



Member's

Corner

A report on . . .

“Killing the Sale”

by **Steve Grossman, CPMR**

Former IHRA President and Chairman

I trust your New Year has started off in the right direction. I know I have continued thru these columns to stress the need to “teach us old dogs new tricks” along with refreshing what we do. Not that I am wealthy, but I am fortunate that my family and I are comfortable for us. Every holiday season my wife, among others, asks me what do I want, and I tell them I don’t need anything. So they scratch their heads and buy me stuff.

This year one of the gems is the book by Todd Duncan, **“Killing the Sale.”** (Maybe my wife is trying to tell me something.) This book is one of those reads that won’t set the world on fire with phenomenal new thoughts, but it will make you review how you go to market and you can decide what adjustments will benefit you and your loved ones. Todd Duncan has a website: www.killingthesale.com and I suggest you take a look.

A couple of his quotes I liked are: *“The bottom line is that selling is shared activity that involves more than an exchange of products and money. It involves an exchange of consideration and respect, needs and values, expectations and ideas. And these things are exchanged only when you take the time to relate, to converse, and connect.”* and *“Do away with the notion that business and pleasure - selling and living - are two separate things. Selling and living must compliment each other.”*

Listed here are the chapter titles and what the main theme is about. My biggest challenge is to stay focused on generating sales. I get side-tracked all the time with smaller projects and take my eye off the ball.

continued on page 3

It’s almost that time again . . . IHRA gets ready for the 2005 International Home & Housewares Show

Show runs Sunday, March 20 - Tuesday, March 22

And, as usual, IHRA will offer numerous member services in the IHRA Hospitality Room - S101B - registration lobby of McCormick Place, South. Check these out (of course, all at no charge for IHRA members):

Use the IHRA Hospitality Room

- ✓ As your “office away from the office”
- ✓ A place to rest up, unwind and enjoy refreshments throughout the day (bagels first thing in the morning; coffee and soft drinks all day)
- ✓ Receive updates on Lines Available (manufacturers seeking reps). Members will receive original list prior to the Show to facilitate interview scheduling
- ✓ Hold meetings with staff, customers, manufacturers
- ✓ Attend IHRA’s Annual Breakfast & Program 7 - 9:00 AM, Monday, March 21 (**see Page 4 for details**)
- ✓ Interface with IHRA’s Member Services / Benefits suppliers (medical insurance, rep software, legal, continuing education, etc.)
- ✓ Network, network, network!
- ✓ Get “ribbonized” and pinned! ID items that identify IHRA members as THE field sales professionals
- ✓ A place to hang your hat and coat
- ✓ Meet IHRA’s staff and members of the Board
- ✓ Drop off your luggage for an hour or all day. Will help you make that quick “get-a-way” to the airport

The IHRA Board of Directors will hold their Annual Meeting, Thursday, March 17, 2005 at the Radisson Hotel, 160 E. Huron, Chicago. The 4-hour meeting will run from 1:00 PM to 5:00 PM. Although IHRA’s Board meetings are always open to members, because of limited seating, a prior request is necessary.

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The Subject is Taxing!

The 2004 tax laws

by **Stanton B. Herzog**, IHRA CPA & Accounting Consultant, *principal in the firm of Applebaum, Herzog & Associates*

(Last month we featured an article by Stan Herzog on the Alternative Minimum Tax. Although this is another tax article, we thought it important you got the information ASAP.)

Two tax laws were passed back-to-back in October, 2004. They were both long and involved bills containing many weird laws intended to help only one company or one "special interest". What follows are the salient points of each. Before we start, please note that on January 1, 2005, the auto mileage reimbursement rate has been raised from 37 cents per mile to 40 cents per mile, the largest one-year increase in the history of the allowance. The wages subject to Social Security tax have been increased to \$90,000; the 6.2% tax rate remains the same. Also, beginning January 1, 2005, the IRS will no longer require deposit of unemployment taxes (FUT) if the unpaid liability is less than \$500.

The first act extended a number of tax provisions that were to expire on 12/31/ to 12/31/2010 including the child tax credit of \$1,000, the marriage bracket relief and the 10 percent bracket. The teacher's expense deduction on page one was extended for one year only, to 12/31/05. The main area not extended into 2005 is the special depreciation deduction for all business assets purchased prior to December 31, 2004. Both the 30% depreciation and the 50% so-called 9/11 depreciation deductions are gone, and regular depreciation deductions will be all that are available. This especially hurts auto purchases.

The first year write-off of assets (Section 179) of \$100,000 has been extended through December 31, 2007. But the so-called "Hummer" deduction, referring to vehicles weighing between 6,000 and 14,000 pounds that are not trucks, has been limited to \$25,000, effective October 2, 2004. The regular business depreciation life of any SUV (or Hummer) weighing over 6,000 pounds remains 5 years, and they are still not included in the "luxury car" regular depreciation limitations.

