



# NCALERA NEWS

## NOVEMBER-DECEMBER

2001

What a truly great meeting, November 6<sup>th</sup>! Absolutely nobody had anything negative to say about the meeting. Nobody! We don't want you to think that the Chapter members who attend are usually gripers, but there are a few who are pretty picky about what goes on. (This is not all that bad. We like to think that it keeps the program chairman on his toes.)

Further, with fifty (count 'em) members and guests present, it was one of our larger meetings. And this writer was delighted to see that of all the folks who signed up to attend, only one failed to do so. And, several extras arrived without having made a meal selection. We let them eat cake. No – only kidding. We had food for all.

After the attitude adjustment period the dinner commenced and things fell into place. The meal selections were excellent and we managed to please Tom Birks by having the sundae for desert.

After the meal, Chris Jumper opened the meeting with a few announcements and then called upon Hugh Shyba to start the festivities. A Lebell-Logan



Award was given out, the first since 1998. As shown at right, Kevin Frost was the honored guest and he was genuinely pleased to be so chosen. Kevin is on the right.

IN THIS ISSUE	
MEETING REVIEW	1
ELECTRONIC CHARITY EVENT	2
MEDICAL SAVINGS ACCOUNTS	3
PRESIDENT'S COLUMN	4
NEWS & VIEWS	6
CHAPTER OFFICERS	10

Here is some added data for those who are not familiar with the origin and history of the Lebell/Logan Award.

The original Frank Lebell award was created in 1982 to recognize particular chapter members who have contributed the most toward the advancement of the

principles of the independent manufacturers representatives. This award is our chapter's most prestigious honor. Frank Lebell was the epitome of the manufacturers representative; in fact he helped to name our national organization.

In 1988 the name of Jack Logan was added to the award. Jack was a protégé of Frank Lebell. Both devoted an enormous amount of time and energy to the needs of our organization. When others said no I don't have the time...these members said yes, I can help. 1998 was the last time the award was given.

Past award winners include Ray Del Bucchia, Dick Foley, Lou Gado, Bill Kottmeier, Jean Lape, Jack Logan, Bill Mackin, Tom Mollard, Bud Multhrop, Steve Ross, Hugo Shane, Charlie Shaw, Hugh Shyba, Bob Tokarski, and Brian Trankle.

Many of you readers have served on committees and actively helped your chapter. Consider doing this year after year for no pay and a just pat on the back at the end of the year. The names I mentioned as past winners have "been there/done that". They have taken it one step further and made an impact on our chapter. This years recipient is known

Craig Smith reminds us, the **ELECTRONIC INDUSTRY CHARITY EVENT** is right around the corner! This may be your last chance to browse around the Villa Montalvo fully decked out in the Christmas Spirit. (The Villa, not you.) Your spouse (and/or significant other) will love you. The committee will love you. But best of all, the Children at the two hospitals will remember you for

for "telling it like it is." He does have opinions. He is also kind, helps others and listens well. He is one of our tallest members and will invade your personal space when engaging him in conversation. Get used to it as he is one of the younger active ERA members and has a lot to say.

Here is a run down on Kevin Frost's ERA Service:

- 1992 VP Components and Materials
- 1993 Treasurer
- 1994 Treasurer
- 1995 Vice President
- 1996 President
- 1997 President
- 1998 Wescon Director,  
Chairman of the Board N. Cal ERA
- 1999 Wescon Director,  
Member of the Board N. Cal ERA,  
CPMR Certification
- 2000 Wescon Committee,  
Member of the Board N. Cal ERA
- 2001 Wescon Chairman  
Recipient of the Don Larson Award,  
Chairman of the Board N. Cal ERA,  
2001 Lebell/Logan Recipient

*Editor's Note: Hugh Shyba, a Lebell-Logan recipient himself, wrote Most of the information presented in this article. Hugh is the other half of the picture on page 1 (the one on the left).*



life. It is not too late to pick up the phone and arrange for your tickets to be waiting for you at the door (408-248-0700). You'll see many of your old rep buddies, not to forget your distributor friends, and scoff some goooood food. Be there!

