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Feature Story

MEET NAED'S NEW CHAIR

Paul Kennedy

President & CEO, DSG

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UPCOMING NAED EVENTS

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National Meeting
Austin, Texas
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- ② **June 3-5, 2024**
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- ③ **August 6-8, 2024**
NAED Marketing Summit 2024
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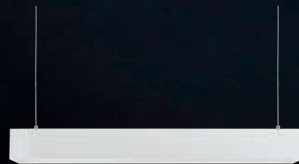
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An automotive
market boom



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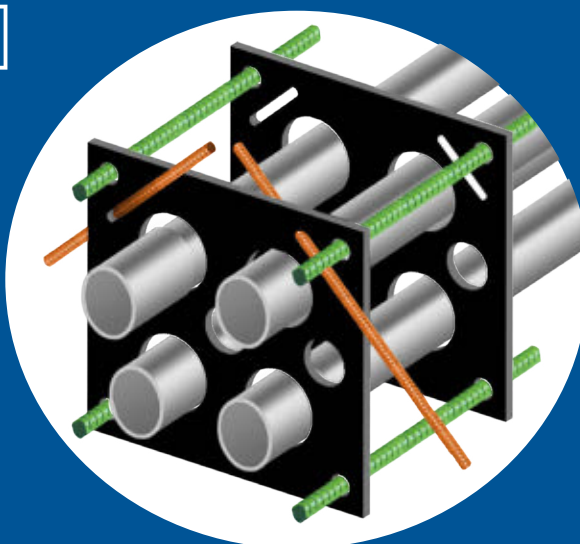
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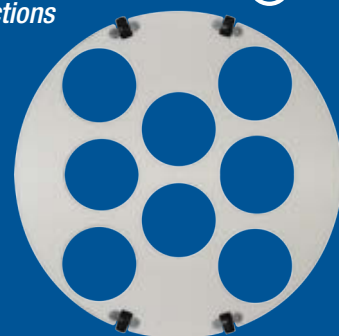
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LOADED WITH PROMISE

by John Cain

PROMISE. I ALWAYS SEE PROMISE in the future. I see this promise based primarily on the work and activities of the past. That is what gets me up every day—and that is how I began my term as chair of NAED. In my 36 years in this industry, I have always been amazed at the talent that abounds, and that has been reinforced during my tenure as NAED chair. I want to thank you for letting me be part of it.

It has truly been a pleasure to work with such talented people from all facets of the industry and NAED. With the change of president and CEO, I cannot thank Ed Orlet and the NAED staff enough. They worked very hard to keep the balls in the air and the train running on time. I also want to thank those who have contributed to the Next Level Now! capital campaign to help fund key initiatives critical to our industry, and the members of the NAED Board for their diligence in ensuring that the association is properly managed and directed. And I want to thank those on the NAED Executive Committee for all of the extra work that was required of them.

Working closely with the members of the Executive Committee were those on the Search Committee, who worked conscientiously many hours on the phone, in Zoom calls, travel-



ling, and interviewing to fulfill their responsibility of finding NAED's next president and CEO, Wes Smith. It's hard to imagine a better choice for the position than Wes. NAED is loaded with promise.

Taking the promise from here when I pass the gavel will be NAED's next chair, Paul Kennedy, CEO of DSG. He brings with him the perspective of a multivertical distributor and has experience gained through other industry leadership posts. I have known Paul for quite some time and am confident in his leadership ability. The promise of NAED's future has never been greater.

Last and certainly not least, I want to thank my home team at Wiseway for making my service to NAED possible. I did not build Wiseway—I built a great team that built Wiseway. I am excited about the promise of Wiseway's future. I am excited about the promise of NAED's future. And I am excited about the promise of our industry's future. I'm confident Wes and Paul will make the most of it! ■

Cain is president of Wiseway Supply in Florence, Ky. He can be reached at jcain@wisewaysupply.com.

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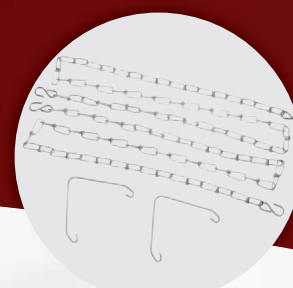
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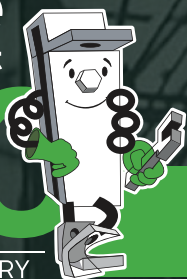
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C U R R E N T



/ ECONOMIC UPDATE

A CLOSE WATCH ON INDICATORS

by Joe Sullivan

IN THE FACE OF ECONOMIC UNCERTAINTY, WHICH WE have endured for so long now that it has become normal, members of the *tED* Economic Roundtable offered their thoughts on the outlook at the end of fiscal Q1. Participating here are Kermit Baker, chief economist at the American Institute of Architects; Robert

Dietz, senior vice president and chief economist at the National Association of Homebuilders, with economist Fan-Yu Kuo; and Bill Conerly of Conerly Consulting. Conerly connects the dots between the economy and business decisions. He has a Ph.D. in economics from Duke University and more than 30 years' experience helping companies adapt to changing economic conditions.

Q: What are the key indicators to watch right now, and what do they appear to be telling us?

CONERLY: In the first half of 2024 we economists will be watching employment very closely. As long as that looks good, the Federal Reserve will be in no hurry to cut interest rates. The best single measure to focus on is net gain in nonfarm employment from month to month. That gauge showed positive results every month of 2023 and so far in 2024. We'll also watch initial claims for unemployment

insurance. Although headlines have proclaimed layoffs, the actual data show no increase in people applying for unemployment insurance. Other good measures to watch are the number of open positions and the voluntary quit rate.

DIETZ/KUO: Entering 2024, both economic growth and the labor market continue to show strength despite a rise

in consumer debt. These solid macro-economic data suggest the possibility of a soft landing. However, a strong economy could keep inflation elevated, slowing the decline of mortgage rates and potentially delaying the timing of a first rate cut by the Fed. Meanwhile, with the expectation that mortgage rates will continue to moderate this year, builder confidence has significantly improved to the highest level since August 2023, suggesting gains for single-family starts ahead.

BAKER: We see mixed data tending toward caution. Our AIA/Deltek Architectural Billings Index (ABI) is a leading indicator for construction work. The data show architecture firm billings remained sluggish to start 2024, with an ABI score of 46.2 in January (any score below 50 indicates a decline in billings). Billings at firms have declined for 12 straight months, as some of the scores from 2023 that initially showed modest growth were revised downward this



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month during the annual seasonal adjustment revisions to the ABI data. This now marks the lengthiest period of declining billings since 2010–2011, although the pace of this decline is slower. However, inquiries into new projects continue to grow, while the value of newly signed design contracts remains generally flat. While neither of these are signs of immediate growth, they indicate that clients remain interested in new projects, but they just are not yet prepared to commit to them.

In the face of softer business conditions, firms report considerable future work in the form of reasonably healthy backlogs. Averaging 6.7 months at the end of 2023, they have dipped only modestly during this period of weak billings. Firms are reporting some increase in troubled projects including projects that are delayed or stalled, but most expect many of these projects to resume in the coming months as interest rates trend down and supply chain conditions continue to improve.

For the second consecutive month, all regions of the country except the Midwest showed weakness. Firms located in the Midwest have now reported billings growth for three of the past four months. On the other hand, billings continued to soften further at firms located in the Northeast, reporting the lowest level in three years. Billings also declined at firms of all specializations in January. The very softest were in the multifamily residential specialization.

Despite the ongoing softness in the architecture industry, conditions continued to improve in the broader economy in January. Nonfarm payroll employment grew by an additional 353,000 new positions in January.

Q: How do you assess the prospects in the housing construction market?

DIETZ/KUO: The housing market is diverging. Single-family construction is moving off cyclic lows, while multi-

family development is slowing after an unexpectedly strong run. Despite ongoing supply-side challenges, the positive impact of low resale inventory and strong demand for new construction, along with anticipated rate cuts, will drive modest growth in single-family production this year.

By contrast, multi-family construction is expected to see a dramatic decline due to higher vacancy rates and tighter lending standards, while remodeling is projected to remain flat this year, with potential expansion driven by aging housing stock.

CONERLY: When the Fed starts cutting interest rates, most likely mid-2024, construction will bounce back. Residential construction will start first, then nonresidential construction. Public sector construction tends not to be interest sensitive. Instead, it will gain as infrastructure spending gradually ramps up. Also to benefit from lower interest rates is business spending on equipment, but that also has a long lead time.

Q: Has the inflation rate really been tamed or will it increase?

DIETZ/KUO: The overall inflation rate has come down significantly from 9.1% to 3.1%. While inflation is moderating and approaching the Fed's 2% target, it nonetheless has been hovering around 3% over the past six months, indicating a slow final approach to the Fed's target of 2% by 2025.

BAKER: Consumers are experiencing improved conditions. The Consumer Price Index, a measure of inflation, rose by just .3% in January, and 3.1% from one year ago. While this is still higher than many would like, it is significantly below the 6.4% annual

growth rate seen one year ago. And with inflation continuing to wane, the University of Michigan's Index of Consumer Sentiment rose by a whopping 13% in January, following growth of 14% in December. The index reached its highest level since July 2021, as consumers are increasingly confident that inflation will continue to soften in the coming months.

CONERLY: The Fed and many economists are not sure that inflation has been tamed. Forecasting models run by the Fed as well as by private economists have not done well in recent decades. Thus, predicting that inflation won't pop back up is dangerous, although

I personally am optimistic.

Q: Looking at the remainder of the year, is a recession likely?

DIETZ/KUO: No, recent solid macroeconomic performance suggests the Fed may be able to slow down economic growth without triggering a recession. The unemployment rate remains low, and investment in sectors like technology is supporting regional economic growth.

CONERLY: A recession in 2024 is possible but not the most likely scenario. The pace of economic growth is likely to slow as a lingering effect of past interest rate hikes. [And so] the possibility of recession remains, even though it's not the most likely story. Electrical distributors would do better looking at their major customer segments rather than worrying about the overall economy. ■

Sullivan helps electrical distributors work through tough situations. He can be reached at joe@joseph-sullivan.com.



The pace of economic growth is likely to slow as a lingering effect of past interest rate hikes. [And so] the possibility of recession remains, even though it's not the most likely story.

—BILL CONERLY,
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NICKEL STABILIZES

As prices moderate, suppliers gear up for future demand.

by **Phillip Perry**

NICKEL PRICES ARE MODERATING, AND MARKET OBSERVERS EXPECT the environment to remain fairly benign in the months ahead. “A surplus of supply is the basic reason why nickel prices have been going down recently,” said Gustavo Rojas-Matute, an economist at Moody’s Analytics who focuses on nonenergy commodities and Latin America.

The current nickel glut has come about largely because of a production boom sparked by high prices for the metal over the past two years. For 2023, the production of nickel was around 3.4 million metric tons, while demand came to 3.2 million, according to the International Nickel Study Group. As for 2024, production is projected to be 3.7 million, with demand a bit under 3.5 million. That kind of overproduction can only exert downward pressure on prices.

A softening demand from a moderating global economy is the primary reason for the mismatch between inventory and orders. Adding to the problem is less-than-robust demand for nickel-rich batteries destined for EVs. Automakers have turned instead to the more economical lithium-ion phosphate batteries.

