



# NCALERA NEWS

MAY-JUNE

2006

**T**his is an official heads up on some changes to be taking place in the Northern California Chapter of ERA. As Phil Kipnis remarked in his President's Column, last issue, Bob Parsons is retiring!

What will this mean to the Chapter? Well, for one thing, it appears that ExComm has decided to change the arrangements a bit. They have rented a small office; address below. That's on the west side of the San Jose airport, right across from Costco, for you locals.

*Note this address for your records:  
Corrected June 30*

ERA, Northern California Chapter  
Airport Office Park  
1400 Coleman Ave., Suite H12R,  
Santa Clara, CA 95050  
408-243-3372

The official move-in date is June 30<sup>th</sup>. Phones will have been transferred, to be answered by the Office switchboard. The phone number will remain the same. The ERA computer will be installed and a part-time bookkeeper has been engaged. As you can imagine, there are still a few strings to be tied down while this arrangement is solidified.

Yet to be established is a routine for handling the chapter e-mail flow, both in and out. The e-mail address will still be [info@ncalera.org](mailto:info@ncalera.org) until changed. U.S. Mail will go to the above address and Bob will keep the P.O. Box. He'll be around long enough to help this process – and – keep you posted.

It took Marie 19 years and a massive increase in the Lape's office rent to accept a closing point. It has taken Bob only six years and he tells us "home" will never be the same.

This will not be a door-slamming kind of change, nor is he going to move out of town to be closer to kids (or get away from Northern California traffic). In fact, come the end of August (the end of his official "termination" period) he will continue to write/publish this newsletter until the end of the year. So he will still appear at meetings and the like for a while longer.

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**THE INNOVATION PROCESS**

By Dr. Dariush Rafinejad

We were privileged to hear from Dr. Rafinejad at the June meeting. He is the Owner/founder of Blue Dome Consulting and a member of the teaching staff at Stanford. He was thorough, covering many details; and was witty and clever in his control of his audience. He held 27 members enthralled for well over an hour, discussing The Innovation Process.



It is important to recognize his perspective. Innovation to him reflects his background as a Corporate Vice President of both Lam Research and Applied Materials, here in the valley. He was speaking about corporate innovation and he gave some excellent examples. Here he is at work.

☀ He used a less group-orientated example as a kick-off point. Innovative people demonstrate and develop their interactive voice through one or more of three processes.

- Through lone genius
- By standing on the shoulders of giants
- Or by enlightened trial and error.

Corporations follow the same concepts, the processes referred to above being applied by group leaders, sometimes corporate officers, often people occupying key roles in the manufacturing process.

He cited the example of the Japanese following WWII. It wasn't long before their personal efforts around quality control, efficient design and low-cost manufacturing processes attracted the attention of the U.S. manufacturers. For those too young to remember, the

Japanese were great imitators before the war. They copied everything, usually in a very inexpensive manner. Some of their products were not well accepted in the U.S. because they were, quite literally, poorly made.

The U.S. folks didn't speak their language and were not familiar with their peace-time culture so after trying several approaches, they arrived at the conclusion that their most cost-effective method would be to supply the ideas and the money

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and form a joint-venture partnership with the Japanese companies, passing and ever-increasing part of the end-task over to them. This allowed the U.S. people to retain control and still utilize the Japanese low-cost labor and their innovative quality control techniques.

The profits were split evenly. After a few years of ever-closer contact with them, however, passing on more and more of the product manufacturing process, the Japanese decided that a 50% share was too much. They indicated that they would cease being partners and would now design, manufacture and sell the product for the U.S. companies and pay them a smaller percentage, while assuming a greater risk.

Yes, the Japanese stood heavily on the shoulders of giants and made excellent use of the Kaizen technique of enlightened trial and error. This “knowing/doing” interactivity gave them a tacit knowledge of product and process development.

They gained intimate knowledge of related technologies and how they integrated with the overall picture. They absorbed more and more knowledge which led to new product development of their own. The relationship with the end customer’s needs grew, leading the Japanese through a continuous product improvement process which gave them a great advantage over their soon-to-be junior partners.

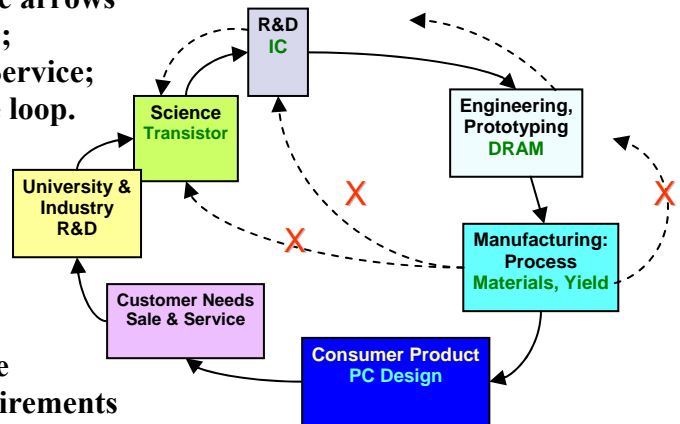
☀ Our speaker was part of such a front-line decision making group. He remembered visiting Japan during those early days, sitting in meetings where nothing but Japanese was spoken for hours. In the end, questions as to “what happened?” elicited a response something like, “They didn’t like your progress.” It probably wasn’t clear to the Americans what was happening until the Japanese dropped the elimination-of-the-joint-venture package into the system. It was then the Americans saw their investments of the past producing a much lower return.

