

NEWS

Thank You for a Great Year

November-December

1999

Thanks to all of you, our chapter has had another year to be proud of!

Our Computer Training Program, thanks to **Jon Bunce**, **Sharon Root** and **Marie Lape**, was a tremendous success and should win us the “Chapter of the Year Award”. We had over 200 members involved in one way or another. The time commitment was small, the training was first class and the price was right. We intend to continue this program again next year, so be sure to get on board early.

Our web site is becoming a very important part of our chapter. **Ed Blake** and **Ron Jenkins** put extra effort into updating and improving our site and their efforts are starting to show.

Once again **Steve Ross** has done an excellent job in producing a valuable directory. He has had the insight to make the timely changes and improvements that were necessary.

Thanks to **Bob Parsons**, our newsletter is the best in the business. Because of his efforts we can now get it delivered by snail mail, fax, e-mail or the Internet.

Our annual golf outing was better than ever thanks to **Ray Del Buchia**, **Don Onken** and Ron Jenkins.

Thanks to **Kevin Frost** and his gang, **WESCON-99** was a success. This event is extremely important to the well-being of our chapter and requires the most support. His “gang” includes far too many member-volunteers to mention here.

Craig Smith is one of the main motivating forces behind this year’s Electronic Industry Charity Event. He promises it will be something special. Be sure to attend.

Marie and Jean Lape did another great job this year. Their numerous contributions and attention to details is invaluable and greatly appreciated.

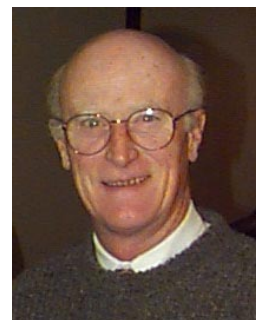
I would particularly like to thank **Hugo Shane**, **Charlie Shaw** and **Frank Deppong** for their advice, council, patience and friendship. I needed all the help I could get.

As I leave office, I would like to encourage each of you to become more involved. Take advantage of the opportunities available. Come to the meetings. Have lunch with other members. Tell a friend about the chapter. Get another rep to join. You will be surprised at the benefits and the values you will receive from your involvement.

Thanks to all of you, my term as president has truly been an educational, rewarding, and enjoyable experience.

PRESIDENT’S COLUMN

Bill Walsh



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WESCON/ECI REPORT

The San Jose Convention Center was the sole venue for **WESCON 1999**. With just under 1000 booths, the show was a solid success. The single venue made promotion and attendance easier for all. Attendees spent more time at the show with most all exhibitors reporting a successful number of qualified leads.

The ECI/WESCON Boards had approved a huge increase in the promotions budget. TV, Radio, billboards and an “X-Files” theme helped bring in the younger engineers to the show. It is our job now to follow up the leads and report back to our principals who exhibited of their ROI (Return On Investment).

For 2000 and beyond there will be the creation of an advisory volunteer network to help run WESCON. The details are yet to be established by ECI, however the makeup of this group will combine **ERA**, **IEEE**, and industry professionals. This will streamline the WESCON organization and eliminate the need to have a formal Board of Directors.

ECI (Electronic Conventions Inc.) is streamlining its own organization also by eliminating the ECM (Electronic Convention Management) Board and functioning as a single entity. All functions will report directly to the ECI Board of Directors.

Next on tap is the sale of the ECI Building. This building has long been too large for our needs. Proceeds from the sale will be used to increase our capital resources and better facilitate our Charter requirement to further industry education and training.

Lastly, the ECI Board will be strengthening our existing partnerships with industry organizations. In addition, they are looking into new partnerships that will enhance the growth of the show. This will leverage the strength of WESCON and further develop the show and conference to meet the needs of exhibitors and attendees.



Hugh Shyba

Directory 2000 News

Here is some exciting news for those who have subscribed to a Company Information Page in our chapter directory! **Mr. Jerry Willis**, publisher of *Mectronic Buyers Directory*, has kindly offered our association some interesting options in their directory:

1. Line listings in the white or manufacturers section of his directory, “no charge.”
2. Complete line lists and company contact information in the blue or rep/distributor section of the directory, “no charge.”

The information will come from our directory proofs.

