The 2018 FISA Planning Meeting was held February 8-10 in Jupiter Beach, Florida. Participants included the FISA Board of Directors, invited guest, Robb Misso of Dynamic Manufacturing LLC, and facilitator Trish Lilly, Sr. VP of Thought Leadership at NAW. The purpose of the annual Planning Meeting was to review FISA’s past year, plan the content of the 2018 Annual Conference, and set goals for the coming year.

Participants opened the meeting with a business conditions roundtable including an assessment of 2017 business conditions, their 2018 outlook and their predictions for what will have the greatest impact on their business in 2018. 2017 business conditions ranged from fair to good. While OEM was down in 2015-2016, conditions improved in late 2017 due to pent-up demand. Project delays made 2017 challenging for some, but fourth quarter improvement improved prospects for 2018. Some noted that food was strong in 2017, and replenishment was steady. One noted that revenue was better but margin remained the same.

Commenting on 2018 business conditions, the group agreed on a positive outlook for 2018. The reasons:
- Customers are looking to spend money.
- Bio pharm is expected to be strong.
- Equipment and projects predict growth; based on what they are seeing, expectations for 2018 are strong.
- Capital spending is expected to pick up in 2018; reinvestments due to tax savings are anticipated.
- Oil and gas off to a good start with oil over $55/barrel.
- More product diversification is expected.
- Pharma, food and beverage, microelectronics and oil & gas are expected to be strong.

Participants identified the following will have the greatest impact on business in 2018:
- Industry confidence
- Capital spending
- Investment coming back into the country
- Domestic spending on the rise
- Consolidation / plant closings
- Mindset is shifting from the “band aid approach” to project development
- Automation growth
- Portfolio diversification
- E-commerce
- Skilled workforce training; strong workforce talent
- Integration
- Cost reduction
- New tax law impact
- Puerto Rican hurricane Impact
- On-shoring

Trish Lilly, Sr. VP of Thought Leadership at NAW, was asked to comment on trends NAW feels are most impacting distribution. Trish indicated the following four trends:

**The Amazon Effect**
Customer expectations for easy ordering, fast and reliable shipping, easy returns, and exceptional service will continue to grow. A younger workforce and customers will have high technology expectations and will drive digital transformation.

**Workforce Issues**
As baby boomers retire, knowledge and experience are leaving the workforce. Attracting, hiring and retaining talented millennials will take on greater significance.

**Technology**
Technology will impact distribution operations and the workforce. Just a few of the technological innovations that will impact distribution include robots in the warehouse, drones, driverless trucks, artificial intelligence, etc.

**Manufacturer/Distributor Partnerships**
Creating and maintaining healthy manufacturer/distributor partnerships are equally important as customer relationships.
Dear FISA Members,

The FISA Board had an extremely productive winter meeting in Jupiter Beach, FL. We are dealing with interesting times for distributors as acquisitions absorb some of our members and sanitary expansion among industrial distributors brings new candidates into the fold. The Board spent a good deal of time discussing the membership survey; touching on overseas sales, E-commerce, and the general economic climate, which, universally among board members, has been good. Board members also indicated they expect this trend to continue.

Our meeting was assisted by this year’s guest Robb Misso from Dynamic Manufacturing Solutions and his lovely wife, Kerry, who assisted Charlie Jones’s spouses committee in discussion of our Dana Point activities. Robb was a huge help in our discussion about hiring and retaining millennials, since his company has been on a strong hiring trend. The whole board would like to thank Trish Lilly a senior VP at NAW who helped Stella facilitate the meeting. We would also like to thank our volunteers who have stepped up to handle numerous conference responsibilities. Yvonne O’Brien from Tel-Tru Manufacturing will be our Conference Chair, Bryan Downer from Sani-Matic and Pete Herb from Fristam Pumps will handle Sponsorships, and Michael Lovelace from Steel & O’Brien will lead our Membership Committee. Their continuing voluntary effort on behalf of FISA is greatly appreciated.

