

## Record Attendance Expected for FISA Annual Conference

Excitement is in the air for the 2014 FISA Annual Conference in Newport, RI September 13 - 16. Due to an unprecedented turn-out, the FISA room block at the Hotel Viking was fully blocked by mid-May.

FISA has booked 145 rooms out of a total of 209 rooms at the Viking. While that gives us 69% of the hotel's total inventory, the demand for rooms exceeds the supply. The hotel is totally sold out during our Conference dates so we have not been able to acquire additional rooms. FISA members are currently on a waiting list for the Viking and booking in nearby hotels as a back-up plan in case there are not cancellations.

While the outstanding response is gratifying, it is also very frustrating to not immediately be able to accommodate everyone wanting to attend. Sharing Newport with the Newport International Boat Show ([newportboatshow.com](http://newportboatshow.com)) has created challenges for finding housing.

FISA will work diligently with each of you



to make this Conference our best yet and try to see that everyone who wants to attend can join us. More than just a Conference, the FISA Annual Conference will be an experience.

### HERE'S WHAT YOU CAN DO

- If you've reserved a room at the Viking and cannot use it, please cancel promptly so someone else can have the room.
- Remember to send your conference registra-

tion form promptly to FISA. Activities are filling quickly. If you have misplaced your registration form, download one at [www.fisanet.org](http://www.fisanet.org) under the Meetings tab.

- If you do not have a room, we have reserved a block of rooms at the Holiday Inn Express in Middletown, RI (about a 15 minute drive from the hotel). Call 800-333-4121 and ask for the FISA block. Rooms are being held until July 15th.
- Make your dinner reservations now. Because of the Boat Show, restaurants will be crowded on the weekend. You will find a list of restaurants on the web site at [www.fisanet.org](http://www.fisanet.org).
- Be sure your annual corporate membership dues of \$735.00 are paid by July 1. To attend the Conference, a member must be current. You can renew your membership at [www.fisanet.org](http://www.fisanet.org).

**If you have any questions, please call FISA at 336-274-6311.**



### THE 44TH ANNUAL NEWPORT INTERNATIONAL BOAT SHOW

is one of the largest in-water boat shows in the country and the premier show in the northeast! This prestigious event encompasses 13 acres of Newport's famed waterfront with all makes and models of powerboats and sailboats ranging from 16 ft. to 85 ft. – ready for boarding and review. On the land side, there's a bountiful array of marine products and services. Domestic and international dealers and manufacturers will be on hand to provide you with valuable information. With numerous countries represented – it truly is an international event. [www.newportboatshow.com](http://www.newportboatshow.com)



## Distributors Serving Sanitary Processing

*FISA is an association composed of distributors and manufacturer members who share a commitment to value-added distribution in serving high purity processing industries. FISA's mission is to help its members improve performance and customer value.*

### 2013 – 2014 FISA Board of Directors

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**Jason Ryan**

*PureServe Systems*

**Wallace Wittkoff**

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**FISA Address:**

**1207 Sunset Drive  
Greensboro, NC 27408  
Phone 336-274-6311  
Fax 336-691-1839  
www.fisanet.org**

Stella L. Jones

*Executive Director*

*Email: stella@fisanet.org*

## From the President



Dear FISA Members,

It is an honor and pleasure to address all of you on a quarterly basis. Busy as our daily lives may be, sitting still to write this letter gives me a chance to really appreciate what has been created on behalf of all of us. Opportunities to learn, grow, and travel are wonderful aspects FISA offers that we may not otherwise enjoy.

FISA also offers the opportunity for reflection upon ourselves and our business to allow us to understand this industry. To that point, I want to emphasize the importance that the “numbers” play in this year’s PAR Survey. The PAR Survey is a private business review. We need participation from 25 distributors to make this a valid survey. The cost to you is \$0. At the time of the last newsletter, we had three months to mull it over, and perhaps push it aside. **The deadline for the PAR Survey is June 15, so time is of the essence.** If you don’t have time, create a great learning exercise by passing it to a daughter or son, a VP, or a CFO. All information is confidential-numbers and facts are shared with no one! Learning about the strengths and growth opportunities within your business make this a

worthwhile venture.

