



“The professional network for fluid power, automation and motion technology providers dedicated to significantly enhancing member and channel performance by delivering indispensable networking, education and success strategies.”



***A Message from the new FPDA President Steve Schwasnick, Western Integrated Technologies, Inc. Bellevue, Washington***

***“Attending the FPDA gave me insight into our industry that I would not be able to attain otherwise. The educational programs were stimulating and enlightening. We will be attending future FPDA Summits.”***

***“The Wednesday workshops were the best I have ever attended at an FPDA event.”***

***“Networking was worth the investment in time.”***

***“Definitely plan on implementing Jim Pancero’s sales techniques. Also plan on using the Customer Bill of Rights and VIP list from Tom Reilly’s discussion.”***

These are just a few of the comments members offered on the recently concluded FPDA/ISD Joint Industry Summit held at The PGA Resort in Palm Beach Gardens, Florida. And, I must agree. The level of energy and enthusiasm exhibited by attendees and presenters helped make me feel even more positive about the direction of the economy and FPDA.

For those of you who were able to join us for this Summit, I thank you for your participation and engagement. And, for those of you that were not able to attend, I encourage you to join us next year. We are currently gathering proposals

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***INTRODUCING THE ALL NEW FPDA WEBSITE – VISIT [WWW.FPDA.ORG](http://WWW.FPDA.ORG) TODAY!***

A whole new look awaits visitors to the FPDA Website. This user-friendly site will give you all the latest information on FPDA activities and programs. With easy to follow icons (like the one for the Annual Network Summit), you will be able to find the information you need with just a simple click. Check it out today!



[A Message from the FPDA President—Continued from cover page](#)

from a variety of locations and will soon make a decision on the best venue with the best value for all of our members.

This event balanced a variety of networking and social opportunities and in-depth educational sessions. We unveiled a new format which included an exhibit program, we introduced a new combined convention program and membership directory, and everyone received all presenters' materials. We learned what worked and where we could improve and look forward to planning an even bigger and better program next year!

So, what else is happening? FPDA has unveiled its new website – if you have not had the chance to check it out, I encourage you to visit [www.fpda.org](http://www.fpda.org). We have the capability to add a poll to our website, so if there is industry or business information you are interested in, why not recommend a polling question? This site is designed to serve your needs, so tell us what you are looking for and we will try to deliver.

We have healthy participation in our benchmarking efforts which include the Monthly Economic Indicators Report, the monthly Snapshot Survey, the annual Profit Report and the bi-annual Compensation Report. If you are not participating in any of these exceptional studies, I recommend you learn more about them. Contact your FPDA staff at [info@fpda.org](mailto:info@fpda.org) to get the information you need. As with any benchmarking effort, the more participation, the greater and more beneficial the results!

I am pleased to serve as your President and welcome your input at any time.

Feel free to reach me at [sschwasnick@westernintech.com](mailto:sschwasnick@westernintech.com). I look forward to hearing from you.



#### FPDA EXECUTIVE COMMITTEE

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## 2010 Industry Summit

PGA NATIONAL RESORT | Palm Beach Gardens, FL | October 5-8, 2010

### 2010 FPDA/ ISD JOINT INDUSTRY SUMMIT WRAP UP - THE ISD AND FPDA AFTERMATH!

FPDA delegates joined attendees from the International Sealing Distribution Association for a brand-new meeting in early October in West Palm Beach, Florida. Delegates raved about the program and location. An educational program filled the delegates with new ideas:

Dr. Bill Conerly opened the program with an economic overview and offered a cautiously optimistic forecast for industrial distributors.

A new feature, University of Industrial Distribution In A Day, brought leading faculty members from this annual event, right to FPDA! Six workshops, packed with delegates, covered:



- Structure and Staffing for Branch and Operations Managers;
- How to Improve Any Salesforce;
- Pricing Strategies;
- Marketing Strategies;
- Product Profitability – Sell It; Source It; Ship It; and
- How to Increase Your Team’s Competitive Selling Advantage.

Michael Marks, Jim Pancero and Mike Workman’s programs met with rave reviews. A number of participants noted the high level of content and suggested they will attend the 2011 University of Industrial Distribution.

The traditional Peer-to-Peer Exchange competed against a glorious afternoon but those who participated took home valuable information from their peers from this exchange.



