCOVERED IN GOVERNMENT FACILITIES

Several years ago, during a routine maintenance inspection at one of its facilities in the National Capital Region (Ottawa Gatineau), Public Works & Government Services Canada's (PWGSC's) Real Property Branch found two counterfeit-labelled moulded-case circuit breakers (MCCBs).

The breakers were removed and examined by the presumed manufacturer. One circuit breaker was described as a used and possibly scrapped MCCB that was retrieved, tampered, polished and relabelled with incorrect electrical rating information. It also had no CSA or UL markings.

The second circuit breaker had counterfeit labels indicating the circuit breaker had an interrupting rating of 200,000 amps when this type of breaker had a maximum interrupting rating of 100,000 amps when new. This tampering and misrepresentation of fault interrupting capability could have resulted in a serious failure of the breakers had a fault occurred.

— March 2014, *Electrical Business Magazine*

## LIGHTING AND BREAKERS AMONG ITEMS IDENTIFIED AS COMMON COUNTERFEITS

U.S.-based Electrical Safety Foundation International (ESFi) released the results of its 2014 Counterfeit Electrical Products Survey, and an overwhelming 96% of respondents believe counterfeits are—at the least—a moderate threat to public safety... yet only half reported a counterfeit electrical product upon discovery.

ESFi says it utilized partner organizations to provide a sampling across all sectors of the electrical industry, including:

- IAEI (International Association of Electrical Inspectors)
- NEMA (National Electrical Manufacturers Association)
- IEC (Independent Electrical Contractors)
- NAED (National Association of Electrical Distributors)
- NECA (National Electrical Contractors Association)

A majority of respondents reported they do not have a process in place for reporting counterfeit product. Other key findings include:

- Almost 55% of respondents believe their company does not provide adequate training about the issues related to counterfeit products.
- Lighting, breakers and Other items were the most-frequently reported counterfeit products discovered.

— June 2014, *EBMag.com*



PHOTO COURTESY UL.

Sheriffs head to raid a suspected counterfeit operation in Los Angeles, Calif.

"We've had phenomenal success in China, working with the police and government, and we've seized more product and had more people prosecuted and jailed than we've had anywhere else in the world," Monks said.

"All we can do is do our best to ensure the safety of the end user by keeping up our guard all the time," De Lhorbe said. "We realize this is not going away, but if we can hit a few of the bigger players and make a point, it should keep it within manageable bounds. We just have to stay on our guard all the time."

While the abundance of counterfeits can be alarming, electrical distributors are better off than others, Lipkus noted, as they purchase products from a narrower supply chain than, say, the apparel industry.

"The main message is always buy from the original manufacturer or the original

manufacturer's authorized distributor," said Tom Grace, Eaton's Electrical Sector's brand protection manager. "Any time you source products from brokers or independent resellers—or people outside that genuine channel—you run the risk of purchasing an unsafe product."

While it's easy to go online and source products for cheaper prices, Jones advises distributors do their due diligence. "Check with the supplier, get the certification records up front and put that in as part of the contract, making sure the product is third-party certified," he said. "And check it again after you receive it before you put it on the market."

It's important to remember, warned Jones, as a distributor, "it's an absolute that if you sell bad stuff, it will come back to haunt you... regardless if you knew about it or not". ■



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# Counterfeiting puts us all at risk

## Buy Genuine Electrical Products

Counterfeit electrical products are a growing threat in Canada. They put us all at risk. Not only can they pose a serious health & safety risk, but they undermine brand confidence for genuine products, deprive genuine product companies of their rightful revenue and put companies who sell, purchase or install them at risk of legal repercussions.

- Q:** What are the risks of buying counterfeit electrical products?
- Q:** How do I know if electrical products that appear to be certified are actually counterfeit and/or possibly unsafe?
- Q:** What do I do if I suspect a product is counterfeit?



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# Cyberattack, social assassination, product recalls...

All in a day's work for Canadian businesses

D&S Staff



Cyber risks will be a dominant issue for Canadian businesses in 2015, according to Borden Ladner Gervais LLP's (BLG) 2015 *Top 10 Business Risks* report. Following a Statistics Canada report that 14% of large enterprises experienced an internet security breach in 2013, BLG predicts Canadian companies will continue to face legal fallout from data breaches, employee misconduct and reputation risk on social media.

