

FISA Planning Meeting Discusses Industry Trends

One of the highlights of the annual FISA Planning Meeting each year is when participants share their views on what is happening in the marketplace. What are the trends that are positively and negatively affecting our industry?

In discussing the business outlook and factors impacting the business climate, the Board of Directors and invited guests: Andrew Hider of Anderson Instrument Company and Andrew Mahoney of ITT Corporation, identified these trends as having positively impacted the marketplace.

- Yogurt sales continue to swell
- Expiring patents are pushing generic drug growth and, as a result, single use technologies are growing (which also presents challenges).
- There is growth in CIP (Clean in Place) applications.
- Brewing resurgence among microbrews and brew pubs



2012 FISA Board of Directors

Seated (L to R) Dave Murray, SPX Flow Technology, Rob Clark, Perrigo Inc., David Brink, M.G. Newell Corporation, Jeff Heerema, Heerema Company; (Standing L to R) Amanda Sasse, Nelson-Jameson Inc., James Murphy, Standard Pump Inc., Chad Sprinkman, W.M. Sprinkman Corp., Wallace Wittkoff, PSG, Kevin O'Donnell, Topline Process Equipment Co., Bob Morava, Stuart W. Johnson & Company, Jim Banks, Sudmo North America, Dennis Wright, Wright Process Systems

- China tank replacements
- Hygienic vs. Sanitary (Global vs. US)
- On-shoring trend is on the upswing
- Overseas manufacturing lags US

- Impact of BRIC – Brazil, Russia, India, China
- US regulation is driving buying decisions
- Food processing growth in Central and South America
- Increased lead generation through websites
- Increased opportunity in filtering and components
- Controlled flow applications rising

The following trends were identified as negatively impacting the industry:

- Geopolitical concerns, including manipulation of currency, presents challenges for industry
- Human capital issues include difficulty in finding qualified engineering, sales professionals and skilled laborers
- LIFO repeal, if enacted, will harm distributors
- The pressure in the pharmaceutical marketplace continues

While participants acknowledged ongoing challenges, the overall sentiment was optimistic for 2012 and beyond.

fisa
Distributors Serving
Sanitary Processing

2012 FISA Annual Conference

Focusing on Trends

September 15-18, 2012
Monterey, CA

Monterey Plaza Hotel & Spa



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.

2011 – 2012 FISA Board of Directors

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Wallace Wittkoff
Pump Solutions Group

Dennis Wright
Wright Process Systems

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From the President



Dear FISA Members,

Thank you for responding to the survey last month. Your responses were very valuable to the Board as we planned the fall conference and set our goals for

2012. We worked on both of these projects at our recent Planning Meeting.

The Planning Meeting was attended by all Board members, Executive Director, Stella Jones, and two guests: Andrew Hider of Anderson Instrument Company and Andrew Mahoney of ITT. Trish Lilly moderated the meeting. It was a great experience to be working with such a talented group of individuals, and I would like to thank all of these people for the time, energy and commitment during the meeting. We spent a good portion of our time discussing issues that are affecting our businesses and industry today which will influence both over the next few years. With these ideas and the survey results in hand, we outlined the program for this fall's conference. In the coming weeks, you will receive more information on the conference agenda and I think you will agree it is going to be an awesome meeting.

A refreshing thing during the Planning Meeting was that we spent very little time working on the distributor/manufacturer relationship. In the past, there has been a great deal of time spent on this topic. All the members present seemed to feel there is room for improvement but for the most part, the partnership is

working and now our task is to promote FISA members as the channel of choice.

Other goals we will focus on this year are:

- **Grow the Membership** – Zino Lappas will be assisted by James Murphy, Bob Morava and me in this effort. Thanks to all of you who submitted names of potential distributor members. Keeping a strong base of distributor members sets us apart from other trade associations and is central to our core mission.
- **Explore and Expand Membership Benefits** Stella Jones has been and will continue to work on this. You will be hearing about an exciting new benefit in the future.
- **Increase our Web Presence** – Kevin O'Donnell and Amanda Sasse are working on this task. Please read the notice below about putting the FISA logo on your website and linking to FISA.

