Each year, FISA sponsors a Long Range Planning Meeting for the Board of Directors and invited guests. The purpose of the meeting is to bring together an equal number of distributors and manufacturers to analyze industry trends, to discuss FISA’s role in promoting distribution, and to plan the content of the upcoming Annual Conference. The annual retreat gets high marks from participants because of the quality of the discussion due to an uninterrupted block of time.

The 2015 Planning Meeting was held in Naples, FL, February 12-14 and included the FISA Board of Directors and invited guests: Wayne Brinkman of DCI Inc. and Jim McCoy of Sani-Matic. Participants provided an overview of 2014 and their outlook for 2015. Generally, 2014 was a good year. Here are the highlights of the 2014 review:

- Amazon is placing products in jeopardy due to pricing structure.
- Top ten customers change every year.
- Less stocking of inventory.
- Not a lot of big projects in bio-pharm; yet others noted pharma is leading the way.
- Skilled labor shortage due to retirements; the search for talent shows there is little field experience available.
- Pricing pressures from competition particularly on projects – where is the bottom?
- Integrated supply.
- Some companies are making huge investments in IT.
- Workforce aging; need to increase pay for welders and engineering.
- Projects draging out.
- Forecasting is becoming more critical.
- Many companies noted they are increasing human capital investment.
- Safety is critical; a few companies noted they have hired safety managers or that this role is increasing in importance.
- There is a changing of the guard at the processing plants – experience and knowledge is leaving with retiring personnel.
- Pricing pressures – terms more challenging.
- Some distributors felt that loyalty from manufacturers is declining.

Looking toward 2015, the following observations were made:

- A greater use of business analytics will help companies gain insight based on past business practices to drive business planning.
- Amazonsupply.com will impact business and potentially pricing in the marketplace.
- It was noted there is less stocking of inventory, particularly in California. JIT inventory is making an impact in the industry.
- Finding skilled labor continues to challenge distributors and manufacturers as the workforce continues to age. It is difficult to replace the experience and knowledge of the returning workforce.
- Finding qualified sales personnel presents another human capital challenge. It appears there is a dearth of technically proficient sales professionals.
- Pricing pressures/payment terms/contractual obligations are pressuring margins.
- Integrated supply solutions are on the rise.
- Creating value remains a top challenge.

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2015 FISA Board of Directors
(L to R) Neil Hopkins, Twinco Inc; David Brink, M.G. Newell Corp.; Chris LoPresti, Andron Stainless; Joe Allman, Flowtrend Inc; Albert Marquez, Duhig Inc.; Eric Perkins, Statco/DSI; Bob Morava, Stuart W. Johnson & Co; Jason Ryan, PureServe/FCX; Andrew Mahoney, ITT; Jim Larsen, Alfa Laval Inc.; Brad Myers, Arrow Process Systems; Chad Hawkins, SPX Process Technologies.
Dear FISA Members,

What a great meeting we had in February planning the 2015 FISA Annual Conference, and we had a great cast of characters to work with throughout the long weekend. Facilitated by Trish Lilly, and coordinated by Executive Director Stella Jones, your Board of Directors took the lead of the January survey to develop a fine program for the meeting in Austin. We especially want to thank Jim McCoy, representing Sani-Matic, and Wayne Brinkman from DCI, who as manufacturers, helped our process. Thanks to you, and spouses Reneé and Jan.

This year’s member survey identified recruitment and hiring as a tremendous industry need. Where are we going to find the salespeople, welders, mechanics, and engineers to pull this industry forward in the next 25 years? When we find this support staff, we then will need leadership to continue the legacy we have all left to the next generation of business managers and owners. Leadership is another very important topic on the minds of the FISA membership. Our definition of leadership does not include motivation, as we are all motivated folks. The FISA definition of leadership relates more to superior management skills, and the ability to foresee opportunities and pitfalls within our businesses and industry around us.

The upcoming 2015 FISA conference in Austin, Texas will provide speakers to address recruitment and leadership with professionalism and skill. There will also be humor and sports thrown into the mix providing entertainment value. Don’t miss the speakers!

As we move forward as a Trade Association, we also have other topics to discuss for this year’s gathering and for future plans. What effect will web-based businesses like Amazon have on our traditional business model? How will geopolitical threats continue to affect the global manufactured food chain? Plenty for discussion into 2016 and beyond...

As we plan to travel to Austin in the fall, remember that our event will coincide with the second weekend of The Austin City Limits Music Festival. Check their website for concerts and venues. We will be shuttling folks from the hotel to downtown on Saturday and Sunday evenings. Details on speakers and activities for the conference are coming soon. You will get registration material in early May.

