



USAV PMP Program Description

February 2013

Thank you for your interest in becoming a USAV Preferred Manufacturer Partner (PMP). Since 2001, USAV has adhered to and advanced the objective of developing a team of world-class professional audio-visual (ProAV) manufacturer partners. We are pleased you are considering providing a competitive program to our Integrators.

Since inception, USAV's strategy has been to work with a small number of outstanding ProAV suppliers. USAV generally selects and works with only one PMP in each product category. USAV Integrators, in turn, strive to support our PMPs by increasing sales volume and expanding customer penetration. In response to this preferred/exclusive position, we ask that PMPs provide excellent pricing and incentive rebates based on the combined sales performance of USAV Integrators.

Program Logistics

Becoming a USAV PMP is a competitive process. At this point in our evolution, USAV has PMPs in nearly every ProAV product category. PMP programs are an annual commitment (generally based on the calendar year) and we are open to competitive proposals from other ProAV manufacturers on an annual basis. Except in unusual situations, we would prefer to receive program proposals from prospective PMPs in early November for the upcoming year.

Once we have received a new PMP proposal, USAV will assess the proposal in conjunction with the USAV Dealer Advisory Council (DAC). The DAC (an elected group of leading ProAV integrators) provides advice and insight as to the acceptability and competitiveness of the proposed program. If USAV's DAC feels the proposed program is competitive and in the overall best interest of USAV, they provide a recommendation for consideration to the USAV Integrator membership at large.

Subsequently, we disseminate the proposed PMP program to USAV Integrators and provide them a reasonable time (generally one to two weeks) to consider a proposed PMP program. This is followed by a vote. If a proposed PMP program seeks to displace an existing USAV PMP, there is generally "lively discussion" concerning the merits of the new program vs. the existing program. Ultimately, USAV Integrators vote to either accept the new program (displacing the existing PMP) or reject the new program. This vote is final.

Model USAV PMP Program

To assist prospective PMPs in structuring a competitive program, we provide the following "model" program:

- **Pricing** – should reflect the combined purchasing power of all USAV Integrators as a "single best customer".
- **Rebate** – should, at least in part, be paid quarterly based on successfully achieving sales goals. Rebates should be progressive—a "home run" rebate should be significantly larger than a "single". If USAV does not achieve minimum targets (a strike out), a zero rebate is acceptable. Collective USAV sales targets may be adjusted as often as quarterly in order to assure rebate goals that are both realistic and challenging. We are open to creative rebate structures, however, experience has shown that simple rebate programs (at least initially) are more readily understood and tend to gain traction quicker. Over time we can work together to tailor features for greater motivation.
- **Reporting** – PMP must report purchases, by Integrator, to USAV on a quarterly basis by the 10th working day following the end of each quarter. We realize our PMP's year-end closing processes may delay this quarterly reporting at the end of a fiscal year. We will work with you to "true up" reporting at the end of the year.
- **Other Features** – Prospective PMP are welcome to provide additional incentives. Some examples include: extended payment terms, free shipping, and enhanced return policies.
- **USAV Sponsorship** – USAV PMPs receive access to and commitment from Integrators on the USAV team. Each year USAV publishes a sponsorship program with various levels of participation and benefits. Please see this year's USAV Sponsorship program for details.

Questions?

Please feel free to contact Chris Whitley (chris.whitley@usavgroup.net) for further details and to brainstorm ideas for a compelling PMP program proposal. We're happy to brainstorm creative ideas and approaches for making your proposal a success.

About USAV

USAV is the largest team of professional audio-visual (ProAV) dealers in the nation. Our focus is supporting USAV Integrators in designing, sourcing, implementing, and supporting cutting-edge AV projects for clients throughout the U.S. and Canada. We work with two categories of manufacturer partners—PMPs and Specialty Products Manufacturer Partners (SPMPs). PMPs provide products that are applicable to all segments of the AV marketplace, while SPMPs provide specialized products targeted at unique segments or niches.

Thanks for your interest and support!