

# DECEMBER 2008

### Inside this issue

NAHAD 3rd Annual Road Show 1, 3
You Can Always Sell More Even When Negotiating With 'Recession Buyers 1, 14
President's Letter 2
Inside Washington4
FreightWatch New NAHAD Member Program4
2008 NAHAD Manufacturer & Associate Council 5
The Dixon MCT Rolls into the NAHAD Hose Assembly Guidelines Roadshow! 5
Connections 6-10
Financial Trends in Distribution
NAHAD History 1984-2009

### Save These Important NAHAD Dates

December 2– 5. 2008	. <b>University of</b> Industrial Distribution IU/PUI Indianapolis, IN
March 8-11 2009	.University of Industrial Distribution IU/PUI Indianapolis, IN
April 18–22 2009	<b>25th Annual</b> Meeting & Convention JW Marriott Starr Pass Resort Tucson, AZ

A Bimonthly Newsletter of the Association for Hose and Accessories Distribution

# NAHAD Hits the Road Again in November

• Ver 60 NAHAD members attended the Third Annual Hose Assembly Guidelines Road Show in Baltimore on November 10 and 11. With an emphasis on sharing success stories, this meeting focused on the benefits of using the Guidelines to enhance NAHAD members training and marketing initiatives.

### Differentiating Your Company with the NAHAD Hose Assembly Guidelines and Listed Members Program

Steve Gray, General Manager, Manuli Hydraulics (Americas) Inc. and NAHAD Standards Manager, Debbie Mitchell, gave an overview of the Program to date, including delivering value through Training and Marketing, driving recognition in the marketplace and new tools.

### Your Virtual Road Show

If you were unable to attend the Road Show, a Power Point Presentation of the key aspects of the program is available on the NAHAD web site at *www.nahad.org*. This will give all members an opportunity to learn more and to see what's in store for the future. *Continued on page 3* 



# You Can Always Sell More...Even When Negotiating With 'Recession Buyers

### by Jim Pancero

How is the current downturn in the economy affecting you and

your markets? The majority of sales people are experiencing some degree of reduced sales right now. But even if your business is strong, this current economic



slowdown will still have an impact on your selling efforts.

### Which Phase Of This Economic Slowdown Are You Currently Experiencing?

Recessions (or the more politically correct term..."Economic slowdowns") tend to go through three distinct phases. Each phase is defined by your awareness levels as a salesperson compared to your buyers.

The first phase is called the "Silent Recession." Salespeople tend to be the first to notice when their customers start to delay orders or projects, reduce order quantities and become less interested in anything new. But because nobody else (including the press) is talking about any changes in the economy your customers don't realize it's the economy in general slowing down and not just their business.

Economic news tends to only be reported as a "history focused" topic. News outlets only start reporting on the economic slowdown after multiple indicators have provided conclusive data to back up their stories. So even when the economy has slowed down most buyers are still unaware of this change in the overall economy.

### The Second Economic Phase – "The Empowered Buyer Recession"

The second phase of a recession is called the "Empowered Buyer Recession." This phase starts as soon as the media catches up to the

Attendees from TIPCO at the Road Show in Baltimore, Maryland

#### **OFFICERS**

Jack Kacsur President Robert A. Lyons, Jr. First Vice President Alex McGill Second Vice President

Steve Gray Standards Chairman Joe Lark Immediate Past President Joseph M. Thompson, Jr. Executive Vice President

#### DIRECTORS

Ted C. Hoaglin Patrick Lee Timothy J. O'Shaughnessy Donald Fritzinger Scott Jones Tony Powell James J. Reilly Terry Weiner Raja Rajagopalan

#### **PAST PRESIDENTS**

Harry O. Hooper Edward B. Fabacher, Jr. George W. Carver Allan H. Beverly Robert A. Lyons, Sr. Michael P. Summers Richard D. Hall Howard E. Neff James W. Mitchell Michael C. Lentz Curtis W. Sprague G. Alan Talbot Thomas Slater H. Lee Helfer Chuck Connors Joseph J. Mika John Mork Michael C. Armbruster Thomas von Hillebrandt Daniel D. Ahuero Mark E. Forget

#### NAHAD NEWS STAFF

Kristin B. Thompson Editor Nicole Tierney Weber Editorial Assistant

> Claire Purnell Graphic Design

Vincent Moulden Staff Writer

# **PRESIDENT'S LETTER**



#### Dear NAHAD Member,

As NAHAD begins its anniversary year, my wife Polly and I are looking forward to greeting you in Tucson, Arizona for our grand celebration of NAHAD's 25th annual meeting and convention. It is quite a milestone for our association and for our members – a quarter century of representing the hose and fittings industry. With great pride and excitement, we look forward to celebrating the accomplishments of the past 25 years with you at a spectacular setting in Arizona.

During several weeks in the summer of 2006, we considered many destinations and locations for this special meeting. In choosing the JW Marriott Starr Pass Resort in Tucson, we think that we found the perfect venue. Located less than 20 minutes

from the Tucson International Airport (featuring 13 airlines providing nonstop service to 17 cities and connections to more than 121 destinations), the Starr Pass is nestled in the spectacular Tucson Mountain Park. It is the newest Resort to arrive in Southern Arizona in over twenty years.

We have planned a dynamic convention program. Saturday will be the main arrival day, with an opportunity for those arriving mid-day to enjoy some time in the Arizona sunshine before the Opening Welcome Reception at 6:00 pm. Celebrate the past with your fellow NAHAD members under the clear open skies of Tucson, as night falls and the stars appear over the mountains.

Since NAHAD's founding in 1984, the association has grown from 95 charter member companies with locations in North America to over 500 member companies located all around the globe. NAHAD will use the opportunity of the 25th Anniversary Convention to revisit past accomplishments and to begin to chart the future. The success of the Hose Assembly Guidelines program will prove a strong foundation for future growth. Attendees will learn how to leverage the benefits of the Guidelines to provide employee training and incentives, expand their marketing reach to new and emerging customers, and to differentiate their services and capabilities in the competitive environment of 2009.

Polly and I look forward to greeting you in Tucson and to providing an outstanding opportunity for NAHAD members to connect with others, to grow in knowledge and to enjoy the Arizona sun!

Sincerely,

# Jack Kacsur

Jack Kacsur

<image>

### NAHAD Hits the Road Again in November

continued from page 1

#### Thank you to those companies in attendance:

A & M Industrial Supply - Rahway, NJ (David Young and Steve Zone), Abbott Rubber Company, Inc. - Elk Grove Village, IL (Terry Weiner), Advanced Fluid Connectors, Inc. - Emigsville, PA (Richard Bare), Allied Rubber & Supply - Butler, PA (Brian Hill and Paul Lombardo), Apache Hose & Belting Co., Inc - Romeoville, IL (Ben Murray), APG - Houston, TX (Kevin Elvis), Apollo International Corporation - Staten Island, NY (Larry Penque), Auster Rubber Company - Brooklyn, NY (Philip Procker), Briggs Company - New Castle, DE (Lorri Orlando), Buchanan Rubber Ltd. - Toronto, ON (David Merrick), C.V. Harold Rubber Co., L.L.C. - Hahnville, LA (Jim Reilly), Campbell Fittings, Inc. - Boyertown, PA (Tom Paff and Joe McGlynn), Cincinnati Hose & Fittings, Inc. - Cincinnati, OH (Neil Smith), Dixon Valve And Coupling Company - Chestertown, MD (Scott Jones), Ever-Tite Coupling Products - Knoxville, TN (Terry Fry), Fairmont Rubber Products - Fairmont, WV (Todd Clyde and Bob Wotring), Flex Enterprises, Inc. - Victor, NY (Brett Murphy), Flowline Components, Inc. - Baltimore, MD (Monica Koski and Glen Wills), Gates Corporation - Denver, CO (Lane Oltmanns), Goodyear Engineered Products - Fairlawn, OH (Keith Collett and Sam Petillo), Hi-Tech Duravent - Georgetown, MA (Dickson Dunlap and Steve Bonnell), Hose Master, Inc. - Cleveland, OH (Sammy Foti), Hose Sales Direct - Toledo, OH (Ken Gembolis), Lonsdale & Holtzman Sales, Inc. - Baltimore, MD (Dave Miller), Manuli Hydraulics (Americas) Inc. - Warrendale, PA (Steve Gray), Mario Manufacturing, Inc. - Houma, LA (Susan Bergeron and Jorge Corzo), Motion Industries - Woodridge, IL (Diane Barry), Motion Industries - Baltimore, MD (William Otto), Munro Supply Inc. -Grand Junction, CO (Ken Bingham), Omni Services, Inc. -Worcester, MA (Chuck Connors, Lauren Witter and Eric Wierenga), PT Coupling Company - Enid, OK (Richard Kirtley, Amy Parrish and Matt Parrish), RGA - North Little Rock, AR (Robyn Henderson), RW Connection, Inc. - Allentown, PA (Gene



NAHAD Manufacturer Members, **Tom Paff** and **Joe McGlynn** of Campbell Fittings and **Keith Collett** and **Sam Petillo** of Goodyear Engineered Products, Veyance Technologies attended the Road Show and the Manufacturers and Associate Council.



