

## FREQUENTLY ASKED QUESTIONS

Question	Answer
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Which distributors should I talk to about the HoD program?	Regional Sales Managers have a list of all qualified distributors. Please obtain the list from your RSM to determine which distributors are qualified in your territory and get their permission to promote this program to them.
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What are the qualification requirements?	<p>Distributor must meet the following requirements to qualify:</p> <p>Single branch minimum of <b>\$750,000</b> in standard product sales and <b>70%</b> of standard product sales through inventory during a 12-month rolling period. Modular and Free-Stand/Floor-Mount enclosures will be excluded from the through inventory sales requirement. Below is an example of how the standard sales and through inventory sales percentage are calculated.</p> <p><b>Example:</b></p> <table border="1"> <thead> <tr> <th>Metric</th> <th>Description</th> <th>\$ Amount</th> </tr> </thead> <tbody> <tr> <td>Standard product sales for branch</td> <td>Customer invoice amount (Before return and credit amount)</td> <td>\$850K</td> </tr> <tr> <td>POT amount</td> <td>Point of Transfer</td> <td>\$100K</td> </tr> <tr> <td>Drop ship sales amount</td> <td>Standard product sales that was dropped shipped from nVent HOFFMAN</td> <td>\$75K</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>• <b>Total Standard product sales for branch</b> = Standard product sales for branch + POT amount o <math>\\$850K + \\$100K = \\$950K</math></li> <li>• <b>Through inventory sales amount</b> = Total Standard product sales for branch – Drop shipped sales o <math>\\$950K - \\$75K = \\$875K</math></li> <li>• <b>Through inventory % of sales</b> = Through inventory sales amount/Total Standard product sales for branch o <math>\\$875K / \\$950K = 92\%</math></li> <li>• <b>Negative POT amount is transfers out of another branch/DC; positive POT amount is transfers in from another branch/DC</b></li> </ul> <p>Distributor must maintain HoD items through inventory requirement to be Distributor:</p> <p><b>70%</b> for Air Conditioners and Free-Stand/Floor-Mount enclosures less than 80 inches in height and <b>80%</b> for other HoD items during a 3-month rolling period. Modular, HMI and Free-Stand/Floor-Mount enclosures greater than 80 inches in height will be excluded from the through inventory requirement but will be recommended as demand warrants.</p>	Metric	Description	\$ Amount	Standard product sales for branch	Customer invoice amount (Before return and credit amount)	\$850K	POT amount	Point of Transfer	\$100K	Drop ship sales amount	Standard product sales that was dropped shipped from nVent HOFFMAN	\$75K
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How much does a distributor need to invest in inventory?	Each distributor's incremental investment will be different depending on what they already have stocked at their location. For VMI partners whose inventory we have visibility to nVent HOFFMAN can help review their current inventory level and provide an estimate on their incremental investment at no costs to them. For non-VMI partners, nVent HOFFMAN can provide a stock recommendation list and they can determine what the incremental investment would be based on their current stock positions of the territories they serve.
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Does a distributor need to stock every HoD items to be authorized?	Not necessarily. Authorized HoD Distributors are strongly recommended to stock all items with suggested quantity based on the stock recommendation list for their respective territories in order to maintain the HoD items through stock requirement. Free-Stand/Floor-Mount enclosures, Modular, and HMI products are not required to stock, but are recommended as demand warrants.
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<b>What is the sign up process?</b>	Starting January 25, 2019 sale reps can download all program marketing materials via the <b>HoD digital toolkit</b> (Password is Hoffman1). Regional Sales Managers have a list of all qualified distributors for their respective region. Please work with your RSM to obtain the list and schedule meetings with qualified distributors to talk about the HoD program. Deadline to submit the signed agreement is March 15, 2019. Signed program agreements should be sent to <b>hoffmanondemand@nVent.com</b> .
<b>What happens if an HoD item is not in stock?</b>	nVent HOFFMAN will strive to maintain sufficient inventory for all of the HoD items in our North and South distributor centers. If we come across any situations where we don't have inventory for certain HoD items, we will do our best to bring inventory back to stock as soon as we are able.
<b>Will HoD items be stocked in nVent HOFFMAN's regional warehouses?</b>	nVent HOFFMAN will stock Modular and HMI products in regional warehouses and Free-Stand/Floor-Mount enclosures greater than 80 inches in height in our warehouse in Indiana.
<b>What happens if an Authorized HoD Distributor does not maintain the sales and through stock requirement?</b>	Authorized HoD Distributors will have two months to position stock at their location upon signing the agreement. After the two month grace period, they must maintain the sales and through stock requirement. They will receive a monthly performance report for tracking purposes. If they do not meet the requirements, they will be notified and have two months to remedy. If they do not meet the requirements in three consecutive months, they will be removed from the HoD program, website and other HoD related marketing materials.
<b>When will the HoD program be live on the nVent HOFFMAN website?</b>	The HoD program will be live on the nVent HOFFMAN website beginning in April 2019.
<b>How does an Authorized HoD Distributor show up on the nVent HOFFMAN website? How does the geo locator work?</b>	When a visitor enters the Authorized HoD Distributor geo locator tool on the nVent HOFFMAN website, they will need to enter a zip code. Distributor results will be prioritized in the following manner: <ol style="list-style-type: none"> <li>1. Authorized HoD Distributors who are nVent HOFFMAN Certified Modification Centers (HCMCs)</li> <li>2. Authorized HoD Distributors who are Meridians</li> <li>3. Any other Authorized HoD Distributors who are within the serviceable area from zip code entered</li> </ol>
<b>How does an Authorized HoD Distributor sign up for VMI or transmit EDI 852 files?</b>	Authorized HoD Distributors should send a request to <b>VMI.Support@nVent.com</b> to obtain the VMI agreement and begin the setup process. This email address may also be used for EDI 852 setup.
<b>Where can I download the HoD program marketing or promotional materials?</b>	All the marketing collateral, program agreement, HoD cross reference list, etc. can be downloaded from the <b>HoD digital toolkit</b> (Password is Hoffman1).
<b>Who should I contact if I have questions about the HoD program?</b>	Please send any questions about the HoD program to <b>hoffmanondemand@nVent.com</b> and we will be in touch.



Our powerful portfolio of brands:  
**nVent.com** CADDY ERICO HOFFMAN RAYCHEM SCHROFF TRACER