**NCALERA NEWS**

Is published bi-monthly by the Northern California Chapter of the Electronics Representatives Association.

Edited by R.W. (Bob) Parsons

Note: You may discontinue receipt of this letter by sending an e-mail request to [info@ncalera.org](mailto:info@ncalera.org)

This letter is published in .pdf format, which gives you a full color presentation when viewed on Acrobat Reader, free on [www.adobe.com](http://www.adobe.com).

**MEETINGS & SPECIAL EVENTS**

December 5 – All Industry Charity Event. Annual Holiday get-together

January 1 – Start *Fantastic* 2002!

February 5 – Regular Meeting; Michaels at Shoreline

April 2 – Regular Meeting; Michaels at Shoreline

June 4 – Regular Meeting; Michaels at Shoreline

**MEDICAL SAVINGS ACCOUTS (MSA)  
Now available in California!**

By Pat Brown, ABP (Associated Benefit Planners)  
ERA National Insurance Consultant  
Pictured at the recent ERA National Conference.



“ERA/RepCare announces the availability of both small group and individual MSA Plans in California. If you have the opportunity, be sure to investigate MSA Plans as a means of lowering your costs of medical/health insurance. The Feds approved MSA’s in 1996 and not much has been available, up to this moment, particularly in California. ERA/RepCare has found a quality California PPO carrier who offers MSA Plans with competitive rates.

MSA Plans are drawn up in 2-parts:

Part 1 is a high deductible medical insurance policy with deductibles starting at \$1600/person/year, single plan and \$3200/family /year, family plan.

Once the deductible has been met, the policy pays 80%, 90% or even 100% of eligible charges.

*Editor’s Note: Part 1 can be purchased separately for those who are just looking to purchase a “Major Medical-type” coverage, i.e. one with a high deductible.*

Part 2 is an IRS approved "side-fund" to pre-pay the exposure to the deductibles. These "side-funds" are tax deductible for the business. These "side funds" are allowed to carry-over from year to year. No "use it or lose it" provisions. They become taxable income to the employee only if they spend the money in the account for non-medical things like golf clubs or new cars. These accounts can accumulate for years, up to age 65, as non-taxable accounts, just like IRAs.

Example: "My premium for medical insurance was about \$370/month in 1996. I bought an MSA plan in 1997 and my premium now is \$515/quarter and I have accumulated over \$7000 in my tax-free MSA account. I am virtually 100% insured and I have set up a tax-advantaged account for my retirement, which will complement my IRA. After age 65, my MSA can be used for a wide variety of expenses, including payment of a Medicare Supplement policy to fill in the gaps of Medicare. At any age, my MSA funds can be used for dental care, eyeglasses and other things not covered by my \$2250/year deductible. I am age 59.

For more information, contact Pat Brown

Tele: 800-854-4636 or e-mail at abppbrown@aol.com.

For quotes, contact RepCare.com and fill out the RFQ forms."

*We talked with Pat and determined that the amount of money that can be put into the "side funds" is limited to 65% of the deductible if single, 75% of the deductible if on a family plan.*

## **PRESIDENT'S COLUMN**

**By Chris Jumper**

What a privilege and an honor it has been to serve as President these past two years. I have become more educated about the Chapter's activities on both the local and national levels. I also have seen the best and worst years of my career in back-to-back years.

Being involved at this level certainly has had many advantages, with very few disadvantages. The best is that you get to rub shoulders with the best in the business and learn from them. All in all, this experience has made me a better rep, my company a better rep firm. But most importantly, this experience has made for a better Northern California



Chapter of ERA. I certainly feel that the officers, Chairmen and committee members we have had the past couple of years made a

big difference. I especially commend Bob Parsons, Hugo Shane, Steve Ross, Kevin Frost, Hugh Shyba, Dick Foley, Craig Smith, Jack Heidmiller, Ron Jenkins and Bill Walsh for their exceptional contributions and passion for our Chapter. And I must not forget Marie Lape, who gave me the best 30-minute conversation while she was

preparing to relieve her post. I got dirt on everybody! Just kidding, Marie.