Sharing success stories at the Road Show in round table format directed by NAHAD Standards Manager, **Debbie Mitchell**.

Romanowski), RW Connection, Inc. - Landisville, PA (Don Fritzinger, Scott Priestner, Tony Wilson and Paul Zaiac), TIPCO Technologies, Inc. - Baltimore, MD (Steve King), TIPCO Technologies, Inc. - Owings Mills, MD (John Baker, Tim Bombick, Mike Daddario, Brad Hook, Steve Kush, Rob Lyons, Terry Lyons, Kelly McCann, Nick Taylor), U.S. Hose Corp - Denville, NJ (Kevin Manning), US Hose Company - Dayton, OH (Brandon Hughes) and Valley Industrial Rubber Products Co. Inc - Bethlehem, PA (Karen Helm).





Dixon drove their mobile trailer to the Road Show in Baltimore. **Scott Jones** explains some of the features to **Eric Wierenga** of Omni Services, Inc., **Karen Helm** of Valley Industrial Rubber Products Co. Inc., and **Jim Reilly** of C.V. Harold Rubber Co., L.L.C.

# INSIDE WASHINGTON

# NAW, NAHAD and Other Allies Win Ohio Asbestos Product Liability Appeal

James A. Anderson, Jr. - NAW Vice President-Government Relations George Keeley, Esq. - Counsel

he Ohio Supreme Court ruled on October 22nd in DiCenzo y. A. Bost Brochusto. Co 22nd in DiCenzo v. A-Best Products, Co, Inc et al, Slip Opinion No. 2008-5327, that non-manufacturer product sellers (e.g., wholesaler-distributors and retailers) are not subject to strict liability (i.e., liability based on the condition of a manufacturer's product rather than the conduct of the defendant) under Ohio law for products sold before 1977. The 5 to 2 decision reversing a lower court's June 28, 2007 decision represents a major courtroom victory for the National Association of Wholesaler-Distributors (NAW) which, along with eight allied organizations, joined in filing an amicus curiae brief in support of appellants' position in the case.

The high court's decision found that the appeals court erred in finding that strict liability in product seller liability actions, first recognized in Ohio in 1977 in Temple v. Wean United, Inc. may be applied retroactively to 1966 when the Ohio Supreme Court's decision in Lonzrick v. Republic Steel Corp. was issued. In Lonzrick, Ohio's Supreme Court first imposed strict liability on manufacturers.

The DiCenzo case revolved around workplace exposure to asbestos. The Court adopted the position in the amicus brief in which NAW joined, that the retroactive application of strict liability on non-manufacturer product sellers would be inequitable:

"... Temple, which was decided in 1977, marked the first time this court had held that a nonmanufacturing seller of a product could be held liable for injuries caused by a defective product. Thus, nonmanufacturing sellers of asbestos, such as Hamilton, could not have foreseen that these products, distributed from the 1950s to the 1970s, could decades later result in Hamilton's being liable for injuries caused by that product. Imposing such a potential financial burden on these nonmanufacturing suppliers years after the fact for an obligation that was not foreseeable at the time would result in a great inequity."

The Court also observed that retroactive application of strict liability would not advance the cause of safety:

"Products containing asbestos have not been manufactured on sold for approximately 30 years. The time for making these products safer has come and gone. Thus, retroactively applying Temple to nonmanufacturing sellers of asbestos products will not promote the purpose of making those products safer."

The Ohio Supreme Court's action was hailed by NAW Vice President Jim Anderson as a "thorough and critical victory in the most important court of a major industrial state on a product liability issue of enormous consequence for wholesaler-distributors with implications for present and future litigation in jurisdictions far beyond Ohio's borders."

"I suspect we haven't seen the last of these cases. NAW will continue to reach out to our members, and work with like-minded business organizations to resist the efforts of the trial bar to unfairly expand the pool of innocent 'deep-pocket' defendants in their unending search for contingent fees," Anderson said.

Hose Assembly Guidelines Power Point Overview www.nahad.org

# FreightWatch Launch to NAHAD Members

As a new membership benefit NAHAD is pleased to introduce FreightWatch Inc., a new business partnership for NAHAD members. FreightWatch Inc. (FWI) is a company that is celebrating their 20th year in business and that helps manufacturers and distributors increase net earnings by reducing and controlling freight costs.

They are not a third party logistics company—they do not have trucks or warehouses to fill and do not come with a stable of carriers that must be used. Instead, they are the rare commodity in the transportation industry because they are not here to sell you anything. They are here to give you money! Their uniqueness is founded in two key areas: 1) NAHAD members will have full control over all the decisions in the carrier selection process, thereby creating a program tailored to your specific needs, and 2) FreightWatch stays active in your program to keep it on track.

FreighWatch's service begins with an initial analysis of one month's current LTL freight activities for each member. If, after seeing the results of the analysis, a decision is made to go forward with the program, FreightWatch will author a Request for Proposal that is exclusive to NAHAD and its members. FWI will summarize the carriers' responses and present them in a manner that simplifies your carrier selection process. Their system is one-of-a-kind in that you have complete control over all phases of the process. You select the carriers that will participate in your LTL program. Once carriers are selected, FreightWatch will establish Transportation Agreements between the chosen carriers and each member, as well as create the tools to ensure that all locations follow the program.

In the next few months, FreightWatch will be beginning their initial analysis of NAHAD members and we look forward to your becoming better acquainted with FreightWatch Inc., and the services they provide, in the months ahead.

If you have any additional questions about the program, please contact the NAHAD office at 410-263-1014.

# 2008 NAHAD MANUFACTURER & ASSOCIATE COUNCIL

## November 11 - 12, 2008 Westin BWI / Sheraton BWI – Baltimore, MD

**O** ver a dozen years ago, NAHAD began to host periodic council meetings for manufacturer and associate members to gather feedback on existing NAHAD member benefits and programs and to seek guidance on new initiatives. From these series of meetings, new educational programs have been developed, manufacturers and associates have recommended – and later received - full voting rights and representation on the board of directors, and initiated and endorsed the development of guidelines for hose assemblies.

In early November, the Council met in Baltimore, Maryland. After a brief overview by NAHAD's Executive Vice President, Joseph Thompson and introductions of attendees, the Council discussed the following issues: New Manufacturer / Associate Membership Criteria & Annual Fee, Standards Committee / Hose Assembly Guidelines Update (including Training, Marketing and the Listed Members Program), the new NAHAD Web Site / E-Marketing Project Update, 2009 Contact Tables Exhibit Program – Input & Ideas, and a discussion of NAHAD 25th Anniversary Celebrations and the 2009 NAHAD Convention – JW Marriott Starr Pass Resort, Tucson, AZ.

#### Thank you to those in attendance:

Robert P Barker - Penflex, Inc.

Susan Bergeron - Mario Manufacturing, Inc.