"This is the 5th year we have looked at the risks that challenge our clients and are part of larger trends and, regardless of the industry or workplace, everyone has to address cyber risks," insisted Sean Weir, national managing partner and CEO, BLG. "Although data breaches and social media issues have made the list before, the increase in data breaches and recent cases of employee breaches of privacy indicate a growing challenge for all sectors."

This sentiment is echoed by the 4th annual *Horizon Scan* report published by the Business Continuity Institute (BCI), in association with BSI, which lists cyberattack as the top threat perceived by businesses.

"2015 will be a time for businesses to prepare to deal with legal challenges ranging all the way from the municipal level to international levels," warned BLG's Weir. "In addition, last year saw landmark court decisions and regulatory changes that require careful consideration to avoid impacting business operations."

D&S has combed over press information from both camps to come up with a list of items that may impact on your business activities.

### **Cyberattack and social media: one and the same?**

All organizations in all industries have digital risk, and the potential has increased exponentially, says BLG. As criminal capabilities intensify and the public voice grows louder via social networks, organizations have too much at stake to ignore the risks. The dangers posed by regulatory/class actions and the preservation of the organization's reputation—and, in some cases, the organization's very existence—depend on the steps taken in the first few hours, not days, to contain the situation, mitigate the damage that has been done, fix the problem and get the organization up and running again.

These issues cannot be seen as just a problem for the IT department, adds BLG. Issue management of the issue includes every facet of the organization. (See sidebar "Home Depot payment system breach gets you free identity protection!", page 21)

### **Are you ready?**

Despite robust systems, it is likely that an organization will experience a data breach at some point, whether from outside hackers or from persons within. This is why organizations need to be prepared to react quickly to protect their customers and employees' confidential information and trade secrets, uphold confidence in their brand and maintain their bottom line. Organizations should ensure they follow the latest cybersecurity best practices, which include assessing the risk, being aware of the regulatory requirements and privacy laws, and having a data breach plan to be able to react quickly when it happens.

### **The myth of being cybersecure**

With the majority of information created today being stored electronically, cybersecurity has become a growing concern for both public and private sector organizations. The disclosure of confidential data, breaches of privacy and infringement of intellectual property rights can have devastating consequences, notes BLG. Even as organizations invest millions to protect their data, the question is when—not if—it will happen. Today's criminals have goals that go well beyond mischief to include corporate fraud, espionage, piracy and terrorism.

### **Social slander**

In the early days, many business leaders wanted to distance themselves and their companies from the phenomenon of social media, suggests BLG, but now customers are using it, detractors are using it, and employees *cannot be stopped from using it*, so looking the other way is not an option. While many of the same laws that govern published statements apply to social media, the environment comprises a whole new set of risks, ranging from HR practices and defamation, to avoidance of copyright laws and electronic discovery that make organizations vulnerable to attack and legal consequences as a result of their own actions.

### **Check corruption at the door**

It is becoming a fact of life, says BLG, that many directors, officers or senior executives *could* be involved in a white collar investigation and/or prosecution during the course of their professional career. Some proceedings will be anticipated; others will come as a surprise.

(Check out "Bribery scandal pushes Alstom deeper into hot water" at [tinyurl.com/mb195j5](http://tinyurl.com/mb195j5) and "SNC-Lavalin cleaning house" at [tinyurl.com/7r3lvpq](http://tinyurl.com/7r3lvpq).)



### GLOBAL TOP 10 THREATS TO BUSINESS CONTINUITY

1. Cyberattack
2. Unplanned IT and telecom outages
3. Data breach
4. Interruption to utility supply
5. Supply chain disruption
6. Security incidents
7. Adverse weather
8. Human illness
9. Fire
10. Acts of terrorism

— According to Horizon Scan published by the Business Continuity Institute (BCI) in association with BSI.

With the upcoming report from the Charbonneau Inquiry—and the increase in investigations into foreign corruption by Canadian corporations—all signs point toward escalating enforcement activity in the coming year... at home and abroad, BLG warns. Board members and senior management who remain unprepared will be particularly ill-equipped to explain real or perceived shortcomings to increasingly aggressive law enforcement authorities.

### European Union agreement: more competition?

In September 2014, Canada and the EU signed the Comprehensive Economic & Trade Agreement (CETA). This represents the first of a new era of trade agreements signed by Canada, notes BLG, adding that it will have a greater economic impact on the competitive landscape within Canada than any free trade agreement signed since NAFTA.

