

A Letter from the President.....

"Times they are a changing". Bob Dylan is still right after all these years. I have been involved in this industry for over thirty (30) years and believe me things are not like they used to be. Is that bad or is it something to dread? Not really, it's just different. We all like to think that our industry and distribution in particular, is the only thing that's changing, but again that's far from reality.

Over the last couple of years there have been numerous rumors of who is going to buy whom and certainly the acquisitions made by Atlas Copco of ALUP, BeaconMedaes and Pneumatech or Ingersoll Rand buying Zeks has everyone wondering who is going to be next. We will probably have to add acquisitions to death and taxes as the only certainties in life.

If you believe that the above is true, then the next question is how do we formulate and carry out a business plan for our company's future? The playing field keeps on changing not only because of acquisitions but also market changes and realignments, technology advancements, personnel issues, and buying and sell techniques, just to name a few.

We could subscribe to the wisdom of Yogi Berra, whom some consider the greatest philosopher of the 20th century, who once said "When you come to a fork in the road take it", but that does not sound like it's based on good business practices. I believe that the only way to be successful in this type of business climate is to be as well informed about the changes and issues that are affecting our industry as possible.

This is why we are not only members of the AICD but have chosen to be active in the organization. Do we need to be members of the AICD to be successful? Can the AICD solve all of my issues? No. However I do know that I use contacts and information acquired through the AICD just about every day to help myself and our company do a better job.

If you are currently a member and active in the AICD, thank you for the time and effort you have given back to the organization. If you are a current member, I hope you will consider becoming active in some way. If you are not a member, I hope you will reconsider.

Incidentally, the AICD is currently investigating changes in how we communicate with our members and also our May meeting agenda hopefully you will see the changes happening fairly soon. At our executive meeting in October we set some of the changes in motion and have others in the planning stage. You will be asked to give us feedback on what you want and expect from the AICD. The AICD realizes that it needs to reassess the value it brings to its members and that it must continuously strive to be relevant. We have an obligation to our members to help support them and their individual companies in their effort to be successful.

If you have any questions, concerns or suggestion, please feel free to contact me.

Thank You.

Ron Nordby,
President 2006-2008

**Make plans to join us at the
22nd Annual A.I.C.D. Membership
Meeting & Exhibition
May 20-22, 2007
LaCantera Resort & Spa
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Salespeople Cut the Price Because They Can

By Tom Reilly, author of Crush Price Objections (Motivation Press)

Why do salespeople cut price? And they do according to our research: 58% of salespeople and their managers will cut price if the customer requests it. Here are six reasons why salespeople cut price.

First, because they can. This is one of the strongest arguments I can make for why salespeople should not have pricing authority—because most will cut price when pressed by the customer.

Second, mixed management signals. When management tells the salesperson to get the order at any price—not to lose it—they are giving the salesperson permission to discount as heavily as needed. When management stresses volume over profitability, they are giving tacit permission to cut the price.

Third, lack of skills. When salespeople lack the training or the skills to hold the line on prices, they will be out-negotiated by customers. Whoever is better prepared for the negotiation will emerge victorious.

Fourth, lack of conviction. If salespeople do not believe that their product is better than the competition's product, they will not present a compelling argument. If salespeople do not understand the value in their proposition, they will fail to convince the customer of its worth.

Fifth, fear. Those who fear losing the sale and succumb to this fear will cut the price. There is one thing these salespeople should fear more than losing the sale because of price—taking the business at too low a price.

Sixth, guilt. Some salespeople feel guilty charging higher prices than the competition charges. These salespeople may not see themselves paying that much for a product and feel bad charging customers those prices.

Salespeople are paid to sell. Anyone can cut the price; that takes neither talent nor skill, just a sharp pencil and a calculator. Real salespeople work hard to hold the line on prices. Buyers are paid to ask for a cheaper price; salespeople are paid to say "No."

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