



ITEMS

NEWSLETTER

October 2003

Rep Firms Recognized for Outstanding Achievements



Iron Man Award
Manufacture's Representative of the Year
Presented To

Marshall-Rodeno Associated

2003

During the recent ASA/ISH Show in Las Vegas, AB&I took the occasion to hold a national sales meeting with its in-house field salespeople and the manufacturer's rep firms who carry the AB&I torch. In addition to the standard things that go on during a national meeting, three AB&I manufacturer's reps were recognized for standout performance during the past year.

"We're fortunate to have such a great team representing the AB&I product line,"



True Grit Award

Presented To

Stan Roberts & Associates Inc.

2003

said Gary Wickham, Plumbing Division Manager.

The "Iron Man Award" went to Marshall-Rodeno Associated of Denver, for overall outstanding performance in sales volume, market share, number of engineering and specifier calls made, and general professionalism.

"Tom, John and Jim have done a great job with their company, and we're proud to have them on the AB&I team," said Wickham.

The "True Grit Award" was presented to Stan Roberts & Associates of Houston and Dallas, for their tenacious representation of AB&I over a ten year period. "Their hard work has paid off big," said Wickham.



Survivor Award

Presented To

SCHU/MARKETING ASSOCIATES

2003

SchuMarketing of New Hope, Minnesota was presented the "Survivor Award," after suffering some major setbacks, but then bouncing back to achieve even higher levels of performance.

AB&I sends a special thanks to the entire sales team, and extends a hearty "congratulations" to those fine companies who are this year's award winners.

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Perspective

Another Year, Another ASA/ISH Show

I just can't get excited about these things, and from the turnout I saw, I'm not alone

The AB&I sales team met for a few days in Las Vegas last month, with the gathering timed to coincide with the ASA/ISH show. Although AB&I decided not to exhibit at this show, we did spend considerable time and expense meeting with clients and colleagues, and that was all to the good. We had some great meetings with old friends, and made some new friends along the way. We even gave some awards to three of our manufacturer's rep firms for outstanding performance during a challenging couple of years. Was the trip worthwhile? Yes. Did the ASA/ISH live up to its billing? Probably not.

Now, don't get me wrong. I know that there are dozens, maybe hundreds, of industry leaders who contribute a lot of their time and resources to making this show a success every year. They are not wrong when they say that they do it so that the industry can communicate better and more business can be done in less time. My hat is off to these fine ladies and gentlemen, and I have nothing but respect for the job they do.

My problem, I suppose, is not with ASA/ISH per se, but with the whole concept of these big shows. When I consider all the events we attend every year, and measure the bang for the buck we get from each one, the big shows don't seem to be faring as well as they used to. Am I the only one thinking this way? I don't think so.

The buying group shows we attend, by contrast, seem much more efficient and respectful of our time. The time constraints imposed on meetings between buyers and sellers force a discipline that is absent in less structured environments. We seem to get more done in less time at these smaller group events.

The lower turnout at ASA/ISH is doubtless due to a number of factors, including the industry consolidation that has dramatically reduced the number of players. Still, the gaining momentum of buying groups, the time requirements of attending or exhibiting at big shows, the intense focus on the bottom line, and the costs associated with attendance all create challenges for the organizers of ASA/ISH. We haven't given up on the big events

yet, but somebody has to discover a new twist that will bring back the numbers.

My salespeople have been coming to me lately with stories they're hearing through the rumor mill about this supplier or that, and what he did with his price/delivery promise/insert your favorite topic here. Now, as it turns out, I had personal, first-hand knowledge of the subject of many of these rumors, and I can tell you, without reservation, that they are Grade A Bull Pucky. Most of these rumors are harmless little gossip bits, but some are pretty malicious when you consider the ramifications of companies basing at least some of their management decisions on them.

So who's to blame for spreading this dung? Maybe we all are. Reps bounce from PA to PA, dropping a word here or a comment there. PAs in turn pass these little morsels on to others. The word spreads. It gets back to me. Now, oftentimes, I can set my people straight, but sometimes I can't, because I don't have all the facts, either. I'm left questioning everything, because I know some reports are just downright wrong. Which ones to believe? Beats me.

Maybe it would be better if we all just adopted a policy of not saying anything about anybody else unless we know the information to be true. Maybe even then it would be better to just stay silent. As a kid, I was always taught to not talk about others unless 1) it was true, 2) it was kind, and 3) it was necessary. If any of these three rules were in doubt, I was taught to keep my trap shut. We all know we should do that anyway, but sometimes we just talk to make conversation. Most of the time it's no big deal, but we really are doing ourselves and our industry a disservice when we pass along information we cannot vouch for.

Just something to think about.

Speaking of purchasing agents, I had a little episode recently with a PA that got me thinking. We had been trying to sell a certain distributor for quite some time, when the PA finally said he would not be buying from us because our price was too high. We both knew our price was not too high, but he said it anyway. What was the real reason he continued buying from

someone else? I don't know. Maybe the other rep was the guy's brother in law, or maybe they liked the smell of the ink on the other guy's invoice. Who knows why people do what they do. Anyway, I started thinking how much better it would have been if the guy just told me the real reason. Maybe it was due to a previous bad experience with AB&I, or a rumor that had floated his way. If I'd known the real reason, perhaps I could have addressed it, building a new customer along the way and giving the customer a chance to get even better service than he was currently getting from his supplier.

