

The **RetailObserver**

January, 2009

The Monthly News Magazine with Personality

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GETTING A HAND ON **ITALIAN DESIGN**

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Celebrating Our 20th Year!

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2009—OUR COMMITMENT FOR THE NEW YEAR

What a year we've had. A Presidential election voting in the first black President in history, economic failures, terrorist takeovers and even high seas piracy. Gas went over \$4.00 a gallon and now it's down as low as \$1.50. Housing numbers have fallen and the government keeps lowering the interest rate. The banks got a bailout and the auto industry is in despair. Technology has been supersized (Sony 150" TV) and the world can now be held in the palm of your hand (the iPhone). This last year had its ups and downs, there is no doubt about that. What factors will come into play that will change our lives, what new opportunities will the new year bring? My friends, I wish I had a crystal ball to tell you the future, but life goes in cycles and we're gearing up for a new one, a stronger one I think, for the long range forecast. For now, all we can do is stick together and see what we can do as a group to make it through the eye of the storm. Fasten your seat belt—it's gonna be a bit of a bumpy ride, but get ready to hit the ground running when we land...

We, as a collection of retailers, distributors, manufacturers and specifiers have a unique opportunity in an industry that offers products that people not only want, but they need. Many of us have been in the industry for a long time and will remain so for the long haul. We work in family own companies for the most part, with a long history of close employer-employee relationships. We know who our boss is and in many cases, their extended families.

I was just at the NKBA Northern CA Chapter's Holiday Gala when a dear friend, Rocky Citani (previously Thermador, now of Miele fame) said it pretty well, "It gets in your blood". It sure does, I have been in this industry for over 20 years now and don't see myself leaving anytime soon. The friendships and business relationships are all very strong in this tight knit community and it seems that everyone knows everyone else. As in all relationships, we need to support each other...yes, even though we compete for the same buck. Let's see how we can help each other grow and prosper this upcoming year.

Our goal is to keep you up-to-date with all the current, pertinent information that will help you navigate these tough economic times with the news and information you need to get you through. One of the biggest things we have done to date, (besides spelling names correctly), is to bring you an online interactive version of the Retail Observer. This easy-to-read and use page flipping program, offers auto increase of the font size by 150% with just one click of the mouse—no squinting or glasses necessary. By clicking any manufacturer's logo in their ad or distributors information in the sidebar, you will be taken right to their web sites. We will soon be adding video content, so you will not only be able to read about a speech given, but actually watch it online right from the pages of the magazine. We are also adding an appliance service, consumer electronics and decorative plumbing section to the magazine for those of you that have expanded your products and services in these markets also. So take a moment and go online to check out the website and play with the online version. If you can't figure out how to use it, find a 12 year old to teach you—mine did.

Happy Retailing,

Moe Lastfogel



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SURVIVE OR THRIVE?

With the New Year beginning, we mark the end of an era. We'd like to express our heartfelt wishes to Chuck Edmonds, previous owner of *The Retail Observer*, as he officially begins his long earned retirement. Chuck and Lee Boucher were both honored with a lifetime achievement award this past December at the annual holiday party of the Northern CA Chapter of NKBA, after serving many years of their lives contributing and participating in this Industry.

We here at *The Retail Observer* are starting this new year as concerned as you are. Can I send my kids to college or is the school of hard knocks the better approach to take? Do I buy that new BMW or use baling wire and duct tape (It holds the universe together doesn't it?) and drive it till it drops? Rack of lamb or can of Spam? Right now, these times are uncertain at best. Our world is rapidly changing before our very eyes. Scary...and yet, it's an incredibly exciting time to be alive! It's time to ask ourselves if we are headed towards growth and change, or fear and flames. It's clearly a time of accountability which calls us to evaluate what is and is not working in our personal lives, as well as in our business. We need to be able to respond quickly, in order to take positive action in a new direction at the drop of a hat. Isn't that what this country is calling for now? We all have a part to play in the evolution of business on the global playing field of life.

Here's what we are up to at the magazine... We have decided not to downsize, layoff or cut back. On the contrary, in preparation for 2009 and beyond, we are moving ahead full bore, investing in all new computer and software systems, bringing in new employees as well as new writers as we expand our editorial sections. We have implemented a superior online interactive piece with many new flash and video options that has greatly increased your web presence. We do this as our commitment to bring you the best possible coverage this Industry has to offer today.

A new feature article "Showroom Spotlight" will explore retail showrooms that are creatively adapting themselves, especially now, during challenging times, to not only survive, but to THRIVE! We ask, what are you doing to stay ahead of the trends? Diversifying product, remodeling, implementing superior customer service? We want to know what's working for you and what's not. How are you getting your customers in the door and coming back for more? That's what we'd like to know and share with our readers. If you or a business you know of should be considered for the "spotlight", please write to me at: letters@retailobserver.com.

Our goal is to help you position your business now to survive these economic hurdles and learn how to thrive, as we move forward together to embrace the new opportunities that are presenting themselves. We would like to take this moment to thank all of you for your continuous support and feedback.

Here's to a positive future and creating a THRIVING existence!

Eliana Barriga



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FUL

ITALIAN INNOVATION

BY MOE



On our recent trip to Europe, Eliana and I had the unique opportunity to visit the small town of Gallarate, Italy, just outside of Milan. We were the special guests at the Fulgor factory where we met with Luca Tibaldeschi, Global Marketing Director. Last January at IBS in Orlando he told us if we ever made it to Italy, to come see him. So after our time in Germany, we ventured off on the high speed train to Milan and then by bus, we made it to our destination in the middle of a quiet town in the Northern Region of Italy, knocking on his door. The first night we were treated to a fantastic meal cooked by the staff at Restaurant La Cueva (the Cave) downtown. Our meal was selected, prepared and delivered by the chef himself, and oh what a feast we had! The Italian hospitality will never be forgotten.

In the morning we went to the factory where we were given the royal treatment. We saw the design process and special features of Fulgor, they explained the products they make for other companies and got to walk through their assembly line and watch them produce most of their product with care and craftsmanship, old world, by hand...it was inspiring. We even had the opportunity to spend some time with Piero Puricelli, the founder himself. This innovator of the product line still comes to work at the factory on a daily basis at the ripe age of 90. Wow! Our day ended on a special note, another trip to La Cueva for lunch and then a side trip to Milan for some site seeing and shopping. This small and innovative company has a very imaginative design philosophy and a great heritage they continue to follow, in keeping with their family traditions.