We have had tremendous response to this year’s FISA Conference in Newport, RI. in September. We will be able to enjoy 250 years of American history while preparing for our business futures. Book your tour and sporting event registrations if you have not already done so.

In order to provide tremendous speakers and programs to better serve our needs, we count on your generosity for sponsorships. Breakfasts, sporting events, and quality speakers are enhanced through your financial munificence. Please contact Joe Allman, at 214-558-4223, or Eric Perkins, at 714-375-6300, to make your commitment today. The Pinnacle Society is a great investment, allowing your company logo and presence to be displayed throughout the Conference.

To all, please have a safe and wonderful summer. We look forward to seeing you in Rhode Island!

*Sincerely,*

*Bob Morava*

*Stuart W. Johnson & Company*

## Maximize Your FISA Conference Experience

As the number of attendees coming to the Conference grows each year, it’s important to think in advance about what you want to accomplish. While the Conference offers great educational sessions and fun activities, most attendees say they attend for the tremendous value of networking.

### Some ways FISA encourages interaction:

- Look for the complete attendee list which will be emailed to you a few weeks before the Conference and review it in advance.
- Read the one sentence description of each company attending which will also be emailed prior to the Conference. If you’re not familiar with a company, visit their website and find out what they do.
- Contact individuals you’d like to meet prior to arriving in Newport and schedule times

to talk during the Conference.

- If you do not know someone and want to be introduced, tell a member of the FISA Board of Directors who will be glad to facilitate the introduction.
- For breakfast on Sunday and Monday mornings, we draw numbers for tables to encourage meeting new people.
- If you’re looking for a distributor, look for a gold star. Distributors will have a gold star on the upper right of their name badges.
- Delegates will have white name tags and spouses/guests will have cream colored name tags.

FISA is constantly looking for ways to encourage interaction and networking. If you have a suggestion, please contact a member of the Board of Directors or call FISA at 336-274-6311.



## A Member's Perspective on YRC

One of the benefits of FISA membership is significantly reducing your freight costs by signing up for the FISA YRC Freight program. For more information, contact your dedicated YRC Freight specialist at 800-647-3061 or [associations@yrcw.com](mailto:associations@yrcw.com) or enroll online at [enrollhere.net](http://enrollhere.net).



company but we were getting a lot of pumps damaged during shipping. We contacted our local YRC rep and set up a program where we get standardized shipping rates for destinations America wide, for about the same or less than we were paying the courier company. We now palletize the pumps and ship them YRC. They arrive in great condition every time and as a bonus, the shipping time has been reduced as well. Thank you FISA and YRC."

Donald W. Byres,  
President. CPE Systems, Inc.

"We have been using the YRC program through FISA for about two years now. We build and ship hundreds of portable pumps for the craft brewing industry and we are shipping them all over North America. Previously, we were using a large courier

## Scholarship Winners Comment on UID

FISA is one of the national associations sponsoring the University of Industrial Distribution (UID) in Indianapolis, IN each March. This is a premier opportunity for education and networking with more than 560 participants from all different lines of trade. Each year, FISA awards two scholarships to UID. This past March, in addition to the two scholarship winners, FISA had nine other members attend.

**Shawn Wright, of Wright Process Systems,** was one of the 2014 FISA Scholarship winners. In commenting on his experience at UID, Shawn said, "Being able to attend UID this spring far exceeded my expectations. Each course had its unique teacher and syllabus which kept me engaged and eager to come back for more. I captured many pages of notes and reading materials throughout, which I was able to bring back to use in my everyday work life. I actually purchased a couple books from the teachers, which I promptly read on my flights home. One couldn't ask for a better setting. Being my first time traveling to Indianapolis, I was able to enjoy all the nearby restaurants and attractions within walking distance. I stayed in the Marriott, so walking down the hall to class each morning was a breeze. With all the amenities offered, one would really never have to leave. I definitely look forward to being able to attend again in the future."