Your Conference Committee is hard at work, James and Liz Murphy are this year's chair people. Jim Banks is our Sponsorship Chairman and Kristi and Dennis Wright will chair the golf tournament. Bruce Michael is once again working to make sporting clays an exceptional experience. If you have not already marked your calendar for September 15-18, 2012, please do so. Plan to be in Monterey, CA for the FISA Annual Conference for an outstanding educational and networking opportunity.

Thanks,

David A. Brink, Sr.
M. G. Newell Corporation
david.brink@mgnewell.com



As a FISA member, you are entitled to use the FISA logo on your publications and on your website. The Board of

Directors wants each member company to put the FISA logo on your website and hot link it to the FISA website.

With more in-bound links, the FISA site will increase its ranking with the search engines. Executive Director, Stella Jones, will be emailing the correct FISA logo to all member companies, so be sure to link it to the FISA website. By gaining a stronger presence on the internet, we will promote FISA and in turn promote your company. If you have any questions, please contact Stella in the FISA office at 336-274-6311.

FISA Planning Meeting Discusses Industry Trends

The FISA Long Range Planning Meeting was held February 9 – 11, 2012 in Key West, FL. Participants included the FISA Board of Directors and two invited guests: Andrew Hider of Anderson Instrument Company and Andrew Mahoney of ITT Corporation.



(L-R) FISA Board Members Wallace Wittkoff, David Brink and Rob Clark

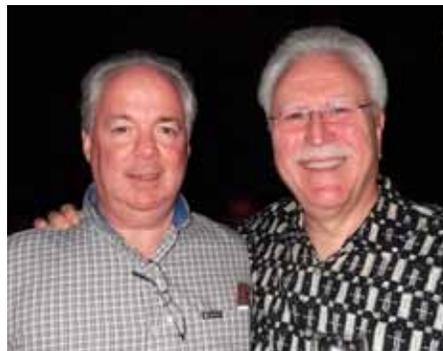
The purpose of the meeting each year is to review FISA's goals, to discuss industry trends, to confirm FISA is being responsive to needs of the membership, and to plan the upcoming Annual Conference. Participants reviewed the Conference evaluations from the New Mexico Conference and the recent Member Survey as background information.

In addition, the group reviewed recommendations for improving the FISA website from Bob DeStefano, an online marketing strategist, who spoke at the FISA Annual Conference last fall in New Mexico. Bob made several suggestions

for how FISA's website could become more dynamic. The group agreed that the purpose of the website is to educate the membership and keep members up to date on relevant information. By updating information more frequently and sending email blasts to alert the membership, we will hope to increase the value of the website for members. In addition, the website should serve as a marketing tool so that non-members can learn about the Association. In order to make the website more accessible, we will be focusing on our key words and working to raise our status with the search engines.



Julie Brink & June Clark



Kevin O'Donnell & Dave Murray



Allison & Andrew Hider



Dawn & Jeff Heerema



Liz & James Murphy

2012 Distributor Member Survey Summary

Based on a 42% response rate from the distributor membership, here are some highlights from the recent FISA Distributor Member Survey.

How long has your company been in business?

- The average was 56 years
- The newest was 15 years
- Two companies were more than 100 years old

How many total employees do you have?

- Fewer than 10 – 9.5%
- From 10 – 20 – 28.6%
- From 20 – 40 – 33.7%
- From 40 – 60 – 4.8%
- More than 60 – 23.8%

Do you have a full time Human Relations employee?

- Yes – 9.5%
- No – 90.5%

Are you interested in learning how you can improve your website?

- Yes – 71.4%
- No – 28.6%

Can customers now place orders on your website?

- Yes – 9.5%
- No – 90.5%

Do you utilize social media (Facebook, Twitter, Linked-In) on your website?

- Yes – 19%
- No – 81%

Are you a member of other trade associations?

- Yes – 52.4%
- No – 47.6%

If yes, how does FISA's value compare to other associations?

