

May Insights as the Industry Moves Forward

Prepared June 15th, 2020

COVID-19 ELECTRICAL DISTRIBUTION MARKET SENTIMENT SURVEY #4

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Overview

- ▶ Channel Marketing Group again collaborated with DISC CORP, Electrical Wholesaling, NEMRA, IMARK Group and others to gain insights from electrical distributors, manufacturers and manufacturer representatives on the state of the electrical industry throughout the COVID-19 crises.
- ▶ This report, our fourth, provides industry insights into:
 - May market performance
 - June projections
 - Sales activity for projects, inventory, prospecting and demand generation
 - Changes in office environments
 - And more
- ▶ The information is provided to share a “pulse” of the industry and insights into best practices.
- ▶ When the survey was launched, all states had opened, albeit in different phases. People were heading back into offices albeit concerns were starting about an increase in COVID cases.
- ▶ Overall the survey had over 450 respondents. 48.6% were employed by distributors, 30.4% were manufacturers and 21% were manufacturer representatives.

Executive Summary

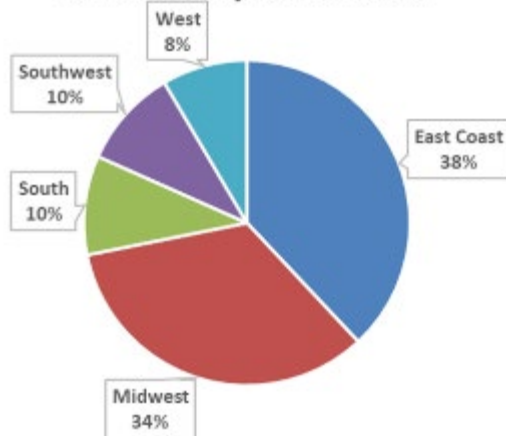
- ▶ The Channel Marketing Group / DISC CORP third COVID-19 Electrical Distribution Market Sentiment survey revealed a market that has stabilized.
- ▶ The market, overall, has stabilized. While the percent change vs April is nominal, more report “flat” or an improvement. Respondents were asked for June projections and this indicates continued improvement, albeit at a slow rate. Respondents shared June YoY projections (as expected, declines, but not as bad as feared in April.)
- ▶ Sales activity questions were asked. Project activity is slow, with some delayed / cancelled. Distributors express concern for the remainder of the year. Market segments were identified that could have greater growth rates.
- ▶ Manufacturer representatives and distributors are visiting customers. Some distributors are accepting manufacturer representative visits. Most are reluctant to accept out-of-town manufacturer visits. Visitation becomes more “open” in July. The process will change as “drop-ins” will be the exception rather than the rule for most distributors.
- ▶ The industry expects Teams / Zooms to be integrated into all processes through the end of the year for supply chain interactions.
- ▶ Some are engaging in creative demand generation.
- ▶ Office dynamics are changing for manufacturers, less so for distributors and reps. Some rehiring / new hiring is expected in June, but the “return to work” for furloughed staff is not occurring.
- ▶ Barring a serious COVID rebound in the fall, April should be the low point. The concern by many is for Q4 and Q1 2021 but slow progress is currently occurring.

MANUFACTURER REPRESENTATIVE



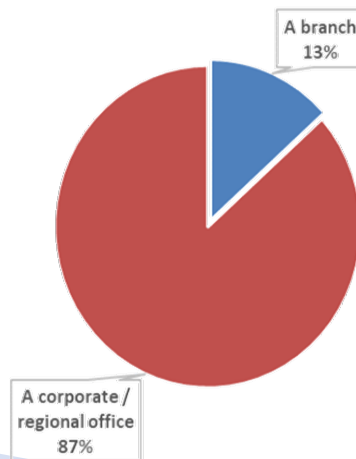
The Rep Workplace

Where are you Located?

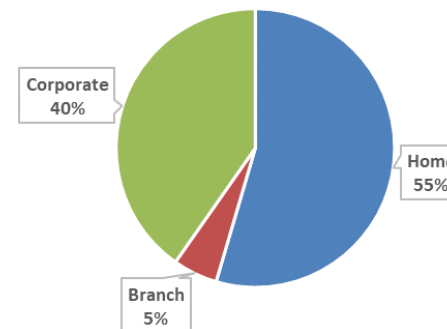


- ▶ 38% of respondents are based on the East coast, which opened the latest and where construction has been slow to rebound, which could account for the significant difference vs other audiences
- ▶ 34% is in the Midwest, which, given the protests, could have impacted performance
- ▶ Typically, 87% of rep respondents work from an office.
- ▶ Currently, 40% of them are working from their company's office and 54.64% are working from home.

Are you typically based from

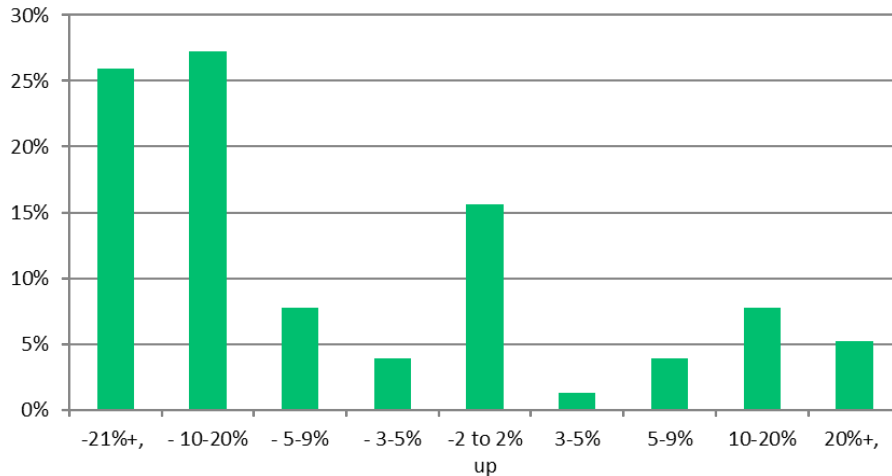


Are you currently working from company office or your home

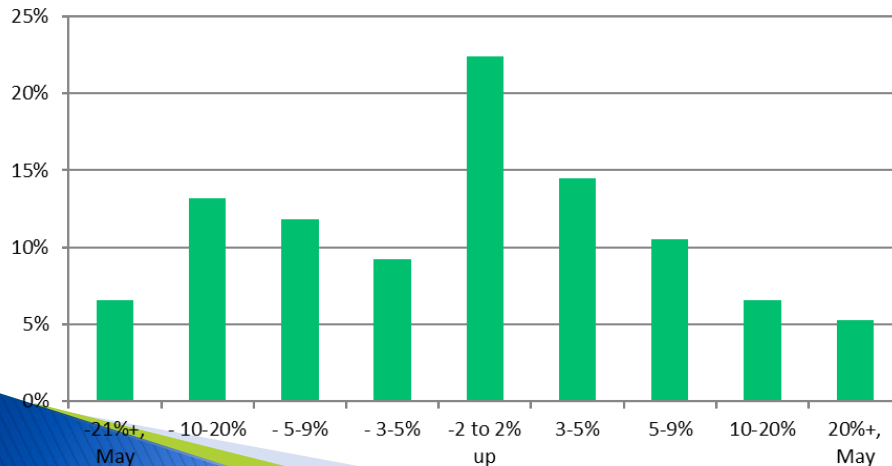


Sales Performance

April vs. May



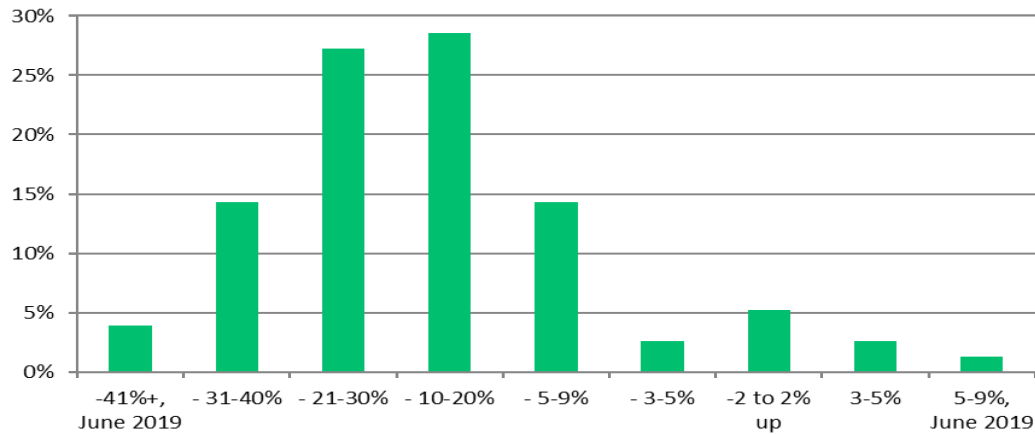
June Projected vs May



- ▶ On average, reps reported May down 8.5% from April with 53% reporting down more than 10%.
- ▶ This is a significant difference from distributor and manufacturer reporting and can be due to:
 - Regional responses
 - Projects
 - A potential decline in stock orders given distributor inventory levels.
- ▶ 19% of reps reported -5% to flat.
- ▶ Looking towards June, reps are expecting June to be essentially flat (-1.2%) versus May
 - Only 19.7% expect a decline of 10+%
 - 31.5% expect -5% to flat
 - 35.8% expect 3%+
- ▶ This correlates with distributor and manufacturer feedback and infers that April and May were the low months of COVID's impact

2020 vs. 2019 Sales Performance

2020 Estimates vs. 2019 Performance

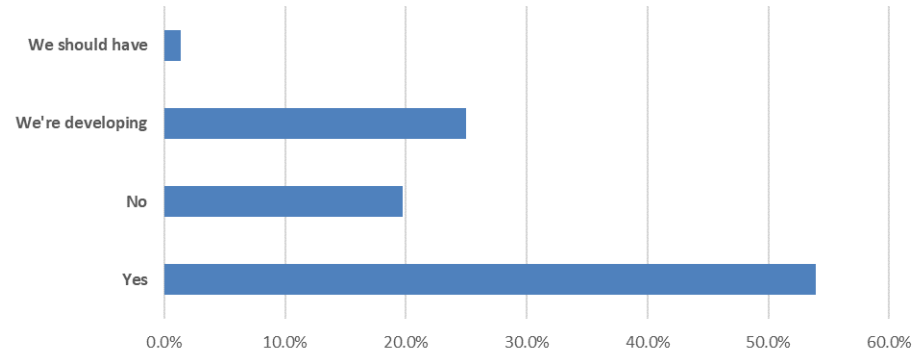


- ▶ In comparing June 2020 vs June 2019, manufacturer representatives expect 2020 to be down 18.8%
- ▶ 46.4% are expecting being down 20%+ with only 7.8% being down 5% to flat. Further, only 4% are expecting to be up more than 3%.
- ▶ The inferred decline approximates those from manufacturers and distributors and is based upon “guesstimates” given none probably reviewed actual sales performance. Even still, the decline is less than what was projected in April.

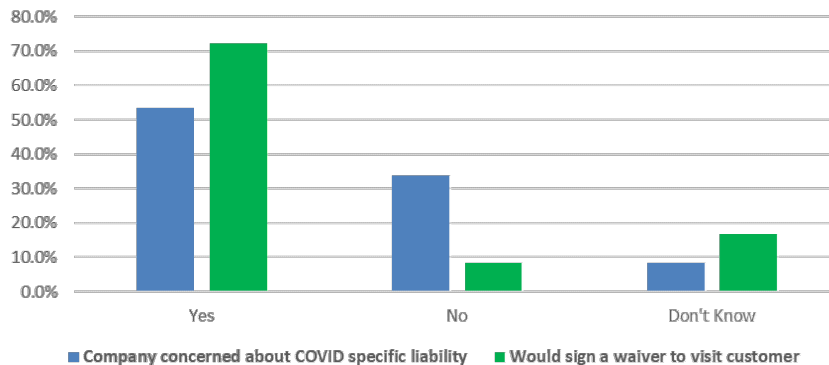
COVID Policy and Liability

- ▶ In preparation for a “return to work”, many companies have developed written COVID-related safety policies.
- ▶ To date, 54% of reps have a written policy with another 25% in the process of developing such policies.
- ▶ This is important to help set organizational guidelines and to mitigate future misunderstandings.

Does your company have a written COVID Safety policy



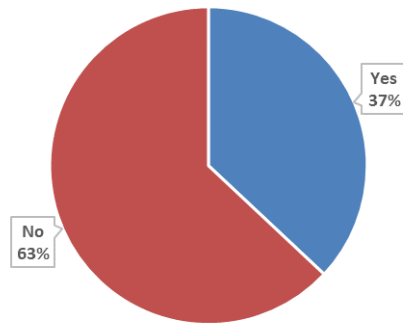
COVID Liability and Waivers



- As part of a return to work strategy, some expressed concern if employees “catch” COVID at work. Congress is to consider mitigating this, however, this has not occurred yet.
- 54% of rep respondents shared their company is concerned about this liability
- 72% stated they would sign a waiver of liability in order to visit a customer.

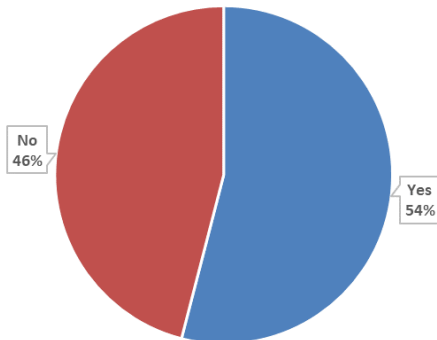
Distributor and End User Visits

Have you begun to visit distributor branches



- ▶ 37% of manufacturer representative respondents have already visited distributor branches.
- ▶ The viability of visiting a branch is variable across the country, let alone within a distributor's branch network.
- ▶ Some are able to go inside, some have meetings outside. Some are following CDC guidelines; others are not concerned. This is a case of "know your distributor", however, feedback from distributors is that meetings must be more "valuable" than ever and "walking the branch" is not typically an option.
- ▶ 54% of manufacturer reps have visited contractors / end-users. Many times this is job-site visits (and hence outdoors).
 - While the percentage is surprisingly high, it should not be inferred that "lots" of customers are open to visits as feedback is that visits are being requested to address issues.

Have your sales teams started to visit end users, contractors and influencers?