As if this were no enough, at a nominal extra cost of \$25 per firm, Jerry will list your lines in bold face type. This will include brief product descriptions with your line list.

For \$50, he will include all of the above plus 10 product listings in the yellow or product section of the directory. Please note that “product listings” also include companies you represent who perform a service, such as Contract Manufacturers, software developers, etc.

Although Mectronic intends to contact our members directly, you may wish to get started now by calling Jerry at (408) 738-3020.



Steve Ross

1999 Electronics Industry Christmas Party

(Final Notice)

This year, we are pleased to announce our annual holiday party, which will be held at **Villa Montalvo in Saratoga on December 8th**. The “Villa” is considered by many to be one of the most beautiful settings for a holiday event in the Bay Area.

The event will feature gourmet catered hors d'oeuvres, a full no host bar and relaxing (live) background music. As always, the event supports local charities and a good portion of the cost of your ticket goes directly to those charities.

Valet parking will be available at the Villa for our guests.

Please put down December 8th on your calendar!



Craig Smith

Calendar of Events

Here is a tentative schedule for Chapter Activities. It is subject to revision, so check this listing from issue to issue.

MEETINGS

February 1, 2000 (Tues) [Chapter Meeting](#)

SPECIAL EVENTS

Dec 8 **All Industry Christmas Party**
 April 9-13, 2000 — Baltimore, MD
 Plan for the next **National ERA Conference**
[Field Sales 2000: Redefining the Profession](#)

ERA NEWS

is published bimonthly by the
**Northern California Chapter,
 Electronic Manufacturers
 Representatives Assn.**

Edited by R.W. (Bob) Parsons

Note: You may receive this newsletter as an attachment to an e-mail message. Just send an e-mail request to: info@brmsales.com

The newsletter is sent in .pdf format, which gives you a full color presentation when viewed on Acrobat Reader, available free from Adobe Systems.

To download Acrobat Reader go to:
<http://www.adobe.com>

Highlights of ERA National Directors' Meeting

NATIONAL DELEGATE

**Jack
Heidmiller**

*Chicago, IL
October 1-3, 1999*

Industry dynamics continue to influence us. We now have 1327 Rep- and 301 Manufacturer-Members. This was a reduction of 12.6 % between 1996 and 1999. Every day, we see more mergers and consolidations, which are the main cause for the reduction — certainly here in our chapter. Last year it was 4%. Overall **ERA** is doing better than most organizations. Chapters are the core of our association and we need to consistently produce a team of volunteers to focus on membership and the benefits.

We are advised by MRERF that the “Wheels of Fortune” project will start with the Nov 8th issue of Fortune Magazine and will sell the concept of the “Outsourced Professional Field Sales Force.” Reprints will be available. These educational programs are designed to enhance the ‘Professional Sales Force’ tag. This is a \$250,000 project, managed and funded by MRERF.

Word is out that Motorola has circulated a letter terminating their working through Reps and encouraging their business partners to do the same. Ray Hall submitted a non-threatening letter to Motorola and this resulted in a re-evaluation. A packet is being prepared for Motorola explaining the value of the Rep Function.

Discussions on a Split-Commission standard are in development. One suggestion is: Engineering-60%, Point of Order-20% Ship-to Point-20% and Bill to Point-0%.

Editor's note: ERA is looking for volunteers to support this work. Members interested in putting their ideas to work should contact Jess Harper, current National President. jharper@epmcorp.com

As an aid to the reps, three PowerPoint presentations are being developed. Completed a long time is the generic version of Bob Trinkle's, “Why Reps?” presentation. A more recent entry is: “Factory Field Sales Personnel” and soon to be finished is a series designed to aid Reps with customers and principles entitled, “Surpassing Expectations.” All are or will be available through ERA office.

The second Small Rep Firm (SIG) meeting was discussed by Karen Harter and viewed as being outstanding. Audio tapes will be available of the presentations, depending on the audio quality. Karen will be happy to help any chapter start a similar SIG. (Anyone missing the special edition of ERA News covering this event should call Marie.)

