

*Translating the Power of Technology into Performance*

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**"By and For Independent Control System Integrators."**

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**Welcome to our new CSIA Associate Members:**

- Industrial Automated Systems, Davenport, IA, Ken Deering, Division Manager
- Morrow-Meadows, Walnut, CA, Peter Matthews, Manager Instrumentation & Controls
- ONExia, West Chester, PA, Greg Selke, CEO
- Precision Engineering, Inc., Mobile, AL, Patrick MacDonald, Business Development Manager
- Ralph Healy & Associates, Smyrna, GA, Ed Chastain, Operations Manager

**CSIA Executive Board Meeting-Nov. 6-8:**

CSIA held their "in-person" board meeting in Naples, FL the site of our forthcoming 2009 Executive Conference. The purpose of this session is to check out details and set the program agenda for the conference. The location and facilities are really outstanding. As you might imagine, with the present state of our economy our conference agenda will focus primarily on the dilemma presently confronting many members, and offer a variety of advice from experts on survival strategies and growth opportunities. This is the one conference you really won't want to miss and definitely should attend. Mark your calendar now for April 29-May 2, 2009.

**Changing of the Guard:**

As many of you know, I will be bowing out as CSIA's Executive Director at our 2009 Executive Conference. Believe it or not, this will be my 11<sup>th</sup> conference and it's time for new faces, direction, and approach. Or, as we have recently heard, perhaps all too often, it's time for "Change".

Our Executive Board met in Naples with the final candidates for the Executive Director's position and to select an Association Management Company for CSIA. We're pleased to announce that Bob Lowe of Loman Controls, one of our founding members and a CSIA Certified Member, will be the new Executive Director. Bob is currently transitioning from the company he founded and will bring a great deal of experience, enthusiasm, and expertise to this position. He will be assuming his new duties at our Executive Conference in Naples, next April 29<sup>th</sup>.

CSIA has grown appreciably in membership and services in the past decade and it's time to turn to a professional association management firm to handle the administrative, marketing, publicity, and conference duties that are required for our continued successful growth. After considerable searching we have selected "Association Acumen", a young but proven firm, from Madison, WI. Lynda Patterson, their president, will have the key interface role between AA, our Executive Board, and our Executive Director. She is a Certified Association Executive (CAE) and with 20 years of experience in association management, Lynda brings a wealth of knowledge and expertise to CSIA. Her staff of co-workers have impressive credentials and accomplishments in this area. Along with Lynda, they demonstrate a great deal of enthusiasm and dedication to helping CSIA accomplish its goals and objectives.

Association Acumen will take over their duties at the end of this year and we are currently in a transition mode transferring our data and procedures. Our mailing address will change to Madison, WI, but our phone and fax numbers will remain the same. After December you can reach me on my cell phone (610-357-1250).

### **Legal Tip of the Month:**

#### **Beautiful Proposals and Toxic Purchase Orders**

An integrator's proposal can be a beautiful thing. In some cases it is literally like reading the history of the company, with a three-color logo at the top, high-minded statements about the integrator's corporate philosophy in the first paragraph, and carefully-worded descriptions that have evolved over time in the middle about how the integrator adds value to its industry—along with reassuring phrases such as "state of the art" and "stand behind what we do."

The best of these proposals, of course, contain well thought-out and appropriately protective terms and conditions that make clear exactly what the integrator has agreed to do and NOT agreed to do—and that also limits the integrator's liability to a fair amount. What's not to feel good about? So you go ahead and sign the customer's purchase order and do the project without objection.

Take a moment and pat yourself on the back. Now—flush that proposal down the pipes.

At least in the first of my two scenarios (call it Scenario A). That's the scenario in which the purchase order you signed is a "toxic" purchase order or contract. Such a document makes clear the following:

- The terms in the PO are the only terms that matter
- Any other terms and conditions are expressly rejected
- The scope of work is described in the RFQ or the customer's specs
- Your proposal is not even mentioned

There are variations of course. One version of such a "toxic" PO does at least go to the trouble of mentioning your proposal, and maybe even including it as an official "contract document," but then makes utterly clear that if there is any inconsistency between the PO and your proposal that the PO is supreme.

Now let's talk about Scenario B. Is it better or worse? It's better—sort of.

Why? That's because that same "toxic" PO with all of those same ugly terms may have just saved your bacon.

In this scenario, your proposal contains such great marketing language that it may come back to haunt you later. For instance, the court decisions are numerous about how marketing phrases like "state of the art" can create a warranty to that effect to the buyer.

