



SHOWCASE

News from the Canadian Association of Equipment Distributors

July 2005

CAED Chairman's Report

By Ken Nordstrom, 2005 CAED Chairman

2005 Vancouver Convention Highlights

Our 62nd Annual Convention turned out to be a resounding success, with more delegates than past conventions. Your Association is financially sound with a total of 116 active members and we have a plan to increase these numbers this year!

Sunday's Golf Tournament and Chairman's Reception allowed us to renew old friendships and build new ones.

At our breakfast Annual General Meeting, we heard from **Walter Berry**, the Chairman of A.E.D. in the United States. He stated that the Construction and Mining Industry continues to stay strong. The \$285 Billion Highway and Infrastructure Bill is in final stages of approval.

Our first guest speaker, **Dave Dinwoodie** of Auctio explained how dealers can maximize used equipment profits through a Dealer to Dealer only On-Line Auction.

Next up was **Charles Barrett**. He had a very interesting presentation on China, now the world's second largest economy. He reminded us that every company should have a China strategy, whether or not you are doing business in China. This is because they are transforming how the world conducts business.

Craig Manness followed up on last year's presentation with a very high tempo message around Truth, Lies and Marketing II. He explained why customers buy, why they come back, why business grows or does not grow. He reminded us that marketing isn't about selling, it's about customers buying. Our brand is our most valuable asset, but we don't own it – our customers do. Protect your own unique brand (what are you better at doing than your competitor?).

Craig's Five Key Principles

- 1. Make your "brand" a senior responsibility.*
- 2. Act like you don't know your customers well enough.*
- 3. Position yourself, write it down and test it.*
- 4. Gain company acceptance of competitive strategy.*
- 5. Make communicating about the receiver.*

Next we heard from **Csaba Hajdu** on the Canadian Economic Performance and Outlook. In summary, the strong growth cycle has peaked but strong demand for equipment continues due to significant backlog, inflation remains at 2.5% to 3.0% through 2009, G.D.P. Growth continues through 2009.

Brian Krieger talked about the business opportunities of the 2010 Olympic Games. You can access the following website for information: www.2010commercecentre.com

Our closing dinner speaker **Linda Edgcombe** had a humorous and dynamic presentation on energizing and balancing your life.

My thanks to all of our sponsors who helped make this a successful conference.

See you in Halifax next June.

Equipment Buyers are choosing Convenience over Geography

Submitted By: Ritchie Bros. Auctioneers

Most equipment fleet managers will admit that the task of buying and selling equipment items to match their ongoing needs can be a daunting task. The demands to efficiently manage fleets are on the rise. The need to find a suitable piece of equipment to meet specific demands, the need to quickly sell unsuitable items, and the need to make fleet adjustments in a time-efficient manner are all pressures managers face on a daily basis.

Many fleet managers are increasingly favouring buying methods that provide them easy and convenient purchasing along with access to a broader selection of equipment — even if it's outside of their immediate geographic area.

Ritchie Bros. Auctioneers, the world's largest industrial auctioneer, last year conducted more than 150 auctions around the globe, selling 178,000 trucks and equipment items worth over US\$1.79 billion. And Ritchie Bros. says the trend of buying equipment items globally and conveniently has been growing for some time.

“We host an average of about 1,500 customers at each of our auctions,” says Clay Tippett, Ritchie Bros. Vice President of Marketing and Customer Relations. “And hundreds of them travel from outside the country or even continent where the auction is held. It usually comes as a surprise to people when we tell them that up to half of equipment items purchased at our auctions are destined for job sites outside the province or state in which the auction is held.”

The hallmark of Ritchie Bros. Auctioneers' approach is their commitment to holding only unreserved auctions. There are never any minimum or reserve prices, and everything sells to the highest bidder on sale day. Tippett says the unreserved approach creates an open and fair marketplace — something which buyers are very attracted to.

Tippett says it's no accident that Ritchie Bros. auctions have such a strong foreign contingent. “Buyers attend our auctions because we provide a convenient buying solution, a broad selection of all kinds of industrial equipment, and buyers know they will pay a fair global market price for their purchases,” he says. “For many of them, geography is not an issue. What's most important to them is the ability to buy fairly and conveniently.”

Ritchie Bros. works hard to facilitate the needs of its customers who are seeking a convenient buying method. The company provides on-site access to financing through an exclusive relationship with CitiCapital, transportation and customs experts who can usher their customers through the process of shipping their purchases out of the country.

Ritchie Bros. also has a popular internet bidding service called rbauctionBid-Live, which allows bidders to follow the auction and place bids on equipment items from anywhere in the world as if they were at the auction in person. About 33,000 bidders are registered to use the service, and online purchases now account for about 15 percent of total purchases at any given auction.

“Ritchie Bros. is unique because we provide a global marketplace,” says Tippett. There really are no barriers for anyone in the world to purchase from any Ritchie Bros. auction in the world.”