Our Conference at the Laguna Cliffs Resort in Dana Point, CA September 15-18 is shaping up to be terrific. Brian Beaulieu from ITR has already signed on to be our primary economic speaker, and he will be anchoring a group of excellent speakers to be announced in coming weeks. We also have an amazing array of activities from sailing to whale watching, kayaking to fishing, and the golf course is remarkable.

As you receive this newsletter, we once again have a strong FISA contingent participating in UID (University of Innovative Distribution). Along with our two FISA scholarship recipients, we have seven other attendees from a variety of distributors and manufacturers. Not only have our members benefited from the educational experience, but FISA, as a sponsor association receives benefits in return.

As spring arrives and you begin receiving information on the conference in September please think about the same issues we discussed during our meeting in Nashville. The strong bond between distribution and manufacturing is being pressured from many different angles from business consolidation, to e-commerce, to integrated supply. We look forward to your participation in Dana Point to creatively discuss these issues.

Have a wonderful spring.

Warm Regards,

Rob Clark
The Board voted to offer two scholarships to the 2019 University of Innovative Distribution (UID). Deadline for applications is November 1, 2018.

The Board voted for 2018-2019 annual membership dues to be $775.00 per member company.

The Board passed the 2018 budget.

Member user name and log-in to access the FISA Member’s Only section of the website have been updated. Contact stella@fisanet.org for the information.

Yvonne O’Brien will serve as Chairman of the 2018 FISA Annual Conference.

Pete Herb and Bryan Downer will co-chair the Sponsorship Committee for the 2018 Annual Conference.

Mike Lovelace will chair Membership Solicitation assisted by Gray Sherrill and Andrew Mahoney.

The Board voted to purchase a one-year contract for a customized quarterly economic update from International Trend Institute (ITR) to be emailed to each member company.

The FISA Board of Directors is pleased to announce a new membership benefit for member companies. We have contracted with ITR Economics to purchase a quarterly newsletter entitled the ITR Private Advisor. This newsletter will be published with the FISA logo and will be emailed quarterly to each principal company contact by Stella Jones, FISA’s Executive Director. The first edition will be coming in late April.

The issues will include:

- Current event articles
- US Market specific updates
- US State Opportunity Index
- Snapshot of US Macroeconomic Indicators
- Answers to reader’s questions
- Federal Reserve Overview

Brian Beaulieu is the Chief Executive Officer and Principal and Chief Economist for ITR Economics. He is a frequent speaker at FISA conferences and will be on the program in Dana Point, CA with an economic update. ITR Economics™ provides economic intelligence to reduce risk and drive practical and profitable business decisions. Since 1948, they have provided business leaders with economic information, insight, analysis, and strategy. ITR Economics is the oldest privately-held, continuously operating economic research and consulting firm in the US. With a knowledge base that spans six decades, they have an uncommon understanding of long-term economic trends and how to react to critical changes in market conditions. Their reputation is one of excellent, independent and objective analysis with an overall forecast accuracy since 1985 of 94.7% at one year out.
2018 FISA MEMBER ANNUAL SURVEY

Distributors – 28 Responses 58% of Membership

In 2017, which segment comprised the majority of your business?
- Food 57.14%
- Dairy 39.29%
- Beverage 46.43%
- Pharmaceutical 25.00%
- Personal Care 10.71%
- Other 7.14%

What do you project in sales for 2018?
- Sales Up 85.71%
- Sales Down 3.57%
- Sales Flat 10.71%

In which markets do you anticipate growth in 2017?
- Food 85.71%
- Beverage 32.14%
- Dairy 32.14%
- Personal Care 32.14%
- Pharmaceutical 50.00%
- Other 7.14%

Compared to 2014, are you more engaged in international business?
- Yes 25%
- No 67.86%
- Don’t Know 7.14%

If you have seen an increase in international sales in which area/areas?
- Beverage 33.33%
- Food 33.33%
- Dairy 16.67%
- Pharmaceutical 16.67%
- Personal Care 8.33%
- Other 25.00%

