

It's Time To Belly Up Invest in the Future of Others – and Invest in Your Own



Richard Banner
 President

I recently attended a local industry event held annually in our market. It's one of those everyone attends; distributors, reps and manufacturers, and one I've attended most every year since I started in the industry in my early 20s (or about 30 pounds ago, depending on how you want to count!). Back then, I was the newbie just starting out and there were a whole bunch of other newbies showing up

as we rolled through our 20s and into our early 30s.

When I attended this last one, I looked around and noticed that though I'm now in my early 50s, I'm still one of the newbies. What I mean by that is there are very few 20 and 30-somethings showing up. I don't think it's because we don't have young people in our industry, so why aren't they participating? Is it because they don't care for such things, or they don't want to hang around with a bunch of old fogey's like us? Is it because they work long hours and they just don't have the time? My inkling is it's none of these things.

When I started out, the seasoned veterans made sure the younger people were included in industry events, like local market gatherings as well as national events like trade shows and conventions. Perhaps that's one

of the ways they mentored us; getting us connected with the other folks in our industry. I know in my case, I learned a lot about the business from those folks, and they welcomed the newbies. They invested in us. Attending industry gatherings cost money, but they bellied up.

I'm concerned that today, since so many of our industry players are big corporate organizations, investing in our industry's younger generation has become passé, viewed as an expense rather than an investment.

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If that's the case, what a shame. If we don't show we believe in them, how can we hope for loyalty in return?

That brings me to the real point of this message. I'm somewhat concerned that independent reps are doing the same thing to our younger generation. As I look around our AIM/R conferences and gatherings, I'm concerned that we are not including enough of our young folks. To a certain degree, I still feel like one of the newbies.

Sixteen years ago, the guys I worked for decided I should be included in AIM/R events. It opened my eyes and I began to view the independent rep profession from a whole new perspective. Now, it's my turn to do the same. And it's your turn, too.

These young folks may ultimately become the leaders of future agencies. If we don't show them the vision of how meaningful being an independent rep can be,

both personally and financially, they may not stick around long enough to figure it out on their own.

Will they have the skills and savvy it takes to negotiate the challenges they will face? If we don't get them involved in AIM/R, they may face those challenges alone. Further, where will AIM/R's next generation of members come from?

AIM/R's upcoming conference is the perfect opportunity for us to mentor our younger generation. This year's dual track program provides separate focus and topics for both principals and non-principals and is ideal for this purpose. And it's not too late to get things set up to bring that young person and help them catch the vision.

So, it's up to us. Expense or investment? Time to belly up. I look forward to seeing you and the newbies in Newport Beach! ■

AIM/R Manufacturer Members

AIM/R agency members are encouraged to urge all of their principals to become associate members. Take a look and see if all of your principals are here. If not, urge them to join!

A.O. SMITH WATER PRODUCTS CO.
ANAHEIM MANUFACTURING
ARMSTRONG PUMPS, INC.
ARROW ADHESIVES COMPANY
ARROW INDUSTRIES
AYRLETT, LLC
BASCO MANUFACTURING CO.
BEMIS / CHURCH SEATS
BENNETTE DESIGN GROUP, INC.
BRADFORD WHITE CORP.
BRASS CRAFT MANUFACTURING
CAROMA USA
CHARLOTTE PIPE & FOUNDRY CO.
CHARMAN MANUFACTURING, INC.
THE CHICAGO FAUCET COMPANY
CIMBERIO VALVE CO., INC.
CLIMATE TECHNOLOGIES
COBRA PRODUCTS, INC.
Speedway Drain Cleaning Equipment
CONBRACO INDUSTRIES, INC.
COYNE & DELANY CO.
DALLAS SPECIALTY & MFG. CO.
DANZE, INC.
ECMI (ENVIRONMENTAL CONTROLS
& METHODS, INC.)
ELKAY SALES, INC.
ELKHART PRODUCTS CORP.