Continued on next page

Continued from cover page - ISD and FPDA Aftermath

Tom Reilly, leading sales consultant, closed the program with an instructional and motivational look at building a Value Added Organization. It was the perfect note to end the educational program.

Combined with the above, networking abounded. A supplier showcase featured the latest products in both the fluid power and the sealing industries. The PGA National Resort provided the perfect backdrop for outdoor evening events designed to bring together delegates and guests under the warm Florida skies.



**As one member noted in the evaluation survey,**

*“Attending the FPDA gave me insight into our industry that I would not be able to attain otherwise. The educational programs were stimulating and enlightening. We will be attending future FPDA Summits.”*

We hope you will join this member at future FPDA events!

Plans are already in the works for the 2011 Joint Summit and details will be available on the website as soon as we have them so keep your eye on [www.fpda.org](http://www.fpda.org)!

### 2011 Online Marketing Trends to Know Now with David Nour Thursday, December 9, 2010 | 3 PM Eastern

Online users spent more than \$250 billion last year. What percentage of your business came from that pool? How about in 2011? Are you realigning budget and resources to get higher percentage of each relationship's mindshare and wallet share? How do you know? What is your view of customer lifecycle?

In 2011 and beyond, to stay relevant to online buyers and get higher return on your online marketing you need to start with understanding of the state of world; the understanding that encompasses the shift in the buyer behavior, information overload, and holistic view of the customer. If customers no longer believe in what you say, how can you leverage broader sources of influence to get your message across?

Association Education Alliance (AEA) invites you to join David Nour, author of [Relationship Economics](#) and *Social Networking Best Practices Series*, on **Thursday, December 9, 2010 at 3 PM Eastern (Noon Pacific)** to learn how to reorient your business toward a more holistic approach. In 60 minutes he will start with addressing the key market, distribution, product, core competencies and innovation assumptions you need to consider and redefine to better serve your online marketing goals and objectives in 2011 and beyond and continue with top online marketing best practices and trends for next year.

Register here: <http://www.relationshipeconomics.net/AEA.html>

## FPDA SURVEY ON INDUSTRY ECONOMICS OFFERS A WEALTH OF DATA YOU CAN USE

FPDA has teamed with Cleveland Research to produce a monthly survey on industry economics. In the latest survey, we learned:

**FPDA Index Moderates** – The FPDA Index softened from a reading of 70.1 in August to 63.6 in September. This indicates that the fluid power industry expanded at a slower rate compared to August and is directionally consistent with the broader ISM Purchasing Manager's index which slowed to a reading of 54.4 in September down from 56.3 in August.

**Activity Reverts to Prior Trend Following August Anomaly** – Both sales and order growth fell back to prior trend levels after a sharp acceleration in August. This suggests that the sharp August acceleration was an anomaly helped by an extra selling day this year and an easy comparison against significant shutdowns /working hour reductions in 2009.

**Inventory Levels Appear to be Increasing More Rapidly** – Inventory levels increased at a more rapid pace in September. This appears to be in response to a combination of lengthening supplier lead-times which were reported as slower sequentially by a net 66% of participants and an improving outlook which gives members more confidence in adding product to the shelves.

The October Survey contains 28 pages of in-depth information including:

- A detailed analysis of end-user market trends
- Trends on bookings and orders
- Manufacturing sector indicators
- And more!

Approximately 30% of the FPDA distributors and manufacturers report their data monthly and identify this survey as an invaluable member benefit. If you had to purchase this data, it would be more than costly. But, it is provided to you free of charge as a member of FPDA.

You are encouraged to participate in this monthly survey. It only takes minutes of your time to supply the data and the wealth of information you can use from this report is priceless.

If you are not participating and would like to do so, send an e-mail to [info@fpda.org](mailto:info@fpda.org) with your contact information and we will be sure to include you on our list.

*"I continue to be impressed with the work done at FPDA to develop industry data that is meaningful to my business. I am especially pleased with the latest development of the monthly Fluid Power Index tracking orders, inventory, and sales compared and contrasted to the ISM. It is relevant, timely, and well presented. Way to go!" John Thornton GS Hydraulics, Inc.*

## Get on Board with FPDA Benchmarking

### FPDA Distributors: Are You Participating in the Monthly Snapshot Survey? Industry Sales, Orders, Inventory Data at Your Fingertips... When You Need It!