- More value – 83.3%
- Less value – 0%
- About the same – 16.7%

Please list magazines or websites you find helpful in researching industry trends:

- Food Engineering
- Dairy Field
- Food Processing
- New Brewer
- Cheese Market News

Manufacturer Member Survey Summary

Based on a 25% return rate from manufacturer members, here are highlights of the survey.

How long has your company been in business?

- The average – 43 years
- The oldest – 95 years
- The newest – 6 years

How many total employees do you have?

- Fewer than 20 – 11.6%
- From 20 – 50 – 41.2%
- From 50 – 100 – 23.5%
- From 100 – 200 – 0%
- More than 200 – 23.5%

Do you have a full time Human Relations employee?

- Yes – 41.2%
- No – 58.8%

Are you interested in learning how you can improve your website?

- Yes – 52.9%
- No – 47.1%

Do you utilize social media (Facebook, Twitter, Linked-In) on your website?

- Yes – 35.3%
- No – 64.7%

Are you a member of other trade associations?

- Yes – 82.4%
- No – 17.6%

If so, how does FISA's value compare?

- More value – 42.9%
- Less value – 0%
- About the same – 57.1%

Four Generations, One Workplace

Bridging the Gaps Among Generations



By *Diane Thielholdt*

Diane Thielholdt is cofounder of The Learning Café, a consulting group that creates extraordinary learning experiences for organizations focusing on multigenerational issues, employee engagement, leadership development, mentoring and more.

With four generations constituting today's work force, the generation gap is alive and well in offices, factories and foundries across the country. In fact, a recent study from the Society for Human Resource Management reveals that nearly 25% of human resources professionals reported generational conflict in their workplace.

Workers notice it, too. Data from the Pew Research Center shows 79% of the general public says there is a generation gap in American society. And the gap will continue to widen; by 2014, half of the world's employees will be those born after 1980.

There's no time like the present to implement changes that will ensure your organization is a generational-friendly workplace—an environment that encourages participation and contribution from the talented people you manage of all ages.

A Glimpse of the Future

The Millennial generation (those between the ages of 14 and 35) will soon comprise a full 50% of the world's workers. But at the same time, the older generations aren't retiring at rates you might have expected a few years ago. All across the United States (and probably the world), the work force is aging in place, as those of the Silent Generation (ages 67 to 79) and baby boomers either postpone retirement or return to work. Many are forced to continue working by financial constraints; others either don't like the idea of retiring, or try it and find they miss the activity and meaningfulness of work. This means that managers will be faced with a multitude of generation gaps, some involving those Millennials that are currently scarce in the metals industry. (Although some of your managers may even be Millennials.) Imagine the strength of your organization when you successfully combine the wisdom of your Silent Generation employees, the relationship-

building skills of the boomers, the technical expertise and task orientation of the Gen Xers (between the ages of 36 and 47), and the global perspective of Millennials.

Train Your Managers to Engage

The techniques for bridging the gap are simple, but typically overlooked by managers and employees. It comes down to understanding and appreciating the similarities and differences in each generation.

What managers say and how they say it makes a difference. They should engage one-on-one with each employee at least once a month and personalize methods of recognition, reward, engagement and feedback for each. Familiarizing themselves with the individual's unique motivators and drivers is the basis for managing that person effectively.

Managers need to engage different generations in different ways. Mid- and late-career workers are motivated by their desire to make a meaningful contribution, while younger workers are motivated by opportunities to grow, learn and develop. And all generations are motivated by challenging, stimulating work.

To help employees bridge gaps, set up intergenerational mentoring programs—traditional mentoring as well as reverse mentoring. Formally teach all mentoring participants to understand and appreciate each other's values and work styles, perhaps with a workshop on intergenerational differences. Mentoring is an inclusive way to transfer institutional knowledge, wisdom and technical expertise.

Hire More Millennials

A large part of preparing your organization for the future is to begin hiring younger workers. I'm not advising anyone to avoid hiring workers of any age, and certainly not to push out older workers. The fact is, soon 50% of your pool

of job candidates will be Millennials, and you'll want to attract the best of them, even if this requires additional training for inexperienced new hires.