**Mat Bartkowiak, Ph.D., Nelson-Jameson** says, "Thanks to a generous scholarship from FISA, I attended the University of Industrial Distribution (UID) this past March in Indianapolis. The tuition money allowed me to sit in on sessions such as Steve McClatchy's "Decide: Work Smarter, Reduce Your Stress, and Lead by Example;" Tom Reilly's "Value Added Selling;" Steve Deist's "Pricing Strategies" and several others. The merit of these sessions extended well beyond the classroom. On the way home, I found myself stopping a few times to write down notes/ideas/questions. Though slowing down my commute time, I am glad I made the effort to do so. That day and for some days to come, as I had time to process the wealth of information taken in at UID, the gears started turning. Topics we dealt with started translating into applications at Nelson-Jameson. Looking back, I can see the knowledge gained in those sessions at play in day-to-day operations and reflected in the launch of several successful new initiatives. Thanks, FISA for this excellent opportunity!"

*Consider applying for one of the two scholarships FISA will be offering to the 2015 UID program. Deadline for applications is November 1, 2014. Details are on the FISA web site at [www.fisanet.org](http://www.fisanet.org) under Member Benefits, Targeted Education.*

## Consider Sponsoring the FISA Conference!

By Joe Allman, 2014  
FISA Sponsorship  
Chairman



The FISA Board of Directors invites you to participate as a sponsor of the 2014 Annual Conference, September 13-16 at The Viking Hotel in Newport, Rhode Island.

Sponsorship of this event provides a unique opportunity to show your involvement and support of this dynamic organization of industry professionals. Sponsorships are used to provide top-level educational opportunities by bringing in speakers and educators who are leaders in their field. They are also used to subsidize other conference events, keeping costs down for attendees.

We recognize our sponsors with signage at each sponsored event.

Don't miss your chance to invest in the largest gathering of professionals in the sanitary process industry! Ready to Sponsor? Go to [www.fisanet.org](http://www.fisanet.org) and download the Sponsorship Form from the "Meetings" tab.

### SPONSOR LEVELS

Sponsors will receive varying levels of visibility at the conference appropriate to their investment.

#### Elite Sponsorship Level

The Pinnacle Society (\$1,500)

#### Special Event Sponsorship Levels

Educational Program Sponsorship (\$600)

Cocktail Reception Sponsorship (\$600)

Breakfast Sponsorship (\$500)

Coffee Break Sponsorship (\$300)

Various Golf and Shooting Sponsorships (\$200-400)

# Sales Versus Expenses: The On-Going Civil War

By **Dr. Albert D. Bates**  
President, Profit Planning Group

One of the never-ending challenges in improving profitability is that there is a great deal of uncertainty within many firms as to what sorts of actions should receive the most attention. This uncertainty is seen most clearly in trying to determine the relative importance of sales growth versus expense management.

The sales versus expense issue is exacerbated by the fact that sales growth has great public relations while expense control has the world's worst PR. For most managers sales growth is what is right and good, while expense control is considered inherently evil, at least until sales start to fall.

This report attempts to provide a non-emotional perspective regarding the degree to which sales growth and expense control should be emphasized in the firm. It will do so by considering two different aspects of the "what to work on" issue:

## THE PROFIT IMPACT OF SALES AND EXPENSES

An examination of the relative impact of changes in sales and expenses.

## INTEGRATING SALES AND EXPENSES

Suggestions for establishing a unified approach to profit improvement for the firm.

## The Profit Impact of Sales and Expenses

The first step in reconciling sales and expenses is to look dispassionately at the impact of each of these factors on bottom-line results. Exhibit 1 does this for the typical FISA distributor. It is important to note from the outset that the exhibit examines how profit might have been different this year under alternative scenarios.