Steven Bonnell - Hi-Tech Duravent

Keith Collett - Goodyear Engineered Products

Jorge M Corzo - Mario Manufacturing, Inc.

Dickson Dunlap - Hi-Tech Duravent

Douglas Fortman - *Eaton Corporation, Fluid Power Group* 

Sam Foti, Jr. - Hose Master, Inc.

Jess Haupt - Globe Products Co., Inc.

Scott Jones - Dixon Valve And Coupling Company

Richard T Kirtley - PT Coupling Company

Joseph McGlynn - Campbell Fittings, Inc.

David Merrick - Buchanan Rubber Ltd.

Lane Oltmanns - Gates Corporation

Thomas J Paff - Campbell Fittings, Inc.

Amy Parrish - PT Coupling Company

Matt Parrish - PT Coupling Company

Samuel Petillo - Goodyear Engineered Products

# The Dixon MCT Rolls into the NAHAD Hose Assembly Guidelines Roadshow!

(An Interview with William Kelly) by: Nicole Tierney Weber

A this year's Hose Assembly Guidelines Roadshow, the NAHAD attendees were treated to a special surprise with the arrival of the **Dixon Mobil Connection Trailer.** As the attendees made their way out to the truck, you could sense an increased level of excitement and energy among them when they first saw the MCT. The groups were able to step into the MCT and ask questions of Mr. William Kelly, the driver of this traveling classroom. There was also an educational presentation running on the video screen inside the MCT to give the visitors a complete experience of the benefits of the Dixon MCT. After the attendees made their way back inside for the remainder of the Roadshow, I was able to make my way onto the MCT to take my own tour and ask Mr. Kelly a few questions regarding the history and reasoning behind the creation of this amazing vehicle.

Mr. William Kelly, a former Blue Knight, has been with Dixon for over



The Right Connection™

four years and is one of the drivers for the **Dixon Mobile Connection Trailer**. As I soon learned, this training vehicle was first envisioned by Mr. RL Goodall of Dixon as a way to provide sales training to Dixon employees until he realized, after a visit to a customer for a safety audit,

that it could not only be used as a safety and training tool but also as a sales vehicle as well. The MCT itself was built by Featherlight and is equipped with all of the bells and whistles. Its engine runs on a 4 cylinder turbo charged diesel generator and it also has central air and heat. Dixon has now begun to bring the MCT directly to end users and inside sales people for safety training. I realized during my tour of the MCT, the entire back end of the trailer goes down to create an onsite classroom with space to set up chairs and do safety training "on the spot".

As I have come to learn, two of the main problems with fittings are that they become worn and broken. This new vehicle allows Dixon to not only showcase their fittings but to teach their employees and the end users of their products about the correct applications. The Dixon company prides itself on safety and will bring the Dixon MCT to your location and conduct an onsite safety survey. The survey is comprised of a tour through the facility during which photos are taken and a report and power point presentation is made available to the client strictly confidential and free of charge. The interior of the MCT can also be customized based upon the destination and tailored to the needs of the audience.

When asked about the benefits if the MCT, Mr. Kelly told me "it allows Dixon to have a much stronger sales presence by making appearances at distributor sponsored tradeshows." Dixon places a strong focus upon safety, also by its adherence to the hose assembly guidelines and the roadshow provided an ideal venue to show the NAHAD members the importance of educating their employees and customers on safe and quality hose assemblies. Of course, there was a large cost involved in building the MCT but the benefits have far outweighed the initial costs. The first MCT has become so popular that there are now two on the road for Dixon. As Mr. Kelly so eloquently stated, "what you save in safety and lower liability, makes it more than worth the cost."

As anyone knows in the sales arena, you only get one chance to make a good first impression and Dixon is definitely doing just that! Keep an eye out on the road for the Dixon MCT near you.

CONNECTIONS Member to Member Exchange

Legris Inc., in conjunction with the launch



of Liquifit, is proud to announce the launch of www.liquifit.net, a website dedicated to its

newest line of fittings. Liquifit is a new leakfree, push-to-connect fitting for the potable water and beverage industry. Liquifit.net is full of new features and benefits including product advantages, technical features, areas of application and events and exhibitions. To learn more about Liquifit, visit their website, send inquiries to liquifit-info@legris.com or call 1-480-830-0216.

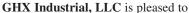
Flexaust is pleased to announce the launch



their website.

The most up-to-date information on all of their hose, ducting and accessories is now available in both English and Spanish. Visit www.flexaust.com and simply click on the Español link in the upper right corner of any Flexaust web page.

Flexaust would also like to remind everyone that they offer a complete line of ducting and end finishes for the heating and drying needs of the cold winter months as well as a full line of Garage Exhaust products made to withstand high temperatures to help ventilate garage exhaust fumes and keep the air safe. Check out their Springflex and Garage Exhaust hoses and accessories at www.flexaust.com. For more information, call (800) 343-0428 or email sales@flexaust.com





announce the acquisition of Robsco, Inc. Robsco is a well known Houston based

Industrial Distributor-Fabricator of Gates Rotary Drilling Hoses, Vibrator Hoses, Choke & Kill Hoses and a variety of other industrial products used in drilling and production in the oil and gas industry. "We are excited about the opportunity that Robsco brings to GHX as we continue to grow our presence in the upstream energy business," stated Dan Ahuero, GHX president.



Couplamatic Systems, Inc. is pleased to



announce the release of their **T-Series Couplings** and TR14(Stainless

Steel braid with PTFE tube SAE 100R14) hydrualic hose. T-Series Couplings are available in all popular configurations and threads in Tru-Bore sizes 3/16" through 1" and can be crimped in almost any crimper producing a flat or bubble crimp. T-Series Couplings are also compatible with reduced O.D. SAE 100R7 using a flat or bubble style crimp. For more information, call 1-800-824-3046 or email sales@couplamatic.com.

Canadian Registration Numbers (CRN)

have been HOSE MASTER Inc. awarded to Hose Master for Annuflex, Masterflex, and ChemKingä products. The Canadian Standards Association (CSA) developed standards for the fabrication of Boilers, Pressure Vessels and Pressure Piping under the guidance of CSA Standard B51-03 (Boiler, Pressure Vessel and Pressure Piping Code). This standard is roughly equivalent to the American Society for Mechanical Engineers (ASME) Code for Pressure Piping, B31 and is mandatory for the sale of metal hose assemblies in Canada.

Hose Master has also received Pressure Equipment Directive (PED) certification. PED is a certification required throughout Europe that provides governmental policy for equipment subject to pressure hazards. Its purpose is to coordinate laws throughout Europe regarding the design, manufacture, testing and conformity of pressure equipment and assemblies of pressure equipment. PED allows distributors in the U.S. to provide hose and assemblies to OEM manufacturers throughout Europe. To view more details about these new certifications, please visit Hose Master's website at www.hosemaster.com

Kaman Corp. announces that its subsidiary, **Kaman Industrial Technologies** Corporation (KIT) has acquired Industrial **Rubber and Mechanics, Incorporated** (INRUMEC) of Puerto Rico. INRUMEC will become part of KIT, Kaman's industrial distribution segment. The transaction was completed on October 3.

INRUMEC, founded in 1963, is a distributor of fluid power products; industrial and hydraulic hoses; belting and conveyer systems; pipe, tube, fittings and valves; and packaging machinery to such diverse markets as food, beverage, pharmaceutical, cement and aggregate. The company is also a manufacturer of hydraulic hose assemblies for the same markets. INRUMEC has a branch and regional distribution facility in Gurabo as well as branches located in Bayamon, Ponce and Mayaguez. The company has annual sales of approximately \$13 million.

Neal J. Keating, chairman, president and chief executive officer of Kaman Corp., said, "INRUMEC is a great addition to Kaman and provides further evidence of our ability to execute our corporate strategy of accelerating the growth of KIT by expanding our geographic footprint to service our customers wherever they operate in North America. It also adds to our existing national account customers without the need for significant investment in Greenfield branch openings. As importantly, INRUMEC has great people and we are pleased that Thomas and his team have agreed to stay with us as part of the Kaman family."