National's WEB site is being re-designed, and up-dated. The site has been receiving 1462 hits per day, on average, with about 5 minutes average on-line time. This number should improve. It should increase visibility as a resource center for our industry and will include: Cyber Locator; Finding Reps; Electronics Industry Worldwide Calendar and Lines Available. The locator database will be available to all members and can be sorted in virtually any fashion. Member Services will have order forms and links to recognized resources.

ERA University of Professional Field Sales (in an alliance with Northern Illinois University) has a new distance-learning program accessed through the web site. The fee is \$25 per course for members.

A new platform for communication via EDI is the latest hot topic out of Europe. The platform is called Rosetta.net, and a presentation on this will be on the Baltimore Conference agenda.

Electronic Industry Alliance has invited ERA, Ray Hall, to become a board member. ERA will be the first non-manufacture to join. This position gives us access to individuals of great value not normally accessible to ERA.

One of the more controversial issues raised had to do with the requested board approval of the chapters' option to waive membership of a potential member who wishes to join on a national level without being a member of the local chapter. This would allow prospects that represent lines in product areas not within the chapter or a product area not currently represented in a product group, to join the association. Since a change in the By-laws is required, much more discussion will be had before this is approved.

(Ed. note: The reaction of the members present at the meeting (November 2nd) to this last proposal was less-than-positive. Stay tuned.)

NEWS AND VIEWS

EDITOR'S COMMENTS

Bob Parsons



One of the highlights of our last meeting was the number of past presidents who appeared. Nineteen were present, altogether, including a late appearance by **Bob Brackin**. The oldest, in terms of the year of service, was **Ray Del Buccia**, who was president in 1965!



They were scattered all about the room, but we think we got them all. Above is, from left to right, **Tom Mollard** (1978), **Ray Del Buccia** (1965), **Bob Tokarski** (1971) (hiding behind Ray) **Jean Lape**, **Craig Smith** (1995) (still feeding his face) **Bryan Trankle** (1986), **Jay Stone** (1966) and **Frank Deppong** (1986). (Frank is no longer a rep, but welcome, never the less!)

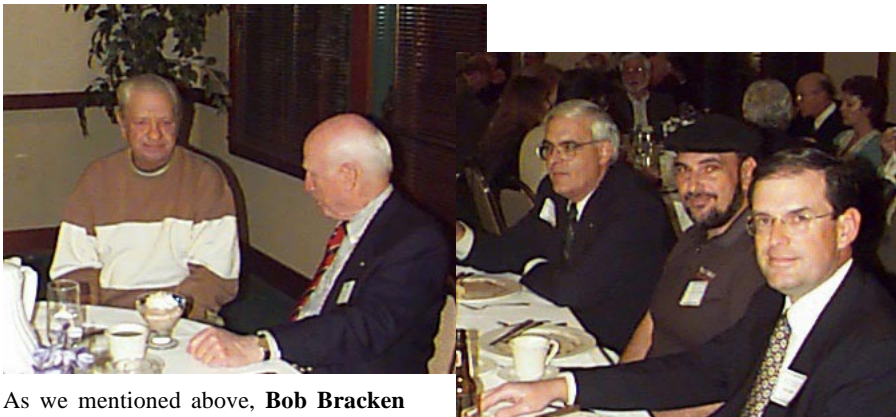
Bill Kottmeier (1990), **Bill Mackin** (1976), **Hugo Shane** (1977), **Kevin Frost** (1996-1997) and **Hugh Shyba** (1991) made up the next table, shown below.



Jack Heidmiller (1985) (right) was off by himself.



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As we mentioned above, **Bob Brackin** (1983) left, with **Tom Mollard**, came in late.

Steve Ross (1974) and **Lon Hudson** (1998) are above right.

And, here's a better picture of **Bob Tokarski**, again, on the right.



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As mentioned, they were scattered. We caught **Charlie Shaw** (1979) during the smooze period, in the background behind **Bryan Trankle**, and **Lou Gado** (1984) was across the table from **Heidmiller**. Last, but certainly not least was **Dennis Barry** (1989-1992), alongside his charming wife, **Alexis**.



Sharon Root of **Computer Magic Training** was there to thank us for our participation in what turned out to be a very successful educational program for us all during 1999. Shown at right with **John Raimondo**, our new Educational Chairman for 2000, Sharon was busy answering a lot of questions from those present. After the fine work done by this year's Chairman, **Jon Bunce**, it's a tough act for John to follow.