FULGOR—HISTORY IN THE MAKING

True innovation doesn't happen overnight. Its technology gets cultivated through research, develop-

1. 500 Series Suite 2. 300 Series Suite 3. Euro Lines 4. Leonardo Suite 5. The Father of Invention: Leonardo DaVinci

GOR

ION AT ITS BEST

LASTFOGEL

ment, testing and refinement—all seen through the eyes of a visionary. And when kitchen innovation makes everyday life less ordinary, it's more than an invention. It's arte culinaria.

1949—BREAKTHROUGH

The post-WWII era in and around Milan, Italy was an exciting time of which nobility and merchants had been drawn, just outside of Milan, to Piero Puricelli's hometown of Gallarate. For centuries, the signature chimney pots of the industry were disappearing, giving way to an emerging wave of innovative industrial designers. Piero shared the region's passion for quality and style, working late into the night for more than a year, driven by an obsession to change the way people around the world cooked. Piero's vision became reality with the creation of the coal-fed, freestanding cooker. His breakthrough technology made it possible for a single appliance to serve as both an oven and warming plate, thanks to its cast-iron work surface. In many mountain town homes, the cookers also became room heaters on frigid nights. As demand grew, Piero made even bigger plans. He named his budding company Fulgor, Latin for "to shine," and meticulously oversaw the creation of its custom-built manufacturing operations. Fulgor's craftsman heritage quickly secured its reputation for innovation and quality as customers across Europe began to demand the brand.

1955—THE NEXT BIG THING

Fulgor was in good company in mid-century Milan, just as the design revolution was in full swing. At their small factory down the road, Missoni was creating its first knitwear collections, | *continued on page 12* |



6. Duomo Milan 7. Product testing 8. The Staff at La Cueva 9. Still produced by hand 10. Piero Puricelli

BERTA

ITALIAN PASSION AND

BY ELIANA



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5

The family firm that makes the new Bertazzoni Professional Series of range stoves was founded more than 125 years ago. Their remarkable story is linked to their home town of Guastalla, 90 miles southeast of Milan in Northern Italy. We were fortunate enough to be able to spend some time with both Paolo and Nicola Bertazzoni and take a tour of their factory and learn more of their heritage. The Bertazzoni name first became well known in Italy as a producer of fine wood-burning cooking stoves early in the last century. But the story of the family's remarkable enterprise and engineering began even earlier, in the 19th century during the time of the Austrian-Hungarian Empire. It was then that Francesco Bertazzoni, founder of the dynasty, started to make weighing machines for dairies, offices and pharmacies around his home town of Guastalla.

Cooking is culture, and the Italians are among the best cooks in the world. Bertazzoni comes from a region of Italy famous for both its food and for its engineering. Knowing all about the craft of cooking has given Bertazzoni a special pedigree of success. Guastalla lies north east of Parma, in the region Emilia-Romagna. For those culture connoisseurs and culinary aficionados, this is the region known for Opera, Parma Hams, Reggiano Parmesan Cheese, and balsamic vinegar (in Modena nearby) which Moe and I did our fair share of sampling in Parma, a friendly and endearing small and tight knit village full of so much heart that the Italian life boasts... but that's another story.

Then, as now, Emilia-Romagna was the heartland of Italian food. The labor involved to keep the old wood-burning stoves cooking gave Francesco something to ponder. He was in no hurry however, and it was some years later towards the end of the century when he and his son Antonio, decided to improve the antiquated system and produce their own cooking stoves – in very small quantities, just for local use in the beginning, and the rest we know is history.

1. Reflections on a colorful product line 2. Euro Brand La-Germania 3. Creme' La Germania 4. Mirrored Euro Piece 5. The original cooker

BERTAZZONI

D PRECISION DRIVEN

BARRIGA

BERTAZZONI—FIVE GENERATIONS OF ITALIAN HERITAGE

Bertazzoni is a fifth generation family-owned company, specializing in the production of ranges and cooking systems characterized by elegant, ergonomic designs, performance, professional quality, and incomparable value. Throughout its more than 125 years of operation, Bertazzoni and its stoves have been synonymous with Italian culture, style and engineering. Available first in Italy in 1882 and now sold internationally in more than 60 countries, Bertazzoni products are an accessible indulgence for the inspired chef, combining streamlined architectural sophistication with precision-engineered cooking performance, imaginative detailing and the tradition of timeless brilliance, for which Italians are renowned. “At Bertazzoni, we nurture a culture of meticulous engineering skills and an intimate understanding of the culinary arts for people who love to cook. It is our pleasure to offer North American homeowner’s a wide range of design options that suit the size, layout and color spectrum of their kitchen exactly. We’re proud to continue that tradition with each of the products we offer”, said Paolo Bertazzoni.

PRODUCT LINE UP

The Versatile New Dual Fuel – Electric and Gas Combine for Maximum Cooking Flexibility offers the versatility of an electric oven and gas range. The new 36-inch self-cleaning Dual Fuel model is available with eight cooking functions, including low temperature proofing and warming modes, offering precision-controlled power and maximum cooking flexibility.

The Colorful Professional Series – Precision Showpiece Blends Elegance and Substance combining bold colors, clean lines, elegant symmetry, and functional, ergonomic styling with sizes and proportions to fit most kitchens exactly. The Professional Series 24-inch is available in classic stainless steel; 30-inch model is available in four and the 36-inch and 48-inch models are available in | *continued on page 38* |



6



7



8



9



10

6. The Bertazzoni story 7. Paolo Bertazzoni with sister Elisabetta Bertazzoni
8. A proud 125 year heritage 9. 60 inch Heritage range 10. The local countryside

THREE BOSCH RANGES AND ONE VENTILATION SERIES RECOGNIZED AS CONSUMERS DIGEST BEST BUYS

CONSUMER PUBLICATION RECOMMENDS BOSCH RANGES AND VENTILATION FOR EXCEPTIONAL VALUE IN TODAY'S HIGHLY COMPETITIVE MARKETPLACE



BOSCH

Bosch, the appliance manufacturer known worldwide for efficiency, quietness and quality is proud to announce that its' Evolution™ Electric (HES7282U) and Gas Ranges (HGS7052UC), Integra® Dual-Fuel Ranges (HDI7132U), and DKE™ Series Pyramid Ventilation have been recognized by *Consumers Digest* as a "Best Buy." The designation recognizes the products' capabilities in several key areas important.

"We are honored to receive *Consumers Digest* Best Buy recommendations for our Evolution Ranges, Integra Ranges and Pyramid Ventilation," said Andreas Meier, Sr. VP for Cooking at BSH Home Appliances Corporation. "Recognition by this consumer publication reflects Bosch's commitment to delivering solutions that any family can rely on."