Against these market dynamics is an unanticipated supply-side force. “As recently as the summer of 2023 many observers were predicting a rise in prices,” said Irina Tsukerman, president of Scarab Rising. “But what they did not anticipate is the major geopolitical development of Indonesia, the top producer of nickel, flooding the markets with the metal, causing all sorts of issues that could be described in terms of Darwinian survival.”

Last year Indonesia, which now commands a 55% global market share, expanded production by 30%, to 1.9 million tons, according to *The Financial Times*. The future should see more of the same. “Indonesia is the low-cost producer of nickel, and they will certainly retain that position as we go through 2024,” said Amanda Eglinton, associate director for pricing and purchasing at S&P Global Market Intelligence. “You could say they’re the nickel equivalent of Saudi Arabia in the oil market.”

Indonesia’s production initiative is part of that nation’s larger mission to dominate the entire processing of nickel throughout the value chain, noted Eglinton. The goal is to attain the economic benefits of incentivizing downstream processing and refining of nickel. For example, the nation aims to drive development of a full EV ecosystem: producing not only the requisite nickel, but also the batteries and cars.

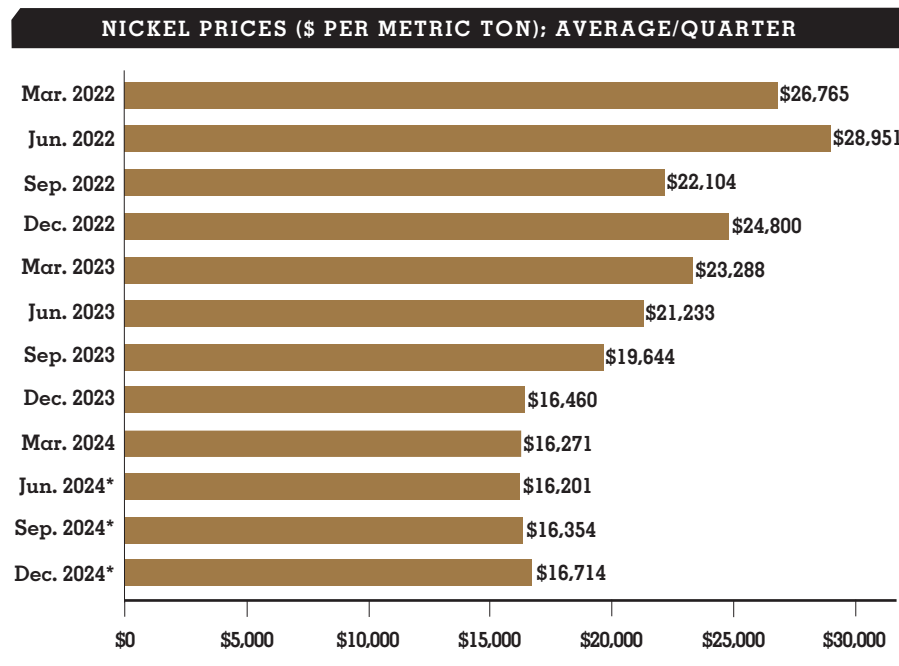
There are two forces driving the Indonesian initiative, according to Tsukerman. One is the nation’s own interest in dominating the market,

especially in light of an electrification push in the West. A second is an on-going Indonesian investment by Chinese companies that want to achieve low-cost output and drive Western markets out of competition.

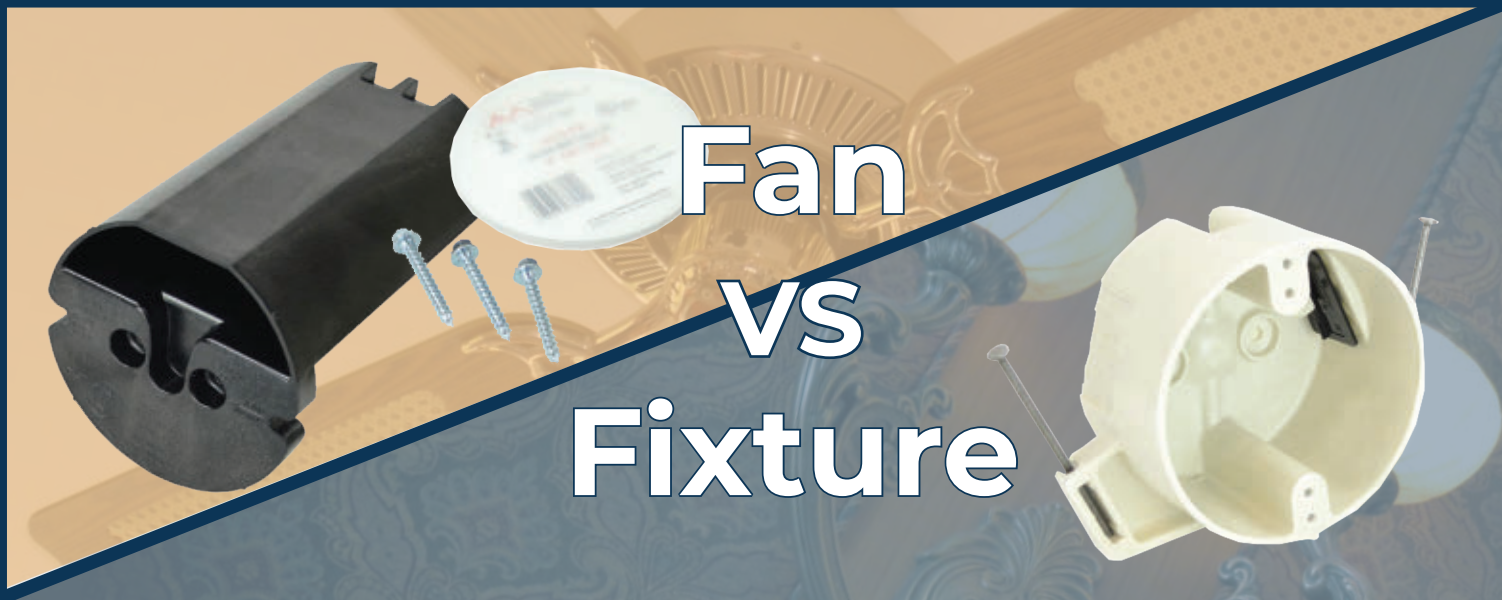
“China is particularly interested in capturing more of the stainless steel market—and they need nickel for that,” noted Tsukerman. “By driving nickel prices down as much as possible, China gains two advantages. First, they obtain needed raw materials at a very low cost. Second, it drives competitors out of the market, including pro-American, pro-Western miners.”

Production Cuts

Production is adjusting to the new reality, as unprofitable nickel mines shutter around the world. As cheaper Indonesian nickel supply continues



Source: World Bank; *projections by Moody's Analytics



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CONTRACTOR Q+A



To better help electrical distributors respond to the needs of electrical contractors, “Contractor Q&A” features remarks from real contractors located nationwide. Responding is Dan Streicher, president and CEO of Schuler-Haas Electric in Rochester, N.Y. This month we asked:

WHAT NEW TECHNOLOGIES ARE YOU FINDING MOST INTERESTING?

Streicher: We signed up to do a one-year test with Remarcable, which allows us to see daily pricing on different products from different distributors—both chains and independents—and determine who has the best price. We’ve tried to set up special pricing agreements with distributors and manufacturers over the years, but I don’t like locking in with some players because we find that they slowly increase their margins. Remarcable avoids the need for national purchase agreements, and we’re excited about that.

Another thing we’re looking at is Document Crunch, a contract intelligence program that just became available to us through the IBEW. Once you get a contract from a GC, Document Crunch scans it, searches it, and flags anything that might be an issue (payment terms, etc.) so you can discuss it with your attorney.

We recently upgraded our Trimble system and have two stations now. We like Trimble technology because it’s a GPS-driven system that helps us lay things out and install them in the right place. We just leased a building nearby to do prefab, and the Trimble Total Station integrates with a lot of our prefab activities.

Operationally, we implemented the Entrepreneurial Operating System eight months ago, and it’s been instrumental in helping us review our strengths and weaknesses and setting up formal processes and procedures that are more effective. We are also considering investing in Trimble Viewpoint’s Spectrum construction management software.

In terms of how distributors can help, it’s important for them to stay up to date on the latest technologies. As we move to Remarcable, we won’t be using distributors that don’t sign onto it because we’ll have no visibility to them—it’s like they won’t exist. In addition, some distributors come in and do lunch and learns on new products/technology, especially in the prefab area. ■

Send your questions to “tED” Editor Misty Byers at mbyers@naed.org.

to enter the market, observers see more production cuts ahead. “Current prices are at or below the cost of production for many companies, especially those outside Indonesia,” said Eglinton. Higher-cost operations will continue to cut back, as evidenced by several recent announcements from Australia.

Maybe the market is soft now, but things are expected to tighten in the years ahead. “We expect more demand for nickel in the future to meet the needs of solar panels, EVs, and other infrastructure required for alternative energies,” said Rojas-Matute. “The World Bank projects a 76% increase in nickel demand by 2050 if nations are to achieve their net-zero goals.”

Too, the disappointing recent performance of the Chinese economic recovery shouldn’t blind observers to that nation’s determination to dominate the production of stainless steel—a major nickel demand driver. While there were production cuts in the last quarter of 2023, Eglinton still expects demand from the stainless steel sector to rise in 2024.

Stable Prices

Nickel observers expect the market to remain fairly stable in the months ahead. While total global output of the metal is falling in response to the current oversupply, demand is expected to gradually increase as the green energy revolution absorbs more of the metal.

“We think that markets will meet the demands of the clean energy revolution by adjusting as needed on both the supply and demand side,” said Eglinton. “If prices rise too high, we’ll see growth in supply, and if prices fall low enough, that will start to incentivize production cuts.” ■

Perry is an award-winning journalist who has published widely in the fields of business management, workplace psychology, and employment law. He can be reached at phil@pmperry.com.

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SPRING INTO ACTION

The busy season has begun—and that means a greater demand to be a “Force for Good.”

by Scott Costa

SPRING IS HERE, AND THAT MEANS THE BUSY season has begun for many NAED distributors. Inside of that opportunity to “sell,” Dirk Beveridge, founder of UnleashWD and the executive producer of “We Supply America,” wants to remind you of two important concepts that will help you as leaders:

First, we are still supplying power to this country. We keep the lights on. We restore electricity when disasters strike. We provide the connectivity through the Internet. We are the people who are the Force for Good because of the work that we do.

Second, don’t forget about those who are doing that work during this busy time. While electrical distribution provides incredible opportunities to make the American dream come true for thousands of people, achieving that takes hard work and determination, especially in the summer when we are incredibly busy. Being a Force for

Good by recognizing that effort is essential this summer.

Beveridge is hosting a one-day Force for Good Live Virtual event on May 1. It is designed to activate your overall journey of closing the gap between where you are and where you want to be in enriching your life and the lives around you.

Beveridge has traveled across the country since 2021, meeting with independent distributors, learning their history and stories, and, perhaps most importantly, talking with the people who work to make this supply chain what it is today. His travels have led to his third season of “We

Supply America” episodes that, as he describes them, “champion the noble calling of distribution.” He provides his perspective on the “Force for Good” through video essays published only in the digital editions of *tED*. ■

Costa is the publisher of tED. Reach him at scosta@naed.org.

