

A First Quarter 2012 Update from Paul Bellantone at PPAI

We're barely scratching the surface on February and I can already tell this is going to be an exciting year for PPAI and our industry.

For those of you who've been receiving this informal update over the past months, thank you for taking the time to read, respond and share it with your peers. I've taken the liberty of adding a few industry professionals I met at the recent PPAI Expo in Las Vegas, the PSI show in Dusseldorf, Germany and the PPPC show in Toronto to the limited circulation of this update. As always, please let me know if you would like to be removed from this e-mail distribution list. You may also send me the names of colleagues you think should be added.

The PPAI Expo 2012

The PPAI Expo successfully withstood the challenge of the earlier-than-we-would-have-liked date shift to [accommodate the Consumer Electronics Show](#), and I thank those of you who readjusted your schedules to accommodate the early-January schedule. While we did not break any attendance records, I am pleased to report that we had more than 10,100 qualified/verified distributors on-site and we continue to hear positive reports from suppliers that were impressed with the 'quality' of the attendance. That said, there are suppliers who are more interested – or at least equally interested in – quantity. My goal is to deliver both and we're already working to see that we achieve that ever-elusive mix in 2013. I have attached the official [PPAI Expo News Release](#) which includes the verified attendance figures.

I am especially appreciative of those supplier and distributor companies that partnered with my marketing team to help drive qualified distributor attendance to the show.

Fortunately, we will not face another date conflict with the CES until 2017 and based on the prevailing market conditions in our respective industries, we will likely choose to shift our date pattern to avoid the first-week-in January crunch. I will be soliciting your input on this as those dates draw nearer.

PPAI's 10,000th Member

One highlight of The PPAI Expo was the announcement of [PPAI's 10,000th member](#), David Peterson of Polar Bear Marketing in Riverside, CA, and having David join us on stage during the General Session.

As you know, we've experienced exponential membership growth in 2011, largely do to our Power of Two relationship with SAGE. The accomplishment came six months after reaching the previous record of 9,000 members in July 2011 and caps a year of 30% growth in overall membership.

You will be learning more about our 10,000th member throughout the year as we will be highlighting David and Polar Bear Marketing on the PPAI website and in *PPB* Magazine later this year. If you are currently doing business with Polar Bear, please take a moment to congratulate and thank them for their support of PPAI.

Staffing Update

Thank you for your assistance in helping me find qualified candidates for critical staff positions here at PPAI. Chris Piper, formerly the Western regional sales manager for Pro Towels, Etc. and Admints & Zagabor has officially joined our team as [Director of Business Development](#) earlier this week. In his role with PPAI, Chris will be responsible for new product and business development, key account management, and a consolidation of the association's sales functions.

Chris's arrival is the final piece of the restructure put in place to focus existing and new resources in three critical areas: government relations and product safety, volunteer engagement and business development. You can reach Chris at ChrisP@ppai.org or 972-258-3048.

Research

PPAI has released two important research studies and I am giving you direct access to them. The first is the [Distributor Business Survey](#) that was released in December, 2011. The benchmarking study is an examination and reporting of information supplied by distributor member companies that will help you compare how companies of similar size perform in number of core business functions.

The second study released in December was the [High-End, Low-End, Which Promotional Products Work Best?](#) This study looked at the preferences of consumers and promotional product buyers for promotional products in different price ranges.

If you have any questions about either of these studies or are interested in learning more about PPAI's research products feel free to contact Saritha Kuruvilla at 972-258-3043 or sarithak@ppa.org.

I had a chance to take a look at [ASI's Distributor Sales Volume](#) research earlier this week and they are reporting 2011 distributor sales of \$18.5 billion, up 6.2% from 2010. ASI is reporting eight consecutive quarters of industry growth. These numbers are consistent with what PPAI's 2011 research has shown over the past quarters. My personal prediction, based on our 2011 quarterly sales barometer and what I am hearing from discussions and visits with members, is for 2011 annual growth between 5-6%. What's most important is that both organizations are reporting better-than-anemic growth in 2011 and predicting continued growth and optimism for 2012. PPAI's 2011 4th Quarter Sales Barometer will be released later this week and the 2011 Annual Sales Volume research will be released later in this quarter.

Public Affairs & Government Relations

On March 7-8, 2012, PPAI will once again travel to Washington, D.C., to meet with senators, congressional representatives and their legislative staffs on Capitol Hill as part of our third annual [Legislative Education and Action Day \(L.E.A.D.\)](#).