Weldco-Beales – Better by Design

By Doug Schindel, Weldco-Beales Manufacturing

Weldco-Beales Manufacturing (WBM) initiated business more than 60 years ago as a small privately owned welding and repair shop with a single operation in Vancouver BC. We have grown through various owners to become a modern, vibrant organization of more than 350 employees, working in 3 manufacturing plant locations in Western Canada and the Pacific Northwestern United States.

Weldco-Beales core business is the design, manufacture, service and distribution through a dealer network of construction equipment attachments. We build blades for crawler tractors, buckets for wheel loaders and excavators, log and lumber handling equipment, operator cabs and a large variety of specialized equipment used in the construction, mining, forestry, resource exploration and pipeline industries.

In addition to our attachment product lines we also manufacture telescopic truck-mounted cranes from 8-ton to 40-ton capacity. These cranes are marketed under the brand “Weldco Hydra-Lift” in recognition of the origin of this product, Pitman Hydra-Lift Cranes. The flagship model is our HL40-TC75 offering 40-ton lift capacity, 75 ft. maximum sheave height and enclosed operator swing cab.

Forestry related products were the mainstay in the early days of Weldco. The construction boom in the sixties and oil exploration in Alberta in the seventies grew the product offerings substantially. In 1974 we opened the Edmonton plant to further support the rapidly growing oil industry. In 1978 we expanded into Washington State and 1983 saw the merger with Beales Steel Products in Langley to form Weldco-Beales Manufacturing.

In 1998 Weldco-Beales Manufacturing was purchased by Norterra Inc. Norterra is jointly owned by the Inuvialuit people of the Western Arctic and the Inuit of Nunavut to diversify their holdings and to offer training and employment opportunities to the young people of the north. Norterra also owns Canadian North Airlines, providing jet airline service to the Canadian Arctic, and Northern Transportation Company Ltd, the largest tug and barge service provider on the Mackenzie River and throughout the North.

**Please contact the CAED office if
your company would like to be
featured in our next Showcase
Newsletter issue. (613-822-8861)**

Mark Your Calendars...

*2006 Annual Convention
June 18-21
Delta Barrington
Halifax, Nova Scotia*

Cummins Eastern Canada President Plays Golf ... Makes 108 Dreams Come True

By Pierrette Ringuette, Cummins Eastern Canada

Imagine playing 108 holes of golf, in 10 hours and 8 minutes and covering over 23 miles while doing so. That's what Mike Christodoulou, President of Cummins Eastern Canada, did in May and thanks to his efforts, he raised \$108,000 for *Dreams Take Flight*.

Dreams Take Flight is a non-profit organization made up of volunteers from the Air Canada family in Canada and the U.S. Teams in Vancouver, Calgary, Edmonton Winnipeg, Toronto, Ottawa, Montreal, Halifax, Los Angeles and Tampa each organize the trip of a lifetime for physically, mentally or socially challenged children. The destination is either Disney World, Florida, or Disneyland, California. Air Canada donates the aircraft and the employees do the rest. The adventure is funded through fundraising efforts, corporate sponsors and donations.

Mike spent the day in a golf marathon at the Falcon Golf Club in Hudson, Quebec with the aim of playing 100 holes and raising \$100,000, to make a dream come true for 100 mentally or physically handicapped children. He did even better than predicted, by completing 108 holes. "I could have played another 18 holes," said Mike, who did not have a single blister on his hands or feet. "Maybe it was the Nike™ shoes" he joked. Nike™, in fact, donated the equipment for the day, including irons, woods, hybrids, bag, shoes, shirts, jackets, hats and balls for Mike and his assistants.

After completing the first 18 holes in 1 hour and 20 minutes and the second 18 in 1 hour and 25 minutes, Mike decided he could not finish the day at the 100th hole, which was actually the 10th. So, he went on to complete the full 18 for a total of 108 holes. "Everything went really well," he said. "I had a lot of fun. I think we did hole 76 in 1 minute and 1 second." His young son, Justin, 3-years-old, sunk the final putt for him.

It was a team effort, Mike said. "I did not do it on my own." I had volunteers helping rake the traps, fixing divots, finding balls and teeing-up balls."

Falcon owner, Randall McCormick, made the course available exclusively to him for the day. He was the only golfer on the course. Mr. McCormick also provided the celebratory barbecue and champagne that followed the event.

Mike thanked all those who helped him to achieve, and surpass, his goal. He had the support of his family, friends, clients, dealers and suppliers and volunteers from *Dreams Take Flight*. Although he had specifically not solicited employees of Cummins Eastern Canada LP, they found out anyway, he said, and contributed \$6,000.

"It's all for the kids - for handicapped and underprivileged kids. The children of *Dreams Take Flight* are the real winners," Mike stressed.

Thanks to Mike, there will be "Magical Memories" for 108 Special Kids!

Did you Know

That CAED's Translation Service can assist you in **meeting the legal requirement for translating into French** . For over two decades, our CAED translator has provided services to CAED Members. Our **Translation Service** will cover all printed materials, service manuals, specification sheets, advertising copy, editorial – **all at competitive rates**. Any CAED member may take advantage of this **value-added service**. This quality translation service is offered at a **competitive rate** of 25 cents per word.