The agreement will immediately eliminate customs duties on about 98% of EU goods imported into this country, says BLG. (For example, on the date of CETA's entry into force, duties on textile and clothing products from the EU will go from about 18% to zero.) All stakeholders are, or should be, considering the impact of the CETA on their commercial activities in Canada, advises BLG.

### Let's talk about mental health

The stigma attached to mental health means many employees are afraid to disclose their issue to management, despite research indicating that almost one in five Canadian adults will experience a mental health issue in any given year, notes BLG. Likewise, many employers avoid addressing issues with employees due to the uncomfortable nature of broaching the subject. Mental health is especially top-of-mind in jurisdictions like Ontario, which have adopted policies that impose an obligation on the employer to enquire about an employee's mental health.

### Product recall

Since the implementation of the Canada Consumer Product Safety Act (CCPSA) in June 2011, BLG says product recalls appear to be on the rise. (Visit EBMag.com and click on Safety/Recalls.) The most high-profile risk to these businesses is a class action suit, but Canadian companies face challenges even in addressing product recalls.

At the onset of the recall, the leadership team is taken off daily operations to find solutions. This has a cost to business operations, as does the cost of publicizing the recall, creating incentives for customers to respond and implementing processes to receive the recalled product and provide an alternate.

During this time, operations are halted and the business process may have to be changed; for example, the manufacturing line might have to design and implement new moulds. There also has to be a quarantine of the recalled product. In addition, there is the risk to the brand and long-term revenue. A company dealing with a recall often loses the public's trust in the brand and current market share, warns BLG, adding it could take years to return to pre-recall status.

### Hostile takeovers will become marathons, not sprints

With the stated objective of rebalancing the current dynamic between hostile bidders and target boards, the proposed extension of the minimum bid period to 120 days from the current 35 is set to make hostile takeovers lengthy affairs in Canada, says BLG.

Hostile bids will undoubtedly become materially more challenging to win, with target boards afforded more time to respond, seek alternatives and implement defensive measures. However, one of the net results of the new regime may be that securities regulators will be unlikely to allow a "poison pill" to remain in place past the 120-day period, suggest BLG, adding that Canadian directors will need to be carefully prepared for long and drawn-out battles that consume substantial management and board time, effort and resources.

### Unsettling revisions for investors

Numerous international tax rules and investment structures that have been in place for decades are being revised in ways that aren't yet settled, warns BLG, creating risks for businesses and investors.

With Canada's proposed anti-treaty shopping rule from the 2014 federal budget and the OECD's BEPS (Base Erosion and Profit Shifting) initiatives serving as prime examples, BLG says, both Canadians investing outside of Canada and non-residents investing in Canada (including collective investment vehicles) will need to deal with the resulting uncertainty as to what constitutes acceptable tax planning as well as new compliance and financial reporting obligations.

### Supply chain disruption

Concerns over supply chain disruption were the fastest-rising threat, finds *Horizon Scan*, climbing to 5th place in this year's report, up from 16th in 2014. Almost half of those polled (49%) identified increasing supply chain complexity as a trend, leaving their organization vulnerable to disruption from conflict or natural disasters.

### HOME DEPOT PAYMENT SYSTEM BREACH GETS YOU FREE IDENTITY PROTECTION!

The Home Depot confirmed that its payment data systems have been breached, which could potentially impact customers using payment cards at its Canadian (and U.S.) stores.

"We owe it to our customers to alert them that we now have enough evidence to confirm that a breach has indeed occurred," said Frank Blake, chair and CEO. "It's important to emphasize that no customers will be responsible for fraudulent charges to their accounts."

The company says there is no evidence the breach has impacted online Home Depot shoppers and, while it continues to determine the full scope, scale and impact of the breach, there is no evidence that debit PINs were compromised.

Home Depot's investigation is focused on April forward, and the company says it has taken "aggressive steps" to address the malware and protect customer data. The retailer is offering free identity protection services—including credit monitoring—to any customer who used a payment card at a Home Depot store in 2014 from April onward.

The investigation began on the morning of September 2 after the company received reports from its banking partners and law enforcement that criminals may have hacked its payment data systems. Since then, the company says its internal IT security team has been working with other IT security firms, banking partners and the Secret Service to gather facts and provide information to customers.