As can be seen in the first column of numbers, the typical firm generates \$15,000,000 in sales, operates on a gross margin of 27.3% of sales and produces a bottom line profit of 2.0% of sales or \$300,000.

Since the analysis is being conducted for this year, it is important to break expenses out into their fixed and variable components. Fixed expenses are overhead expenses that will not change during this year unless the firm takes a specific action to change them. For example, hiring an additional office employee would increase the firm's fixed expenses.

Variable expenses are those that will change automatically along with sales during the year. Items such as sales commissions and bad debts fall into this category. They tend to be a relatively consistent percentage of sales.

Fixed expenses for this typical FISA firm are assumed to be \$3,050,000 while variable expenses are 5.0% of sales. These are, of course, estimates. They represent a serviceable approximation for all FISA members. None of the conclusions of the analysis will be changed if the estimates are off a little.

The last two columns of numbers look at the profit implications of either increasing sales or decreasing total expenses. In both instances the improvement factor is 5.0%. That is, sales are increased by 5.0% or expenses are decreased by the same exact 5.0%.

With a 5.0% sales increase, the first three lines on the income statement—sales, cost of goods sold and gross margin—all increase by 5.0%. Since the analysis focuses on this year, the fixed expenses remain the same. Variable expenses increase along with sales and continue to be 5.0% of the sales volume. The impact is a profit improvement of 55.8%, from \$300,000 to \$467,500.

In the last column of numbers net sales, cost of goods sold and gross margin remain constant. Instead of a sales increase, total expenses are reduced by 5.0%. Note that total expenses are reduced, including both fixed and variable. This means that no lines items are sacrosanct, including commission rates paid.

### ABOUT THE AUTHOR

Dr. Albert D. Bates is founder and president of Profit Planning Group. The company recently released Profit is Everybody's Business, a DVD-based training program to ensure that all employees understand what drives profit.

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As can be seen, an expense reduction of 5.0% drives profit up slightly more than a sales increase of the same magnitude. Specifically, profit increases from the \$300,000 figure to \$490,000, an increase of 63.3%.

This set of economics represents a truism for managers in all situations. Expense cuts will always produce greater increases in profits than sales increases of the same magnitude. Always is a fairly strong word. The hard cold profit analysis says nothing about the ease of making the changes or management’s enthusiasm for doing so. Still, more is more.

### Integrating Sales and Expenses

To reiterate, expense control will always have a bigger “bang for the buck” than will increasing sales. At the same time, sales growth will always warm the cockles of a manager’s heart much more than expense control. The challenge is to find approaches that balance both sides of the impact

versus enthusiasm argument. Four such approaches are important.

### POSITIONING PRODUCTIVITY PROPERLY

For a lot of managers, productivity is the silver bullet for controlling costs. The idea is to maintain sales growth and allow new technology to deal with the costs issues. This is a dangerous perspective.

Indeed, every firm also must stay on top of new technology to enhance productivity. However, every firm also must be aware that in the long term such enhancements will not solve the expense challenges and may not even diminish them significantly.

To use professorial language, technology is a necessary—but not sufficient—vehicle for controlling costs. Each and every firm that fails to stay on top of technology will be at an expense disadvantage vis-à-vis its competition. However, such an investment will only allow the firm to maintain cost parity versus the competition. The motto should be invest steadily, but continue to

look beyond new technology.

### ORDER ECONOMICS

Distributors in every line of trade continue to do too much work. Of greatest significance they process too many small orders which are inherently uneconomical. Every possible effort has to be made to put more lines on every order and increase the order line value.

Even a small change to the average order value has significant cost implications for the firm. If done properly—more aggressive add-on selling and increasing the firm’s in-stock position—sales will increase on the same overall workload. In other terms, sales are up a lot while expenses are up a little.

### SERVICE PROFILE

There has been something of a rush in recent years to pile on additional services to strengthen customer support. Some of those services are extremely beneficial. Others are blatantly redundant.