Has e-commerce changed the way you go to market?
- Yes 46.15%
- No 46.15%
- Don’t Know 7.69%

What is the biggest challenge you face in your business?
- After market competition
- Finding skilled labor, shrinking margins
- Rising costs of labor and insurances
- Recruiting and retention. Needs for advanced technology deployment
- Finding people to work the necessary hours such as overtime, weekends & holidays
- Access to decision makers and the opportunity to influence. There are a number of roadblocks – email, lack of personnel, lack of access to personnel, plant knowledge, e-commerce, supply contracts, etc.
- E-Commerce, developing the ability to do sanitary (food & beverage) systems as opposed to just MRO supplies, also integrators at major F&B accounts like Kellogg’s
- Change
- On-line competition and staying on top of the current trends and guidelines in the sanitary market
- Transfer of knowledge
- Finding and retaining good people
- Finding a great engineer
- Margins
- Finding sales people
- Over regulation by government
- Rely on other people to do what they say they will do
- Hiring, retaining associates
- Skilled and technical labor
- Connecting with the new decision makers
- Margin pressure
- Finding good people
- Loss in margin to integrated suppliers

Manufacturers - 23 Responses 38% of Membership

In 2017, which segment comprised the majority of your business?
- Food 30.43%
- Dairy 34.78%
- Beverage 4.35%
- Pharmaceutical 21.74%
- Personal Care 4.35%
- Other 4.35%

What do you project in sales for 2018?
- Sales Up 86.96%
- Sales Down 4.35%
- Sales Flat 8.70%

In which market segments do you anticipate growth in 2018?
- Food 56.52%
- Beverage 13.04%
- Dairy 8.70%
- Personal Care 0.00%
- Pharmaceutical 21.74%

Compared to 2014, are you engaged in more international business?
- Yes 73.91%
- No 26.09%

If you have seen an increase in international sales, in which area/areas?
- Beverage 19.05%
- Food 28.57%
- Dairy 9.52%
- Pharmaceutical 19.05%
- Personal Care 4.76%
- Other 19.05%

Has e-commerce changed the way you go to market?
- Yes 47.83%
- No 47.83%
- Don’t Know 7.69%

What is the biggest challenge you face in your business?
- New associates, low unemployment
- Hiring good talent to support the growth of the business. Also, finding opportunities to automate for efficiency.
- Low prices and short delivery times.
- Holding ourselves to higher standards in all aspects of the company.
- Evolution of culture.
- Globalization
- Our competition offering a lower quality low cost version
- Commoditization of process equipment
- Transitioning the workforce and training
- Selling quality over price
- Staying current
- Market intelligence (given that we sell through third party distributors)
- Finding young talent
- Low cost of imports
- Material cost increases/Labor shortages
- Catching up with the Social Media Marketing that I know I am so far way, way behind on… It sounds trendy and so millennialish but in reality this is the way future decisions will be reached in business. My slowness to embrace this and figure it out is only hurting myself.
- Hiring
- Finding motivated young people that want to sell
- Hiring good people
- Providing sales tools to distributors
- Low cost “cheap” suppliers
- Imports and skilled (technical) labor shortage
FOCUS ON 2018 B2B EMAIL MARKETING TRENDS

By Laure Marini Helemski, SVM
E-Marketing Solutions
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Keep your email marketing strategy simple
Don’t waste your time creating a fancy email template with complicated and dense content. Instead, spend your time creating valuable content to promote in your emails. Here are key 6 areas to focus on when designing and putting together a strategy for your email marketing initiatives. These tips will save you time so you can spend more time (or money) writing valuable content that converts leads into customers.

Make sure your email looks good on mobile devices
A solid mobile strategy is important in order to succeed in the inbox. Why? Because more than half of consumers open emails on mobile devices. And, 75% of smartphone owners are very likely to delete an email that doesn’t render well on their phone, according to Constant Contact and Chadwick Martin Bailey. If those statistics don’t make you want to go mobile, I don’t know what will.