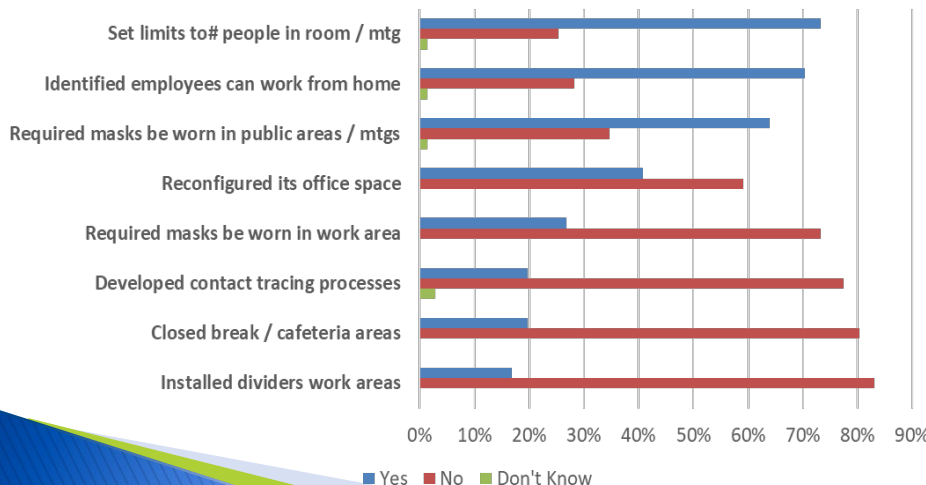
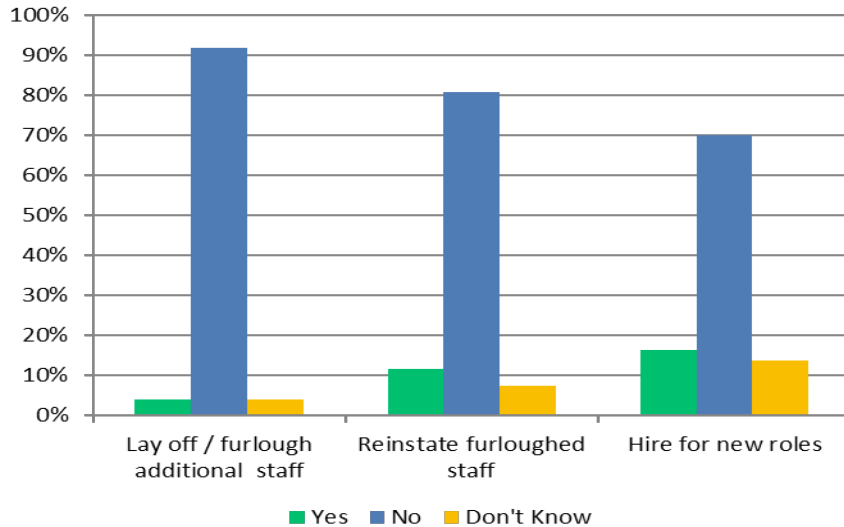
Opportunities

- ▶ When asked about product applications or market segments that they will prioritize over the next 6-9 months, manufacturer representatives feel these represent opportunities (more are detailed in the Appendix):
 - Healthcare
 - Wastewater
 - Food processing
 - Pre-fab, especially with reduced productivity due to social distancing on the jobsite. This also correlates with other productivity-oriented products.
 - UVC lighting
 - Industrial
 - Infrastructure projects, as these are funded with public money
 - Safety-related initiatives
 - Datacenters
 - Design/build and renovation initiatives

Demand Generation Response

- ▶ Manufacturer representatives were asked about creative demand generation initiatives to retain visibility with their distributors and contractors / end-users.
- ▶ For an audience that traditional has not done much marketing, many have “stepped up” and developed home-grown videos, adapted to social marketing and become a little “creative” as creativity creates remembrance and gets through eClutter.
- ▶ Detailed feedback is in the Appendix. Some observations are:
 - Essentially all have used Microsoft Teams (or Zoom) for meetings as well as to conduct product training.
 - Creation of agency / individually produced videos
 - Social media marketing
 - eMarketing / eNewsletters
 - Sending samples and videos (or Zoom meetings)
 - Development of eLearning curriculum with gift card rewards for participating
 - Online poker tournament to retain visibility and remembrance
 - Remote “lunch `n learns” – ““deliver” lunch (or send gift card) and then webinar)
 - Lunch in parking lots and branch locations
 - Distributor tailgate parties

Human Resources and Office Dynamics



- ▶ While some reps had furloughs and lay-offs, only 4% feel that they will have additional layoffs in June.
- ▶ Further, only 12% expect to bring anyone furloughed back in June, however, 16.4% expect to hire for new roles / additional staff in June. This could be due to growth or new personnel opportunities.
- ▶ From an office dynamics viewpoint,
 - 73% are limiting meeting room capacity
 - 70% are allowing more people to work from home
 - 64% are requiring masks in meetings but only 27% require masks in workspaces.

With many working from home, regional visits may change or will require people coming to the office

Data Sources

More and more data plays a key role in identifying opportunity and measuring performance. Consideration of salesperson effectiveness is now more complex than just revenue and margin.

Information Sources	Responses
Manufacturer supplied information	80.0%
Trade publications	60.0%
Industry specific forecasting databases (such as DISC)	60.0%
Commodity pricing	60.0%
Information from associations	58.6%
Construction employment data	52.9%
Business confidence indices	38.6%
Local building permit information	34.3%
Advice from economists such as ITR and IHS	34.3%
Specific key metrics (i.e. oil rig count)	24.3%
Data mining for product gap analyses	18.6%

- ▶ Other cited data sources
 - AIA Billings index
 - Dodge Reports
 - Construction Journal
 - Direct information from project managers and owners
 - Builders Exchange and IBEW Bench Data
 - Constant contact with the marketplace, Distributors, Contractors and Specifiers.

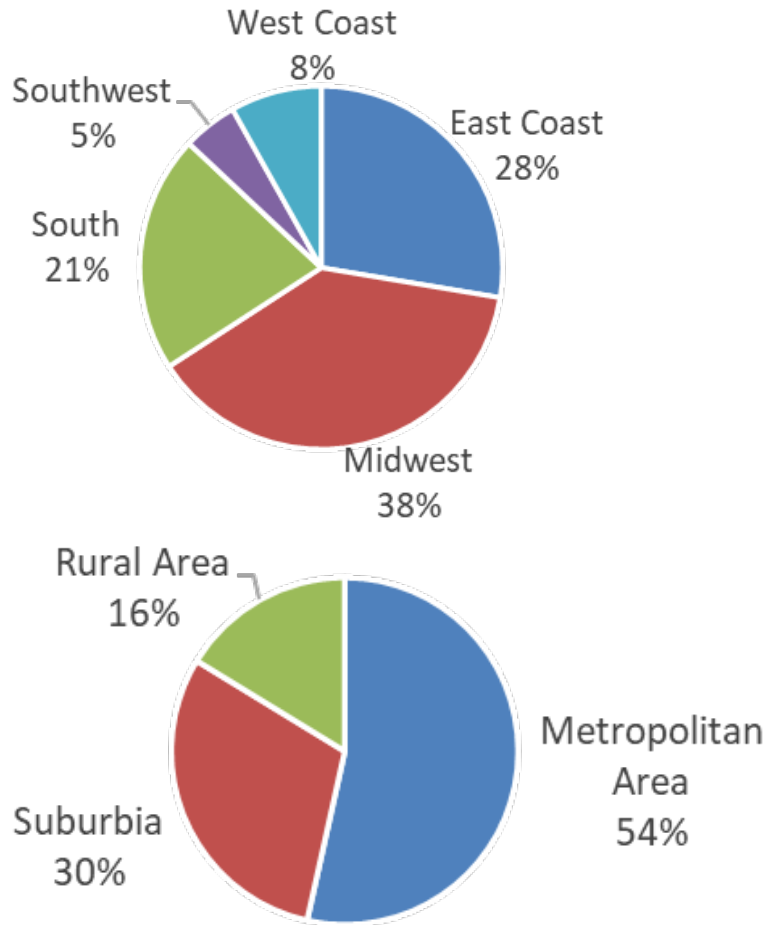
Looking Forward

- ▶ As representatives consider the remainder of the year, questions and concerns include:
 - The impact of COVID, and the protests, on the electrical market for the remainder of the year. Will projects be delayed? Cancelled? What is the pipeline for new projects 6 months from now? Will the protests impact inner city project investments (i.e. office buildings) due to “work from home”?
 - Concerns for second half project funding, especially privately funded projects
 - Productivity on jobsites due to OSHA / COVID influenced regulations and guidelines
 - Safety for staff
 - Distributor and contractor / end-user visitation policies
 - If projects decline in the second half, the impact on the future of some branches and distributors. Will this increase closings / mergers?

DISTRIBUTOR INPUT

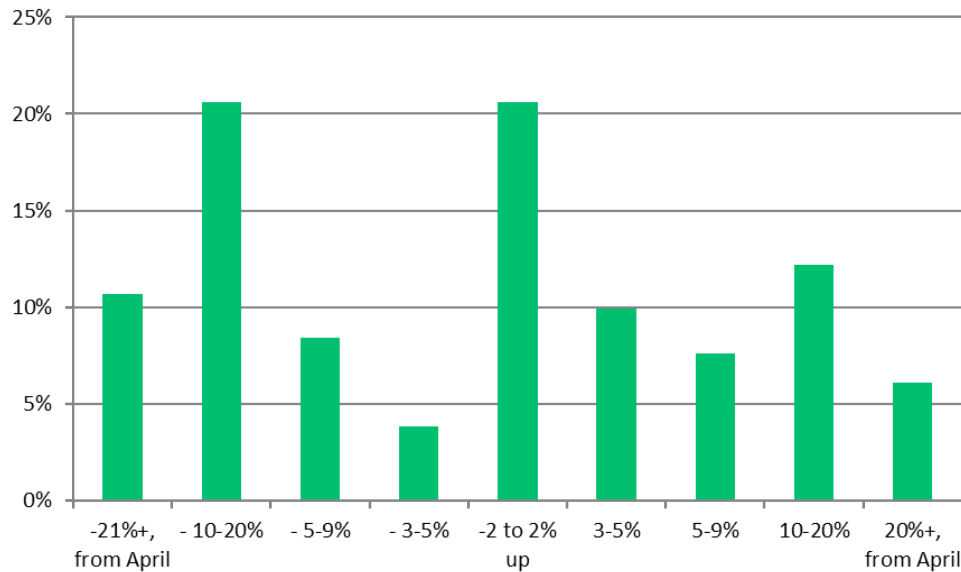


Respondent Profile



- ▶ 28% of respondents are from the East Coast and 38% are from the Midwest.
 - Only 5% of respondents are from the Southwest, down from 7%, which impacts the ability to generalize this markets performance.
- ▶ 54% of respondents are from Metropolitan areas and 30% are in suburban areas.
- ▶ 49% of distributors sell primarily through contractors and are predominately construction market or other markets served via contractors.
- ▶ 36% state their business is “well-balanced”, essentially 50/50 contractor vs direct to end-user
- ▶ 15.5% sell to industrial accounts.

May Performance v April



- ▶ 32% of respondents reported a decline of more than 10%
- ▶ 25% report nominal impact, defined as -5 to flat.
- ▶ 43% of respondents report up more than 3%, there are many that have seen a turnaround.
- ▶ Overall, on a weighted average basis, distributors reported a decline for the month of 2.2%.
- ▶ This is consistent with the forecast from the last survey which projected a nominal decline.

May Regional Performance

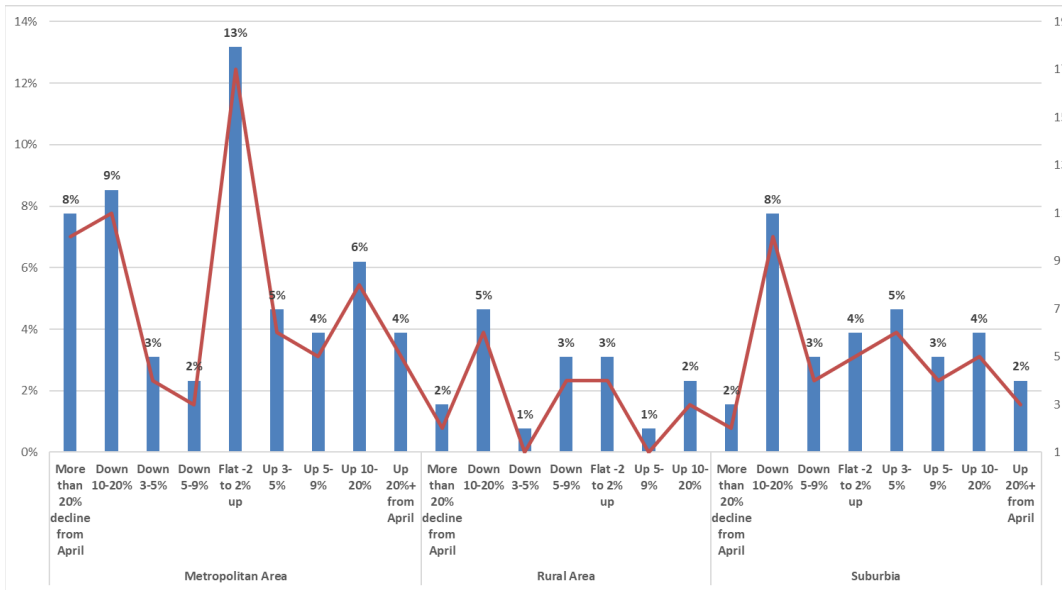
- ▶ On a regional basis, the weighted average performance, was:
 - East 1.3%
 - South -0.3%
 - Southwest 2.5%
 - Midwest -4.9%
 - West -3.7%,

Note: This information is based upon the number of members reporting in each geographic area. The number of respondents per area differs. Further, these percentages are not based upon revenue, they are based upon the number of members reporting in each area, hence the revenue correlation could be greater or less.

Changes in Geographic Performance Survey Survey 4 Comparison

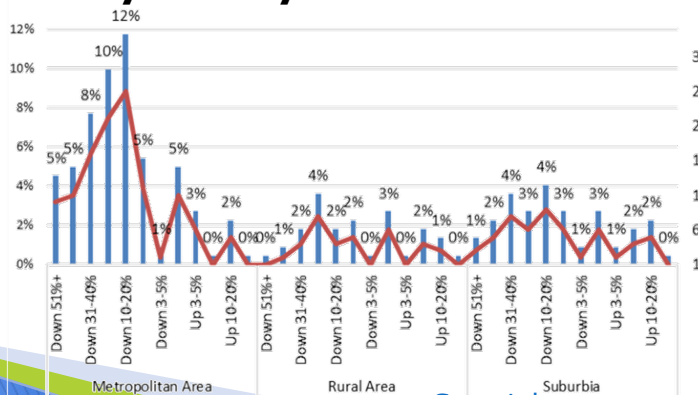


June Survey Results



- ▶ The red line represents the number of responses and the columns are the percentage of total nationally.
- ▶ We are seeing some positive movement in the Metro areas.
- ▶ Rural and Suburban continue to have similar profiles to prior month.
- ▶ The expectation is that as business open these trends will continue to improve.
- ▶ A second wave of COVID-19 could materially impact future results.

