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WHMA Connections

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Chairman's Message

**By Lyle Fahning, WHMA
Chairman of the Board**

What does the future look like? If any of us had a crystal ball we could predict what's going to happen and then take advantage of that knowledge to buy or sell anything from soybeans to crude oil or even our houses to gain financially. Unfortunately, there are some very smart people who thought they knew what was going to happen and went out on a limb and now that limb has broken. An example is the government taking over the nation's two troubled mortgage giants, Fannie Mae and Freddie Mac. Oil prices have gone from \$75 a year ago to almost \$150 and now closer to \$100. We've all seen dramatic changes up and now down in the gas prices that we pay at the pump.

What does this turmoil mean for WHMA members? Recently I had breakfast with some investment bankers who invest in businesses. They reported that there are a lot of people looking for good investments, but there doesn't appear to be as many "good" investments as there were even a year ago. Many businesses that looked good even a year ago have faltered with the economy and yet there remains a very strong interest in companies who have developed products and services that provide good value to their customers. This has been evident to us at our company as we continue to grow and prosper even in

these challenging times. Also, we see many new opportunities that give us confidence that the trend of growth and success will continue into the future.

How did we do it? None of us are immune to the external factors affecting the economy or our customers, but we can do things that mitigate, if not minimize, these factors. We all continue to see price competitiveness and shorter and shorter lead times, with less predictability of requirements from the customer. These two factors, price and lead times, can be conflicting requirements when going offshore for cables or harnesses. We are also seeing more design assistance being required by OEMs of contract manufacturers. Those who respond proactively to these requirements in creative and flexible ways, and restructure/reorganize their processes and people, will grow and take market share from those who do not. WHMA involvement and the interaction with WHMA members are excellent ways of gaining insight on improving and changing your business.

WHMA also provides industry leading standards, such as our workmanship standard (IPC/WHMA A-620), along with training and development opportunities for both technical and industry business interests.

Additional WHMA benefits are gained through opportunities for dialogue with other manufacturers in our industry during the annual conference (scheduled in



Phoenix February 25 -27th, 2009) along with our Internet Listserv, where people can seek knowledge of the industry, ask for critical resources such as connectors or tools, as well as just having the ability to talk to their peers about challenges they are having in their businesses and ask for solutions to these problems. It's all invaluable. WHMA members are all very willing to share their expertise because they know they have gained far more in WHMA just by being associated with it.

I feel that WHMA involvement by our company has definitely contributed to our continuing success and I wish each of you success in your businesses and I look forward to seeing you at one of our upcoming meetings or at the annual conference February 25 - 27th in Phoenix.

Promoting the A-620 Standard

Recently a WHMA member requested copying some information and photos from the A-620 standard document for use in a company marketing piece. While promotion of the standard is critical to its acceptance with WHMA member's customers, be advised that proper protocol must be followed to not violate copyright laws.

IPC has a standard requirement on all documents that it publishes. They require written approval from IPC on a case by case basis. When text or illustrations are extracted, they have to include the statement, **"Copyright IPC, Bannockburn, IL used by permission."** It is rarely an issue if used in papers, presentations or articles that

ultimately promote IPC or the document. It would be an issue, however, to use text and / or illustrations to make an internal company standard derived from the IPC document. IPC would charge a fee for that type of use. They will not license the text or illustrations for development of any training programs that competes with theirs.

If you submit your request to either IPC or WHMA, each organization has agreed to send a copy to the other organization for mutual review on the request to use the copyrighted material. If either organization disapproves the use, the request will be denied.

Small Manufacturers Can Help Reduce Trade Deficit

The National Association of Manufacturers (NAM) recently testified before the House Small Business Committee, that with a little help from Washington, America's small manufacturers can provide a dramatic boost to U.S. exports, reduce the trade deficit and foster job creation.

Charles Wetherington, owner of BTE Technologies in Hanover, MD, a 78 employee company that produces a range of medical devices, said, "The Untied States exported \$982 billion in manufactured goods in 2007 – 60 percent of all American exports of goods and services. But manufacturers, especially smaller ones, could export billions of dollars more if the government offered them more expertise and resources to access foreign markets."

He continued, "Great Britain and Australia already fund aggressive export programs for smaller companies. Resources for U.S. export promotion programs lag well behind those of our competitors. Investment reaps big rewards. Every federal dollar invested generates \$100 in exports."

Wetherington stressed to committee members the importance of discouraging currency manipulation by our trading partners, simplifying standards and regulatory issues and enacting more multilateral and bilateral free trade agreements.

Since 2002, BTE Technologies' exports have grown 10 times, from 3 percent of revenues to 35 percent and they export now to 28 countries.