ABOUT THE EVOLUTION ELECTRIC AND GAS RANGES AND THE INTEGRA DUAL-FUEL RANGE



Evolution™ electric range



Evolution™ gas range

The Evolution Range embodies the sleek European style that defines Bosch, while offering a wealth of performance and convenience features. The Dual-Fuel Integra Range and the Evolution Gas Range boast an efficient combination of a 16,000 BTU power burner (PowerSim®) which includes a simmering option, along with extra low simmer (OptiSim®) capabilities on all four burners. Electric models feature large expandable elements with dual and triple heating elements in 5/8" and 6/9/12" heated zone sizes to accommodate different sizes of pots and pans. All Bosch ranges offer the exclusive Touch & Turn® Oven Control, an easy-to-use touch control and electro-mechanical dial that controls up to 11 cooking modes; and



Integra Titanium range



Pyramid DKE series chimney hood

ClearTouch®, a touch through glass oven control, that features accurate sensor technology. Bosch Evolution 700 Series gas, electric and dual-fuel ranges are offered in Stainless Steel Pro (a unique all stainless range), Stainless Steel, and Titanium (white with stainless steel accents). The Integra 700 Series, electric and dual-fuel, features the same color palate as Evolution.

PYRAMID DKE SERIES

Bosch's chimney hoods feature modern European design that beautifully complements both electric and gas cooktops from the brand. While the units are quiet in operation, they are also very powerful and feature dishwasher-safe filters. The 300 Series DKE™ 93 is a pyramid style hood with a 400 CFM blower that operates on multiple settings via hidden controls. The 500 Series DKE 94 is a slim silhouette hood with a more squared look and a 600 CFM blower. For a more contemporary look, Bosch offers the 800 Series DKE 96 in stainless steel with a sophisticated glass canopy and 600 CFM blower.

MAYTAG® COMMERCIAL TECHNOLOGY IS FINDING ITS HOME IN NEW PERFORMANCE SERIES FRONT-LOAD WASHERS AND DRYERS

NEW COLORS AND STEAM OPTIONS ADD TO THE APPEAL



From heavy duty springs and belts to beefed-up motors and frames—the new Performance Series washers and dryers are engineered with Maytag Commercial Technology (MCT) under the hood. The commercial-grade components found within Maytag Performance Series laundry appliances ensure both strength and dependability for years of reliable performance.

"Maytag has been making washers and dryers for Laundromats and high-volume commercial settings for 50 years," said Christian Cerda, general manager for Maytag. "Incorporating commercial-grade components into our residential laundry products make Maytag brand washers last longer than any other leading brand."

The new Maytag Performance Series laundry pairs are available in four bold colors—Crimson, Evergreen, Oxide and White. Most models also feature the sanitizing power of steam. The Performance Series steam dryer conveniently connects to the existing laundry-room waterline, so there is no reservoir to fill, just on-demand steam cycles with the push of a button. Inside the dryer, a small nozzle distributes a fine mist of water throughout the heated dryer as clothes tumble. The heated air combines with mist to form steam, rejuvenating a single item or outfit by removing odors and relaxing wrinkles from a few items or an entire load. Also, the dryer is NSF certified to sanitize, removing 99.9 percent of tested harmful bacteria. This feature is perfect for sanitizing things that people prefer not to wash like pillows and teddy bears.

The Maytag Performance Series is also ENERGY STAR® qualified, each load using 70 percent less water and 70 percent less energy than conventional top-load washers. With a wash basket capacity at 4.4 cubic feet, now you can wash more laundry in every load, reducing the number of loads washed each week. Intuitive and dependable features monitor incoming water temperature and levels, aiding in energy conservation.

GentleBreeze™ Drying System incorporates diagonal airflow to dry clothes in the same amount of time it takes to wash them, and IntelliDry® sensor technology minimizes the risk of over-drying and shrinking, conserving even more energy.

Whirlpool Corporation works to exceed expectations with appliances that help building professionals create homes of distinction. For this purpose, the company developed The Inside Advantage™. This targeted program offers Powerful Brands, Innovative Products, Targeted Services and Consumer Insight to support building professionals.

NARMS INTERNATIONAL ANNOUNCES INDIVIDUAL MEMBERSHIP OPPORTUNITIES



Action by the board of directors of NARMS International last week resulted in a by-law change that will allow for individual memberships in the international trade association. Since its origin in 1996, NARMS involvement has been limited to company memberships but now is seeking to expand its scope and reach as it further develops as a collaborative center point for the retailing industry.

The new categorical membership allows for “any individual not associated with an active member firm or corporation and is engaged or has an interest in the business of providing merchandising services, manufacturing, retailing or the provision of supplies,

equipment, goods or services within the retail industry.” Anyone working for or having a formal relationship with a current or prospective member company (whether incorporated or LLC) would not be eligible for the individual type membership.

What this means is that merchandisers, students, researchers, professors, retired retail marketing professionals or persons in transition and any other independent retail service personnel with a genuine interest in staying closely involved with and learning about the retailing industry may be eligible for individual membership in NARMS. For only US \$49.95 per year, these individuals will receive a subscription to *NARMS Today*; earn a member’s discount on attendance at the annual NARMS Spring Conference; have free access to monthly NARMS Webinars highlighting retailing industry topics and to the NARMS Info-Share Library; access to Merchandising/Sampling Proficiency Tests, podcasts and use of the ever-expanding resources available at www.narms.com website. All totaled, these varied benefits fully utilized would easily amass a value in excess of \$3,000.

NARMS’ 526 member companies perform well over \$3 billion in merchandising services, sales marketing, event marketing, demonstration and other retail services annually. The association promotes and establishes industry standards and provides critical industry research studies and educational information about the industry while acting as a voice for its diverse membership of service providers, manufacturers and retailers. NARMS represents all classes of trade including: grocery, drug, mass, department, home & building centers, computer & office supply, electronic, value retailers, specialty and convenience retailers. Additional NARMS information is available at www.narms.com, including information about the 14th NARMS Spring Conference & Exposition at The Broadmoor in Colorado Springs, CO on April 4-7, 2009.

