

# Representative NEWS

Volume 1 ISSUE 1 MARCH 2019



Quarterly Communication for DSPM, Inc. Representatives

## View from the CEO...

Since our founding over 25+ years ago, everyone at DSPM has been committed to developing the most reliable, advanced, and dependable open architecture designs possible. A goal, I am proud to say, we have achieved. With 2019 well on its way, we're excited to share with you DSPM's new focus — YOU! Certainly our representatives have played a significant role in bringing DSPM to the market. With our advancing technology making breakthroughs daily, we needed to take a step back and ask ourselves one simple question. "What can we do to assist our representatives secure more sales?" Thanks to feedback from our eyes and ears in the field, I am excited to share with you our vision for a new and exciting DSPM. This year, we are upping the ante and evolve our marketing and support services to empower you to win and keep more business.

As we move forward into the new year, I want to introduce you to Thomas Banks, DSPM's Director of Marketing. Tom joined us in January to formulate DSPM's new and contemporary marketing strategy. We invited Tom to join DSPM not because he is an emergency power expert — between you and me, we have plenty of them. We invited Tom because he embodies both high-technology experience, mission critical products and services, and more importantly a twenty-first century marketing perspective. It would be easy to conclude that what you are reading is "just a newsletter" and in doing so, you would be incorrect. This first issue of DSPM Representative News illustrates our new commitment — YOU. The tempo of communications and education, under Tom's guidance, will be elevated to a new and exciting level. Tom's plan, beginning with this newsletter is to reconfigure DSPM's message, brand, and informational experience to empower you and your team to reach new levels of business success. Stand by as we roll out DSPM's 21st Century Multimedia strategy.

Milton "Moe" Hanson, President  
March 2019

## OPPORTUNITY

### Understanding ConstructConnect Insight

DSPM is committed to investing in your future. Toward this end, DSPM subscribes to the very powerful and expensive construction market database — ConstructConnect Insight ([www.cmdgroup.com](http://www.cmdgroup.com)). This unique and powerful database contacts more than 2 million construction industry professionals every year to collect, verify, and maintain data on 184,000+ bidding projects and more than 85,000 planning projects. DSPM recognizes ConstructConnect Insight is a very expensive service, and outside many of our representative's budgets. As such, DSPM is a paying ConstructConnect Insight subscriber enabling us to deliver to you information about new projects in a timely manner — giving you a hedge over your competition.

In order to benefit from this unique DSPM representative benefit, you just need to be a ConstructConnect Insight **FREE** subscriber. Yes, you must be a subscriber to ConstructConnect Insight but, you **DO NOT** have to be a paying subscriber to benefit from its service. As the paying subscriber, DSPM's sales support team is notified every day of projects that specify the implementation of a DSPM compatible product. Upon receipt of these opportunities, our team emails a link to the project's details to our representative serving that area.

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### DSPM News

#### Rose Corona back from Maternity Leave

It's been a long five months here at DSPM with Rose out on maternity leave. The good news is, Rose has a beautiful and healthy little boy who has become the newest member of the DSPM family.

Little Hunter was born on November 19, 2018 and weighed a whopping 7 pounds 4 ounces.

All of us at DSPM are happy for Rose and her husband...but, we are relieved to have her back at the office keeping the company on the straight-and-narrow.

Congratulations Rose and welcome young Hunter to the DSPM family.

#### DSPM Expands Product Line

DSPM has expanded its product line with the introduction of our High Voltage DC to AC Converter (formerly "Third-Rail Converter") with power ratings ranging from 8 KW to 32 KW.

DSPM's High Voltage DC to AC Converter has been field tested by the Chicago Transit Authority and purchasable under the Buy American Act.

Most major cities have some form of train transportation system, and our High Voltage DC to AC Converter is the latest innovation to assist them with their Emergency power needs. With your help, we expect to reach transit systems across the United States.

#### Federated Lighting Hits Home Run

Congratulations to all involved at Federated Lighting for closing the Raging Wire RDC order. Your patience and diligence over the past seven months brought this opportunity to reality. Raging Wire RDC purchased a 50KW DSPM signal inverter with nine options valued at more than \$130,000. Congratulations.

#### Western Lighting ECS / DSPM Webinar

On March 21st, DSPM begins its 2019 digital marketing strategy with an informational webinar with Western Lighting and Energy Controls. If your team is interested in product and strategy training, call DSPM to set up a date.

## Product Features

### Meet DSPM's Mini

If your client or specifying engineer needs an affordable, flexible and dependable inverter, DSPM's Mini is the answer. DSPM's Mini Inverter is perfect for smaller jobs requiring a small footprint yet the horsepower to keep the lights on.

DSPM's Mini is a single enclosure incorporating an LED display providing you real-time status and control of your back-up power.

