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President's Message



As has been the tradition, the State of the Industry report is given by the NMDA President at the Annual Awards lunch. President Vititow gave his State of the Industry speech on July 7, 2004, at the S.T.E.P. Purchasing event held at the Las Vegas Hilton. The speech is included here in its entirety.

Good afternoon, and welcome to the STEP Purchasing Conference at MAATS 2004. I want to thank you all for attending. I know it is difficult for most of you to break away from your businesses during this very busy time of year. Your support is greatly appreciated.

This is my first opportunity as President of the NMDA to give my State of the Industry Address. I'm fortunate to report that based on the responses we received back from the 2004 State of the Industry Survey that a high percentage of our distributor members have enjoyed a good year so far.

As the economy has continued to improve the recovery of the marine industry has continued to improve as well. Improvements in consumer confidence and low interest rates have certainly been major elements in the recovery so far. Though the industry is still not as healthy as we would all hope, it appears likely that 2004 will be the best year our industry has seen in several years.

Yet there are many things going on that tell us that we should not be having as good of a year as we are. The threat of terrorism and the situation in Iraq continues to cause us concern. In the spring as fuel prices mushroomed there was great concern over how those prices would effect consumers and potential boat buying decisions as well as how those prices would effect current boat owners and their willingness to use their boats. Fortunately by early June those prices began to fall. In fact, it appears that the high fuel prices had a minimal effect on the industry. Consumers continued to buy new boats and boat owners continued to use the boats they already had.

At this time I will review the responses of the 2004 NMDA State of the Industry Survey. This year we sent out 29 surveys and received 24 responses back which amounts to about an 83% return rate from our distributor members.

State of the Industry Results

1. Was your company's total sales volume of marine accessories up or down in 2004 compared to 2003?
 Up 88% Down 4% Same 8%

Compared to 2003
 Up 56% Down 22% Same 22%

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Supplier of the Year Winners

While in Las Vegas last month at S.T.E.P. Purchasing the NMDA Supplier of the Year was awarded. With a record turnout for S.T.E.P. the Supplier of the Year luncheon was also well attended.

At the start of the process there were 28 NMDA distributor members, 26 sent in nominations reflecting a 93% participation rate. There were 28 suppliers nominated in Category 1 and 54 suppliers nominated in Category 2. Both groups ended up with 10 finalists.

For the final voting there were 29 distributor members in the association, 27 firms voted for a participation level again of 93%. The fact that so many distributors take their time, and that of their staff to fill out the ballots and return them, proves once again the importance of this award.

In Category 1 the winner was Tempo Products. The 1st runner up was Sea-Dog Line, the 2nd runner up was Taylor Made Products and the 3rd runner up was Dutton-Lainson.

For Category 2 the winner was Meguiar's followed by Tie Down Engineering as the first runner up. 2nd runner up was Boat Buckle Brand Tie Down Systems and the 3rd runner up was Polyform US.



Robbie Vititow with Mike Presley of Tempo holding their Supplier of the Year Award



President Vititow handing the Category 2 Supplier of the Year award to Krista Feaster of Meguiar's

Along with the Supplier of the Year awards, there were three Special Focus Awards. These were determined by combining scores in several categories to come up with the company with the highest score among both categories.

The Special focus awards were: Best All Around Packaging which was awarded to Ancor. The Marketing Program award went to Boat Buckle Brand Tie Down Systems. The Supply Chain Standards which honors the company utilizing the NMDA Supply Chain Standards Manual, as well as other NMDA criteria went to Polyform US. Pictures of these winners can be found on the NMDA website.

That improved considerably in 2004 compared to 2003. Last year only 56% of the respondents reported increased sales and 22% reported that sales were down.

2. Do you expect your company's marine accessory sales for 2005 to be up or down in comparison to 2004?

Up 96% Down 0% Same 4%

Compared to 2003

Up 81% Down 15% Same 4%

A good year creates optimism. Optimism has greatly improved this year compared to last. Last year 81% of the respondents expected to see an increase this year and 15% expected to see a decrease.

3. Because of your sales projections for 2005, do you expect to maintain an inventory that is larger or smaller than in 2004?

Larger 54% Smaller 0% Same 46%

Compared to 2003

Larger 37% Smaller 15% Same 48%

Again, a good sales year makes us all more optimistic. Last year only 37% of us expected to carry a larger inventory and 15% expected to carry a smaller inventory.

4. Were collections on your sales in 2004 faster or slower than in 2003?

Faster 29% Slower 13% Same 58%

Compared to 2003

Faster 19% Slower 22% Same 59%

Improvements in our dealer's business has resulted in an improvement of their ability to pay their bills on time. Last year only 19% of the respondents reported faster collections and 22% respondents reported that collections were slower.

5. Do you have a Web site?

Yes 71% No 17% Plan to 12%

Compared to 2003

Yes 70% No 22% Plan to 8%

The number of respondents that have web sites is about the same as last year but the number of respondents that plan to have web sites has grown from 8% of the respondents last year to 12% of the respondents this year.

