



Member's Corner

KEYSTONE 2003

Building the Bridge to the Future

by Donna Peake, IHRA Chairman

I find myself reminded that investing time to "work on my business" instead of "in" my business is nothing short of a necessity. Despite the fact that I have run a successful manufacturers' rep organization for over 21 years, I walked away from Keystone 2003 with many practical ideas for running my business more effectively, pitfalls to avoid, creative ideas to consider for future expansion, tax and financial considerations due to tax law changes, and a general sense of well-being having networked for 2 days with fellow reps who are true professionals willing to share their insights in running their organizations.

Keystone 2003 was a first time educational and networking summit, which brought together manufacturers' reps from multiple industries. It was held in the beautiful setting of Saddlebrook Resort in Tampa, Florida. There was a full schedule of dynamic speakers, networking and brainstorming sessions; and breakout sessions geared to various business interests.

Give thought and take action on some of the following ideas and next year, seriously, consider attending the summit.

1. Don't get blindsided in your business.
 - a. Brainstorm the "what-ifs"
 - b. Read Blindsided by Jim Harris
2. Proactively anticipate the impact of surviving in a global economy
 - a. How do you compete against low cost production in China?

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Insurance Info & Ideas

Can history shed any light on the escalating costs of medical insurance?

by Pat Brown, RepCare Consultant, Associated Benefit Planners

Some of you may recall the "Old-Style Comprehensive Major Medical Insurance Policies," where we had an annual deductible that had to be spent before any payment was made by the insurance company, and then the charges were split, and we typically paid 20 percent of the usage out of our pockets. This type of plan was the standard for most of the '60s, '70s and '80s.

Fifteen to 20 years ago, the most often-heard complaint from small business was, I have been paying premiums for many years, and I have gotten little or nothing back from my medical insurance policy. It doesn't cover much." I always thought of that situation as "good" news - no major claims meant no serious illnesses or accidents.

Then, we saw the "new-style" plans called "managed care," which gave us a small co-pay for any and all doctor visits, and prescription cards with a \$5 or \$ 10 co-pay. These managed-care plans required us to select (and use) a physician from a list of network providers, and if we used a non-network provider, we were going to pay more money out of our pockets. In effect, managed care expanded our coverage and gave us utilization opportunities that we never had before. It only cost \$10 to see a doctor.

Then, we saw a political proposal for universal coverage, with the federal government being the single payer and provider. This program failed to become fact. About the same time, we started to refer to medical insurance as "health care coverage."

Shortly after this political failure, the various units of government became grossly involved with "incremental health care improvements." After they began altering the function of medical insurance, we then saw the massive expansion of benefits due to legislated mandates. Only when the states and feds got into the "game" by passing laws that expanded the scope and added new rules did we see the issues of "guaranteed portability" and "guaranteed coverage for pre-existing conditions" and "special interest benefits" included. The states went wild, uncontrollably passing laws that added new benefits and coverage, thereby causing ever increasing premiums. The feds also passed laws (e.g., HIPAA, COBRA, etc.) that changed the rules for medical insurance and caused premiums to increase.

The insurance companies became the "axis of evil" by raising rates

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Insurance Ideas (from page 1)

and trying to keep up with the expansion of benefits and new rules made by legislators. The advantages gained by managed care were quickly overcome by the continuing expansion of mandates and new laws. Now we have seen the future (in 2003 rate increases), and we can't afford the progress. How do we stop the freight train of continual double-digit rate increases?

The first step is to write a letter to each of your elected officials (in both your state's capitol and in Washington, D.C.) and tell them to stop passing legislation that drives up the cost of medical insurance. As a constituent, your voice needs to be heard - and they will take note of your correspondence. Last year, when I visited my elected state and federal officials, the only common query that I found interesting was, "Why is it that we see and hear from you guys who have vested interests in this problem, but we never hear from any of our small business constituents?" Let them hear from you.

The second step is to review your current medical plan and find premium savings by: returning to the "Old Style" plans; looking at MSAs (Medical Savings Accounts); looking at higher deductible plans; looking at usage of prescription cards and asking if they're really necessary; or investigating if limited or partial "self-funding" would work for your group.

The third step is to consider the basic premise of medical insurance and if you want coverage for all possible situations (and how if you want coverage for all possible situations, it will be costly and how your rates

will continue to increase). However, if you want the essential, catastrophic "essential medical" coverage like we had in the past, your plan design must be revamped to look more like homeowners and auto insurance. These types of insurance cover only the major or catastrophic situations and don't cover oil changes or window painting.