Share content in a scannable, digestible way
People are busy and they are scanning their emails while in line at the coffee shop or when they have a few minutes before a meeting. Break up the content with compelling headlines, bullets and a compelling style guide to grab your readers attention before he/she deletes your email to scan the next email in their inbox. You only have a few quick seconds to make an impression.

Simplify your design
Less is more when it comes to email template design. Design an eye-catching single-column layout. Use white space to make the email easy to read and pops of color to help the reader focus on what is important; the calls-to-action. The fewer the elements ...

---continued on page 8

YRC FREIGHT MEMBER BENEFITS

Significant Savings and Comprehensive Coverage
For all of your shipping needs, trust the company that practically invented LTL almost 90 years ago.

YRC has North America’s most extensive network and their talented problem solvers ready to step up and show you how shipping is done. And for members, it all comes at a discounted price that won’t skimp on service.

• Cross-border services throughout North America
• No-cost inbound guarantee* on trade show shipments
• Ground and air expedited and guaranteed solutions
• Reliable shipping experts to help you manage it all

Members Receive Shipping Discounts On:
• A broad portfolio of standard, guaranteed, accelerated, expedited, and specialized freight services
• Cross-border service to and from Canada and Mexico

How To Take Advantage of Member Benefits
• Visit enrollhere.net
• Enter your information and association name

Questions?
• Call 800-647-3061 or email associations@yrcrefit.com

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Five Ways to Maximize Your FISA Membership

1. CONTINUING EDUCATION
   www.univid.org
   Any employee of a FISA company is eligible to apply for a 2019 scholarship. Deadline is November 1, 2018.

2. DISCOUNT ON SHIPPING WITH YRC FREIGHT
   www.enrollhere.net
   Enter FISA in the Association/Group Name field.
   Get significant discounts on LTL services and tradeshow shipments.

3. BUSINESS NEWS FROM NAW SMARTBRIEF
   www2.smartbrief.com/signupSystem/subscribe.action?pageSequence=1&briefName=naw
   Go to the link and sign up today for this free three-times-a-week email newsletter with summaries of important distribution news.

4. PROMOTE YOUR COMPANY
   stella@fisanet.org
   Email FISA short press releases—your new hires, retirements, expansions etc., to publish in the quarterly FISA Distributor News.

5. NAW DISCOUNTS
   www.naw.org
   Order publications; get discounts with Hertz and other business service providers by registering as a FISA member.
Top Line Process Equipment Company

Top Line Process Equipment Company, a division of Allegheny Bradford Corporation, is pleased to announce the promotion of Staci Frantz to the position of General Manager. In her new role, she is responsible for the entire operations at Top Line. She will be filling the position previously held by Kevin O’Donnell who retired in March. Frantz brings many years of business experience to her new position and has acquired a very diverse background. This includes 17 years of top level management with responsibilities for operations, revenue expansion, profit generation, strategic planning, budgeting and forecasting, asset management, and much more. Her previous management responsibilities at Top Line included purchasing, supply chain management, inventory control, warehouse management, data analysis, data processing, operational excellence, and continuous improvement.

Frantz holds a Bachelor’s Degree in Business Administration with a minor in Accounting from the University of Pittsburgh and graduated Magna Cum Laude. She is a Certified Management Accountant and a Certified Financial Manager. Frantz replaces Kevin O’Donnell who had been with the company since 1985 and managed the operations at Top Line for the past 22 years. During his tenure, O’Donnell was instrumental in making Top Line one of the leading suppliers to the food, dairy, beverage, pharmaceutical, and biotech industries worldwide. Kevin was an active FISA member and a former member of the FISA Board of Directors.

FCX Performance

FCX Performance announces that Mark Larsen has joined the company as VP of Vendor Relations. FCX was acquired by Applied Industrial Technologies in February of this year. The acquisition gives Applied a stronger position in process industries that make up more than half of the FCX customer base. FCX has been the primary consolidator of the specialty flow control distribution sector, with more than 20 acquisitions since 2000. Most recent acquisitions were Eads Distributions, The Massey Company and Basin Engine & Pump.