Mid May Survey Results



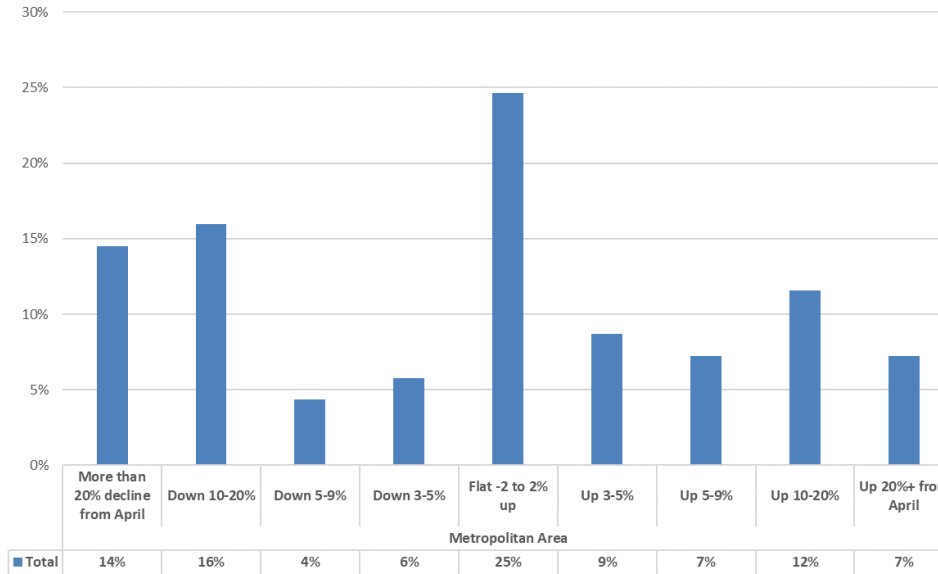
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Metropolitan Areas Performance Survey Comparison – Metropolitan Markets

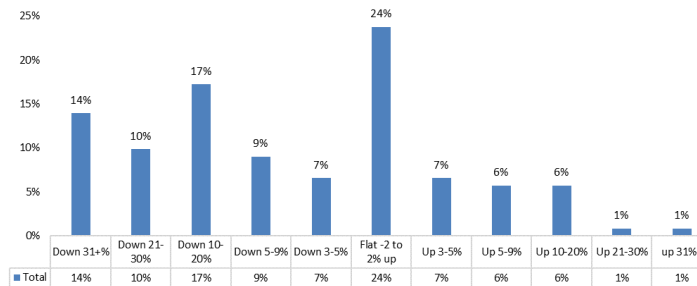


May to Mid June Survey Results - Metropolitan Sales



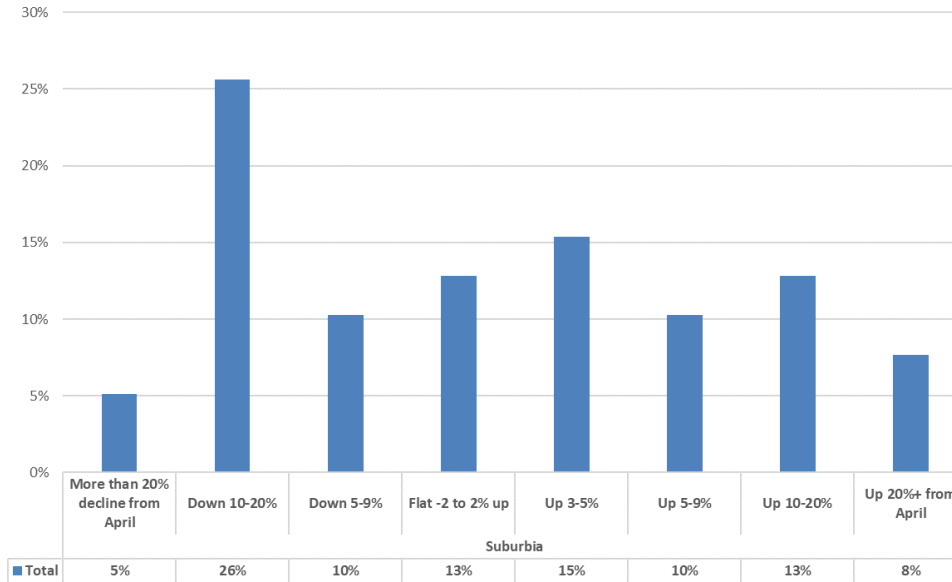
- ▶ Greater than 24% of Metropolitan respondents were reporting declines of greater than 20% in May. Only 14% are now reporting similar declines. Very Positive Movement.
- ▶ There is good improvement in responses reporting better sales month over month with 35% reporting 3% or greater growth vs 21% last period.

Mid April to May Survey Metropolitan Sales



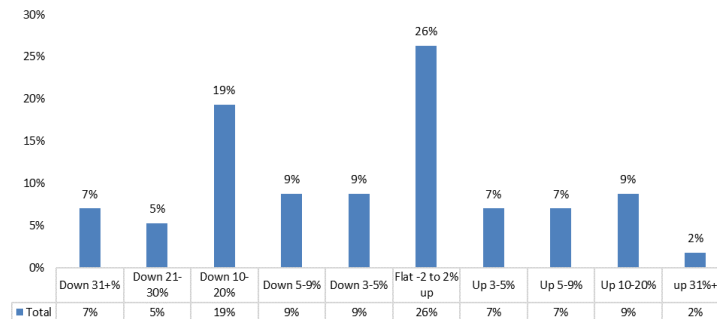
Suburban Performance Survey 3 v Survey 4 Comparison – Suburban Markets

May to mid June Suburban Sales



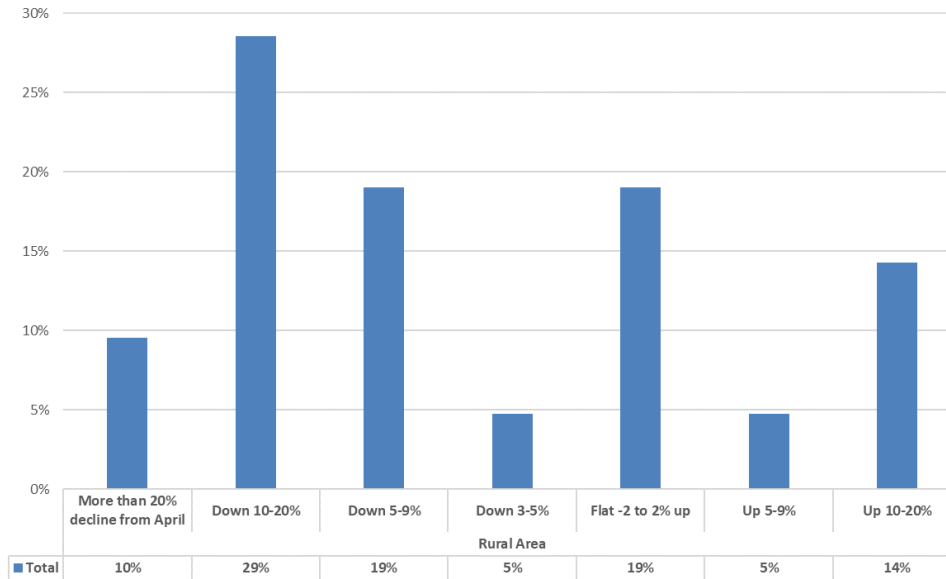
- ▶ 31% of responding Suburban Distributors are continuing to report declines of greater than 10%. Flat to last month's survey.
- ▶ Flat to improved sales moved to 59% from last report of 51%, a mild improvement.
- ▶ These results could continue to improve provided a second wave of COVID-19 does not impact positive movements

April to May Suburban Sales

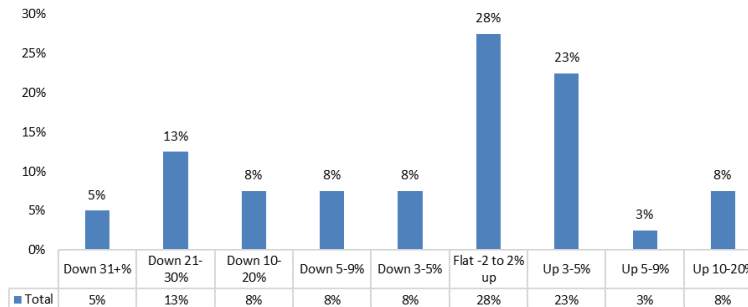


Rural Areas Performance Survey 3 v Survey 2 Comparison – Rural Markets

May to mid June Survey Rural Sales



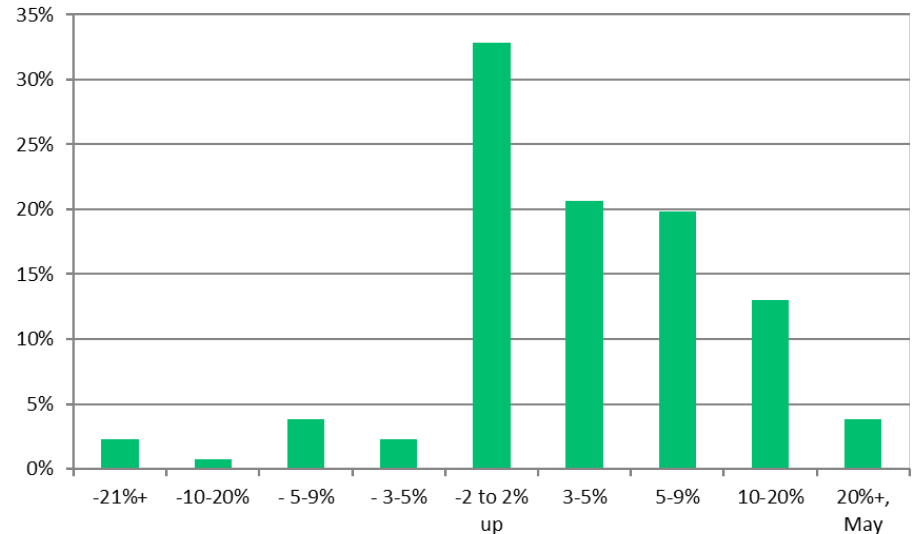
April to May Survey Rural Sales



- ▶ Rural areas continue to outperform other population centers, declines exceeding 10% were impacting greater than 26% of respondents in May. Now those strong declines are being reported by only 10% of respondents
- ▶ 38% are now reporting sales gains greater than 2%, these companies are in areas that have not been impacted as much by travel and population density.

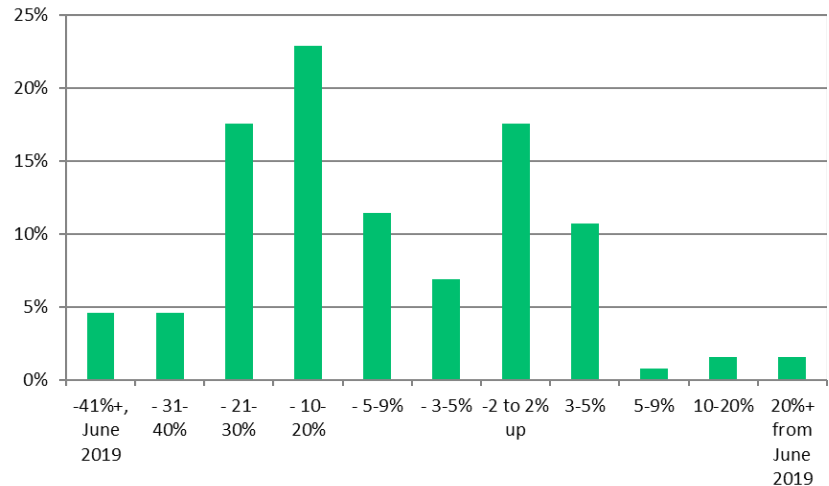
June Outlook v May

- ▶ Distributors were asked about their outlook for June, comparative to May.
- ▶ Respondents expect an increase of 3.4%.
 - Only 10% expect a continued contraction, and this could be either due to projects or specific circumstances.
 - 33% expect their business to be flat, which is an indication of market conditions.
 - 57% expect 3+% increase, indicating a turnaround



June 2020 v June 2019

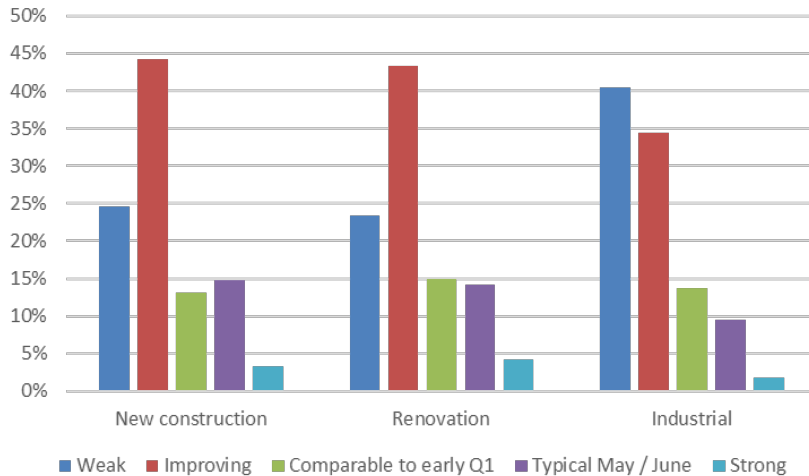
- ▶ When asked to consider their business from a year-over-year viewpoint, distributors are expecting their business to have “only” a 11.5% decline.
- ▶ “Only” is used as a relative term as 60 days ago the market expected the decline to be much worse.
 - 50% of distributors expect their business to be down more than 10%. Much of this is geographic or due to specific reasons (i.e. oil in the Southwest)
 - 17% expect their business to be flat vs 2019
 - 16% expect some increase



Additional Sales Dynamics

- ▶ Distributors reported:
 - Backlogs
 - 32% had a reduction in their backlog. This is due to “working it down” / shipping now.
 - 27% had an increase in their backlog, indicating they have won projects for the second half of the year
 - 40% report a “normal” backlog for this time of year
 - Prospecting / New Customers
 - While 64% of distributor respondents report their company has prospected for / acquired new customers, only 37% shared they have opened new accounts that they expect to have longer-term and have a “reasonable” credit line, indicating the potential to be a “reasonably good sized”, repetitive account.
 - The reason for the discrepancy is that distributors had customers reach out for selected SKUs / opportunities, possibly due inventory (especially PPE items or to serve healthcare construction needs), however, these accounts may not have sales relationships with the company and/or already have existing relationships.
 - Identifying which accounts are viable for longer-term strategies for account retention / relationship building could significantly impact longer-term growth. This is where Marketing and Sales can collaborate to develop engagement strategies.
 - Only 40% of respondents report their company has a CRM system

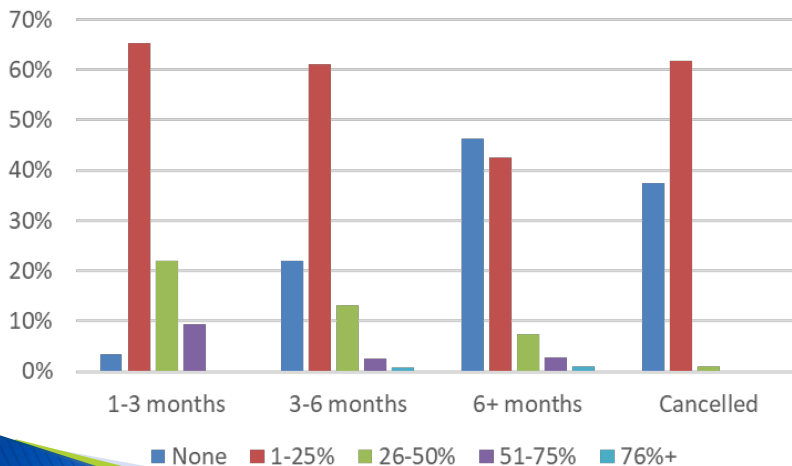
The Project Market



- ▶ The project quotation market is improving
 - Only 25% report new construction weak.
 - 23% report renovation market weak
 - 40.5% reporting the industrial market being weak

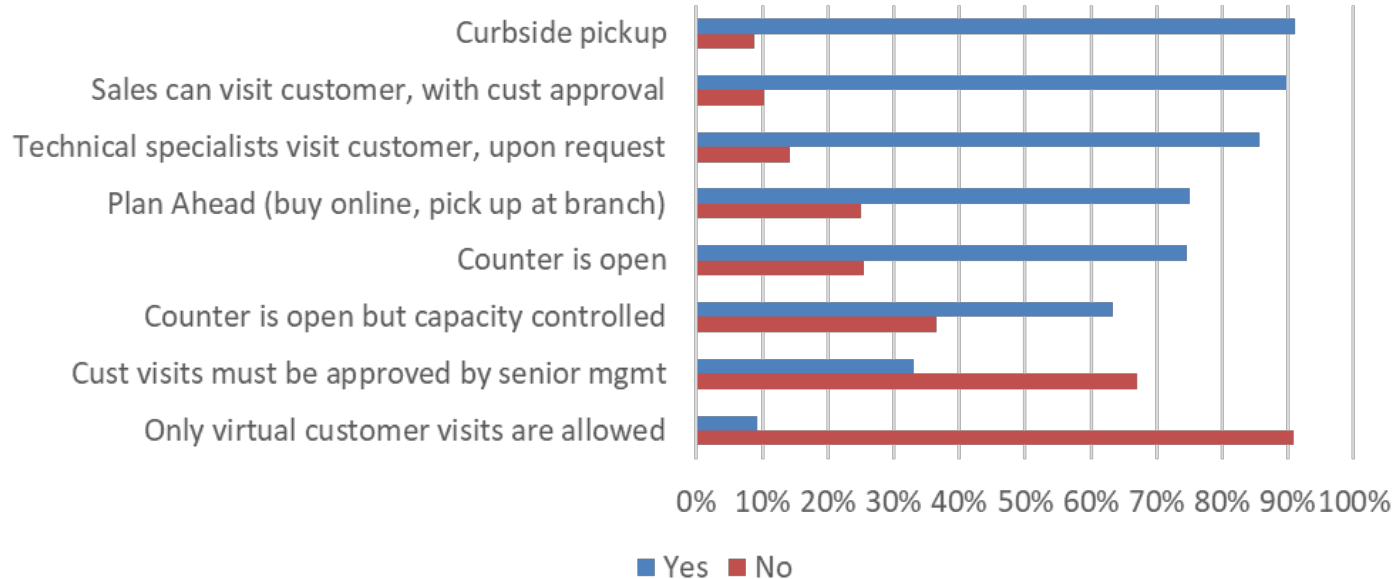
The question then becomes, what percentage of these projects, especially new construction, are funded?