Although Millennials sometimes get a bad rap, the fact is, the generation brings to the table a great work ethic and desire to do well. Millennials are optimistic and accomplishment-oriented, excel at working in teams and love to be challenged.

Targeting Millennial candidates means changing how you hire, and the messages you send out through job postings. For example, unlike many older job seekers, Millennials welcome working for lean organizations. A job description that includes wearing many hats will actually appeal to Millennials, who value work with variety and many responsibilities. Other values to target (and follow through on) include the ability to move quickly (not necessarily up), flexibility and the ability to speak up. If your organization does not have family friendly policies like flextime or job-sharing, consider implementing some in order to attract this young generation—and to keep up with changing work force demands.

Help your human resources department move away from traditional hiring models to reach today's Millennial-rich job market:

Partner with trade schools and high schools to build relationships that can funnel young workers into your company. Not sure kids will be willing to start at the bottom? Use these relationships to set expectations of what work will be like, namely that they might have to work their way up or across your organization.

Ask your managers and supervisors to keep an eye out for sharp, trainable young workers who are ripe for hiring. They may be waiting tables, hooking up your cable TV or sitting next to you on the train.

Encourage Millennials you have on staff or colleagues and acquaintances who are Millennials to help you network—informally and formally—to reach members of this generation.

Don't Discount the Boomers and Silents

As your workplace invariably trends younger over the next few years, be wary of generation gaps that may effectively isolate your oldest workers. Those of the Silent Generation, in particular, will shrink to a small minority; the youngest of them will be 69 in 2014.

You can bridge these gaps by ensuring that all employees—particularly managers—are trained to understand and appreciate not just the vast reserves of industry knowledge and wisdom that these people hold, but their unique values, work ethic and communication style.

Your organization may benefit from a formal knowledge-sharing program that enables older workers to transfer what they know, including implicit knowledge, to their colleagues. This will ensure that legacy information and wisdom continues no matter what the age of the people doing the work. Making the changes I've suggested here will help keep your organization (and industry) vital, contemporary and relevant. Remember, as the baby boomers say, "Change is good!"

THE 4 GENERATIONS DEFINED

Millennials (Born 1977-1998)

Raised by parents who nurtured and structured their lives, the youngest 'can-do' generation of workers is confident, conventional and collaborative. They want a connection to a cause.

Generation X (Born 1965-1976)

The first generation to be latchkey kids, they survived rampant divorce and came of age as the economy stagnated, and as inflation and oil prices soared. In opposition to the hard-driving, live-to-work boomers, Gen X works to live.

Baby Boomers (Born 1948-1964)

Named for the post-World War II spike in the birth rate, they grew up in nuclear families and experienced social unrest, civil rights, new frontiers and a culture of unlimited possibility. They're proud of their work ethic and want to infuse their careers with mission and meaning.

Silent Generation (Born 1933-1945)

Conformists with civic instincts, they came of age with the sacrifice and conformity demanded by the Great Depression and World War II. Loyal 'company men,' they tend to be politically, fiscally and socially conservative. Organizations came to depend on their reliability.

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 May 31, 2012. 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

Standard Pump Inc.



Standard Pump, Inc located in Auburn, GA is pleased to announce that **Robert Miley** has joined the Engineering Department. Robert brings fifteen years of product design experience

to the team and will focus on new product development for the food processing industry. Robert is a graduate of The Citadel where he received a Mechanical Engineering degree and then later served as a combat Pilot in the US Marine Corp. Upon his return from Iraq, Robert attended Georgia Tech and received a degree in Electrical Engineering.

Cole-Tech Industries



Cole-Tech Industries is pleased to announce the recent hiring of **Joe Schlicher** as National Sales Manager. Joe comes to Cole-Tech Industries with an extensive background in sanitary

fittings, pumps, and valves. He brings the knowledge and experience of developing channel relationships not only into existing markets, but also has been instrumental in developing these products into new markets.