Busy distributors need an accurate barometer for their own business, and for the overall fluid power industry, in terms of current sales, orders, and inventory value. The data needs to be accessible 24/7, and wouldn't it be nice if it was *FREE*?

FPDA members, with the aid of a custom-designed web-based program, can get what they need from the **FPDA Industry Snapshot Survey**. Easy to use, with instant results and guaranteed security of your data, the **Snapshot Survey** requires one-time initial set up of your Company Profile. Thereafter, by submitting three numbers (sales, orders, and inventory levels) on a monthly basis, you will be able to instantly be able to run graphs showing your current numbers compared to what others in the industry are doing (*see example below*). And the best part: FPDA distributor members may participate in the **Snapshot Survey AT NO ADDITIONAL FEE!**

Activating your Company ID will take very little time; once you are activated, you'll spend **less than five minutes a month** entering three figures—total sales, total orders, and inventory value for the month—to run the graphs of your choice.

As always, confidentiality of your data is of utmost importance. The Industry Snapshot Survey website is secure; FPDA staff has access only to Company IDs, but cannot access the actual data submitted by its members. Our technology partner on this project, Activant, has access to the data submitted, but not to Company IDs. This double-blind method ensures that no one can discern any one company's data. If you are not a current participation, activate your Snapshot Survey participation now, and get even more data than ever!

Here's how: **FPDA Distributor Members:** Simply send an email to [Snapshot@fpda.org](mailto:Snapshot@fpda.org) with your name, company name and e-mail address, and we will send you instructions for accessing the Snapshot Survey website and will assign your unique, confidential Company ID (which serves as your password to enter the Snapshot Survey website). You can log in and begin entering data instantly! E-Mail: [Snapshot@fpda.org](mailto:Snapshot@fpda.org)

## FPDA Welcomes Its Newest Members!

### FPDA Welcomes Its Newest Members!

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## Asset Reduction Programs: Chopping Versus Pruning

By: Dr. Al Bates

So this distributor walks into a bank and asks for a loan....No need to wait for the punch line as it is no laughing matter. In many cases the credit available to distributors has all but dried up. Where money is available, banking requirements are becoming more restrictive almost every day. The likelihood of things getting better any time soon is remote.

With enough patience and concerted effort, the cash challenge associated with disappearing lines of credit can be overcome by rethinking gross margin and expense levels even during a recession. In fact, this will be the topic of the next PIR. However, many distributors need cash now, not in six months. The conclusion is that inventory and accounts receivable reductions are in order.

The reality is that most of the actions typically taken to lower investment levels are cash positive in the short run and dangerously profit negative in the long run. Given the multiple effects of cash generation programs, FPDA members need to take a step back and rethink their investment levels in some different ways.

This report will examine two very different approaches to reducing the investment levels in accounts receivable and inventory:

- **Chopping**—An immediate reduction in investment levels to generate cash as quickly as possible.
- **Pruning**—A more gradual approach to investment reductions, but one which does not create long-term profit problems.

### Chopping

Time to state the obvious - chopping is something of a

pejorative. However, in extreme circumstances it may be the only alternative. The problem is that it is often applied even when there are other alternatives available. Very serious thought and care needs to be employed when adopting this strategy.

To fully understand the impact of this approach, it is first necessary to review where the typical FPDA firm stands. **Exhibit 1** (on page 7) provides a financial overview of this typical firm based upon the PROFIT Report. The first column in the exhibit reflects results before the current economic challenges.

This firm generates \$20,000,000 in revenue, resulting in a pre-tax profit of \$700,000, or 3.5% of sales. Generating this level of performance requires an investment of \$2,500,000 in accounts receivable and \$2,700,000 in inventory.

Like every firm in every industry, this typical firm has both fixed expenses and variable expenses. Fixed expenses are overhead expenses that tend to be difficult to shed as sales fall. In contrast, variable expenses rise and fall directly with sales. These have been estimated to be 5.0% of sales. According to the PROFIT Report, these figures are reasonably close to most FPDA members.