Steel & O’Brien

Steel & O’Brien announces the addition of a new Vertical Mill to their machining capabilities. The Mazak VTC 200 will add capacity and reduce lead times to customers, especially on their custom manifold product offerings. In addition, they are expanding their Sanitary and BPE tubing footprint and expanding their tubing warehouse to 20,000 square feet.

Saint-Gobain

Saint-Gobain announces that Matthew Michaud has been hired as a Process Engineer for the Saint-Gobain Somerset site in New Jersey that manufactures Versilon™ hoses and fittings. His responsibilities include process improvements, new product development, and technical product management. He has a degree in mechanical engineering from Stevens Institute of Technology and experience in process development and quality assurance.

Tel-Tru

Bill Harris has joined Tel-Tru Manufacturing as the new Product Manager. Bill has a BS in Electrical Engineering from the Rochester Institute of Technology and an extensive background in engineering, business development and product management. At Tel-Tru, Bill will focus on driving the strategy and priorities for new products that will shape innovation and growth for the organization.

CFR

Jim Banks, a former member of the FISA Board of Directors retired in November, 2017 from Custom Fabricating & Repair (CFR) as Director of Cheese Equipment. He formerly was Director of Sales for Pentair/Sudmo, and recently started Banks Consulting, LLC. Jim will be honored by the Wisconsin Cheese Makers Association (WCMA) with the WCMA Distinguished Service Award, reserved for respected and highly-valued supplier partners to the cheese manufacturing industry. The award is unique.
Contributions will always be valued and part of VNE for the last 14 years and his FISA Board of Directors.

**John Nelson**

Chairman of the Board of Nelson-Jameson, Inc. Since joining the company that his father co-founded in 1975, he has been instrumental in growing Nelson-Jameson's strong cheese and dairy industry base, as well as the company. Today, Nelson-Jameson continues to be a family-owned and operated company, and under John's leadership, has grown to include five branches and a sales office throughout the United States. In addition to John's leadership in WCMA, he is also a past president of the FISA Board of Directors.

**Nelson-Jameson, Inc.**

The Wisconsin Cheese Makers Association (WCMA) will award John Nelson the 2018 Distinguished Service Award at a Recognition Breakfast during the International Cheese Technology Expo in Milwaukee, WI, April 18-19. John is Chairman of the Board of Nelson-Jameson, Inc. Since joining the company that his father co-founded in 1975, he has been instrumental in growing Nelson-Jameson’s strong cheese and dairy industry base, as well as the company. Today, Nelson-Jameson continues to be a family-owned and operated company, and under John’s leadership, has grown to include five branches and a sales office throughout the United States. In addition to John’s leadership in WCMA, he is also a past president of the FISA Board of Directors.

**VNE**

VNE says, “Please join us in extending our best wishes to Frank “Chip” Manning, who retired from VNE Corporation on January 31, 2018. Chip has been an integral part of VNE for the last 14 years and his contributions will always be valued and remembered. His compassion, guidance, dedication and commitment are worthy of admiration.”

**Pete Dunbar**

who has been with VNE for 23 years, has transitioned from National Sales Manager to VP of Sales and Marketing. Pete will still be covering key accounts in the Midwest.

**John Georgen**

will be moving from Product Manager to Regional Sales Manager. John has been with VNE since 2009 and will be covering the East Coast as well as the New England region.

**United Industries**

United Industries is pleased to announce that **Pat Weaver** has joined the company as Customer Service Representative. Pat has more than 40 years of experience within the sanitary process industry. Most recently, she has been at Rath Gibson and before that, Cherry Burrell. Pat brings with her substantial industry and product experience and a customer oriented attitude.