Enjoy Spring when it arrives!

Bob
What is the biggest challenge you face in your business this year?

**DISTRIBUTOR RESPONSES**
- Prompt payment
- Skilled employees
- Finding skilled people
- Improving and organizing engineering department
- Good employees and loyal
- Hiring skilled labor
- Getting paid on time
- Hiring qualified sales professionals
- Managing growth
- Continuing the fight against becoming a commodity; differentiating ourselves from the “all-in-one” distribution houses
- Finding larger projects
- Competition and finding new products to market that have a fair profit margin
- Customers releasing funding for projects

**MANUFACTURER RESPONSES**
- Effective hiring, retention, development and training
- Margin
- Recruiting
- Managing double digit growth
- Competition from lower cost imports
- Competition from replicators (Pirates)
- Competitors. We need less of them.
- Export sales growth and fluctuations in capital construction demand
- Industry investment
- Organic growth
- Industry experienced people retiring from the industry and lack of younger people entering the industry.
- Constantly reducing prices, new competitors, competing with Pacific Rim imports
- Growing sales on new products
- Allowing competition to enter the market without the proper 3A certs
- Falling prices
- Trying to incorporate new technology and continuing to be competitive in a world market.
- Declining margins and foreign competition
- Recruiting, training, development and retention of top performing employees
- Generating any substantial growth in a relatively flat or slow-growing market
- Capital for investment
- New product development
- Finding people who have the skills to build equipment such as welders, polishers, equipment operators who want to work in a factory. Most people want a desk job with a computer and to just sit and play all day on the computer.
- Foreign companies
- Selling large projects
- Coordinating project opportunities
When planning your employee handbook, there are a few basics to keep in mind. Just answer some questions.

- What do we want this Handbook to communicate?
- What topics are important for our employees to have information about?
- How strongly do we want this message to be delivered?
- How detailed do we want to be?
- How easily do we want this handbook to be updated?
- Who may be the best source of input to read the draft before we distribute it? Try for two people who know your company.

The employee handbook should communicate information about the company, how it is operated, and what is required to be employed there. Yes, it should say the relationship is voluntary and can end at any time, but you do not need to say it nine different ways on six different pages. There should be a brief review of the benefits and information about where more extensive information about benefits can be found. Be sure to include information about how and when employees are paid because employees want to know that. Next, you will want to include information about what is expected from employees, including workplace behavior and safe work practices. The safety information will vary based on the type of business you operate. In a distribution center, it may be important to require closed-toe shoes, safety glasses, hearing protection, and head protection, based on what is received, stored, and shipped. The behavior requirements are universal and include no drugs/alcohol, no violence, no bullying, no sexual harassment, no falsifying records, no abuse of social media, and no weapons. It will take a few pages to explain these requirements, but they are essential.

Finally, you want to put a page in the back where the employee acknowledges that he/she promises to read the handbook and agrees to work under these conditions. The tone of the book should sound like the management of the company. Most companies talk in terms of “we” and “us.” They talk about the “team” and the “associates.” They write in first and second person, not in impersonal third person. They reject any third person language that includes, “the Company shall, and the Employee shall,” reserved for union contracts. The rule for writing is this: if you do not say it, don’t write it. It sounds cold.

The entire document should be prepared in electronic format using a word processing program, such as Microsoft Word. The copy should be marked with headings that allow the finished work to have an electronic Table of Contents that is updated with the click of the mouse. A new millennial generation member reminded me that a manual Table of Contents is the work of the traditional generation, who do not understand computers. Enough said.

Just a few don’ts:

- Don’t make your handbook look or sound like a contract. It is an employee guide and that is how it should appear and sound.
- Don’t try to cover every detail to the extent it becomes a policy and procedure manual rather than a handbook. It is a guide, not a rulebook.
- Don’t try to write a handbook that complies with all laws in all states. It is impossible to do that in any format useful to employees. It is better to include only those topics that are generally universal than to try to cover everything in one document. We often write universal handbooks with local inserts to cover the individual locations. If the book is stored on a shared drive with employee access, it is easy to use this format.
Don’t try to write your handbook in such a way that it is a crutch for managers to say, “I don’t care, but the Handbook says no.” The handbook is a resource, not an excuse.

Don’t confuse your employees by shifting the tone from warm and concerned on page two to stern executioner on page three. Keep the same writing style throughout your book.

Don’t forget to include the mandatory notifications employees should receive and be sure to place a strong emphasis on workplace safety. EEO, COBRA, FLSA, OSHA, and USERRA have mandatory notifications.

