MESSAGE FROM THE PRESIDENT...

While reading the articles in this issue of the Gazette, the ‘Business Tip’ struck me as particularly interesting. The basic idea is getting your organization to sell value, not just price. Looking at it from a different perspective, that concept can easily be applied to your purchasing decisions as well.

In 1984, when I acquired Gateway Safety, we focused on building strong relationships by providing quality products at a competitive price. Nearly 20 years later, we still must be doing something right because our competition continues to try and copy that business model. Nevertheless, thanks to your support, Gateway Safety continues to grow and prosper.

We have recently heard rumors that some of our competitors are claiming their product is the same as the Gateway Safety StarLite and that it even comes from the same molder as the StarLite. Of course, these rumors are completely false. While we disapprove of their tactics, we consider it a compliment that our competitors try to “piggy-back” on Gateway Safety’s reputation. It will take more than a similar product to match the value that Gateway Safety creates for our distribution partners.

Just some of our value-added benefits include:

• Internal and external quality control measures that ensure all of our products exceed the highest standards of quality.
• Shipment of most orders on the same day the order is placed and virtually all orders are shipped within 24 hours.
• Significant ad campaigns that support our distribution partners. We’ll be running a similar program again in 2004.
• Manufacturing of a broad spectrum of safety products, including eye, head, face, and hearing protection. Best of all, more surprises will come in 2004.
• No hidden, ‘hush-hush’, ‘off-column’ pricing. If you’re a 4th column customer, you know where you stand – you’re getting our best distributor pricing.

We take pride in the value that Gateway Safety provides to our distribution partners. We take pride in the “Gateway Safety Advantage.” As always, we want to thank each of you for your support. Best wishes for a strong finish to 2003.

Kenneth E. Love
Gateway Safety

NEW ANSI Z87.1 STANDARD

October, 2003 – The new eye protection standard features several key changes. Please use this question/answer format article as a general guide. Rest assured, all Gateway Safety spectacles meet the new, high impact standard. We are already changing our molds to identify them accordingly. For more information, please call customer service at 800-822-5347.

When did the new standard become effective? ANSI Z87.1-2003 became effective in August.

Who developed the new standard? The American Society of Safety Engineers (ASSE) developed the new standard. ANSI doesn’t write standards, rather, the organization is an accrediting body. Safety professionals needing more information should contact ASSE for answers.

What does ANSI Z87.1-2003 cover? ANSI Z87.1-2003 covers the same eye protection as the old standard. However, the new standard has also been expanded to include performance requirements for full-face and loose-fitting respirators.

So what’s the main change? The introduction of two categories of impact resistance: basic and high. In effect, this dual-tier approach will divide eye protection products between non-plano (prescription) and plano products.

Have lens thickness requirements changed? For non-plano lenses, the new standard still has thickness requirements for both basic and high-impact products. For high-impact plano lenses, however, the thickness requirement has been eliminated. Better materials and improved technology have made these minimums unnecessary. This will improve optical clarity in wraparound lenses. Basic impact spec lenses still must at least 3 mm thick.

Face In The Crowd: Don Derksen

It is with sincere regret that we announce the unexpected passing of our good friend and associate, Don Derksen. Don has been a valuable member of the Gateway Safety family for well over a decade. His agency, Don Derksen and Associates, has ably covered Texas, New Mexico, Oklahoma, Arkansas, Mississippi, and Louisiana. Year after year, his agency has been one of the top sales forces for Gateway Safety. His leadership, experience, and friendship will be sorely missed. Our thoughts are with him and his family, as well as with his associates, Steve and Rick Bennett, during this difficult period.

Leadership responsibilities for Don Derksen & Associates will be assumed by Steve Bennett. As always, his efforts will be complemented by his brother, Rick, and new associate, Harry Mason.