INDUSTRY INFO

To learn more about the “We Supply America” tour, read Dirk Beveridge’s blogs and watch episodes of his journey online.

WESUPPLYAMERICA.NET



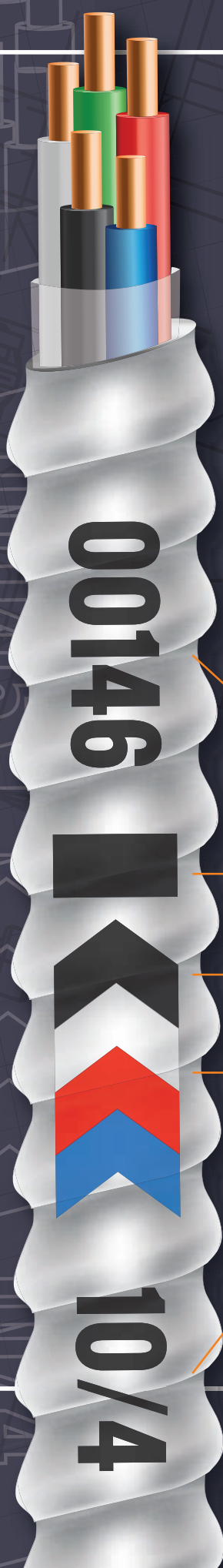
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THE RETURN OF MIN & MAX

Off duty for more than 10 years, a global pandemic brought these two out of retirement.

by Kevin Reed

EACH NEW YEAR WE REFLECT back on the successes of the prior year to see how we can build upon those wins. We also take a look at our failures to see where we can improve. This year, we started with our suggested PO queues. Is what our software is telling us to stock as good as it should be?

We have a very good system that falls somewhere between modern AI and “Skynet” from the *Terminator* franchise. The “Phantom,” as it is known around here, has many features one can apply or ignore. It is completely customizable to a given company’s preferences and can be implemented uniquely by any company using the same system. Like most things in life, it is not a one-size-fits-all approach when it comes to how you want to use the software.

We have graduated how we use the system over time. When I took over as director of purchasing nearly 15 years ago, the first thing I did was take us off of the tried-and-true MIN/MAX settings for suggested PO queues. Minimum was the “don’t go below this” level; maximum was the “don’t go over this” cap. But both levels were set by a human, who did so with only a best guess on what both levels should be.

MIN/MAX was always just a crutch anyway. Back then, our buyers still walked their warehouse aisles and hand wrote what they thought they needed for stock. Science, it was not. It was more of a gut feeling. “I think

we sell a lot of these, so I will buy more,” or my favorite: “I can fit this many in that space, so that is what I will buy.”

MIN/MAX allowed buyers to set a predetermined level for every item

they stocked. The system would use that to generate a PO, and the buyers didn’t have to leave their desk. Sure, the suggestion was always just that. If you didn’t like what you saw, it was easy to change things before buying. And with that, we no longer had a need for a buyer at every physical branch. What once took 27 buyers across eight buildings was whittled down to three buyers purchasing for everyone, and being able to do so from wherever they wanted to do the work.

As we became more sophisticated with our data analysis, we had the system use the last 120 days of known sales for our buying suggestions and then coupled that with



historical lead times (e.g., we sell 100 widgets a month, and it takes two weeks to get more in). The system would then produce a good suggestion, far superior to the MIN/MAX days. If we started selling more units, it saw that. If it started taking longer to replenish an item, it picked up on that as well. We were in good shape.

MIN was still used for slower-moving targets that we did not want to fully deplete. Not to date myself, but when I got started 25 years ago, we used to sell fuse starters by the gross. Fluorescent lighting and their magnetic ballasts are dinosaurs today. But every now and then, someone asks for a box of fuse starters. So, we would set a MIN to four so we always had a box on hand. If we started selling a bunch of those starters for some reason, the historical sales would tell us to buy more than four. But four would always remain the floor.

MIN was now being used as it should, but MAX was left for dead—until we found ourselves in the middle of a global pandemic and its ensuing supply chain shortages. What once took a week to get suddenly became a year. And that year soon became two in some cases. If I told my boss it took me two years to get a meter in stock back in 2019, he would have fired me. Now I tell him it will only take 18 months, as I pulled some strings, and I'm a hero.

Our historical driven data gets kind of shaky after all that. When we are out of stock for a year, that means no sales in the last 365 days. No sales equals no driven demand. Sure, we have a stockpile of back orders, but orders need to release to trigger a sale for our beloved Phantom to catch it. We used some Band-Aids to account for that. It wasn't perfect, but it was passable. And I called on our old friend MIN to stop the bleeding on certain parts, just to ensure we at least had something on order.

And then the day I never thought I'd see arrived: the day I tagged MAX

back in for duty as well—sparingly, of course. He is often more trouble to use than he is worth. If we suddenly go on a hot streak, MAX doesn't care about those sales. His job is just to play bouncer and only let a certain number of units come through. But as things started to ship quicker and the years of lead time went down to months—and those months eventually down to days—I needed a bouncer until my system had enough rebuys with current lead times. It is all just a series of math, and the prolonged replacement cycle had to catch up with its averages. It just wasn't there yet.

MAX made sure I didn't have two



MIN was now being used as it should, but MAX was left for dead—until we found ourselves in the middle of a global pandemic and its ensuing supply chain shortages. What once took a week to get suddenly became a year.

years' worth of stock on hand for things that now take a few weeks to get. But he is still only on part-time duty, and his eviction has already been set. He can cap our suggestions for 90 days until we get more current data into our system. He might get an extension or two; it just depends on how

the market goes. But it's good to know MAX and his buddy MIN didn't hold a grudge when they were all but retired for good a decade ago. ■

Reed is director of purchasing and warehouse operations at Paramount EO in Chicago. He can be reached at info@paramont-eo.com.



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MARKETS ROAR AHEAD

With advancing issues dominating declining issues, 2024 starts off on a high note.

THE YEAR STARTED OFF ON A HIGH NOTE FOR OUR session, which ran from Nov. 30, 2023, through Jan. 31, 2024, with both months positive. The *tED* Index added 144.01 points (or 5.2%) and closed at 2,912.73. Advancing issues dominated declining issues at a 20-to-six count.

A report from the Labor Department showed that employers added 199,000 jobs in October, and the jobless rate fell to 3.7%, from 3.9%. More data from the department revealed that employers in the United States advertised 8.7 million job openings in October, which was down from September's 9.4 million and the fewest openings since March 2021. The number of openings rose to 9 million in December from November's 8.9 million. While those are still historically high numbers, layoffs also rose in December. The Labor Department reported that December's overall pricing rose .3% from November and 3.4% in the 12-month period, both ahead of analysts' expectations.

December consumer confidence rose for the second consecutive month. The confidence index hit 110.7, up from November's 101; analysts expected a reading of 104.5. In January, it increased to 114.8. Economists were expecting 114. Despite economists' expectations that consumers would ratchet down spending in December under the weight of inflation and higher credit costs, retail sales grew by .6%, leaving November's .3% increase in the dust, according to a report by the Commerce Department. The Federal Reserve met just before production deadlines and decided to leave interest rates where they are for now, but they are closer to considering rate cuts as inflation continues to cool.

The Commerce Department reported that the GDP rose at a surprising 3.3% annual rate for the fourth quarter of 2023. "Although GDP growth came in hotter than expected in the fourth quarter, underlying inflation continued to slow," said Paul Ashworth, chief North America economist at Capital Economics. "The upshot is that an early spring rate cut by the Fed is still the most likely outcome."



The "DistributED with *tED* magazine" podcast examines important issues in our supply chain. Find it on all podcasting platforms.

tEDmag.com/podcast

tED Index Highlights

• **Top dollar gainer.** W.W. Grainger (GWW) hit a new 52-week high as our trading session ended. Despite a downgrade in December, GWW soared 109.45 points (or 13.92%). Investment firm Jefferies cut its rating to "hold" from "buy." Its price target is \$825. GWW will report current earnings after production deadlines. GWW ended at 895.64.

• **Top dollar loser.** Rockwell Automation (ROK) didn't meet estimates for Q1 fiscal 2024; shares slid 22.16 points (or 8.05%) and closed at 253.28. For the quarter ending Dec. 31, ROK earned \$2.04 per share (or \$1.86 per share after discounting one-time items). Revenue was \$2.05 billion. Analysts polled by Zacks expected earnings of \$2.62 per share and revenue of \$2.62 billion.

• **Top percentage gainer.** Acuity Brands (AYI) added 58.90 points (or 32.86%). AYI posted fiscal Q1 earnings of \$100.6 million (or \$3.72 per adjusted share). Revenue was \$934.7 million. Analysts surveyed by Zacks forecast earnings of \$3.09 per share and revenue of \$924.5 million. AYI ended at 238.16. ■

Information and charts are provided by Trade Trends. For more information, call 509-280-3896.

tED STOCK INDEX: TOP GAINERS & LOSERS

Top dollar gainer	W.W. Grainger	\$109.45
Top dollar loser	Rockwell Automation	\$-22.16
Top percentage gainer	Acuity Brands	32.86%
Top percentage loser	Wolfspeed	-11.69%

MARKET RECAP

Advancers	20
Decliners	6
Unchanged	0

tED STOCK INDEX

Exchange	Ticker symbol	Company name	\$ Price 1/31/24	\$ Price 11/30/23	\$ Net change	Percent change	52-week \$ high	52-week \$ low
NYSE	MMM	3M	94.35	99.07	-4.72	-4.76	120.85	85.35
OTC	ABBNY	ABB	42.38	39.81	2.57	6.46	44.55	31.57
NYSE	AYI	Acuity Brands	238.16	179.26	58.90	32.86	244.16	149.30
NYSE	AIT	Applied Industrial Technologies	176.46	160.07	16.39	10.24	182.96	122.24
NYSE	ATKR	Atkore	152.53	129.90	22.63	17.42	165.69	116.14
NYSE	BDC	Belden	74.18	66.44	7.74	11.65	99.13	60.55
NYSE	DHR	Danaher	239.91	223.31	16.60	7.43	248.78	182.09
NYSE	ETN	Eaton	246.08	227.69	18.39	8.08	251.14	155.38
NYSE	EMR	Emerson Electric	91.73	88.90	2.83	3.18	100.62	76.94
NASD	WIRE	Encore Wire	225.50	184.30	41.20	22.35	234.29	138.20
OTC	HMDPF	Hammond Power Solutions	68.80	60.25	8.55	14.19	71.24	18.22
NYSE	HON	Honeywell International	202.26	195.92	6.34	3.24	210.87	174.88
NYSE	HUBB	Hubbell	335.57	300.00	35.57	11.86	347.28	219.77
NASD	LFUS	Littelfuse	241.90	232.80	9.10	3.91	309.94	212.80
OTC	OSAGF	OSRAM Licht AG	55.25	53.82	1.43	2.66	55.25	51.00
NYSE	OMI	Owens and Minor	19.71	19.88	-0.17	-0.86	23.66	11.79
OTC	PCRFY	Panasonic	9.40	10.28	-0.88	-8.56	12.75	8.51
NASD	PKOH	Park-Ohio Holdings	24.74	22.77	1.97	8.65	28.79	10.90
NYSE	ROK	Rockwell Automation	253.28	275.44	-22.16	-8.05	348.52	252.19
OTC	SMAWF	Siemens	179.56	166.98	12.58	7.53	189.53	125.53
NYSE	TXT	Textron	84.71	76.66	8.05	10.50	86.65	61.27
OTC	TOSYY	Toshiba	15.36	15.48	-0.12	-0.78	17.85	14.83
NYSE	WSO	Watsco	390.98	382.23	8.75	2.29	433.19	284.05
NYSE	WCC	WESCO International	173.52	155.85	17.67	11.34	185.23	121.91
NASD	WOLF	Wolfspeed	32.55	36.86	-4.31	-11.69	87.93	27.35
NYSE	GWW	W.W. Grainger	895.64	786.19	109.45	13.92	922.50	584.63

INDEX WATCH

Index	\$ Price 1/31/24	\$ Price 11/30/23	\$ Net change	% Change
tED Stock Index	2,912.73	2,768.72	144.01	5.20
Dow Jones Industrial Average	38,150.30	35,950.89	2,199.41	6.12
S&P 500 Index	4,845.65	4,567.80	277.85	6.08
Nasdaq Composite	15,164.01	14,226.22	937.79	6.59



More than 50 attendees met with vendor partners at the ACES-hosted MCASC meeting.