Don’t ignore the importance of requiring every employee to sign the handbook acknowledgement and then storing that document away in a secure manual or electronic employee file. It could be invaluable later.

I am happy to see clients use my template to get started in the right direction.

This advisory does not replace the services of a competent legal advisor and is not specific to the laws of any specific state. Nancye is the endorsed consultant for FISA and five other major trade associations and works with hundreds of businesses on four continents.

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Compensation Planning For 2015

Workers can expect a median base salary increase of 3.0% for 2015, across all main employee categories and in most industries. This is still under the pre-recession levels.

This projected increase is being reported by both the Hay Group and WorldatWork. Healthcare is projected to be 2.0% and Oil/Gas is expected to be 4%. No other sector data was released. The budgeted increases projected by Mercer, a worldwide leader in compensation survey practices is a little more precise:

- All Employees: 3.0%
- Executives: 3.0%
- Professionals (Sales and Non-Sales): 3.0%
- Office/Clerical /Technician: 3.0%
- Trades/Production/Service: 2.9%
- A 3.0% increase was predicted for 2014, but the actual amount of increase turned out to be 2.9%.

That is normal. It is usually just a little below the projection.

After factoring in annualized consumer price index growth at 2.1%, the resulting base pay movement for 2015 is expected to be a minimal net gain of .9%, according to Hay Group.

This compares to an expected 1.6% net gain for employees in 2014 and 2013 net gain of 0.8%.

To order: www.naw.org

Becoming a Digital Distributor: Strategies and Tools That Create Value

Be sure to identify yourself as a FISA member so you will get the member discount when ordering.

Digital tools are changing the way we work just as they have already changed the way we live. Unfortunately, it’s been more by happenstance than design for some businesses today. The digitalization of the distribution channel is inevitable because change is happening up and down the value chain. If your business is not leading, then at the very least, you must keep up. Up until now, however, there has been very little guidance for distributors about where to start and how to strategically use digital tools—e-commerce, social media, mobility, CRM, advanced analytics, and multichannel solutions—to gain a competitive advantage. That is about to change.

Becoming a Digital Distributor: Strategies and Tools That Create Value by Mark Dancer is your road map to adopting and using digital tools. This study provides data, analyses, tools, recommendations, and more than 250 direct quotes from wholesaler-distributors who provide expert advice for creating a vision and driving your business forward. With this study, you’ll have an in-depth game plan to get out in front and lead in your market create a strategic plan for taking full advantage of digital tools to better serve your customers by improving the customer experience leverage the power of information and data for competitive advantage work better and more collaboratively with your suppliers and most important, grow your sales and profits.

To order: www.naw.org
Member News & Views

The who, what, where, when and whys of the FISA membership.

How to Submit News

The Distributor News is published quarterly and the deadline for the next issue is June 1, 2015. Due to space limitations, we cannot print specific product information, but personnel changes, changes of address, expansions or other industry news is always of interest.

If you have a question, please call 336-274-6311.

Fax information to FISA at 336-691-1839 or mail to FISA at 1207 Sunset Drive, Greensboro, NC 27408.

Email: stella@fisanet.org

GFI Stainless

Ryan Herco Flow Solutions, a specialty distributor of flow solutions for mission critical fluids, announced that it has completed the acquisition of GFI Stainless, headquartered in Modesto, California. Chuck Moyer, Chief Executive Officer of Ryan Herco, stated, “The combination of GFI Stainless and Ryan Herco Flow Solutions represents a major product line expansion for both companies in California, bringing a greatly expanded value proposition to both customers and suppliers.” Moyer added, “The combined entity in California will ultimately provide broad spectrum technical flow solutions – both plastic and stainless – through seven stocking branches and 20 technical field sales representatives. Gordon Fluker, President of GFI Stainless, wrote, “GFI Stainless was a dream that became a reality for over 34 years. Knowledge of the product and a focus on building relationships with both suppliers and customers while providing superior customer service are all hallmarks of GFI. But our greatest company asset is our people. It’s these people, our GFI family, that share our vision of growth and have been key in the success of our company. Through the years, GFI has always looked for opportunities to grow and, today, that next step for GFI Stainless is to move forward under the reins of Ryan Herco. Thank you to Ryan Herco for recognizing the potential of GFI Stainless. Together we will be the vision of the new world of corrosion resistant fluid handling products.” Founded in 1948, Ryan Herco Flow Solutions operates from over 30 locations worldwide serving the Aquatics, General Industrial, Water and Waste Water, Chemical Processing, Semiconductor, Life Sciences and Food & Beverage market segments. For more information, please visit www.rhfs.com. GFI Stainless is a premier distributor of high quality stainless steel and special alloy fluid handling products. GFI Stainless has branches offices in Modesto and Corona, California.

