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Any Exciting Company News or Articles that you wish to share?
Please email them to nweber@shda.org.

SHDA CELEBRATES 40 MEETINGS AT 2010 ANNUAL CONFERENCE!



SHDA Members gather to celebrate 40th Meeting

SHDA Members joined President Steve Dyson and raised their glasses to SHDA's past, present and future during the 2010 Annual Conference and celebrated its strong, unique organization and exciting future!

SHDA has a long, successful, storied history, due in large part to the foresight of its founders and early members. SHDA's meeting format is the envy of other associations due to the high percentage of members who participate. This winning format will continue to see SHDA through the coming years.

That was the message shared with members during SHDA's celebratory dinner at the 2010 Annual Conference in Chicago. Past Presidents Al Hoffman and Viril Mullins prepared a walk down memory lane and regaled the members with stories of SHDA and its founding and many milestones along the way. A number of members commented on how much they enjoyed learning about the history of SHDA from some of its original members.

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Attendees enjoyed a pictorial history of SHDA along with the stories. SHDA extends its deepest gratitude to Al and Virl for their leadership throughout the years and for sharing the history and memories during our conference!



Past Presidents Al Hoffman and Virl Mullins

SHDA business leaders attending the seminar received the economic information, insight, analysis and proactive strategies they need to take advantage of opportunities, maximize profits, and avoid risks moving forward. Many attendees noted that this was the most beneficial program they had ever attended.

The One-on-One Appointments again saw distributors roaming the halls of the Embassy Suites during the daily appointment schedules. These value-packed meetings allow manufacturers to introduce new product and marketing programs and for marketing partners to review sales history and more. There is no better offering in the industry.

As one member noted, “44 Distributors, 60 Associates, 43 One on One Sessions: Priceless!!!”



Filling up the SHDA dance card



Scheduling the One on One Conferences



Steve Dyson, Ron Weaver, Al and Yetta Hoffman, Dave Love, George Villwock

40th meeting continued



Reid Wilson, Marvin and Sonya Cutson

Members are full of compliments about the SHDA Meeting format:

"There are larger and more diverse conferences than SHDA, but nothing matches SHDA for value in terms of quality access to information & people, and general camaraderie. The SHDA conference is one we do not want to miss."

"The absolute best way to really know what is going on in our industry. If you missed Chicago, you missed a lot!"

SHDA celebrated its 40th meeting with the same value and enthusiasm as its first.

Be sure to join SHDA next year when it returns to Phoenix:

**SHDA 2011 Annual Conference
April 25-29, 2011
The Pointe Hilton Squaw Peak
Phoenix, Arizona**

SHDA CALENDAR OF EVENTS



**Best Practices
In Sales
Webinar
Series with J.
Michael
Marks**

**[Best Practices in Sales with J. Michael Marks
\(Part 1 of a 3 part series\)](#)**

Part 1. Understanding Territory Coverage
Economics

July 29, 2010 1:00 pm (90 Minutes)

**[Best Practices in Sales with J. Michael Marks
\(Part 2 of a 3 part series\)](#)**

Part 2. Designing Incentives for Recovery Portion
of the Cycle

August 5, 2010 1:00 pm (90 Minutes)

**[Best Practices in Sales with J. Michael Marks
\(Part 3 of a 3 part series\)](#)**

Part 3. Tools of Effective Sales Management

August 12, 2010 1:00 pm (90 Minutes)

This three part webinar series will provide your employees with the tools and strategies necessary to be successful in sales no matter what the circumstances. Registration will be available soon on the SHDA website!

September 2, 2010 1:00 PM EST

[Emerging Alternative Energy Markets](#)

While "Green" has buzz-worded its way into many customer segments, the larger opportunity for distributors is leveraging new product development and technologies to help receptive customers address specific needs to improve efficiency and reduce costs - whether on production lines, facility management or even OEM applications. Registration will open later this summer for this webinar.

SHDA Honors Adam Weinraub, Pro-Lok

During the SHDA Annual Conference, Adam Weinraub of Pro-Lok, was recognized for his contributions as an Associate Advisor to SHDA. There are three manufacturers who serve as Associate Advisors, providing insight and counsel to the SHDA Board of Directors. Adam's three year-term ended at this meeting.