— Published September 8, 2014,  
at *EBMag.com*

"Globalization has brought the world's conflicts, epidemics, natural disasters and crime closer to home. It is of real concern that this year's report shows that businesses are not fully utilizing information to identify and remedy blind spots in their organizational resilience strategies," said Gary Robinson, commercial director at BSI Group Canada.

### Time to prepare is now

"The world faces diverse problems from cybercrime and political unrest to supply chain vulnerabilities and health hazard," said Lyndon Bird, technical director at BCI. Despite growing fears over the resilience of their firms, *Horizons* records a fall in the use of trend analysis by business continuity practitioners, with a fifth of firms (21%) failing to invest in protective discipline. A similar proportion (22%) report not employing trend analysis at all, making it a blind spot for organizations. Small businesses, evaluated for the first time in this year's report, are seen to lag behind industry best practice with just half currently applying international standards for business continuity management.

*Horizons* strongly recommends that the rising costs of business continuity demand greater attention from top management. Encouragingly, notes BCI, the adoption of ISO 22301 "Societal security: Business continuity management systems-Requirements" appears to have reached a tipping point, with more than half (53%) of organizations now relying upon this, up from 43% last year. Almost 3/4 of firms (71%) intend to better align their activities with ISO 22301 over the next 24 months.

"Tracking near- and long-term threats provides organizations of all sizes with an objective assessment of risks and how to mitigate them," advises Robinson. "Failing to apply best practice leaves organizations and their employees, business partners and customers at risk." ■

— With files from BLG and Business Continuity Institute  
(in association with BSI).



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# What does industry say about having a *Canadian footprint*?

Anthony Capkun

**D&S** interviewed a number of industry players—both Canadian-owned/-operated, and multinational organizations—to identify whether we are in the midst of an ongoing ‘brain drain’ and, if so, the ramifications. That is:

*Has the loss of Canadian-owned/operated manufacturing (and, to some extent, distribution) led to a reduction in Canadian leadership potential in both business savvy and technical expertise?*

And the answers are as varied as our participants, but one common thread we heard was the importance of having a Canadian footprint, regardless of ownership. So rather than tell you what they said, we’ll let our participants do the talking. (Please note that, while their answers are assembled here in this Q&A-type format, our participants [see sidebar] were all interviewed separately.)

## 1. How do you see the landscape of multinational-owned electrical manufacturing and distribution?

**NATHANIEL** Multinational ownership will likely continue to grow as it has in the past. That said, the entrepreneurial spirit is alive and well in Canada, which will result in a strong base of businesses that are driving value and growth.

### THE STAKEHOLDERS SPEAK...

A heartfelt thanks to the following who made time to speak with us:

- **Shelley Bacon**, president, Northern Cables Inc.
- **Frank Dunnigan**, president & CEO, Techspan Industries Inc.
- **Juan Macias**, president, Schneider Electric Canada
- **Jim Milne**, president AD Canada
- **Joris Myny**, SVP Industry Sector, Siemens Canada
- **David Nathaniel**, president & CEO, Standard Products Inc.
- **Nathalie Pilon**, president-Canada, Thomas & Betts (member of the ABB Group)

**MYNY** In order to do business in Canada, to serve customers in Canada, you need to be local. Manufacturers need a solid footprint in Canada as close as possible to the customers [...] Customers expect to see a footprint in Canada; doing business from Canada is definitely a no-go for customers in Canada.

**DUNNIGAN** I don’t think it is any secret that there has been substantial consolidation in both electrical manufacturing and distribution over the last few years. Larger, multinational players are anxious to gain Canadian market share. This in itself is not a bad thing: if the new owners are strong, it can lead to more capital investment and new development here in Canada. Unfortunately, many times, the Canadian manufacturing and/or warehousing is closed. Canada becomes the equivalent of a simple sales office location.

**MILNE** A major issue for our market is the closure of warehouses, customer service departments, marketing departments and, sometimes, sales support. Many shortsighted strategies have destroyed a supplier’s market share overnight... market share levels these companies took years to proudly build. After these investment reductions are made, distributors are left with poor deliveries, poor customer service responses, and no one to talk to.

**PILON** What you tend to see with larger corporations is they will look at North America as if it was one country, and we all know that this is not the case. Canadians look at things differently and appreciate being managed separately. For me, it’s relevance: by being committed to the market you stay relevant. You understand what the issues and challenges are, and you can address them and bring innovation and strategies that will help the industry as a whole.

