

## Catapulting the Curve Podcast Part 3

Thanks for joining us for Catapulting the Curve, a candid discussion of how technology and automation can help you stay ahead of your competition.

You are listening to part three of a four-part discussion with Larry Stern and Del Nickel. Larry is the president of Standard Electric Supply and current chairman of IDEA. Del is past president of Pentair Technical Products, most known by brand Hoffman in the US, and past chairman of IDEA. I'm Sonia Coleman, an industry writer, and I get to ask the questions.

In this podcast segment, Larry and Del discuss the essential challenge and competitive advantage of manufacturers controlling their own data, plus ways to prepare for a global marketplace by keeping pace with the ever-changing nature of technology.

We hope you enjoy listening.

Larry: There's one other point I also want to make that differentiates the IDEA organization from any other service provider that is out there that distributors and manufacturers can look toward and that's really that this was created by the industry for the industry. And as part of that philosophy, it was strongly indicated and embraced by IDEA that each manufacturer and supplier in this industry, should and must be responsible for their own data. And I firmly believe in that too, because that is part of what gives you a competitive advantage and differentiates you from your competitors.

So the problem there is that this is one of the driving philosophies around the IDEA organization that requires commitment and coordination from the supplier community to get on board with managing their own data.

And as Del pointed out a while ago, there's a lot of issues that's fully appreciated when you have growth of companies, acquisitions, trying to integrate different platforms, and it's easy to espouse that philosophy of managing your own data, it's another thing to truly implement it in these large organizations that we deal with so it is fully appreciated the tremendous obstacle that needs to be overcome, but as we've pointed out -- now is the time to overcome those obstacles. We have the tools in place, we have the resources, IDEA can help, the manufacturers can help the distributors and really want to drive that process can now talk intelligently, here is the data we need, the attributes we need, the global standard, it is in place, it is

there, you know with certainty what is needed, now let's start the process of going forward, and that's what's happening right now, and distributors are talking with manufacturers. In the past, you would hear part of skepticism was from the manufacturers saying no distributor is asking for it, but if there's any manufacturers that would make that statement, I would be happy personally to debate that with them, because they are not listening. The demand is there. We have to, based on this philosophy, of manufacturers managing and controlling their own data, as long as we believe in this philosophy, tenet, expectation, we have to, within the confines of that restriction, work with the manufacturers, and that is a huge differentiator from other service providers that don't have that shackle but the reality is that we believe that this the correct way to do and is the best philosophy for our industry.

Del: I would put an exclamation point on it; I think Larry touches on a really key item here: manufacturer-sourced data. Manufacturers are the only ones who know their products, revisions changes, product changes, price changes, attribute changes, and the only ones that can react to that with speed. A lot of other industry service providers, i.e. competitors to IDEA, scrape and source the data from a multitude of websites and that data is only as good as the information on the websites, and frankly probably not very accurate, and the basis of how they send data to distributors partners.

And that has worked in the past because marketing in most manufacturer organizations was not well defined and not highly involved, but marketing in today's industrial products world is accelerating. People are hiring well trained, highly educated people to run their marketing businesses and increasing marketing will become the competitive tool and the only way for distributor partners to get good accurate data, timely directly from the manufacturers, not from some third party site. I think you'll see that becoming a real competitive disadvantage in the not-to-distant future to a number of other suppliers in the industry because they don't have that commitment to manufacturers supplied.

So it is incumbent that manufacturers work with distributors in the industry to get that data sourced in spite of their acquisitions and different platforms. They recognize the issue, it's the industry applying enough attention, pressure and expectation to it to move it forward, and I think we're seeing that iceberg begin to melt and change and coming together that's possible.

Sonia: Great. I think that one thing we didn't cover that I'd be interested in hearing your thoughts on is the fact that technology is always changing, new needs



and requirements for what the business needs of ecommerce are, just like they bring out new smart phones constantly with new features and is faster better everything. How do you think that also applies with what is going on here in the electrical industry, and the IDW and IDX and data exchange.