The last column reflects the impact of a 5% reduction in both accounts receivable and inventory. As can be seen at the bottom of the exhibit, with the 5% reduction in these categories, a total of \$260,000 is converted into cash. It provides the firm with substantial breathing room from a cash-flow perspective.

The challenge is that even with reductions as small as 5%, there is the likelihood of a sales decline because of the reduction in investment levels. If accounts receivable collections are tightened sharply and credit limits are lowered, sales suffer almost automatically. On the inventory side the firm essentially places limits on the amount of merchandise that can be ordered. The result here is that the firm runs out of stock on key items quickly. Again, sales will suffer.

If sales decline by 5%, (simply one of the many scenarios

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s), then pre-tax profit falls by \$235,000. Assuming a 30% tax rate, the after-tax profit decline is \$164,500. It needs to be noted that the \$260,000 conversion of inventory and accounts receivable to cash is a one-time event while the decline in profit after taxes of \$164,500 is an every-year problem. It could even be worse as being out of stock eventually creates serious customer-satisfaction issues.

There are also some other potentially negative effects from chopping that cannot be adequately quantified. An inventory reduction will necessitate ordering in smaller quantities. This could cause the firm to lose some order-quantity discounts. Ordering in smaller quantities also means more frequent ordering which increases receiving and stocking costs.

The case for chopping is much stronger if sales have already declined. In this case the firm is responding to a deteriorating situation. Even here, though, caution is in order. Investment reductions, particularly with regard to inventory, almost always cause a further deterioration in sales volume. If for example, sales decline by 10% and inventory is cut by the same 10%, sales will almost certainly fall even further because of the inventory reduction.

### Pruning

Time to add another arcane term to the profitability vocabulary. In pruning the inventory, firms need to “de-deadify” the inventory. This means a focus only on dead inventory in an intense effort to eliminate items that have not registered meaningful sales activity over the last year.

Clearly, such inventory generates no sales volume. Converting the inventory to cash would not reduce the firm’s service level in any way. It is as close to a pure cash opportunity as exists today.

The challenge, of course, is that nobody wants to buy the dead inventory or it wouldn’t be dead in the first place. This has caused most firms to ignore the pruning

opportunity. However, through a combination of deep discounting, active promotion and simply dumping some inventory for a tax credit, substantial improvement is possible.

If the firm could eliminate 10% of its inventory, that is a reduction of \$270,000. Since such merchandise is unlikely to generate more than 50% of its cost in discounted sales, the potential cash conversion is around \$135,000. It is not an inconsequential change given that it should not come at the expense of a sales decline.

Another downside to pruning is the time frame involved. A concerted de-deadifying project will take anywhere from three to six months to complete. In order for the project to be successful, somebody must be responsible for the process during that time. The entire firm must support the effort.

### Moving Forward

When lines of credit dry up, changes in investment levels are almost inevitable. If at all possible, such reductions should be driven through pruning rather than chopping. The long-term sales and profit challenge is eliminated with this approach.

However, for firms with serious issues regarding cash flow, there may be no alternative to chopping. When contemplating such a drastic strategy, though, it is essential to be fully informed of the consequences. Unless planned properly, serious profit reductions will follow.

*Dr. Albert D. Bates is founder and president of Profit Planning Group, a distribution research firm headquartered in Boulder, Colorado. ©2010 Profit Planning Group. FPDA has unlimited duplication rights for this manuscript. Further, members may duplicate this report for their internal use in any way desired. Duplication by any other organization in any manner is strictly prohibited.*

**A Managerial Sidebar: The Nature of the Pruning Opportunity**

The pruning opportunity is almost entirely concentrated among slower selling items, the so-called D items. However, it is essential to distinguish between dead inventory and simply slow sellers. As long as the D items have some reasonable sales opportunity, they are where the firm's gross margin dollars are concentrated. They should not be pruned.

| <b>Product Category</b> | <b>Percent of Sales</b> | <b>Percent of Inventory</b> | <b>Comments</b>  |
|-------------------------|-------------------------|-----------------------------|--|
| A                       | 60                      | 45                          | Highly price sensitive<br>Must always be in stock<br>Brag about price and in-stock performance |
| B                       | 20                      | 20                          | Somewhat price sensitive<br>Typical service level<br>Basic items                               |
| C                       | 15                      | 15                          | Slower sellers<br>Price for margin<br>Maintain adequate in-stock position                      |
| D                       | 5                       | 20                          | Specialty/unique items<br>Price for maximum profit<br>Eliminate dead items                     |
| Total                   | 100                     | 100                         |  |

**FPDA UPCOMING EDUCATION EVENTS**

Due to this year's successful webinars with Bob DeStefano of SVM E-business solutions and David Nour of the Nour Group, FPDA and AEA (Association Education Alliance) will be offering a series of Sales and Marketing webinars again this year. More details and online registration for these events and other educational offerings are available on [www.fpda.org](http://www.fpda.org)!

