

HMAVIEWPOINT

The Model Industry Credit Association meets again!



Fred Hill
*Original Whistle Stop
Model Railroad
Industry Division*

The Model Industry Credit Association (MICA) has reunited after a pandemic-induced hiatus, and the timing couldn't be better.

While many in the hobby industry have reported brisk business in 2020, some companies are experiencing more delinquencies, which increases the potential for bad debt. In just a year, the total dollars associated with credit issues reported by HMA members have more than doubled.

While this information may not seem exciting, it is extremely valuable to Hobby Manufacturers Association members, particularly these days.

In early November, about a dozen MICA members got together for the first time this year via video conference to discuss the state of credit issues. The pandemic had sidelined the organization's two in-person meetings.

This year, companies have had to keep up with credit reporting through monthly delinquent accounts reports, which are confidential and available only to reporting members. But the real work of MICA takes place at the face-to-face meetings where members can candidly report on companies.

Some attendees had not previously attended a MICA meeting and they found the Zoom call, which included a cast of regulars offering valuable information, enlightening. Members, citing that sharing information in person is like a gem, agreed to meet online each quarter beginning in February. And I guarantee any HMA member who attends will walk away with a better insight as to what really is going on in the industry.

The credit reports and discussions are an invaluable benefit HMA members have realized for more than three decades, beginning with the Model Railroad Industry Association (MRIA), the predecessor to today's Model Railroad Industry Division (MRID).

Around 1985, MRID saw a need for an industry credit report. There were many credit reporting companies available, but none included the U.S. hobby industry. Some model railroad leaders were asked to develop a credit reporting association to report on the hobby industry and hobby stores across America. Kalmbach Publishing President Jim King, Carstens Publishing Vice President Phyllis Carsten, Con-Cor Manufacturing President Jim Conway, Model Die Casting Vice President Moneau Menteer and W.K. Walther's founder Bruce Walther got the ball rolling.

It was decided to form a separate association because the goals were completely different than MRID's. A trade association was formed specifically for credit information gathering, compiling and reporting on a monthly basis, operating as the Model Railroad Industry Credit Association (MRICA).

I was among the first to join to become involved with model industry leaders and learn from them.

Carstens should get the credit for suggesting one condition to membership – members had to participate in order to receive the MRICA report. If members did not submit a report for the specific month, they did not get the full report.

Participants soon learned that the real benefit of the meetings was the discussions while sharing credit information. Many companies on the credit report have a "story," and members were able to convey those so a more accurate credit decision could be made.

In 2005, HMA formed and MRICA became MICA. All HMA divisions were invited to join the credit reporting association for a fee, but few did because most thought it only applied to the model railroad industry. At the time, the report included 2,500 hobby stores/shops in the U.S. and Canada.

In 2017, membership to MICA became a benefit of HMA membership so all members could participate. The reporting rule set forth by MRICA is still in force – no company credit report received, no industry report given.

Today, MICA asks members to share any credit information beneficial for the health of the industry. Understandably, the report is not the whole story on any given company; there are always extenuating circumstances. This is why the in-person meetings are so important.

The real value of membership comes from sharing knowledge of customers you know very well with companies that really only know the store or company name.

November's meeting was a revelation for many. And it was a keystone moment for a unified voice in credit reporting that can only get louder with the support of the industry. **HM**



Hobby Manufacturers Association

1410 East Erie Avenue, Philadelphia, PA 19124 • Phone: 267-341-1604
E-mail: heather.stoltzfus@hmahobby.org • Web: www.hmahobby.org