What more can be said about this past year? Well, there was tragedy of unparalleled proportions and the worst economic downturn in ten years. The only thing worth saying at this point is that the year is almost over and next year holds the promise of a return to normalcy. When times like the last eleven months occur, we reflect on the events that touched us personally --both good and bad -- and try to hold on to the good as much as we can. This is the time of year when friends and family reflect on memories that lift their spirits and thoughts that help find a better perspective.

One thing I have been reflecting on lately is the importance of and the strength of our local chapter of ERA. It is very comforting to know that I have a network of colleagues I can meet for coffee and share ideas -- have a fellow rep in the business give you a heads-up on certain gossip in the rumor mill -- or meeting with friends in the business over drinks before our chapter meetings. And, I can seek the advice of wily veterans who have "seen it all" and not be disappointed at what I hear in return.

Here are some other items worth reflecting on from the past two years:

The passing of Al Telford, our president elect, in December 1999.

Our Chapter's winning of the Chapter of the year for the year 1999 for our educational programs. Jack Heidmiller and I accepted the award for our chapter at the National Rep Conference in Baltimore and it is

hanging on the 1999 Chapter President Bill Walsh's wall.

Northern and Southern California's disengagement from ECI/WESCON in 2001. The money that our chapter received from the sale was put safely away in an educational trust to help fund our chapter's educational activities, as well as strengthen our financial future. Dick Foley and Hugh Shyba, our ECI chairmen headed this.

Northern California hosted the National Rep Conference in beautiful Monterey in 2001. As host chapter, a lot of people contributed to the success of the Conference. See for yourself on our website, <http://www.ncalera.org/activities.htm>.

The passing of Ray Del Bucchia in 2001. The Chapter's ERA Golf Tournament was named in his honor and hosted dutifully by Ron Jenkins and Don Onken.

The retiring of Hugo Shane and Steve Ross in 2001 (or should we say semi-retirement?).

Kevin Frost winning the Lebell-Logan Award for his lifetime achievement in our Chapter, presented wonderfully by Hugh Shyba on Past President's night in November 2001.

Marie Lape retired (after nineteen years of faithful service as Chapter Secretary) to a life of relative ease, only working long enough each month to assist husband Jean in his rep company.

The Chapter Office Manager job turned over to Bob Parsons, our Newsletter Chairman, and recent

retiree, recipient of the ERA Lifetime Membership Award.

The Chapter launched its first Rep Owner's Council in 2001. It was a packed room hosted by Bob Parsons and myself. This program will be continuing in 2002 with our Education Chairman, Michael Onkin, at the helm.

And speaking of 2002, please welcome and support our new president, Brian Everhart.

Some final thoughts . . .

Even though the events of 2001 are unforgettable, it is these events that shape us into who we are. We can only hope to balance them with our strength and resolve to become aware of what is truly important.

For myself, it is the moment I come home at night to my family. That is when I put everything into focus. However the highs and lows effect my day or life, nothing is more important to me then that moment. And it is my hope that I receive that type of a moment, however evolving, everyday of my life, and in yours . . .

Happy Holidays and keep smiling.

## **NEWS & VIEWS**

**BY Bob Parsons**

We have been talking with several reps about what they are doing (or considering doing) about the downturn in business. We have heard all the expected responses – working harder; cutting back on bonuses; letting people go who are less-than-efficient; several have changed their office locations, most frequently due to massive rent increases by their landlords and/or recognition that they had too much space; and not a few have moved their operations into their homes.



One owner/manager indicated that he was spending more time working *on* the business and less time *in* the business. His solution? Delegate where possible. This gets keymen into the loop and sets up an owner's eventual retirement.

Many have found the daily dealing with principals a challenge, so much so that operating pressures have risen to a level not normally thought possible. Graying hair is becoming the order of the day. But some are prospering. Having the right product lines certainly helps.

A few have recognized and are exploring the opportunity to kill two birds with one stone. Manufacturers do it all the time. Many of the larger distributors have done it. They ask themselves, "Why can't reps recognize the opportunity to merge with other reps and gain the benefits of the increased efficiency brought about by the economies of scale?" Good question -- tough to answer -- tougher to execute.