Named the newest Associate Advisor is Bob LaFrance, Vice President, Marketing and Sales, for Rutherford Controls in Cambridge, Ontario.



SHDA President Steve Dyson presents Adam Weinraub with a plaque thanking him for his contributions as an Associate Advisor



SHDA TEAMS WITH CLEVELAND RESEARCH TO PRODUCE CRITICAL INDUSTRY BENCHMARKING

SHDA, in partnership with the Cleveland Research Group, will soon begin offering a quarterly online data-gathering survey of the SHDA Members, from which a monthly "Industry Trends" report focusing on the security hardware industry and its end-use markets is provided to SHDA members.

The survey collects data from Distributors and Manufacturer Members on:

- Sales Growth
- Sales Outlook
- End-Use Market Feedback

This unique program protects the confidentiality of all participants, both manufacturers and distributors. Conducted via an on-line survey, only Cleveland Research has access to the data and they only utilize the aggregated results. The extensive report provided to SHDA Members will provide you with insight to help you better understand market trends and plan accordingly. Watch your mail for details!



Reach the leaders in our industry through effective low cost advertising in SHDA's newsletter **SHDA Unlocked** and in the **SHDA 2009-2010 Membership Directory**. Newsletter circulation (members and industry leaders) is currently over 1200. The publication is also mailed at no cost to SHDA prospect members which are currently over 300. Directory circulation includes all SHDA member companies, universities, and industry trade press (complimentary) and is available for purchase to non-members throughout North America and the world.

Information may be submitted by mail to :

SHDA, Attention Editor
 105 Eastern Avenue, Suite 104
 Annapolis, Maryland 21403
 Or by Fax to: 410-263-1659

Select your advertising options from the available listings. Act now to take advantage of the special discount rate to advertise in both publications.

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Standard Black & White Rates Please check box and fill in amount

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- Newsletter – Single Issue, 1/2 page - \$400.....\$ _____
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- Newsletter – Two Issues, 1/4 page - \$500.....\$ _____
- Newsletter – Two Issues, 1/2 page - \$650.....\$ _____
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- Directory Ad – 1/3 page - \$500.....\$ _____
- Directory Ad – 1/2 page - \$600.....\$ _____
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- Directory Ad – Full page - \$850.....\$ _____
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1/6, 1/4, or 1/3 Page Directory Ad – deduct \$50
 1/2 Page or 2/3 Page Directory Ad – deduct \$100
 Full Page Directory Ad – deduct \$150

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Footprints to Success: The Five Priorities of Strategic Planning in Wholesale Distribution, Rick Johnson

Strategic planning is a management tool. It is used to help an organization clarify its future direction - to focus its energy, and to help members of the organization work toward the same goals. The planning process adjusts the organization's direction in response to a changing environment. Strategic planning is a disciplined effort to support fundamental decisions and actions that shape and guide what an organization is, what it does and why it does it, with a focus on where it wants to go and how it is going to get there.

Discipline is a prerequisite to this process because it requires laser-like persistence to bring about a productive strategic planning initiative. The process raises a sequence of questions that helps planners examine current reality, test assumptions, gather and incorporate information about the present, and perform trend analysis on the future industry environment.

Fundamental decisions, actions and choices must be made in order to develop a plan that provides the "Footprints to Success." The plan is ultimately no more, and no less, than a set of decisions about what to do, why to do it, and when and how to do it.

The scope of the strategy development process for any distributor is dependent upon individual business needs. The strategic planning process is a time and resource-consuming endeavor that involves many people in the organization. This process includes both tactical and strategic application.

A critical factor in developing a strategic plan is looking at the end game first. Just exactly what do you want your company to be when it grows up? Ask yourself the following questions from the perspective of looking five years into the future.

1. What markets will your company be serving five years from now?

2. What products will you be distributing?

3. Who are your primary competitors?

4. What are your strengths?

5. What are your competitors' strengths?

6. How has your marketing strategy changed?

7. What are your core competencies?

8. What is the size of your revenue stream?

9. How is your revenue stream segmented?

These are just a few sample questions, but don't stop there. After you've tried to visualize your corporate profile five years in the future, the next step is scenario planning. It's the old "what if" analysis. What if you lose your major product line? What if your three biggest competitors become part of a consolidator roll up? What if you dramatically change your product offering so it doesn't even resemble the industry you represent today? How will e-business impact your strategy? Recognize that an e-strategy should not exist in isolation from your overall company strategy. Remember that e-anything is only a tool while your company vision is the guide on how you use your tools.