**MACIAS** For companies within Canada, we offer a broader set of products and solutions that meet the requirements of our Canadian customers and comply with the appropriate

codes and standards. The size of our company also allows us to invest more in R&D. It would be much harder for a smaller, local firm to have those capabilities. For Schneider Electric, we have five global competency centres in Canada alone conducting product R&D used globally by Schneider Electric.

**MYNY** Canada has a very strong consolidation of its distribution network, especially compared to what you see in the U.S. We see also much more exclusive/semi-exclusive relationships between manufacturers and distribution companies. The fact that you can get these close relationships means that you create real partnerships. It builds stronger confidence [...] as a distributor, you can think and plan mid- to long-term. The fact that you have partnerships allows both sides to invest because you share quite some business. That is something that really sticks out in Canada.

**MILNE** For Canadian-owned/-operated distributors, the market looks great. We are able to focus on customers and long-term strategy, where international competitors are focused on financial statistics and/or stock price. ‘Canadian-managed’ business does not mean Canadian management, per se; it means close to total autonomy in running their business. We have some excellent Canadian-managed multinational-owned suppliers.

## 2. What are the benefits to Canadian leadership, even when an organization is owned by a multinational?

**MYNY** Building a strong footprint in Canada requires building strong Canadian leadership. Siemens is now in Canada for more than 100 years. We are more than just a sales organization in the Canadian marketplace; we have multiple plants, we have R&D centres across the country. To attract the best people and the brightest people to our organization, it’s very, very important to have these roots in the ground.



**NATHANIEL** If companies are playing to win, they need to have strong Canadian leadership with the autonomy to build and grow their businesses. If you look around at multinational companies that are successful in our industry, it is the ones that have strong leadership inside Canada, and that are engaged and vested in our market. The closer you are to the market, the more control you have over your value proposition.

**PILON** There was a strong recognition [by ABB] that Thomas & Betts was bought for our North American presence. That was one of the main reasons that they bought us. They recognized the leadership position that we had.

**MILNE** We have had some excellent managers from outside the country; however, this is not always the case. Multinational managers must have a high level of humbleness, versatility and willingness to learn about a new market. Trying to change our market to theirs does not work. Companies need to invest in their Canadian management to build their talent base. In the electrical industry in North America we don't have enough global-thinking executives. True global strategies from global companies would include investments in local management.

**BACON** The Canadians who are located here will have connections, networks... and they will have generally accepted knowledge of the way business transactions take place. We're in both the United States and Canadian markets, and we go to market [...] completely differently in Canada versus the United States. They're two totally different markets, so you have to behave differently in each market.

**MACIAS** We have local, country-based management teams that understand our Canadian market and customers, work hand-in-hand with our central manufacturing teams and respond quickly to changing market conditions. The innovation footprint and capacity we have in our five competency centres are staffed with Canadian engineers.

**DUNNIGAN** The Canadian market, like any other, has historical roots. If you are going to be a strong player, a knowledge of how the market developed over time and where it is going is essential. How else can an informed management decision be formed? The wants

and needs of customers in Nanaimo are not the same as those in Sudbury or Montreal.

### 3. What are the benefits to advancing and mentoring a strong Canadian leadership?

**DUNNIGAN** A Canadian-based president or general manager collects information from numerous field sources and develops a growth plan for Canada as a whole. Without the home leadership, errant decisions are more likely to be made. It makes little sense to want to grow your Canadian operation while simultaneously stripping your management depth. And the customers know it.

**MACIAS** Schneider Electric Canada leadership has the opportunity to move up as well around the globe within our company. We encourage leadership to move to new locations, even other countries, to gain valuable experience, understand the global infrastructure to become better leaders. Without those skills, it makes it harder to win new business, as our customers are looking for both Canadian experience as well as what you can do for them globally.

**MILNE** It's quite simple: training is an investment. If a company does not train and develop their talent, they are not investing. They are not thinking long-term and they are not strategic. Canadian management looks long-term to develop their team, as they will hopefully be there to see the results of their efforts.

**NATHANIEL** If you are an American or global player, Canada can seem like a small and geographically diverse market. It is easy to write it off as another territory or region and provide it with just enough investment to make it work. The reality is that you will get what you pay for.

