



Make your pain heard

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The squeaky wheel gets the grease” may be an old cliché, but it pertains to current problems in the industry: data synchronization, net pricing, and IDW2. Right now, distributors need to help themselves by pressing these issues to manufacturer CEOs throughout the electrical industry—because, quite frankly, it’s the manufacturers who are slowing the process of data synchronization, not the distributors.

Of course, data synchronization isn’t an easy process for a manufacturer. Why? Because even though just about every company has a data system that works just fine, synchronizing data requires that information be moved around in order to be put into an IDEA standardized format, which can lead to a lot of hard work. However, if manufacturers don’t get up to speed with IDW2 fast, it is going to cost them—and their distributors—in efficiency and profits.

There has been no shortage of effort on the part of NAED and IDEA to educate manufacturers about the importance of IDEA, IDW2, data synchronization, and net pricing. Articles have appeared in this magazine as well as in other industry publications. NAED and IDEA have sponsored and run seminars on the topics. Distributors have been encouraged to have conversations with vendors, and the NAED board has passed a resolution urging manufacturers to get synchronized and provide their net pricing information.

Even before that, IDEA commissioned an outside study that pointed out that data errors cost both distributors and manufacturers huge amounts of money to correct the problems. The study also noted that manufacturers save more with data synchronization than distributors. But so far, it doesn’t seem to be having an impact.

Here is why I think it isn’t working: For something as big as data synchronization and net pricing to get pushed through a

manufacturing operation, it has to come from the very top—the CEO or president. Unfortunately, most CEOs don’t have much knowledge of the whole back-end or IT system in their companies. (Tim Powers, CEO and chairman of Hubbell, really is an exception and this industry is very lucky to have him as both IDEA chair and NEMA chair this year.)

Most manufacturer IT people will explain that the data works just fine inside the company. They probably think, “Why mess up my system to satisfy a distributor or two?” What they aren’t thinking is that those distributors are the most successful and efficient way for their companies’ products to be sold—and that it’s those distributors that are helping to pay their salaries. They aren’t thinking that the data is creating inefficiency or creating errors in the whole sales chain. In fact, they are probably thinking more about the additional work it will cause, and the fact that they could quite possibly mess up a system that works for them just fine.

So what does a CEO hear from his or her IT department? Most likely something along the lines of, “Our system works just fine as it is. IDEA (or the distributor or whatever) is all screwed up.” Or perhaps, simply, “We can’t do it.”

Therefore, Mr., Mrs., and Ms. Distributor, when you talk to a manufacturer CEO about your pain in not having synchronized data with net prices, plead your case loud and clear. Make known the importance of clean data—fail to do so, and chances are that the IT department will prevail.

Now is the time for the distribution community to speak up and ensure that this channel is truly the most efficient possible. To do that, start with the manufacturing CEO and make your pain heard. Be the squeaky wheel. ■■■

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