NEW BOSCH HOME APPLIANCE AND TANKLESS WATER HEATERS COLLABORATION PROVIDES MORE GREEN OPTIONS FOR BUILDERS

BUILDERS CAN TAKE THEIR PROJECTS TO THE NEXT LEVEL OF ENERGY EFFICIENCY WITH BOTH BOSCH APPLIANCES AND TANKLESS WATER HEATERS



BOSCH

With Bosch, it’s now easier than ever for builders to maximize the efficiency of their residential projects. In a collaboration announced between Bosch home appliances and Bosch Thermotechnology Corp (tankless | *continued on page 14* |

Artemide was rethinking the concept of lighting and Denese was defining the design boutique. Inspired by his neighbors, Piero spent the 1950s and 1960s carefully perfecting Fulgor's signature product line. He began with the launch of a branded line of freestanding gas cookers.

1974—ANOTHER STEP FORWARD

The launch of Fulgor built-in gas cooktops ushers in a new era of flexibility. By separating the cooktop from the oven, kitchen design undergoes a total makeover. Quickly followed by the introduction of Fulgor-branded built-in electric ovens in 1976, a whole new range of possibilities is opened up to the home cook.

1990—FURTHER INTO THE FUTURE

Fulgor launches the gas-on-glass cooktop to the European market, setting the trend for this product worldwide. This new, sleek surface epitomizes the clean lines of cutting-edge Italian design, while meeting the changing demands and taste of the astute consumer.

1991—TAKING THE LEAD

Further solidifying its status as a trailblazer, Fulgor becomes the first company to introduce self-cleaning ovens to the European market. Just a few years later, in 1994, Fulgor-produced self-cleaning ovens are designed for the American market and used by several premium brands, paving the way for a branded introduction to the North American market.

2006—MORE POWERFUL THAN EVER

In keeping with an established tradition of innovation, engineers at Fulgor invent the first mini-dual super power gas burner, creating better efficiency, strength, versatility, and a greater BTU temperature range.

2008—BREAKING BORDERS

As part of a dramatic expansion of its product portfolio, the Fulgor brand enters markets in the U.S. and Canada, bringing its spirit of exacting performance to a new audience of discerning home chefs.

LOOKING ABOVE AND BEYOND

For the past 20 years, Piero's youngest son, General Manager Maurizio Puricelli, has been the catalyst of Fulgor's global expansion while his elder brother, Technical Director, Orio Puricelli oversees all production and product development. The company attributes its growth to its technology-driven innovative design and flexible structure, which promotes tailor-made solutions for consumers' evolving needs. Today, Fulgor products are available in a dozen countries as the company continues to expand into new markets around the world. Gallarate is now a city of 50,000 and a key component of the Varese region's vibrant manufacturing corridor. Its Malpensa Airport is Italy's global gateway to the world. Piero Puricelli revels in all of the commotion and he continues to make his way to the factory every day, building a lasting legacy of passion and commitment to excellence in all Fulgor employees. **RO**



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The Fulgor product portfolio allows the customer access to a full range of appliances featuring high-end, harmonizing design and exacting performance for every aspect of the kitchen. And with distribution limited to an exclusive network of independent dealers, big box stores are no competition. Also, as proof of our commitment to innovation, Fulgor is continually launching new products and categories to exceed the expectations of culinary connoisseurs and dealers alike.

COOKING Built In Ovens // Gas Cooktops // Electric Cooktops **CLEANING** Tall Tub Dishwashers // Dish Drawers **MICROWAVES + SPECIALTY COOKING** Over the Range Microwaves // Microwave Drawers // Over the Counter Microwaves // Built In Microwaves // Countertop Microwaves

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arte culinaria.

water heaters), builders will now have more access to the company's line of energy efficient products.

The BSH builder sales team will promote home appliances and tankless water heaters together—Bosch as the green appliances of choice, and tankless water heaters as an energy and space saving hot water system. Offering a complete lineup of ECO solutions, Bosch is the only U.S. manufacturer with the ENERGY STAR® qualification on all its dishwashers, clothes washers and refrigerators. In fact, Bosch home appliances is continuously recognized for its contributions to energy resource conservation and BSH is the proud two-time recipient of the Department of Energy's prestigious 2007 and 2008 Excellence in ENERGY STAR Promotion Award, as well as the 2007 Annual Flex Your Power Award.

Bosch developed the Integra and Evolution line of gas tankless water heaters exclusively for green builders. Utilizing technology from over 20 years experience with gas-fired condensing products, Bosch engineers developed one of the highest performing water heater appliances in the world.

“By collaborating with tankless water heaters, Bosch is providing the builder community a value engineered package. Bosch quality and technology combined in the kitchen, laundry and domestic water heating is a way to build efficiently and distinguish projects for their utility cost savings,” said Zach Elkin, Director for Builder sales at BSH Home Appliances.

Eric Moffroid, VP of Sales for Bosch Thermotechnology Corp. states, “With this new collaboration, builders can now provide their customers with a total Bosch solution of high efficiency comfort products in the home.”

Bosch Tankless Water Heaters are available at specialty Bosch retailers nationwide.

ABOUT BOSCH THERMOTECHNOLOGY

Bosch Thermotechnology, Division of the Bosch Group. Together with its subsidiaries, the company is a leading supplier of domestic hot water solutions in Europe. In fiscal 2006, the company generated sales of approx. \$3.6 billion (64 percent outside Germany) and employed approx. 12,900 people. Bosch Thermotechnology has strong international and regional brands and manufactures a diversified product range in 19 plants in nine European and North American countries.

WHIRLPOOL CORPORATION SENIOR ACCOUNT MANAGER ACHIEVES CERTIFIED GRADUATE ASSOCIATE (CGA) DESIGNATION FROM NAHB



Richie Heumann, senior account manager of Whirlpool Corporation's North Atlantic Division, recently became one of a select group of building professionals nationwide to earn the Certified Graduate Associate (CGA) from the National Association of Homebuilders (NAHB) University of Housing. The CGA designation identifies him as one of the building industry's top professionals.

| continued on page 32 |

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Hammered Steel

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ILVE

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dacor

CELEBRATING BRILLIANT DESIGN IN STYLE



Dacor®, market leader in luxury kitchen appliance design, manufacturing and distribution hosted an exclusive cocktail event for Los Angeles area design, culinary and appliance professionals to celebrate The Great House in America showcase at the historic Greystone Estate in Beverly Hills.

The area's leading trade professionals enjoyed an extraordinary evening of delectable culinary treats, a private tour of the restored property and a preview of the innovative and new Epicure 30" Gas Range by Dacor.

"We value the relationships we have with our trade partners and this event gave us the opportunity to say thank you for supporting our brand throughout the years," said Elaine Chaney, Senior Vice President of Marketing and Sales at Dacor. "The breathtaking views of Greystone and creative visions of the participating designers offered the perfect backdrop to properly show our appreciation."