Girton Manufacturing Co., Inc.

Girton Manufacturing Co., Inc. is pleased to announce a new addition to their team. Marty Miller has been hired as the new plant manager. Marty has over 24 years of multi-industry global manufacturing and operation experience. Marty’s background in facilities management, as well as supply chain and project management, will prove to be a valuable addition to the team. The employees of Girton Manufacturing Co., Inc. extend their best wishes to Mr. Jim Eves and his family in his retirement as plant superintendent. Jim has been a key asset to the company throughout his 22 years of service. Girton Manufacturing continues to be a global leader in the manufacturing of washing systems and thermal energy storage systems for the Food, Pharmaceutical, and Healthcare Industries.

Separators Inc.

Stephen Dohm has joined Separators, Inc. as Vice President of Operations. In his new role he will oversee the company’s centrifuge remanufacturing, service and replacement parts offerings. Prior to joining Separators, Mr. Dohm was employed by ITW for more than 20 years, having multiple operating and general management roles.

Alfa Laval, Inc.

Ian Mapp has accepted the position of Business Development Manager – North Central Territory. Ian has over 10 years of project engineering and sales experience. Most recently, he served as Sales Engineer at GEA Process Engineering and previously had multiple project engineering positions. Ron Cook has joined Alfa Laval as Sanitary Channel Manager – Central. Ron has more than 15 years of sales and channel management expertise. Most recently, he served as Regional Sales Manager at Ekato and previously worked in regional sales and channel management positions. Elizabeth (Liz) Borger has accepted the position of Inside Sales Representative in Alfa Laval’s Service Division. She has more than 20 years of internal and external customer service experience from Supervalu Inc. Alfa Laval is a global provider of specialized products and engineering solutions based on its key technologies of heat transfer, separation and fluid handling. Alfa Laval’s worldwide organization works closely with customers in nearly 100 countries. Alfa Laval is listed on the Nasdaq OMX, and, in 2013, posted annual sales of about SEK 29.9 billion (approximately $4.7 billion dollars). The company has today about 16,300 employees.

Gorden Fluker

Stephen Dohm

Ian Mapp

Ron Cook

Liz Borger

Marty Miller

Alfa Laval, Inc.

Separators Inc.

Girton Manufacturing Co., Inc.

GFI Stainless

How to Submit News
Sani-Matic has appointed Todd Brown President and CEO. Brown began his career with Sani-Matic in 1943 as the company’s Chief Operating Officer. He was recently named the new President and CEO. Prior to joining Sani-Matic, Brown served six years as the vice president and controller for ABB, Inc. Sani-Matic also recently named James McCoy national sales manager, food and beverage. McCoy, a 30-year food engineering and sales veteran, joins Sani-Matic to lead the company’s five regional sales managers, further develop the channel partner sales strategy, and grow business nationwide. He reports to Vice President, Global Sales and Marketing, Chad Dykstra. Prior to his position with Sani-Matic, McCoy spent nearly 15 years as the Midwest regional sales manager with a global valve design and manufacturing company. McCoy received a Bachelor of Science degree in Agricultural Engineering from the University of Wisconsin-Madison. He operates from the company’s Madison, WI headquarters.

James Whelan has been named Southeast Regional Sales Manager and Bill Cruey South Central Regional Sales Manager. Both have significant experience serving the food and beverage markets. They report to the company’s new National Sales Manager - Food & Beverage, Jim McCoy. James Whelan received a Bachelor of Science Degree in Food Science and Management from Delaware Valley College and currently resides in Myrtle Beach, SC where he will operate from his home office. Cruey is a 27-year sales manager veteran a key account manager for. He will work from his home office in Georgetown, KY until he finalizes his relocation to Texas. Sani-Matic has delivered cleaning process solutions to its partners since 1943. Today, the Madison, WI-based manufacturer serves the food, beverage, pharmaceutical, personal care and biotech industries worldwide.

Flowtrend, Inc.

Steve Schwalje has joined Flowtrend as District Sales Manager. He has more than 20 years of experience in Sales, Sales Management, Production and Engineering. He graduated from the Rensselaer Polytechnic Institute with a Bachelors of Science Degree in Mechanical Engineering. Steve will oversee Sales Management activities for District 1, which includes the Northeastern United States and Canada. Ryan Hlavin has been named Purchasing Agent with Flowtrend Inc. He has nine years of industry related experience in purchasing and supply chain management and holds degrees in Finance and Economics from Texas Tech University. Two employees have been promoted: Jose Galvin will now be a Drafting Engineer and Jackie Schwertz will be a Quality Control Technician.

