

CHAIRMAN'S COLUMN BY JOHN DUDA



For the health of the industry

As the old saying goes, "You can lead a horse to water, but you can't make him drink." And, to go one step further, if he doesn't drink, he will suffer a long, slow death. This may sound a bit brutal, but the same can be said about electrical distributors. We know that commissioning our trade association to research and find solutions to problems is good for us, but if we don't use the products and services offered as a result, we may have a long slow death ahead of us.

I am speaking, of course, about the many initiatives that we, as members, have asked for and received from NAED over the past few years—initiatives designed to help us improve our bottom lines, assist in the education and training of our people (after all, they do make the difference in our business), and protect our channel.

If we were one large company (like Home Depot, for example), we could make a decision, implement a plan, and get results in a fairly short time. Instead, we are almost 500 independent companies ranging from less than \$5 million in annual sales to almost \$5 billion. Our membership ranges from single-house distributorships to those with hundreds of houses, and from operations with no technology to companies with large IT departments. This makes it much more challenging for us as an association to implement products, systems, and services that will help each of us individually, as well as help the industry in total to compete with companies outside of our channel.

With this in mind, our challenge is to do whatever it takes in each of our companies to incorporate NAED's programs. Why? Because those programs are the vegetables and whole wheat for our business—they make us healthier and happier in the long run.

Here are a few quick examples:

- **IDEA.** The Industry Data Warehouse (IDW2) for electronic data is our version of a pricing service, owned and controlled by our industry (50% NAED and 50% NEMA). With it, our data is more accurate and, when fully loaded by the manufacturers, will allow us to get our net costs into stock.



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Through IDEA, we can also control our selling prices more accurately, and for those doing EDI transactions there exists an excellent opportunity to save a lot of money. These are just a few of the many advantages.

- **SPAs.** Unfortunately, we all have to do the old "ship and debits," now called Special Pricing Agreements (SPAs). NAED's *SPA Recommended Best Practices* saves an enormous amount of time, effort, and money. *SPA Recommended Best Practices* was developed based on

input from our members, and it doesn't take a computer genius to use it (but you do need a computer system).

- **POS/POT.** Point of sales/point of transfer is an easy way for distributors who cross rep territory lines (such as buying in one territory and selling in another) to report back to manufacturers or reps where product is being sold (but not to whom). The information allows manufacturers to compensate reps correctly so distributors can get the help they need from the manufacturer rep in each territory. It's simple, but important to all of us.

I don't have the space to talk about the variety of other important programs NAED members have requested—and that have been developed by your peers. For example, the NAED Learning Center provides an easy way to train your people online in industry-specific topics available nowhere else; in my opinion, *Maximize Your Profit Power* should be taken by every employee in your organization (make it a requirement and you will be more profitable); and the new *Supply Chain Report Cards* allow us to rank our suppliers based on terms we both understand. The list goes on.

For more information on these and all NAED services, as well as tips on implementing NAED programs in your company, contact NAED Customer Service at 888-791-2512 or customerservice@naed.org. ■■■

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