EUROTHERMO S.R.L.
EVERHOT, INC.
EZ-FLO / EASTMAN
FALCON STAINLESS, INC.
FERNCO, INC.
FLORESTONE PRODUCTS CO.
FLUIDMASTER, INC.
FORTUNE VALVE
FROET INDUSTRIES LLC
GENERAL WIRE SPRING CO.
GERBER PLUMBING FIXTURES LLC
GROHE AMERICA, INC.
GRUNDFOS PUMP CORP.
HAWS CORP.
HOLYOKE FITTINGS, INC.
HYDROMATIC
IPS CORP.
INSULATION SOLUTIONS, INC.
KSD
THE KEENEY MFG. CO.
LANGDON MILLS, INC.
LEGEND VALVE & FITTINGS, INC.
LITTLE GIANT PUMP CO.
MWI IMPORTS
MAAX
MIDLAND METAL

NEOPERL, INC.
NOMACO K-FLEX
OATEY SUPPLY CHAIN SERVICES
OCEANA LLC
OMEGAFLEX
PLASTIC TRENDS
REED MANUFACTURING CO., INC.
S & P STEEL PRODUCTS
SAUERMAN N.A. CORP.
SAUNACORE
SECURE FLOW INTERNATIONAL, INC.
SEYMOUR INDUSTRIES LTD.
SMITTY PAN MFG. CO.
SPEAKMAN CO.
SPLIT KLICK LTD.
SUPERLON PLASTICS COMPANY, INC.
TOPP INDUSTRIES, INC.
TURBOTORCH-THERMADYNE
INDUSTRIES, INC.
VANGUARD PIPING SYSTEMS, INC.
A Viega Co.
VISIONS LLC
WARD MANUFACTURING
WATER GROUP
WHIRLPOOL CORPORATION
ZOELLER PUMP CO.

AIM/R Conference — Share The Benefit

Looking over the ever growing list of those agencies that are registered for the upcoming AIM/R Annual Educational Conference in Newport Beach, California, I can't help but notice two things.

First, most of the list is made up of the same agencies that attend year after year. For that, I want to personally thank you for believing that I can put on a conference that will meet your always growing expectations. ***I won't let you down!***

Second, I notice that many of the registered attendees are non-principals of these agencies. From that I surmise that the same agencies that year after year see the benefit of this most important AIM/R event, also now see the benefit of sharing these things with their key people.

In other words, the agencies that want to grow and prosper for many years to come are the agencies that not only come to the conference year after year, but are now bringing the future of their agencies as well. Are you on this list? If so, thank you again. If not, it's not too late to be a part of this major conference, networking with these ever prosperous agencies, learning new things that will help you run your business in good times and bad, from highly acclaimed, interna-

tional speakers and business owners.

The more I talk with my keynote speakers, the more excited I am to get to Newport and hear what they have to say. With one of the speakers rated second only to Desmond Tutu as a speaker at the Wharton School of Business in Pennsylvania, and one of the speakers traveling all over the world telling businesses, NGO's, governments and religious organizations the same thing he's going to say to us, and the third speaker coming back for a second time after being rated first as a speaker at last year's AIM/R conference, I'm totally stoked (surfer term) about this conference. And you should be too! You can go to www.aimr.net/NewportBeach-APR2007.htm to hear me and two of our keynote speakers discuss the upcoming conference.

If you're one of those that has not yet registered for this conference, I would like you to rethink your position. If I hadn't attended in Key Largo, I wouldn't have a couple of the lines I now have. If I hadn't attended in Monterey, I wouldn't have the strong compensation plan I now have with my salespeople. If I hadn't attended in San Diego, I wouldn't have the tremendously creative and unique buyout agree-



Bill Godwin, 2007 Conference Chairman

ment in place with my now retired partner. In fact, I can honestly say that I have gotten much more than my money's worth out of every conference that I have attended. And since I started coming six years ago, I haven't missed one yet! Be it a town hall discussion, a round table, breakfast one-on-one meeting, a keynote speaker, a casual conversation at the bar, or any number of opportunities to rub elbows with my fellow reps, I always get something out of these conferences — without exception!!!