Follow the Strategic Thinking Process

Strategic thinking by a strategy team leader provides a platform for the distributor that identifies the "end game" vision, determines core initiatives to achieve the vision, develops associated SIPs (Strategic Implementation Plans), and coaches the executive strategy team in preparing a presentation of their strategic document to the ownership or Board for approval. After approval is granted, this document becomes the basis for launching the total company planning process.

Tactical issues such as sales strategies, performance accountability and compensation issues may also be included.

The Strategy Development Process

Phase I: Company Internal Survey

Preparation

A web-based survey is developed focusing on all aspects of the organization. This generates valuable, precise feedback from the employees. This survey is synthesized, analyzed and discussed at the strategy kickoff meeting.

End Game Definition

Through the use of brainstorming and scenario planning, the CEO and ownership create a picture of what the company will be and how it will function 5 to 10 years into the future. This process can be as simplistic as developing a well thought out visionary mission statement to doing actual "what if" scenario analysis identifying specific desirable future objectives.

Phase II: Kick off Strategy Development Meeting - End Game Presentation

The CEO/owner presents the end game analysis developed to the strategy team. Open discussion may or may not occur at this juncture. However, further discussion will take place after the CEO excuses himself from the meeting. This discussion will be moderated by a facilitator to get consensus of the end game by the strategy team. The end game may be challenged only if another alternative is offered.

Survey Presentation

A copy of the completed survey is handed out and a facilitator presents the analysis of the survey identifying key issues. A discussion of the issues is conducted, but the discussion is controlled and kept informal without trying to solve world hunger at this one-day meeting.

Strategy Development Kickoff

A brief 60-minute strategy planning presentation is conducted by the facilitator to walk the participants through the process. The end game exercise is discussed and defined. This is meant to explain the beginning of the process. After the plan is completed, a presentation will be made to the ownership, President and Board, to gain approval of the strategic plan prior to actual launch and execution of the strategy.

Doing nothing is not an option

As we've discussed, strategic planning involves anticipating the future environment and creating an end game analysis so the decisions are made in the present. This means that over time, the organization must regularly perform trend analysis in order to make the best decisions it can at any given point - it must manage, as well as plan, strategically.

Strategic planning is not a substitute for the exercise of judgment by leadership. Ultimately "the buck stops somewhere." The strategic planning process does not make the organization work - it can only support the sound judgment and reasoning skills that people bring to the organization.

Strategic planning is a creative process. The fresh insight it engenders might very well alter past initiatives. Planning also consumes resources which are precious commodities. It can be an overwhelming and daunting task, but it is a process that eventually defines the direction and activities of the organization. Despite its overwhelming nature, the benefits of planning can far outweigh the hard work and pain involved in the process.

I cannot emphasize enough that the true value of a strategic plan is not in the document itself. It is in the process of creating it, involving many of your employees from the bottom up. This empowers them to be more effective and better-informed leaders, managers and decision makers. The time devoted to the planning process varies from organization to organization and you must decide how much time you will devote to the kick off planning process meeting. This can take the form of a two-day retreat or it can be an extended process. The organization will begin to realize benefits from the start. Fundamental benefits to the planning process include:

- **A framework and a clearly defined direction with unified support**
- **A clear vision and purpose that is owned by all employees**
- **Commitment to the organization and its goals by the employees**
- **Set priorities that match company resources**
- **Trend analysis that creates confidence in the ability to take risks**
- **Accountability**

Readiness Factors

The planning process is a major endeavor and timing is critical. There are certain organizational elements that must

must clearly understand the organization's current state and readiness to engage in the planning process. There are a number of preparatory steps that should be concluded prior to the start. An internal honest-gut-check assessment is recommended. Preferably an outside consultant with a fresh pair of eyes does this. Additionally, as mentioned earlier, third party customer, vendor and employee surveys should be conducted. Other items to secure at the onset include:

- **A commitment on the part of executive management and ownership**
- **Resolution of all crises and life threatening issues**
- **Ownership and board support**
- **A commitment of necessary resources**
- **A willingness to think outside the box and to look at new approaches to performing and evaluating the "business"**
- **A basic understanding of scenario planning**

The key resources required for planning include staff time, executive management time and finances (e.g., market research, consultants, etc.).