Your firm can still cover or self-fund any portion of non-insured health care benefits that you choose, and the premiums paid to the insurance companies will be lower as your deductible moves higher and you selffund more. There are reasonable limits of risk that can be assumed by a small business without significantly reducing the scope of coverage. There are also other devices like FSAs (Flexible Spending Accounts), MSAs and HRAs (Health Reimbursement Arrangements) that may work for your firm as well. These devices can help employees pay for health care services and/or premiums with pre-tax dollars and lessen the impact of the cost of routine care, higher deductibles and/or payroll deductions.

As usual, all of these ideas may not fit each and every firm's needs, but many small businesses are turning to these approaches to help control expenditures for employee benefits. These ideas can and do work to lower monthly medical insurance premiums and still preserve the essential value of your medical insurance plan.

If you need additional information, call me, and I will walk through it with you.

IHRA MEMBERS:

Want to know more about group insurance available through RepCare?

Just find your business home state and call Pat Brown or John Doyle.

Call PAT BROWN at 800-854-4636 if your business is in:

Arizona	Minnesota	Oregon
Arkansas	Missouri	South Dakota
California	Montana	Texas
Idaho	Nevada	Utah
Illinois	New Mexico	Wisconsin
Iowa	North Dakota	Wyoming
Kansas	Oklahoma	

Call JOHN DOYLE at 888-243-0174 if your business is in:

Alabama	Maine	North Carolina
Connecticut	Maryland	South Carolina
Colorado	Massachusetts	Tennessee
Delaware	Michigan	Virginia
Florida	Missouri	Vermont
Georgia	New Hampshire	W. Virginia
Indiana	New Jersey	
Kentucky	New York	

From Kitchenware News & Housewares Review Sept. 2003; courtesy of Peter Bang-Knudsen:

"We keep things simple. We buy and sell good stuff and pay our reps on time I also get concerned about how sales reps get treated in this industry. They keep getting the shorter and shorter end of the stick. They are overlooked and under appreciated. It's a shame. We couldn't get along without sales reps."

Remarks by Joel Johnson, President and CEO
H. A. Mack & Co,
a family-owned 72 year
housewares business.

Donna Peake (from page 1)

- b. Move out of your comfort zone by considering products you've never sold - form alliances in China, Europe, India, South America!
3. Work in "real time"
 - a. Snooze — You Lose
 - b. Anticipate what's happening; have a back pocket of strategies; and act, act, act.
4. Fee-Based Service
 - a. Consider charging a retainer fee for launching missionary lines.
 - b. Yes. I repeat: Charge a Retainer Fee. It is being done successfully and both the rep firm and the manufacturer benefit.
5. Solution-Based Company
 - a. Clarify your organization's core competency and build value for your customer and principals accordingly.
 - b. Avoid defining your business by specific products of lines. Instead define your business by solutions you bring to the customer. This allows you to stay nimble and move with the market as product trends change.
 - c. Market your own company as a brand, in addition to the principals you represent.
 - d. Invest time "working on your business."
- e. Sign up for the CPMR program in Tempe, Arizona being held January 11 - 15, 2004. You will learn new ways to raise the bar on your organization.
- f. Many of the tools you acquire will save you time and money, and will also keep you from being "blindsided."
6. C-Corp vs Sub S
Lower taxes on dividend distribution may eliminate the negative of double taxation on C-Corporations. Check this out with your tax advisor.
7. Interested in Selling, Mergers, and/or Acquisitions.
 - a. This can be a slippery slope, but having a good, experienced attorney and accountant can make all the difference.
 - b. How do I find a Deal? Consider IHRA as a Match-maker.
 - c. EGO is the #1 Deal Breaker!
8. Networking Raises the Bar on Professionalism

Sharing good ideas benefits all!

If you would like more information, feel free to contact me at donna.peake@thebarringtongroup.net

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IHRA Members:

Your ad, like the one above, can now appear in The *REPorter*®!

Please see page 8 for complete details.

IMPORTANT REMINDERS ••• Mark your calendars!!!