EVENT

ACES Hosts Meeting for MCASC

Atlantic Coast Electric Supply (ACES) hosted the monthly gathering of the Mechanical Contractors Association of South Carolina (MCASC) Coastal Area at its Summerville, S.C., headquarters in January.

The event drew more than 50 participants, who enjoyed a presentation by Charles Appleby, senior advisor, Coordinating Council with the South Carolina Department of Employment & Workforce; food provided by FedUp Food Truck; and the opportunity to meet with ACES's vendor partners, Bill Wade & Associates, Klein Tools, and Milwaukee Tool.

MILESTONES

Nora Lighting Celebrates 35, Unveils Renovated Showrooms

To commemorate its 35th anniversary, Nora Lighting unveiled the transformation of state-of-the-art showrooms in Dallas and at its Los Angeles headquarters.

"We are thrilled to celebrate 35



AWARDS+HONORS

EATON RANKED IN TOP 10 FOR SECOND YEAR IN A ROW

For the second year in a row, Eaton was ranked in the top 10 of Resilinc's Top 30 Most Resilient Suppliers to the high-tech industry. This award recognizes companies that have outstanding supply chain risk and resiliency programs.

FRANKLIN ELECTRIC RANKED ONE OF THE BEST PLACES TO WORK IN INDIANA

Franklin Electric was named to the Indiana Chamber of Commerce's 2024 list of Best Places to Work in Indiana. The chamber announced this year's winners on its website; rankings will be unveiled at an awards event held on May 8. The recognition is one of several the company received in the past 12 months, including awards at the national level presented by *Newsweek* and *USA Today*.

SCHNEIDER ELECTRIC FACTORY RECOGNIZED AS SUSTAINABILITY LIGHTHOUSE

Schneider Electric's Hyderabad, India, factory was recognized by the World Economic Forum as a Sustainability Lighthouse. This is the third such recognition for Schneider Electric, whose factories in Lexington, Ky., and Le Vaudreuil, France, received Sustainability Lighthouse status in 2021 and 2022, respectively.


ETHISPHERE NAMES SOUTHWIRE AS ONE OF THE WORLD'S MOST ETHICAL COMPANIES

Southwire received the 2024 World's Most Ethical Companies recognition by Ethisphere. This year 136 honorees were recognized spanning 20 countries and 44 industries. It is Southwire's first appearance on the list.

years of illuminating homes and businesses everywhere,” said Fred Farzan, president. “Our commitment to providing the highest-quality lighting solutions has been unwavering, and the renovation of our showrooms is a testament to our dedication to excellence. We invite our customers to visit our newly transformed spaces and experience the future of lighting.”

Alan Wire Celebrates 50th

Alan Wire is celebrating its 50th anniversary. A special reception was held for its rep agencies and special guests during the 2024 NEMRA Conference; celebrations will continue throughout the year with the theme of “50 Years & Forward.” ■

 **Got** an event or news item to share in “tED”? Send it to mbyers@naed.org.



INDUSTRY NEWS

Around the Globe

› Border States Acquires

Border States, Fargo, N.D., acquired Winston Engineering, transitioning the business into Border States Engineering Services.

› CED and Parrish-Hare

CED, Irving, Texas, acquired certain assets of Parrish-Hare Electrical Supply in Irving, Texas. Parrish-Hare's four locations

operate as a separate subsidiary of CED.

› CES Opens New Branches

Dallas-headquartered City Electric Supply recently opened branches in Apopka, Fla.; Rock Hill East, S.C.; Bastrop, Texas; and San Antonio.

› Crawford Opens Two

Houston-based Crawford, a Sonepar company, opened branches in Tomball and McKinney, Texas.

› Richards Opens in Ky.

In Springfield, Ill., Richards Electric, which operates within Springfield Electric, a Sonepar company, opened a new location in Elizabethtown, Ky.

For up-to-date industry news and information, go to TEDmag.com.



New Universal Stud-mount Brackets

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ECONOMIC & INDUSTRY SECTOR OUTLOOK

Backed by Economists, **Armada Intel**, **Mr. Keith Prather (MBA)** and **Dr. Christopher Kuehl (PhD)**



FEATURES

→ Executive summary!
High level info to you in a snap shot of the economy and each of the 8 sectors.

→ The outlook forecasts 8 industries and their economic indicators including the economy as a whole, looking at unemployment, copper prices, GDP and more.

→ The outlook is designed for EVERYONE not just CEOs, Executives, and Decision Makers.

This can be used as a learning tool for those just starting out in the industry OR for those that want to understand more about how the economy affects the electrical industry.



REVIEWS



"I HAVEN'T FOUND A BETTER, MORE SUCCINCT TOOL THAN THE NAED'S NEW ECONOMIC AND INDUSTRY SECTOR OUTLOOK AND CONSTRUCTION INDEX, I ENCOURAGE ALL DISTRIBUTORS TO GIVE IT A TRIAL RUN AND SEE IF IT'S AS HELPFUL TO THEM AS IT IS TO US."

— **WES SMITH**, President & CEO, NAED



"WE SEE IT AS A COST-SAVING OFFERING THAT HELPS US CONSOLIDATE THE SEVERAL SERVICES WE USE, AND AS NAED'S SERVICE CONTINUES TO BUILD OUT, WE'RE HOPING THAT IT CAN EVENTUALLY MEET ALL OF OUR FORECASTING NEEDS OVER TIME. SO FAR, THE FIRST REPORT IS IMPRESSIVE AND WE LIKE WHAT WE SEE."

— **DAN DUNGAN**, Executive Chairman (Ret.), Springfield Electric



INDUSTRY SECTORS



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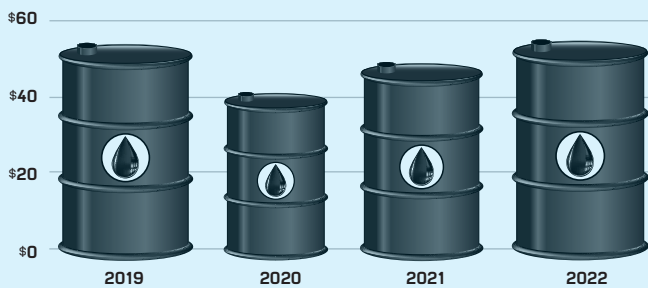
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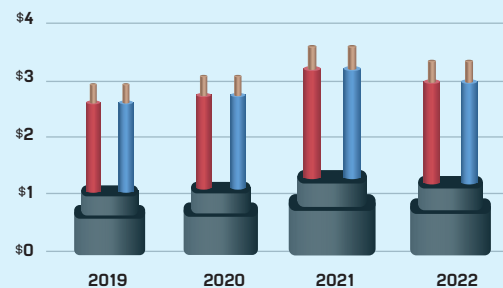
PRODUCT SPOTLIGHT

Numbers in charts below are for example purposes only.

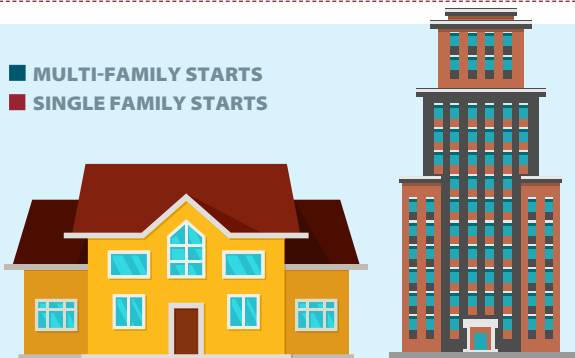
Total U.S. Oil Prices per Barrel (By Year & Forecast)



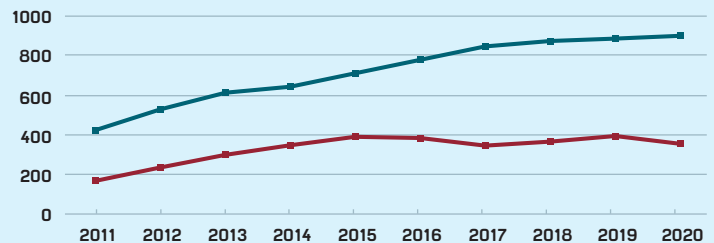
Average Price of Copper (By Year & Forecast)



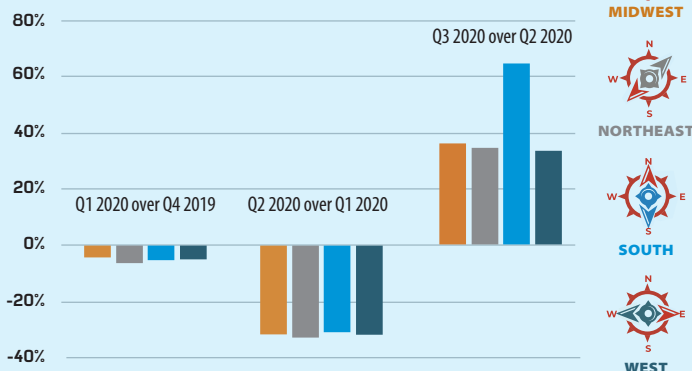
■ MULTI-FAMILY STARTS
■ SINGLE FAMILY STARTS



Year-Over-Year Housing Starts



Average % Change in Real GDP By Region



Pricing Options for Manufacturers (FREE TO DISTRIBUTOR MEMBERS)





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B U S I N E S S



/ MARKET FOCUS

SHIFTING INTO HIGH GEAR

by Jan Niehaus

THE NUMBERS CAUSED WIDESPREAD ALARM: 2.73 million new vehicles sat on dealer lots in mid-December, according to Cox Automotive. Kiplinger reported that a 113-day supply of new, unsold EVs had amassed by late January, roughly twice the number of available gas-powered cars.