- ▶ When asked about delayed / cancelled projects



- Some projects are delayed 1-3 months, which is expected given state closings as well as reduced productivity due to jobsite social distancing.
- Of concern is that looking 6+ months 43% have up to 25% of projects being delayed.
- Further, 61% report that they have some projects that are being cancelled.

Customer Interaction



- ▶ Distributors are expanding their customer touchpoints.
- ▶ 91% of respondents state their companies are continuing with curbside pick-up, providing the customers “choice” and expanding the notion of “omni-channel”
- ▶ 90% are allowing their sales organization to visit customers, with customer approval.
- ▶ 75% have opened their counters and 63% of counters are capacity controlled
- ▶ Only 33% of respondents share that customer visits must be approved by management.

Marketing Successes

- ▶ Over the past 60 days companies have sought ways to market to their companies. Some stayed “tried and true” and delegated this to their salespeople, others have become marketers and reached out electronically. Some creatively, some through consistency with emails and product webinars.
- ▶ In prior surveys we’ve been asked to solicit “what has worked?” Feedback now includes:
 - Marketing COVID-related products
 - eMails – blast as well as tailored based upon audience.
 - Product webinars and some have developed eLearning curriculums where they are also rewarding customers for ongoing attendance with gift cards
 - A distributor launched a purchase-based promotion with rewards being “@home” and social distancing rewards
 - Communication of, and incentives to, purchase online
 - Having lunches delivered to customers as “appreciation” for the relationship. Sometimes this is a “remote lunch `n learn”
 - Sales incentive initiatives tied to specific goals to “keep it fun” and create sales engagement as they work from home
 - Virtual happy hours, with beverage mixers delivered to invitees
 - Promotions focused on specific “in demand” items
 - Distributors who were offering travel programs have converted to other type of reward initiatives.

Opportunity Areas

- ▶ Distributors were asked what product applications or market segments they were prioritizing to accelerate their growth over the next 9 months. Detailed feedback is in the Appendix and should be correlated with input from manufacturers and distributors.
- ▶ Potential opportunities include:
 - Lighting, especially UVC / germicidal
 - From a product perspective, PPE and other “COVID-related products
 - Lighting retrofits as well as energy initiatives supported by local rebates
 - Industrial, especially as it relates to automation
- ▶ 51% of respondents state that their sales team is specifically asking customers, general contractors, architects, engineers and other influencers about business opportunities that would occur Q3, Q4 and Q1 2021. Essentially, asking them about what they are working on / bidding on as these are “pre-funded” initiatives and could be projects that are “in the pipeline.”
 - Some have formal initiatives. Some are asking incidentally
 - The goal is to generate a comfort level with future revenues.

Information Sources

- ▶ To support their forecasting and market / opportunity development needs, distributors need customer insight as well as market insight.
- ▶ 61% rely on their manufacturers for some information with trade publications and associations / marketing groups also being sources of information.
- ▶ Many take a “ground up” perspective and speak with customers, albeit, historically, this is from a limited group of customers (the limitation being “speaking”). Further, the information may be “filtered” through sales.

Information Sources	Responses
Manufacturer supplied information	61.5%
Trade publications, Information from associations	56.9%
Commodity pricing	54.1%
Industry specific forecasting databases (such as DISC)	44.0%
Advice from economists such as ITR and IHS	44.0%
Business confidence indices	43.1%
Construction employment data	43.1%
Specific key metrics (i.e. oil rig count)	33.9%
Local building permit information	32.1%
Data mining for product gap analyses	29.4%

Sales Metrics & Compensation

- ▶ Many have commented over the past few months about the future role of outside sales as well as the ability to sustain outside sales compensation levels if outside sales cannot physically interact with customers.
- ▶ While survey data reveals that sales is starting to physically re-engage with customers, the chart on the right highlights how company are measuring their outside sales organization.
- ▶ 20% report that they have altered sales compensation plans. Some have:
 - Lowered commission rates
 - Adjusted / limited / eliminated travel and car allowances
 - Converted to salary, or to total commission
 - Reduced draws
- ▶ For those who have CRM systems, they are seeking to become more “disciplined” in monitoring metrics and requiring calls on a broader number of customers

Sales Metrics	Responses
Total sales	81.5%
Total gross margin dollars	75.3%
Gross margin %	72.8%
# Project quotations	43.2%
# Customers with sales	28.4%
Outbound calls	28.4%
# New accounts	28.4%
Feedback for specific customer insight questions	27.2%
Overall project close ratio	23.5%
# Contacts added to customer lists	23.5%
Average # of minutes / call	6.2%
# Minutes on calls	2.5%

Will Outside Sales Change?

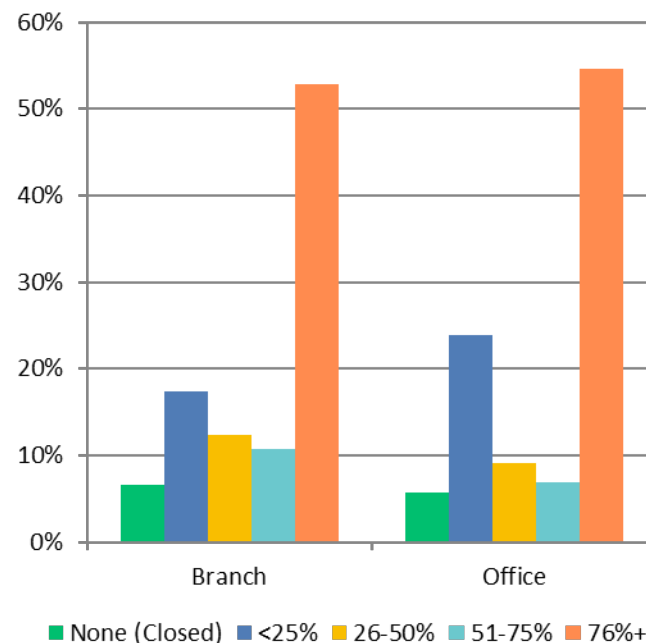
- ▶ Distributors were asked if they see the role of outside sales changing through the remainder of 2020.
- ▶ There is a wide range of responses (detail in Appendix) to:
 - No change as we get back to work
 - Being more account management
 - Focused on key account relationships
 - Identified accounts where need to strengthen relationships
 - Converting “sales” to inside roles
 - Customers becoming more comfortable with contacting inside sales / specialists
 - Will need to become comfortable with Teams / Zoom.
 - Need to identify reasons why to see customers (inferring value-driven vs “drop-ins”)
- ▶ For most distributors, outside sales has been more focused on their account basket, hence a defined set of customers and an even smaller set of relationships. Few companies have outside salespeople “focused” on account acquisition. This focus historical focus on relationships will help in retaining existing business through the remainder of the year. The challenge will become as people change within customers and building / expanding relationships if the sales organization is dependent upon electronic interaction for business development engagement.

Operational Insights

- ▶ Distributors shared:
 - Inventory
 - Only 29.6% expect to increase their inventory due to their market “reopening” with 62.4% responding “no”. Inventory levels may be sufficient due to lack of demand in April.
 - 10% have reduced their inventory significantly
 - 36% have reduced slightly
 - 11.8% have increased inventory with 42% stating inventory levels are “normal”
 - Manufacturers should not expect a sales “bounce” due to distributor re-inventorying
 - Receivables / Cash Flow
 - 79% report that they have not had an increase in the number of customers being put on hold, which is positive as there is concern about customer payables and distributor cashflow
 - When specifically asked about receivables / DSOs, 41.6% stated they are “normal”
 - Only 9% had significant number of customers paying late or short-paying them
 - 29.6% had some paying late
 - 20% shared it is a “small” issue

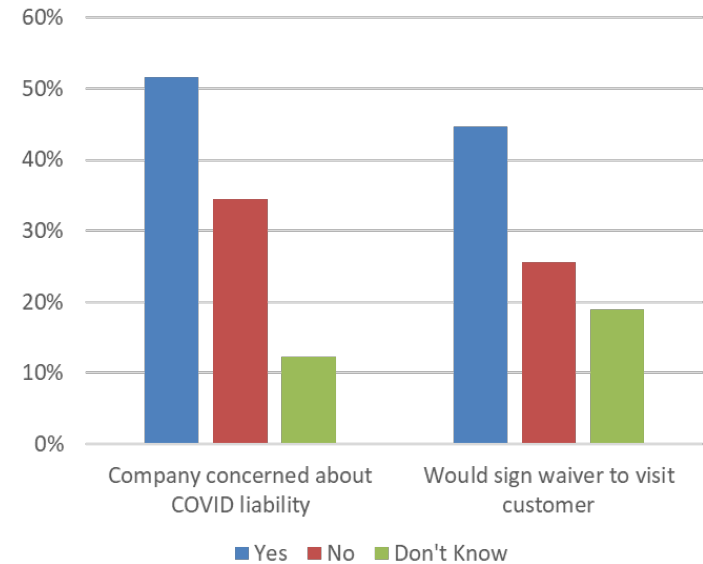
Moving Back into the Office

- ▶ With states reopening, even with capacity controlled “phasing”, distributors are “back in the office.” This may differ by distributor but, with rare exception, distributor branches are staffed with warehouse and office workers and corporate offices are more likely to be open and be staffed by a number of people.
- ▶ To gain insight, the survey inquired about the work and office environments:
 - 65% of distributor respondents report their company has a formal, written, COVID-related safety policy with another 14% sharing their company is developing a policy.
 - 75% of respondents typically work from an office and 25% work at branches
 - 59% are currently working from their office, 19% are in their branch and only 22% are working from home!
 - When asked “what % of non-warehouse personnel are working from the office”, the chart at the right highlights – most!
 - 44.5% say all / most of outside sales is working from home but 36% say they are in the office.



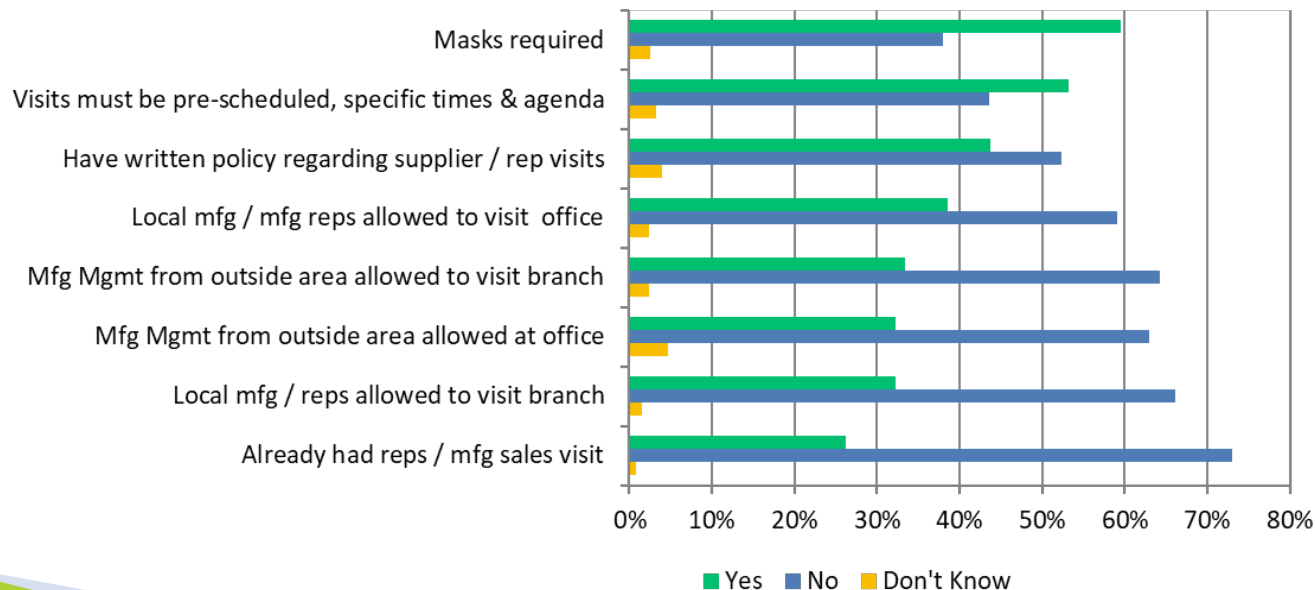
COVID Liability

- ▶ Within larger companies there has been concern about the potential of companies incurring liability if employees contract COVID at the workplace. The issue is being discussed in Congress and companies have taken various sides in determining if they want to offer contact tracing.
- ▶ Due to this concern, some companies' legal departments are being cautious.
- ▶ 52% of distributor respondents mentioned that their company is concerned about COVID liability with 12% not knowing.
- ▶ 44.6% of respondents stated they would sign a waiver of liability to visit a customer and 25.6% stating they would not.



When Can Visit?