1. The 2004 International Home & Housewares Show is Saturday, Sunday, Monday, March 20, 21, 22, 2004 at McCormick Place, Chicago, Illinois.
2. IHRA's Annual Membership Breakfast & Program is Sunday, March 21, 2004
7 - 9:00 AM • Room S101B • McCormick Place South

FUTURE INTERNATIONAL HOME & HOUSEWARES SHOW DATES

2005: April 3-5

2007: March 11-13

2009: March 22-24

2006: March 19-21

2008: March 2-4

2010: March 7-9

Here are the results from our recent survey of trade shows IHRA members attend, by percentage. How do you compare?

TRADE SHOW	%	TRADE SHOW	%	TRADE SHOW	%
International Housewares Show	92	NACDS	5	March Atlanta Spring Gift, Accessories & Holiday Market	1
Gourmet Products Show	54	January Seattle Gift Show	4	NASFT Spring Fancy Food & FMI Show	1
New York Fall Tabletop Market at 41 Madison	29	February San Francisco Gift Fair	4	July Fall Gift & Home Furnishings Market	1
New York Spring Tabletop Market	24	August Seattle Gift Show	4	August Orlando Gift Show	1
Hardware Show	19	October Coffee Fest Seattle	4	August CGTA Gift Show	1
Int'l SHOPA Show	18	APPMA	4	International Hotel/Motel & Restaurant Show	1
February New York Int'l Gift Fair	17	L.A. Gift Show	4	ABC	1
August New York Int'l Gift Fair	14	PLMA	4	Art Expo/Décor Expo	1
July Atlanta International Gift & Home Furnishings Market	12	January Gift Fair in Atlanta	3	Bird Watchers	1
January Atlanta International Gift & Home Furnishings Market	9	March Natural Products Expo West	3	ECRM	1
New York Spring Gift Fair	9	All Candy Expo	3	Halloween Show	1
March New York Home Textiles Show	8	July Gift Fair in Atlanta	3	Home Textiles Mini Market	1
August San Francisco International Gift Fair	6	July California Gift Show	3	KBIS	1
September New York Home & Textiles Show	6	Natural Products Expo East	3	LMA	1
Toy Fair	6	Ambiente, Germany	3	National Stationery Show	1
August 41 Madison Gift Show	5	CES Las Vegas	3	Pet Show	1
High Point Furniture Market	5	Chicago Casual Furniture	3	Philadelphia Gift Show	1
		HIA	3	SEMA	1
		Winter Fancy Food Show	1	Shoe Show	1
		January Washington Gift Show	1		
		February Coffee Fest Las Vegas	1		

It's time to register for the 2004 International Home & Housewares Show. And, you can do it quickly from the hot link on IHRA's website home page: www.ihra.org. Just click on the box in the lower right hand corner . . .



. . . or go to: https://www.ttgcompass.com/compass/external/index.cfm?&meeting_ID=1175&Meeting_ID_Code=28976284



Manufacturers: Are You Looking for Well-Qualified, Performance-Committed, Field Sales Professionals?

Find them quickly, easily and cost-effectively with IHRA's three exclusive marketing services . . .

The IHRA Locator



The IHRA Locator

A directory of housewares representatives by territories covered, type of products handled, type of customers sold through and complete details about their companies.

Instant HOT Lines



Instant Hot Lines

A one-time fax or eMail that provides immediate information on *your line, only*, to representatives in specific marketing areas or across the country.

Lines Available



Lines Available

A special page (or pages) of listings in the IHRA Monthly Newsletter - the *REPorter*® - of manufacturers seeking representatives.

INTERNATIONAL HOUSEWARES REPRESENTATIVES ASSOCIATION

175 N. Harbor Drive • Suite 1712 • Chicago, IL 60601
(312) 240-0822 • (800) 315-7430 • Fax: (312) 240-1005
info@ihra.org • www.ihra.org

The IHRA Locator

- Lists 250+ housewares representative companies
- Listings indicate the type of products sold, customer base sold through, territory covered, size of firm, year business founded, additional facilities and services, etc.
- COST: \$50 for IHA members; \$95.00 all others (\$100 / \$145 outside of North America)

Instant HOT Lines

- One-time eMail or fax designed to provide immediate communication to IHRA members in desired marketing area(s).
- Sent within 48 hours of receipt of information and payment.
- COST: \$100.00 plus 75¢ per rep company faxed, per HOT Line. Consists of 1-page IHRA HOT Line Form. Additional charge for additional pages sent.
- When you use Instant Hot Lines, you will receive the IHRA Locator at no extra charge!

