

C. L. PUGH & ASSOCIATES INC. CELEBRATE 60 YEARS WITH ELECTRO-VOICE®



(l-r) The C.L. Pugh Boys
(Jerry Varsa, George Falkenbach, Jason Jacquemain, Bob Tevs, Michael Geesey)

Brunswick, OH (May 13, 2003): Brunswick and Columbus Ohio-based audio, video and lighting manufacturer's representative firm C. L. Pugh & Associates (www.pugh.com) are celebrating 60 years of sonic success with Electro-Voice in 2003, an occasion that coincides with Electro-Voice's 75th anniversary. The history of the consumer and pro audio industry can be traced along the timeline this partnership represents, from its roots in what was then called the "Radio Industry" to the sophisticated emerging technologies of today's pro audio marketplace. C. L. Pugh has evolved with EV all the way, from founder Courtney Pugh's friendship with EV founder Al Kahn to their current status as EV's top rep group. Chairman of the Board and former President of C. L. Pugh Bob Martin, who himself has 50 years experience in the industry, described C. L. Pugh's history:

"Courtney L. Pugh and his wife Mabel founded C. L. Pugh Company in 1943. Mr. Pugh was affectionately known as Muggs and few people actually knew his real name. At that time our industry was known as the Radio Industry and was comprised of manufacturers of radio and audio equipment. Independent sales representatives who sold multiple lines of synergistic products introduced their products to the market. In the early years of the industry all products were sold through distributors who marketed to dealers, contractors and OEMs. It was quite fascinating to talk to Muggs and his peers and learn how business was conducted in the

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early years. It seems that the independent sales reps often traveled together by car or train, and would then take turns presenting their products and programs to the distributors. They had great respect for each other and a high degree of integrity and professionalism. Indeed, many valued friendships developed amongst the reps and their customers.”

“Pugh represented some of the most prominent manufacturers in the industry, and Electro-Voice was one of the first. Al Kahn, one of founders of Electro Voice, and Muggs were good friends and valued their personal and business relationships. Mr. Kahn shared his ideas of new products with Muggs and discussed marketing ideas together. Somewhere I have a hand written letter from Al Kahn to Muggs discussing the idea for a pre-amp to be mounted at the antenna to improve TV reception. This letter pre-dated transistors and solid-state devices, and though I never saw evidence that this product was ever developed by EV, it shows how technologies evolved at the time. Through the 1940’s and 1950’s the company grew and diversified. The primary market Pugh addressed was selling parts and publications to and through distributors. Prior to 1960 all parts and accessory products were sold through distributors and this included microphones, speakers and finished products such as PA amplifiers and mixers. You have to keep in mind that some of this era was before hi-fi and certainly before stereo and television.”

“The Pugh Company was well known for its professionalism and discipline. Sales calls were carried out on well-defined routes and the customers knew that the Pugh salesman would be there on a given day and time each month. Actually the salesmen rotated routes so that all the company’s sales people became familiar with the entire customer base. In 1967 Muggs and Mabel incorporated the business and planned for succession. The company’s key sales people purchased the business in 1968, and Muggs stayed on for a few months to ensure a smooth transition. With Ted Magnuson as president the company grew and diversified along with an evolving industry. The new rage was ‘consumer products’, and the company was poised to capitalize on this direction. With strong relationships with distributors, manufacturers were anxious to appoint C. L. Pugh & Associates, Inc. as their representative. Manufacturers were delighted to see their sales grow a hundred fold in a few short years.”

“The 1970s were really fun times in our industry. In the audio business you had new technologies impacting high fidelity sound, commercial sound and professional sound. The music business was not yet a significant part of sales. In addition, the consumer electronics industry saw the car audio business skyrocket, and then the boom and bust of the

citizens band radio business. The next decade brought opportunities to sell a diverse mix of products such as police scanners, marine radios and antennas, security products and of course a broad selection of accessory lines. The willingness and ability to change and adapt to the marketplace has contributed to the longevity of the company. I think that the strongest attribute, however, is the integrity of the relationships with the manufacturers and customers. The manufacturers trusted that we would be conscientious in carrying their products to market, and the customers trusted our knowledge of both the products and their applications. The trust of the customer was very important because they knew we called on all their competitors.”

