

# READ THIS FIRST



Ever since its founding in 1901, the National Electrical Contractors Association (NECA) has been helping electrical contractors be better and more profitable businessowners. As a national trade association that includes 120 chapters in the U.S. and 10 International Chapters, NECA represents, promotes, and advances the interests of all branches of the electrical contracting industry and the public it serves. You have been provided with two publications – *This Is NECA* and our most recent *Annual Report* – to help answer your questions about how NECA carries out its mission. However, we ask that you read this brochure first because it may help answer the most important question of all:

## Why Join NECA?

NECA members are companies (or, in some cases, divisions or branches of companies) that are primarily engaged in power distribution and/or integrated systems work. Although NECA is a “union” trade association, with almost 99 percent of our U.S. members having an agreement (letter of assent) with the International Brotherhood of Electrical Workers (IBEW) to hire trained electricians, our membership is diverse in terms of both scope of work and company profile.

All NECA-member firms are in the business of erecting, installing, repairing, servicing or maintaining electrical wiring and/or electronic cabling and related devices or equipment. However, different members serve different types of customers. The market mix includes residential, industrial, commercial, communications and building systems, street lighting/traffic control, signs, motor repair, instrumentation/testing, outside line construction and utility work.

Roughly 95 percent of our members qualify as “small businesses” under the definitions set by the U.S. Small Business Administration. (To be considered a small business under current SBA rules, an electrical contracting

company whose main customer base is other than utilities would have to have average annual receipts of \$12 million or less; for line constructors, the annual-receipts threshold is \$28.5 million.) However, there are no size restrictions placed on NECA members. We have some very large members – some of which began their NECA affiliation when they were just starting business – and many smaller members – many which hope to get bigger!

The reasons for joining NECA are as varied as the companies that make up our membership, but one thing all our members have in common is access to services tailored specifically to electrical contractors. Members save substantially by taking advantage of what our association offers rather than trying to attain such resources on their own. In fact, many of these resources would be well beyond the means of individual companies.

What may be an even more important consideration is that applying NECA services in your business can add to your company’s bottom line. Sure, by relying on NECA as that extra employee on your payroll who looks out for your interests, you save time and money which you can put

back into developing your business. But NECA’s member services can also help you define and realize your business goals, succeed in your market niche or enter new markets profitably, and even gain more customers. **NECA membership isn’t just about saving your firm time and money; it’s also about helping your company make more money and achieve success!**

Electrical contracting firms affiliate with NECA’s national organization and gain access to its member services and programs through membership in their local NECA chapter. Thus, members gain a wealth of benefits through a professionally managed chapter office that is close to their businesses AND through the national organization and its regional offices. We encourage you to discuss chapter services and benefits with the manager of the local NECA association your



company may join. We hope that you will also consider the advantages of NECA membership highlighted here. These are among the many advantages available to every NECA-member firm.

## INFORMED DECISION-MAKING

Whether the subject is breakthroughs in technology and techniques, labor relations, workforce development, safety and health, legislative and regulatory affairs, marketing trends, industry-related research, codes and standards, or business management, **we keep our members in the know** on ALL issues important to them as electrical contractors. We accomplish this through a variety of printed and electronic media, including such resources as the regularly published *NECA News* and on-line information services available for members.

NECA members also benefit from our publication of reference material and guides pertaining to virtually every area in which our association is involved, financial and operational data, *National Electrical Installation Standards®*, and the fruits of Electrical Contracting Foundation research. We also offer unparalleled educational programs (*discussed below*). In addition, members have ready access to knowledgeable staff professionals who are able to answer their questions and provide sound advice.

These resources combine to give our members information they can use in making those tough business decisions and planning strategically. It's one way we help keep NECA-member contractors ahead of their competitors!

## BUSINESS DEVELOPMENT HELP

Ours was the first construction trade association to establish programs to help members expand and promote their services and gain more customers. NECA Marketing Services continues to provide crucial support in this area in several ways.

For example, continuing market research efforts are made to identify and develop potential for new business opportunities for our members. Infor-

mation of direct value to contractors is immediately passed on to members. In addition, NECA Marketing Services participates in developing seminars and workshops on marketing, sales and business development topics.

The national NECA staff conducts a continuous effort – at the national, regional, and local levels – to promote effective relations with manufacturers, distributors, utilities, contractors, architects and engineers, building code authorities, and other decision-makers. Mutual cooperation with other segments of the larger electrical industry facilitates improvements in electrical products and services and also helps position NECA-member companies as high-quality service providers.

The **NECA Connection** matches our members with new customers directly. This Internet-based searchable database of NECA members, which enables prospective customers to find an electrical contractor or a list of qualified bidders for a project anywhere in the United States, connects *thousands* of NECA contractors and customers *every month* and has thus far brought well over a billion dollars in work to our members. In addition, NECA sponsors targeted advertising and public relations programs to inform both the general public and specific customer groups of the NECA-member contractor's professional expertise.