INRUMEC President Thomas von Hillebrandt said, "Joining Kaman will ensure continued profitable and value added growth for INRUMEC. The addition of Kaman's power transmission lines to our current offerings will be well received in the marketplace. Becoming part of a larger organization will benefit our customers and employees and position us for growth in the Caribbean basin."

#### . . .

Kevin Roach has joined Activant Solutions



**Inc.** as the executive vice president of its wholesale distribution group headquartered in Yardley, PA.

"I am thrilled to be a part of such a dynamic software provider as Activant," said Roach. "Their reputation of providing outstanding technology and services to wholesale distributors is extensive. I look forward to building on that reputation as the leading technology partner for distributors."

Roach's responsibilities at Activant include the development, sale, and implementation of software designed especially for wholesale distributors. Roach brings more than 25 years software industry experience to Activant. Most recently, he served as president of Rockwell Software for Rockwell Automation. There he led all automation and information software efforts.

In other news, the company announces the availability of Activant B2B Seller version 5.5, an integrated Web-based storefront solution.

Activant analyzed users' specific needs and market trends to determine which features to include in B2B Seller 5.5. The result: a product release designed to help distributors further increase sales, improve customer service, and reduce operating costs. For more information, please visit distribution.activant.com.

Brennan Industries Inc. recently introduced



its newly expanded line of brass fittings

hydraulic and instrumentation applications. The new line of brass fittings includes over 500 products and continues to grow.

Brennan's new line of fittings include: JIC, NPT and ORB brass adapters, push-on fittings, twin ferrule and hose barb fittings. Complimenting its hydraulic product lines, this new line of brass fittings allows Brennan to service low-pressure, pneumatic and copper tubing applications.

"The expansion of our brass fitting line rounds out Brennan's product offering and will allow the company to reach new markets," said Bill Jarrell, vice president of sales, Brennan Industries. "Brennan products are stocked at five strategically located, full-service distribution centers in: Atlanta, Cleveland, Dallas, Los Angeles and Seattle."

For more information, phone: (440) 248-1880 or E-mail: sales@brennaninc.com or visit www.brennaninc.com/brass.

Charter Tampa Bay Rays Season Ticket Holder and President of Goodyear Rubber Products, Bob Jacobs, along with several other long time Rays supporters here at Goodyear, congratulate the Tampa Bay Rays on their "amazing" season! Even the life long residents of St. Petersburg working here could not recall anything to compare to the excitement and hoopla that surrounded the Rays ascent to the American League Title and their first trip to the World Series.

Gates Corporation's new Longhorn® AF transfer hose efficiently and safely handles



alternative fuels, as well as standard petroleum products.

The hose is recommended for constant contact use when transferring alternative fuels such as bio-diesel, bio-diesel blends, ethanol and ethanol blends. It can also be used to transfer commercial gasolines, diesel fuels, oils and other petroleum products. Longhorn hose is ideal for tank truck, terminal loading and in-plant operations.

The Gates hose has a rated working pressure of 150 psi. Available ID sizes are from 1 to 4 inches; standard pack lengths are 100 or 200 ft. Temperature range is -30°F to +180°F.

For easy identification, the abrasion and ozone resistant cover is built with green and red spiral stripes. Additional information is available at www.gates.com/longhornaf

Three prominent North American service companies have announced a plan to unite under the name HosePower®. Florida-based Masthead Hose & Supply will join with Arizona-based Granberry Supply Corporation and Canada's IPM Hose & Fittings in using the label. The three companies will comprise the HosePower® Group, which will provide hose products and service at 30 locations across the U.S., Canada and Mexico.

"We share a similar business philosophy and product line, and we've made service our top priority. So it's natural that we should share a brand name that signifies this." notes Rod Granberry, founder and president of Granberry Supply Corporation.

"This is a great partnership," states Mark Forget, the president of IPM Hose & Fittings. "We're bringing our strengths together and forging a partnership that will enhance everything about our companies. When IPM's customers see a HosePower® sign in the U.S. or Mexico, they will be assured they can find the same fine products and services they're used to getting from us in Canada."

Palmer Clarkson, who founded Masthead Hose & Supply in 1990, looks forward to the benefits the name change will bring. "I'm anticipating stronger service for our customers as a result of this new cooperative effort. Hose Power® will have a much larger footprint in North America and a name that stands for the best hose service available anywhere. It's a winning move for us, our customers and the vendors whose product lines we represent."

All three companies will offer Hose BossTM mobile repair service, a concept pioneered by Masthead in the early 1990's. HosePower®'s fleet of over 70 service trucks will provide on-site hydraulic hose repair to construction and manufacturing operations across North America. HosePower® will also serve as North America's master distributor of Flextral® products, which include hydraulic hose and fittings, hose crimping equipment, industrial hose and a complete line of accessories. HosePower® will offer custom OEM hose assemblies to manufacturers, turn-key distribution programs to distributors and walk-in counter service to all. The group projects 2009 sales in excess of \$90 million.

The three companies will begin to do business as the HosePower® Group on January 1, 2009.

**DICSA** is celebrating its 25th anniversary



this year. The company is proud to announce the opening of their first branch office. It is located in Modena, Italy. In the very near future, the company

plans to announce availability of stainless steel stock in USA where compact fittings will be available. For more information, visit www.dicsaes.com



Dixon recently released the 624 page 2009



Illustrated Price List. For 2009, there are new product offerings in the cam and groove, dry discon-

nect, air, brass, hydraulic, sanitary, fire, valve, pipe and welding, tank truck and maintenance product lines. As always, the Dixon "mix" of products available in this new catalog allows for safe operations and the efficient transfer of water, air, and steam as well as many chemical media normally conveyed by hose assemblies.

In addition to specifications and important descriptive information, the catalog contains many useful pages of data concerning the proper and safe application of Dixon products. DPL109 is more than just a price list; it provides the 'right connection' for the coupling professional. For additional copies, please call Dixon at 877.963.4966 or visit their website www.dixonvalve.com.





# CONNECTIONS

contninued



Lewis-Goetz and Company, Inc. ("Lewis-Goetz")

announces that it has acquired the Rubber Belting and Hose group of companies, including RBH/Mill & Elevator Supply, Inc and **RBH Industrial, Inc.** a provider of industrial supplies to the agricultural and industrial markets of the Midwest.

"This acquisition provides Lewis-Goetz access to growing agricultural markets in Kansas, Nebraska and Iowa, as well as product line expansion." said Jeff Crane, CEO and President of Lewis-Goetz. "RBH's track record of organic and acquisition growth, combined with its reputation for service excellence, provides Lewis-Goetz an attractive platform for additional expansion in North American agricultural markets."

The management team at RBH will remain intact and be instrumental in driving the strategic plan of the organization. Specifically, Mark Dohnalek will continue to manage the expansion of the Grain Business, which provides MRO supplies to the grain harvesting and grain elevator industries. Roger Payne will continue to manage the RBH Industrial business in Kansas City and Wichita. Van Buchanan and Steve McNulty will remain in key executive management roles driving the commercial and operational activities of the company, respectively.

Lewis-Goetz is headquartered in Pittsburgh, PA and is one of North America's largest industrial distributors. Lewis-Goetz recently ranked 28th on Industrial Distribution's 2008 list of The Big 50 Distributors. Visit *www.lewis-goetz.com* for more detailed information.

In order to provide more "Kuriyama Value"



to their customers, **Kuriyama** of America, Inc. has added the following new products to their product line:

New CVR-Spec<sup>TM</sup> Convoluted Rubber Hoses are cost effective custom designed hoses for a wide variety of applications and industries. These "crush-proof" type hoses are offered in Butyl, EPDM, Nitrile and Neoprene standard materials. The new 8 page brochure includes a form to design your own custom CVR-Spec<sup>TM</sup> Hose. New Thermo-Duct<sup>™</sup> Thermoplastic Rubber Ducting Hose is both flexible and compressible. Its black thermoplastic rubber (TPR) elastomer/wire reinforced construction is ideal for demanding and difficult ducting applications from -60° F to +275° F. Available sizes are 2"- 12" ID.