But additional numbers from Cox allay any fears about the auto industry: New vehicle sales for the full month of December—1.41 million—were 13% higher than in December 2022 and should hit 15.8 million in 2024, up from 15.5 million in 2023. S&P Global Mobility forecast even greater 2024 sales: 15.94 million.

These additional statistics dispel the specter of an EV crash: Cox Automotive expects EVs' market share to reach 9% this year, up from 7.6% in 2023. Analysts at RMI, a nonprofit research firm, expect EVs to command 50% market share by 2030.

Inventory panic has also been curbed. Since the indus-

try has historically maintained a new vehicle inventory between 3 million and 4 million, perhaps the freak-out over 2.73 million unsold vehicles was an overreaction? We can expect a new vehicle inventory close to 3 million

in 2024 to be "back to normal," wrote Jonathan Smoke, Cox Automotive's chief economist.

"After four years of anything but normal, Cox Automotive is expecting balance to return to the U.S. auto market in 2024," he said.

New and Improved

"We see a lot of activity in this space, specifically in battery technology," said Andy Camp, vice president of Automation Solutions & Services for

Electric Supply & Equipment (ES&E), based in Greensboro, N.C. ES&E's three locations serve Rockwell Automation customers in 33 counties. Camp described three major new manufacturing operations within 30 miles of ES&E:

- Toyota's \$14 billion battery plant in Liberty, N.C., will



INDUSTRY INFO

NAED's various intelligence and benchmarking reports can give your company the facts it needs to remain competitive in today's market.

naed.org/data-insights

THE CONNECTION BETWEEN PRODUCT DATA AND \$5 BILLION

What's the connection between product data and \$5 billion?

Find the answer in the NAED Foundation's latest report, *The \$5 Billion Impact: Realizing Business Results With Better Product*. In the report, more than 300 distributors, manufacturers, and contractors provided insights on how poor product data impacts efficiency and performance, ultimately costing the industry an estimated \$5 billion.

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direct and indirect costs of product data and see suggested metrics to determine which areas of your busi-

ness would benefit from improved processes. Go to the NAED Shop today and download the report. —*tED*

begin production in 2025. “This is Toyota’s first battery plant. Their investment didn’t start at \$14 billion. They keep expanding the size of the plant, and their investment continues to grow,” Camp explained.

- “Vinfast, a Vietnamese company, is building an EV manufacturing plant not far from us. The total investment is \$4 billion, and it will create 7,500 new jobs over the next decade,” Camp said. The Phase 1 project, a \$2 billion plant, will produce 150,000 vehicles a year, starting in 2025, with updates and expansions in subsequent phases.

- “Cummins, a long-term ES&E customer, is modernizing and reconfiguring the production lines in its Rocky Mount Engine Plant [RMEP] to allow its products to run on alternative, cleaner fuels. It’s a \$580 million investment, part of its ‘Destination Zero Strategy,’” according to Camp.

Cummins described its \$1 billion Destination Zero Strategy: “Decarbonization is a growth opportunity for [us], and the fuel-agnostic engine platform is a key component to help customers decarbonize today and make it easier to adopt alternative fuel types.”

Many manufacturers are tuned in: Bendix, Bridgestone, Cummins, Dow Chemical, Ford, General Motors, Goodyear, Honda, Johnson Controls, Mitsubishi, Nissan, Stellantis, Toyota, Valvoline, and Volvo are all partners in the DOE’s Better Buildings/Better Plants initiative.

Cummins earned a 2023 Better Project Award for its 3.62MW solar farm at RMEP. General Motors was recognized for implementing a building automation system at its Romulus, Mich., plant with floor lighting, floor HVAC, energy metering, and a 1.5-year payback. GM earned another award for creating an “Energy Treasure Map” that increased by tenfold the number of suppliers committed to reducing energy and water consumption at their facilities.

Improvements and upgrades such

as these, expansions, and wholly new plants are encouraged, sometimes enabled, by the 2021 *Bipartisan Infrastructure Bill* and the 2022 *Inflation Reduction Act (IRA)*. The Environmental Defense Fund and the engineering and design firm WSP identified investments topping \$165 billion in EV and battery manufacturing since 2015, most of it occurring during the *IRA*’s first year.

Tech Revving Up

Virtually every manufacturing building project incorporates the latest, most advanced technology. “The machines and automation products will have to talk to each other and the network. To do that, machines have to have a basic level of intelligence. Manufacturers are pushing to get their machines there. But what’s affecting the changes now, more so than improvements to individual products, are machine learning, Cloud computing, and someday AI,” Camp said.

A recent Deloitte study found that 86% of manufacturing executives expect competition over the next five years to be driven primarily by smart factory solutions.

A smart factory, per Deloitte, employs Cloud computing, the IoT, data analytics, 5G, and AI, which provide complete visibility, real-time data, scalable solutions, and ultimately better asset efficiency, higher productivity, elevated product quality, substantial cost reduction, enhanced safety, and improved sustainability. According to *Forbes*, the road to “smart” is paved with code: an increase over 10 to 15 years from 10 million lines of code to an estimated 1 billion—just

inside vehicles. Software to drive manufacturing processes and facilities is keeping pace.

Of course, new technology invariably introduces systems vulnerability. “Cybersecurity risk is not new and it’s not unique to auto manufacturers,” said Camp. “In many industries, there is a struggle to balance network security and data visibility. You have electrically or mechanically minded people who have specific expertise and a separate group of people with an entirely different skill set: computers and networking. These two functions must talk to each other. We provide service around this gap.”

While delivering these high-tech solutions and supporting customers during implementation, ES&E remains committed to a very traditional offering: the ongoing education of customers. “Labor shortage is common. Baby Boomers are retiring. Replacements are being hired, but people don’t stay in jobs as long as they used to,” said Camp. “We see

much faster turnover, and these new hires need training to develop the skill sets they need. Then, as machines and processes continue to get more advanced, additional skills are required to support the equipment changes.”

With the recent erratic production shifts in the rearview mirror and trained technicians in the driver’s seat, Camp sees accelerating revenue on the road ahead. “We see a ton of growth in new battery and new auto manufacturing,” he said. ■

Niehaus, LEED GA, is an instructional designer and writer and the president and founder of *Communication by Design*. Reach her at 314-644-4135.



The machines and automation products will have to talk to each other and the network. To do that, machines have to have a basic level of intelligence. Manufacturers are pushing to get their machines there.

—ANDY CAMP, ES&E

M&A ACTIVITY REMAINS “ACTIVE”

ArkMalibu's David Clark talks about what he's seen in the past four years in terms of mergers and acquisitions—and what he expects for the rest of 2024.

hosted by **Scott Costa**

WHEN I LOOK AT THE NUMBER of M&A deals that have been done with the number of companies, this is a consolidating industry compared to most others.” —David Clark

We have all watched or read about M&As over the past few years. Some have been very large, and some include the opportunity for distributors to move into new market areas within a very short amount of time.

For the past four years, Clark, a director at ArkMalibu, has worked with mostly family-owned electrical distributors who are interested in being acquired. Having started just as the COVID pandemic started, he knew it would be difficult to benchmark past M&A activity with future activity, simply because of the initial uncertainty.

For this “DistributED with *tED* magazine” podcast,



Clark recapped the M&A activity over the past four years, looking into what drove some electrical distributors to want to sell and what inspired others to look into acquisitions.

Since he spends a significant amount of time with distributor owners, Clark provided insight into why they might be interested in selling, the impact of buying groups on M&A activity, and his outlook for activity for the rest of 2024.

The “DistributED” podcast, hosted by *tED* Publisher Scott Costa, takes an

extended look into NAED products and events along with best practices and ideas that can be shared throughout the supply chain. Find it on all podcast players or watch the video podcasts at tEDmag.com/podcast. ■

Costa is the publisher of *tED*. Reach him at scosta@naed.org.



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ENHANCE, NOT REPLACE

AI is capable of a lot of things—but eliminating your job probably isn't one of them.

by Joe Nowlan

AI HAS BECOME MORE COMMONPLACE NOT ONLY in electrical distribution, but also in most industries both in America and globally. Anecdotal there have been concerns over whether AI could eliminate jobs. What for a business owner could mean lowering costs could also mean someone losing their job. How concerned should Gen Z employees be?

Tyler Kuenast, branch manager for Crawford Electric Supply (a Sonepar Company) in Cedar Park, Texas, admits to some apprehension as to what AI could do as far as possibly eliminating some warehouse positions.

“We’re using it as more of an enhancement rather than a replacement,” he said. “I think obviously it’s going to continue to grow and evolve.”

Kuenast explained that Crawford makes use of an AI-based program for customer orders submitted via email. A sales order is produced based on what AI reads—but nothing is perfect.

“[The order] still has to go through a salesperson to check it and

make sure it catches everything,” Kuenast advised. “It’s important to check it because [AI] might see a description and determine, ‘That’s this [product],’ but that product

is a brand we don’t stock. We then have to change it to one we do have. So it still takes a set of human eyes to look at it.”

Kuenast noted that AI has to an extent re-emphasized the importance of human relationships—long a staple of the industry.

“People still want to have personal connections with the companies they’re working with,” Kuenast said. “I have some people who say, ‘Yeah, you’re not the cheapest, but if we know you’re going to take care of us, we don’t really care that you’re not the cheapest.’”

“AI can help us be more efficient and enhance what we’re doing, but I just don’t see it replacing the salesperson,” Kuenast continued. “At the end of the day, your people and your relationships are what will get you through a hard time.” ■

Nowlan is a Boston-based freelance writer/editor and author. He can be reached at jcnolan@msn.com.

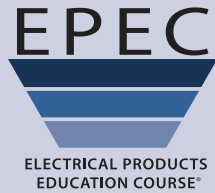


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SELLING

/ MANAGEMENT

FIVE “AHAs” FOR EVERY SALESPERSON

by Ken Wax

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NO ONE IS BORN WITH SKILLS IN SELLING—they need to be discovered and learned. Even sharp salespeople benefit from guidance on specific situations. With that in mind, here are five speed lessons worth sharing with a sales team:

1. Avoid personal claims. Don't waste time telling a prospect how wonderful your company is. Even if true, it's unlikely to be used as a reason to move ahead. But that changes when the same claim is attributed to your customers.

It's the difference between saying, "Our on-time delivery is something you can depend on" and "Customers like [mention three] consistently tell us that they know they can depend on our on-time delivery. You'll feel the same."

This small change in wording has a remarkably greater impact.

2. Emails arrive in a sea of other emails. There's an ongoing parade of subject lines on your prospect's screen throughout the day. Emails from managers and peers get top priority; those from salespeople are easy to disregard.

Here are three ways to use that humble subject line to get attention:

- When responding to something asked for, start the subject line with: *As you requested...*
- When a question needs to be answered for things to progress, start the subject line with: *Important: Need to know from you...*
- When waiting for a response to something pivotal: Resend the original email, but add the word **RESEND** (in all caps) in front of the subject line. Then, in the body of the email, put this at the top: *I'm resending this in case it didn't get through to you. Important action needed. Thanks.*

3. Too much is not enough. When tailoring a sales presentation, it's tempting (and easy) to keep adding more—but that creates a problem, sometimes a fatal one.