6. Do you use E-mail as a part of your everyday business?

Yes 96% No 4%

Compared to 2003

Yes 89% No 11%

The use of technology is becoming more and more important to the day to day operation of our companies. Last year 89% of us used e-mail and 11% did not.

7. The number of dealers you service in 2004 is up, down or the same in comparison to 2003.

Up 84% Down 4% Same 12%

Compared to 2003

Up 56% Down 15% Same 29%

That compares to only 56% of the respondents being up in 2003 and 15% of the respondents being down in 2003.

8. The average size order by your dealers in 2004 is up, down or the same in comparison to 2003.

Up 62% Down 13% Same 25%

Compared to 2003

Up 22% Down 37% Same 41%

Dealers obviously have not been nearly as conservative in their daily accessory purchases in 2004 as compared to last year. Last year only 22% of the respondents reported that their average order size was up and 37% reported that their average order size was actually down.

It's a pleasure to report such positive responses. We all hope that this trend continues and the same can be reported at the end of the selling season.



Dick St. Claire & Peg Cappozoli of MESCO at 2004 S.T.E.P. reception



Rick Chang of CC Marine & Larry Porche of Land 'N' Sea at opening reception



NMDA Exec. Director Nancy Cueroni greeting Warren Rogers of Paxton Co.

S T E P
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Focus On
• Sales • Training
• Education • Purchasing

Jan 16 - 20, 2005
TradeWinds Island Grand
St. Pete Beach, FL

With S.T.E.P. Purchasing at MAATS a recent memory, it is time to start focusing on S.T.E.P. Training. This event has been mentioned on surveys as "THE" premier event of NMDA. There is no other place that a manufacturer can meet with so many distributor salespeople in one place in such a short period of time! For cost effectiveness and return on investment there are few other events that

rival S.T.E.P. Training.

With a new time - January instead of August, a new venue - St. Pete Beach instead of Denver and a renewed sense of purpose there is nothing else in the marketplace that can match S.T.E.P. Training for value.

The schedule is still being adjusted but a tentative agenda is as follows:

SUNDAY, JANUARY 16, 2005

AM Arrival at TradeWinds Island Grand Resort, St. Pete Beach, FL

PM Opening S.T.E.P. Training Reception

MONDAY, JANUARY 17, 2005

8 AM - Noon S.T.E.P. Training Sessions

Noon - 1 PM Lunch

1 PM - 6 PM S.T.E.P. Training Sessions continue

PM On your own

TUESDAY, JANUARY 18, 2005

8 AM - Noon S.T.E.P. Training Sessions

Noon - 1 PM Lunch

1 PM - 5 PM Interactive Speaker/Learning Session

PM On your own

WEDNESDAY, JANUARY 19, 2005

8 AM - Noon S.T.E.P. Training Sessions

Noon - 1 PM Lunch

1 PM - 6 PM S.T.E.P. Training Sessions continue

PM On your own

THURSDAY, JANUARY 20, 2005

AM Hotel Check out -

The Committee is currently meeting to determine who the speaker will be for Tuesday afternoon. Many good suggestions for speakers were gathered at S.T.E.P. Purchasing as well as ideas for "other" activities. Also being looked into is the possibility of a group event one evening on the beach which might include black light volleyball, miniature golf or other event on property. If you have any suggestions or ideas that you would like to see considered, please contact the NMDA office.

Registration material, including booth space, hotel information and more will be in the mail soon.

Mark your calendar now and plan on attending!

MORE S.T.E.P. 2004

Exhibitors at the Marine Aftermarket Accessories Trade Show (MAATS) have spoken and have picked the winners of the first MAATS Best Distributor Award. Kellogg Marine and Land 'N' Sea received an equal number of votes and received Best Distributor awards. Other top vote getters included MESCO in the Best Distributor category. Awards were also announced in the Best Cataloger and Best Retailer categories. The winners were announced at the MAATS awards reception Saturday, July 10.

Strategic Planning - Spring Convention

The Board of Directors would like to invite any NMDA member to attend the Strategic Planning/Spring Convention. This event will be held January 14 - 16, 2005, immediately preceding S.T.E.P. Training at the TradeWinds Island Grand Hotel.

This is an important event for the Association and the more input from the membership, the better the Association becomes. There will be ample opportunity to help shape the future of NMDA - to both encourage the continuation of programs that are delivering exactly what you are looking for as well as to suggest and help implement ideas that will help in the future.

Please take the time to let the Board and staff know what YOU want from NMDA and how we can help you build your business.

A tentative agenda is shown below. More information will follow with the S.T.E.P. mailing.

FRIDAY, JANUARY 14, 2005

PM Arrival at the hotel

5 PM - 9 PM Board Meeting #1

SATURDAY, JANUARY 15, 2005

AM Committee Meetings (these include the Membership, Cost Study, S.T.E.P., MDX Industry Relations, Strategic Planning, etc.)