For more information on these and other Kuriyama products, call (847) 755-0360 or visit their web site at: *www.kuriyama.com* 

**R W Connection, Inc.** announces the following personnel promotions: Scott Priestner has been named Vice President/General Manager of RW Connection and was previously VP/Sales. Scott has been with the company eight years and will manage overall business development for the Landisville and Allentown, PA locations.

Jim John is promoted to Vice President/ Operations. Most recently acting as Operations Manager, Jim has been with RWC for 22 years and will oversee all warehouse and front office operations including inventory control and system integrations as the company expands.

Joe Goodman, an 18 year veteran of the company is named Sales Manager—Industrial Products Division. Joe is a 33 year veteran of the industry and was founder of RW Industrial Supply, an original division of R W Connection.

Gene Romanowski, a five year veteran of the company, has been named Sales Manager— Rubber Product Division. Gene has 32 years of industrial rubber industry experience.

While the economy struggles **DIESSE** has increased the types and sizes of hydraulic hose stored at their factory outlet in Houston in order to facilitate their clients' needs. Diesse invites companies having difficulties ordering full container loads from oversea suppliers or those who are more cautious before investing in large amount of products, to feel free to check what Diesse has in stock currently and what is in transit by visiting HOSEINSTOCK.COM. For more information, please contact Mr. Paolo Valente at 1-888-484-4673, paolo.valente@diesserubber.com

David Lickert has been appointed SE Region

 
 TUTHILL Coupling Group
 Hansen Couplings Coupleurs Gromelle
 Sales

 Manager
 for Tuthill

**Coupling Group**. David is responsible for overall management, development and training of the distributor network.

David joined Tuthill Coupling Group in August 2008. Prior to joining Tuthill Coupling Group, David was Regional Account Manager for Tuthill Controls Group, based out of New Haven, Indiana. He holds a B.A. degree in Psychology from the University of North Carolina at Charlotte.

David, a Monroe, NC resident, is an active member of the Sardis Presbyterian Church in Charlotte, NC and volunteers at his children's schools. His interests include attending his children's sporting events, playing the keyboard and traveling on the weekends with his band, MissBehavin'. He's married to Melissa and they have two children, Evan and Emma.

Tuthill Coupling Group, comprised of the Hansen and Coupleurs Gromelle brands, manufactures a comprehensive range of quick coupling solutions at its Berea, OH and Annemasse, France locations. For additional information, visit *www.tuthill.com*.

A new, premium steam hose from Parker



**Industrial Hose** features a chlorobutyl tube for superior heat

resistance and resistance to "pop-corning" and a red and black spiral-striped cover for color-coding and easy identification in refineries, construction sites and manufacturing plants.

"We developed this hose in response to customer requests for a better value steam hose," said Doug Howse, Parker Industrial Hose Marketing Manager. "Because pop-corning substantially shortens hose life as well as risks damaging the steam-operated equipment in the system, we selected an inner tube material with excellent integrity and thermal properties when used with steam. Further, the black and red spiral striping makes it extremely easy to identify steam hose locations for operations and maintenance purposes."

Parker's new steam hose is rated for service to 406°F (450°F intermittent service) at 250 psi maximum working pressure, with a 10:1 design factor for safety. It has been qualified under the Parker Circle of Safety program for use with Parker Series 73 no-skive fittings which can be crimped onto the hose, creating a higher quality assembly with less bulk and better performance. Both 3/4- and 1-inch I.D. sizes are available for the new hose, which is designated as Series 7285 Dragon Breath® II. 50-foot lengths are standard. Further information on this and other Parker industrial hose products is available at www.safehose.com or by calling 1-866-810-4673.

The connections for railway applications

# ivg colbachini spa represent a really

interesting field for IVG.

Two products recently developed by IVG have particularly interested the visitors of Innotrans: RAIL/WS FIREWALL is a patented hose designed as a flexible connection in air brake systems on rail carriages and locomotives. Fire resistance with low toxicity and low smoke emission is guaranteed by special fibre glass protection. The rubber compound is in accordance to EN ISO 11925-2 (flame retardant), DIN 5510-2 class S3 (flame retardant smoke emission), NF F 16-101, griglia 12 e 13, index F0 - I4 (toxicity, smoke density and smoke category).

RAIL HOUSTON/PET is made in accordance with UNI 4635. It is used in traction converters located inside locomotives to convey special mixtures of deionized water and glycol. Its composite structure, the construction materials, and the type of fittings grant very low bending radius and twists to perfectly fit inside locomotives that require this highly flexible hose to follow very narrow paths between connection points. For more information please contact IVG's exclusive agent, Mr. Paolo Valente at 1-888-IVG-HOSE, paolo.valente@ivgusa.com

Red L Distributors, LTD would like to wel-



come Leo Esposito as the newest addition to their sales team. Leo spent many years with Dixon

"The Hose People Plus"

Bayco and will prove to be a valuable asset to Red-L's customers.

Red-L would like to introduce ARVAC heavy duty abrasion resistant suction hose, COLD BLUE light weight medium-duty water suction and discharge hose and GARAGE EXHAUST designed for heater hose applications that endures higher temperatures. Please visit www.redl.com for contacts, links and information.



**US Hose Corporation** has expanded the



rapidly growing Jackson brand of Flouropolymer hose products. The rub-

ber covered Jack-Chem, with optional PTFE and PFA smooth bore liners, is now available with flare through flanged end connections. Flare through technology is a perfect solution to highly corrosive chemical transfer applications where contact with the metal end fittings in not permissible.

The addition of the flare through Jack-Chem is a perfect complement to the existing flare through product line that includes Jack-Flex open pitch convoluted hose as well as the MTLC smooth bore lined Monel, Hastalloy and Stainless Steel corrugated metal hose. Additional information regarding their Flare Technology, Corrugated Metal Hose and Composite hose products can be obtained by calling 815-886-1140 or by visiting their website at www.ushosecorp.com.

NewAge Industries, Inc. announces the



immediate availability of nine new product catalogs

featuring its plastic tubing, rubber hose, fittings, clamps, and custom services manufactured for a wide variety of industries and uses. The new books are separated by material and product style and include PVC, silicone, polyurethane, rubber, fluoropolymer (often referred to as Teflon®), semi-rigid, barbed fittings, push-to-connect fittings, and custom services. The company produces the catalogs in-house as needed.

The reasons for the switch from a catalog of nearly 120 pages to several smaller ones include: The ability to update product specifications immediately, offering customers the latest information, not something printed months, or even years, before; enabling e-mailable PDF files of reasonable size; the company's green effort (fewer outdated catalogs mean less waste); and the availability for customers to view only the specific products in which they are interested (it eliminates pages and pages of nonessential information) and further contributes to the effort to reduce paper usage.

APG is pleased to announce the appointment



of William "Bill" Goerner as President. He

replaces William "Bill" Flesner who will remain with APG as Chairman of the Board. Bill Goerner came to APG from Gammaloy Inc. which is primarily engaged in the rental of non-magnetic drill collars and stabilizers employed in directional and horizontal drilling within the oil and gas industry. He served as President of Gammaloy Inc. for the last 11 years of a 26-year career with that organization. He holds a B.S. degree from the University of Houston.

APG is a manufacturer and distributor of a number of industrial products. These include Industrial Hose Couplings (including EVER-TITE® Coupling Products), O-Rings, Hydraulic Seals, Fabricated Gaskets, Sheet and Roll Gasket Materials, Braided Packing, Industrial Glass, Die-Cut Plastic Products (including Safety visors and Lenses for Sandblasting Helmets), and Custom Molded Rubber Products. APG has been serving the industrial community for over 60 years and is headquartered in Houston, Texas with locations in Knoxville, Tennessee and Grafton, Ohio.