WESCON-99

The show was fairly well received. Attendance was down about 10% but we pretty well determined that conditions are changing for trade shows. You will read elsewhere in this issue a complete report from the **WESCON** leadership, but we are of the opinion that manufacturers are no longer willing to send busloads of people to shows. Unless, that is, they are pretty certain that the time away from their jobs will be productive and well spent.



The Internet has removed some of the “touchy-feely” needs of designers. Vendors are also much more prepared to provide samples for this purpose in the case of components, and other demonstration methods have been developed for instrumentation and system-oriented products. We note, however, that the technical sessions were a success, indicating that people will come for that which is perceived as important to their progress.

The relevance of last month's feature on Supply Chain Management in this column was certainly substantiated by two special events held during the show. “Issues Driving Business Strategies in the New Economy” and “Electronic Commerce and Its Affect on Business Processes and Traditional Customer/Supplier Relationships” were the titles. A lot of people showed up for the first. Not as many for the second.

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The format was somewhat difficult to follow. The moderator posed questions and then called upon the speakers on the stage to respond, extemporaneously. We could see some of those present “warming” to their tasks as time passed, responding in a more positive way, more to the point. All in all, however, it was a difficult “listen.”

The Business Strategies discussions the first day were kicked off by a short presentation by **Mr. Robin Gray**, EVP of **NEDA**, the National Electronic Distributors Association. He startled the audience by stating flatly, “Distribution is dead! At least, as a demand-fulfillment function.”

Worldwide sales by authorized distributors in 1998 totaled an estimated \$36.1 billion, for the North American market, \$27.2 billion. The number of distributors is going down. There are approximately 800 distributors in operation today compared to 1400 just 5 years ago. However, they estimate that 36% more customers use distribution as a source. The top ten distributors account for 83% of the Total Available Market (TAM).

As the meeting progressed, the question that caused the most talk and remains un-answered was, “Who owns the Inventory?” Nobody wants it. Well, they all want it, but they don’t want to pay for it. After much discussion around quick turn-around, controlling time in work and forced customer awareness, the discussion progressed to outsourcing. As one speaker put it, “Companies don’t compete, Supply Chains do.”

It was pointed out that a lot of distributors are purchasing contract manufacturers who in turn are purchasing a lot of distributors. This is obviously a reflection of the industry trend toward more outsourcing. They estimated 45% is outsourced today, 85% in ’05. Through all of this, OEM’s are still demanding their share of attention. They remain the driving force.

Everybody present acknowledged the importance of IT (Information Transfer) systems. All concerned are investing literally millions of dollars, including the transportation firms mentioned last month. Now we see the influx of activity by the (clear one’s throat and frown) “dot.coms.” These are the web-only folks who are making their marks in this arena.

Editor’s note: Eventually everybody will be forced to relay data via electronic means and we must be prepared for this. Systems must be current. Principals must be encouraged to set up EDI systems that relay usable information to each rep outlet.

The second day program was better in that it was started by two well-illustrated presentations. The first was by **Paul Brinkley**, Director of E-Business Solutions for **Nortel Networks**. The second was by **Andrew Gort**, Senior VP, Global Supply Chain Management, of **Celestica**.

No one could sit through Mr. Brinkley’s rapid-fire presentation without being impressed and informed about Nortel’s web efforts. Being a customer and a selling outlet at the same time made many “boxes with connecting lines” necessary to tie it all together as a package. His presentation was summarized by the statement, “e-Selling and e-Supply must be integrated.”

Andrew Gort’s presentation was a selling tool for Celestica, adapted very well to this presentation. It pointed out the complexities of the OEM-Contract Manufacturer-Customer relationship and suggested some ways that Celestica has solved the challenges. As was evidenced by the presentation, nobody has as yet achieved perfection. “Supply Chain Synchronization” has yet to reach its peak.

In summary, the titles of the meetings rather said it all - two very large mouthfuls on a massive and complex subject still in a state of flux. This writer came away with the feeling that more was needed. We must commend the participants and the host for their efforts but would like to have seen the sessions broken up into smaller, more manageable topics.