"As we continue to strengthen our relationships with the design, culinary and appliance communities, we are proud to announce that we have recently expanded our online trade resources to help professionals increase sales and service their clients with greater efficiency. Additionally, we are planning to employ even more tools to improve communications with these audiences in the coming year."

The invitation-only event took place Thursday, November 6th, from 6 – 9 PM at the Greystone Mansion located at 905 Loma Vista Drive in Beverly Hills and was among one of a series of private events to celebrate the 21st century restoration of The Great House in America showcase sponsored by Veranda magazine. All guests received a gift bag filled with premium culinary and design items from a variety of brands including Dacor, Veranda Magazine, Fiji Water, Filippo Berio Olive Oil and Vervacious Foods.

Opening to the public on November 1, 2008, The Great House in America showcase is Veranda magazine's first California show house. In partnership with the City of Beverly Hills, the show house featured the work of more than 30 top interior and landscape designers who transformed the mansion and grounds of the Greystone Estate to recreate a 21st century vision of the architectural jewel. The home's

kitchen features the Dacor Epicure® 48" Dual-Fuel Range, Epicure 36" Refrigerator and Microwave, while the Epicure 52" Outdoor Grill sits on one of the outdoor terraces.

A HISTORY OF ARCHITECTURAL EXCELLENCE

Built in 1928 for the son of a prominent oil baron, majestic Greystone Mansion today is surrounded by 18.5 pastoral acres of lush, City-owned parkland. The former Doheny estate is now a registered historical landmark and serves as a stunning backdrop for cultural and educational activities, photo and commercial shoots, weddings and public events.

In 1925, Edward Doheny, the most successful oil producer of his time, gave his son Edward "Ned" Lawrence Doheny, Jr. a 12.58-acre land parcel. It was part of the original 425-acre Greystone land parcel, the largest family estate in the history of Beverly Hills.

Construction of Ned Doheny's estate began in February of 1927 and was completed a year later. Ned, his wife Lucy, and their five children moved into the mansion in September of 1928. The home included 55 rooms in 46,054 square feet of living space. The estate also included tennis courts, a swimming pool, a green house, a fire station and kennels. Sadly, only six months after the family moved in, Mr. Doheny was found dead in his home, the apparent victim of a murder/suicide, one of the very rare unsolved mysteries in Beverly Hills, and continues to fascinate the community.

In 1965, the City of Beverly Hills purchased the property, planning to locate the City's largest water reservoir, a 19-million gallon tank, on the site. However, in 1971, the entire site, including the mansion, was formally dedicated as a City of Beverly Hills public park, and is now recognized as a historic landmark and placed on the Registry of Historic Places. It is the site of many civic events, weddings, filming, a summer day camp and the City's tree farm.

In the last year, the City of Beverly Hills has been renovating the gardens to bring them back to their original beauty. The Beverly Hills Flower and Garden Festival has been created to raise the funds necessary for the renovation and upkeep of the entire park, mansion and grounds. **RO**

“DIRTY GRILLS GONE WILD” CONTEST TO GIVE ONE SLOPPY BARBEQUER A NEW LEASE ON GRILLING

WE’LL FIND AMERICA’S DIRTIEST GRILLER AND GIVE THEM AN EPICURE 36” OUTDOOR GRILL BY DACOR

Grill, baby, grill. And if your efforts result in a greasy, mucky mess, the “Dirty Grills Gone Wild” contest may offer you a sizzling new start.

The contest is seeking the grossest grill in America. Its owner will receive a new Dacor® Epicure® 36” Outdoor Grill and Grill Cart and a year’s supply of Scott Shop Towels. To enter, contestants must submit a digital photo of their dirty grill by February 2, 2009 at www.dirtydirtygrills.com.

“Dacor changed the way people cook outside forever, with the introduction of the industry’s first built-in halogen lighting on an outdoor grill in 2001,” said Steve Joseph, Vice President of Marketing at Dacor. “Today, we’re focused on new standards of excellence, with a full line of appliances that feature brilliant style and performance details to heighten the cooking experience. With the same level of craftsmanship as our indoor cooking appliances, the Epicure Outdoor Grill is designed to provide superior cooking results, no matter if you are just grilling a few hot dogs or searing the finest cuts of steak.”

“As the makers of some of the most heavy-duty shop towels around, we’re all about cleaning things up,” said Lauren Collier, an Associate Marketing Manager for the Kimberly-Clark Professional DIY Business. “We’re looking to give one grubby griller a second chance, by awarding both a new grill and the cleanup tools to keep it that way.”

The contest is being promoted at barbeque competitions and football tailgate parties across the country, and will end the week after the Super Bowl. Organizers will also be shooting footage of grimy grills for a “Dirty Grills Gone Wild” video that will be posted on the contest web site as well as on other Internet sites.

Entries will be reviewed by a panel of judges, which includes Joey Mac’s Smoke Stax, the award-winning grilling

team of Joe (Joey Mac) McManus and Wayne Styck.

“The Dirtiest Grill in America” will be anointed in February 2009.

THE DETAILS OF OUTDOOR COOKING

The Epicure Outdoor Grills, available in 52” and 36” widths, feature brighter halogen lighting to illuminate the cooking surface so the barbecue can continue long after the sun goes down. A patent-pending, optional ceramic sear burner, placed inside the firebox, offers high intensity cooking for perfect searing.

Brilliant Illumina™ Burner Control Knobs glow blue when the grill is on, for increased safety and aesthetic appeal to indicate when a burner is in the “on” position and the redesigned premium canopy hood is lighter and more user-friendly.

Three U-shaped stainless steel burners operate at 20,000 BTU on grill models without the optional ceramic sear burner. Grills that include the ceramic sear burner will feature two high-output U-shaped stainless steel burners. An infrared ceramic rotisserie burner with a heavy-duty removable motor conveniently attaches to the grill when needed, providing limitless cooking options for the outdoor chef. For additional safety, Dacor’s Perma-Flame™ technology will automatically reignite the burner flame in the event that it is extinguished unexpectedly.

ABOUT KIMBERLY-CLARK PROFESSIONAL

Kimberly-Clark Professional, located in Roswell, Ga., is one of four global business segments of Kimberly-Clark Corporation. The Kimberly-Clark Professional DIY business provides professional solutions for home improvement and car care projects to make fixing up and cleaning up fast, easy and efficient. For more information, visit www.kcdiy.com. **RO**



BLANCO INTRODUCES NEW 1-3/4 PERFORMA SINK TO FIT 36" CABINETS

Performa's design-forward sink collection is the most complete line of its kind with 37 models for both standard and custom cabinetry.