Reelcraft Industries now offers a non-cor-

# 

rosive fluid path option on many of their popular

reels, including Series RT, 5000, 7000, and 9000. For approximately half the price of stainless steel reels, these new reels feature non-corrosive fluid paths designed for corrosive materials. These reels are rigid enough to withstand industrial or commercial use applications such as agriculture, food service, chemical spraying, fire and rescue, mining, and grounds keeping. With a special cleaning and lubrication process, these reels may also be suitable for drinking water and breathing air. The structural reinforcements reduce weight while maintaining structural integrity. The fluid path is engineered to provide maximum corrosion resistance for a better value. For more information, please call 1-800-444-3134 or visit www.reelcraft.com.

#### 

**COXREELS®** releases new reel models in the



famous heavy duty Truck Mount Series. The new models have an increased capacity of 75ft of 3/4" I.D hose and 50ft of 1" I.D hose.

These new reels accompany the original heavy duty T-Series reels, built for the toughest work conditions. Coxreels' innovative team of engineers responded to industry needs by adding to these reels a new dual bearing axle support system, creating ultra smooth low friction, extraction and retraction, allowing the reels to resist wear in any abusive environment. All reels in the T-Series are spring-motor operated and come standard equipped with Coxreels' Super-

## CONNECTIONS contninued

Hub<sup>TM</sup> and triple axle support with full frame for maximum strength and rigidity. All T-Series handling 3/4" to 1" hose will now be equipped with stainless steel rollers, increasing durability in these extreme applications. The reels come in Coxreels signature luxurious, high luster blue CPC<sup>TM</sup> powder coat finish, the industries most chip and weather resistant surface.

Singer Equities, Inc. ("Singer") announces the addition of Mr. George Dappert as Group Vice President and Chief Financial Officer.

Mr. Dappert brings over 25 years of financial and operational experience to Singer. Most recently he was VP and CFO of Trinity Transport, Inc., a large and successful third party logistics providers in the U.S. Previously, he was VP and CFO of Airpax Corporation, a global leader in the manufacture and sale of hydraulic magnetic circuit breakers, sensors, and other electronic components. Prior experience includes eleven years of financial work with Kraft Foods, and engineering, systems, and operations experience with Scott Paper Company. Mr. Dappert holds both a B.S. in Chemical Engineering and an M.B.A. in Finance from Cornell University.

"As a member of Singer's executive management team, George's experience in the mergers and acquisitions field will be of tremendous benefit in achieving both the tactical, as well as the strategic objectives of our group. We are fortunate to have him on board". said Otis Dufrene, President and CEO.

#### **Reliance Industrial Products** is proud to



announce that they now have available 4" Integral 602 union fittings for their 3" ID oilfield rotary

hose. They are made from 4140 material with Weco hammer nuts. This product will accompany the 2" integral crimp ends with 1502, 602, and 607 unions already available. Reliance Industrial products can assemble and test all oilfield hose needs at either their Nisku, Alberta or Greelev, Colorado facilities. Please contact Georg Eger for more information at 780-955-7115 or email at geger@relianceindustrial.com.

#### 

Since opening **PIRTEK** Norcross in April



2004, owner **RTEKUSA** Mike McCarthy has seen the

positive impact of his services on local businesses - so much so that McCarthy will open his second location, PIRTEK Smyrna, at 4895 S. Atlanta Road in October 2008.

"It's very exciting to own a business that provides such a needed service to so many companies," said McCarthy, an engineer by training who previously worked for GE and Siemens. "Atlanta is a city that's always growing and it's because of that growth that PIRTEK has enjoyed such success in the area. PIRTEK Norcross was doing very well but we realized that we could better serve our many clients on the west side of Atlanta by opening a second location."

"With the new center up and running, and fellow entrepreneur Mike Nagle's Center in Red Oak, PIRTEK will have eight vans on the road in the Greater Metro Atlanta area. This is double what our competitor is operating and one of the main factors that will keep us atop the industry in response time and service," said McCarthy.

# **STRENGTH • PROTECTION** VIGILANCE

Sentry's property and casualty and workers' compensation insurance policies are exclusively recommended by the National Association of Hose and Accessories Distributors.





Call Sentry at 1-800-624-8369, Ext. 7800 www.sentry.com

RYCO Hydraulics continues to expand their **RYCO Hydraulics Inc.** global presence. The company had their grand opening of their new North American headquarters and distribution center in Houston, Texas in May of this year. This past September, the company had the grand opening celebration of their new metal forging and machining operations facility in Dalian, China, along with new facilities in Italy and the Czech Republic.

These facilities will further emphasize the commitment RYCO has to the global economy and continued growth of their distribution base.

For more information on RYCO Hydraulics, please call 1-866-821-RYCO (7926) or visit www.ryco.com.au.



SPIR STAR Ltd. is proud to introduce the newest member of our team, Willie Whittington as Sales Representative. Willie



has over five years of inside sales experience

before joining the company in September.

As Sales Representative, Willie's primary responsibilities will be to assist in the development of the Company's sales strategies and to help maximize customer satisfaction and performance. Willie's commitment to customer service makes him a perfect fit to the SPIR STAR sales team.



JGB Enterprises, Inc. headquartered in Syracuse, NY is an ISO 9002 certified assembler/supplier of industrial/ hydraulic hoses has an immediate opening for an experienced Outside Sales Representative for the Atlanta, GA area.

#### **Responsibilities**:

- Effectively build a customer base through direct sales initiatives
- Develop and maintain positive customer relationships
- Increase sales and market share

#### **Required Skills:**

- Excellent Sales/Customer Service skills
- Bachelor's degree preferred and/or 5 years direct sales experience

Email resume/cover letter to: hr@jgbhose.com EOE/AA

# Financial Trends in Distribution



Prepared by Dr. Al Bates Introduction

The accompanying set of exhibits provides an overview of financial trends in distribution between 2003 and 2007. It places special emphasis on the changes between 2006 and 2007.

The analysis covers forty different lines of trade in distribution. In developing such a macro-view of distribution, it is not possible to compare most financial ratios directly. For example, some industries have a high gross margin and accompanying high expenses, while others have a low gross margin and low expenses.

What is possible is to compare the direction and magnitude of change. The emphasis is on how much performance changed during the time period covered.

In most of the exhibits results for all of distribution are divided into three subgroups:

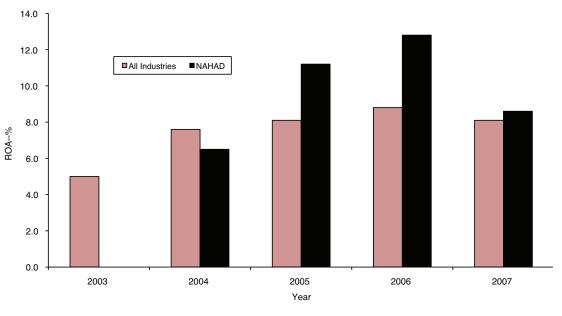
- **Industrial**—Industries that primarily serve the factory floor.
- **Construction**—Industries that primarily serve the construction trades.
- **Consumer**—Industries that sell consumer products or service businesses that sell to consumers

### Exhibit 1: The Trend in Return on Assets

Profitability results for 2007 demonstrated the beginning of an inevitable "up and over" pattern. ROA remained strong for most distributors in 2007, but began to slip. The easiest way to think of 2007 is that it was three-fourths of a very good year and a final one-fourth of a mediocre year.

Return on assets (ROA) is the best overall measure of financial performance in distribution. The ratio is net profit before taxes (but after all expenses) expressed as a percentage of total assets. Total assets represents the total investment in the business.

For an individual line of trade, a median ROA of 5.0% is considered the absolute minimum level of performance. If ROA falls below that level, firms begin to give serious consideration to liquidation in order to re-deploy assets into higher-returning areas. In contrast, a median ROA of 10.0% in an individual line of trade is an indication of a strong, vibrant industry.

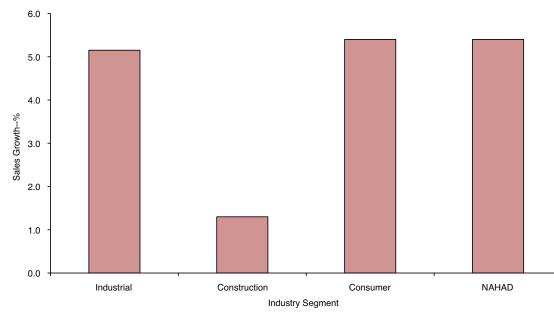


### **Exhibit 2: Sales Growth by Segment**

Since the economic challenges began in the home mortgage arena, distributors in the construction segment of the economy served as the proverbial canary in the coal mine. Even in construction, though, there was still some very modest growth in 2007.

