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RISING STARS OF THE
ELECTRICAL INDUSTRY 2016

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RECOGNIZING THE BEST AND BRIGHTEST



SPECIAL REPORT
TRANSFORMING
EMPLOYEES
INTO LEADERS

More power to them

New standards and connectivity demands drive continued growth in surge and power protection products. by Susan Bloom

A market estimated at more than \$2 billion globally, surge and power protection products guard equipment against damaging voltage surges and electrical noise, protecting against the low-voltage/high-frequency transients generated by everyday events such as the activation of motors or machinery. Spurred by such industry catalysts as the increased demand for connectivity as well as recent changes to NEC standards expanding requirements for these products, surge and power protection is a category expected to witness more than 5% growth annually through 2020. Here, manufacturers offer insights into current drivers, market trends, and sales opportunities.

Voltage surges occur when voltage levels that are short in duration are several times greater than the system's normal operating voltage level. According to Robert Lyons Jr., manager of product management, surge protection, for Mersen (ep.mersen.com), surges are most often caused by power disturbances within a user's own facility, although they can also originate outside of a facility as a function of such occurrences as utility grid switching, lightning strikes, switching of capacitor banks, and electrical accidents.

"To guard against these potentially damaging and costly incidents, which create unwelcome downtime," Lyons said, "a surge protective device [SPD] limits transient voltages by diverting or limiting surge current in a repeatable way and should be considered for critical and sensitive equipment that directly affects production, maintenance, safety, backup power, or other mission-critical functions."

"Both surge protectors and active tracking filters can be installed at the service entrance, branch panel, and/or the load itself to provide the appropriate level of protection for any type of equipment, no matter how sensitive," said Mark Dziedzic, power quality and product marketing manager for Emerson-SolaHD (solahd.com). He noted that several factors are currently

driving market growth in this category.

Among these is a growing number of products being developed in the marketplace that are increasingly susceptible to surge events as more intelligent devices are introduced.

"For example, smart buildings and advanced security systems involving cameras and access control will increase the demand for surge protection products, and even the latest trend toward enhanced energy efficiency through LED lighting and the greater use of electronic ballasts will require surge and power protection in locations that didn't have the need for it previously," Dziedzic said. "In addition, the expanding reliance on industrial automation by OEMs has increased demand for surge and filter products to maintain uptime and return on investment via productivity increases." Overall, he noted that facility owners have become less and less tolerant of downtime, and surge and power protection provide the first line of defense against it.

TECHNOLOGY TRENDS

According to Steve Rood, director of codes and standards, Electrical Wiring Systems, for Legrand (legrand.com), one of the biggest market trends has been an increasing appreciation of the value of surge and power protection devices to a company's operations.

"There's greater awareness within the industry of the role that surge protection can play in increasing the reliability of signaling, fire protection, and security systems, with surge protection serving as a type of insurance policy with respect to improving the robustness of these systems," Rood said.

With that in mind, added Kevin Kohl, product manager, Electrical Wiring System, for Pass & Seymour (legrand.us/passandseymour.aspx), "industry products are being designed for greater ease of installation and maintenance and are also increasingly incorporating such features as visual and silenceable audible alarms to indicate whether or not the device is still capable of protecting equipment."

Lyons added that industry products are also being designed with the latest materials, layouts, and components to enhance their durability and reliability and are increasingly being applied to applications within emerging markets such as renewable energies (solar and wind), EVs, and LED lighting.

Lyons noted that the widespread adoption of more intelligent electronic power distribution and control products in buildings that are inherently more sensitive to power disturbances is an ongoing trend that's being reflected in new standards. "With every NEC cycle, more and more provisions for surge protective devices are added, driving market growth," he said.

"The NEC recently mandated the requirement for surge protection products to be installed at all critical operating power system locations as well as for emergency power systems," explained Dziedzic. "As the 2014 NEC is adopted by each state, these requirements will mandate increased usage of surge and power protection products."

TIPS FOR THE TRADE

According to Dziejczak, “existing facilities are most likely underprotected to begin with and may be very exposed to transients,” he said. “Understanding the opportunities to provide added value to their customers allows distributors to maximize associated sales along with traditional electrical infrastructure products. Distributors that call on control panel shops can also add value to their sales by including filters or surge protection to minimize downtime and service/warranty calls. Overall surge and power protection is a nice—but often

overlooked—part of the solution sell that provides true value to the customer while increasing distributor revenues.”

Kohl concurred. “This market presents a great opportunity for distributors to find more value in the sale, as the sale of a surge protective device is a win-win for all involved—from the distributor right down to the end-user, who gains a cheap insurance policy for its equipment,” he said.