Noon Lunch

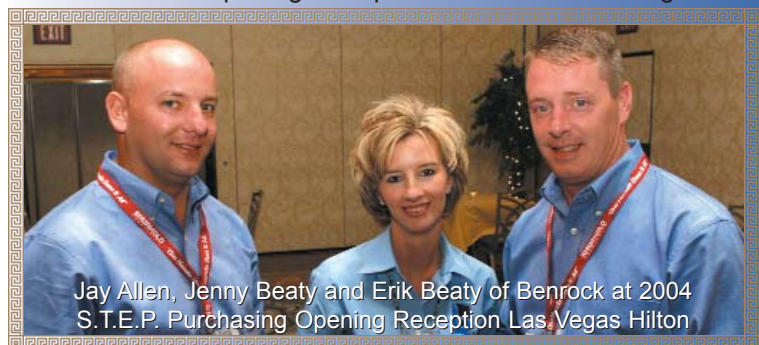
PM Committee Meetings continue

6 PM - 9 PM Dinner

Sunday, January 16, 2005

AM Board Meeting #2

PM Opening Reception for S.T.E.P. Training



Jay Allen, Jenny Beaty and Erik Beaty of Benrock at 2004 S.T.E.P. Purchasing Opening Reception Las Vegas Hilton



Supplier of the Year Winners

Back row, l to r: Jason Pajonk, Taylor Made; Brad Nysether, Sea-Dog Line; Tom Case, Polyform US. Next row, l to r, Will Dodson Boat Buckle Brand Tie Down Systems; Robbie Vititow NMDA President, Jim Egbert, Ancor; Steve McKee, Supplier of the Year Chair, Mark Bliss, Dutton-Lainson; Mike Presley, Tempo Products. Front row, l to r, Shirley Bradford, Tie Down Engineering; Krista Pennington, Meguiar's. Congratulations to all!

Upcoming NMDA Events

2005

Strategic Planning Workshop
January 14 - 16, 2005
TradeWinds Island Grand Resort
Immediately preceding S.T.E.P. Training
All are invited to attend & participate

S.T.E.P. Training
January 16 - 20, 2005
TradeWinds Island Grand Resort
St. Pete Beach FL

S.T.E.P. Purchasing
July 18 & 19, 2005
Las Vegas Hilton
Las Vegas NV

MAATS will follow immediately after S.T.E.P. Purchasing. In 2005 MAATS will be held at the Las Vegas Convention Center. S.T.E.P. Purchasing meetings as well as any MAATS Buyer/Supplier Meetings will still be held in the buyer's suites at the Las Vegas Hilton.

We will be present at several other industry events, but at the request of our membership, we are attempting to combine NMDA events where possible to help cutback on some of your travel and still provide value for your NMDA membership.

NMDA Officers & Board Elected



At the recent NMDA Annual Business Meeting the following members were elected to the Board of Directors. In the picture to the left are Mike Medart, Medart Marine as Vice President, Robbie Vititow, President and Steve McKee as Sec/Treasurer.

Also elected to the Board were Laura Leon of Beacon Supply, Keith

Brittingham of Coast and Mike Keller of Keller Marine representing distributors. Representing manufacturers is John Clarke of Moeller and for the rep firms, John Thommen of Ocean Marketing. Terms for these five will expire in 2007.

They join the current board members: the officers listed above and Jim DelCioppo of MESCO, Steven Pressman of Kellogg Marine Supply, Tom Wallis of Land 'N' Sea and Bill Longacre of Teleflex Marine.

Our sincere thanks to Lori Morrow, Keller Marine, Grant Kuebler of Payne's, Joe Clemons of Vita-Plate and Tim Luehmann of SM Osgood who stepped off the Board.

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2004 - 2005 Distributor Show Dates

Fox Marine Dealer Show

September 16, 2004
Renaissance Esmeralda
Indian Wells, CA

Bell Industries Dealer Show

September 28 & 29, 2004
Kalahari Resort
Wisconsin Dells, WI

C.C. Marine Distributors Dealer Show

October 3 & 4, 2004
International Centre
Mississauga, ON Canada

Medart Marine Dealer Show

October 13 & 14, 2004
Gateway Center
Collinsville, IL

Land 'N' Sea & Barclay Marine Dealer Show

October 18 - 21, 2004
Radisson Hotel at Star Plaza
Merrillville, IN

Ellett Brothers Marine Only

October 21 - 23, 2004
Warehouse Showcase Sale
Chapin, SC

Keller Marine Dealer Show

October 26 & 27, 2004
Radisson Hotel (Penn Harris)
Camp Hill, PA

Vita-Plate Dealer Show

November 3, 2004
Camp Perry Clubhouse
Port Clinton, OH

Mesco & Seacoast Dealer Show

42nd Annual Dealer Trade Show
November 3 & 4, 2004
Thorofare, NJ

Payne's Marine Supply Group

November 7 & 8, 2004
The Crystal Gardens
Victoria, BC Canada

Marine 1 One Dealer Show

November 8 & 9, 2004
Stardust Hotel
Las Vegas, NV

Morgan Recreational Supply

November 10 & 11, 2004
Saratoga Springs City Center
Saratoga Springs, NY

Kellogg Marine Supply Dealer Trade Show

November 18 & 19, 2004
Mohegan Sun Casino
Uncasville, CT

Coast Distribution Dealer Show

February 9 & 10, 2005
Rio Suites
Las Vegas, NV