Why not give it a try in 2007 on April 19-21 in Newport Beach, California. If it is your first time as an attendee, we give you a money-back guarantee that you won't be disappointed. You have nothing to lose, and I promise you — a lot to gain.

I look forward to seeing all of you in Newport in April.

Cowabunga. ■

Go to www.aimr.net/docs/eve_37_1.pdf to see the conference program and print out the registration form.

2007 Standard Mileage Rates Per IRS

Beginning January 1, 2007, the standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be:

- 48.5 cents per mile for business miles driven.
- 20 cents per mile driven for medical or moving purposes.

- 14 cents per mile driven in service to a charitable organizations (same as 2006).

The new rate for business miles compares to a rate of 44.5 cents per mile for 2006. The new rate medical and moving purposes compares to 18 cents in 2006. The primary reasons for the higher rates were higher prices for vehicles and fuel during the year ending in October. ■

Associate Member Corner

Value Complaints and the Complainer

An article on dealing with complainers came our way that we thought provided a perfect rationale for why manufacturers ought to consider implementing a rep council.

Written by Berkeley, California-based author and speaker Craig Harrison, the article maintained, “The complainer is actually doing you a favor. They are the extension of your research, testing and quality assurance departments... they’re providing you with invaluable, often real-time feedback on what isn’t working in your business or your relationship with them.”

Providing feedback — doesn’t that sound much like what manufacturers’ representatives do for their principals?

Harrison maintains that complainers ought to be celebrated. “The information they provide

makes improvement possible. Their feedback provides end-user validation of your processes and procedures, your product lines and your service levels.”

And, what better place or venue to receive that feedback than within the parameters of a rep council?

While the gist of his article focused on customer feedback, it is easy to extrapolate the author’s message to the world of principals and reps when he says:

- Be open to their feedback.
- See the long-term value of fixing a problem they have experienced.
- For each complainer, many more may have already moved away from you — or will soon if you don’t fix your problem.

He continues that the task for the manufacturer is to make it easy for these people in the field to provide them with feedback. “Listen gener-

ously when they do come forth.” Telling them that “nobody else has complained” misses the point. Consider the following action steps when complainers do their thing:

- Thank them for taking the time to let you know of their less-than-stellar experiences.
- Honor their courage in speaking up.
- Reward their input in meaningful ways — e.g., future preferential treatment.
- “When you act on their complaint let them know you’ve done so. As a result, they’ll feel their power, and your responsiveness will strengthen the bond between you and them.

“In its own way a complaint is a compliment — they cared enough to let you fix the problem. They think you’re capable of doing so and will be delighted when you do.”

Are You (And Your Reps) Adding Value?

Manufacturers’ reps and their principals truly believe they are adding value for their customers. Despite this belief, however, many of them have seen their profit margins become razor thin because of deeper discounting, extended terms and special offers.

The question at the front of everyone’s mind is this: “If we are adding value, why do our customers continue demanding lower prices?”

In answer to that question, consultant Bob Nadeau, managing principal, Industrial Performance

Group, Northfield, Illinois, offers some thoughts that manufacturers ought to be sharing with their reps.

Customers have heard the promise of added value from advertisers and salespeople for the past 20 years. Yet in reality, this promise has rarely been delivered in a measurable way. In fact, our research indicates the majority of salespeople cannot quantify the dollars-and-cents value they add for customers — not because they lack the desire, but rather, because they simply don’t know how to do it.

- ***How do you respond when a customer demands lower pricing?***

If your customers are not aware of the economic value they will derive from your product, you have left them no choice but to view your product as just another commodity that should be purchased on the basis of price alone.

When a customer gets to this point, it’s very difficult to convince them to pay more.

The good news, for manufacturers and reps is that you probably are

in fact adding value. You just need to start measuring it and communicating it to your customers.

- ***What is measurable value and how is it created?***

Measurable value is the dollars-and-cents benefit customers derive from purchasing and using your product. Lower labor costs, improved productivity and/or reduced exposure to risk and liability are all examples of measurable value. Measurable value is created for customers by addressing the root causes of their business problems. But what if your customer does not understand the root causes of their business problems?