Midlantic Flow Components LLC

Midlantic Flow Components LLC relocated into a 17,500 facility in Williamstown, NJ, effective January 30, 2012, to expand their inventory capacity, engineering and quality control centers, as well as creation of their own weld and polishing shop for specials.

Pump Solutions Group (PSG)

In January, the Pump Solutions Group (PSG) completed the acquisition of Quattroflow Pumps out of Germany. Quattroflow is an electrically driven, four diaphragm, high flow control, low pulsation pump developed for biotech application like TFF filters and other applications needing low slip, high cleanability and total sterility such as for cell structures in aqueous solution or blood byproducts. The pump is also known for its single use options. This pump technology will be integrated into PSG Almatec production facility out of Dusseldorf Germany.

Steel & O'Brien



Steel & O'Brien is pleased to announce two additions to their inside sales force this year. **Mike Lovelace** has joined their Sales and Marketing Team. Mike has held several key positions in his 11 years in the sanitary process business and will bring that knowledge and experience to his role.



Jim Maiorano started his sales career with 10 years in the automotive parts business, before being hired at Steel & O'Brien as Logistics Manager. He began assisting the sales staff and quickly acquired a great deal of product knowledge that will be utilized as an inside salesman.

Steel & O'Brien is a manufacturer of stainless steel fittings and valves used in the food, beverage, dairy and pharmaceutical/biotech industries.

M.G. Newell Corporation



Dave Galloway has joined M. G. Newell Corporation as a project engineer in the Greensboro Division. Dave is a graduate of NC State University with a bachelor's degree in mechanical engineering and is a registered PE. Prior to his employment with M. G. Newell, Dave was the Maintenance Manager for Hunter Farms in High Point, North Carolina for 12 years and before that, he was Assistant Plant Engineer at Stroh's Brewery. He resides in Winston Salem, North Carolina.



Bryan Rumrill recently joined M. G. Newell Corporation as an outside sales representative in the Louisville Division. Bryan has 14 years of sales experience in the food and industrial industries and will be responsible for accounts in central and eastern Kentucky. He lives in Louisville, KY.

Continued on page 8...

Less is More Communication

By Tom Reilly, the guy who wrote the book on Value-Added Selling

Salespeople face two challenges in communicating with customers. The first is getting their attention. The noise level and competition for their attention is at an all-time high.

- W. Edwards Deming wrote that the average worker faces 50 interruptions per day. He wrote that prior to the Internet and the consequent avalanche of email and text messages.
- People multi-task, so you can anticipate that customers will respond to the chirp of their cell phones during your conversations.
- Consumers receive daily approximately 600 advertising exposures.
- Requests by bosses, peers, subordinates, customers, and family members trump your attempt to get the buyer's attention.

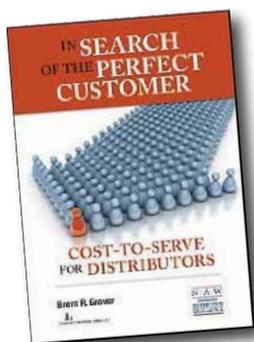
The second challenge is the speed of communication:

- According to Gallup, the average worker's attention span is approximately three minutes.
- The average movie scene is slightly more than 60 seconds, down significantly over the past few decades.
- The average television commercial is between 15-30 seconds.
- We get our news in sound bites or MSN headlines.
- Editors require novelists to write stories with sufficient velocity to keep the reader engaged. I just finished reading a best-selling novel, 572 pages and 103 chapters. That is a quick 5.5 pages per chapter.

If you want to communicate powerfully, say less. Since elevators are getting faster, you must speed up your elevator speech. I call this faster evolution a purpose statement. In as few words as possible, tell the customer what business you are in. My purpose state-

ment is: "We are in the business of helping B2B salespeople sell profitably and aggressively." If I (and you) deliver this effectively, the buyer will ask, "How do you do that?" I have the buyer's interest and permission to continue. Then, elaborate. When building the purpose statement, be specific with your target customer (in my example, B2B salespeople) and your value proposition (in my example, sell profitably and aggressively). Keep it short. Avoid clutter. Trim.