December 7-8, 2010 Sales & Marketing Optimnization, Texas A& M, College Station, Texas

December 8-9, 2010 Pricing Optimization, Texas A & M, College Station, Texas

December 9, 2010 Online Marketing Trends to Know Now with David Nour

January 13, 2011 Online Sales Success – Lead Generation and Buyer Behavior with David Nour

February 10, 2011 Online Sales Success – Lead Generation and Buyer Behavior with David Nour

March 7-10, 2011 University of Industrial Distribution, IUPUI, Indianapolis, Indiana



## FPDA LAUNCHES NEW CERTIFICATION PROGRAM AT FPDA-ISD JOINT SUMMIT IN FLORIDA!

FPDA announces its new, comprehensive sales-based certification exam – the Motion & Control Sales Professional or M+CSP. This certification focuses not only on sales and business knowledge, but incorporates hydraulic, pneumatic *and* motion control technologies. It is designed to

- support overall sales effectiveness,
  - develop well-rounded sales professionals in the fluid power industry,
- integrate both the technologies *and* sales strategies needed to enable better consultative selling, ultimately enhancing your company's credibility with customers.

Both technical and sales resources are suggested for exam preparation, and the detailed feedback on exam results provides an excellent employee development tool. Current sales professionals can demonstrate their expertise across a wide range of sales and technical topics; employees preparing to embark on a sales role have a defined set of learning resources to help them, and can demonstrate their readiness to move into these roles. Managers have a tool to better assess their company's capabilities for moving into new markets.

The exam includes eight sections - six technical (mechanical, electrical, pneumatic, hydraulics, electro-mechanical, and automation), along with integrated sales and business sales. "Integrated sales" reflects the candidate's ability to design and troubleshoot customer solutions, while "business sales" focuses on general business knowledge, sales profitability, and the sales process. Roughly half of the exam is devoted to sales skills and knowledge.

For even more value, a report is provided to the candidate's manager detailing scores for each of the eight sections of the exam, comparing the passing score for each section, as well as the overall exam score and passing score. Areas for further development are easily identified.

Your board created a diverse team to put this certification program together. The following are the members of that team:

- Hal Kemp – Allen-Orton
- Arnie Tuleja – Catching Fluidpower
- Tom Blansett - Eaton
- Tim Nichols – Hydraquip Distribution
- Norm Clark – Texas A&M
- Jack May – Iowa Fluid Power
- Rich Freeh – RG Group
- Jerry Herrin – The Wilson Company
- Traci Lee - Allen Orton
- Phil Stull – Cross Fluid Power; and
- John Thornton – GS Hydraulics

Working with FPDA's testing partner, the National Occupation & Competency Testing Institute (NOCTI), the team worked to define what they believed a strong, well-rounded sales professional in this industry needs to know in order to be successful, and then created exam questions to test that. The exam has been carefully piloted and the team is confident in its ability to assess your sales professionals. 40 candidates took the pilot exam which included 212 questions; based on the pilot results, questions were fine-tuned and divided into two equal exams of 95 questions each. Candidates will be randomly assigned one of the two exams, which are taken on-line. Results are sent to the individual's manager, including a formal certificate if the candidate successfully passes the exam. The bar has been set high for this exam, so the passing grade is 87%.

This is an excellent employee development tool. Key materials widely available in our industry have been identified which provide the basic knowledge tested in this exam.

The exam process is simple. Exams are all on-line, hosted by NOCTI, and participants access the exam via the internet from their offices. Exams are ordered on-line from FPDA by the candidate’s manager; access information and passwords are sent directly to the manager, followed by exam results once the exam has been completed. Candidates successfully completing the exam are awarded an M+CSP Certificate.