“In 1985 I was elected president of the corporation and moved the corporate office to Cleveland while maintaining the Columbus office. This was also a time of change in the industry that precipitated a refocusing of the company. With major consumer products manufacturers opting for factory sales people, C. L. Pugh & Associates, Inc. saw their future in selling engineered type products and systems. Actually, this was in concert with manufacturers such as Electro-Voice who was applying emerging technologies to the commercial, music and pro-sound markets. By the mid-1990s I saw the need to plan for the next succession of the company. Over a period of years I brought the key employees into all sales and corporate decisions, and in the fall of 1999 I passed the keys to Bob Tevs and George Falkenbach. And, sure enough, the traditions continue with renewed energy and commitment.”

George Falkenbach had worked as a salesperson with C. L. Pugh since 1980, Bob Tevs since 1988. When the opportunity presented itself, both Bob and George seized upon it, and continue to manage the company today, as President and Vice President respectively. Bob Tevs talked about C. L. Pugh’s continued success:

“One of the stipulations of taking over the business from Bob Martin was that George and I enroll in the CPMR (Certified Professional Manufacturers Representatives) course conducted by MRERF. This is a college-accredited course over a three year time period. One week each year, representative principals attend Indiana University for classes and exams on topics related to the independent rep business. The teachings include basic business management, business planning, financial planning, and trends in the rep industry. The classes opened our eyes to what we needed to do to remain successful in the coming years. Continuing education is required in order to maintain the CPMR certification. To date, George and I are the only CPMRs serving their customers and principals in their territory.”

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“Electro-Voice has always been a major part of C. L. Pugh’s business. Since 1943 it has been, and still is the cornerstone that C. L. Pugh is built on. 2000 brought the merger of Electro-Voice and Telex into a single representative firm. The Telex product line became part of our line card and strengthened our position in the industry. We now have a product line that allows us to approach dealers with a complete system solution: there are not a lot of manufacturers in our industry that give their representatives this ability.”

“We took what we learned in the CPMR course and applied it to the way the business operates today. One of the major points brought up during the three-year course was that the rep business is changing and evolving. The days of a salesperson in his car with a bin full of literature taking orders is history. The rep business has become more technical and service oriented than it’s ever been. Our time is spent more in problem solving and training than it is in selling. Sales will come if and when our customers understand the products that we have to offer.”

“To that end we’ve changed the way we go to market with our products. All of our salespersons, Michael Geesey, Jerry Varsa, George and myself travel with laptops. These aid in training through PowerPoint presentations that we use from manufacturers or develop ourselves. We also have design tools at our disposal to aid in the design of systems for our customers.”

“C. L. Pugh was also one of the first manufacturers in the rep business to develop a web page (www.pugh.com). The web page is intended to be informative and fun. It allows our dealers to access engineering data sheets and other information from our principals. We also publish a quarterly newsletter. Time is critical to our dealers and these allow them to get information in a hurry no matter where they are.”

“One of the major assets that we’ve invested in is our training and technical department, also known as Jason Jacquemain. Jason is responsible for all the inside training and technical support for C. L. Pugh and Associates. He has EASE and Stardraw at his disposal and uses them extensively to get our products specified in various projects and designs for our dealers. What we’ve also done is create a training room for our dealers. The room has the capability to accommodate 12 people in a classroom style configuration and 20 people in a theater-seating configuration. The room is equipped with a complete A/V system to handle all types of training and demo requirements. This room was created to give our principals the ability to conduct training and product demonstrations as well as allowing our customers to try new products and systems. We finished a very successful ProAnnounce training with Larry

Benedict, product manager for ProAnnounce in April and it was very well received by our customers.”

“Even with some of the new programs that we’ve created the core values still remain from when the company was first founded in 1943. Take care of our customers and principals in a way that makes us stand apart from all others. This is very obvious by the longevity of time which we have represented Electro-Voice and our customer base. When looking at the assets of an independent representative organization, the relationship with your customers and principals is most important. If you don’t have these relationships it doesn’t matter what lines or dealers you have, your effectiveness in the industry is greatly diminished.”

Electro-Voice® is a professional audio brand of Telex Communications, Inc., a leader in the design, manufacture and marketing of sophisticated audio, wireless, multimedia, aircraft, broadcast and communications equipment for commercial, professional and industrial customers. Telex Communications markets its products in more than 80 countries under the brands EV®, Telex®, RTS™, Dynacord®, Midas®, Klark Teknik®, University® and others.

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