A significant part of the growth in the industrial sector was due to the rapid escalation in commodity prices, especially for steel and copper. Across all forty lines of trade, though, there was a significant increase in the level of business activity over and above any price increases.

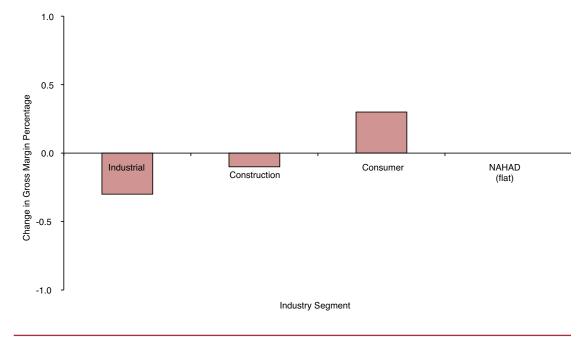
Finally, consumer markets continued to serve as the engine of growth during 2007. Growth remained strong in that segment during almost the entire year.



### **Exhibit 3: The Change in Gross Margin Percentage**

In prior years, most segments of distribution were able to increase their gross margin percentages. In 2007, the wheels came off of the trolley in a major way.

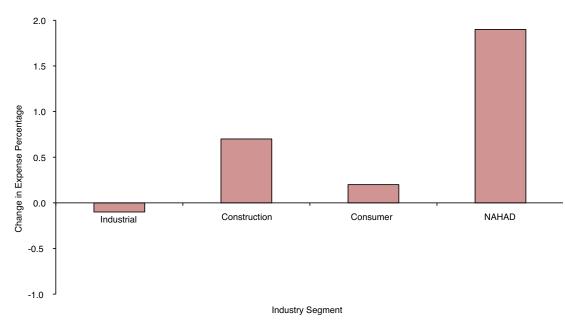
A significant portion of the problem was associated with the price increases that helped drive growth. Price increases from suppliers sometimes become difficult to pass along to customers. In the classic scenario, a five percent price increase from suppliers is partially absorbed and only three percent is passed along to customers. While sales and gross margin dollars rise, the gross margin percentage falls. This has very significant long-term profit implications.



### Exhibit 4: The Change in Operating Expense Percentages

Any time sales growth is diminished, operating expenses as a percent of sales tend to increase. This was the classic pattern followed by the construction segment of distribution. The pattern was also duplicated in the consumer segment where sales continued to grow, but not at the spectacular rates seen in previous years.

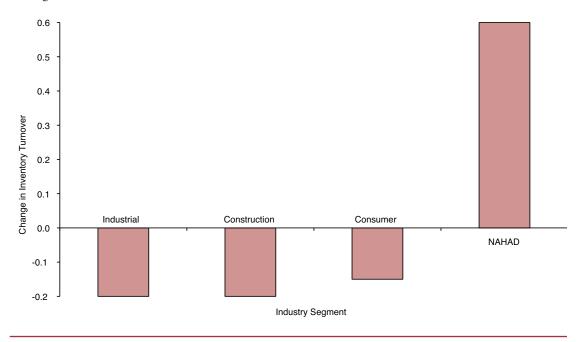
Industrial was the only segment where the operating expense percentage actually fell. In large part this was due to price increases increasing sales to somewhat artificially high levels.



### Exhibit 5: The Change in Inventory Turnover

In 2007, inventory turnover fell in every industry group, the first time this has happened in the five years this report has been prepared. It seems likely that the slow down in economic activity in the fourth quarter caught many firms off guard. Sales growth moderated while inventory build ups were still taking place.

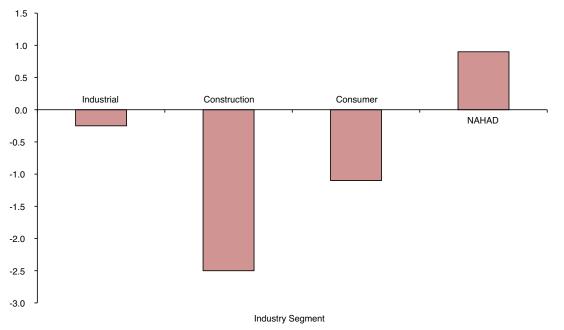
Inventory turnover plays only a minor role in driving profitability. However, it is a huge issue with regard to cash flow. The decline in turnover, even though somewhat modest, is a concern, particularly for highly leveraged firms.



#### Exhibit 6: The Change in the Average Collection Period

The collection period declined in all three segments. This is an unprecedented collective movement, just as was the decline in turnover. The fact that the collection period was improving in light of slower growth is somewhat surprising, though.

Typically, as sales growth lessens the collection period increases as customers take advantage of opportunities to delay payment. It is possible that given the somewhat sudden reduction in sales growth that firms responded by tightening credit and collection policies. Responses in accounts receivable can be made much quicker and much easier than can responses in inventory. Faced with some cash flow challenges, cutting receivables may have been the only available course of action.



### You Can Always Sell More...Even When Negotiating With 'Recession Buyers

continued from page 1

economic realities and starts reporting on all the individual indicators that offer "one more validation we are indeed in a recession."

Now your buyer is aware of the slower overall economy and knows there is less buying. They also realize they can now start making additional demands for either pricing concessions or commitments of extra service. After all...fewer buyers means the ones who are left can start making more demands.

Buyers also tend to increase their "vendor shopping" during a tougher economy believing they need to make sure they've considered all alternatives and haven't missed anything new that's happening in your industry. This is the time when your existing customers are most exposed to attacks from your competitors. This is also the time to make sure you are supporting your best accounts so you have the greatest chances of protecting your existing business.

#### The Third Economic Phase – "The Secret Recovery"

The third and final phase of a recession is called "The Silent Recovery" and occurs as the economy begins to recover. Again sales people will tend to be the first to notice when things start to open up again. But since the press hasn't validated any economic improvements nobody else is talking positive. Even as business starts to pick up your buyers will most likely still believe times, and selling are still bad.

Buyers tend to be surprised during this final phase as their significant demands and tougher negotiations that worked just a few months ago are now being resisted. You now face the competitive exposure of your customers confusing your lack of interest in agreeing to all their demands as a sign of you no longer caring about their business, instead of the realization that markets and profitability are both starting to return to a more normal, and healthy level.

Each industry uniquely experiences any change in the economy. Some of my customers started seeing a significant reduction in their business as early as last May. Some are just now starting to see their markets deteriorate. While several are just starting to see things beginning to improve, others don't expect any relief until the first half of 2009. But the reality of your unique industry's reactions to this changing economy will usually be different than the perceptions of your buyers and what they're hearing in the press.

# Suggestions to better manage these three phases of a recession

Some suggestions to help improve your ability to negotiate, and win more profitable business...

The first overall suggestion is to make sure you're offering more unique value than any of your competitors. The easiest and surest way to out-negotiate your competitors is to offer the best customer-focused value solution.

The most important thing for sales reps to remember during the first, "Silent Recession" phase is to keep your customer communications positive. Too many sales reps start complaining to their customers when they see their business slowing down due to external economic forces outside their control. But complaining to your customers about your slower business only means you're educating and training your customers to increase their demands and expectations of additional concessions. Though you never want to lie to a customer or prospect you also don't have to lay out all the grizzly details when sales are declining.

You can still improve your ability to negotiate even when your customers finally realize your business has slowed down during this second "Empowered Buyer Recession" phase. Most buyers know they can receive additional concessions or extras when markets get tougher. But a number of buyers are more concerned that they got something to prove they won in their negotiations with you than the actual financial concessions they were able to receive.