**Centro Inc.**

Centro Inc. with offices in Little Rock and El Dorado, AR; Shreveport, LA; Mobile and Birmingham, AL; Memphis and Nashville, TN has been appointed as a distributor for Danfoss Adjustable Frequency Drives. Centro will distribute Danfoss and Vacon product lines in Alabama, Kentucky, Tennessee, the Panhandle of Florida, Mississippi, Arkansas and the Northern half of Louisiana. Centro also has been appointed as a distributor for Dorner Conveyor Systems. On January 23rd, Centro moved into a new branch in Theodore, AL. The construction and move to the new location was led by **Melissa Robertson**, branch manager of the Theodore location and a member of the 11-person management team at Centro. In late February, Centro conducted their first Centro College monthly product training program using new video conferencing equipment in all eight of their locations.

**Duhig Stainless**

Ferguson Enterprises Inc. has acquired Duhig Stainless Inc. Terms of the transaction were not disclosed. The company will operate as part of Ferguson’s industrial division, Wolseley Industrial Group, a supplier of products and services to the North American industrial market. The company will operate as Duhig Stainless, a Wolseley Industrial Group company. Duhig operates three California locations.

National Process Systems

National Process Systems is pleased to announce the addition of **Jeff Savage**. Jeff and his team have been providing new water treatment systems and field service for existing systems. With a primary focus on Beverage Reverse Osmosis, he is involved with effluent reduction initiatives, upgrades to existing systems and all new capacity. The fielded systems range from 50 to over 1000 GPM in our service area which includes North America and the Caribbean.

**Pentair**

Pentair is pleased to welcome **Rob Jones** to Pentair’s North American Food & Beverage team as the Regional Sales Manager for the Southern Region reporting to **Jeff Tocio**. He will work closely with end users, A&E firms, distributors, OEM’s and integrators representing Pentair’s Sudmo valves, Haffman’s quality control and carbon dioxide recovery products, and Pentair’s Beer Membrane Filtration systems. Rob is based from his field office in Atlanta, GA. He has more than 20 years’ experience in sales, most recently with Donaldson as a Southern Regional Sales Manager for the Food and Beverage Industry.

**Perrigo, Inc.**

Perrigo, Inc. Milford, CT is pleased to announce that they have become an authorized distributor for PBM Valve Solutions, Irwin PA. **Melissa Covello** has joined Perrigo, Inc. as a Customer Service Representative. Melissa has come to Perrigo with twenty years of customer service experience. Her previous sanitary experience is three years with Rubber Fab Sanitary Gasket. Melissa moved to CT and Perrigo has taken advantage of her experience with Food, Dairy, Beverage, Topical and Pharmaceutical sales to extend the depth of their inside sales. We are pleased to have her join our team.
Focus on 2018 B2B Email Marketing Trends (Continued from page 5)

in the design, the fewer chances of the design going out of style. And, a simple design is more likely to render well on all devices so really, it’s a no-brainer.

Focus on value
Everyone is creating content and sending discounts. To differentiate yourself, you need to make sure you are offering valuable content. To provide the most value to your audience, your content must be helpful and must establish trust and credibility.

Speak to your audience
Stop yelling into a megaphone while hoping no one plugs their ears. While it is important to get your message out, it is more important that the message being delivered speaks to the audience. If your business has a lot of different audiences, try segmenting your email list and sending marketing specific emails to each industry.

Write a compelling subject line
Creating a simple yet attention-grabbing subject line is one of the best ways to achieve high engagement. Keep it short – ideally, you want to keep it between 30-50 characters. People are receiving hundreds of emails a day. Make sure yours stands out and catches their attention instantly.

Before you get started on your next email campaign – rise above the noise with these 6 tips to help keep your email simple yet valuable. If you need one-on-one help to ensure your design and content drive results, SVM is here to help.

Welcome New Member
Netzsch Pumps North America
 CONTACT: David Kirk
 119 Pickering Way
 Exton, PA 19341
 Phone: 484-502-8884
david.kirk@netzsch.com

Mark Your Calendar

MARCH 11-14, 2018
UID
Indianapolis, IN

JULY 1, 2018
Renew FISA Membership

SEPTEMBER 15-18, 2018
FISA Annual Conference
Dana Point, CA

NOVEMBER 1, 2018
UID Scholarship
Applications Deadline

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