Suppose I ask you to memorize these numbers: 4, 9, 20. Got it? Now try to remember these: 4, 6, 9, 11, 14, 20, and 27. Which set is easier to remember? The shorter one, of course.

Plus you can have confidence you got all three correct.

Suppose, instead, a prospect is asked to remember three facts about your firm or solution. Most people could do that with confidence. But if given seven, probably not, and if given 11, most people won't even try.

When salespeople pile on too much, prospects quickly reach their limit. It all fuses together into a mess of information. Even if they do remember some of it, there's no confidence that it's correct—which means they certainly won't be mentioning it to others.

4. Use the "Who cares?" test. If you're tempted to add things to a presentation, for each item, ask yourself, "Who in the meeting will really care about this?" If the answer is "No one, but this is important for them to know," rethink that item. Paying attention is hard work; people need a good reason to do it.

5. When a senior manager joins the meeting. This is a good sign, sure. But the sales presentation needs to be tuned—for not only what a higher manager cares about, but also their attention span.

Senior execs live in the future. Their job is to be on top of things as they guide the company. They're looking for strategic things, not a deep dive into details that aren't important to their world.

Keep it high level and out of the weeds (unless more details are specifically requested, of course). Whenever possible, frame things by telling of successes at companies similar to theirs (it's okay if you can't name names). And keep it short. Senior managers can leave any time they get bored. Here's a good approach:

"In the interest of time, let me give you an overview of how we'd handle that [particular situation]; I'll be happy to dive deep into any aspects you'd like." The brevity and understanding will be appreciated.

Like any skilled crafts-person, salespeople want and need quality tools and approaches to accomplish their goals. When managers bring specifics like the above ideas, everyone benefits. ■

Wax helps teams sell more. He can be reached at kenwax@gmail.com.

INDUSTRY INFO

NAED's CEP program trains all levels of sales roles via engaging videos, online modules, learning activities, and helpful job aids.

NAED.org/cep

REP ROUNDUP



■ **HK Sales and Marketing** now reps NICOR Lighting in Alaska, northern Idaho, and Washington.

■ Morris Products made the following changes to its rep coverage: **Amos and Connors Sales** expanded its coverage of Colorado and Wyoming to include southern Idaho, Montana, and Utah; **Joseph E. Biben Sales** now reps the company in western Pennsylvania and West Virginia; and **Glenn Associates** is now its rep in eastern and central Tennessee.

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WINNING WAYS

Six companies earned honors in 2023 for their entries in the Selling Tool category.

THE SELLING TOOL CATEGORY of *tED* magazine's Best of the Best Marketing Competition recognizes sales-related marketing efforts. These can include selling-related literature (printed or digital), apps, microsites, etc. In 2023, six entries earned honors in this category.

United Electric Supply *Lug Selector*

When customers offered feedback that they do not have easy access to manufacturers' product numbers in the field—specifically for lugs—United Electric wanted to create a tool to help, and the idea of the Lug Selector was born.

The marketing team first identified 52 products to include on the Lug Selector based on purchase behavior and stock status. Also recognizing that the design needed to be small so it could be stored in a notebook, pocket, or console of a work vehicle, the team collaborated with a third-party resource to design the Lug Selector to meet these criteria and produce the tool in bulk.

Seven customer targets were identified based on current product sales and growth opportunity. Within those seven companies, approximately 150 contacts met the target role to include in the outreach. The sales team proac-

tively had conversations with their contacts and shared the Lug Selector with them. Digital channels were tested by emailing all target contacts with a "Selecting Lugs Just Got Easier" message, driving them to a landing page with a form they could fill out to receive a Lug Selector. A few customers requested a Lug Selector via digital channels, so account reps hand delivered the Selector to anyone who filled out the form.

"This is truly a sales tool that helps sell product," said the judges. "United put strategic thought into this, doing the research to understand the unique and individual needs of customers. Sometimes the most elegant solution is the least complicated."

Kirby Risk Electrical Supply *Connected Magazine*

Connected magazine was developed and launched in February 2022 with the goal of increasing brand awareness, increasing sales of featured products and services, and generating leads for new projects or opportunities with existing or new customers.

Distributed to customers through both print and digital channels, the magazine is intended to be referenced beyond a specific date or time, thereby increasing its shelf life and feeding

content across multiple marketing channels, including targeted emails, social media, blogs, and the web.

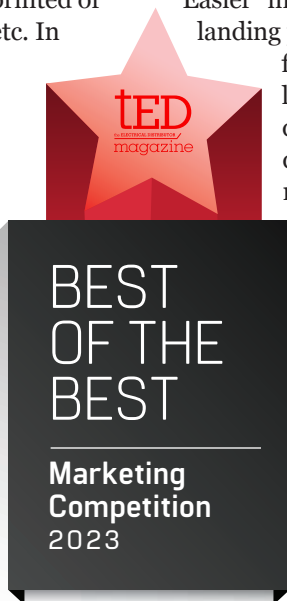
Editorial content is carefully planned for each issue to include important industry trends, news, and information about Kirby Risk and supplier-partner-focused products and solutions. It also directly supports the President's Club program—the company's key go-to-market sales program that offers participating supplier partners a defined marketing strategy with measurable advertising and sales growth.

"The visuals are attention grabbing," noted the judges. "Excellent branding—you know it's coming from Kirby Risk. It's well designed and balanced with a nice mix of company information and customer-directed content."

Sonepar USA *Digital Job Center*

Custom-built for its business, Sonepar's Digital Job Center allows customers to stay up to date on every detail of every shipment 24/7 and release material as needed, saving Sonepar's internal teams from having to carry the responsibility of providing shipment updates to customers.

In an effort to educate associates and customers on the use cases and benefits of the Digital Job Center, increase online registrations, encourage utilization of the tool, save time for project managers on customer communications, gain additional wallet share with existing customers, increase sales through digital channels, and grow overall commercial projects business, the marketing team created flyers, a battlecard, a play-book, and an email message from the digital leader to help sales associates better understand the tool and promote it to their customers.



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For customers, a comprehensive landing page was created on Sonepar's websites that included a video outlining features and answering customer questions. The landing page ends with a call to action to sign up for an online account. Promotional materials included print (poster and flyer) and digital (email, branch TV, web banner, cross-promotional email banner, outlook banner, and social media).

"I love the problem/solution format," noted the judges. "The Q&A and the step-by-step instructions are very customer friendly and responsive to customer needs and concerns and questions and problems."

Intermatic

Product Launch Toolkit and Marketing Coordination

With multiple concurrent product

launches and dozens of resources to keep track of, Intermatic's marketing team enlisted the help of the IT department to create a permanent hub for sales/agent marketing toolkits via SharePoint. A link/pathway to the hub was placed inside the sales portal, a website the field team accesses daily.

The toolkits, organized by product, include everything from sell sheets and product images to technical data sheets and formatted ads.

When the hub was announced, abbreviated advertising and content calendars were shared to further align the marketing efforts internally. And because the hub is connected to SharePoint, the team is able to update/add resources as needed.

"This is brilliant in terms of a whole library of materials," said the judges, adding that "the company is standard-

izing the message, which has some training value too."

Keystone Technologies

Downlight Sales Tool

To display its new line of downlights—which encompassed four product families and eight models total—Keystone designed a pair of rotatable display cases that could present all eight models, showing their aesthetics as well as installation method and access points for power and color selectability.

The downlights counter display had to fulfill a number of purposes: It had to serve as a means for territory managers to show the new product line and demonstrate the functionality of the downlights to lighting distributors, it had to be capable of serving as a countertop display at national and regional trade shows as well as



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Kirby Risk Electrical Supply



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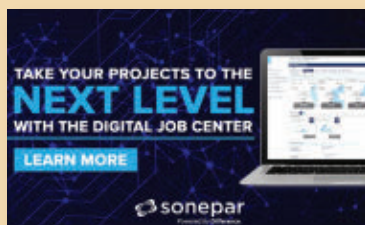
ABB Electrification



Intermatic



Keystone Technologies



Sonepar USA

distributor-specific manufacturer events, and it had to be compact and easy to set up.

"This has 'toy value'—it engages people" said the judges. "The Keystone team showed that they really understand customers who want to feel the product in their hands."

ABB Electrification

Mebane Customer Experience Center
When ABB completed the acquisition of GE Industrial Solutions, it invested \$40 million to build a 200,000-square-foot expansion and upgrade machinery at its production facility in Mebane, N.C. With this investment, ABB designed the Mebane Customer Experience Center to serve as an immersive, customer-centric space that brings the end-to-end ABB story to life and offers an engaging and educational environment where customers and suppliers can see and feel ABB's latest products and collaborate on new technology developments.

The journey takes visitors on a curated experience that includes an introductory area that presents the fundamental changes in today's electrification space across a variety of industries/verticals, a space that showcases the risks of being left behind the curve and the rewards of excelling in this new era, a main equipment and demo area, and a central interactive area that brings all of the elements of the story together.

Promotional tactics included a webpage, digital landscape, and video.

"This is truly amazing," said the judges. "ABB really understands its customers and created a fantastic place for people to actually go and have an immersive experience."

Honorable Mentions

Honorable mentions were awarded to three entrants in this category:

- OneSource Distributors: *Pro Logistics Services*
- Nora Lighting: *The Book*
- Panduit: *AccelerMAX—tED*



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NEW CHAIR
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A fresh perspective

Paul Kennedy's leadership is informed by his unique background and exceptional ability to connect. *by Carol Katarsky | photography by NATE RYAN*



SOMETIMES THE LESS TRAVELED PATH TO A destination provides new, valuable perspectives. Such is the case for Paul Kennedy, NAED's incoming chair. His unique background seems primed to bring new insights and approaches to the role.

Kennedy, president and CEO of Plymouth, Minnesota-based DSG, has taken a nontraditional path to this point in his career. In an industry where many leaders bring decades of experience from their family-owned distributors,

Kennedy is an outlier. He began his career with a stint in the U.S. Navy and then as a plumber, before moving into plumbing distribution and steadily moving up the ranks through senior management.

He joined DSG not quite six years ago. A relative newcomer to the electrical industry, Kennedy hit the ground running and has proven his understanding of what makes it tick.

"Compared with other distribution sectors, they're culturally very similar," Kennedy noted. "Electrical distribution is a little more advanced in its technology and the complexity of the products, particularly when you look at industrial and automation. But at the base level, customers want the right products, at the right place, when they need it. That's a distributor's job and it transcends the products."

Kennedy had a good sense of the needs of distribution, but his management team also praised the vision and leadership he brought to the company. "Paul transformed the performance and the culture of our company," said Mike Meiresonne, COO. "Sometimes a new CEO comes in and approaches issues by just cutting costs. With Paul it was about injecting leadership, driving a positive corporate culture, and doing the right things to invest in the company—things like our infrastructure and technology that had been neglected for years."

Melissa Lunak, chief people officer, joined DSG 10 years ago, when it was a fraction of the size. "When Paul joined the company, we had many opportunities but lacked the necessary investment to pursue them," she said.

"Paul's vision helped us overcome—establishing a solid foundation for the company to build on. We have been able to thrive, expand, and take advantage of opportunities that were previously unattainable."

Changing a company's culture is a daunting task and hard to execute effectively—but it worked at DSG largely because of Kennedy's combination of strategic decisions and personal leadership. He largely rebuilt the leadership team and had to help the company's employee-owners



think differently about the company.