The most powerful speeches throughout history did not waste words. John F. Kennedy's famous Ich bin ein Berliner speech lasted 674 words. Ronald Reagan's Challenger Address to the American people was 652 words. Franklin D. Roosevelt's Pearl Harbor Speech to the Nation was 521 words. Lincoln's Gettysburg Address—the most famous of all—was a scant 268 words. The Lord's Prayer is 70 words. Do you really need to overstate your argument to customers? If you want to communicate more with customers, say less.



In Search of the Perfect Customer

As wholesaler-distributors operate in today's economy, they must protect their most profitable, high-growth potential customers

and avoid squandering their precious resources. If your sales compensation plan and other policies encourage your staff to misspend their time and your resources on the wrong customers, now is the time to act. If your company is overlooking opportunities to make money and stop profit leakage, this is the book for you!

After you read this book by distribution financial expert, Brent Grover, you'll be better equipped to assign your people and assets to the most profitable and fastest-growing customer segments tailor your services to precisely meet the needs of your most valuable customers and avoid overserving your other customers ensure that your company

is paid for the extra services that you provide to specific customers adjust your pricing to create shareholder value as well as customer value zero in your company's strategy on your customers that contribute the most to your bottom line.

Who are your perfect customers who could be your most profitable customers? Perfect customers place profitable orders, at least most of the time. With perfect customers, the critical variables that make customers either profitable or unprofitable are in balance: order size, product and service mix, asset efficiency, and gross margin. You'll make most of your profits from your perfect customers and you'll lose money on some of your largest accounts. The key is to ameliorate your pool of customers so that you have more perfect customers!

The good news is that, armed with the right data and good tools, you can improve some of your less-than-perfect customers and

make them better over time. In other words, you can create your own perfect customers! One of the tools is cost-to-serve, which is the application of customer profitability analysis to calibrate precisely which services each customer needs—no more, no less—and to know your costs to make sure that your company is duly paid.



To order the book, go to www.naw.org, click on Publications. Be sure to indicate you are a FISA member for a discount.

About the Author, Brent R. Grover

Brent is Managing Partner of Evergreen Consulting, LLC and an NAW Institute for Distribution Excellence distinguished Fellow. He serves as an adviser to the distribution channel on strategic planning, mergers and acquisitions, and profit improvement.

Member News & View, *Continued from page 6...*

The Louisville Division of M. G. Newell is entering its 18th year of operation and recently added 3,600 square feet to its facility. The space will be used for warehousing and skid building.

M. G. Newell is a distributor of stainless steel process equipment and system integration for the sanitary processing industries.

RathGibson

RathGibson, a manufacturer of welded, welded and drawn, and seamless stainless steel, nickel, and specialty alloy tubing, has agreed to be acquired by Precision Castparts Corp. (PCC). The acquisition is pending regulatory approvals. Precision Castparts Corp. (NYSE: PCP) is a worldwide, diversified manufacturer of complex metal components and products. It serves the aerospace, power, and general industrial markets.

Mark G. Essig, CEO of RathGibson, stated, "The acquisition of RathGibson by Precision Castparts represents a great day for our company. Operating as part of PCC will allow RathGibson to accelerate its growth plans and offer a more complete product capability to the market. We look forward to capitalizing on the opportunities that this strategic partnership will offer. We also would like to thank our current ownership group, led by Wayzata Partners, for shepherding RathGibson through its recent restructuring, and giving the company a solid foundation to prosper."

RathGibson's manufacturing locations include Janesville, Wisconsin; North Branch, New Jersey; and Clarksville, Arkansas (Greenville Tube). In addition to the sales offices in Janesville and North Branch, RathGibson also has strategically placed sales offices in Shanghai, China; Mumbai, India; and Vienna, Austria.

Welcome New Members

Quality Stainless Inc.

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Freudenberg Process Seals

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Mark Your Calendar

September 15-18, 2012
FISA Annual Conference
Monterey Plaza Hotel & Spa
Monterey, CA
www.montereyplazahotel.com



Distributor News

1207 Sunset Drive
Greensboro, NC 27408