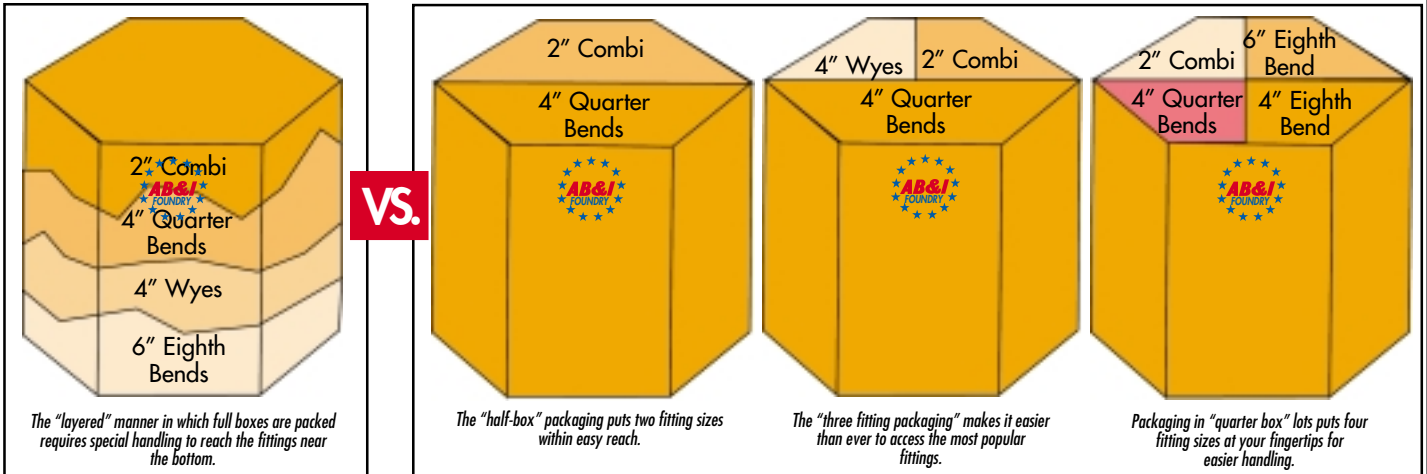
Honest communication makes us all better. If I know where I'm falling short, I can take steps to change myself for the better. If I don't know, or if I'm chasing a false objection, I may never get better. At the very least, I'm wasting the PA's time as well as my own. Better to be honest, even it seems a bit brutal at the time, than to string somebody along with misinformation about a buying decision. A word of advice to PAs: Just tell it like it is; we're all big boys and can take the rejection, as long as it's honest.

An old pro was recently approached by someone to a buy cheap closet flange. Not blinded by the price, he asked a plumber at his counter to put one on a closet bend. Guess what? It didn't install easily and proved to be almost unworkable. This professional PA knew that installation costs can easily exceed any savings on selling price. Moral: Don't buy price alone; make sure you are providing value. I wonder how many PAs got blinded by the extra 10%.

California has a new governor, and we wish him well in his herculean task of turning the state's budget crisis around. Although my "Draft Kip" campaign didn't exactly catch fire, I want to extend a special thanks to my campaign contributors, both of them. Your \$1 donations went to cover the cost of the Roloids I needed when I started thinking about what it meant to be the leader of this state. Anyway, good luck to Arnold. We all need him to succeed.



Fractional Box Packaging Simplifies Receiving and Reduces Handling Costs



Distributors are reminded that, by ordering fittings in fractional box lots, considerable savings can be realized in receiving and handling costs.

Fractional box packaging enables AB&I to package 2, 3, or 4 different sizes and types of fittings in a single box, neatly arranged in vertical columns for easy access. This special packaging is available at no additional cost, and enables distributors to reduce their handling costs and improve the quality of service provided to their customers.

"Many of our distributors have commented on the time and money savings that come with buying in fractional lot packaging" says AB&I sales manager, Greg Seiler. "By getting these fittings already separated by size or type, the time

required for receiving and handling these products is dramatically reduced. The result is more efficient handling, better service to the customer, and improved profitability for the distributor."

Another key advantage to ordering in fractional box lots is the ease with which order quantities can be verified at time of check-in. "It's very difficult to count fittings packaged at the bottom of a full box or make sure an incoming order was filled properly," says AB&I Plumbing Division Manager, Gary Wickham. "Fractional box packaging takes most of the work out of this receiving function," continues Wickham, "and makes it much more efficient to verify order completions."

Although AB&I has offered this packaging option for several years, many distributors remain unaware of the many advantages to ordering fittings in this way. Reports from AB&I field sales people indicate that many distributors' receiving departments see the benefits of fractional box packaging immediately, but the purchasing departments may not be as aware of the benefits.