Let's take this opportunity to review some of the basics of this kind of activity for our readers. Let's look at some of the obvious considerations:

First, why merge? Are both rep firms in trouble? Examine the management processes of both before taking the action. If yours is a strong team, seeing an opportunity to add good lines and people, it may make a lot of sense. If you are suddenly facing all kinds of problems, will you look attractive to the other? And if the other rep offers the kind of strong management you desire, how willing are you to give up control? (Remember, a minority stockholder in a close corporation is notoriously lacking power.)

What are the legal ramifications? In what form of business do you operate -- corporation, partnership or sole proprietor? Do you have employment contracts with all your employees and/or can you easily eliminate those who are not performing up to snuff without penalty? How would a merger affect any retirement plans already in place? Talk with an attorney and you'll be able to get a whole *list* of questions to consider.

Next, what about the principals involved? Obviously where conflicts of interest occur, this can be a real stopper. It may be as simple as resigning the lesser of the two lines. Under certain circumstances, however, the rep giving up the line may be hesitant about losing several years of work. Further, the principal who is losing the rep may have invested a lot of time and effort in that rep and may feel justified in taking his former rep to court! Certainly he can be expected to create challenges where direct competitors are involved. If the resigning rep values his reputation in that industry, it makes sense to make the transfer as painless as practical.

Consider, as well, that some principals may not really want to deal with a larger rep. Many times, lines are maintained over the years because of the close personal relationships maintained between one or two key people at the rep and at the principal.

What about personnel changes? Sometimes key people do not want to change at your convenience. They might even be inclined toward going into business for themselves, starting with one of your lines. (The principal may welcome the change.) We remember a senior member of our fraternity commenting at a meeting about the number of his alumni who were present. He could laugh at the time, but one could readily see that this was not a pleasant memory.

Last but not least, consider the timing of the event. Does it make sense to engage in such major considerations if you can see where things will start looking up? Why muddy the water when every indication is that the

proverbial “light at the end of the tunnel” is shining brightly? How would your *new* company react to further internally-generated growth?

We started this discussion with the question, why can't reps merge? Well, they certainly can, but it is usually not as clean a deal as it is with manufacturers. And the economies of scale are not as clear as that enjoyed by distributors, who often see this factor working in their favor almost immediately.

If you are one of those considering a change such as discussed herein, by all

means continue to do so. Don't let others' precautionary (negative?) views unduly influence yours. As we recall, nobody jumped for joy when we started our rep company the first time. That's what makes reps so special. It takes a special person to bring off a merger, so have at it.

*We would like to hear from you if you have added input for us that we can share with our readers. We will protect your anonymity where needed. 408-243-3372 or [info@ncalera.org](mailto:info@ncalera.org) will get us.*

Past President's night is always a pleasure. Not too many missed this year's meeting. One of the more inspiring members of this group is Bob Tokarski (President, 1971). Here is a guy who always radiates good cheer. He talks to everyone and he is really interested in what they are saying. His curiosity is immense as he probes into subjects of conversation. His smile is infectious.

What is unusual about Bob is that he is rapidly loosing his sight. Not much can be done about it since his problems are not optical in nature. He suffers from macular degeneration, a condition of the macula, the central part of the retina that reduces his central field of vision on a daily basis.



The loss starts in the center and spreads outward to the extent that eventually there is only peripheral vision. No one ever goes completely blind but they can rarely read normally or drive a car.

Bob, pictured with his usual smile, lives a very active life. He runs daily along a public street for exercise and only recently started carrying a white cane. (He decided he should do something about all those screeching tires he could hear along the route as people avoided him.) And, he is the manager of the condominium project in which he lives. This is a several-million-dollar program!

Needless to say, he has help. His computer is specially rigged for large-**everything**. He uses sound books and the right kind of people stop in regularly for training and therapy sessions.

As we commented, not many missed this meeting. We had the highest attendance we have experienced for quite some time. Further (a more-or-less personal thing) everybody signed the sign-up sheet!