#### Small yet Mighty

DSPM's Mini is a powerhouse that takes up very little space. In fact, with a footprint of only 2.8 square feet and standing a mere 25" tall, your DSPM Mini can easily fit anywhere in your facility — at the ready when needed.

#### Your Application

Regardless of your application, from outdoor

egress, restaurants, medical offices or more, DSPM's Mini is designed to ensure your client's emergency lighting is on when needed.

#### Flexibility

DSPM's Mini is designed to meet your client's needs. This small, yet mighty inverter can be configured for power ratings from 350 Watts to 2,000 Watts and supports your choice of 120, 208, 240, 277 and 480 volt inputs and any combination of 120, 120/240, 240, 277, 120/277 and 480 volt output. DSPM's Mini is as flexible as it is powerful.

#### 1-Year Warranty & 9-Year Pro Rated Battery Support

DSPM is committed to providing you and your client peace-of-mind. Each Mini comes with a 1-Year On-Site Warranty, 5-Year Power Train Warranty and the batteries are protected by DSPM's 9-year pro rated battery program. All of

which demonstrates one simple fact: **DSPM stands behind its products.**



#### DSMP's Mini is Easy to Install

Just call DSPM and we will walk you through our simple six-step Start-up procedure:

- 1) Call DSPM Toll Free at (877) 377-6769
- 2) Unpack the unit
- 3) Place the Mini in your desired location
- 4) Connect the Output power
- 5) Connect the Input power
- 6) Call DSPM for Mini Start-up Procedures

It's that simple to ensure occupants of your client's facility are not left in the dark.

#### Flexibility

If you need more from your Mini, DSPM offers a great variety of options, such as:

- Normally On or Normally Off Circuits
- External Maintenance Bypass
- Output Circuit Breakers
- Emergency Power Off
- Remote Indicator Panel
- SNMP Card
- Form C Contacts
- Seismic-Rated Brackets
- Onsite Startup
- Extended Warranty
- Enclosures: NEMA 1, NEMA 3R & NEMA 4

DSPM's Mini is ready to fill your client's needs today. Questions? Call DSPM and a qualified DSPM expert is there for you.

**Next Issue: DSPM's High Voltage AC to DC Converter**

## Sales Development: Handling Competitor Price Undercutting

It's inevitable. Out of desperation, competition will undoubtedly throw a Hail Mary and undercut your price. In response, your duty is to determine the right course of action to take when competitors undercut your company's pricing. In this issue of DSPM Representative News, I want to explore this challenge and ways to overcome ever-present lower-priced competitors.

When a competitor undercuts your price, it often presents a serious sales challenge and potentially erodes your already narrow margins in your effort to be competitive. To prevail in a price-based competitive bidding situation, you need a strategy for dealing with low-bidders. The obvious first question is how to proceed?

It's often difficult to anticipate the effect a competitor's lower pricing can have on your customer base. However, devising a proactive response in anticipation of this eventuality will help mitigate the threat. Failing to do so can prove to be a costly oversight.

The simple fact is low-cost competitors build momentum in slow moving and subtle ways which established entities would do well to pay close attention. According to McKinsey Quarterly, "...competition between low-cost entrants can produce unintended second-level effects that escape the notice of incumbents until it's too late to prevent a severe erosion of their market position."

Unfortunately, the typical reaction to this threat is to become competitive by eroding your prices — Generally, a bad idea. In the long-run, this may not prove to be a sound approach, especially during climates when consumers are more price sensitive.

For some, the logical response to price undercutting is to simply lower one's prices. Unfortunately, this just gives rise to a price war for which there are few winners and more often, only survivors. In fact, if you manage to drive the competition out of business, you may be left with an embattled business and limited options. Unless you're confident you can emerge unscathed from a price war, the best option is to avoid one altogether. The simple fact is this, by lowering prices in order to "be competitive" inevitably establishes a new low-price strategy that erodes long-term profits.

The obvious and proven response to a low-price challenge, without eroding profits, is to **shift customer perceptions about your product away from price and onto value**. Certainly, in today's economy and Internet savvy consumers, buyers are more budget-conscious. However, because every decision a buyer makes can be seen by all through email to social media they too are aware of the need to make right decisions now more than ever. As such, buyers will not immediately eliminate your offer on price alone and incorporate value, service, reputation, stability, quality, longevity, access, and integrity (to name just a few characteristics) in the selection calculation.

Regardless of product and price, it is incumbent upon us to ensure that our **solution's value and usefulness exceeds price alone**. Toward this end, we must strive to build strong customer relationships via marketing, communication and a promise to meet customer complaints and issues head on — because

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## Sales Development *continued*

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these are what price objections actually are.