- ***Selling value rather than price***

The traditional approach to selling

has been to inform the customer about how they will benefit from a product's features. The assumption behind this approach is that the customer will see the dollars-and-cents value they will derive from the possession and use of the product. This sales approach works well when the customer's business problems are relatively simple and the dollars-and-cents value they will derive is obvious to the customer. For example, the added value is obvious to the customer if your product lasts twice as long as the product they are currently using and it's only slightly more expensive. However, when a customer does not understand the root causes of their business problems, they tend to focus on the one thing they do understand: **price**.

How do you convince a customer to pay more for a product that creates measurable value by addressing root causes they're not even aware of?

Selling value — rather than price — requires that you spend more time on the “front end” of the sales process, making sure the customer understands the root causes of their business problems. Selling value also requires that you help the customer understand how your product will deliver measurable dollars-and-cents value by addressing these root causes.

If you and your reps are adding value for your customers but they continue to demand lower pricing, perhaps it's time to modify your sales approach. ■

CPMR — Executive Management Education

The CPMR (Certified Professional Manufacturers' Representative) certification program was developed to provide executive education for owners and managers of professional field sales organizations, addressing the professional advancement needs of individuals already well established as manufacturers' representatives. The courses are specifically developed for owners, managers and future owners and managers to gain knowledge and insight into how to more effectively operate a rep firm.

Continuing education units (30 hours, or 3 CEUs, of relevant continuing education every 3 years) are required to maintain the CPMR credential. AIM/R's Management Conference is authorized for CEUs — every hour of classroom education earns you .1 CEU.

Currently 123 AIM/R members have successfully completed the executive management program.

For information on the CPMR program conducted by MRERF visit www.mrerf.org.

Congratulations to the following AIM/R members who successfully completed the three-year program in January and achieved the CPMR designation.

John Bennerotte • Bennerotte Marketing Agency
Clay Chetta • Woolf-Harris, Inc.
David Coleman • A.H. Deveney & Company., Inc.
David Dahl • Harry Eklof & Associates, Inc.
David Dahlquist • Western States Sales, Inc.
Garrick Dahlquist • Western States Sales, Inc.
Frank Fein • Associated Marketing, Inc.
Joe Kennard • Intermountain Sales & Marketing
Mike Kimmel • Sales Service Plus, Inc.
Wes Lovell • The Lovell Company

Eric McCain • McCain Sales Co., Inc.
Donald Moon • Hugh M. Cunningham, Inc.
Chip O'Neal • Ben O'Neal Company, Inc.
David Savant • Pinnacle Sales Group, Inc.
Ed St. Jean • Walter F. Morris Company
Bob Stephens • McCain Sales Co., Inc.
Ron Thompson • Allied Systems, Inc.
Scott Zimmerman • Priest-Zimmerman, Inc.
Shad Zimmerman • Priest-Zimmerman, Inc.

Take Your Success As A Salesperson To A Higher Level

Today's sales professional is faced with knowledgeable, demanding buyers. They expect their sales person to be well informed, demonstrate expertise and show professionalism. A salesperson needs to provide value — not only in the products and services they are selling, but in the relationships they have established.

The Certified Sales Professional (CSP) certification will help distinguish you as the kind of person any buyer would want as a partner. The CSP designation validates your expertise and knowledge of the key sales competencies, enhances your professional image and confirms your commitment to continued professional development.

The program focuses on three main areas of selling:

Understanding and Managing Yourself

- Personality Traits for Sales Success
- Empathy & Focus: Ego-drive; Optimism; Attitude Towards Responsibility
- Attitude Maintenance — I Can Close This Sale!
- Personal Goal Setting

The Selling Process

- The Art of Influencing Buying Decisions
- Managing Client Meetings
- Developing Your Presentation Skills
- Negotiation Skills and Techniques

Keeping Customers and Building Business

- Strategic Territory Planning
- The Account Management Process
- Business Acumen

The CSP course is a 3-day program that is held regionally throughout the year. Following is the schedule for the first half of the year:

- March 20-23 Phoenix, AZ
- April 3-6 Baltimore, MD
- May 15-18 Indianapolis, IN
- June 5-8 Seattle, WA

Once certified, CEUs are required to maintain the designation - 20 hours of continuing education annually. Attendance at AIM/R's Management Conference will earn you CEUs.