One of the ways to improve your negotiating outcomes with your buyers is to proactively offer bundled packages that include extras or involve special short-term pricing. Initiating and controlling the packaging of these offers can help you retain more profit for your company while still offering enough extras and "added value" so your customer feels they have won additional benefits for their company.

Some sales reps are already starting to see signs their economy and business are starting to improve. You need to make sure you retain positive relationships with your customers during this third and final "Secret Recovery" phase. Be sure and manage your customer's expectations by talking up any positive indicators or changes in buying that you see. Also be careful not to surprise your customers by having previous offers or specials disappear without warning or notice. Your main buyers need to hear progressively positive news so you can train them that things are improving, at least for you and your business. Your main buyer contacts have most likely positioned others within their company to expect better terms and pricing due to the slowdown in the economy. You need to help them educate their company to the improving conditions so they don't look bad when all the specials disappear. You also want to make sure your customers realize the removal of your special offers and lower pricing is due to the changes in the improving economy and not just your lack of interest in them and their business.

Motivational speaker W Mitchell shares his stories of personal challenge by identifying that "It's not what happens to you....it's what you decide to do about it." This is a tougher market for most reading this article. You didn't cause this economic slowdown but you can decide to do something to sell your way out of it. This is the time to improve your positive communications and personal attitude, increase your selling efforts, and creatively out-think and out-sell your competition.

We know you're good....now...are you good enough to sell your way out of this tougher economy?

© 2008 Jim Pancero, Inc.

### The Performance Analysis Survey is now available for purchase on the NAHAD web site.

In these difficult and cautious economic times, it is more important than ever to be aware of your company is faring in comparison to other companies in your industry. For this reason, the NAHAD Performance Analysis Survey is an essential tool to allow NAHAD member companies to start to make this comparison.

Each year, in partnership with Dr. Al Bates and Profit Planning Group, conducts a performance analysis survey and report that allows NAHAD members to submit their financial information for analysis. After the financial data has been analyzed, each participating company receives a personalized company report specific to their company's current financial data as a second report that provides them with a detailed industry comparison. This important information covers inventory and profit data that will allow them to make the smart and critical decisions to allow their company to survive these more difficult financial times.

# NAHAD HISTORY

# **1984**

PT Coupling Company is a division of



Parrish Enterprises Ltd., a privately held family company. It was founded

in 1951 by R.C. Parrish as a machining job shop, and then in 1955 began making cam & groove couplings. In 1969, the company opened a sand casting foundry, and since then has expanded several times. James R. Parrish, President, strives for quality products and service with each generation. Matt Parrish is VP of Parrish Enterprises and also the manager of the Punch-Lok division. Amy Parrish serves as Marketing Director and Richard Kirtley serves as Sales Manager. Along with its 14 warehouses throughout North America and three casting and machining facilities PT Coupling is able to create a diverse line of traditional and custom fittings for the industrial hose industry.



# A Quarter Century of Industry Service

NAHAD will be celebrating its 25th Anniversary Year in our publications and on the NAHAD Web Site.

Your Company is Cordially Invited To Submit Your History with NAHAD

We will include Member Company Profiles in upcoming issues of the NAHAD News and we are planning a special Yearbook Section in the 2009 Convention Guide. It is very easy to participate.

Please write your articles in complete sentences, and limit them to a total of 150 words. We would like two paragraphs – the **first paragraph** with a brief history of your company, description of services, names of principals or key contact. Any information that you believe tells the story of your company in the hose and accessories industry.

This information will be edited for length and superlatives, so be concise and avoid claims like the best, the biggest, etc.

The **second paragraph** should contain information regarding your company's history with NAHAD.

Please submit your article to Kristin Thompson by email to: *kthompson@nahad.org*.

PT Coupling is one of the original Manufacturing members of NAHAD. James R. Parrish served on the NAHAD board from 1998-2001 and enjoyed the many business contacts and personal friends made through attending NAHAD events.

# **1988**

### Tru-Flex Metal Hose Corp., is an ISO cer-



tified company which has been in business manufacturing flexible metal hoses since 1962. Their 100,000 sq .ft.

factory with in-house testing lab is located in West Lebanon, IN . Products include our Tru-Flo<sup>TM</sup> smooth bore hoses, Power-Flex® directional flow hose with no leakage at 25 psi, BOP and Floppy-Flex<sup>TM</sup> protective armor hose, Interlock hoses and custom industrial hoses as well as patented/specialty

application hoses for the truck industry to name a few.

The company has been a member of NAHAD since 1988 supporting its members and attending several of its conventions across the US, Puerto Rico and Canada. "We have made invaluable business contacts and developed several friendships along the way. Congratulations NAHAD on your 25th Anniversary!"

# 1996

### PARKER PAGE

International Hose originated in 1987, as an innovator in the design and production of seamless convoluted and smooth bore braided hose assemblies. In October 2005, PAGE was acquired by Parker Hannifin Corporation. Their products include, natural or conductive smoothbore and convoluted

anything Parker Hore J

**Possible** 

PTFE Braided Hose, Flare Seal Hose, Silicone Hose

Products, Rubber Covered Fluoropolymer Hose, and Rubber Food Transfer Hose in sizes from 1/4" ID up to 4" ID. All hoses are compliant to FDA, USP Class VI, European Pharmacopoeia, ISO 10993, USDA & 3A standards.

PAGE International Hose has been a member of NAHAD since 1996 and joined under the name of PARKER PAGE International in 2006. We have recently attended conventions in Colorado, Victoria BC and Virginia and launched our first Certified Assembler program to selected NAHAD distributors in 2007. Ernie Pitchford, Business Development Mgr. says, "NAHAD has always been a strong network for reaching distributors. These long term relationships have created very strong business ties that continue to grow business in this business sector and we look forward to many years of success with our NAHAD brethren. The creation of the Hose Assembly Guidelines by NAHAD has strengthened our distributor base providing greater safety and reliability to end users all over the country. This can only make all of our businesses grow."

# 2006

**InfoChip Systems Inc.** brought to market the first RFID Hose Management program in 2002. Since then, they have grown substantially and now offer a wide range of Hose Proof Testing systems, chemical-resistant RFID chips and a capable software solution for inspecting, certifying, maintaining and tracking Hoses, Lifting Equipment and any other class of asset.

Tom Bamford attended his first NAHAD convention in 2004 at the Sheraton Wild Horse Pass Resort in Phoenix and has been attending eagerly ever since. Now as VP Sales & Marketing of InfoChip, he remarks, "We are proud to be NAHAD members and look forward to providing the Hose Industry with increasingly comprehensive RFID hose management and hose testing programs."



NAHAD member companies are invited to submit brief news items for inclusion in the "Member-to-Member" section of the NAHAD werds, including pertinent phone numbers, etc. Camera-ready logos may be submitted and will be included on a space-available basis.

News items should focus on new or additional personnel changes, appointments or promotions, facility expansion, new products lines or advertising/promotion plans. Articles submitted must be typed or neatly printed, and should be written in the third person

(use" they" instead of "we"). Exclude sales features claims and direct or indirect comparisons with competitors' products. Of course, all articles will be published on a space-available basis. NAHAD assumes in liability for incorrect or deleted information, but will publish corrections upon mations but will publish corrections upon request.

bns! isil A\7 youy no DAHAN ivg opol yneqmos vuoy bns sessess arg press releases and your company iogo yd eimai to kthonosqmodiy ot lisme yd

Newsletter Issue         Material Due to NAHAD         Mailing Date		
5/2/08	80/ħ/L	Ę6pruary
80/†/†	80/E/E	April
80/7/9	80/7/9	əunr
80/11/8	80/7/2	ţsnɓn∀
80/E/0 L	80/7/6	October
15/3/08	80/E/LL	Decemper

THE ASSOCIATION FOR HOSE AND ACCESSORIES DISTRIBUTION

105 Eastern Ave., Suite 104 • Annapolis, MD 21403-3300 • TEL: 410-263-1014 FAX: 410-263-1659

PRST FIRST CLASS U.S. POSTAGE **PAID** SUBURBAN, MD PERMIT No. 2295