Hydro-Thermal Corporation

Hydro-Thermal Corporation recently hired six new staff members, increasing the size of their engineering and production staff. They hired two new welders: Reed Erkes and Mark Kwiatkowski. Erkes has been a welder for four years and holds a MIG6 pipe welding certificate. Kwiatkowski is a 25-year welding veteran and is a state-registered structural 1” unlimited, 1G 6”-12” SS pipe certified welder. Donald Cusimano and Jordan Glaszewski joined their production staff. Cusimano is manning a new position at Hydro-Thermal, as a material handler. Cusimano comes to Hydro-Thermal with eight years of warehouse experience. Glaszewski is a local high school student who is a manufacturing apprentice in their assembly area. Rounding out the additions are three new employees in the engineering department: Chris Luckey, Frank Pizzitola and Avito Saghu. Luckey is a recent Milwaukee School of Engineering (MSOE) graduate and will work as a design engineer. Pizzitola is also a MSOE graduate with six years of experience and will work as an application engineer. Saghu is a Northern Illinois University graduate with 22 years of experience and will work as a senior design engineer.

Enerquip

Enerquip, a homegrown company that specializes in a wide variety of shell and tube heat exchangers, recently broke ground on construction of facility improvements to meet its plans for continued growth. The new additions to the facility will include an expanded and remodeled office area, allowing enough room for 10 new employees. The facility has also installed building-wide Wi-Fi, which will allow employees to use state-of-the-art video meeting screens to remotely review projects with clients from their conference rooms. The facility increased its shop floor space by 25 percent by adding vertical storage racks.

F.W. Webb Company

The F.W. Webb Company Process Controls Division is bringing greater focus and expertise to industrial customers in Central New York with the appointment of Eric Koski as the new account manager for the region. A resident of Elmira, NY and graduate of Mansfield University (PA), Koski has 25 years of industrial sales and management experience in the New York and Pennsylvania region. He will be based in the F.W. Webb location in Cazenova, NY. The F.W. Webb Process Controls Division provides industrial, commercial and institutional customers with a single source for control valves, process control instrumentations, over-pressure protection devices, and analytical measurement products. With regional sales, source, and stocking locations in New York and New England, the F.W. Webb Process Controls Division delivers products and engineered solutions to customers throughout the Northeast.

(www.enerquip.com)
Member News & Views
(Continued from page 7)

Tel-Tru Manufacturing Co.
Tel-Tru Manufacturing Co. is pleased to announce that Colin Sheridan has joined the team as President of both Tel-Tru and its associate company, G-S PLASTIC OPTICS. He is a native of Rochester, NY, attended college at Purdue University in Indiana, and earned his MBA degree at the University of Chicago. Colin has held positions ranging from software design, product development, sales and marketing management and most recently, completed an assignment as CEO, with a voice and data communications provider, IP Logic, Inc. Tel-Tru Manufacturing Company, founded in 1916, manufactures and distributes Bimetal Thermometers, Digital Thermometers, Temperature and Pressure Transmitters, Pressure Gauges and Accessory products that sense and monitor temperature and pressure for sanitary, industrial, OEM, HVAC, and food service applications and equipment worldwide. (www.teltru.com)

BOARD BRIEFS

■ Jason & Lisa Ryan, PureServe/FCX, will chair the 2015 Annual Conference.
■ Joe Allman, Flowtrend Inc. & Eric Perkins, Statco/DSI are co-chairs of Conference Sponsorships.
■ Mark Larsen, Alfa Laval Inc.; Albert Marquez, Duhig Inc.; and Chad Hawkins, SPX are chairing Membership Recruitment.
■ Chris LoPresti, Andron Stainless, and Jason Ryan, PureServe/FCX are chairing the Technology Task Force.
■ Neil Hopkins, Twinco Inc. is coordinating Photography.
■ FISA will once again sponsor two scholarships to UID. Applications due November 1, 2015.

Mark Your Calendar

JULY 1, 2015
Renew Membership

OCTOBER 10-13, 2015
FISA Annual Conference
Barton Creek Resort & Spa
Austin, TX

NOVEMBER 1, 2015
UID Scholarship Application Deadline

DECEMBER 1, 2015
UID Scholarship Winners Announced

NOTE:
Remember to update your company information. Go to www.fisanet.org and look under the Membership Listing. Email changes to stella@fisanet.org.