



Inside Independent

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INDEPENDENT ELECTRIC SUPPLY

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President's Message By Jack Phelan

Congratulations on a record year for 2004. Electrical Wholesaling Magazine has just published "The Top 200" distributors for the year and we moved up to number 20 in the country. This is quite an accomplishment considering we only have branches in California. Each year we have steadily moved up in the ratings until we finally made the Top 20. Last year our sales increased 26% mainly due to market penetration and the stability and caliber of our workforce. In other words you did a great job.

We also improved our ranking in Sales Per Employee to number 15 by raising our productivity by fif-



teen percent.

Hopefully this year we can continue to climb in the rankings with productivity gains and the addition of our Utility Supply branches and new Electric branches.

Independent Intranet By Justin Levasseur

Independent is proud to announce the arrival of our new company-wide Intranet—a place on the web that only our employees can access.

It's loaded with information on company policies, benefits, ESOP, 401k, and even has a spot for software downloads.

In addition, there's a ton of resources that are kept up-to-date and ready for print, e.g. company telephone listings, branch listings, job information sheets, credit

memos, etc. This and more can be found by visiting this site via your web browser: <http://172.28.244.133>.

It will serve as our own online community where we can share information that can only be seen by Independent Electric Supply Inc. employees.

Best of all, it's available today. To log on, just use your username and password from Harvest (i.e. A12, A12). If you have trouble signing in or any questions, please call Justin at x4487 or 650-508-4287.



Employee Spotlight **By Gina Gasbarra**

Hopefully you have seen this wonderful employee at your local I.E.S. branch. If not, it is my pleasure to introduce, Mrs. Susan Walker. Susan has been working at I.E.S. for over 17 years and currently works at our San Carlos headquarters as the Corporate Operations Manager.

In 1988, Susan began in the lighting and quotations department in Sunnyvale, working for Jack Phelan. The biggest branch at that time, Susan moved quickly into the Operations Manager position, where she worked until 2002. Then she was promoted to Corporate Operations Manager, overseeing the entire company.

For those of you who know Susan, her job duties are immeasurable! A few of Susan's responsibilities include: closing the company books at the end of each month, supervising and managing special projects, handling auditing for the branch as well as conducting employee training company-wide.

Susan loves to travel to different branches and works closely with the employees. She assists employees to become more resource-

ful in their assigned job tasks as well as helps each branch maximize its efficiency. "It is so great to see improvement in both the branch and the trainees," says Susan. "The ultimate reward is for me to know that the branch benefited from my visit and the person I was training has a better understanding of our system and I have made their job easier."

The opportunity for movement within the company is one of Susan's favorite aspects of I.E.S.. The invaluable knowledge Susan gained while working as a secretary at AMFAC Corporation with Jack Phelan and her vast experience throughout the years while working at I.E.S. has propelled her to her current position as Corporate Operations Manager. "There are possibilities for everyone to move up, transfer to other locations or even move to another job duty within the same location if you want those opportunities. This allows the employees the freedom to maximize their capabilities and interests within the company."

Susan shares, "It is refreshing to work with a great group of people who enjoy working for and

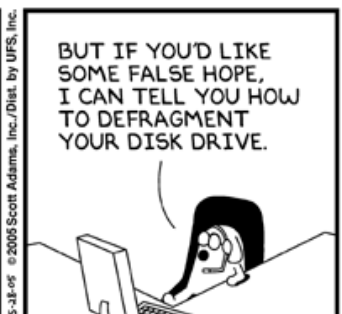
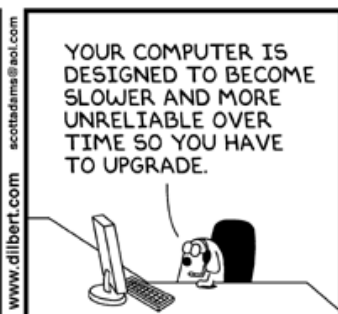
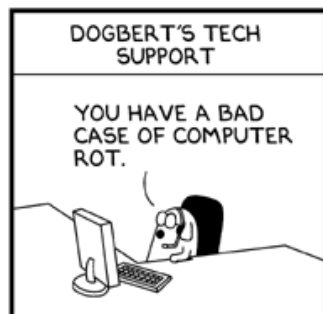


Susan Walker is featured in this month's Employee Spotlight. Great job Susan!

care about I.E.S.. Continual growth and prosperity is achieved by all of the employees' hard work and efforts. With everyone's dedication, commitment to customers and attention to detail, we can continue to prosper in years to come and help our ESOP grow."

When Susan has spare time, she likes to take walks, read books and spend time with her husband and grandchildren.

I know many would agree with me; not only is Susan a mentor but an extraordinary inspiration for all I.E.S. employees to emulate.



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401(k) And Your Money By Kris Bakshi

Money is very important in everyone's life, and is essential in order to meet day-to-day requirements. Thankfully, our company has very good savings and retirement plans. You have already been briefed on the ESOP, so let's now look at the 401(k) plan that was introduced by the management last year. 401(k) is a savings and retirement plan. A few of the beneficial points are mentioned here.

You can contribute to this plan a minimum of 1% of your total annual salary with a maximum limit of \$14,000.00 annually.

If you are over 50 years of age, you can make an additional catch-up contribution of \$4,000.00. Catch-up contributions do not qualify for company matching funds.

Company match (free money): The company matches 25% of your contribution to the 401(k) plan. For example: if you contribute \$10,000 in a year, the company matching funds would be \$2,500 (25% of \$10,000).