The key for management is to line up the firm’s service profile with the factors that customers truly think are important. Eliminating redundant services is actually going forward, not backward.

### RE-THINKING THE CUSTOMER SET

All customers are not created equally. Some are wonderful to work with, some are terrible. From an economic perspective, only a small sub-set of customers are truly profitable for the distributor. It is essential to focus on customer profitability as a management responsibility.

### Moving Forward

Distributors must balance sales and expenses. The traditional either/or thinking must be modified to reflect the opportunities to increase sales and control expenses simultaneously. The profit implications of such actions are substantial. Alas, achieving the profit potential requires new thinking by management.

## EXHIBIT 1 THE IMPACT OF 5.0% SALES AND EXPENSE IMPROVEMENTS FOR THE TYPICAL FISA MEMBER

INCOME STATEMENT (\$)	CURRENT RESULTS	— 5% IMPROVEMENT —	
		NET SALES	TOTAL EXPENSES
Net Sales	\$15,000,000	\$15,750,000	\$15,000,000
Cost of Goods Sold	<u>10,900,000</u>	<u>11,445,000</u>	<u>10,900,000</u>
Gross Margin	4,100,000	4,305,000	4,100,000
Expenses			
Fixed Expenses	3,050,000	3,050,000	2,897,500
Variable Expenses	<u>750,000</u>	<u>787,500</u>	<u>712,500</u>
Total Expenses	<u>3,800,000</u>	<u>3,837,500</u>	<u>3,610,000</u>
Profit Before Taxes	\$300,000	\$467,500	\$490,000

INCOME STATEMENT (\$)			
Net Sales	100.0	100.0	100.0
Cost of Goods Sold	<u>72.7</u>	<u>72.7</u>	<u>72.7</u>
Gross Margin	27.3	27.3	27.3
Expenses			
Fixed Expenses	20.3	19.4	19.3
Variable Expenses	<u>5.0</u>	<u>5.0</u>	<u>4.8</u>
Total Expenses	<u>25.3</u>	<u>24.4</u>	<u>24.1</u>
Profit Before Taxes	2.0	3.0	3.3



# 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 September 15, 2014. 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@fisaret.org](mailto:stella@fisaret.org)

## Saint Gobain Performance Plastics

Saint Gobain Performance Plastics recently presented Nelson-Jameson with an award recognizing their outstanding sales and marketing achievements in 2013. **Timon Cooney**, District Sales Manager of Saint-Gobain said, "On behalf of all Saint Gobain Process Systems employees, we are very fortunate to have Nelson-Jameson as a channel partner. It's a true pleasure to be associated with such a quality and innovative company."



(L-R) Emily Echola, Process Systems Department Manager, Nelson-Jameson, Timon Cooney, District Sales Manager, Saint Gobain, Jerry Lippert, President, Nelson-Jameson, Diane Sutton, Product Manager, Nelson-Jameson, Jerry Henry, National Sales Manager, Saint Gobain and Alan Baierl, Process Systems Purchasing Manager, Nelson-Jameson

## Fristam Pumps USA



Duane Ehlke

Fristam Pumps USA is pleased to announce the promotion of **Duane Ehlke** to the position of Vice President of Operations. Duane has been with Fristam for 20 years and previously held the title of Director of Operations. Duane has a Bachelors of Science degree in Mechanical Engineering from the University of Wisconsin-Platteville.

Also, **Samuel Gonzalez** has joined the company as a Bilingual Technical Inside Sales Representative. In his new position, Samuel will provide technical support and customer assistance to Fristam's Latin American customers. Samuel has a B.A. in Spanish Language and Literature from the University of Wisconsin-Madison in addition to over four years of client relations experience. Fristam Pumps USA, Middleton, WI, is a manufacturer of sanitary centrifugal and positive displacement pumps, blenders and mixers.



