

THE JLF JOURNAL

VOLUME 7, ISSUE 1

1/25/05



PEOPLE MAKE THE DIFFERENCE...

Over the past four years every manufacturer and distributor has spent extra time trying to answer the age-old question, "How are we going to make our numbers this year?" 9/11 changed all of our lives immediately. However, we had no idea exactly how much. The economy slowed, raw materials and shipping costs have soared and receivables were taking longer to collect. One item not so apparent was that buying habits have evolved. TED Magazine has reported that **we are competing in an emotionally driven economy.** Although customers may be attracted by location, promotions, quality and pricing, the determining factor is, has the buyer developed an emotional

connection with the company's people? "Customers recognize the commitment employees feel toward them and respond accordingly."



In addition to buying habits, we also know that the productivity levels at highly profitable distributors have increased tremendously. Employers have always looked for people with experience, creativity, analytical skills and problem solving capabilities. Today's Human Resource key is looking for people that can develop long lasting customer relationships.... In the end, People make the difference.

INDUSTRY INSIGHTS

- Chicago Lighting merges and moves in with Electri-Agency
- Larry Cotter opens new agency in Greater Chicago Cotter Electrical Connections, LLC
- 3M announces Bill Casey Sales Inc. as new manufacturer rep.
- Electric Golf Club's Dinner Dance and Awards Ceremony Sat. Feb. 12, 2005.
- NEMRA 35th Annual Conference will be held in New York Feb. 16-19, 2005.
- **JLF Now Stocking Simkar/CEW Ballast Kits**

Inside this issue:

We are competing in an emotionally driven economy.

Cycle counting is a practical alternative to annual physical inventory.

Meetings
"Less is More"

REPUBLIC WIRE
SHIPPING COMPLETE!

POWERING UP THE
NATION'S ELECTRICITY

JLF RECEIVES MASTER
AGENT AWARD FROM
SIMKAR



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WE'RE ON THE WEB
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"SERVICE AFTER THE SALE"

INVENTORY CONTROL: STOCKED ASSETS

The average distributor dreads annual physical inventory. Many electrical distributorships are either under automated or not automated at all. For such distributors, physical inventory of goods are a time consuming ordeal in which critical errors are not only possible but probable.

Cycle counting is a practical alternative to annual physical inventory. Cycle counting is counting the inventory in bits and pieces instead of tackling the whole ordeal at once. In addition

it will enhance accuracy because it provides a distributor with a more immediate accounting of the merchandise available in their warehouse.

Without cycle counting we really can't trust the inventory data on the computer screen because it may not take recent orders into account. Therefore first there must be a firm commitment on the part of all concerned to launch the program and tweak it to the point where it becomes a part of the daily warehouse duties.

Begin from wall to wall A to Z. Work from a sheet instead of the shelf. This will allow "mystery items" to turn up that are not documented in the system such as unclaimed special orders. Assign the job to someone with many physical inventories already behind them. Inventory is cash in the bank to a distributor and accounting for it should not be left to inexperienced personnel. Inventory is the single most important cash asset possessed by a distributor.

TED 12/04