- ▶ Manufacturers have asked “when can my salespeople / I visit a distributor?” The answer differs by distributor.
- ▶ Survey shows that distributors are more open to meeting with local reps and are reticent to meet with manufacturer personnel from outside their area (inclusive of Regional Sales Managers.)
- ▶ Some distributors have already met with reps; some are requiring appointments; others are more receptive in July.
- ▶ As can be seen, visitation requirements will change:

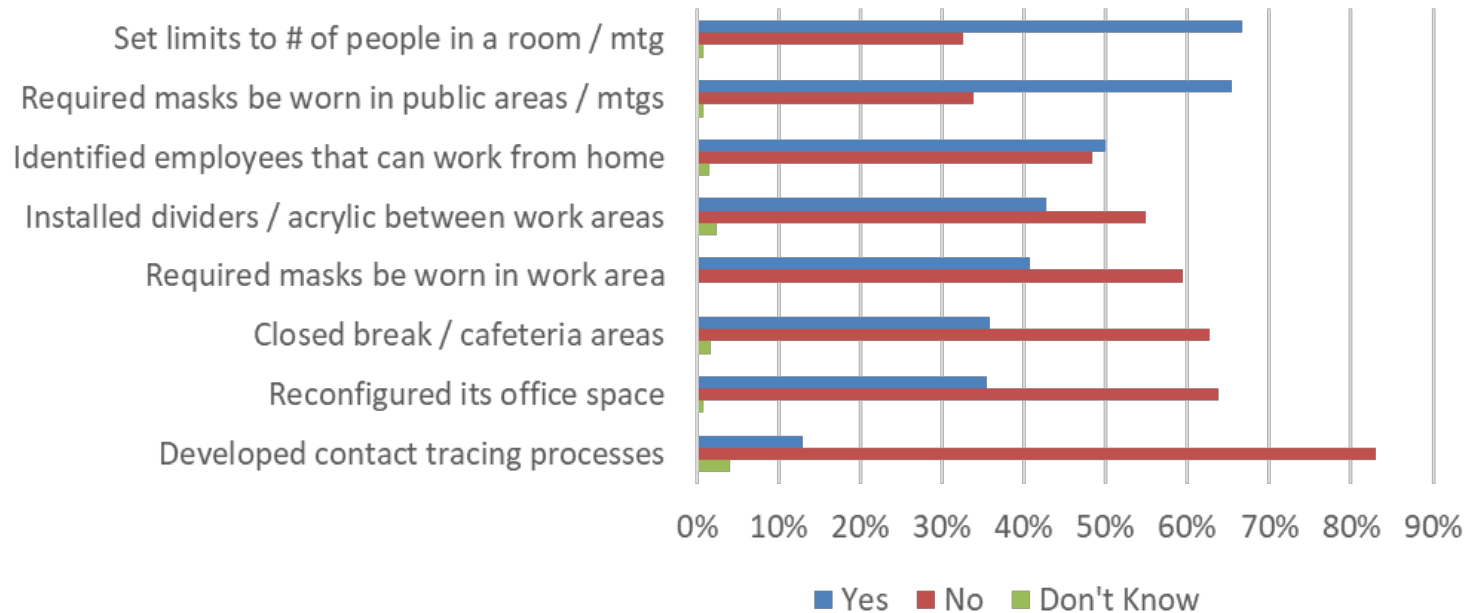


Visitation Insights

- ▶ Distributors also shared additional insights, which are documented in the Appendix. These include:
 - Some will revert to “normal”, especially with reps whom they know and value
 - Some require meetings to be scheduled and an agreed upon agenda.
 - CDC / distributor safety guidelines will need to be adhered to which may include masks, hand washing and limitations to the number of people in a meeting.
 - A few commented that Zoom / Teams works for most meetings and will become part of their “norm”, except if there is a reason for a “face to face” (F2F)
 - One commented that COVID provides an “excuse” to limit visits and that it is improving their inventory management (less discretionary purchasing)
 - Some commented that “it depends” upon the value participants bring to the meeting
- ▶ When asked “when” visits allowed, distributors shared:
 - 28% in mid-late June
 - 39% state July
 - 19% say August
 - 14% September

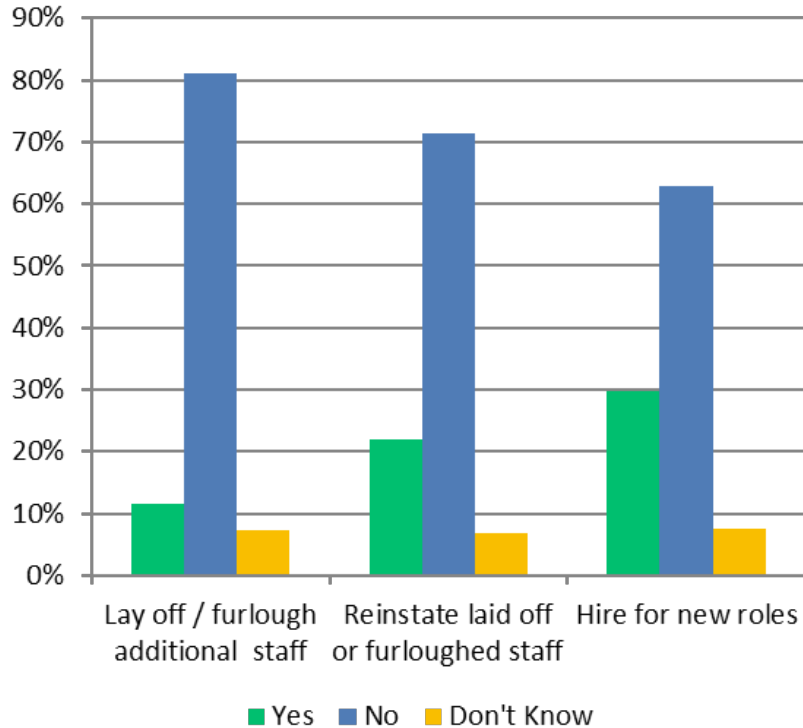
Distributors also commented that they are concerned about people from outside their geographic area bringing the virus into their market as well as being responsible for putting someone in the position of traveling and risking catching the virus.

Office Dynamics



- ▶ Distributor office environments are not changing dramatically.
- ▶ They will be
 - Limiting the number of people in public areas / meeting rooms to be socially distance
 - Many will be requiring masks in public areas
 - 50% are identifying employees who can work from home either regularly or periodically.
- ▶ Only 40% of respondents say their company is requiring masks.

Employment



- ▶ Since April, many distributors have furloughed or laid off staff. For many, the furloughs were done with the intent of bringing staff back when PPP required (end of June). With PPP guidelines changing, these expectations may be changing, or, decisions could be influenced by the reduced business environment.
 - Almost 12% of respondents state their company expects additional lay-offs in June.
 - Only 22% expect to reinstate furloughed staff in June.
 - 30% expect to hire for new roles / new staff
- ▶ Companies with strong financials and growth opportunities are being opportunistic in adding / upgrading talent or staffing for new roles.

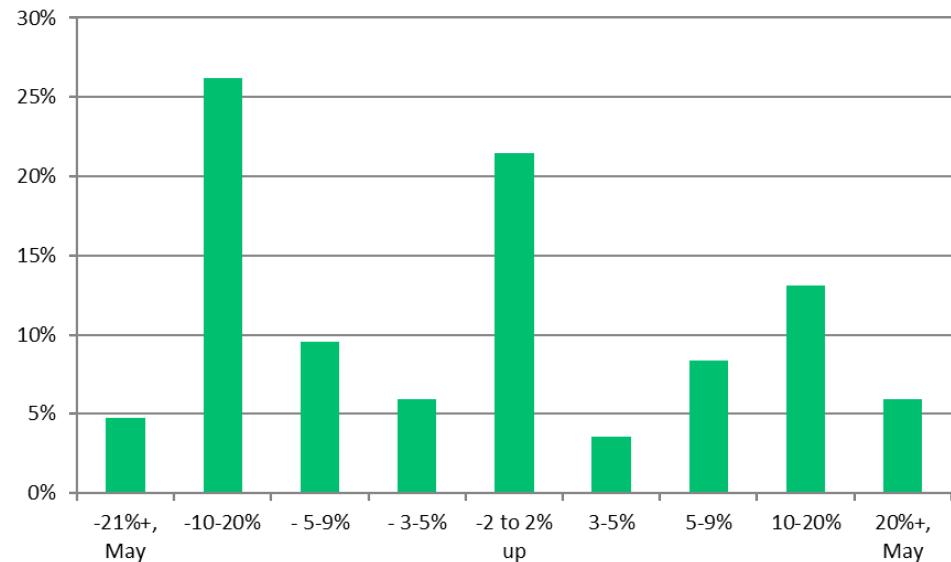
Concerns Going Forward

- ▶ Looking forward, distributors expressed concerns regarding:
 - Impact of a second wave of COVID-19
 - Construction activity for Q3 and Q4
 - Safety for their employees
 - The role of outside sales, and in some cases the skills of their salespeople, to adapt to the “new” sales engagement process (less face-to-face, more electronic)
 - Impact of oil price decline on the Southwest and how long this could last
- ▶ A few expressed concern about the impact of the protests on the economy from a safety viewpoint (COVID spread).

MANUFACTURER INPUT

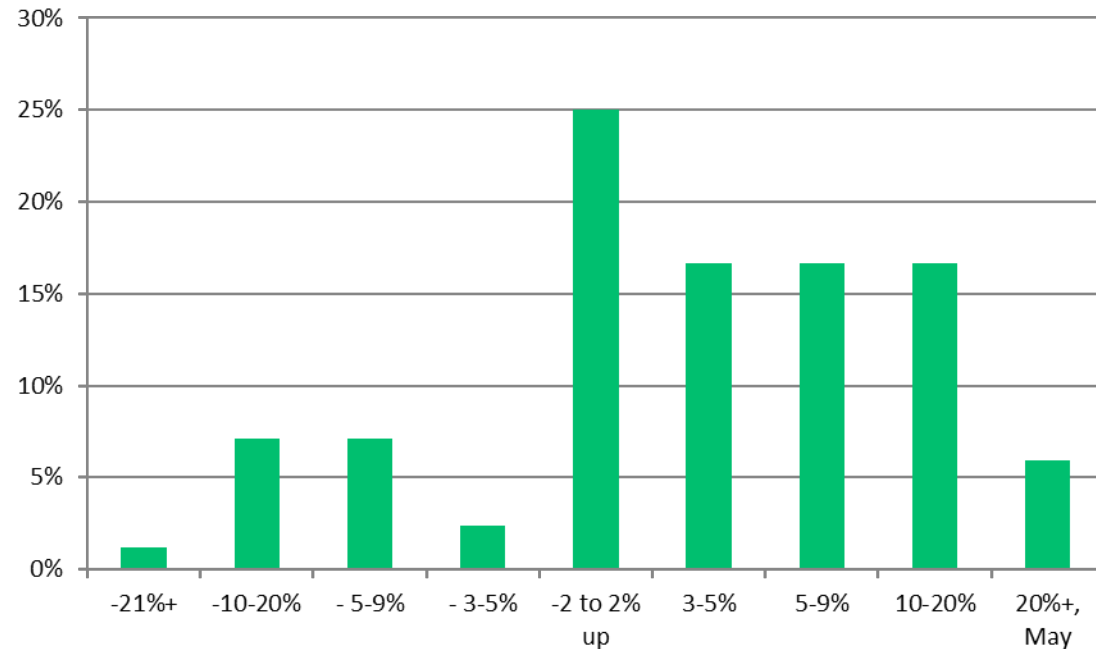
May Performance vs April

- ▶ 40% of manufacturers reported a decline of more than 10 from their April performance.
- ▶ 28% report nominal impact, defined as -5 to flat.
- ▶ 32% report a 3%+ improvement from April's
- ▶ Overall, on a weighted average basis, manufacturers report a decline for the month of 1.84%.
 - This is consistent with projections in our last survey where manufacturers projected "flat or a slight decline" The difference could be in the manufacturers that are reporting as well as the lack of projects from major markets.
 - Improvement is also consistent with anecdotal distributor feedback that quotation activity has increased, counters have opened and that many of them have had business improvement, although this is still distributor specific and can be geographically focused.



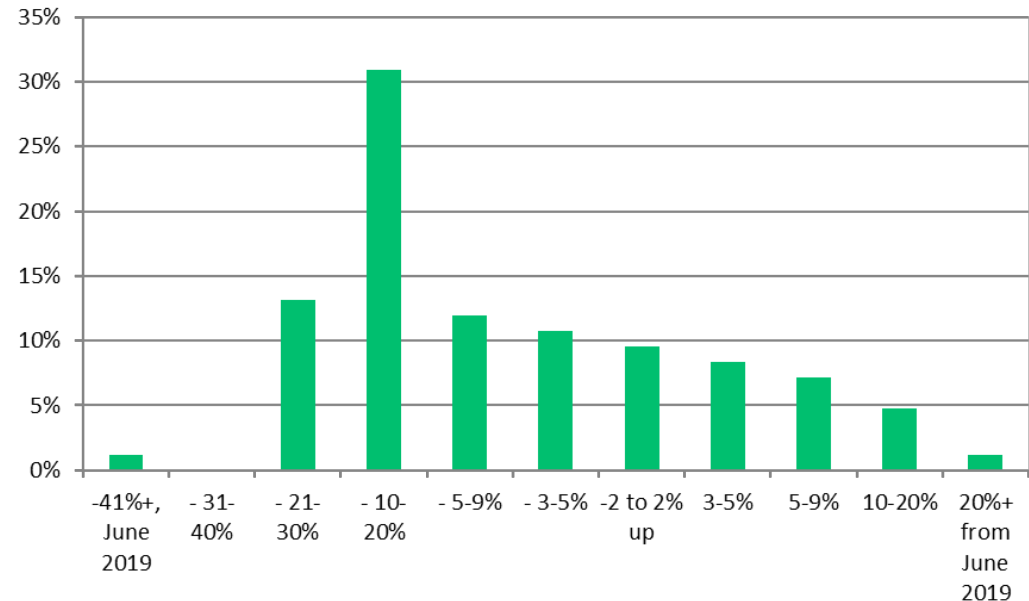
June Projection vs May 2020

- ▶ When asked to project performance for June, manufacturers estimate that their business will be up 2.2%
 - Less than 20% expect their business to be down in June
 - 25% expect their business to be flat.
 - 55% expect growth from June over May, highlighting marketplace improvement.