Larry: I don't have a crystal ball, and I don't know if I'm smart enough to look out into the future to give you a good answer to that question, but what I do know is that we have an organization, IDEA, that is owned by the industry. And it's sole purpose and goal for its existence is to help drive that process that you just asked about. And so I'm confident that we've got people in that organization that are much smarter than me that understand these new technologies that are constantly evolving like smart phones. They are going to be continually talking to the industry, their customers and looking at ways and tools that they will continue to develop to allow us to continue to grow and evolve.

Just a couple of quick examples: one referred as the Data Management Platform, software that has been developed and can be utilized by manufacturers to pull multiple databases of information together and integrate it in an easy way and that's a tool that came out of all these conversations. Those are the kinds of things they'll look for and develop to continue to meet the demands of the customers and of the industry.

Del: To add emphasis: I think that's the very reason for distributors and manufacturers to get on board with IDEA, it was formed to be the industry's technology center and take costs out of the channel, by getting on board and getting involved and understanding the product platform and services they offer, you are helping your organization. The investment's been made, and you are helping your organization stay current without having to go invest in some third party so it's a real opportunity to grow and learn. It's the industry's place, and it is really incumbent upon people to get involved; it keeps them up-to-date and gives them a resource to communicate common industry issues and concerns, a real positive statement for involvement with IDEA.

Larry: Another concrete example that I forgot to mention a few minutes ago is the E-Biz Forum, IDEA's annual meeting held in the fall every year. It's truly the place where I would want to send my chief information officer, the person that's heading up my IT group, that's where the experts are, people are networking, talking about new technology down the road, whether its cloud computing or utilization of smart phones, and that's where you have a place to network with

others in similar positions through that process, learn about new tools and technologies and how they apply to your organization and it's something that IDEA has been doing for years. Another example of how we're going to drive the process forward in the future too.

Del: I would add that we talked about some things that I would call IDEA product platforms, the Data Management Platforms, Electrical Attribute Schema, also a point to be made about the services, now rolling out an NAED and NEMA-supported partnership rating program so the industry can understand, particularly, the distribution industry, who of their partners have good data in the IDW database, and who have some work to do and who have a lot of work to do. Not so much as a way to point fingers that you haven't done the work, but it's more about communicating who distributors should be working with to help them source the data and answer questions and get IDEA involved, so we can get them on board and in the IDW.

And I think this B2B Partnership Rating Program will be a positive development and the other thing IDEA also offers is the Attribute Fulfillment Service, the ability for manufacturers to outsource some of this data attribution work. IDEA has the capabilities and skills to help manufacturers and trading partners and in some cases that activity is accelerating, the awareness that IDEA offers this service is accelerating and I think you'll see IDEA providing more support and services in some cases for fees to help manufacturers get data attributed and use the Data Management Platform to bring industry knowledge and information up-to-date. And I think we're at a real positive crossroads right now.

Larry: And when Del said for fees, it would be for very reasonable fees because keep in mind that this is a non-profit group ran by the industry that just wants to drive it forward so it's just a matter of being able to cover the cost in the best interests of the industry.

Del: That's the right way to say that. To cover their costs for the resource that's employed, not to be a consultant in the sense of most consultants, most people are aware that consultants charge a lot of money per hour. Not the case.

Larry: Which is a key differentiator.

Del: And again that makes it competitive so the little guys who are worried about their costs can utilize their services at a fair fee.



We hope you enjoyed listening to this segment of Catapulting the Curve. Tune in again for part 4 where Larry and Del wrap up the discussion. They share their vision for a more efficient industry, discuss why leaders should care about eCommerce, and outline actions that companies can take to move the industry forward.

To access more information and education on technology trends, check out IDEA's website at [www.idea-esolutions.com](http://www.idea-esolutions.com) and navigate to the news and events page.

Thanks again for listening.