Staffing demands include:

- **Collecting and analyzing data**
- **Scenario planning**
- **Engaging key stakeholders**
- **Gathering historical financial information, projecting future budgets and cash flow projections**
- **Analyzing options and consequences for potential organizational and program strategies**
- **End game analysis**

Project Management

Project management becomes critical to the strategic planning process. Execution is the key to success. People have different expectations when they hear the word "planning."

Everyone must understand and share the same set of expectations. It is very helpful if one or two key staff members are skilled in project management.

A team leader will facilitate the development of a work

plan which is an outline of the steps and activities that will take place during the planning process. The plan specifies the tasks, outcomes and resources to be expended, as well as the people responsible for each phase of the process.

How do you get started?

1st Priority:

If you have determined your readiness factors through assessment and you have performed the necessary preparatory research, then you are ready to launch the process. The following items should become your first priority.

- **Create a Planning Committee**
- **Assign a team leader**
- **Identify specific ongoing initiatives**
- **Clarify roles (who does what in the process)**
- **Identify any additional research or outside resources necessary to assist you during the process**

2nd Priority:

The second priority is to create the end game vision with clarification from ownership and the executive staff. The core strategy statement is an introductory paragraph that clearly defines the end game in understandable and measurable terms; it lets the reader know where the company intends to go. The end game must communicate the essence of the organization. Articulating the end game indicates your focus and purposefulness. The end game and its clarifying core strategy statement should contain:

- **Purpose - why the organization exists and what it seeks to accomplish**
- **Business - the main method or activity through which the organization tries to fulfill this purpose**
- **Values - the principles or beliefs that guide an organization's members as they pursue the organization's purpose**
- **Specific-long term financial objectives**

The core strategy statement summarizes the what, why and how much of an organization's objectives. It presents an image of the character, the culture and the core values of the organization.

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3rd Priority:

The third priority entails performing the S.W.O.T. analysis (strengths, weaknesses, opportunities and threats). A S.W.O.T. analysis means obtaining current information about the organization's strengths, weaknesses and performance information that will highlight the critical issues that the organization faces. These become key issues the strategic plan must address. These could include a variety of primary concerns, such as funding issues, new program opportunities, changing regulations or changing needs in the client population, and so on. The point is to choose the most important issues to address. Critical constraints should naturally emerge from this process. Identifying critical constraints is the primary reason for doing a SWOT analysis.

4th Priority:

The fourth priority is to begin to develop departmental initiatives required to support the end game.

Strategies, goals and objectives may come from individual inspiration, group discussion, formal decision-making techniques, and so on - but the bottom line is that leadership agrees on how to address the critical issues.

This can turn into a negotiating process and eat up considerable time and flexibility. It is possible that new insights will emerge which change the thrust of the end game. It is important that planners are not afraid to go back to an earlier step in the process and take advantage of available information to create the best possible plan.

"Changing the end game is not a crime."

5th Priority:

The fifth priority and conclusion to this explanation of the process is producing the completed, documented plan. The end game has been articulated, the issues identified and the goals and strategies agreed upon. This step essentially involves putting all that down on paper. A planning consultant can be used to draft the final document and submit it for review to all key decision makers (usually the board, CEO and ownership). This is now the beginning of the process of developing individual departmental business plans congruent to, and supportive of, the strategic plan. These business plans should include departmental budgets.

Conclusion

Strategic planning involves looking at a longer time horizon, identifying future trends and developing action plans based on the highest probabilities. A good strategic planning process will enable a business to anticipate changing trends and implement actions that will enable them to gain or maintain competitive advantage. Add scenario planning and they can be ready for just about any consequence the market may throw their way.

Developing a well thought out strategy that involves much of the entire organization provides the "Footprints to Success." It is now up to the executive team to lead the organization along the path these footprints follow.

Dr. Rick Johnson (rick@ceostrategist.com) is the founder of CEO Strategist LLC., an experienced based firm specializing in leadership. CEO Strategist LLC., works in an advisory capacity with company executives in board representation, executive coaching, team coaching and education and training to make the changes necessary to create or maintain competitive advantage. You can contact them by calling 352-750-0868, or visit <http://www.ceostrategist.com> for more information.