You can lower your taxes (depending upon your tax bracket) because you lower your current year's taxable income. You do not pay taxes on either the company's matching funds or your contribution in the current year. You can request investment forms through your branch manager.

Your authorization is required to deduct an amount from your paycheck each pay period. You make your own choice of investment. Guidelines are provided by Transamerica. Funds are transmitted to Transamerica (Your contribution plus company's matching funds).

When you retire, you may roll-over your funds to a rollover IRA account. Your money grows with the right choices of investment and it's tax-deferred. You pay taxes at the time of withdrawal of funds.



This article is just a summary description of our 401(k) plan. If you still have some questions, please do not hesitate to call me, Kris, at x4403.

SBC Network Conversion Successful By Bob Wittig

May 20th was a big day for the IT Department, but thankfully it went unnoticed by the vast majority of IES employees. Beginning at 4:00 PM that Friday we disconnected every branch from the old voice and data network and began switching everything over to a new provider – SBC. By 7:00 PM that same evening twenty-four of the twenty-five locations had been successfully switched over, but much more work remained.

In addition to changing network providers to SBC, we also converted to a new Sun Micro Systems HARVEST server and moved into a new Data Center in Irvine, CA. Late that same evening, we needed to copy all of the data from the old HARVEST server at the data center in Burbank, CA to the new server; this process took over twelve hours but was completed by Saturday morning. Marcus Bannerman arrived at the Burbank site Friday night and loaded the email server for transport to Irvine, so that all computer hardware could be in-

stalled at the SBC Data Center and brought back on-line Saturday. Troy Cable worked through Friday night to make sure the data conversion was going smoothly and early the next morning we were ready to proceed with the move to Irvine.

SBC worked closely with IES staff to make sure all sites were completed and early the next morning all branch locations were operational on the new SBC NVPN network. By 2:00PM Saturday afternoon the new

work began on Monday morning. With only a handful of phone calls on Monday to report a printer misbehaving, all systems worked exactly as anticipated.

The successful completion of the conversion resulted from many weeks of planning and testing leading up to May 20th. Many people besides the IT staff participated in helping us make the transition as smooth as it was, branch personal that stayed late at many of our locations, our business partners from Computer Network Professionals and KME Systems and most of all our dedicated account team from SBC lead by Cammie Agatep.

The benefits of the new SBC MPLS network and brand new Sun Server have been overwhelmingly positive in the last month as many employees have commented on how much faster HARVEST operates and the improved clarity phone calls. The added network and data center capacity will enable IES to continue to grow and expand our footprint with additional locations and employees.



Sun Server and email server had been installed at the new Data Center and validation testing was begun to ensure it would be business as usual when

Coming Soon: Harvest Training By Justin Levasseur

Whether or not you had formal Harvest training when you first began working with Independent, the opportunity is here now. Our programmer, Nina Schultz has been kind enough to offer her training services to our employees. We are developing formal training tutorials to better inform users on how to use Harvest to its full capacity.

Some of the IUS employees have already begun to take the sessions thanks to our network change-over. Moving from Qwest to SBC, we now have the services and software we need to do over-the-internet, real-time training classes where multiple employees can meet and get informed on certain aspects of the Harvest system.

The program that's used to host these meetings is called WebEx. What WebEx does is it provides an Internet window which displays the contents of the instructors

screen. So when Nina is on Harvest on her machine doing certain tasks, you can be right there watching. You can also get an audio feed to the presentation via your telephone by dialing into a teleconference that is linked to the WebEx meeting in which you are seeing the shared Harvest



screen.

All of this can be accomplished via the Internet (for video) and a phone connection (for audio).

Some samples of the classes that have already been administered and had great success are: "Sales Order Entry Beginner's Training," Sales Order Entry 101

(Intermediate Training), and Purchase Order Entry 101.

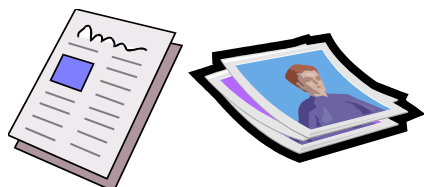
In order to get setup for these live sessions, you must be invited, but there's no VIP list by any means. Anyone who would like to join in is encouraged to do so—just express your interest in the certain area of Harvest via email to support@iesupply.com and wait for your invitation or some type of feedback concerning when the training will be held.

In some cases your computer or workstation may need to be configured in order to work properly (must have Flash Player and WebEx software). Everyone in the IT department is glad to help setup your location. And the good thing is that it's a one time deal, so once you've been setup for your first session, you're all set. WebEx Training Sessions...coming to a branch near you.

Newsletter Stories Wanted

Now that the newsletter has broken out of its debut era, we would like to have more stories be submitted by the employees to give a more personal feel to Inside Independent.

All submittals are welcome, no



matter what their length. In addition to sending in articles for print, feel free to email pictures or send photos in the overnight bag that you think may be interesting to include in upcoming newsletter issues. Most of the content should focus around company changes, new employees, company progress, major project summaries, or just some plain old company chatter such

as a brief summary of a gathering like a counter day or BBQ wrap-up.

Again, all submittals are greatly appreciated and will help keep the newsletters flying off the printers. Send all information to the newsletter editor in chief, Justin Levasseur at justinl@iesupply.com or address an overnight bag to him at the Corporate offices in San Carlos.