**DUNNIGAN** Take a look at the Deloitte Best Managed companies in our industry—Standard Products, Gerrie Electric, Ideal Supply and Stelpro, for example; they've cut their teeth in Canada and know the nuances of each province and market. They are committed to their customers and to long-term growth. Unless they have decided the returns aren't worth the effort, a multinational may be taking a large risk by not maintaining and growing serious Canadian leaders in their organization.

**PILON** I think the challenge for Canada—where I feel that we are looking at things differently—is on technical resources. If you have a strong manufacturing footprint, then you have strong technical people in the market (usually). We need to believe we can compete in this market, and it's not just the Canadian market any more—it is definitely more global. Being acquired by ABB, I think, helps us realize that the world is getting smaller. We need to compete and we need to make sure that we invest in technology to keep our manufacturing jobs here in Canada.

**BACON** I think the best thing multinationals can probably do to retain their Canadian leadership and have an identity up here is maybe to take those Canadians and give them the opportunity to learn some stuff elsewhere, then put them back up here. I think our educational systems are fairly strong in Canada, and I think people that rise in Canada and are successful in Canada have demonstrated they must have some pretty good skills to be able to get there.

**MACIAS** I have a great leadership team and we invest not only in their advancement but training as well. Investing in people is critical to having a successful organization. We are strong advocates of promoting from within as well as recruiting from the outside and growing the diversity of our leadership talent. Our objective is to attract, develop and retain the best and brightest.

**MYNY** We are more than 100 years here in Canada, and one of the reasons customers like doing business with Siemens is that we will be here 10, 20, 30 years from now. And that's important because we are operating in a fast-moving market where paradigm shifts are happening, so it builds confidence to see that the company is more than just what it sells now. And it's also important that, as a multinational organization, we offer Canadians the opportunity to grow within the organization, not limited to Canada.

**NATHANIEL** At the end of the day, any business is a people business. It's easier to fix our products, marketing campaigns... those things are actually not that difficult. The harder part is having the right organization in place. As a Best Managed company, that's really what it's all about: you've got the organization in place that can handle anything. ■

# Navigating nuances of Customer Relationship Management

Sue Adler

As manufacturers' representatives, members of the Canadian Electrical Manufacturers Representatives Association (CEMRA) continuously strive to find ways to improve the services they offer to both the manufacturers they represent and their customers.

Strengthening relations with manufacturers is paramount to a rep's existence. In recent years, the formation of the CEMRA Manufacturers Group (CMG) has enabled CEMRA reps to join forces with Electro-Federation Canada (EFC) manufacturers that go-to-market through reps. This collaboration allows both groups to discuss pertinent issues, fostering the reciprocal sharing of information and enabling strong relationship-building.

CMG provides a platform for group discussions that are invaluable to both manufacturers and reps alike. For instance, Customer Relationship Management (CRM) has been a topic of much debate, but both groups agree that utilizing CRM is important, particularly for capturing valuable information that may be lost through employee turnover. Both groups also agree that robust CRM supports the proper management of customer and project information.

Expectations relating to CRM systems, however, differ among manufacturers and reps. Some reps feel that, while they are required to take the time to populate a CRM system, the information they are sharing is not necessarily being properly utilized. Some manufacturers, on the other hand, feel the information entered lacks usable details.



Manufacturers and reps are working together to resolve this matter, and are considering related issues, such as the amount of time spent on reporting, the expense incurred to purchase a CRM system, and the increasing demands placed on reps that represent several manufacturers.

Other key initiatives the CMG has currently undertaken centre on Rep Services, with a focus on Specification and PoS (Point of Sale), including PoT (Point of Transfer).

Findings from these initiatives will be presented at the CEMRA Manufacturers Group meeting at the EFC Conference this May in Banff. For more information on CMG and how your company can participate, please contact Susan Adler at [sadler@electrofed.com](mailto:sadler@electrofed.com). ■

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## GOING TO BANFF? MARK THESE ON YOUR AGENDA

- The CEMRA Manufacturers Group (CMG) is hosting a meeting May 25 (1 pm to 4 pm) for all manufacturers that deal with reps. All CEMRA and manufacturer members are invited to attend this open session, where relevant relationships issues can be discussed.
- All EFC conference delegates are welcome to attend the CEMRA Rocky Mountain Party at Mount Norquay, May 28, 6 pm to 11 pm. This optional dinner event (which may have sold out by the time you read this) starts with an outdoor camp reception followed by mountain-style food stations. You'll have the chance for both networking and dancing. Attire is casual: denim and your favourite camp/plaid shirt.