“Despite the loss of Don,” said Matthew Love, director of marketing for Gateway Safety, “our distribution partners can expect the same quality, service, and support that they have come to expect from both Gateway Safety and Don Derksen & Associates.”
Hearing Protection: Choosing the Right Hearing Protection

Because of the small unit cost, Hearing Protection Devices (HPDs) are positioned as commodities and selection is too often made by purchasing agents who regard the purchase as little different from that of pencils and paper. Let's not let that happen when selling Gateway Safety hearing protection. Hearing loss is too important an issue for us, and our customers by asking lots of questions. Identify which of the above factors are most important to each consumer...then focus your sales effort on your organization's ability to address those factors. “This enables you to sell value, quality and benefits,” says Mayer. “Price is no longer the primary selling factor.” And, as Robert Frost would say, “…that will make all the difference.”

Example One: Chainsaw (average 110dB)

An employee exposed to 110dB PROPERLY uses HPDs with a noise reduction rating (NRR) of 32dB, because the net result of 78dB (110-32=78) puts them within the optimal level of 75-80.

An employee exposed to 110dB IMPROPERLY uses HPDs with a noise reduction rating (NRR) of 22dB, because the net result of 88dB (110-22=88) puts them outside the allowable noise level of 85dB.

Example Two: Hand Drill (average 98dB)

An employee exposed to 98dB PROPERLY uses HPDs with a noise reduction rating (NRR) of 22dB, because the net result of 76dB (98-22=76) puts them within the optimal level of 75-80dB.

An employee exposed to 86dB IMPROPERLY uses HPDs with a noise reduction rating (NRR) of 32dB, because the net result of 54dB (86-32=54) puts them under the acceptable level of 70dB. This is considered over protection.

Now here's the part to remember, the difference between the noise level measured at the ear and 85 is the amount of dB of protection that's needed for that noise exposure. You have to specify protection that brings the noise to at least this level, understanding that the optimal level to shoot for is 75-80.

Rewarding Safety: Are You Selling Incentives?

There is much debate about the effectiveness of rewarding employee safety through incentives. Those against the practice say companies that use incentives are coping out on finding real solutions for hazards. Others argue that promoting gimmicks instead of behavior moves the discussion of safety into a dangerous domain led by marketers. The fact remains however, that incentive programs are very popular and industrial companies believe they are effective.

According to a Gallup Survey, the U.S. incentives market has been estimated at nearly $20 billion, and is growing at a rate of 7% annually. And, in practice, incentives are firmly entrenched in the safety field with 75% of companies currently using awards and/or incentives as part of a more comprehensive safety program.¹

The list of possible incentives is long, including everything from jewelry and gift certificates for shopping, to vacations, steaks and apparel. They also take many forms, from pre-paid credit vouchers to lottery-style scratch-off games. The point is, you identify what might motivate employees to comply with the company-managed, well-thought-out safety program and then offer that incentive as reward. Safety engineers reason that by encouraging compliance, you eliminate the lion's share of costly and preventable occupation injuries.

Many distributors are already recognizing that services – such as motivating compliance, employee training, tool crib management and more (see chart below) – take their sales approach out of the price-driven commodity marketplace. According to Trends Among Safety Distributors, Reed Research Group, 2002, nearly every distributor reported some service that they sell for a fee, that is, unbundled from their product sales.

So the million-dollar question is, how can distributors take the incentives “product” and turn it into a service that they administer for a fee? Forecasts of aggregate spending on incentives should be a motivating factor, with 92% of companies surveyed responding that they intend to spend more or at least the same on safety awards and incentives in the coming year.¹

In making your decision whether incentives are a service for you, consider a few things. First, consider the access you have inside your customers’ facility. If you are not considered their safety counsel, this might be a difficult sell. Second, consider the services you currently offer. For example, Employee Training or Cost Reduction Programs could become profit centers with incentives used as support vehicles. Finally, investigate whether incentives are currently used to support safety programs for each of your customers and, if so, consider whether it would be more effective for your customer – and more profitable for you – if you provided the program.

Do You Offer the Right Service Mix?

According to Reed Research Group/Industrial Distribution’s 56th Annual Trends Among Safety Supplies Distributors, many distributors are recognizing the importance of selling safety services.

They understand that gross margin is a driving force for earnings and that selling services enhances gross margin.

MEASURE your service mix against the responses given to the question: “What specific services do you currently provide to customers?” and “What specific services do you currently sell to your customers for a fee?”

1. Steven Minter, “Putting Incentives To Work”, Occupational Hazards.