"The company was going through a big period of change when Paul joined," said Julianne Turk, CFO. "He had to set a new tone for the company and its future. The tone was: We're going to grow and do it the right way. We're going to invest in our business, the people, and the markets we serve."

"He really rebuilt the company from the top down," said Meiresonne. "When you're bringing in a new leadership team, you want to bring people in who share the same core values and can't tolerate people who don't live up to those values. For Paul, 'integrity' isn't just a word on the inspirational poster. It's living what you're leading. Paul does that and expects it from the leaders he puts in place."

Kennedy has high expectations but also an easy manner and an ability to connect with just about anyone. He's well known for remembering not just employee-owners' names, but details like milestone



From left, seated: Stephan Fulop, chief digital officer; Julianne Turk, CFO; Melissa Lunak, chief people officer; Paul Kennedy, president and CEO. From left, standing: Tracy Koenig, chief information officer; Mike Meiresonne, COO.

"The combination of government investment, the need to meet global climate goals, these are all driving a move away from fossil fuels and toward electrification—where those converge is our sweet spot." —PAUL KENNEDY

anniversaries and what their kids are up to. "He talks to everyone in the company—sales, the warehouse, whatever—and those conversations built that feeling of 'Hey, I'm part of this too,'" said Turk.

Lunak recounted that at Kennedy's first annual ESOP meeting, he committed to visiting every location and meeting as many people as possible within 90 days. "It sounded impossible to me, but he did it," she said. And these weren't quick, drive-by visits. "People still talk about how engaged he was and the questions he asked: 'What keeps you here? How can I

help?' It shows he really means what he says. It lets people believe in him. He's inspirational because you don't want to disappoint him."

The Next Two Years

Just as DSG navigated its own transformation, electrical distribution faces a changing business landscape. But Kennedy said he sees three of the biggest potential challenges—the digital transformation of the industry, the trend toward electrification, and the labor shortage among contractors—as opportunities if distribution is ready for them. "These are all areas

where we can add value," he noted.

That's not to say there won't be the potential for bumps in the road. As an example, Kennedy cited electrification: "The combination of government investment, the need to meet global climate goals, these are all driving a move away from fossil fuels and toward electrification—where those converge is our sweet spot," he said. "All that business can flow through distribution. The challenge is, how do we meet it? Can we create the products the industry needs?"

These issues will be the focus of his term as chair. "This association exists



for the betterment of the common good of the electrical distributor. We need to make sure electrical distribution is in a position to take advantage of what's ahead and remain the channel of choice for getting products and services to market," Kennedy said.

He noted that while he's relatively new to NAED, he was immediately struck by the strength of the organization and its role in building a strong community and sees that sense of community and partnership as a key collective strength. "The collegiality and the common pursuit to improve electrical distribution is impressive," he said. "We see competing companies come together for the betterment of the industry."

Kennedy encourages other distributors to get involved to ensure they are aware of all the services NAED offers. "And we have a responsibility



Prepared for the Evolution

DSG celebrated its 125th anniversary last year, a remarkable achievement for any company and a fitting way to celebrate after a period of significant transformation for the company.

About six years ago, a (mostly) new leadership team, helmed by Paul Kennedy, set out to better position the entirely employee-owned company to face the changing business landscape and for long-term, sustainable growth.

It worked. A decade ago, the company had about 380 employee-owners, noted Melissa Lunak; today, it's grown to more than 1,000 employee-owners spread over 55 locations in eight states.

Kennedy said the pandemic and supply chain challenges of the past few years propelled DSG forward significantly. "It was a big growth driver for our business. We made big bets on investing in people, processes, and facilities," he recalled. "We opened new branches and made acquisitions to take advantage of the economic lift while navigating the challenges."

In part, DSG was able to make those moves because of a cultural shift that had started a few years earlier when Kennedy joined the company.

"I'm not sure we'd be here, instead of having been acquired or not sustained the ESOP if Paul wasn't here, especially during the pandemic and the decisions we had to make with no playbook," said Lunak. "We needed

someone who had the right mindset regarding the risks."

Along with that growth, the company recently rebranded as DSG. "Being 'Dakota Supply Group' doesn't mean much in Michigan," noted Mike Meiresonne. "So many distributors are named for where they do business, but that name became less meaningful as we grew." The new branding is also welcome internally, added Lunak. "As DSG—not Dakota—it helps bring all of us together," she said. "Before Paul came on board, some of our acquisitions weren't really assimilated. The new branding unifies us."

Honor the Past with an Eye on the Future

Two significant traits of DSG make it somewhat of an outlier within the industry. DSG was initially founded as a plumbing supply house. Today, while electrical distribution accounts for about half of its business, it still has other segments, including plumbing, waterworks, and HVAC. "Our geography in the Midwest means we serve a lot of rural communities, and by having multiple segments, we can serve them as more or less a one-stop shop, and culturally it helps us build a real connection to those communities," explained Kennedy.

DSG is also structured as an ESOP, which shapes a lot of the



corporate culture and informs how everyone at DSG views their job. “As employee-owners, in every interaction someone has with us, they’re dealing with an owner,” said Kennedy. “It makes us care more and is our greatest asset.”

Julianne Turk concurred. “You can’t talk about DSG without talking about the ESOP. It’s the most influential part of our culture,” she said. “It changes how we think about our jobs and how we perform them. You can see it in the care that people take in every task.”

DSG isn’t immune to the challenges facing the rest of the industry. Kennedy said that the leadership team is most focused on building a supply chain for the future, including making sure the company makes a successful digital transformation. “The main challenge is defining the customer experience and then putting the solutions in place to provide the omnichannel experience,” Kennedy said. To that end, DSG hired a chief digital officer last year to ensure that transformation is driven by customer experience that exceeds the expectations of built-in productivity.

But DSG isn’t only looking to serve its customers. Kennedy noted that understanding the suppliers’ perspective is the other key piece of providing value within the supply chain.

“The whole industry experienced wild swings over the past

three years,” said Meiresonne. “We’ve spent a lot of time figuring out how to be an even more reliable partner to both customers and manufacturers.” In practice, that means ensuring the company’s digital strategy is always looking at where it will need to be five or 10 years from now—not just what today’s needs are. DSG is also looking to automate more processes—as a way both to deal with the challenging labor market and to make a more seamless digital experience for its employee-owners. “Addressing seemingly small things, like how many platforms someone has to log into to do their work, can have a big impact,” he added.

What’s Next

DSG’s team isn’t resting on their laurels. Kennedy said the company has plans to continue to expand with a combination of new branch openings, acquisitions, and product segment expansion. “The trend toward electrification will provide the opportunity to grow faster than the rest of the market,” he said.

“We see a lot of growth coming from automation and communications,” added Turk. “As local municipalities and counties build out their infrastructure, we can grow along with our communities.”

“We’re excited as we look to the next 125 years of writing our story and continuing to increase opportunities for our employee-owners to grow personally and professionally,” Kennedy said. —C.K.

to publicize all the services we offer,” he added, noting that part of the reason he was able to hit the ground running in the industry was through connections made in NAED. “I’ve learned so much in my short time in NAED, especially from former chairs John Cain, Wes Smith, and George Vorwick. And I’ve seen the commitment of NAED staff to the mission of the organization. They work every day to further the mission, and I want to carry that forward into the future.”

As he begins his term, Kennedy acknowledges NAED is at a unique point in time. “We just welcomed a new CEO and president [Wes Smith]. There’s an opportunity to rethink and reimagine NAED’s value proposition. We always need to have an eye to the future and an insatiable curiosity about the possibilities. We need to be willing to push the organization into the future. It’s important to honor our history—it got us to where we are—but not be bound by it.”

Kennedy is excited by a number of current initiatives within NAED, including the Building a Connected Business and the digital supply chain work overseen by NAED Technology Director Satya Sanivarapu. The NERF (NAED Foundation) Next Level Now Campaign has raised significant resources and aims to build on this work by helping businesses understand how to navigate their unique journeys and provide the tools and expertise to do so with greater efficiency and effectiveness. Another important opportunity Kennedy highlights is bringing more focus to improving diversity in the industry and NAED.

“With the support of Women in Industry and the addition of the We Belong Here initiative to NAED, I am excited to bring more attention and intention to our efforts around diversity,” he concluded. ■

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BUILDING A CONNECTED BUSINESS FOR THE FUTURE

Meet Customer Needs and Operate More Efficiently



◆ **Building a Connected Business** refers to the NAED Education & Research Foundation's resources that focus on the industry's transition to digital in response to new technologies and changing customer expectations.

◆ Learn more about expectations and how to best develop your company's strategy with *Build Your Connected Business for 2023 and Beyond*. This concise, 18-page guide features key takeaways and an updated road map based on the 2019 Frost & Sullivan study, *Building a Connected Business*. A short appendix also includes a framework of five business areas and related capabilities to consider for your company.

LEAD THE CHARGE

Distributors that plug in to the growing category of EVSE will discover promising opportunity.

by Carolyn Heinze

WITH ELECTRIFICATION showing no signs of slowing down, EVSE is a major focus for electrical and energy management solutions manufacturers. End-user demand for these systems is high, and contractors

are hungry for guidance—a dynamic that presents a promising opportunity for electrical distributors.

“I’m super excited about what [this category] offers everybody,” said Matthew Young, strategic industry and portfolio director at ABB. “It

offers all players a real market opportunity to grow, and it offers distributors and contractors a way to grow their businesses.”

One of the main issues EV drivers face is uncertainty: They can’t always be sure that they will have access to a charging station when they’re low on power. Shaun Abbott, senior product manager at Legrand, noted that this has resulted in the push toward ultra-fast chargers, which can supply EVs with hundreds of miles in range in a matter of minutes. EV chargers also have gotten smarter.

“Ultra-fast chargers are enabling EV drivers to take longer trips without



extended breaks for recharges, and smarter chargers are allowing more workplaces and apartment buildings to install chargers that can distribute the building's available power, making the deployment of more EV chargers simpler and quicker," he said.

Finding solutions that are easy to deploy—and that don't require an unreasonable amount of installation time—is important to electrical contractors, explained Sai Murahari, EVCI product manager at Eaton.

"The more that EV charging technology can be integrated into familiar form factors—panelboards, switchboards, and busways—and be ready to go out of the box, the more value can be created for contractors, enabling safe, efficient, and effective installations and maintenance," Murahari said. It also helps to decrease costs for large projects and facilitates scalability. "When your chargers are integrated into your panelboard or switchboard, it's easy to come back and add chargers as needed."

Abbott noted that one trend his organization is monitoring is developments in bidirectional charging. "Bidirectional charging can affect not only how we charge EVs, but also how we manage power systems in homes and buildings in the future," he said.

The adoption of the SAE J3400 (also referred to as the Tesla NACS charging standard) is another trend that Abbott and his team are following. Late last year, SAE International released its Technical Information Report (TIR) on J3400 to standardize the manufacture and deployment of the connector in North America. "We want to monitor how fast the EV manufacturers switch to the J3400 ports on their vehicles," he said. Providing a seamless charging experience during the transition from the J1772 port to J3400 will be a top priority for companies in this space.