A new on-line ordering process is available at [www.fpda.org](http://www.fpda.org), along with additional information regarding the exam such as how to set up the computer used to access the test, Frequently Asked Questions, etc. Special introductory pricing is being offered through the rest of this calendar year.

The well educated sales professional excels. Please consider taking advantage of this excellent new program from your association. Candidates will be allowed one free re-take if they do not pass their first time.

Special Summit introductory offer (good through December 31, 2010): [FPDA Members](#)

- Single exam                   \$ 199
- Pack of 5 exams           \$ 850 (\$170 ea)           Pack of 10 exams       \$1400 (\$140 ea)

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Continued From Page 9 - Certification Update

Recommended reference materials include:

| Reference  | Cost   | How to Order   |
|--|--|--|
| <u>Industrial Fluid Power</u> , Vol 1 - 3 <sup>rd</sup> Edition          | \$47.44<br>new                                 | Purchase from Amazon.com or similar source   |
| FPDA Fluid Power Data Book   |  | Included with exam order   |
| Lightning Reference Handbook   | \$28.00  | <a href="http://www.hydraulicsliteraturestore.com">www.hydraulicsliteraturestore.com</a><br>use "FPDA" as the promotional code and receive a 10% discount  |
| Closed Loop Electro-hydraulic Systems Manual                             | \$55   | <a href="http://www.hydraulicsliteraturestore.com">www.hydraulicsliteraturestore.com</a> .<br>use "FPDA" as the promotional code and receive a 10% discount  |
| Eaton's <u>Industrial Hydraulics Manual</u>                              | \$70   | <a href="http://www.hydraulicsliteraturestore.com">www.hydraulicsliteraturestore.com</a> .<br>use "FPDA" as the promotional code and receive a 10% discount  |
| <u>Industrial Motor Drives</u>   | \$40.00<br>+ \$5.25 handling<br>+ UPS shipping | Order from any Parker Distributor  |
| Parker Hannifin's Motion Control Catalog (The engineering section)       |  | Available on-line:<br><a href="http://www.parkermotion.com/literature/pg223_engrg.htm">http://www.parkermotion.com/literature/pg223_engrg.htm</a>  |
| <u>Financial Transactions of the Wholesale Distributor</u> , by Don Rice | \$27.50  | Available on-line:<br><a href="http://www.hwpo.com/agora/agora.cgi?product=Books">http://www.hwpo.com/agora/agora.cgi?product=Books</a>  |
| <u>Industrial Distribution - the Sales Process</u> ; Mitch Harper        | \$30.00  | Available on-line:<br><a href="http://hwpo.com/hwpcart/index.php?dispatch=categories.view&amp;category_id=1">http://hwpo.com/hwpcart/index.php?dispatch=categories.view&amp;category_id=1</a><br>Use "hydraulic" in the discount code box to receive a 20% discount for FPDA members |

**For additional details, contact FPDA at [www.fpda.org](http://www.fpda.org) or call 410-940-6347.**

**REGISTER FOR THE 18<sup>TH</sup> UNIVERSITY OF INDUSTRIAL  
DISTRIBUTION - REGISTRATION IS OPEN!  
SPACE IS LIMITED SO DON'T DELAY!**



**REGISTRATION  
OPENS OCTOBER 25!**

# UNIVERSITY OF INDUSTRIAL DISTRIBUTION

INDIANA UNIVERSITY/PURDUE UNIVERSITY

**MARCH 7-10, 2011  
INDIANAPOLIS, INDIANA  
[www.univid.org](http://www.univid.org)**

## ▼ UID CLASS SCHEDULE

### MONDAY, MARCH 7

- 001. Marketing Strategies [Marks] Morning
- 002. Pricing Strategies [Marks] Afternoon
- 003. Improving the Distributor's Bottom Line [Bates]
- 004. You can Always Sell More – How to Improve Any Sales Force [Pancero]
- 005. Creating a Competitive Distinction [Underhill]
- 006. Leadership & Delegation for Distribution Managers [Land]
- 007. Differentiating Your Distribution Company – A Winning Strategy [McCleave]