When it comes to price undercutting, Entrepreneur.com says, "...commit to the value proposition, don't use lower price as a solution, eliminate the self-defeating thought that people aren't spending anymore, and never treat a price objection as anything more than a complaint." The bottom line is simple, ***whenever the value of your product exceeds the value of their money, you'll get the sale.*** Your value proposition is a composition of many components over and above your product. For example, to build a compelling value proposition, without resorting to lower prices, make sure you have taken four simple steps in advance: **① Provide in-depth product information, ② Build trust by allowing the buyer to know you through staff bios, ③ Proudly display reviews and testimonials, and ④ Demonstrate that you're a good corporate citizen by being active in your shared community.**

The renowned management consulting firm A.T. Kearney offers a few suggestions for dealing with a low-price competitor encroaching on your market:

- **Identify likely threats.** The earlier a low-price rival can be detected, the less likely you will have to compete on their terms. Look for companies focused on reducing costs by assembling products in low-wage markets, manufacturing off-shore, or employing unreliable low-cost shipping, or distribution models.
- **Conduct a total-cost analysis.** Perform an analysis that compares what your competitor's products or methods should cost compared with what they do cost in order to quantify a cost advantage. Next, try to see how that advantage translates into pricing options and whether they are sustainable (and can be replicated by your company) in the long-term. **Customers want to know their vendors will be in business when support is needed. Price cutting competitors often rely on an unsustainable business model which is your selling advantage.**
- **Explore all potential scenarios.** Developing "what-if" scenarios can help determine the next steps in your response. Is your competitor planning to enter new markets, roll out new products, or reposition itself to consumers? To forecast effectively, try to anticipate where the market is headed and which low-price companies have sustainable capabilities.
- **Choose an effective strategy.** The next step is to choose a goal that will improve your competitiveness based on the scenarios examined. "Often the better tactic is to shift the competition away from price alone. The newer rival may be less competitive in other areas," A.T. Kearney explains. "Use product differentiation to appeal to customers' needs for features or benefits they can't get from the low-cost competitor."

For some, a short-term strategy is to differentiate between types of customers and learn which market segments you can lose may prove valuable. In doing so, you can focus on more attractive customers and leave the less profitable and problematic buyers to the competition. Never forget, not all customers are equally valuable. In fact, some can be too expensive to service and drain your valuable resources which could be better directed toward more lucrative opportunities. It just makes sense to let low-ball rivals take unprofitable and demanding customers off your hands so you can deliver your quality product and service to customers seeking the best.

**Remember the old adage from the '70s, "No-one ever got fired for buying IBM." Why? Because, IBM delivered the best product, service, and peace-of-mind...not the lowest price. It is your job to be the next IBM.**

## OPPORTUNITY *continued*

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### Free Account...

If you haven't already done so, when you receive your first lead from DSPM, just create a Free ConstructConnect Insight account. To complete the "one-time" registration process, just follow 5 simple steps: **① Click the link in DSPM's email, ② Complete ConstructConnect Insight's Registration form, ③ Fill in your business profile, ④ Enter keywords for projects of interest, and ⑤ Identify your territory.** Once you complete Step 5, you'll have a ConstructConnect Insight account with access to the opportunity in DSPM's email. Unfortunately, ConstructConnect Insight is collecting information in Steps 3, 4 and 5 in hopes of selling you an advanced subscription. Certainly, you're free to do so. However, keep in mind DSPM already spends tens of thousands of dollars annually, receives relevant projects as they become available, and immediately shares them with you free of charge.

With your free ConstructConnect Insight account you'll have access to contact information for all relevant principals. All you need do is give them a call, confirm the specification details, and DSPM will prepare a professional quote for your submission.

## DSPM, your partner in "Powering" your sales





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DSPM, Inc. — The Power to Make a Difference™



## Frequently Asked Questions

### Why are batteries shipped separately?

DSPM's objective is to ensure your customer receives the freshest batteries possible. As such, having them sitting around in our warehouse is contrary to our goal. Additionally, as you well know, batteries are very heavy. If our battery supplier ships them to us, that simply doubles the shipping and handling costs ultimately reflecting in the price the customer pays.

### How can I be aware of the status of an order's ship date?

We appreciate your need to be aware of the status of your orders. As such, you can track your orders, and shipments by simply visiting DSPM's website and click the **REPS Login** button (upper right corner) and enter your DSPM assigned credentials. Once logged in, you can freely track your orders and monitor detailed steps including **Order Acknowledgement**, **Production Processes**, **Quality Control**, and of course, **Delivery and Tracking**. All just a mouse click away.

### I'm new to this industry. What is UL 924?

UL 924 is Underwriters Laboratories Standard for Safety of Emergency Lighting and Power Equipment. UL 924 certifies all equipment used for your emergency lighting needs meets the functionality, reliability, and visibility standards. One of those requirement's is a minimum 90-minute battery backup to safely evacuate the facility. Some areas require more time to safely evacuate larger building so it is not unusual to have a 120 to 240 minute battery backup requirements.

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