Lines Available in The *REPorter*[®]

- A special page (or pages) of listings in the IHRA Monthly Newsletter - The *REPorter* - of manufacturers seeking representatives. Your listing will be published in the next published newsletter - usually the first week of each month.
- COST: \$100. Reruns within twelve months: \$50 each.
- Lines Available advertisers can purchase the IHRA Locator for \$40.

Manufacturers Seeking Representation — *Take Action Now!*

Take advantage of this cost-effective opportunity to expand your product sales into new territories or improve your current coverage. To use either service, complete the form below, indicating which service you wish to use and the state(s) or partial state(s) in which you need representation, and mail or fax to us at (312) 240-1005.

For either service, check payable to IHRA or credit card information should accompany order.

VISA MC AMEX Card # _____ Exp Date: _____

Name on Card

Billing Address

Signature

Yes, we want: The Locator* Instant **HOT** Lines Lines Available

(Manufacturers outside of North America utilizing Instant HOT Lines will be sent an additional questionnaire form)

Company _____

Address _____

City, State, Zip _____

Contact _____ Title _____

Phone _____ Fax _____

eMail _____

Commission Rate (%) _____ Gross Nat'l Sales _____

Representatives Needed in All USA,
 Canada, Mexico and/or These
Territories, States or Partial States or
International Markets:



Currently use reps in territory(s) indicated? Yes No Some Years in business _____

Products _____

***If you only wish to receive The Locator, fill out the first six lines of the form (name, address, etc.).**

2003 / 2004 INDUSTRY CALENDAR OF EVENTS

October

Atlanta Gourmet Show and Gift & Accessories Market
October 13, 2003 - October 16, 2003
Atlanta, GA

Coffee Fest Seattle
October 24, 2003 - October 26, 2003
Seattle, WA

New York Fall Tabletop Market at 41 Madison
October 25, 2003 - October 30, 2003
New York, NY

November

Anchorage Holiday Food & Gift Festival
November 7, 2003 - November 9, 2003
Anchorage, AK

International Hotel/Motel & Restaurant Show
November 08, 2003 - November 11, 2003
New York, NY

Int'l SHOPA Show
November 11, 2003 - November 13, 2003
Atlanta, GA

December

Americas Food and Beverage Trade Show
and Conference
December 03, 2003 - December 04, 2003
Miami, FL

January

Orlando Gift Show
January 04, 2004 - January 06, 2004
Orlando, FL

Atlanta International Gift & Home Furnishings Market
January 06, 2004 - January 15, 2004
Atlanta, GA

The Gift Fair in Atlanta
January 09, 2004 - January 12, 2004
Atlanta, GA

Portland Gift & Accessories Show
January 10, 2004 - January 13, 2004
Portland, OR

Philadelphia Candy Show
January 11, 2004 - January 13, 2004
Valley Forge, PA

Dallas International Gift & Home Accessories Market
January 14, 2004 - January 21, 2004
Dallas, TX

California Gift Show
January 17, 2004 - January 20, 2004
Los Angeles, CA

Toronto International Gift Fair
January 23, 2004 - January 26, 2004
Toronto, Canada

CGTA Canadian Gift & Tableware Show
January 25, 2004 - January 29, 2004
Toronto, Canada

Washington Gift Show
January 25, 2004 - January 28, 2004
Chantilly, VA

New York Gift & Housewares Show
January 31, 2004 - February 05, 2004
New York, NY

New York Gift Show at 41 Madison
January 31, 2004 - February 04, 2004
New York, NY

February

ISM (International Sweets & Biscuits Fair)
February 01, 2004 - February 04, 2004
Cologne, Germany

San Francisco International Gift Fair
February 07, 2004 - February 11, 2004
San Francisco, CA

Ambiente
February 20, 2004 - February 24, 2004
Frankfurt, Germany

MARK YOUR CALENDARS FOR:

2nd Annual IHRA Membership

Breakfast & Program

Sunday, March 21, 2004

7:00 - 9:00 AM

IHRA Hospitality Room S101B

McCormick Place, South Lobby

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A directory of field sales professionals
by territories covered, type of products
handled, type of customers sold to/through
and complete details about their companies.

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on *your line, only*, to reps in
specific territories or throughout the world

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The *REPorter*®

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