

AHTD Week Five Survey Report

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First Things First

If you happened to be one of the few who missed AHTD’s offering of the virtual keynote from delivered by Brian Beaulieu, [login to your AHTD members-only account](#) and watch now. Brian is extremely knowledgeable and a great presenter. The experience made my day and, like ITR’s live presentations at AHTD meetings, resulted in at least a half dozen meaningful conversations throughout the rest of the day and evening. I know several people are going to listen to it again—just to clarify their own notes.

Sometimes it’s hard to keep positive during times like these, but Beaulieu drove home one easy to overlook point: **This is not forever**. Instead, we are experiencing an historic event. Conditions are tough, but most likely not as tough as the Great Recession and certainly not the Great Depression. Current estimations call for an upswing in the 3rd Quarter.

On to our survey

This week’s survey, like the previous three, includes a good mix of ASP/Distributors, Supply Partners, and several Strategic Business Partners. The chart below shows the invoiced sales during the previous weeks. For clarity, we have identified the week of business represented. Please remember the chart lags one week behind the current date. To illustrate, the survey which follows this report will pull data for the week beginning on April 20th.

Business Level Compared to Previous Weeks	Percent Reporting Wk 3/23 Combined	Percent Reporting Wk 3/30 ASP	Percent Reporting Wk 4/6 ASP	Percent Reporting Wk 4/13 ASP	Percent Reporting Wk 3/30 Supplier	Percent Reporting Wk 4/6 Supplier	Percent Reporting Wk 4/13 Supplier
Up 10 percent or more	9.8 %	7.8 %	5.4 %	3.5 %	18.4 %	10.3 %	10.0 %
About the same	35.3 %	21.9 %	14.3 %	22.8 %	36.8 %	25.6 %	22.5 %
Down 10 percent	19.5 %	20.3 %	19.6 %	17.5 %	13.2 %	20.5 %	15.0 %
Down 11-20 percent	16.5 %	17.2 %	23.3 %	14.0 %	13.2 %	15.4 %	22.5 %
Down 21-30 percent	9.0 %	15.6 %	19.6 %	22.8 %	13.2 %	20.5 %	15.0 %
Down >30 percent	9.8 %	17.2 %	17.9 %	19.3 %	5.3 %	7.7 %	15.0 %

Commentary on Sales Numbers

The good news: 26+ percent of ASPs report invoices that are equal to or greater than before the COVID storm. This compares favorably against last week where only 19.7 percent could make that statement. Business is still going on.

The bad news: two distributors we interviewed told us the 30 percent bottom number doesn't adequately represent the true picture. Their business is off by close to double that mark. One interviewee noted their company had orders ready to ship out the door and nowhere to ship them. Over half of their customers were closed and not accepting shipments.

Distributors also made mention of a declining backlog of orders. Incoming is not keeping up with the outgoing invoice activities.

A distributor who is very aggressively working their territory reported:

“We have identified more future opportunities in the past three weeks than in the three months leading up to the shelter-in-place order. While it's hard to gauge when these opportunities will turn into orders, we do know where future business opportunities **could** come from.”

Reductions to Labor Costs

Layoffs and massive unemployment scream through our national and local headlines. Many AHTD members indicate reductions in force could be a strategy if the Coronavirus situation continues for a very long time--June, July, August, or longer.

Based on this information, we decided to measure the temperature of the community (pun intended). The following provides an update on our situation as of the week of April 20th.

Has Your Company Been Forced to Reduce Labor Costs?		
	ASP/Distributor	Supply Partners
Yes	19.3 %	32.5 %
No	80.7 %	67.5 %

To better understand how these are being handled, we asked those who have instituted reductions how they were doing such.

How Have Labor Cost Reductions Been Implemented?		
Method	ASP/Distributor	Supply Partners
Terminations	27.3 %	0.0 %
Layoffs	36.4 %	0.0 %
Furloughs	18.2 %	46.2 %
Forced vacations/personal day usage	0.0 %	23.1 %
Overall reduction in compensation	0.0 %	23.1 %
Other*	18.2 %	7.7 %

*Other – 401K contribution, limited overtime, multiple of the above

Conversations indicate a few, some, or maybe many of the ASP terminations could best be classified as employees with performance issues. Experience dictates, AHTD distributors often suffer from what I call the **47th Last Chance Syndrome**. Sub-par employees are repeatedly coached and encouraged to improve their performance, but because they are nice people with families, they are allowed to stay for years instead of being dismissed after six months. When an economic storm swells, their boss finally decides to release them and feels terrible about the whole situation.

We will be hiring again. I am even more confident of this following the ITR talk. When we all move into that stage, it may be good to remember the old adage: “Slow to hire and fast to fire.”

Networking is Always Good, but Networking Now is a Must

AHTD thrives on networking. Yes, our meetings provide the opportunity to learn from world-class presenters. True, our minds are opened by the super-stars of social media, cutting edge business practices, self-improvement, and technology. But, stripping away all of that, I would still attend the meetings for two purposes—building and nurturing my network. Whether you realize it or not, many of those reading this are official members of my personal Board of Directors. This was true back when I worked for an ASP and it remains true today.

Our survey indicates AHTD members are networking, and they are networking often. Close to 90 percent are networking with others weekly (or even more often). Many are networking with other AHTD members.