Blanco, quality innovator of German-engineered sinks and faucets since 1925, announces the addition of two new 1-3/4 Performa undermount sinks to fit 36" cabinets. The new models complete this expansive collection of 37 stainless steel and Silgranit® sinks for both standard and custom cabinetry. Performa's elegant curves and fluid shape validates the current design trend that sinks should be noticed as a beautiful, not just functional, element of kitchen design. Performa's classic European lines are intentionally styled to timelessly blend with any décor. Brilliant German engineering ensures each Performa design maximizes the counterspace – allowing for more visible surface area and extra room for faucets, while maintaining high capacity bowl depth.

"Performa offers an unmatched breadth of product choice, making it easy to extend this stunning look from the kitchen, to the island, to the bar in the entertainment area—all with consistent style and quality," states Christy Emens, marketing communications manager for Blanco. "Performa is truly the most complete sink collection of its kind, providing designers and architects the ultimate flexibility in choosing a sink with their distinctive clients.

We like to say it's luxury that fits," concludes Emens.

Performa's exceptional Satin Polished Finish is a Blanco innovation that requires both precision technology and meticulous handling by expert machinists to accomplish. Each sink is inspected several times during the process to ensure a perfect finish that's as flawless as it is easy-to-clean. The result is pure radiance, that's both durable and resilient. Even the sound dampening insulation is unrivalled in the industry, making these luxury sinks as quiet as luxury cars.

PERFORMA'S LUXURY FEATURES INCLUDE:

- 18 gauge stainless – long lasting, easy-to-clean
- Satin Polished Finish
- Sound deadening insulation
- Rear drain placement – to allow more usable sink space
- Exceptional depth capacity – 10" deep bowls on large and

9" deep on small

- 15" width x 20" length for the large bowl and 15" width x 15-1/2" length for small bowl minimizes the cutout while maximizing usable working space
- Retail Price: \$1,175 list for the 1-3/4 bowl (Models 441002 and 441003)

ACCESSORIES

Accessories that are specifically designed to accompany a sink are far more desirable than aftermarket options. If the sink design is carefully selected for its quality and appearance—then the accessories should match. Elegant stainless steel grids fit perfectly to Performa's transitional curves as they protect and extend the life of its flawless finish.

Performa's beautifully integrated walnut cutting board saves counterspace and allows for easy clean up. A unique groove system on the underside fits the edge of the Performa sink – easily sliding over the sink so home-owners can slice and dice while over the sink, brushing the waste right into the bowl afterwards. Mesh colanders fit exactly with the sink making it easy to wash or drain without mishaps.

ABOUT BLANCO

For over 80 years, Blanco has quietly and passionately driven the standards for luxury sinks, faucets and decorative accessories higher. Proud of its European heritage and award-winning German engineering, Blanco remains family-owned for three generations and is steadfastly committed to their tradition of high quality, innovative design and unsurpassed service.

Dedicated to quality without compromise, every sink is closely inspected many times before it receives the Blanco name. And Blanco is the only supplier in the world to produce its own sinks from start to finish in two materials: stainless steel and SILGRANIT®.

From the precision craftsmanship and artistic creativity of its STEELART line to the stunning durability of its ground breaking SILGRANIT® collection, Blanco has proven that the sink is far more than a mere functional element in the kitchen.

For more information, visit www.blancoamerica.com. **RO**

BLANCO AMERICA



Housing professionals from across the country and abroad will flock to Las Vegas on Jan. 20-23, 2009 for The International Builders' Show® (IBS), the industry's largest tradeshow and exhibition. After four years in Orlando, FL, the National Association of Home Builders' (NAHB) show will return to the Las Vegas Convention Center with the largest showcase of cutting-edge products and services geared to the building industry of any other place on earth.

The 2009 IBS will feature more than 1,700 exhibitors displaying the latest products and services available, representing more than 250 industry categories. Attendees will also have the opportunity to choose from 250 educational seminars on topics ranging from green building and design trends to construction codes and 50+ housing, as well as home tours and special events.



NAHB will again celebrate "Green Day" at the show this year in recognition of the phenomenal growth of green building. Held on Jan. 21, Green Day 2009 will feature a record number of green exhibitors welcoming attendees to the trade show floor with giveaways, special guests and other incentives. More than 30 education sessions on green building topics are planned, including a special featured speaker, "Green to Gold" author Andrew Winston. Green Day is sponsored by Kohler, Marvin Windows and

Doors and Whirlpool, three companies that

supported the event at IBS 2008 in Orlando, when the NAHB National Green Building Program (NAHB Green) was unveiled. Attendees can learn more about the components of the national program, including the online scoring tool, NAHB National Green Building Awards program, and the upcoming NAHB National Green Building

HOME BUILDERS MOVE BACK TO LAS VEGAS FOR

IBS PREVIEW

INDUSTRY'S LARGEST NEW PRODUCT SHOWCASE

"In today's challenging economy, housing professionals are hungry for the resources, information and contacts to help them weather the storm and position themselves for growth when the market turns," said NAHB Chair Sandy Dunn, a home builder from Point Pleasant, WV. "The International Builders' Show is the one-stop resource to help companies succeed in these uncertain times. With endless education opportunities, top-notch speakers, the latest in product innovations and unbeatable networking opportunities, this is the industry event of the year that nobody will want to miss."

The show will kick off its Grand Opening Ceremonies with legendary football coach, Lou Holtz, as keynote speaker. Attendees will also hear from some of the nation's top business leaders during a special daily featured speakers program held throughout the week.



Conference, by visiting the NAHB Green Action Center on site.

Another IBS highlight is The New American Home® (TNAH) 2009, a one-of-a-kind green show home that is being built in a nearby neighborhood and will be open for attendees to tour throughout the IBS. The 2009 TNAH is a near zero-energy home and is Gold Certified under NAHB Green. The state-of-the-art home incorporates builders' best practices, energy efficiency, indoor-air quality,

safety, convenience and aesthetics.

The 2009 International Builders' Show is not open to the general public. Building industry professionals and their affiliates throughout the housing trades are welcome to register by visiting the show's Web Site at www.BuildersShow.com. Attendees will also be able to register on site at the show beginning on Monday, Jan. 18 at 7:00a.m.

| continued on page 20 |

THE NEW AMERICAN HOME 2009®

If you're looking for the latest green building technology, then visit The New American Home 2009 during the International Builders Show (IBS) in Las Vegas. If you're looking for the hottest trends in outdoor living, then visit The New American Home 2009. If you're looking for the most up-to-date building techniques, then visit The New American Home 2009.