Sue Adler is manager, Member Services, with Electro-Federation Canada, and manages all initiatives for the Canadian Electrical Manufacturers Representatives Association (CEMRA). She can be reached at [sadler@electrofed.com](mailto:sadler@electrofed.com).



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# Why you need to quit social media in 2015

Marc Gordon

... it's impossible for a company to be social [and] people don't want to be social with a company.

This is the year for you to stop wasting your company's money and resources trying market yourself on Facebook, Twitter, Pinterest, Google Plus and Instagram.

No one is seeing your posts. No one is sharing your posts. No one cares about your posts.

The fact is, for the last few years companies have been brainwashed into believing they *have to be social* and *engage* with their market.

We now know two things: first, it's impossible for a company to be social; second, people don't want to be social with a company.

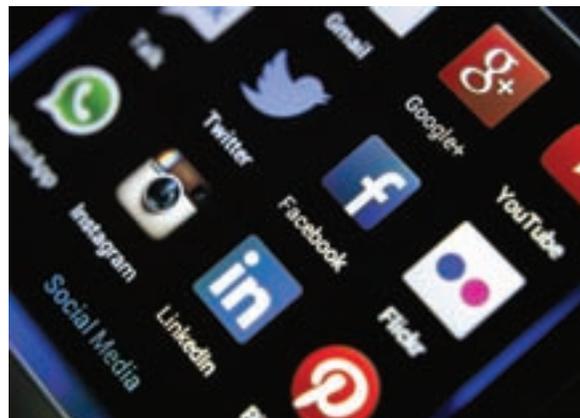
As of January 1, 2015, Facebook reduced the organic reach of business accounts. This brings the percentage of those reached from a January 2014 high of 2% (and falling by 0.5% monthly) to a number that's almost immeasurable. Combine that with the fact that 6 of the top 7 social media sites garnered an engagement rate of less than 0.1% and businesses must start asking themselves: *What's the point of using social media at all?*

To illustrate, McDonald's restaurants' Facebook page has over 55.3 million Likes. A New Years' greeting on its timeline received 1020 Likes, representing just 0.00002%. In addition, only 58 Comments were made, of which 27% were negative or self-promoting.

Or take Red Bull, which boasts almost 45.8 million Likes on its Facebook page. A December 31 unbranded video of extreme BMX riding received 20,525 Likes, representing just 0.0004% of Red Bull's Facebook audience. A similar video posted on the company's Twitter account January 1 was Favourited 231 times, representing just 0.0001% of Red Bull's 1.82 million followers.

With any other media, these stats would result in the campaign being pulled immediately and declared a huge failure. Yet companies of all sizes and industries keep allocating resources to posting and tweeting—most of whom never see engagement numbers even close to popular consumer brands.

But no one wants to be the first to pull the plug. For those of you who insist on staying the course in your social media activities, here are 6 strategies to help you make it work.



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Marc Gordon is a specialist in the fields of branding and business growth strategies. His firm, Fourword Marketing, provides marketing services to small business and start-ups. Marc is also a writer and corporate speaker. His articles currently appear in over 200 business and trade publications. Visit [marcgordon.ca](http://marcgordon.ca).

- 1 | Encourage others to be social on your behalf with photos or hashtags. Make it easy for people to share their experiences by creating pre-defined opportunities.
- 2 | Be reactive instead of proactive. Instead of talking about yourself or your products, focus on being a sounding board for customers. Surveys, customer service enquires, feedback and technical support are all great ways to keep social media fresh and relevant.
- 3 | Reward those who spread the word. Encourage others to share by rewarding them with access to new products, special events, gift cards or a personalized Thank You.
- 4 | Use social media in tandem with traditional media. This can be as simple as advertising a sale in print, then offering additional savings for those who Like or Follow the company.
- 5 | Let others know how to find you. It's amazing how many companies use social media yet fail to make it known at opportune times, or when people are most likely to share.
- 6 | Be platform picky. Instead of trying to establish a presence on every new social platform, pick a few that allow for easy management and use by both the company and its customers. ■

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