Lyons advises distributors to be a force that helps generate market awareness of and education about these products. “It’s common in our industry for

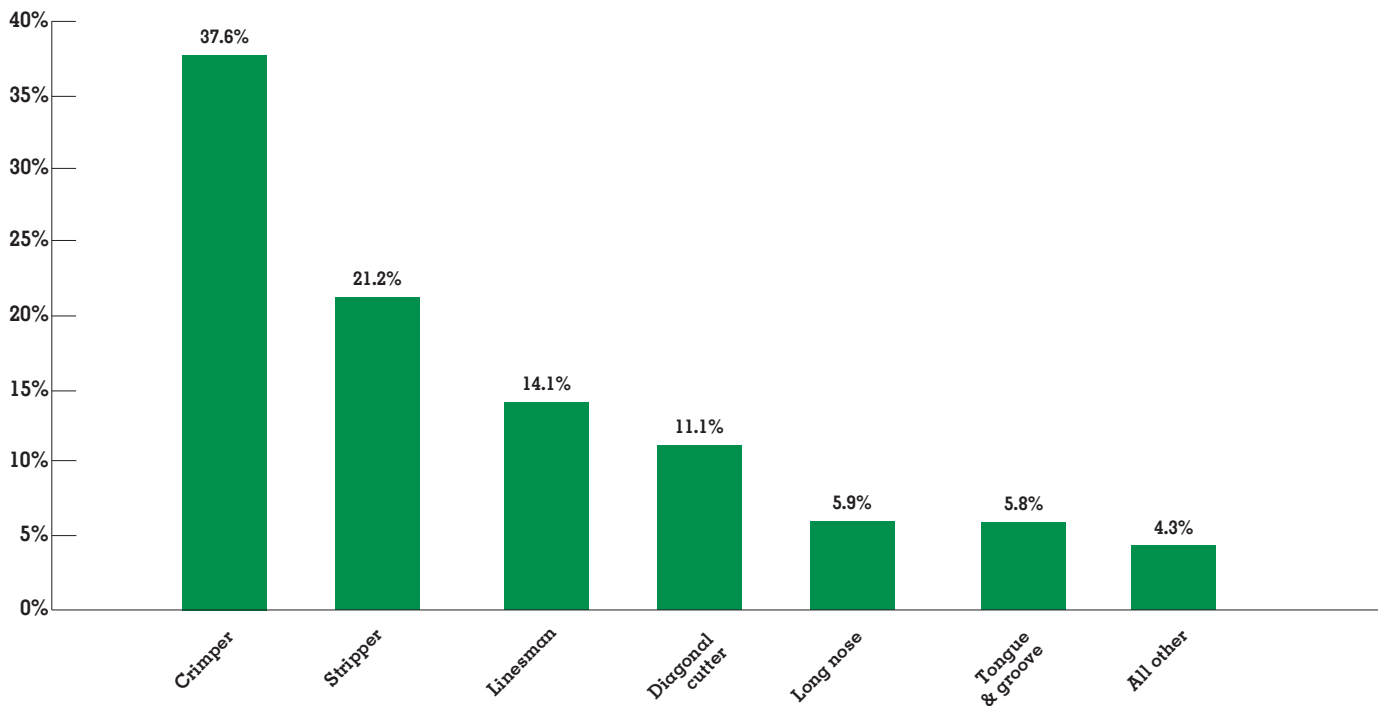
end-users to ignore or disregard the need for surge protection until they experience a catastrophic event,” he said. “While there’s no such thing as a surge-free facility and many transients aren’t predictable, damage to a facility is preventable with a proven and tested surge protective device. Additionally, SPDs aren’t always the easiest products to sell, so lean on your supplier to provide technical expertise and sales support.” ■

Bloom is a 25-year veteran of the lighting and electrical products industry. Reach her at susan.bloom.chester@gmail.com.

Product Watch

PLIERS BY TYPE

12-MONTH DOLLAR SHARE ENDING MARCH 2016



**PLIERS SHARE CHANGE BY TYPE
12-MONTH DOLLAR SALES ENDING MARCH 2016 VS. ONE YEAR AGO**

Crimper	-1.3%
Stripper	.1%
Linesman	.8%
Diagonal cutter	-.5%
Long nose	.3%
Tongue & groove	.8%
All other	-.1%

Epicor's Industry Data Analytics tracking information is based on sales from a representative sample of full-line electrical distributors located throughout the United States. For more information, call 512-278-5800, email vista@epicor.com, or visit epicor.com/Products/Pages/Vista-Information-Services.aspx.