Here are a few more pictures of the meeting. Enjoy!



Here's Kevin Frost making his WESCON report. How else could we be assured that he would make it?



And, (left to right, above) here's Eric Robinson, Tokarski again, Jay Stone, Charlie Shaw, Tom Mollard and Hugo Shane.

And the night wouldn't be complete without Marie Lape, Dave Johnston, Jerry Jumper and Tom Birks (holding court, tom?). (Picture on right, below.)



This is the other end of the picture above on the left. Sorry about that, Tom. Is this better?



This is a busy newsletter, this month. We had a lot of things to say and we look forward to continuing to keep you informed about the Chapter, what's going on and what we are planning. We welcome input from all our readers. Write us, pro or con. We like the attention.

*The Northern California Chapter of ERA is one of the more active chapters within the national association. We have received numerous national awards to prove it. Our success is a direct result of the interest and effort put forth by its members and the officers listed below, all volunteers. This is the new slate of officers for 2002.*

**CHAPTER OFFICERS, CHAIRPERSONS & DIRECTORS**

<b>OFFICERS</b>	<b>NAME</b>	<b>COMPANY</b>	<b>A/C</b>	<b>PHONE</b>	<b>FAX</b>
Chairman of Board	Chris Jumper	JEM Electronics	925	417-1033	417-1458
President	Brian Everhart	Everhart, Inc.	408	865-0344	865-0343
Senior V.P.	Tom Birks	Left Coast Ventures	408	378-5620	378-8347
Treasurer	Bill Hedgpeh	Z-Tech Sales	408	257-5371	257-5651
Mmbrshp V.P.	Chris Straube	Straube Assoc.	650	969-6060	964-6526
Secretary	Eric Robinson	E.S. West	408	565-9050	565-9055
Past President	Bill Walsh	Westech Associates, Inc.	650	961-1422	968-9898
Past President	Lon Hudson	Ross Mktg.	408	988-8111	492-0197
National Director	Mark Conley	O'Donnell Assoc. No.	408	956-2950	943-8243
Alternate Nat'l Del.	Lon Hudson	Ross Mktg.	408	988-8111	968-9898

**DIVISION V.P.'S**

Communications	Hugh Shyba	Shur Sales	408	399-7487	399-4767
Components	John Latimer	Luscombe Eng.	408	370-2020	374-8663
Computer Prods.	Eric Robinson	E.S. West	408	963-1008	565-9055
Instrumentation	Brian Levien	Sentech Measurements	530	792-0175	792-0515
Materials	Doug Evans	Paxcell Group	775-	831-1333	831-1367
RF/Microwave	Charlie Dickinson	C/G Associates	510	790-1193	790-1383
SAVE	Phil Kipnis	Pacific Coast Visions.com	408	988-1444	988-1707

**COMMITTEE CHAIRS**

Ambassador	Hugo Shane	Executive Director	408	243-3372	246-4413
Ambassador	Tom Mollard	Life Member	650	968-1581	
Archivist	Jean Lape	J.E. Lape Co.	650	345-3021	345-3952
Directory	Steve Ross	Ross Marketing	408	988-8111	968-9898
Education	Michael Onken	Bridge Marketing	650	827-3600	827-3609
Golf Tourney	Ron Jenkins	Westech Assoc.	408	961-1422	968-9898
Internet	Edward Blake	Edward Blake Assoc., Inc.	408	934-3955	956-9732
Scholarship	Brian Trankle	Jack Logan Memorial Fund	650	343-2416	
Distributor Coord.	Shirley Burres	Recht Associates	650	964-6321	964-8165
Nominating	Chris Jumper	JEM Electronics	925	417-1033	417-1458
Newsletter	Bob Parsons	Chapter Office Manager	408	243-3372	246-4413

**SERVICES, INC.**

President	Bill Walsh	Westech Assoc.	650	961-1422	968-9898
-----------	------------	----------------	-----	----------	----------

**CHAPTER STAFF**

Executive Director	Hugo Shane		408	243-3372	246-4413
Chptr Office Mgr.	Bob Parsons		408	243-3372	246-4413