Winning E-Mail Marketing Campaigns — Subject Lines

Whether you love it or curse it, e-mail is now a staple utility in our marketing toolkits. And yet, not all of us use our powers for good: the average American receives 2,200 pieces of SPAM e-mail annually.

On top of messages loaded with viruses and malicious content, customers are bombarded with e-mail marketing messages, reporting that more than a quarter of their inboxes are filled with marketing related e-mails. Other reports found the consumers get between 35 and 100 e-mail per day, which begs the question: *How can you ensure that your message is worthy of that almighty click?*

If marketing is like dating, then a poorly written subject line is like forgetting to pop a breath mint before the first date. In fact, unrefined subject lines can hurt your opens and click through rates. According to e-mail marketing studies from EmailLabs:

- Subject lines with 0-49 characters had a 12.5% higher open rate than subject lines with more than 50 characters.
- The click through rate for subject lines with 0-49 characters were 75% higher than their 50+ counterparts.

And while brevity still reigns supreme, the subject line should also:

- Inform – convey something valuable
- Intrigue – pique curiosity

- Entrust – reinforce your brand
- Action – encourage the participant to take action
- Complement – support the From field (a message from XYZ Auto Insurance might read, "Save 20% on our Auto Policy Renewal")

The e-marketing gurus at Marketing Profs list seven dirty words (with apologies to the late George Carlin!) to ban from e-marketing messages. They include:

- "100% free"
- "Act Now"
- "Amazing"
- "Apply Now"
- Anything that LOOKS LIKE YELLING!!

Instead opt for clear, concise subject lines – and watch your open rates soar.

WHMA Conference Goes to the Desert

Mark your calendars – the 2009 WHMA Annual Wire Harness Conference is scheduled for February 25-27 in beautiful Scottsdale – the heart of the Valley of the Sun.

This year's program will feature a presentation by Loren Smith – a top rated speaker from last year's conference. Loren will address "Where and How to Find Capital". You might say that Loren knows what he is talking about.

In 1976 Smith acquired a troubled manufacturer of electrical wire harness assemblies, Monona Wire Corporation, in partnership with a Small Business Investment Corporation [SBIC]. From '76 to '96, as Monona's CEO, Smith managed revenue growth from \$700,000 to \$24 Million; earning a leadership position serving the off highway construction equipment market.

Along the way Smith successfully managed every challenge from crippling strikes at customers and threats from low cost foreign competition, to a technological and quality revolution and a dramatic industry consolidation.

His company beat out dozens of competitors to become either the sole source or the dominant supplier to such world class companies as Caterpillar, Komatsu, and John Deere. It was at John Deere Construction Equipment where his company, Monona Wire, was the founding recipient of the Vendor of the Year Award, and remains the only recipient to be successively so honored.

In 1986 Smith bought out his SBIC partner and became sole shareholder of Monona until he sold a majority position [92%] to a private equity firm in 1996.

Smith was a founding member of WHMA in 1993.

The program also features two hours of Best Practice Roundtables – a great way to learn pragmatic everyday business solutions from your peers; an in-depth look at economic factors impacting our specific industry by Brian Hirt, economist with Industrial Electric Wire and Cable; and a Suppliers Showcase to view the latest products and services critical to your business operations.

Throw in a golf outing, and plenty of social networking and you have no reason not to attend. Of course, especially for those of us in the northern tier, late February in Arizona is a much needed break from the winter season.

To register go to the WHMA website at www.whma.org or call Kathi at 952.253.6085.

Get Involved – Both Inside and Out of WHMA

It probably goes without saying, but this presidential election will be pivotal to the economic conditions facing our industry. Whatever your political persuasion, please get out and vote on November 4. We also need you to consider involvement in your professional trade association – WHMA. New Board members will be elected at the Annual Conference in February. We continue to need new blood

and ideas on the Board of Directors and the Advisory Committee. The groups meet three times a year and conduct occasional conference calls. If you are interested notify Jim Manke at jrmanke@associationsolutionsinc.com or call 952.253.6084.

Revised WHMA Web Site!!

We are excited to announce the launch of the new WHMA website! The web address stays the same as always – www.whma.org – but here are some of the updated features.

- New look, streamlined pages to provide the business information you need at the click of a button.
- Improved ability for members to upload multiple items to the Excess Inventory System to help you sell unwanted products, equipment, etc.

- Easier access to Regular member and Supplier member rosters to assist your business networking.
- Rotating Supplier member logos on every page – with links to their websites - for easier business support research and purchasing.

Visit the site today and give us some feedback.