To the knowing/doing interaction mentioned above, they added a direct marketing interaction. The regular on-going needs analysis effectively enhanced their customer service, giving an ever more intimate knowledge of customer behavior. One of my table-mates remarked, “Now China is doing the same thing.”

**They absorbed more and more knowledge which led to new product development of their own.**

☀ Our speaker made a very interesting presentation on the step-by-step cycle that makes up the evolution of a product’s development. He illustrated the importance of regular feedback during this products journey from the designer’s table to the customer’s receiving dock.

Just start at the Science location and follow the arrows to R&D; Engineering Prototype; Mfg. Process; Consumer Prods; Customer needs/Sales and Service; to University/Industry R&D and you’ll see the loop. It is vital that you see that manufacturing will give feedback to the Prototype designers, and the R&D group, as well as the pure science people. This influences the entire circle of activities.



Dr. Rafinejad went on, digging heavily into the changes that outsourcing, environmental requirements and the introduction of developing countries are influencing the industry. Who can ignore RoHS, WEEE, EuP, ISO-14001 – the list goes on and on and continues to grow. We watch as China, India and now Brazil are developing far faster than the U.S. Of course, they have a lot further to go since their point of reference was and still is far below that of the U.S.

He next explored the concept of Environmental Sustainability as an Opportunity for Competitive Advantage. Looking back at the illustration of the circle of development, above, we see his next point developing – that there is measurable efficiency added when the entire circle of activity is done locally.

“Local” in this case, is wherever the dominant end market is located. And, if the market is split, the process is often split, with different variation in design and manufacture for different locales.

A good example was introduced, the Hybrid Car technology of Toyota. The Prius is not only made here in the U.S., the largest single market, but it is *designed* here. It was pointed out that Toyota worked on this technology for years before it was even introduced, spending billions in the process. (Not an unreasonable

amount when one looks at the overall sales and profits of Toyota over the same period.)

- Those of us who tend to be early adopters are wild about the thought of buying such a car for our personal use but are discouraged by the long “lines” of buyers ahead of us. We purchased our first Volkswagen “bug” back in the early 60’s – and loved it, but only after we could walk into a dealership and indicate “I’ll take that one” - *and, get it on the spot.* Toyota will get there, if we live long enough. ☺

The Q&A period lasted several minutes, taking the meeting time to almost 9:00 PM. We enjoyed this presentation very much and while it did not directly address any specific rep points, we cannot but believe that everyone present went away with a better understanding of how our industry works and how these factors affect what we do from day to day. Put another way – *thank you Dr. Rafinejad!*



Here’s a sample of some of the activities that go on during a meeting. John Latimer and Dr. Rafinejad setting up (top-left); and later on a little applause from the audience (top-right). Al and Estelle Kadis deep in a discussion with another member. We have even included a group shot of the ExComm, meeting prior to the meeting. That’s Dennis McGillis of Southern California with the tie. We’ll talk more about Dennis later .



**NEWS & VIEWS**

**By Bob Parsons**

**Right now, I am spending practically all the time available getting through this turnover “thing.” It is a big deal because of its finality. Offices have a way of taking on a rather disrupted appearance. Things that should be done every day get put off and before one knows it, the place is a shambles. But things have to be in order as they are turned over to new proprietors.**



**I recall that when I took over this task, Marie sent along a bunch of general “stuff” to help decorate my new office. ☺ There were four filled file cabinets, two 4-drawer and two 2-drawer; a postage meter; letter folder; and 5 or 6 boxes of loose files.**

**A few weeks later Jean Lape brought down another pick-up truck full of boxes, folders, ledgers and corporate seals, among other things -- not to forget a couple of office chairs. As he left, I could see him washing his hands of it all!**

**As this is being written, there may not be enough “there” there. As noted in our opening, the chapter has rented a small office where temporary help (intermingled with a bunch of volunteers) can keep the show on the road.**

**This was one reason for Dennis McGillis’ being there for both the ExComm and regular meetings. Dennis is the Southern California Chapter’s Executive Director and Show Manager for their annual trade show held in September in Orange County. He also works out of his home office and his wife Frances is his full-time secretary/receptionist.**

**He is bidding to ExComm to allow him to take over the office functions here, operating out of his current Southern California office. We know of many reps that have remote operations that depend upon home office support, so obviously the technology is not a problem.**

**As I review my own activities over the past six years, and particularly the current period where there are fewer learning curves to master while running the operation, I could just as well have been at Tahoe, or some equally pleasant location. Granted, there may well have been panic trips to the Bay Area for emergency meetings and such. However . . .**

**All things considered, we trust the ExComm will make a well-reasoned decision.**

**PRESIDENT’S COLUMN**

By Phil Kipnis

Well, the year is half over and we’ve still lots to do. This year, with Bob’s retirement, the executive committee is looking at ways to streamline the chapter and provide more events and activities to the members.