June 2020 Projection vs June 2019

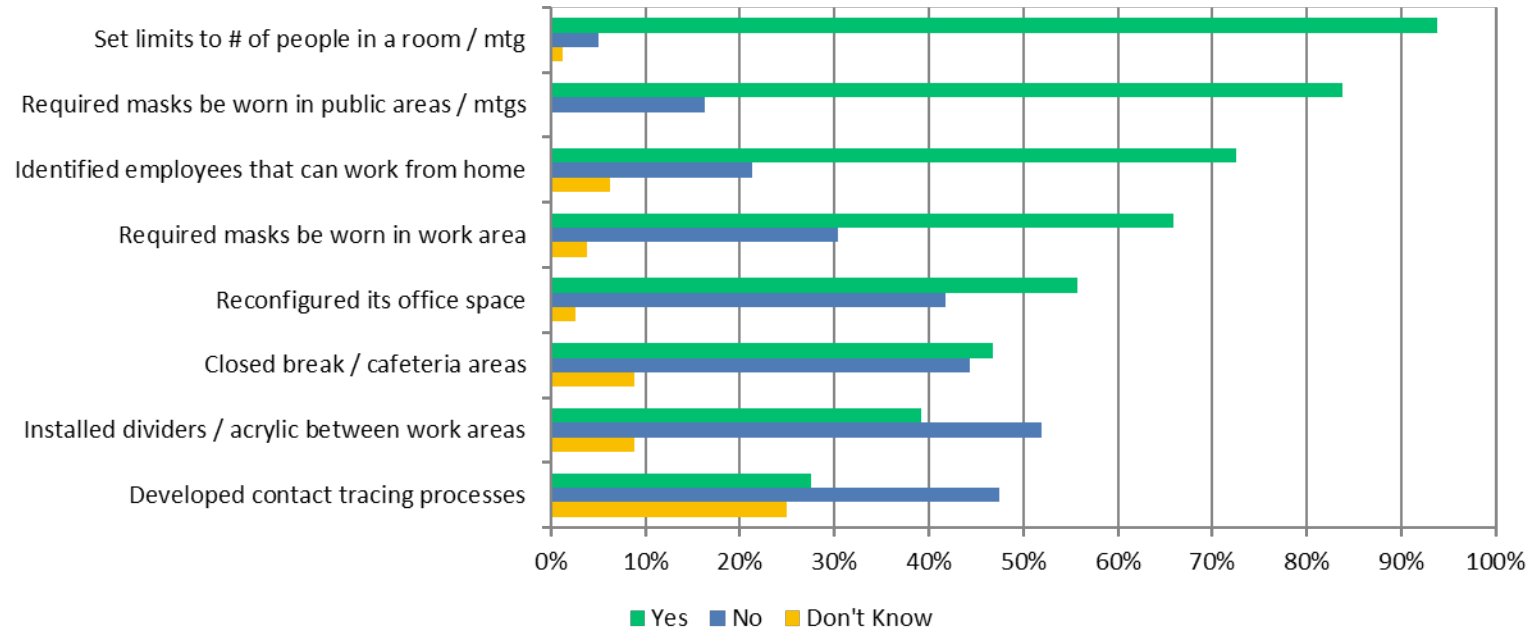
- ▶ When asked to project performance for June versus last year, manufacturers expect a decline of 7.9%.
 - Given COVID-19, a YoY decline is expected, however, “only” an 8% decline is much better than many feared a few months ago.
 - 15% expect a decline of 20+%
 - 31% expect a decline of 10-20%
 - 32% expect flat or down 10%
 - 22% expect to be up 3%+
- ▶ While the decline isn’t as steep as projected in April, many attribute this to work being shifted from April and May ... essentially “restarts”. There is concern regarding the sustainability of the business for late Q3 and Q4, but, in the short-term, business is improving.



A Return to Workplaces

- ▶ A question that many have asked over the past couple of months is “when will people return to their offices”.
- ▶ In this survey we asked a number of questions relating to this issue.
- ▶ Coupled with this question is a corollary from manufacturers ... “when will distributors be open for visits?” While the answer is unique for each distributor, feedback was solicited.
- ▶ Some insights:
 - 87% of manufacturers have formal COVID safety guidelines for working from an office with another 8% reporting that they are developing a policy
 - Only 39.5% of respondents say that their company is concerned about COVID specific liability if someone becomes ill and it is traced to on the job with 27% sharing they “don’t know.
 - Further, 54% are willing to sign a waiver of liability in order to visit a customer and only 22.5% are not willing to sign a waiver.
 - 69% of survey respondents are currently working from home, indicating that 31% are back in their office.
 - 40% have had salespeople, or manufacturer reps, that have visited distributor branch locations
 - 40% have also had their salespeople / reps visit contractors / end-users

Office Dynamics



- ▶ Respondents were asked how their company is adjusting their office environments in accordance with CDC guidelines and implementing best practices.
- ▶ Meeting size limits are being set, masks are being required and the work-from-home opportunity is being extended to more roles (or individuals).
- ▶ Many are reconfiguring office spaces, some are adding dividers and only a few are implementing contact tracing processes, however, this may change as automated systems become more prevalent

Opportunities Going Forward

- ▶ The impact of COVID-19, at least short-term, is forcing many manufacturers to reallocate their energies, and resources, to identify market segments that may have greater revenue-generation potential short and medium term.
- ▶ A list of applications and market segments they are prioritizing is in the Appendix. Some areas mentioned multiple times include:
 - Data centers & 5G
 - Education
 - Healthcare
 - Manufacturing with a focus on automation and robotics
 - Federally funded initiatives
 - Food & beverage facilities

And, in the lighting industry, companies are focused on UV / germicidal lighting

Demand Generation

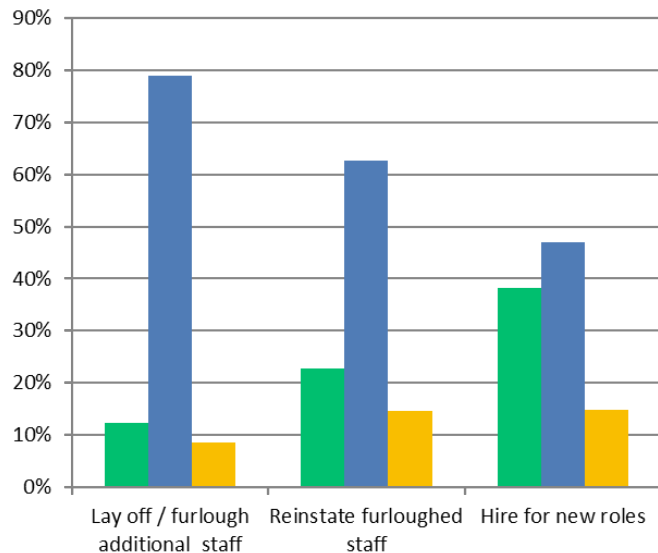
- ▶ The concept of “sales” has changed to be more comprehensive and hence we’re using the term “demand generation.”
- ▶ Essentially, demand generation is creating the environment for an order to be captured. This involves marketing, training, sales support, customer relations, relationship building and the actual “taking” of the sale.
- ▶ Manufacturers were asked what they have done that is “creative” to maintain visibility and generate demand over the past few months.
- ▶ Respondents shared insights beyond “Zoom / Teams” for meetings and training as well as eMarketing. A complete list is in the Appendix.
 - Launch of eLearning centers and rewarding participants for completing courses
 - Webinars for designers / contractors / end-users (which infers they have lists, are engaging their reps / distributors to reach this audience or advertising the webinars)
 - A manufacturer ran an NCAA basketball promotion
 - Increased use of social media marketing
 - Drive through lunch ‘n learns
 - Utilizing Facetime in addition to Zoom and Teams for one-on-one remote support and collaboration
 - Virtual product demonstrations

Understanding the Market & Looking Forward

- ▶ Manufacturers seek various types of information to provide marketplace insights as well as project the market. Some is empirical, some qualitative.
- ▶ The goal is to gather multiple information sources, correlate and triangulate, to then gain insights.
- ▶ Respondents use an array of information sources, as shown on the right.
- ▶ Additional areas include:
 - Input from their distributors
 - Dodge and NEMA information
 - Input from their sales organization, and, in the words of one respondent "our own sales trends as well as gut feels from management, reps and distributors.

Information Sources	Responses
Information from associations	65.8%
Trade publications	63.2%
Industry specific forecasting databases (such as DISC)	56.6%
Construction employment data	51.3%
Advice from economists such as ITR and IHS	48.7%
Data mining for product gap analyses	46.1%
Specific key metrics (i.e. oil rig count)	44.7%
Manufacturer supplied information	43.4%
Business confidence indices	38.2%
Commodity pricing	34.2%
Local building permit information	30.3%

Staffing



- ▶ Over the past couple of months a number of companies have incurred layoffs / furloughs and, given a restarting of economies as well as PPP, many feel that “rehiring” should occur.
- ▶ While 12% feel that their company will incur additional downsizing, only 23% feel that their company will be reinstating furloughed staff.
- ▶ 38% shared that their company will be hiring for new roles.
- ▶ The lack of reinstatement could be due to:
 - Revised staffing expectations with the reduced revenue expectations going forward.
 - Utilization of COVID for “personnel change”.
- ▶ The new hires could relate to new skill sets and/or new market focus.

Looking Forward

- ▶ Questions / concerns that manufacturers have looking forward include (and verbatim responses are in the Appendix):
 - Is eCommerce accelerating due to the pandemic?
 - The effectiveness of digital marketing (they can determine open / click rates, but cannot correlate to sales activity.)
 - Interest in on-shoring manufacturing
 - Will distributors support manufacturers who “bring manufacturing back?”
 - Project activity ... quotations activity, delays, cancellations, future project funding
 - Safety concerns for their staff
 - The future role of regional managers, especially as it relates to interacting with distributors (note: this changes based upon level of relationship with the distributor and “importance” of manufacturer to the distributor.)
 - Visitation policies and criteria.
- ▶ And then there were macro, unanswerable, issues such as:
 - Concerns about a second wave of COVID-19
 - Understanding the mid-term (end of year /Q1) construction environment to enable forecasting

CONCLUSION



Conclusion



A NEMRA Member Benefit

- ▶ The fourth COVID-19 Electrical Market Sentiment report shares good news - the market stabilized. Many were flat or saw an increase vs May. Further, June looks more positive.
- ▶ Few distributors see the need to increase inventory and most are not experiencing a significant increase in receivables
- ▶ There are undercurrents of concern for late in Q3 as well as Q4, especially for the construction market as projects get delayed, cancelled and distributors are inquiring into GC and customer quotation pipeline, especially for funded initiatives.
- ▶ Rehiring is essentially paused. Some companies are opportunistically filling “new” roles, but few furloughed people are being called back. Few layoffs are expected in June.
- ▶ Channel interaction is changing. Many are back in distributor or manufacturer offices. Distributor salespeople and manufacturer representatives are starting to visit / call on customers. Distributor visitation policies change by distributor as well as geographically. Few appear to be open to “drop-ins” and many have guidelines, inclusive of scheduling appointments and requiring an agenda. Zoom / Teams will become more the norm with manufacturer regional management various reasons.
- ▶ Some creative ideas to support demand generation were shared, however, many distributors expect a “return to normal” in their foreseeable future.
- ▶ April was the low point for the industry. Fall will be a concern as project activity slows. This could lead to reduced margins as distributors “fight” for business.
- ▶ Investments in process improvement, eCommerce, remembrance marketing and upgrading staff, if financially feasible, can help improve profitability while helping companies take share.



Channel Marketing Group



- ▶ Channel Marketing Group, an IMARK Group member service provider, works with distributors, manufacturers and manufacturer representatives in the construction and industrial industries to assist with:
 - Strategic Planning
 - Marketing
 - Marketing Research
- ▶ Areas we have helped companies include:
 - Annual and Strategic Planning
 - Customer Satisfaction
 - Market Size / Share and Market Research
 - Market share taking strategies
 - New product launches
 - Incentive & Promotional Strategies
 - eCommerce initiatives and digital marketing
 - Business advisory services

And more. Visit our website at www.channelmkt.com.

We work extensively in the electrical industry and have a dedicated blog with over 1200 distribution-related articles, at www.electricaltrends.com. It is free to subscribe.

- Since its inception, DISCCORP has been delivering reliable, relevant, and trusted market intelligence. Whether through its robust suite of cloud-based software or via our subscription-based reports sent directly to your inbox, DISCCORP is the leader in forecasting the future of the electrical wholesaling industry.
- DISCCORP is staffed with a complement of economists and programmers to provide the industry's most trusted analyses. The company provides industry sales for national and regional market segmentation (customer type) and NAICS industry specific forecasts. Our suite of applications is ideal for Electrical Distributors, Electrical Manufacturers, Electrical Manufacturers' Representatives and Financial Market Companies.
- The industry market forecasts produced by DISCCORP have been proven to be historically accurate. Add to this that DISCCORP is the only source of granular electrical industry market data, and the net result is that DISCCORP is more than first-in-class, it is best-in-class.

APPENDIX



Electrical Distribution Industry Insights COVID-19 Market Sentiment Input, Survey #4 Moving Forward

Distributors

Describe your supplier visitation policies / status:

Please share any other thoughts regarding suppliers visiting you.	Tags
Be smart and I will allow anyone to visit. The virtual visits have been a disaster and lots of balls be dropped by reps. Only thing I am asking anyone visiting is to wash their hands upon arrival.	Allowed
Masks are not required for employee engagement unless 6ft social distancing isn't possible. They are required for all interaction with external customers.	Allowed
Suppliers are allowed to visit but required to wear masks according to state law.	Allowed
They should just call and ask, things change daily.	Allowed
Things are evolving. We are a large regional group, so one size does not fit all. Some local branches are allowing some supplier visits at specific times and following our PPE Guidelines.	Allowed
We just ask them to social distance.	Allowed
We must get back to work... we can't make matters worse from crippled businesses	Allowed
By zoom etc... Or dock visit if required	Dock Visit
As we slowly bring all the employees back and will be fully staffed by the end of June. I believe we will be loosening the restrictions on outside representatives and visitors beginning in July after the holiday.	July
We are probably a couple weeks ago. No one in the building yet	July
We have not officially opened back up to supplier visits but will do so with appropriate guidelines probably next week or the week after.	July
Maybe July	July?
As of now we have not allowed any manufacturers to visit in person, we are conducting video calls.	No Visits
At this point we are still just not ready for supplier visits.	No Visits
At this time Vendors and Reps are not allow in the office. Will be late summer at the earliest	No Visits
At this time, we are not interested in outside visitors. All training and meetings can be done remotely	No Visits
I hope everyone had this in place 3 months ago	No Visits
More team members will probably be coming back to the facility shortly after 7/4 (provided we do nor experience a Covid-19 spike)	No Visits
No allowed vendor visits to the branches or offices yet.	No Visits
Not accepting representative visitors yet.	No Visits
They are not yet welcome back until COVID is over.	No Visits
Video is effective	No Visits
We are 2 to 4 weeks away from allowing reps to visit with appointment. We have met with reps off site with specific needs for meeting	No Visits

We are following the law in CT. Personally, we have no issue with being around people and, if we were allowed, would accept visitors and reps.	No Visits
We are not allowing visitors for now. It is absolutely not necessary (even pre-COVID). I gladly use it as an excuse to keep them away to be honest. As a result, our inventory control has never been better. I highly recommend it. We might make it permanent.	No Visits
We are waiting for Philadelphia and PA to define specifics We do not know when we will open to manufacturer reps	No Visits
we do not currently allow supplier visits	No Visits
Why take a chance to cross contaminate all distributors in an area?	No Visits
To clarify item two above, NO visits are allowed in the building. We can visit at a neutral site if it is imperative.	No Visits Onsite
Only the most essential visits are being allowed	Only Essential
Best practices will be followed. There must be a need for the visit with an agenda, and it must be scheduled in advance.	Scheduled
Can happen but must be accompanied by Executive member approval.	Scheduled
Masks are optional but we are practicing social distancing for everyone. Calling ahead is recommended. Our Reps are very respectful, and we have a great relationship with them and have been keeping in touch	Scheduled
Not many random "drop-ins" but if we have business to do, then we are doing it.	Scheduled
Purpose for visit must be well defined. If it requires a meeting of 4 people or less than the small conference room will accommodate without masks. If the meeting requires 8 people or less than the large conference room can accommodate without masks. Larger meetings in either rooms require masks.	Scheduled
Reps required to follow rules in place for each branch depending on state, county, parish, or city rules along with company policies in place at the time. They must also have defined reason and person to see as well as scheduled appointment to see anyone.	Scheduled
We are strongly encouraging suppliers to utilize WebEx for all meetings currently. If an in-person visit is required, it must be scheduled in advance with management	Scheduled

What is the most creative interaction you have had with a manufacturer salesperson / rep during COVID? (This could be a visit, viewed a video, a webinar, something they sent you, etc.)