## LABOR RELATIONS ASSISTANCE

Being a NECA member means never being left to face potential problems or pitfalls in the complex labor-relations arena alone. With assistance from national and regional staff, each NECA chapter office acts as the management representative in collective bargaining with its corresponding IBEW local unions and as the agent administering pension-and-welfare benefit plans provided for in labor agreements. But there's a whole lot more than that to NECA Labor Relations services!

NECA and the IBEW – at all levels – work hard to ensure rational and peaceful approaches to the settlement of conflicts and the avoidance of strikes,

work stoppages, and jurisdictional disputes. One means to this end is the Council on Industrial Relations, a joint arbitration body that has been widely praised and copied. Another is the joint National Labor-Management Cooperation Committee, which develops and administers numerous programs to facilitate harmonious labor-management relations, increase employee productivity and contractor competitiveness, and promote the value of union-employed NECA contractors to the buyers of contracting services.

And, through our National Joint Apprenticeship and Training Committee (*the world's largest construction training organization!*), NECA promotes and supports development of programs and training courses to ensure an adequate supply of technically and professionally qualified craftworkers in all areas of the country and in all types of electrical work. Training for apprentices and journey-level workers is provided at more than 300 NECA-IBEW facilities all across the country. In addition, most NJATC programs can be brought to local areas. Member contractors can even arrange to send workers to the NJATC's International Training Center for specialized training as needs arise.

## MANAGEMENT EDUCATION

Craftworkers are not the sole focus of NECA's emphasis on superior training and education. Advances in technology that impact the marketplace and constant change in the business environment demand that managers at whatever level in electrical contracting firms upgrade their skills and knowledge continuously. NECA's Management Education Institute meets this need by offering business, technical and project management courses for supervisors and middle- and executive-level managers in various locations throughout the year and in conjunction with NECA's Convention and other special programs.

Such entry-level programs as MEI's Electrical Project Supervision and Line Construction Foreman series

# Calculating NECA Dues And Service Charges

There is not a simple answer to this question. The total cost to you depends on which of our chapters your firm joins as well as the volume of work your company performs.

The cost of membership can be divided into two categories: (1) **dues** and (2) **service charges**. The first is a pre-determined amount which is set independently by each chapter and includes the \$150 annual dues for your national membership. (This \$150 payment is required each year, as well as with your initial application for membership to the national association.) Each NECA chapter has the ability to determine its own dues, in addition to the national's. Therefore, some chapters collect an additional fee for the local association and transmit the \$150 to NECA's national headquarters office from the total dues that the chapter charges the member company.

Service charges are based on the volume of work performed by your company. This volume is determined by your payroll cost for electrical workers.

Each month (probably in conjunction with other payments you are required to make to the National Electrical Benefit Fund or other entity) you will pay both the national and local portions of the service charges to your local chapter (or to the chapter's collection agent). The national percentage for service charges is .2% of electrical payroll. The chapter office adds its percentage to the national percentage.

There are some **discounts** for larger members (after 75,000 manhours) and a **maximum** service charge payment amount (if payroll exceeds 150,000 manhours).

A worksheet is provided here to help you determine your approximate cost based upon an estimate of your volume of work. However, you can best determine the cost of membership by working with the manager of the chapter you are thinking about joining.

## Approximate Cost Worksheet

- 1) Total annual manhours (union only)                    \$ \_\_\_\_\_
- 2) Average Journeyman Wage Rate                         \$ \_\_\_\_\_
- 3) Annual Productive Electrical Wages (1 x 2)            \$ \_\_\_\_\_
- 4) Chapter Service Charge Rate  
(Including .2% national service charges – or .002)        \_\_\_\_\_
- 5) Approximate Annual Service Charges (3 x 4)         \$ \_\_\_\_\_
- 6) Any Chapter Monthly Minimum Payments?

transition electricians and linemen into the management role as supervisors. Building on this foundation, the MEI curriculum constitutes a hierarchy of knowledge that serves the professional development needs of the advancing manager over the course of his or her career. It includes seminars in overall project management as well as specific, skill-building workshops on design-build, project delivery, scheduling, cost control, and contract law. At the executive level, the focus on business management includes courses on corporate finance and legal issues, as well as customer relations, marketing and succession planning.

Qualified instructors on the NECA staff, adjunct faculty from academic institutions, and instructors contracted through educational development and training organizations conduct

courses. New courses are continually being developed in partnership with the Electrical Contracting Foundation, whose support of applied research in our industry generates new knowledge to be added to the curriculum.

## NETWORKING & RECOGNITION

As a member-driven organization, NECA offers you an opportunity to have a direct say in the electrical construction industry and its future through regular meetings held at the chapter, district and national levels; by responding to polls and surveys; and by expressing your needs and concerns directly to the association. We need representatives of NECA-member companies who want to participate in chapter leadership and get involved in what's going on in their area and in the larger electrical contracting community. Through your

participation on chapter committees and other association activities, **you can make a difference** in such areas as labor relations, marketing, inter-industry relations, technical and training programs, the National Electrical Code, NEIS standards, fair trade practices, government relations and legislation, management development, occupational safety and more. In addition, **active members expand their industry contacts** and gain opportunities to learn from their counterparts.