For additional information on the CSP certification visit the MRERF web site at www.mrerf.org. ■

AIM/R Calendar of Events

AIM/R Management Conference

April 19-21, 2007
Hyatt Regency
Newport Beach, CA

K/BIS

May 8-10, 2007
Las Vegas Convention Center
Las Vegas, NV

ASA Network '07

October 24-27, 2007
Anaheim Marriott Hotel
Anaheim, CA

PHCC National Convention

October 24-27, 2007
Anaheim Marriott Hotel
Anaheim, CA

AHR Expo

January 22-24, 2008
Javits Convention Center,
New York City, NY

Other Industry-Allied Meeting and Convention Schedule

Affiliated Distributors North American Meeting

September 4-7, 2007
Gaylord Texan
Grapevine, TX

WIT Annual Distributor/ Vendor Conference

March 5-9, 2007
Las Vegas, NV

Welcome New AIM/R Members!

We are pleased to welcome the following rep firms that have joined AIM/R this year.

Randy Allison

ALLISON SALES &
MARKETING
Clemmons, NC

Richard Bishop

BRS SALES &
MARKETING GROUP
Richmond, VA

Jim Boren

PHILIP J. BOREN, INC.
Bellevue, WA

Jon R. Schroeder

SCHROEDER
SALES CO.
Maple Grove, MN

Rich Bruno

TRIUMPH SALES, INC.
Pittsburgh, PA

Learn how to use Mr. Zogs Sex Wax
(and much, much more!)

at the

35TH ANNUAL AIM/R MANAGEMENT CONFERENCE

April 19-21, 2007

Hyatt Regency Newport Beach, California

Program Topics:

- The Carrot Culture: Everything You Need to Know About Recognition
- Motivating Today's Employees
- Salesman Compensation: A Panel Discussion
- MS Outlook Basics for the Manufacturers' Rep
- Coping With Information Overload — Is There a Solution?
- Entrepreneurs & Technology (Includes tips and tricks and applications)
- How to Avoid Illegal Conversations With Customers, Competitors and Manufacturers
- What Your Momma Never Told You About FLVs, WMVs, Web Cams and More: What Successful Reps Need to Know About Technology for Profit
- Legal Appointments with Attorney Dan Beederman

WE GUARANTEE YOU WON'T BE DISAPPOINTED

... and that's a money-back guarantee!

That's right, for all first-time attendees, if at the close of the conference you don't feel we delivered, that you did not receive a good return on your investment, your full registration fee will be refunded! No other criteria will be used, just your judgment. We can't be any fairer than that. We have confidence in AIM/R's Conference and want you to have assurance that attending will not be a waste of your registration fee.

CONTINUING EDUCATION UNITS

For those attendees who have attained the CPMR designation, please note that the 35th Annual AIM/R Management Conference has been authorized by the Institute for Professional Advancement (IPA) for CEUs (Continuing Education Units).



First registration from firm	\$575
Second registration from firm	\$425
Each additional from firm	\$345
Spouse/Guest	\$225

(This classification is only for people that do not work for the registering agency.) Price includes Spouse/Guest Breakfast, Spouse/Guest sessions, Welcome Reception, optional attendance at Membership Luncheon and Closing Dinner Dance.

Non-AIM/R Members	\$950
includes membership for first year	

Vendors	\$800
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includes, *new this year*, a scheduled 15-20 minute presentation of your product in a breakout room, table top display in Vendor area, all networking breakfasts, all educational sessions, Welcome Reception and attendance at any optional activities. Must register by March 15 to be put on the schedule of presentations. Conference sponsorships are also available. Call Linda McKee toll-free, (866) 729-0975, for details.