How managed charging evolves is another area to watch: For example, EV drivers must be able to plug in

their cars without overloading the electrical grid.

"This capability goes beyond EVSE, involving utilities, grid operators, manufacturers, and more," Murahari said. The easiest way to avoid grid overload is by charging during off-peak periods (when electricity is less expensive). "Public utility commissions are also providing requirements to support managed charging as well as plug-and-charge capabilities." The related rebates help drivers decrease the expense of transitioning to EVs.

This is why, in part, Murahari argues against a "bolt-on approach" to the deployment of EV charging technology. Piecemeal systems can result in the need for expensive upgrades in the future. "Although specific charging needs, capacity, and infrastructure are invariably unique, a fully integrated and tested approach for EV charging across electrical infrastructure can be deployed with high reliability," he said.

Be an Expert Source

To direct their customers toward the best EVSE solution, contractors require guidance—and electrical distributors are well positioned to provide this expertise. "Contractors can benefit from information on things like charging levels, load management options, the advantages of networked vs. non-networked solutions, and the total lifetime cost of these products," noted Abbott.

Murahari noted that the number of different EVSE solutions available for commercial, fleet, multifamily dwelling, and workplace charging requires distributors to understand:

- How many chargers are needed for the specific application
- Electrical system capacity constraints
- How long an EV will be parked (known as dwell time)

"It's not always just about getting the fastest charge but rather choosing the right charger to fit specific requirements without overloading the



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building's system or the grid," explained Murahari.

Knowledge of what Young calls "charging-adjacent" technologies is also helpful, he pointed out. This can include remote monitoring and control solutions and battery energy storage integration. "These are technologies that end-users want that if you can speak intelligently to—and you have some sort of offering for—then you have a much better chance of [a project going smoothly]."

Young noted that ABB offers a free EV Grid-to-Charger Simulator that helps distributors determine what electrical equipment is required for any combination of EV chargers, as well as an estimate of the utility ser-

vice required. (The simulator can be found on ABB's website in the EV Grid-to-Charger section.) "It is a simulator, not a configurator—it doesn't replace an engineer, but it is designed to help you know what to expect when [deploying] EV charging," he said.

For Murahari, distributors can play a central role in helping their clients guide their own customers through electrification. "When it comes to electrification and energy transition, distributors' in-house expertise is a differentiator and ensures no oppor-



NAED's Intro to EV Charging course presents market opportunities and provides product knowledge and consultative sales processes.

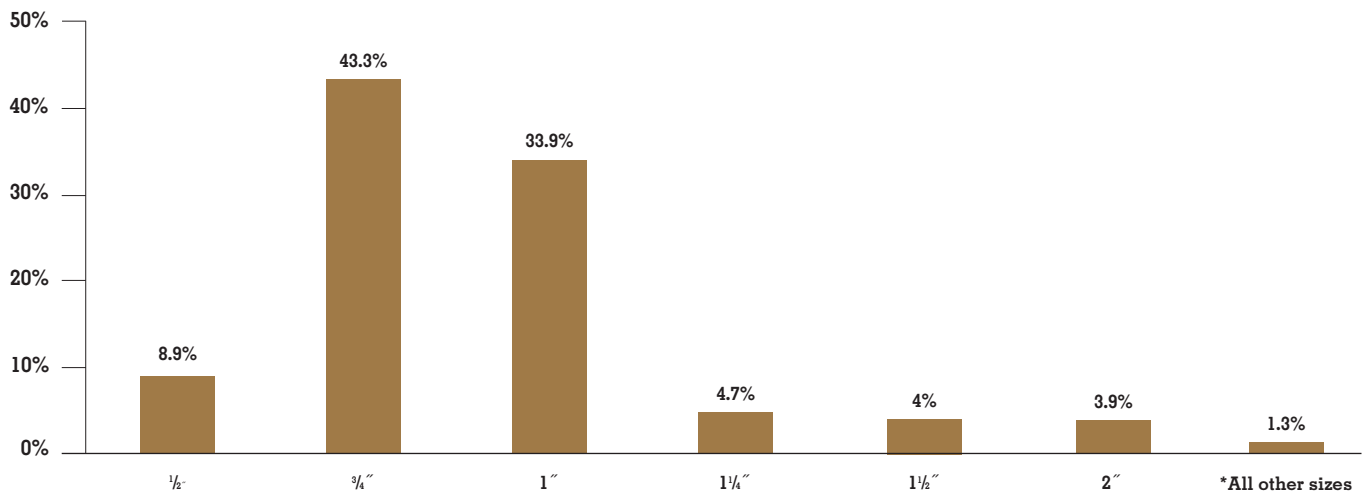
[NAED.org/intro-ev-charging](https://naed.org/intro-ev-charging)

tunity is left on the table," he said. A considerable part of this effort (and opportunity) can consist of determining the future power, capacity, and infrastructure requirements of the projects they're involved in. "That way, even if the customer doesn't choose to invest in EV charging now, they are positioned well in the future for when they do need to add EVSE," he noted. ■

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ELECTRICAL NON-METALLIC TUBING (ENT) BY SIZE

12-MONTH DOLLAR SHARE ENDING DECEMBER 2023



ELECTRICAL NON-METALLIC TUBING (ENT)—SHARE CHANGE BY SIZE 12-MONTH DOLLAR SALES ENDING DECEMBER 2023 VS. ONE YEAR AGO

1/2"	-.6
3/4"	.3
1"	1.4
1 1/4"	-.8
1 1/2"	-.2
2"	-1.3
*All other sizes	1.2

Epicor's Industry Data Analytics tracking information is based on sales from a representative sample of full-line electrical distributors located throughout the United States. For more information, call 512-278-5800, email epicorindustryanalytics@epicor.com, or visit www.epicor.com/en-us/business-need/sales-and-marketing/vista-information-services/.

1. EV Grid-to-Charger Switchboards

ABB's ReliaGear SB Grid-to-Charger switchboard series is composed of six preconfigured solutions featuring flexible breaker settings. Standardized and available in fast lead times, this series offers a way of decreasing project cycle times while simultaneously delivering future-proof solutions. Learn more at abb.com.

2. EV Charging Panelboards & Switchboards

Legrand's EV Charger Pedestal allows two Legrand EV chargers to be mounted side by side. Its cable management system keeps charging cables above the ground, ensuring easy access. The Pedestal is compatible with Legrand's Networked Level 2 Commercial Electrical Vehicle Charger, which features AmpUp charging software. Learn more at legrand.us.

3. EV Charger Pedestal

Eaton's EV charging panelboards and switchboards for AC Level 2 charging come preassembled. Using the Pow-R Line 3X, the EV charging panelboard can charge up to six EVs, and the Pow-R-Line Xpert IFS switchboard can charge up to 18 EV chargers. Learn more at eaton.com.

4. SolarShield HMI Clear Cover

Stahlin Enclosures added a clear cover configuration to its line of SolarShield HMI Covers. Both the SolarShield Opaque and Clear HMI Covers offer an innovative, durable, nonmetallic HMI protection solution for use with all enclosure material types. Learn more at stahlin.com.

5. High-Inertia 1FK7-HI Servomotors

Siemens expanded its popular 1FK7 servomotor family with the introduction of a new high-inertia style. The higher rotor inertia of this design makes the control response of the new 1FK7-HI servomotors highly robust and suitable for high- and variable-load inertia applications, including the feed and auxiliary axes on machine tools, as well as winders and unwinders on converting, packaging, and printing equipment. Learn more at usa.siemens.com.

6. Neonflex Pro-Dual

ProLuxe's Neonflex Pro-Dual is a static white dual bend neon alternative that provides seamless lines of direct view lighting for architectural-grade interior and exterior applications. It features bend technology for vertical and lateral directional bending with 3000K CCT and a high 90+ CRI that delivers up to 223 lumens per foot, while consuming only 3.05W per foot. Learn more at proluxelighting.com.



PLUGGED IN → Find product training from manufacturers on NAED's Learning Center: naed.org/naed-learning-center.

Distributor Doings



Whitney Walrath

Rexel USA, Dallas, promoted **Whitney Walrath** to president of the Mountain Plains region. She has 17 years of experience beginning with GE Supply/Gexpro. She has since held a wide range of roles, most recently serving as Mountain Plains vice president of business development.



Eric Slemmer

United Electric Supply, Wilmington, Del., promoted **Eric Slemmer** to director of warehouse operations. He joined United in 2008 as a sales management trainee and transitioned to counter sales rep, inside sales, operations manager, and branch manager, and then to his most recent role of senior regional distribution center manager.

Scott Miesen, vice president of marketing and materials, retired from *Viking Electric*, Minneapolis, at the end of 2023. He began his electrical career with General Electric and held sales leadership positions at Philips Advance and another electrical dis-



Scott Miesen

tributor. In 2006, he joined Viking as the contractor sales manager for the Twin Cities market. In 2010, he was promoted to vice president of sales—eastern region. In January 2017, he was named vice president of marketing and materials.

Manufacturer Moves

Cembre appointed **John Nahkla** as vice president of sales—industry and distribution, Americas. He started his career as an engineer before moving into sales and sales leadership.

Amanda Dean joined *ESL Vision* in the role of western regional manager. She brings with her nearly two decades of industry experience.



Pinky Raina

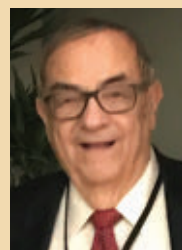
IDEAL Industries appointed **Pinky Raina** as CFO. She brings with her more than 20 years of diverse experience, most recently serving as CFO and COO for the United States Soccer Federation. Prior to that position, she held leadership positions with IDEX and Marmon Holdings.



Martha Claire Bennett

nVent announced that **Martha Claire Bennett** has joined as executive vice president and chief marketing officer. She brings to the role more than 25 years of global marketing experience, most recently serving as chief marketing officer and senior vice president of 3M's Safety and Industrial Business Group.

PASSINGS



Leonard Schwartz

Leonard Schwartz, 91, died in December 2023. He worked at *WAC Lighting* for more than three decades, serving as executive vice president of sales. He retired in 2004 but remained a consultant with the company.

He is survived by two daughters, one son, nine grandchildren, and three great-grandchildren.



Derek Nicholson

OmniCable hired **Derek Nicholson** as St. Louis regional manager. He has more than 15 years of experience in the electrical industry, previously serving at LEDvance and Grainger.

Sarah Dempsey joined *Service Wire* as an inside sales manager in Houston. She has more than 13 years of experience in sales and sales management.

Around the Industry

Stephanie Schmidt-Lehmann joined *ABC* as executive vice president of industry relations and member value. She was the 2022 chair of the ABC Board of Directors and former president of Poole Anderson Construction.

Lura McBride, president and CEO of Van Meter Inc., Cedar Rapids, Iowa, and **Luis Valls**, co-CEO and president of Turtle, Clark, N.J., were appointed to the AD Electrical—U.S. Divisional Board effective Jan. 1. ■



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A JOB WELL DONE

Daniel Blais, vice president of North America Engineering and Canada Manufacturing Area Utilities for Prysmian Group North America, was appointed 71st president of *The Wire Association International (WAI)* for a one-year term. As a WAI member since 2011, Blais joined the Board of Directors in 2018 and the Executive Committee in 2019.

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