For an inquiry or quote on any of your translation requirements:
Please contact Maria Swan at (613) 822-8861/email: m Swan@caed.org

PRO MAC Manufacturing – A Student’s Perspective

By Luke Butler, Pro Mac Manufacturing

As a mechanical engineering student attending the University of Victoria, I applied for an internship at Pro Mac in April of this year. As with many members of the association, I was familiar with Pro Mac as a manufacturer of brush cutters and saw the opportunity to work in a truly mechanical environment. Since I began work at Pro Mac in May 2005, I have come to realize that there is much more to the company than it’s well-known yellow disks.

Founded in the late 1940’s, Pro Mac has been employee-owned since 1993. As a result, accountability for their products and services is an important core value for the company. Focus on accuracy and repeatability gives Pro Mac it’s competitive edge in an industry where quality has been sacrificed for speed. Given Pro Mac’s full-time staff of over 60 employees, our shop can maintain our commitment to quality while meeting the strict deadlines of our clients.

In only two months as a student engineer, I have seen many projects around our engineering office. Arbors and saw guides, manufactured at Pro Mac, are shipped around the world daily. Other attachments, such as log-loading grapples and military de-mining equipment have been designed and built in-house. One of the company’s more consistent products are high-precision replacement parts for American Cranes. Strategic warehouse placement, in Duncan BC and Lakeland Florida, allows for quick dispatch of parts to distributors and customers worldwide.

Beyond the stock products, Pro Mac has developed a reputation for diversity.

Structural platforms, heavy equipment parts, and sawmill and pulp mill equipment are just a few of the one-off and specialty items passing through the shop regularly. As well, the engineering department provides engineering and support services to all customers. No longer strictly a manufacturer of brush cutters, Pro Mac has established itself as a leader in all aspects of machining and fabrication.

My first tour of the shop was an eye-opening experience. The machine shop operates a diverse compliment of manual and CNC equipment. Hobbing and keying machines, as well as an induction heat-treatment center, allow Pro Mac to produce high-quality gears and splined shafts. The large boring mill gives us the ability to machine work pieces up to 9 ft square and 20 ft long. Our 30 ft Swift lathe can turn stock to 6 ft in diameter. The fabrication shop consists of multiple welding stations, a flame-cutting table and coatings booth. The shop itself can be re-arranged to suit projects of any size, including a 70 ft linear cut-off saw completely manufactured and assembled here.

With two months left in my term here at Pro Mac, I am sure to experience a great deal more. Walking through our shop on any given day, the diversity of the company and its impressive capabilities are evident. Customers around the globe recognize that our continuing dedication to quality, schedule, and service allows them to remain flexible and competitive. In our 30 years of industry success, we have met the challenges of growing technology and a shrinking world.

Environment, Health & Safety Update

By Cathy Chalykoff, EHS Committee, CAED

The CAED's Environment, Health & Safety (EHS) activities are continuing to provide value-added activities to members. The third EHS Seminar was held in Montreal and a series of safety tips have been sent to member companies who are participating in gathering safety statistics. Work on the development of the new EHS Department is ongoing.

During the week of June 19th, the CAED hosted its third Environment, Health & Safety seminar in Montreal, the first one in the French language. This event covered various EHS topics of interest to members with operations in the province of Quebec. Congratulations to Pierre Gloutnez and his team for putting together a roster of excellent speakers. Their topics included due diligence under Bill C-45, management of sub-contractors, the supervisor's role as coach, dealing with conflict in the workplace and with cases of fraud and abuse of workers compensation. Speakers from the Commission de la santé et de la sécurité du travail (CSST) addressed the mandate and activities of this, the workers compensation board in Quebec and discussed action plans for safety in construction and in the use of elevated platforms, also known as "scissor-lifts". Attendees also took advantage of the opportunity to network and compare notes on their approach to safety issues.

On a suggestion from CAED's EHS committee health and safety tips have been sent out to selected members. The intention is to expand this email service to reach representatives from all member companies. If there is someone in your company who should receive these tips, please contact the CAED office to have their name added to the list. Any suggestions for items for this communication are welcome and should be directed to the email address below.

Since the creation of the EHS Committee in 2002, the CAED has recognized the industry wide need for improvement in health and safety. High premium costs, increased legislation and enforcement, and the necessity to prove due diligence are some of the issues that affect our industry's bottom line. A good business case can be made for the cultivation of a safety conscious culture within the workplace. Accidents cost more money than prevention and companies can benefit by working together to reach a common goal – a safe and healthy workplace. The CAED is proud to be working with our members to achieve this.

For information about the CAED's EHS services please contact us at info@caed.org or visit www.caed.org.

STAY SAFE THIS SUMMER . . .

- Remember to drive safely, keep calm behind the wheel and let that other driver get the speeding ticket.
- Enjoy outdoor activities but remember to use sunscreen and stay hydrated. Drinking one litre of water or a sports drink per hour is recommended when participating in strenuous activity. Alcoholic and caffeinated beverages actually dehydrate save them for relaxing after the game.

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