Equal parts laboratory, education tool and product showcase, The New American Home 2009 is a net-zero energy home that includes active solar design (photovoltaic cells), passive solar design (orientation and shading), an insulated concrete wall system, and a revolutionary gas-powered mechanical HVAC system. In addition to state-of-the-art green building technology, the home features dynamic aesthetic design, including fountains, pools and a basement-level subterranean courtyard. Visitors will look out through a wall of glass to see a waterfall that spills into the courtyard from the back yard.

The home incorporates elements such as builders' best practices, energy efficiency, indoor-air quality, safety, convenience and aesthetics. And it demonstrates that excellence in housing performance can be built into any home. Sponsored by the National Council of the Housing Industry (NCHI) the Leading Suppliers of NAHB and Builder Magazine, The New American Home is one of the most successful and visible programs of the National Association of Home Builders (NAHB).



Located 15 minutes from the Las Vegas Convention Center and just five minutes from the airport and "The Strip," this year's show home is on a half-acre lot in a neighborhood with an interesting slice of Las Vegas history. Over the years neighbors of the property have included Clark Gable and Carole Lombard, boxers Mike Tyson and Thomas "Hit Man" Hearns and the Sultan of Brunei. In fact, the home is right across the street from the 51-acre horse stables and pasture owned by Mr. Las Vegas – Wayne Newton.

The New American Home 2009 will be open for free guided tours during IBS exhibit hours. Free shuttle buses depart every half hour from the Las Vegas Convention Center. Shuttle bus tickets are required and can be picked up during show hours at The New American Home's booth in "Transportation Central" at the Las Vegas Convention Center.

ABOUT NAHB

The National Association of Home Builders is a Washington, D.C.-based trade association representing more than 235,000 members involved in home building, remodeling, multifamily construction, | *continued on page 22* |



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property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. Known as “the voice of the housing industry,” NAHB is affiliated with more than 800 state and local home builders associations around the country. NAHB’s builder members will construct 80 percent of the nearly 1 million new housing units projected for 2008. **RO**

2009 INTERNATIONAL BUILDERS’ SHOW

SCHEDULE AT A GLANCE

TUESDAY, JANUARY 20, 2009

- 8:00am-5:00pm** **Educational Seminars—**
Las Vegas Convention Center
- 8:30am**..... **Grand Opening Ceremony—**
Las Vegas Convention Center
- 8:30am-5:00pm** **South Hall Exhibits Open—**
Las Vegas Convention Center
- 9:30am-5:00pm** **Central & North Hall Exhibits Open—**
- 3:00pm-5:30pm** **Joint Executive Board, Budget and Resolutions Committee—**
Las Vegas Hilton, Pavilion 1-3

WEDNESDAY, JANUARY 21, 2009

- 8:00am-5:00pm** **Educational Seminars—**
Las Vegas Convention Center
- 9:30am-5:00pm** **Exhibits Open—**
Las Vegas Convention Center
- 7:00pm**..... **Spike Party and Directors’ Reception—**
Bally’s

THURSDAY, JANUARY 22, 2009

- 8:00am-5:00pm** **Educational Seminars—**
Las Vegas Convention Center
- 8:00am-12:30pm**..... **NAHB Board of Directors Meeting—**
Las Vegas Hilton, Barron Room
- 9:30am-5:00pm** **Exhibits Open—**
Las Vegas Convention Center

FRIDAY, JANUARY 23, 2009

- 8:00am-12:00pm**..... **Educational Seminars—**
Las Vegas Convention Center
- 9:30am-2:00pm** **Exhibits Open—**
Las Vegas Convention Center

All dates and times are subject to change.



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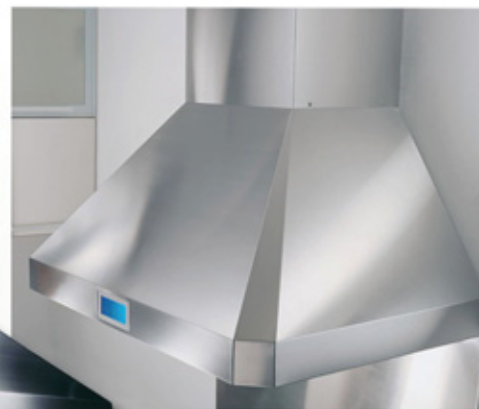
- A perfect combination of contemporary and classic elegance, this seamless European Wall Mount hood will enhance any kitchen style.
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- Advanced touch-screen LCD panel for ease of control.
- Halogen lights to brighten the cooking surface.
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CH-101 Series ~ Generation 2 ~ Multi-Style Hood

CH-101 Series

- A classic design transformed, this seamless professional hood has advanced features to provide functionality and style for Under Cabinet or Wall Mount application.
- Four speeds, high-performance and ultra quiet internal blower.
- Advanced touch-screen LCD panel for ease of control.
- Halogen lights to brighten the cooking surface.
- Two heat lamps keep food warm until ready to serve.
- Stainless steel baffle filters for a professional appearance.

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SUB-ZERO HISTORY

IN THE BEGINNING

In 1943, Westye F. Bakke built the first freestanding freezer in the basement of his Madison, WI home. A businessman with a keen ability to anticipate post-World War II refrigeration trends, he founded Sub-Zero Freezer Company just two years later in an old two-car garage.

During the depression, Westye worked as a refrigerator consultant for Frank Lloyd Wright, creating specially designed refrigeration units that would fit into the Wright-designed projects, including the Johnson Wax Building and Wingspread. In the summer of 1945, the Second World War was drawing to a close. Consumer goods would soon replace wartime materials, and returning veterans were eager to establish homes and begin family life.

With the war's end, Westye prepared to begin a new venture. On August 20, 1945, he created and incorporated the Sub-Zero Freezer Company, Inc. as a registered Wisconsin corporation, empowered to "manufacture and assemble refrigerator equipment and parts."

Originally capitalized at \$25,000, the Sub-Zero Freezer Company was the culmination of many years of work by Westye in the field of refrigeration. The business was founded on his ability to innovate and to anticipate postwar trends in refrigeration. The name, Sub-Zero, came from the new standard for the safe freezing of food. No longer was the common standard of zero to ten degrees Fahrenheit acceptable. Freezers had to be able to keep food at a constant temperature below zero. Westye's newly designed freezers, unlike many others, could do just that.