I wish to repeat my challenge to our owners that we need to make a concerted effort to bring new “blood” into the chapter. The best and easiest way is to involve our junior staff in our events and bring them to the meetings.

I would also suggest that we should work on designing some programs that would be relevant to them. The executive committee will be exploring these ideas at our next ex-com meeting later in June for presentation for the chapter’s approval.

We expect to have the new office up and running at month’s end as we transfer the mechanicals from Bob to our new office. And finally all of us need to be at the August meeting to toast Bob and thank him for his many years of service to the chapter.

**EDITOR’S NOTES:** Watch for changes in the calendar during the rest of 2006.

There will be no Golf Tourney this year. The combination of poor attendance by our group and enhanced attendance by the group we shared the course with, gave us poor options to select from. Ron Jenkins’ inevitable retirement came at an opportune time.

Meetings are up for grabs. There will be a meeting August 1<sup>st</sup>. Reservations have been made and confirmed with Michael’s at Shoreline. We must ask that you watch your e-mail for other changes. We have to coordinate with the leadership of the All Industry Charity event, already scheduled for December 7<sup>th</sup>, a Thursday. The October and December meetings may have to be rescheduled.

***CHAPTER OFFICERS, CHAIRPERSONS & DIRECTORS\****

<b><i>OFFICERS</i></b>	<b><i>NAME</i></b>	<b><i>COMPANY</i></b>	<b><i>A/C</i></b>	<b><i>PHONE</i></b>	<b><i>FAX</i></b>
*Chairman of the Board	Michael Onken	Bridge Marketing	650	827-3600	927-3609
*President	Phil Kipnis	Pacific Coast Visions.com	408	988-1444	988-1707
Senior Vice President	Brad Bowman	Electro-Sales Associates	408	294-6299	549-9979
Secretary	(open)				
Treasurer	Mark Holcomb	O'Donnell Assoc., North	408	456-2950	943-8243
Membership V.P.	Ted Tilton	Gado Instrument Sales	408	736-8191	739-9826
Support	Chris Straube	Straube Associates	650	969-6060	964-6526
Education V.P.	Larry Loeswick	LS Engineering	408	464-7841	967-5884
Support	Brent Hedgpeth	Z-Tech Sales	408	257-5371	257-5651
SIG-Special Interest V.P.	Chris Straube	Straube Associates	650	969-6060	964-6526
*Past President	John Latimer	Luscombe Engineering	408	955-9516	955-9581
*Past President	Bill Hedgpeth	Z-Tech Sales	408	257-5371	257-5651
National Director	Mark Conley	O'Donnell Assoc., North	408	456-2950	943-8243
Alt. National Dir.	Lon Hudson	Ross Marketing.	408	988-8111	492-0197

***DIVISION LEADERS***

Communications	Hugh Shyba	Shur Sales	408	399-7487	399-4767
Component/Materials	Bill Walsh	Westech Associates	650	961-1422	968-9898
Computer Products	Brent Hedgpeth	Z-Tech Sales	408	257-5371	257-5651
Instrumentation	Ted Tilton	Gado Instrument Sales	408	736-8191	739-9826
RF/Microwave	Chas. Dickenson	C/G Associates	510	790-1193	739-9826
ESI (formerly SAVES)	Chuck Gorley	C&V Rep inc.	408	727-6105	727-1375

***COMMITTEE CHAIRS***

Ambassador	Hugo Shane	Past Exec. Director	650	593-8964	
Ambassador	Tom Mollard	Life Member	650	968-1581	
Golf Tourney Chair	Ron Jenkins	Westech Associates	650	961-1422	968-9898
Internet	Ed Blake	Edward Blake Associates	408	934-3955	956-9732

***INVESTMENT TRUST***

Chair	Bill Hedgpeth	Z-Tech Sales	408	934-3955	257-5651
Trustee	John Latimer	Luscombe Engineering	408	955-9516	955-9581
Trustee	Lon Hudson	Ross Marketing	408	988-8111	492-0197
Trustee	Ron Jenkins	Westech Associates	408	961-1422	968-9898

***CHAPTER STAFF***

Executive Secretary	Bob Parsons		408	243-3372	246-4413
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\* The Board of Directors shall consist of the current and the three (3) most recent former Chapter Presidents.