Responses	Tags
Lunch & Learn Webinars (that you receive a digital gift card for attending)	eLearning with Reward
Light Efficient Design had a NCAA March Madness contest	LED NCAA
Klein rep setting up in our parking lot next week. We have customers out there waiting for orders so it should be good. Masks required	Parking Lot Counter Day
Virtual Happy Hour/Training - components for drink of choice were mailed to my home and arrived a few days prior to the meeting.	Virtual Happy Hour ... sent elements
"Happy hour" just to catch up and seek normalcy. Those types of things got old pretty fast, but back in April it was all we had to maintain contact.	

A video chat	
Microsoft Teams meetings that are very productive, very interactive and I believe accomplish more than face to face meetings, without all the expense. I 4-hour meeting does not require preparing to travel, traveling, hotels and meals, and the return home, all for the 4-hour meeting. Will that replace all F2F, of course not, but half mor more of it, it can and should. We give people some of their lives back and we accomplish more at a lower cost.	
MS Teams meeting reviewing a customer's Solid Works image of their face Mask machine	
Not a single initiative outside of video calls	
Nothing creative has been helpful, simple phone calls have gotten the job done.	
nothing fancy, I actually think the Zoom meetings are only 50% efficient	
Nothing really special...mostly webinars.	
nothing spectacular	
Offsite visitation over a takeout lunch to address an issue that required face to face interaction.	
Outdoor pop up tent counter days at branches	
Personal visit. Quite a few zoom training or product introduction meetings with limited attendance.	
some great zoom product training classes	
Team / zoom meetings have been extremely helpful. Don't send an email to 5 people, then go back and forth with no resolution... Get on a team meeting and figure it out.	
The Zoom training meetings have been helpful when they are well thought out.	
They have made a significant effort to improve and apply on-line training	
Trade off where they brought a sample and put it in our locker for a no-contact drop off of a sample.	
Training webinars.	
Video Conference Calls	
Video conferences.	
Video, webinar, zoom, joint calls on zoom	
Viewed a video	
Viewed a video	
Virtual happy hour sessions with non-competitive companies hosted by manufacturers to promote best practices and networking.	
Virtual top to top business updates (NAED like) done via Zoom and Microsoft Teams	
Walking the golf course -	
Webinar	
Webinar with audio over the phone	
Webinar, Zoom	
Webinars	
Wish there were creative reps in my market.	
Zoom	

Zoom meeting with lunch delivered	
zoom meetings	
Zoom MS Team	
Zoom or Microsoft Teams meetings. Some product demo using the same format.	
Zoom, phone conferences, etc.	
Zoomie	

Have you / your company identified product applications or market segments to prioritize for accelerated growth over the next 9 months?

Opportunities	Tags
Agriculture	Agriculture
Automation	Automation
Automation	Automation
Clean Energy	Clean Energy
Data centers are still very active	Data Centers
Emergency power generation	Generators
Generator sales	Generators
Hands free fixtures	Hands free
Healthcare	Healthcare
Industrial accounts	Industrial
lighting is still strong	Lighting
Lighting upgrades	Lighting
Energy Savings	Lighting Retrofit
Retrofit/ESCO	Lighting Retrofit
Pharmaceuticals	Pharma
Wire management	Productivity
Capital flows will shift. For example, multi-family will not be as robust. Shift to single family homes. Urbanization to suburbanization.	Residential
Multi-family.	Residential
Residential	Residential
PPE	Safety
PPE and safety products	Safety
PPE, MRO products	Safety
Low UV-C	Safety Lighting
PEP, Germicidal lighting (UV)...neither of which will be big \$ in my estimation but UV has the best shot, I think.	Safety Lighting
UVC Lighting	Safety Lighting
UVC Lighting supply	Safety Lighting
We think the UV lighting will add to our sales. How much? Who knows, but it will be a nice opportunity	Safety Lighting
Antibacterial products, temp cameras, and UV lighting fixtures.	Safety Products

Continued growth in engineering services and value add.	Services
Services	Services
Services.	Services
UTG WIRE	Utility
utility incentive upgrades	Utility
Commercial construction	
Getting creative to restore point of purchase sales outside of will call/sales counter	
Having product and servicing customers better than competition	
I see a cliff, coming. We are bidding fewer projects out 6 months. I think business will go down significantly after 6 months	
Infrastructure, Universities/Schools, Retail, Neighborhood Development	
We are heavily dependent on construction and see opportunities to do more with Commercial & Industrial Facilities	
When offices were not staffed if able to continue with renovation projects, so staff is not impacted	

What promotions / initiatives have you implemented over the past 60 days that have been effective in generating sales (to your customers or in incenting your salespeople)?

Successful Promotion Past 60 Days	Tags
Bulk wire buys for upcoming projects	Bulk Wire
Having a modified counter area has helped with customers being able to verbalize product needs with salesperson.	Counter
Microbiological Lighting education.	COVID Products
New essential supply products	COVID products
Numerous Covid related products	COVID Products
PPE	COVID Products
Promoted specific products that are geared to safety.	COVID Products
Promotion of PPE and safety products. Launched several promotions with attractive lower prices on a-plus items	COVID products
Sales \$ Growth promos with COVID19 approved prizes (things for the home, golf, anything that allows for social distancing)	Customer Promotion - Social Distancing / Work from Home Promotion
Being open and easier to work with over our competition with better delivery and service solutions than anyone else.	Easy to do Business
Overhaul of e-commerce site	eCommerce
We were in the process of rolling out our new e-commerce platform, and this has made us speed up the process.	eCommerce
Constant contact digital marketing campaigns.	eMarketing

The instant energy rebate programs.	Energy Rebates
Internal sales drivers or competitions for the sales team. Customers have had credit initiatives for larger orders and paid on time orders.	Extended Terms
Lunches delivered to customer sites to maintain/grow mindshare and reward loyalty.	Lunch appreciation
Thank you lunches to customers	Lunch appreciation
Currently putting forth a Lutron promo	Lutron promo
Referral promotion	Referral Promotion
Salesforce Training on processes and customer engagement	Salesforce.com Training
TV give away based on sales growth.	TV Promotion
Virtual happy hours, sending food to jobs, a few folks have gone golfing	Virtual happy hour
Free supplier webinars for customers	Webinars
B2-B business growth	
Identifying new customer lead development	
Jobsite delivery.	
Meeting customer requests	
More Phone	
Not many promotions moving the needle	
Our normal Q2 promotional plan tailored to touchless, keeping water hot and seasonal items (pumps)	
Training videos	
We have not stopped accepting returns as all of our competitors have.	

Strategies for gathering input from customers, architects / engineers / designers, regarding Q3, Q4 and Q1 2021 quotation / project development activity (pre-funding) to get a sense of potential pipeline?

Questions / Strategies for Q3, Q4, 2021 Q1 Insights	Tags
Literally asking the question of contractors primarily and the majority say they have enough work through end of 2020. Not sure about 2021	Contractor concern for 2021
We are encouraging more forward-looking conversations to help maintain relationships, as well as get a feel for the future market strength	Forward Conversations
General inquiries about projects and future work.	Future Work
Directly at high levels of the customers	High Level Contacts
As much intel as we can gather will help us predict our inventory buys	Inventory Buys
Why, we need to know if these funds will continue to be fund for those projects or in what areas they are pivoting. Example: the government.	Lighting agents
How, asking lighting agency what's ahead for them.	
It's done to try to get an idea of what is coming up next. We try to get this info through job quotes, relationships, and conversations. Have to keep your ear to the ground.	Listening

We are very concerned about the amount of new construction projects starting in Q4 2020 and Q1 2021. Asking manufacturers who interact with engineers their feedback on level of new projects coming out to help us determine what to expect.	Manufacturer Contacts
We have reached out to contractors who had asked for job quotes to see if the projects are still scheduled to start.	Project Status
Direct questions, many projects are on hold at design phase.	Projects on hold at Design Phase
Measuring supply chain slowdown and customer impact	Supply Chain Slowdown
Built a survey delivered to top 100 customers, via constant contact and Outside Sales follow up	Survey Top 100
Talking with reps to determine what architects/engineers are doing/how busy they are. Using contacts at the GC level to see how much funding is being released in the next 6 months.	Talk to GC
We are talking with a number of specifiers to determine the volume of activity. All of the engineering firms in our area have either fired, furloughed or have gone out of business due to lack of activity and work.	Talk to Specifiers
We have been making phone contact with a number of customers and project developers to guide our ramp up for upcoming business.	Telephone Interviews
The good salesmen know to think about the next 6-12 months and gauge what will be up for bid.	Think 6-12 ahead
We want to know where the money is coming from. concern is jobs being cancelled.	Where's the Monday
On the phone or at the sales counter.	
Calls, emails, understanding needs/project quotes/load	
I don't think this data has been compiled yet at this point.	
This is standard practice for our sales force.	

What are your concerns going forward / additional information you would like to learn to help with your planning?

Responses	Tags
Concerned we will get complacent and possibly have a "flu-season flare up"	2nd Wave
Re-emergence of virus.	2nd Wave
We are concerned about a 2nd wave of the virus, and if that wave does come, how it will impact the economy.	2nd Wave
Covid-19 will continue to bring unknown factors to our business. This will affect everyone. How quickly we are able to react will be key to our success.	COVID Longevity
How long will we have to maintain COVID protocol within our business? 6 months, 1 year?	COVID Longevity
financial later in the year once the dust settles.	Forecast
Long Term effect	Forecast
Very concerned regarding Q3&Q4 Construction activity	Forecast
How much industry is open to 100%?	Industry Open
June could be as worse as April and may...	Market

We are tied to the Petro-chem business and would like to know how they see the next 6 - 9-month projects	Oil / Gas Market
What skills do you want your outside salesperson to know if the new normal is significantly less customer sales calls become the new normal.	Outside Sales Skills
Paying back the PPP loans / getting the loan forgiven	PPP
Protest and riots have damaged a vast majority of our commercial real estate customers property. Does this effect cash flow for capital projects? Does this lose them tenants hence affecting long term occupancy rates? Will the protest make everyone forget about COVID? Have the protest already killed the fear of COVID? People obviously aren't staying home like the governor so badly wants so is it time to just open business up for good?	Protest Impact
What precautions to keep your employees safe	Safety
What procedures do others have in place for a confirmed COVID19 case in the building? Are companies rotating staff from office/home to make sure there is coverage and all contacts have to go home for two weeks?	Safety
Impact of border closures.	Supply Chain

Manufacturers

Have you / your company identified product applications or market segments to prioritize for accelerated growth over the next 9 months?

Opportunities
3rd party e-commerce
5G infrastructure
Aging infrastructure will continue to present ongoing opportunities.
Automation, robotics, access control (facility)
Commercial wastewater treatment systems
Continuing product innovation, ensuring inventory across product lines and maintaining focus on electrical contractor needs are our opportunities for sustained growth. Increasing educational content (live, recorded, and accessible) are
COVID19 essential business. Material Handling, Networking (communications), Automotive.
data centers
Data centers, Roadway, Government projects,
e-Commerce
ED and Design Trade
Education, Healthcare
Education, healthcare, federal
Food and Beverage, Transportation infrastructure.
Food Service and Correctional/Behavioral institutions
Health & Safety as well as Hands Free
Healthcare including Assisted living and aging in place, datacenters, SFH, updating office and classrooms for the new normal.
Healthcare, Behavioral Health, Cleanroom, Correctional
Healthcare, Commercial facilities, Manufacturing facilities
Healthcare, Education, Public Buildings
Healthcare, Food & Beverage
Healthcare, warehousing, data centers
In the projects that were already started and put on hold that will be starting back up.
Industrials, essential businesses
Large and medium construction as well as manufacturing.
New construction / conversions
New products being released.
New Residential Construction, Low Voltage Applications - AV and Security.
Not office!
Online stores
Public Sector
Renewables and Power Quality.
Small to medium size retrofit opportunities
Specific vertical markets that are active will drive a return to growth
Stock and Flow items
Telemarketing
The same places they have always been.
UV lighting

What is the most creative demand generation initiative your company has done during COVID?

Responses	Tags
Extensive training outreach to both distributors/EUs. Have significantly increased both our digital training platform as well as marketing efforts	eLearning
A series of webinars for designers, contractors, and regulators.	End-user / Influencer eTraining
Marketing to specific segments of the outdoor Public Sector / C&Iwhich is outside the scope of our core (muni's, iou's and co-ops).	Expand Vertical
Tapping into FEMA spend in support of COVID-19 emergency projects.	FEMA Funding
New Product and inventory programs. Digital Marketing support tools.	Inventory Program
Webinar contest mimicking NCAA tournament	NCAA Promotion
Sharing details of our remote connectivity solutions to change profiles and settings - without having to send a tech onsite.	Remote Tools
Hitting many types of social media and doing a lot of training with agents and distributors	Social Marketing
Drop Ship Program	
Extending out promotions that were running to offer better terms.	Terms
Marketing pieces and corresponding production specifically targeting not impacted verticals	Vertical Focused
Temp Health solutions and webinars yield significant revenue growth.	Vertical Marketing
As a US Based manufacturer, we have focused on converting customers from reliance on China vendors.	
Continued our industry leading advertising presence with a number of new products introduced since the start of the shutdown in early March.	
Give continued update of where we are with pandemic and what our plans are	
Increased communications, keeping jobs	
Intricate Video Product Training Webinars	
Limiting number of employees to facility.	
Marketing to agent salespeople.	
Marketing tools, videos, and presentations to facilitate virtual selling.	
Newsletter update Monthly and Inventory Lists to select Distributors	
Not creative, but virtual product demonstrations, virtual visits/meetings, and specification reviews.	
Not really creative, but we have significantly increased our social media presence, electronic training modules, and training webinars	
online business	
Outbound calling	
Regularly scheduled live webinars covering products, applications, and industry specific topics.	
Social media and email blasts	

Specific training manuals	
Virtual sales calls	
We have greatly ramped up electronic marketing and video production.	
Webinars	
Webinar's - which have been extremely well attended and generated leads.	
Weekly product for discussion amongst sales and distributors, biweekly flyer on contractor essentials	

What is the most creative interaction your salespeople have had with a contractor / end-user during COVID?

Responses	Tags
Have supported drive thru lunch and learns as well as many other digital approaches	Drive Thru Lunch 'n Learn
FaceTime and MS Teams video meetings.	Facetime
Remote tools for solving problems	Remote Tools
3hrs and 5 of the same checks to get to a certain location for a meeting within a facility	
Again, not creative, as most us doing this. We are regularly using Teams and Zoom video meetings to replace in-person meetings	
Cultivating the future product needs in an ever-changing world	
Developing custom solutions for contractors	
Forecasting	
Go to meetings and trainings.	
Hospital Grade Wire for Pop up Hospital's	
Informational webinars	
More webinars	
Not creative, but virtual product demonstrations and virtual visits/meetings	
Not creative, but we have conducted more training this year vs any other year.	
Online training of our products.	
Phone calls and WebEx	
Sales presentations via Zoom	
Specification reviews	
Teams Meetings	
Teams Meetings with Sales, Distributors, and end customers.	
Training via Teams and WebEx	
very limited	
Virtual Job site walk throughs using Facetime and Microsoft TEAMS	
Zoom & Tele-conferences	
Zoom meetings	
Zoom meetings	
Zoom Training meetings on the latest innovative, new and labor-savings products from our company.	

What is the most creative interaction your salespeople have had with a distributor during COVID?