A new definition of "child" was added to the law to replace several different definitions in various parts of the tax code. Too technical to detail here, the main change is that the time requirement has replaced the amount spent as the primary test in determining which parent gets the dependent on their tax return.

The second act gives many breaks to taxpayers. Let's start with the reinvention of the sales tax – sort of. Taxpayers will have a choice of a sales tax deduction or a state income tax deduction. This was made

effective for the 2004 tax year. The IRS will provide sales tax tables as in days of yore. Taxpayers may find the sales tax deduction a benefit if they buy (or in some states, lease) a car because the sales tax table can be used in addition to large and unusual purchases, or if they have little or no state income tax.

For all purchases after October 22, 2004 and January 1, 2006, leasehold improvements and restaurant property can be written off over 15 years. Before this, leasehold improvements had to be written off over 39 years or, if sooner, the unamortized balance could be deducted upon abandonment.

A seemingly strange section of the law states that if a residence is acquired in a tax-free exchange, the exclusion amount (\$500,000 on a joint return, \$250,000 on a single return) will not apply unless the residence is held for FIVE years instead of the usual two!

Much advertising lately has featured the gift of autos to charity. After January 1st, the law requires the charity to report to you and to the IRS the actual amount realized on resale, which will be the limit of your deduction unless your deduction is less than \$500.

Under a boycott threat from the World Trade Organization, Congress eliminated tax breaks on exports, replacing them with a phased-in deduction for ALL U.S. based "Production Activity Income". In 2005 and 2006, taxpayers (including sole proprietors) may deduct 3% of their "production activity income," but it is limited to 50% of wages. From 2007-2009, the percentage is raised to 6%, and after 2009, it's 9% of the lesser of production income or taxable income. The definition of "production activity income" was apparently left to the IRS. This is, however, the first attempt to keep manufacturing jobs in the U.S.

There are completely new rules for start-up organizations. Up to now, start-up costs had to be amortized over a 60 month period. From now on, the IRS wants a distinction between start-up costs and organization expenditures. A new company can immediately deduct up to \$5,000 of each (thus, apparently, \$10,000) without amortizing any of it. BUT to the extent one of those categories rises to exceed \$50,000, that category's \$5,000 deduction is reduced dollar-for-dollar. Anything over the two \$5,000 amounts is to be amortized over 15 years instead of the five authorized in the prior law!

New complicated rule for a PARTNERSHIP: If a partner contributes property to the partnership at a loss to him, he cannot transfer to the partnership or to the other partners his basis in excess of the fair market value; i.e. other partners cannot deduct his loss. Apparently, the partner's loss must be deducted by him upon disposition or, if depreciable, over the life of the contributed asset.

Tax simplification in action! Have a very good year!

**Stanton B. Herzog, CPA can be reached at:
(847) 405-0400**

Grossman (from page 1)

Mistake ONE: Hyping

Relying on "You can do it" propaganda to maintain your sales motivation

Mistake TWO: Posing

Trying to sell before training to sell

Mistake THREE: Tinkering

Treating the symptoms but not the sickness of poor selling efforts

Mistake FOUR: Moonlighting

Building a business-based life instead of a life-based business

Mistake FIVE: Muscling

Taking Lone Ranger actions instead of using team-connected strategies

Mistake SIX: Arguing

Selling your product before knowing your customer

Mistake SEVEN: Gambling

Making unplanned calls on unknown customers

Mistake EIGHT: Begging

Seeking your customers' business before earning your customers' trust

Mistake NINE: Skimming

Focusing on surface profitability instead of client satisfaction

Mistake TEN: Stagnating

Losing your sales edge by neglecting your growth curve

Changing subjects, I am on a committee that discusses how to make the Houseware Show more effective for the buyers and manufacturers. If you have thoughts on how to improve the International Housewares Show, please email me so I can take your suggestions, not gripes to the meeting. Also, if any of you are going to the Canton Fair the end of April, please let me know, maybe we can share some rice together. Steman4@aol.com

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Annual Breakfast & Program**

... the 2nd day of the International Home & Housewares Show ...

Monday, March 21, 2005

7: 00 - 9:00 AM

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Meet and Greet Old Friends

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and**

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To reserve your place at IHRA's Annual Event, please complete
the following and **fax back to: 312-240-1005:**

Please reserve ____ seats at IHRA's 2005 Annual Event

- We are IHRA members. Cost: No Charge**
- We are not IHRA members Cost: \$15 per person**

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20848 84th Ave. S
Kent, WA 98032
(253) 395-7770 Fax: (253) 395-7775

Contact: Susan Georgulas <susang@gourmetstandard.com>

Territories: DE, MD, VA, NC, SC, FL, KY, TN, AL, MS, LA, TX, OK, KS, NM, IA, NE, UT, MT, WY, & CO.