Samuel Gonzalez

## VNE Corporation



Mike Hughes

VNE Corporation is pleased to announce new additions to their growing team. **Mike Hughes**, IT Manager and **Shelley Hydusek**, Customer Service Representative.



Shelly Hydusek

Mike comes to VNE from Synergy Networks where he worked as a network consultant. He is well versed in networking, servers, ERP systems, maintaining and upgrading IT hardware / software, project management and barcoding – just to name a few. Mike brings VNE an extensive background in technology with a customer service focus. Mike joined the VNE management team and reports directly to Dan Larsen, CEO.

Shelley comes to VNE from Nabco Entrances where she worked as a Customer Service Representative for many years. Her responsibilities will include, order entry and issuing return good authorizations, scheduling and expediting orders, preparing quotes, and quote follow up, and trouble shooting any customer issues.

## Dixon Sanitary



Patrice Newton

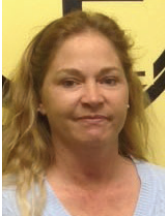
Dixon Sanitary, located in Pewaukee, WI is growing. They are pleased to introduce **Patrice Newton**, Inside Sales/Technical Support and **Kevin Paasch**, Product Engineer. Patrice attended Milwaukee Area Technical College and has more than 20 years of experience in customer service, and Kevin is a recent graduate of the University of Wisconsin Milwaukee with a Me-



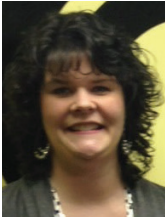
Kevin Paasch

chanical Engineering Degree. They have been hired to support the recent addition of positive displacement pumps. Dixon is a manufacturer and supplier of hose fittings and accessories spanning a wide range of industrial uses.

## Zwirner Equipment Company



Lorie Barrett



Shelly Hewitt

Zwirner Equipment Company located in Hartsville, TN is pleased to announce three new employees. **Lorie Barrett** serves as the front desk receptionist and provides administrative support. **Shelly Hewitt** is Office Manager and in charge of Human Resources and **Paige Zwirner** has joined the Sales Dept.



Paige Zwirner

## Flowtrend Inc.

Flowtrend, a supplier of fluid handling products, is pleased to announce the additions of two new employees to keep up with their growing demand. **Sunil Samuel** joins Flowtrend as a Mechanical Design and Draftsman. He holds a Bachelor's of Science from the University of Texas at San Antonio and comes to them with previous experience in working with design and drafting tools. In his position with Flowtrend, he will be developing models and drawings of their products. **Tu Anh Vu** comes to Flowtrend as a Mechanical Design and Draftsman Assistant. He holds an Advanced Engineering Technology Degree and is well versed in the use of design and modeling tools. Tu Anh has previously worked as a draftsman in Vietnam and Australia. He will be working closely with Sunil to create drawings and models. [www.flowtrend.com](http://www.flowtrend.com)



Sunil Samuel



Tu Anh Vu



FISA extends its deepest sympathy to the family of Ross Skelton, Chief Commercial Officer of SPX, who passed away on May 23, 2014.

## Hydro-Thermal Corporation Receives National Award

U.S. Secretary of Commerce Penny Pritzker recently presented Hydro-Thermal Corporation with the President's "E" Award for Exports at a ceremony in Washington, D.C. The "E" Awards are the highest recognition any U.S. entity may receive for making a significant contribution to the expansion of U.S. exports.

Upon receiving the award, Jim Zaiser, President of Hydro-Thermal stated, "This is an exciting year for Hydro-Thermal. We are honored to receive this award during our 80th anniversary celebration. Exportation has opened many doors for our company and is a large contributor to our growth. We have achieved a lot in the past 80 years and are looking forward to celebrating another 80 years of steam innovation."