WANT TO KNOW MORE?

Visit the AIM/R web site at www.aimr.net
or call toll-free (866) 729-0975



Seeking Board Candidates

The role and responsibility of the Board of Directors is to set policies, direct the affairs and ensure that the association is providing appropriate and necessary services to its members. Serving on the AIM/R board will give you an opportunity to take an active role in the strengthening and building of this association.

Qualifications to Serve:

Employees of regular member (rep) firms in good standing are eligible to serve on the board. Not more than two representatives of one member firm can serve on the board at the same time.

Time Commitment:

Serving on the Board requires that you attend two board meetings each year. The meetings are held in conjunction with ISH/ASA and AIM/R's annual conference. The Executive Committee holds regular teleconference calls. Directors are notified of the calls and are welcome to attend, if available. A director is assigned to each vice president to assist with projects. And, volunteers will be solicited from time to time to serve on committees, to work on specific projects and other association business/events.

If you want to give back to your profession by providing your time and talent, we want to hear from you. Complete the board candidate application form and fax to Helen Degli-Angeli at AIM/R headquarters — (949) 855-2973.

AIM/R Board of Directors Candidate Application Form

Name: _____ Agency: _____

Phone: _____ E-mail: _____

Have you ever served on a non-profit board before? _____

If yes, for what organization? _____

What position did you hold? _____ # Years served? _____

Number of years as a rep? _____ What is your role in your rep agency? _____

Educational background: _____

Special skills you feel might benefit AIM/R: _____

Agency Orientation: Commission % _____ Buy-Sell % _____ Warehousing? Yes _____ No _____

Number Employees _____ Number Lines _____

Why are you interested in serving on AIM/R's board? _____

What is your interest in chairing an AIM/R conference and/or serving on the executive board? _____

Why would you be a good director and/or leader for AIM/R? _____

If necessary, attach additional pages for information to be considered in evaluating your application.

AIM/R Members Subscribe To This CODE OF ETHICS

The Association of Independent Manufacturers' / Representatives, Inc. is a trade association of multi-line, field sales professionals organized to:

- ◆ *Promote, protect and improve the multiple-line representative function and provide benefits and services to its members; and*
- ◆ *Create and foster a spirit of mutual respect and esteem among members and others within the industry and other industries; and*
- ◆ *Educate the industry and other industries as to the advantages of doing business through multiple-line, field sales professionals.*

In furtherance of these objectives, the Association develops and participates in programs and activities for multiple-line, field sales professionals designed to elevate ethical standards, improve business operations and provide more efficient service to principals, customers and the industry. To implement these goals, the members of AIM/R are expected to:

- ◆ *Represent only those lines they can effectively market and sell.*
- ◆ *Maintain a fiscally-stable firm.*
- ◆ *Operate a well-managed firm.*
- ◆ *Never degrade, malign or make false representations of a fellow representative.*

Manufacturers: Are You Looking for Well-Qualified, Performance-Committed Representatives?

Find them quickly, easily and cost-effectively with AIM/R's two exclusive marketing services . . .

The AIM/R Locator

A directory of PHCP representatives by territories covered, type of products handled, type of customers sold to/through and complete details about their companies.

Instant Hot Lines

A one-time fax or e-mail that provides immediate information on *your line, only*, to reps in specific territories or throughout North America.

Call AIM/R at:

(866) 729-0975

2006/2007

AIM/R Officers & Directors

Chairman: **Bill Freeman, CPMR**

President: **Rick Banner, CPMR**

President-Elect: **Frank Parks**

Senior Vice Presidents

Conference: **Bill Godwin**

Education: **Glenn Thurman, CPMR**

Industry & PR: **Brian Burke**

Membership: **Mike Parham**

Directors

Mark Creyer

Ryan Davenport, CPMR

Mike Dungan, CPMR

Karl Grabowski

Ken McGregor, CPMR

Eddie Pulley

Sig Schmalhofer

Jeff Smith

Strategic Plan Committee Chairman:

Greg McLaren

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