"We're trying to get everybody in the companies with which we deal to understand what a difference this simple packaging change can make to their bottom line," says Gary Wickham.

For more information, contact your field sales representative or AB&I.

Call For A Foundry Tour

Tours of the AB&I foundry in Oakland continue to gain in popularity. Many visitors comment on how different the facility is from what they expected. "People seem to actually like their job here," is a common theme.

AB&I has spent decades and millions of dollars creating a workplace that is, at the same time, safe, challenging, productive, and environmentally responsible. "This is really a neat place," is a comment heard often.

Contractors, distributors, code officials, engineers, students, and others are all encouraged to call AB&I for a free plant tour. See first hand why AB&I is known throughout the industry as "The Foundry of Future."

AB&I Announces Policy on Buy-Ups

During recent price increases, it was discovered that many customers bought-up more material in anticipation of the new prices than we had anticipated. The result was that we were unable to ship orders as quickly as we would have liked.

To avoid future problems associated with buy-ups, we are announcing a new policy that will go into effect with the next price increase. On all future increases, we will accept orders up to the effective date. On the following day, we will evaluate our capacity to ship those orders complete within the following month. In the event that these orders exceed our capacity to produce, we will adjust (cut) each order based on each customer's average 30-day usage.

In order to provide guidelines, our sales team will advise each customer what their 40-day allocation would be at the time we make the announcement of an increase.

We hope you find this approach both fair and workable. If you have any questions, or would like additional information about this new policy, please contact your field sales representative or AB&I.

Recent Study Warns of Problems If US Manufacturing Continues to Decline



Noted economist and former member of the Council of Economic Advisors, Joel Popkin, has recently completed a study in which he forecasts big problems for America if domestic manufacturing is allowed to continue its decline. In his report, *Securing America's Future: The Case for a Strong Manufacturing Base*, Popkin paints a bleak picture for America unless manufacturing is brought back to higher levels.

"If the U.S. manufacturing base continues to shrink at the present rate and the critical mass is lost, the manufacturing innovation process will shift to other global centers. If this happens, a decline in U.S. living standards is virtually assured," writes Popkin.

Popkin attributes the loss of manufacturing in the U.S. to several important factors, including rising costs for healthcare, litigation, regulation, and natural gas; lagging productivity growth; a decline in U.S. exports; and a shortage of skilled workers.

The report stresses that the loss of America's manufacturing would have a ripple effect on other sectors of the economy. For example, Popkin's study found that for every \$1 in finished manufacturing, 67¢ in additional

manufacturing (such as packaging) is generated, as is 76¢ in services from non-manufacturing sources.

Two thirds of all private sector R&D is from manufacturing. The loss of manufacturing would result in the loss of this R&D, too.

At \$54,000 per year, manufacturing wages and benefits are nearly 20% higher than the national average wage. When these high-paying jobs are lost, they're generally replaced by much lower-paying jobs in the service sector.

The report cites several things that can be done to turn around the steep loss of manufacturing in America. Tax policy, says the report, should focus on spurring investment. Trade policy should seek to establish a level playing field, especially with China. The regulatory environment needs to be looked at with an eye toward cost vs. benefit. Litigation needs to be reduced. Lastly, a new policy regarding natural gas needs to be developed, to stabilize supply and prices.

Just for Fun...

Forgotten Laws of Science

1. The two most common elements in the universe are hydrogen and stupidity.
2. It has recently been discovered that research causes cancer in rats.
3. Law of Probability Dispersal: Whatever it is that hits the fan will not be evenly distributed.
4. Gravity Law: You cannot fall off the floor.
5. Psychiatrists say that 1 in 4 people is mentally ill. Check with three friends; if they're OK, you're it.
6. Vital papers will demonstrate their vitality by moving from where you left them to where you can't find them.
7. The average woman would rather have beauty than brains, because the average man can see better than he can think.
8. God is love; love is blind; Ray Charles is blind; therefore, God plays the piano.



Words to Live By...

1. Deja moo: The feeling you've heard all this bull before.
2. A truly wise man never plays leapfrog with a unicorn.
3. Money can't buy happiness, but it can sure make misery easier to deal with.
4. It may be that your sole purpose in life is to serve as a warning to others.

Why 18 Holes?

Ever wonder why there are 18 holes in golf? Why not 16, or 20? Well, our expert tells us that during a discussion among the club's membership board at St. Andrews in 1858, one of the members pointed out that it takes exactly 18 shots to polish off a fifth of Scotch. By limiting himself to just one shot of Scotch per hole, the Scot figured that the round of golf was finished when the Scotch ran out. So now you know.

More Truths of Golf...

1. The less skilled the player, the more likely he is to share his ideas about your swing.
2. The inevitable result of any golf lesson is the instant elimination of the one critical unconscious motion that allows you to compensate for all your errors.
3. When your shot has to carry over a water hazard, you can either hit one more club or two more balls.
4. Everyone replaces his own divot after a perfect approach shot.
5. Nonchalant putts count the same as chalang putts.