### TUESDAY, MARCH 8

- 008. Achieving Effective Inventory Control [Schreibfeder]
- 009. From Dull to Dynamic: Transforming Your Presentations [Boyd]
- 010. The Power of the Spoken Word [Boyd]
- 011. Productivity Tactics for Branch Managers [Merrifield]
- 012. Profit Myths in Wholesale Distribution [Bates]
- 013. Managing the Account Portfolio [Monoky]
- 014. Real World Branding Strategy for the Industrial Products Manufacturer [Marks]
- 015. Managing Distributor Sales Activities for the Manufacturer Territory Sales Executive [Marks]
- 016. Proving Total Cost Savings [Underhill]

### WEDNESDAY, MARCH 9

- 017. Branch & Operations Management [Workman]
- 018. Sales Planning for Industrial Distributors [Monoky]
- 019. Creating a Winning Marketing Plan [McQuiston]
- 020. Planning and Managing the Distributorship for Greater Profits [Rice]
- 021. Hiring the Right Salespeople [Ellers]
- 022. Improving Profitability Thru Joint Sales Calls [Ellers]
- 023. Value-Added Selling [Reilly]

### THURSDAY, MARCH 10

- 024. Personnel Productivity Improvement [Newton]
- 025. Customers: How to Keep The Best for Life [Rice]
- 026. Increasing Your Sales Force's 'EQ' [McQuiston]
- 027. Negotiation Skills for Distributors [Schatzki]
- 028. New Process of Distribution Sales Management [Ellers]
- 029. Fundamentals Business Skills and Leadership Training for Today's Distribution Branch Manager [Ambrose]
- 030. Creating Shareholder Value in Wholesale Distribution [Deist]



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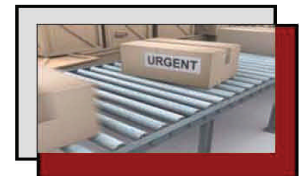
### FPDA Small Parcel Value Program

#### **Announcing the FPDA Small Parcel Value Program**

FPDA would like to announce an affiliation with Integrated Shipping Solutions, Inc. The objective of this affiliation is to save members of FPDA a significant amount of money on their small parcel shipping costs, by allowing professional consultants to negotiate shipping discounts on individual members' behalf. ISS is currently saving association members millions on their small parcel shipping. As a FPDA member, you can now take advantage of their expertise at a special reduced rate.

#### **About Integrated Shipping Solutions, Inc.**

Integrated Shipping Solutions, Inc. was founded by two former UPS business development people to level the playing field for small parcel shippers. ISS representatives spent years negotiating shipping contracts on the carriers' behalf.



Now ISS representatives leverage their intricate knowledge of the small parcel carrier pricing structures, as well as competition to get your company the best deal in the market today. ISS negotiates with the three major small parcel carriers on your company's behalf and you choose which carrier you use. Typical ISS clients remain shipping with their current incumbent carrier, at a significantly reduced rate. Whichever carrier you choose to use, you can be assured that your new carrier agreement is truly optimized by experts in the industry.

#### **Why Your Company Does Not Currently Have the Best Small Parcel Pricing Now**

Account executives employed by shipping companies are compensated on net revenue paid into the company by their customers. Their commission pay depends on every dollar you pay. Therefore, it is in the best interest of the account executive to hold back all, or as much discount as possible, to retain/win your business. Account executives rely on the simple fact that you, the customer, have **no frame of reference** for recognizing a good shipping rate. Thus, all the negotiating power lies in the hands of the account executive. This is how ISS and the knowledge of our associates expedite the process, and level the playing field for you. ISS knows what incentives you really qualify for. Shipping companies want to keep you uninformed, because an uninformed consumer equals higher margins and more commissions for them. *ISS negotiates with your best interest in mind. Carriers simply do not.*

#### **Free Consultation & Shipping Analysis**

Contact ISS to discuss your current small parcel shipping situation and how they can save you money. Members should announce that they are members of FPDA, and they will be directed to Brett Stubblefield or Derrick Olson, the owners and founders of Integrated Shipping Solutions, Inc. They will discuss with you exactly how the service works, your current situation, and the next steps to start saving your company money on small parcel shipping. For more information, visit our website, [www.integratedshipping.com](http://www.integratedshipping.com).

***ISS is an absolute no-risk service, as ISS is only paid a percentage of actual realized savings we are able to achieve for our clients. ISS has a positive impact on cash flow from day 1.***

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