As we prepared for L.E.A.D. 2012, we flipped the model on its head. Rather than accepting volunteers and asking them to contact their representatives, as we have done in past years, we identified 152 House members and 67 Senators who sit on Committees and oversee issues critical to our industry. Then we created an application process to ensure that we would

be represented by a team of LEADers who would have access to those key Senators and Congressional Representatives based on where the PPAI members live or work.

In just five weeks, we will join 62 members representing 45 states in Washington, D.C. for a day of advocacy and education—record attendance and coverage.

Legislator of the Year Award

We have also just unveiled our first [Legislator of the Year award](#) to recognize and thank a member of Congress who has supported the promotional products industry in 2011. If you've worked with a member of Congress who champions the causes of the industry, [nominate him or her today](#) for the inaugural [PPAI Legislator of the Year Award](#). All nominations are due no later than **Friday, February 3 at 5 pm.**

Product Safety – Let's Talk CPSIS, Component Testing and Ink

As of January 1, 2012, the Consumer Product Safety Commission (CPSC) requires manufacturers and importers to provide third-party testing and certification of children's products for compliance with limits on total allowable lead content based on Consumer Product Safety Improvement Act (CPSIA) requirements—100 parts per million for lead in substrate and 90ppm for lead in paint and surface coatings. To achieve certification, manufacturers and importers of children's products must produce a written Children's Product Certificate of Compliance (CoC) for each product based on third party testing.

The CPSC has offered manufacturers some relief in the form of component testing. Under the component testing rule, a manufacturer can rely on tests of specific product elements so that they will not need to retest the entire item. This solution is particularly valuable to the promotional products industry as it relates to ink testing.

If ink suppliers are willing to subject their inks to testing by a CPSC certified third-party lab, promotional products manufacturers can apply those inks to previously tested children's products without having to retest the finished product. However, that testing by ink suppliers is completely optional. An ink supplier does not make a children's product. They manufacture ink. Therefore they are under no legal obligation to test those inks against children's safety product standards.

Our [goal](#) is to encourage ink suppliers to voluntarily test their inks against children's product standards and share those test results with us.

Please contact your ink suppliers today and ask them if they are testing their inks on an annual basis. If they are not, encourage them to do so and share their names with Anne Lardner-Stone in our public affairs department at 972-258-3041 or AnneL@ppa.org. We will follow up with each ink supplier in hopes of making the compliance process easier on everyone.

The PPAI Strategic Plan Update

Under the leadership of PPAI Board Chairman Steven Meyer, MAS, the PPAI Board of Directors and senior staff will meet in late March to review and revise PPAI's current [Strategic Plan](#). The new plan will be focused on building the visibility, viability, credibility and community of our industry and member businesses.

We will be sending out a few short surveys over the coming weeks to solicit your feedback on association's initiatives, value and vision. Please take a few minutes to respond to these questionnaires as they will help the Board and staff create a compelling plan that reflects the current needs and future direction of our industry.

On The Road Again

In addition to the recently completed trips to PPPC and PSI, PPAI Chairman Steven Meyer, MAS and I will be headed out to GAPPP, PMANC and a number of other regional and member visits throughout the US during the first quarter. I will continue to post our travel schedule in this update and on my [Connections](#) blog. If you see us coming to your city and would like to schedule a visit or tour of your facility, please reach out and let me know. The member visits have been helpful to me understanding our industry and the challenges and opportunities you face as small business owners.

Thank You!

Thanks again for taking the time to read to this point. If you are looking for bulleted action items on what to do with the information I've provided, here they are:

- Know that while The PPAI Expo was a success, we will continue to work to keep the event the industry's convention and crown jewel of the promotional products industry
- Help us celebrate our 10,000th member company, Polar Bear Marketing
- Respond to association surveys that help you benchmark your company against others and keep us focused on the goals and initiatives that are important to you and other small businesses
- Support PPAI's public affairs activities and nominate a supportive member of Congress for PPAI's inaugural Legislator of the Year Award
- Send us information on your ink suppliers so we can encourage them to voluntarily test their inks against children's product standards
- Support your regional associations by attending monthly meetings and town halls throughout the year. They do great work on your behalf and give PPAI the opportunity to get out and meet with the membership.

Have a terrific first quarter... and let me know if there's anything I can do to help you grow your business.

Paul

Paul Bellantone, CAE

President/CEO

Promotional Products Association International

Direct: 972-258-3050

Fax: 972-594-4050

www.ppai.org

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