Are You Actively Networking With Others From Outside Your Organization?		
	ASP/Distributor	Supply Partners
Yes	94.7 %	97.5 %
No	5.3 %	2.5 %

How Often Are You Engaging With Your Network of Others?		
	ASP/Distributor	Supply Partners
> Once per week	51.8 %	42.5 %
Weekly	38.9 %	47.5 %
Bi-weekly	5.6 %	2.5 %
Monthly	0.0 %	2.5 %
When need arises	3.7 %	2.5 %

Who Do You Network With?		
	ASP/Distributor	Supply Partners
Other AHTD members	29.6 %	23.1 %
Others in the industry	50.0 %	69.2 %
Local business owners	13.0 %	5.1 %
Formal CEO group	7.4 %	2.6 %

Throughout these surveys, we have talked about the power of our association. Nothing is better than being able to exchange ideas with noncompeting business leaders. In a couple of conversations touching against this topic, it became abundantly clear several members are sharing marketing ideas,

benchmarking sales team performance, and even sharing operational cost comparisons to help one another more clearly see life after COVID.

To those who are just now engaging with trusted friends in our industry, feel free to give me a call. I would love to help you better engage. At one point, AHTD had “formal” networking groups. I was blessed to be part of what one member named “The Network of the Stars.” It was one of the best things to ever happen to me personally and professionally.

Moving into next week's survey – [CLICK HERE TO TAKE SURVEY](#)

Next week we will once more track incoming orders, but also explore other factors tied to our business.

- Opportunity Tracking – Have we discovered any new potential customers which will drive new business?
- Benchmarking Customer Calls – How many customer contacts per day/week do you expect from your sellers?
- Marketing Ideas that Work – Have you ramped up some aspect of your marketing activities?

Next week we are going to slice and dice some of the responses by geography. Stay tuned...

Finally... What Are You Reading?

We've settled into this quarantine lifestyle. If we share some of the same traits and attention span, you may have discovered you and your spouse or significant other have watched every movie made since 1922, all 79 episodes of The Vikings, The Sopranos for the 13th time and absorbed all the wisdom of the Mullet-Coiffured Tiger King. Alcohol content went up for the first week, but quickly settled down since you tired of waking up wondering if the slight twinge of a headache was the first symptom of...well, you know.

AHTD comes to the rescue. We received 55 book suggestions with a wide range of topics and authors. One jokester even listed “Frank's Book” as a title. Thank-you, we might even mention it in some future survey report. Jenny, here at River Heights Consulting, put together a brief synopsis of nearly every book. Because the list is so long, we are going to just mention a lucky seven here, but you can check out the full listing by visiting [AHTD's Members Online Page](#). The book club is found at the bottom of the page.

The top book and as one of those presenting it said, “Quick read and relevant to today's environment” was ***Who Moved my Cheese!*** by Spencer Johnson. A timeless business classic, ***Who Moved My Cheese?*** uses a simple parable to reveal profound truths about dealing with change so that you can enjoy less stress and more success in both your work and your life.

Jeffrey Gitomer's Little Platinum Book of Cha-Ching! - Jeffrey Gitomer

Cha-Ching! is a metaphor for success. You may know it as the sound of a cash register ringing but throughout this book “Cha-Ching!” will be referred to in every aspect of the business.

The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower - Michael Pillsbury

Based on interviews with Chinese defectors and newly declassified, previously undisclosed national security documents, *The Hundred-Year Marathon* reveals China's secret strategy to supplant the United States as the world's dominant power and to do so by 2049, the one-hundredth anniversary of the founding of the People's Republic. Michael Pillsbury, a fluent Mandarin speaker who has served in senior national security positions in the US government since the days of Richard Nixon and Henry Kissinger, draws on his decades of contact with the “hawks” in China's military and intelligence agencies and

translates their documents, speeches, and books to show how the teachings of traditional Chinese statecraft underpin their actions. He offers an inside look at how the Chinese really view America and its leaders--as barbarians who will be the architects of their demise.

An American Caddie in St. Andrews - Oliver Horowitz.

This is a more humorous read. A great story about living in St. Andrews and the stories about the caddies who make their livings there.

Never Eat Alone - Keith Ferrazzi

Do you want to get ahead in life? Climb the ladder to personal success? The secret, master networker Keith Ferrazzi claims, is in reaching out to other people. As Ferrazzi discovered in early life, what distinguishes highly successful people from everyone else is the way they use the power of relationships--so that everyone wins.

Abundance: The Future Is Better Than You Think - Peter H. Diamandis, Steven Kotler

We will soon be able to meet and exceed the basic needs of every man, woman, and child on the planet. Abundance for all is within our grasp. This bold, contrarian view, backed up by exhaustive research, introduces our near-term future, where exponentially growing technologies and three other powerful forces are conspiring to better the lives of billions of people. This book is an antidote to pessimism by tech-entrepreneur-turned-philanthropist Peter H. Diamandis and award-winning science writer Steven Kotler.

David and Goliath: Underdogs, Misfits, and the Art of Battling Giants - Malcolm Gladwell

Gladwell challenges how we think about obstacles and disadvantages, offering a new interpretation of what it means to be discriminated against, or cope with a disability, or lose a parent, or attend a mediocre school, or suffer from any number of other apparent setbacks.