*Don't forget:* NECA is recognized as the nation's premier organization for electrical contractors. As a member, your firm gains a marketing edge with customers who associate NECA with quality, integrity, and professionalism. And, **as your company's representative to NECA, you gain the recognition and respect of your peers throughout the electrical industry!**

# What NECA Offers Members (The Short List)

Listed below are just some of the major services available to NECA-member contractors. Supplemental information can be found in *This Is NECA (TIN)* and the *Annual Report 2003 (AR 2003)*. Page numbers for those publications are provided to help you learn more about specific areas of interest. For information about the additional services available through the NECA chapter in which you are considering membership, please contact the chapter manager.

**Labor Relations** (*TIN pp. 5-7 and AR 2003 pp. 4-5*) helps members by:

- negotiating competitive terms in national agreements
- promoting standardized contract language
- helping implement national construction and maintenance agreements
- working to control the cost of fringe benefits (*TIN pp. 5-6*)
- providing updates on Department of Labor actions
- collecting and disseminating current information on labor trends and labor litigation
- working with the National Joint Apprenticeship and Training Committee to increase apprenticeship programs and improve the skills of apprentices and journey-level workers (*TIN pp. 6-7*) and
- improving working relationships between chapters and local unions through National Labor-Management Cooperation Committee programs (*TIN p. 10*)
- assuring a positive image for unionized electrical construction

**The Council on Industrial Relations** (*TIN p. 6 and AR 2003 p.4*) promotes members' interests by helping to settle local labor disputes without job interruption

**NECA's field staff** (*TIN p. 5*) helps members by:

- mediating local labor disputes
- counseling chapters on labor issues and other concerns

**The Management Education Institute** (*TIN pp. 11-12 and AR 2003 p. 9*) helps members by:

- developing and providing a program of project, technical and business management seminars for members and their key employees
- delivering Electrical Contracting Foundation products to NECA members (*TIN p. 9*)
- conducting the Electrical Project Supervision and Line Construction Foreman training programs through the NECA chapter network
- publishing the Manual of Labor Units and other financial and operational data as management resources
- identifying and educating future industry leaders
- providing consulting services to member firms and chapters on strategic planning, company organization, finance, business planning and customer relations (*TIN p. 11*)

**Codes & Standards** (*TIN p. 13 and AR 2003 p. 8*) supports members by:

- publishing *National Electrical Installations Standards* that help position NECA members as quality electrical construction firms so they can win more work (*TIN p. 14*)
- representing our industry in the development of the National Electrical Code and other crucial standards that govern the work of electrical contractors (*TIN p. 13*)
- producing educational publications, newsletters, CDs, and videos that help members understand the National Electrical Code and other regulatory standards

**Safety & Insurance** (*TIN p. 13 and AR 2003 p. 8*) helps members by:

- developing and implementing specialized insurance programs
- enabling members to comply with OSHA standards
- providing information on achieving workplace safety and lowering Workers' Compensation and other insurance costs
- providing safety training

**Marketing Services** (*TIN pp. 15-16 and AR 2003 p. 10*) helps members capitalize on market opportunities by:

- promoting the services of NECA contractors
- creating recognition of and preference for NECA "brand"
- linking customers and members through the NECA Connection (*TIN p. 16 and AR 2003 p. 10*)
- promoting contractors' interests to manufacturers, distributors and utilities
- identifying emerging markets and advising chapters and members of sales leads and opportunities

**NECA Value-Added Services** (*TIN p. 16 and AR 2003 p. 10*) provide savings through special discounts on products and services that members use every day (For a current listing visit <http://necanet.org/benefits/>)

**Government Affairs** (*TIN pp. 14-15 and AR 2003 p. 6*) represents NECA in the nation's capital and helps members by:

- supporting the interests of electrical contractors in federal legislative affairs
- monitoring, reporting and acting on regulatory initiatives
- assisting contractors in cutting through red tape
- promoting fair and ethical government procurement policies
- working in industry coalitions and alliances on behalf of electrical contractors interests and
- supporting the election of legislators who are aware and supportive of electrical contractor concerns

**The NECA Convention, Trade Show and Regional Conventions** (*TIN p. 12 and AR 2003 p. 7*) offers:

- an unparalleled opportunity for members to exchange ideas
- the best educational seminars available
- an outstanding display of electrical products and services

**Convention dates:**

- Los Angeles, October 17-19, 2004
- New Orleans, September 18-20, 2005

**VDV/Integrated Building Systems Conference and Expo** (*TIP p. 12 and AR 2003 p. 7*) offers information and education to help members succeed in technology-driven markets

**International Development** helps members by:

- facilitating contact and partnership outside the USA
- providing an annual study mission for NECA members

**Communication Services** (*TIN pp. 7-9*), provided through a broad array of print and electronic media, keep members informed on all major issues relevant to their businesses and gives them news they can use to help achieve success.