Responses	Tags
Providing compensation (gift cards) for distributor personnel who complete training curriculum on our solutions.	eLearning Rewards
Training....rewards based	eLearning Rewards
Remote lunch and learn where Uber Eats brought food to each of the engineers' homes for the Zoom meeting	Remote Lunch 'n Learns
Virtual lunch & learns with lunch delivered to distributor locations.	Remote Lunch 'n Learns
Cranked up training.	
E-learning has been a huge success due to interactive approach.	
Forecasting	
Go to meetings and trainings.	
Not creative, but virtual product demonstrations and virtual visits/meetings	
Online sessions	
Online training of our Products.	
open a new distributor	
Phone calls and WebEx.	
Specific Virtual Product Video Training	
Teams Meeting	
Teams Meetings	
The introduction and presentation of a turnkey solutions offering (new program).	
Training and new Product discussions via Teams or WebEx	
Training on multiple products	
Training presentations with video using MS Teams.	
Training webinars	
Video presentations of new product release and review of past purchases	
Virtual planning sessions between Senior Mgmt. teams	
Virtual training, virtual targeted joint calls, several promotions.	
Zoom meetings	
Zoom training meeting on the innovative, new, and labor-saving products from a Made-in-USA manufacturer, as we are.	

What are your concerns going forward / what additional information would you like to assist your planning?

Responses	Concerns
COVID part II	2nd Wave
Second wave of virus and lack of gov't. financial intervention	2nd Wave
I am concerned about a second wave of Covid-19; however, I think even if actions are implemented as a result, the country will not shut down completely as in the first wave. We are already seeing spikes in number of confirmed cases as the country has implemented opening phases.	2nd Wave
How are others doing?	Benchmarking

When are pay reductions being reinstated (pay rate, or benefits)?	Compensation
future of high-rise construction	Construction
The financial viability of marginal accounts. As this has propelled many into the digital era, which distributors will excel, which will not.	Distributor Future
Acceleration towards Digital Marketing? Is it happening?	eCommerce
Ask about projections 4- 6 months out or for the rest of the calendar year. We are very concerned that severely reduced housing starts in March and April will lead to a significant drop in demand as fewer homes are being completed 6 months from March and April (in September and October).	Forecast
Pent up demand exists. But for how long? How busy have engineers and architects been? What is the horizon for the current recovery, and will there be a hangover? If so when? 4Q20, 1Q21, later?	Forecast
What is the construction outlook	Forecast
The continued uncertainty and the inconsistency in policies and procedures from state to state has made planning and forecasting nearly impossible	Forecast
Has supply chain shifted to more local manufacture?	On-Shoring
Funding for projects, Further government stimulus, Skilled labor shortages	Project Activity
concerns about project delays and particularly the hotel, multi-family, office/mixed use sector of the commercial market.	Project Activity
We are seeing a few cancellations but not as much as we originally thought. Would love to hear more about pipeline activity nationally.	Project Activity
When the current projects finish, what will the third and fourth quarter look like? I appreciate the idea generation questions	Project Activity
Only concern is people coming back too soon and ignoring safety procedures	Safety
Question about liability earlier in the survey and signing a waiver, have to do some research on that	Safety
Medical specific facts on the spread of Covid-19 and specific updates on drugs & vaccines to mitigate the pandemic.	Safety
How this will affect ongoing relationship between regional sales managers and reps/distributors.	Sales Relationships
Continued or worsening Tariff war with China disrupting the supply chain	Supply Chain
Have any of the manufacturers production facilities been impacted? If company has a majority of their sub assembly, kitted or finished goods being imported from China what is the view of their product going to be in the U.S. moving forward?	Supply Chain
Insights on distributor/contractor willingness to meet with sales personnel.	Visitation
Restrictions regarding on property (job site) availability / access.	Visitation
What is the criteria you would use in the future to allow visits to your facility(s)?	Visitation

Manufacturer Representatives

Have you / your company identified product applications or market segments to prioritize for accelerated growth over the next 9 months?

Opportunities
Indoor air quality zonal heating, infrared heating for outdoor dining.
New products along with buy American product lines with varying success
Same opportunities as before.
construction and MRO
Healthcare, WWTP, Food Processing
Construction, tech data
Prefab still seems hot
Commodities and traditional products...new product introductions are on the back burner for now
underground infrastructure, Resi construction in markets outside of urban areas, some manufacturing (food/bev), utility, lighting/energy savings
More attention given to the contractor rather than the distributor
Utilities, schools, Contractors
infrastructure / transit / DOT / Utility
Solar and shelf goods.... stock will start to be replenished
Schools, healthcare, and offices
UVC & Contractors
Multi-family housing will start in our market. We are also looking at federally funded projects.
Infrastructure projects.
Safety, prefab
Tools building supplies projects that were on hold
Labor saving products that decrease installation and amount of labor needed to install products. It's very important especially with the requirements of social distancing and in some states amount of work force allowed on the job site.
Re-purposing office space to accommodate social distancing at work.
Recapture stock/flow business that we may have lost to competition on our lines
Labor saving products
Food and Bev, Wastewater, Chemical and Pharma
Safety related products, construction rough-in products.
Infrastructure
residential commercial jobs had been delayed or stop before starting.
commercial, residential
Slow 'opening up' of business facilities.
utility and infrastructure -DOT/Transit
Health care / pharmaceutical, public works
We see that our greatest opportunity is datacenter infrastructure and high-density residential construction.
industrial and OEM
Hospitals, Healthcare, Data Centers, Schools
Infrastructure, public money construction, lighting retrofits

institutional business; pharmaceutical
Food, Beverage, Paper Mfg., MRO & Facility
for me to know and you to find out
Industrial Market
Design build. Value projects.
Data Centers, Condo's - Apartments, Public Projects, believe it or not hospitality. Major push with Prefab products.
Conversions and consolidation as distributors don't want to deal with too many people
Design & Build
Utility, Food and Bev, Wastewater, Healthcare

What is the most creative demand generation initiative your company has done during COVID?

Responses	Tags
Targeted "Sales" (reduced pricing on 1-3 products from a manufacturer) sent out via email to a specific, targeted audience	Bundle Marketing
We have built out a CRM, digital marketing campaign as well as an eLearning platform.	CRM / eLearning
Training that gives back to the community.	Donation Marketing
Numerous virtual outreach initiatives including online training & virtual lunch and learns where customers donate their lunches to front line healthcare workers.	Donation Marketing & Learn
We are also conducting live video presentations.	Donation Marketing & Learn
Mass Email development.	Email Marketing
Virtual product specific eblast	Email Marketing
Use of Constant Contact	Email Marketing
Email marketing campaign	Email Marketing
TEAMS/ZOOM meetings with delivered food and or cocktails to people on call and awarding dist./contractor/specifiers for being on with actual product shipped to them or gift cards	Food Marketing / Gift Cards
Gift cards for orders	Gift Cards with Order
Gift cards for orders	Gift Cards with Order
Weekly Newsletters	Newsletter Marketing
Offer to meet customers in the parking lot of their location.	Parking Lot Meetings
developed web based, on-line and virtual webinars and successfully had with contractors & engineers especially with a few selected distributors	Selected Distributors
Digital Marketing, Social Media	Social Marketing
outreach with trivia/promotion	Trivia Promotion

email blast, Microsoft Team trivia contest with distribution sales team	Trivia Promotion
Don't know that I would call it creative but for the past three months we have sent out mailers of new products and popular products distributors may have missed. We are adding little snippets of products at the bottom of every email we send.	Vcard Marketing
We are preparing videos and incorporating those videos with samples being sent out describing the benefits of the product with diligent follow up as a sample should arrive	Video + Sampling
We have started product demonstration/benefits videos. We have posted them on YouTube and LinkedIn with pretty good feedback and following	Video + Social Marketing
Created a professional broadcast studio to host "joint calls"	Video Marketing
Short selling videos	Video Marketing
Personalized Product Videos	Video Marketing
3 Minute home grown videos	Video Marketing
Zoom sales meetings with contractors for prefab products	Virtual Meeting
Webinars using MailChimp to promote	Virtual Meeting
Some e-mail push, not enough	
We are using DUB as a tool to send out pre canned sales pitch	
Outgoing phone calls	
Reduce labor needed on installs	
Use of AutoKlose, https://autoklose.com	
Zoom trainings	
Embraced e-mail marketing and presentations via web-based applications.	
Email Blasts, direct calls to distributors, manufacturer spiffs, buy backs, rebates etc.	
digital marketing with a software program called Loom	
Lots of virtual training - both live and recorded. Plus, marketing outreach - website / social media / email	
Not much. the usual Zoom Meetings. Factory web training etc.	
Working the end user market - direct contact by phone	
We are the value cross guy.	
Prefab virtual training for contractors resulting in large Prefab orders	
Nothing creative. Just taking every opportunity to speak with our customers.	

What is the most creative interaction your salespeople have had with a contractor / end-user during COVID?

Responses	Tags
Deliver lunch personally	Deliver lunch
Online	ECatalog
On-Line lighting catalog of all of our lighting lines	ECatalog

Combo Zoom and facetime individual calls.	Facetime
Golf	Golf Outings
Parking lot conversations	Parking Lot Sales Calls
Parking lot meetings	Parking Lot Sales Calls
Lunch in the parking lot meeting at the bar.	Parking Lot Sales Calls
Lunch and learns during lunch in a restaurant in the main dining room	Restaurant & Learns
Send samples and hold Zoom meeting	Sampling + Zoom
Sending samples to the contractor and hosting a go to meeting the day after they receive the sample, and then showing up to the job site to assist with the installation.	Sampling + Zoom
Social dist. Meeting at their build.	Sampling + Zoom
Send samples by mail and follow up with ZOOM training	Sampling + Zoom
Sent lunch to multiple states to have product lunch and learn	Send lunch & Zoom
We developed an on-line easy to complete certification process for various products we represent	User Certification Program
We are preparing videos and incorporating those videos with samples being sent out describing the benefits of the product with diligent follow up as a sample should arrive	Videos
We have been doing new product webinars with giveaways at the end (for those who did not fall asleep!)	Webinars w/ Rewards
Development of video conference/sales calls.	
Virtual sales calls & product demos	
Again, use DUB or see contractor at job site with mask on	
Job Site visits/Digital Marketing/Social Media	
Did a lighting survey of a building via Skype	
Mostly email communications - not creative	
Again, I don't consider it creative per say but we have stayed in touch much more thru phone calls, emails, and mailers	
Personal interaction	
Same	
Zoom video meetings. New product demos	
Zoom calls.	
Zoom trainings	
Live product demos via team calls	
Video sales calls/training	
Online meetings	
Send a pdf, call to discuss, or introduce	
We will meet them at the jobs. We will bring product also.	
Multiple Lighting Control trainings on advantage of wireless for getting on & off projects quicker with less labor.	

What is the most creative interaction your salespeople have had with a distributor during COVID?

Responses	Tags
We have utilized the tools listed above as well as having some online poker tournaments to bring a little fun into Covid-19.	Online poker
Outdoor picnic table lunch with Sr Management	Picnics
UPS product samples to purchasing and mgmt. And hosted meeting on them	Product Samples
Marketing programs for on-line buys and larger sales to contractors	Promote Online Buying
Lunch and learns with gift cards for remote lunch	Remote Lunch
Continue to reach out by phone. Direct voice engagement	
Digital Marketing/Social Media	
Face to face	
Live product demos via team calls	
Lunch in parking lot and Zoom from Home	
Meeting distributors at the front door or outside	
Mostly email communications - not creative	
Nothing unusual. Just the normal checking in as well as line reviews	
Online	
Online meetings	
Parking lot meetings	
Phone calls	
Regular face time calls with specific salespeople	
Same	
Video demonstrations for social media.	
Video zoom sales meetings	
Virtual Joint Sales calls - although we have had to be Life Coaches to encourage them to participate	
Virtual Lunch & Learn	
Virtual tradeshow & joint sales calls	
We are holding tailgates at distributor parking Lot as a form of a sales call. Displaying product in the parking lot for our Distributor customers	
We stock product.	
We use DUB and personal phone calls	
Webinars	
Weekly training seminars, weekly Bingo games with mfg information & sponsorship for distribution, contractors, architects & engineers.	
ZOOM calls	
Zoom calls and virtual trainings.	
Zoom trainings and happy hours	
Zoom, can calls, email updates	

What are your concerns going forward and/or information we should ask in a future survey? What would you like to know?

Responses	Category
My main concern is that we have a resurgence of the virus very soon and the government will want to restrict us once again	2nd Wave
Are companies holding daily or weekly "huddle meetings" to connect and discuss issues/successes?	Best Practice
how the role of mfg agents will change	Changing Role
What has the impact been on pay? How do plan to retain key employees	Compensation
A common statement is we will do that (insert what that is) when this is over. Our question is - who is going to say it is over? We are encouraging people to safely move forward with business. As business emerges, inventory will win the day.	COVID
What are expectations of factories going forward, Will they have stock to ship as of right now they are running short	Customer Expectations
Long-term use and viability of digital products post COVID-19 Pandemic.	Digital Transformation
Have companies maintained their full salesforce through this or have they had to lay off or furlough - if so, how many, or what percentage.	Distributor Sales
I think there's a lot of hype out there regarding the robustness of the economy. I know this is a very regional effect on the economy but we are situated the economy has been hit so hard that I can't see how at least on a regional basis we will not see a major pull back But many reports are saying that the recession is over and I can't see this to be true I feel my year will be off at least 20% from last year with very little uptick after we get out of this initial hole. I believe the third and fourth quarter of this Year will be very stagnant regarding growth over the previous quarters	Economy
Lack of assurance of where the economy is going, how long the effects will last, adapting to less face to face selling.	Economy
Biggest concern is the recovery of the economy and getting government out of the way. Too much politics is keeping a uniform return to normalcy. Just since May 15 when much of Utah was designated "green" and people could go to work, restaurants were opened (limited seating), parks were opened, and the morale of the communities really spiked. Now they look forward to movie theaters and swimming pools & amusement parks to open up and offer some release and relief to children but especially to the parents whose worlds have been turned upside down with not being able to go to work, send kids to school/pre-school or babysitters. On the other hand, there are a lot of family activities being enjoyed that have been lost over time.	Economy
Have we hit bottom and if not when?	Economy
Short- and long-term ramifications of this time period ...	Economy
will protests and violence set back the recovery and influence investment to stop for inner city projects?	Economy
Effect of protests and riots	Economy
Is commercial office construction doomed? we do not need office buildings in the future w everyone at home	Economy
Mergers, closing of branches that are yet to hit.	Merger / Closure
Productivity of the trade workers.	Productivity

My biggest concern is whether private money will be held or spent.	Project Funding
Capital project spending in Q3 and Q4	Project Funding
Are projects being delayed or cancelled due to State or local government budgets. Is private money getting tight for expansion.	Project Funding
My long-term concern is that many projects have been cancelled or delayed. What will the overall percentage of normal will construction regain.	Recovery
Policies for outside sales, office staff.	Roles
My biggest concern is keeping my employees safe, especially not knowing what each and every customer has in place...I would hate to put an employee at risk by having them go to a customer that may not be as rigid in their Covid-19 practices.	Safety
Thoughts on manufacturer distribution: CDC, regional warehousing, or local warehousing. Changes in thoughts by distribution given shipping and inventory issues	Shipping
Are manufacturers going to have their regional and national sales team travel at the same high rate vs utilizing proven tools to conduct meetings remotely	Visitation
When do distributors plan to fully open their locations to customers, and when to they plan to welcome reps into their buildings to make sales calls? July, Sept, next year?	Visitation