Rick received an MBA from Keller Graduate School in Chicago, Illinois and a Bachelor's degree in Operations Management from Capital University, Columbus Ohio. Rick recently completed his dissertation on Strategic Leadership and received his Ph.D. He's also a published book author with four titles to his credit: "The Toolkit for Improved Business Performance in Wholesale Distribution," the NWFA & NAFCD "Roadmap", Lone Wolf-Lead Wolf—The Evolution of Sales" and a fiction novel - "Shattered Innocence." Rick's next book due to be published in November is titled; Lone Wolf – Lead Wolf, The Evolution of Leadership.



Jade West, NAW Senior Vice President- Government Relations

Federal Contractors and Subcontractors Required to Post Employee Notice of Labor Law Rights

The Labor Department has issued its final rule requiring certain federal contractors and their subcontractors to post a notice informing employees of their rights as employees under the National Labor Relations Act to join a union. (75 Fed.Reg. 28368, May 20, 2010). The final rule may be viewed at <http://edocket.access.gpo.gov/2010/pdf/2010-11639.pdf> (“Rule”). Wholesaler-distributors who are Federal contractors or subcontractors are covered by this Rule. The “employee notice” may be viewed at: http://www.dol.gov/olms/regs/compliance/EmployeeRightsPoster2page_Final.pdf

The Rule went into effect on June 21, 2010.

The Rule implements Executive Order 13496 signed by the President on January 30, 2009, which included sanctions, penalties (including debarment) and remedies that can be imposed if a covered Federal contractor or subcontractor fails to comply with the employee notice requirements. In September 2009, NAW and numerous other organizations provided comments to the Labor Department that criticized the proposed employee notice as an inaccurate and incomplete overview of employee rights under Federal labor laws, and for suggesting that such laws favor a collective bargaining environment. For the most part, public comments did not alter the tone or content of the final version of the Rule, reflecting the strong union bias of the Administration.

Prime Contractors and Subcontractors Subject to the Rule

The Rule applies to any prime contractor with a Federal government contract of \$100,000 or more. A contract for an indefinite quantity is covered unless the contractor or the contracting agency reasonably believes that total amount in any year will be below

the \$100,000 threshold. The dollar threshold set by the Rule is the simplified acquisition threshold set in the Office of Federal Procurement Policy Act—which is currently \$100,000. The Rule also applies contractor with a subcontract value of more than \$10,000.

The Rule does not apply to any contract resulting from solicitations issued before June 21, 2010. Every covered contract must include a contract clause requiring that the contractor post the employee notice during the term of the contract in accordance with the requirements in the Rule. The contracting agency is responsible for including the contract clause in the contract with the prime contractor. The prime contractor is responsible for including the contract clause in its contract with a covered subcontractor. The clause may be incorporated into a contract by reference to 29 CFR Part 471, Appendix A to Subpart A.

Contractors and Subcontractors Required to Post Employee Notice

Physical Posting – A contractor or subcontractor that posts notices to employees physically in the workplace must also post the employee notice physically. Where a significant portion of the workforce fulfilling the contract is not proficient in English, the employee notice must be provided in the language employees speak. The employee notice must be placed in conspicuous places in the workplace so the notice is readily seen by the employees engaged in activities relating to the performance of the contract.

Electronic Posting – A contractor or subcontractor that customarily posts notices to employees electronically must also post the employee notice electronically. The contractor may use a link to the Labor Department website that contains the full text of the notice, provided the link reads in the employees’ spoken language: “Important Notice about Employee Rights to Organize and Bargain Collectively with Their Employers.” The Labor Department website provides translation of the notice text.

Enforcement of the Rule

The Labor Department’s Office of Federal Contract Compliance Programs is authorized to conduct compliance reviews to determine if a contractor or subcontractor is in compliance with the Rule or other laws, Executive Orders or regulations enforced by the Labor Department. Employees may also file complaints claiming that the contractor or subcontractor has not complied with the Rule. In case of a violation, conciliation and administrative enforcement proceedings will follow. Sanctions for a violation include cancellation of the contract, or debarment of the contractor with one, several, or all Federal agencies.