We were disappointed by the fact that not one mention was made of manufacturer’s representatives. Reps are an integral part of the marketing schemes of most any manufacturer of components or sub-systems. The result? We reps have a massive selling job to do. Something is decidedly wrong when such a group as this can talk for four hours and not even acknowledge the existence of reps in their magic circle.

“Distribution is dead! At least, as a demand-fulfillment function.”

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Reps need to see the significance of this omission and do something about it. An excellent start would be to read carefully the *Fortune* magazine insert/advertisement “Outsourcing Field Sales.” You should have received it in the mail recently. Then, purchase reprints and get a copy to every principal you know or ever knew. This insert, sponsored by **MRERF**, really drives the point(s) home about the significance of the manufacturer’s representative function. “A better-than-ever response to the competitive pressures facing today’s top executives.”

For those of you who are not on the ERA mailing list (each member received one copy for his office) but would like to get a copy, please contact our local ERA Chapter office (650)341-3596. A limited supply is available for this purpose.

It is a good time to mention, as well, that this area of discussion will be a central topic during the up-coming ERA Conference in Baltimore. Both manufacturer members and ERA members will be examining split credits, how to handle them, and how they are affecting sales and profitability for both. The *Fortune* insert stressed the importance of the outsourcing concept to the manufacturer. The Conference discussions will dig into one of the inherent challenges both sides face — how to maintain proper compensation distribution so that everybody is happy with the arrangement.

*...read carefully
the Fortune
magazine
insert/adver-
tisement
“Outsourcing
Field Sales”*

1 “Key issues regarding the rep business are presented to help you **grow** your business — and stay in business.”

2 “Having manufacturers in attendance provides **unique insight** into the rep-principal partnership.”

3 “Networking face-to-face with peers, manufacturers and consultants is a **big-time** opportunity for growth.”

4 “The body of **knowledge** presented by conference speakers (reps, manufacturers, academics and consultants) is informative and **worthwhile**.”

5 “ERA puts together conferences that prepare its members for what’s coming, not what’s past.”

6 “Every rep who attends — large or small — is **better prepared** to manage changes in the rep business than those reps who don’t attend.”

7 “The table top suppliers’ exhibits offer hands-on **opportunities** to try out the newest technology and services being used by reps today.”

8 “The breakout sessions contain tons of **‘how to’** information and alone are worth the price of admission.”

9 “The program is designed for reps by reps, which gives you the edge on knowing what reps will need to **succeed** in the future.”

10 “ERA’s conference is the most **valuable** learning tool reps have.”

10 Reasons Why You Should Attend ERA’s 2000 Management & Marketing Conference

Education You Can’t Get Anywhere Else!

The Northern California Chapter of ERA is one of the most active chapters within the national association and it has won numerous awards for its service to the electronics industry. The chapter's success is a direct result of the interest and the effort put forth by its members.

1999 Chapter Officers, Chairpersons & Directors

EXECUTIVE COMMITTEE

OFFICERS

			Area	Telephone	Fax
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Senior Vice President	Al Telford	Marcon Sales Inc.	(408)	263-3660	263-3695
Treasurer	Tracy Rodriguez	Ewing-Foley, Inc.	(408)	342-1200	342-1201
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Sound, A/V, Security	Brian Trankle	Brian Trankle & Assoc.	(650)	595-4004	595-0292
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EXECUTIVE COMMITTEE (The following plus officers noted above)

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President: Services, Inc.	Charles Shaw	Shaw-Tech, Inc.	(408)	866-6628	866-6620

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Ambassador	Tom Mollard	Life Member	(650)	968-1581	
Ambassador	F.W. Moulthrop	Life Member	(925)	284-7509	284-1315
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Newsletter Editor	Bob Parsons	BRM Sales	(408)	246-4582	246-4413
Showcase	Gary Zabel	James S. Heaton Co., Inc.	(650)	367-9000	367-7158
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NATIONAL OFFICERS

National President	Clark Moulthrop	Moulthrop Sales, Inc.	(510)	461-7100	461-7120
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CHAPTER STAFF

Executive Director	Hugo Shane		(650)	341-3596	345-3952
Executive Secretary	Marie Lape		(650)	341-3596	345-3952