Jim Zaiser, President of Hydro-Thermal, U.S. Secretary of Commerce Penny Pritzker and Gary Bymers, Hydro-Thermal's International Sales Director

"The President's "E" Award winners are fantastic American businesses and organizations that have played a crucial role in strengthening and growing our economy through increased U.S. exports," said Secretary Pritzker. "By selling Made-in-America goods and services internationally, U.S. business can grow faster, hire more employees, pay higher wages, and help spread American ideas, innovation and values. Congratulations to Hydro-Thermal Corporation for its export achievement, which helps the local community, Wisconsin and the nation, remain competitive in the global marketplace."

Hydro-Thermal Corporation, located in Waukesha, Wisconsin is a global manufacturing company that designs, engineers, produces, and installs Hydroheaters. Their patented heating system completely mixes steam and process liquids while delivering precise and consistent temperature, instantaneous heating, and no scaling or fouling of the product.

U.S. companies are nominated for the "E" Award for Exports through the Department of Commerce's U.S. and Foreign Commercial Service office network, located within the Department's International Trade Administration, which has offices in 108 U.S. cities and more than 70 countries to help U.S. exporters. A total of 66 U.S. companies were presented with the President's "E" Award this year.

## Hydro-Thermal Corporation

Hydro-Thermal Corporation was recently named a 2014 Top 10 Business of the Year by the Waukesha County Business Alliance. The company was also named a 2014 Innovation Quotient (IQ) recipient by BizTimes Media LLC for its Smart Cooking System™. The Top 10 Business Award recognizes companies headquartered in southeastern Wisconsin that have consistent financial growth and demonstrate a commitment to good business practice through their employee relations, customer-focused

commitment, community service, and business education partnerships. The IQ award is given to companies in southeastern Wisconsin who develop innovative and unique products or services. Both awards were presented this spring, which also marks Hydro-Thermal's 80th anniversary. The company has scheduled multiple events to celebrate this milestone including volunteer projects at the Ronald McDonald House of Milwaukee, a blood drive with the Blood Center of Wisconsin, and participation in the Vince Lombardi's Walk/Run in June.

## NAW President Dirk Van Dongen Talks AmazonSupply Threat With tED Magazine

*Reprinted with permission from tED magazine.*

*By Jack Keough*

Dirk Van Dongen, the president of the powerful National Association of Wholesaler-Distributors and long-time expert in distribution, says the threat posed by Amazon into the industrial marketplace should not be ignored.

At the same time, Van Dongen points out that distributors have proved to be resilient over the years and those companies that adapt to change and focus on customer satisfaction will be around for some time to come.

In fact, Van Dongen, whose NAW group encompasses more than 80 distributor associations, says that distribution could be stronger and larger in five years than it is today.

In an exclusive interview with tedmag.com, Van Dongen said that distributors need to take Amazon seriously because of the substantial amount of money it has to invest in the sector and its recognized

customer service. In addition, although demographics might be in Amazon's favor, successful distributors will be able to meet that challenge.

"Years ago, people said that disintermediation would be the demise of distribution," he said. "It didn't happen. Distributors learned to use the Internet as a sales and marketing tool. Customers didn't flock to the Internet to buy stuff. Distributors have been around for many years because they have performed an essential set of functions for their customers. As long as they continue doing that, they'll continue to be around and successful for a long time."

Disintermediation was the term used by many industry observers who believed that because of the Internet, distributors would be bypassed in the buying process...

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*To read the rest of the article, go to [fisanet.org](http://fisanet.org) and click on "Resource Center" and then "Industry Links".*

## Welcome New Member

### XOS

Contact: Andrew Hider  
15 Tech Valley Drive  
East Greenbush, NY 12061  
Phone (518) 880-1500  
Fax (518)880-1520  
[ahider@xos.com](mailto:ahider@xos.com)  
[www.xos.com](http://www.xos.com)

## Mark Your Calendar

### June 15th

Return PAR Survey to  
Profit Planning Group

### July 1, 2013

Renew FISA Membership

### September 13-16, 2014

FISA Annual Conference  
Newport, Rhode Island  
The Viking Hotel



## Distributor News

1207 Sunset Drive  
Greensboro, NC 27408