So it may be that when the customer's PO comes back looking "toxic" —with a flat statement saying that the only terms that matter are the ones in the PO—it actually may be doing your company a big favor (by saving you from yourself).

*CSIA General Counsel Mark Voigtmann can be reached at 1-800-382-5426 (ask for Mark Voigtmann) or via e-mail (Mark.Voigtmann@bakerd.com).*

### **The Business Owner:**

The November-December "Business Owner" issue is now posted in the "members' only" section (UN: csia.member and PW: integrator) on our Website. Check it out and you'll find it contains a wealth of information for small business owners. This issue addresses the current economic situation and has some excellent information on insurance criteria.

## **CSIA's Website:**

A lot of effort is being expended on implementing improvements to our CSIA website to make it more useful, informative, and attractive for those who log in. Our website is there for three audiences, namely prospective CSIA members, end-users searching for a CSI, and for our CSIA members themselves. Currently it satisfies the first two categories quite well, even though there is much room for improvements and ease of use. It's the third category that we want to really improve, namely making it an invaluable resource and tool for our members' use. So we're searching for ways to get our members to use it and keep coming back for useful information. Our BP&B committee is leading this effort and recently has undertaken a three day workshop on "Website Strategy and Best Practices". Just want to let you know that change is underway here. We would really value hearing from our members as to what you would like to see there and what would make the site more useful to you. Take a quick moment now and e-mail in your comments and suggestions.

## **CSIA's Insurance Program:**

We continue to make progress with our Captive negotiations. We have now reduced our markets to 3 carriers that, we believe, meet membership's needs to provide a combined Captive and fully insured Program and we will be receiving substantive proposals by December 15. We expect to be able to accept applications for the new Program effective 3/1/09.

Our new business efforts continue to pay dividends. Currently there are 46 members awaiting proposals for their renewals. In addition we continue an outstanding record of business retention with a 100% retention rate. Holmes Murphy will be sending out a customer survey over the next few days and we encourage all insurance Program participants to respond so that we can make our Program the best it can be.

Finally, we recently e-mailed an edition of "The Business Owner" to our membership. (It's also in the Members' Only section on our website.) This edition had a special section emphasizing risk management and the importance of obtaining adequate insurance coverage. It covered aspects directly related to why members find it so hard to obtain appropriate insurance, why many policies are inadequate and why members that have Business Owners Policies need to be certain that their business is correctly described as Control Systems Integration.

For a full review of your existing coverage please contact our Insurance Program manager Paul Barnard, [paulbarnard@csia-insurance.com](mailto:paulbarnard@csia-insurance.com) (610-507-6595) or Joe Watts at our Servicing Agents Holmes Murphy [jwatts@holmesmurphy.com](mailto:jwatts@holmesmurphy.com) (913-660-1218).

## **CSIA Sales Excellence Council:**

Nineteen CSIA members are participating in this Council, led by Todd Youngblood. We started with a kick-off meeting in October, hosted at Lord & Company in SC, and followed up with a Web-teleconference this past week. The objective of SEC is to generate an 8 to 12% annual, incremental increase in the effective sales capacity of its members. We'll hear about their progress in growing revenue at the Executive Conference in Naples, FL next spring. In the meantime, you can learn the fundamentals of Sales Process Engineering, the methodology being used by the "SEC," from two of Todd's very informative books. Check them out at <http://ypsgroup.com/ideas/books.htm>.

## **CSIA Marketing Material:**

Our very talented PR guru, Lou Zimmer, will also be retiring this year. But before he departs, Lou has created a masterful array of brochures, highlighting the many User advantages of using the services of a CSIA "Certified Member". These brochures cover various industries including "Food & Beverage", "Pharmaceuticals", "Water & Wastewater", plus special publications on Version III of our BP&B. You can see pdf. versions of these in the Members' Only section of our website. And, we have printed versions of all of these for your marketing promotional programs. We are mailing a complete set of these to all of our Certified Members this month. They are also available for our Associates upon request.

## Rockwell Automation Fair-Nashville, TN

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Steve & Nancy Goldberg, Matrix Technologies



Ed (Robot Arm) Diehl, Concept Systems



Bob Adams, Bruce Koppenhoefer-Revere Control



Don Ulrich, (Massage Chair)-Stone Technologies



Joan O'Leary, Ray Bachelor-Bachelor Controls



Gary Klingman, Premier System Integrators

Eleven CSIA members exhibited at the R/A Automation Fair this year in Nashville, and some thirty of our CSIA member companies attended. Here are a few of our exhibiting members.