Commission Rate: 8 - 12% **Nat'l Sales:** N/A

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2500 83rd St - Unit 5
North Bergen NJ 07047
(201) 854-2666 • Fax: (201) 854-2882

Contact: Tim Jordan - President

eMail: innovatec@attglobal.net

Territories: All U.S.A.

Commission Rate: 5 - 10% **Nat'l Sales:** \$2,000,000

Products: NanoBreeze Consumer Use Air Purifiers for Home and Auto

NANOTWIN TECHNOLOGIES

73 Hooker Farm Road - Box 87
Salem NH 03079
(603) 898-5739 • Fax: (603) 890-1031

Contact: Kevin Carr
COO

kcarr@nanotwin.com

Territories: All U.S.A. & Canada

Commission Rate: 10% **Nat'l Sales:** New Products

Products: Tiffany Lamps & Accessories • Cameo Lamps
Specialty Glass Products • Traditional Fabric-Shade Lamps
. . . . and more!

SPLENDOR LIGHTING CORP.

800 S. Milpitas Blvd.
Milpitas CA 95035-6311
(610) 518-3662 • Fax: (610) 518-9086

Contact: Gerhard Peyfuss
Vice President

eMail: gerfuss@comcast.net

Territories: All U.S.A., Mexico & Europe

Commission Rate: 3% (nego) **Nat'l Sales:** \$20,000,000

Products: Acrylic / Stainless Steel: Travel Mug • Shaker • Shot Glass • Ashtray • Can Holder • Stir Mug • Coffee Mug
All Products Double-Walled

GUANGZHOU METALS NY INC.

245 E. 93rd St - #12A
New York NY 10128
(212) 996-5346 Fax: (646) 672-2843

Contact: Henry Wang, President
eMail: gzmetals@aol.com

Territories: All U.S.A.

Commission Rate: 10% **Nat'l Sales:** \$1,500,000

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This is an IHRA service to keep members advised of lines available. The listing of a manufacturer should in no way be construed as an endorsement of that line by IHRA, it being the obligation of each member to make their own evaluation of the line.

2005 INDUSTRY CALENDAR OF EVENTS

February

Feb 04 - 08
Tucson Gift Show 2005
Tucson, Arizona

Feb 05 - 07
Florida Gift & Home Accessories Market
Orlando, Florida

Feb 05 - 09
San Francisco Int'l Gift Fair
San Francisco, California

Feb 27 - Mar 03
ASD/AMD Trade Show - Las Vegas Gift Expo
Las Vegas, Nevada

March

Mar 20 - 22
Int'l Home & Housewares Show
Chicago, Illinois



Mar 21

**IHRA Annual Breakfast & Program
Room S101 B - McCormick Place
Chicago, Illinois**

April

Apr 13 - 15
SIAL Montreal
Montreal, QU, Canada

Apr 16 - 20
New York Tabletop Market
New York, New York

May

May 4 - 6
FISPAL Miami
The Americas Food Market Place
Miami Beach, Florida

May 14 - 17
Int'l Contemporary Furniture Fair (ICFF)
New York, New York

May 15 - 18
National Stationery Show
New York, New York

May 17 - 19
Las Vegas Gourmet Housewares Show
Las Vegas, Nevada

May 17 - 19
National Hardware Show with Lawn & Garden World
Las Vegas, Nevada

May 23 - 25
Kehe Show
Chicago, IL

June

Jun 22 - 29
Dallas International Gift & Home Accessories
Dallas, Texas

July

Jul 15 - 18
The Gift Fair in Atlanta
Atlanta, Georgia

Jul 22 - 25
California Gift Show
Los Angeles, California

Jul 24 - 27
Washington Gift Show
Washington, DC

August

Aug 6 -10
San Francisco Int'l Gift Fair
San Francisco, California

Aug 7 - 11
Canadian Gift and Tableware Association
Toronto, ON, Canada

Aug 13 - 18
New York Int'l Gift Fair
New York, New York

Aug 15 - 19
ASD/AMD Trade Show
Las Vegas, Nevada

Aug 27 - 31
The Seattle Gift Show
Seattle, Washington

September

Sep 17 - 19
Dallas Int'l Gift & Home Accessories Market
Dallas, Texas

Sep 24 - 26
Los Angeles Gift & Home Market
Los Angeles, California

October

Oct 15 - 17
Coffee Fest Seattle
Seattle, WA

For a complete list of ECRM-EPPS Conferences, see their website at: <http://www.ecrm-epps.com>

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Georgia	New Hampshire	W.Virginia
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Kentucky	New York	

The REPorter®

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REPRESENTATIVES ASSOCIATION**

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