Working with aluminum as well as steel by 1947, Westye began to build many of these new upright freezers, becoming the first in the industry to create all-aluminum appliances with separate inside doors. The upright models became so successful that, by 1950, the plant ended production of the old chest models. Sub-Zero milk coolers came in several varieties and sizes, and were valuable because they kept the milk at a

dependably cool temperature. Built to accommodate four, six, eight or even twelve cans, the heavily-insulated coolers opened in front for easy access to the milk cans.

While in college, Bud Bakke's work at the University of Wisconsin School of Agriculture also proved helpful in the development and design of these new coolers. He was instrumental in having the Sub-Zero coolers tested to ensure that they met exacting specifications and in using these test

result to market the Sub-Zero milk coolers.

Quality and innovation guided Sub-Zero's operation as they entered the 1950's and that included the vision of Bud Bakke. Bud spent most of his time researching and exploring the field of industrial refrigeration. Always on the cutting edge, many of Bud's experiments and tests brought Sub-Zero national recognition. It was an exciting time for Sub-Zero.



New ideas in design, as well as engineering, came from the team of Bud Bakke and Bob Kelly. From their work with aluminum molding, and from the success of the first upright models, came the idea of producing an upright freezer with a rounded top, which fit into the decorative ideals of the 1950s kitchen. To implement this new design, new production equipment, including a large metal press, was soon purchased.

Sub-Zero entered the "design-conscious" era of the 1950s with a new ability to mold its products so they would meet the demands of trends in interior design. In the late 1950s, the leaders in kitchen design at the time were the cabinet companies, which began to specialize in a "total kitchen concept." Many designers of new or remodeled American kitchens worked to achieve a smooth, streamlined, unified look. The emphasis on horizontal lines was part of an overall architectural trend of the 1950s.

In keeping with kitchen trends, the new Sub-Zero built-ins would fit the precise dimensions of customized kitchens. The engineering team added another design idea to make the built-

in even more appealing to kitchen customizers by developing a new door concept that consisted of a recessed panel with a protruding frame, onto which any number of fronts could be attached. Sub-Zero models could thus be completely customized to match the decor, wood grain, or metal tones of any kitchen color scheme. It would completely blend into the unified kitchen concept.

Steady improvements in design were a part of Sub-Zero's progress during the 1960s, as they experimented with the concept of "refrigerated furniture." A small-sized refrigerator or freezer unit was built into a piece of furniture, such as a bar counter, an office credenza, or even a living room end table. The exterior wood grain of the appliance matched the consumer's wooden furniture, creating refrigerated furniture.

Whatever the customer's taste, the option of choosing one's own kitchen "look" gradually grew in popularity during the 1960s. By 1967, the built-ins had become Sub-Zero's largest-selling model, comprising approximately 70 percent of its total sales.

The 1970s ushered in the strong leadership team of Bud Bakke and Homer Price. Price's expertise in sales and his ability to develop a strong new network of distributorships proved to be the company's long-awaited key to financial growth. While sales volume increased, Bud Bakke and Bob Kelly worked with the engineering team, which now included Al Wilkins, to improve interior design and mechanical functions of Sub-Zero units. The team added a better interior lighting package and a new pull-out freezer drawer for consumer convenience in accessing frozen food.

Several key improvements were developed in the mid-1970s, including improved wiring circuitry and increased energy efficiency in all models. The new Sub-Zero units, designed by Wilkins, reduced consumption to three kilowatt hours per day. Sub-Zero was among the first refrigerator manufacturers to realize that energy consumption was an economic and environmental issue. In the name of better quality, increased efficiency became a top priority.

As a second plant in Arizona was being completed in the spring of 1981, Bud Bakke's son, James Bakke, joined the company. He began a unique training program designed by his father and Homer Price. In preparation for assuming the

presidency of Sub-Zero, James Bakke would spend 10 years learning the product and distributor market by working in various positions within the company.

To complement the in-house work of the engineering department, industrial designer Jerome Caruso was hired. The first model Caruso worked on was the 532 unit—part of the new 500 series, which featured better ergonomics such as improved lighting, ease of door opening, seals for tighter closing, and improved handles. As Sub-Zero approached its fiftieth anniversary in 1995, the company unveiled an entirely new concept in modular refrigeration planning that kept Sub-Zero at the forefront of the refrigeration industry. The 700 Series concept, known as "integrated refrigeration," included one twenty-seven-inch refrigerator, one freezer, one combination module and two under-the-counter modules, which were actually refrigerated pull-out drawer units.

"The 700 Series is the answer to homeowners' and designers' search for complete design freedom and convenience in refrigeration," stated James Bakke, president and CEO of Sub-Zero. With three generations of leadership from the Bakke family, Jim continues the heritage of quality and design innovation with the company that his grandfather had founded almost 50

years earlier. In the late 1990s, the 600 Series replaced the 500 Series. From electronic controls to updated interiors, the units ushered in a new generation of design excellence and exceptional food preservation. Additionally, Wine Storage joined the Sub-Zero family with the 400 Series.

'Our new 400 Series of wine equipment sets the standard for wine storage, much like our refrigerators set the standard for home refrigeration,' said James Bakke, president and CEO of Sub-Zero. 'We're giving designers and consumers what they've been asking

for, with four innovative units that not only properly store wine but also offer a beautiful way to display it.'

Sub-Zero's wine storage units include two separate refrigeration compartments with independent temperature zones and varying capacity. The zones can be set to any temperature between 38 and 65 degrees Fahrenheit. Such flexibility allows the wine enthusiast to set temperatures based on their individual needs—whether | *continued on page 26* |



short-term storage in preparation for serving or long-term storage. Sub-Zero Freezer Company acquired Wolf Gourmet in March 2000 to create the ultimate in cooking instruments for serious, passionate cooks. The merger joined Sub-Zero's heritage and timeless dedication to quality with Wolf's commitment to superior cooking.

The same year, Sub-Zero built a 350,000-square-foot state-of-the-art manufacturing facility and began construction on a 30,000-square-foot on-site training center dedicated to education and product development. The company also dedicated a trained staff of consumer scientists, designers and engineers to monitor production and quality assurance. Every new Wolf appliance is tested to exceed industry standards and carries Wolf's two to five-year warranty, offering greater protection than most competitors.

Wolf's dedication to creating superior cooking appliances began in 1933, when Al and Hyman Wolf established Wolf Range Company. A leader in commercial cooking equipment for nearly 70 years, Wolf entered the residential market in 1989 and for those serious about cooking instruments, has come to represent the final word in performance.

Together, the corporate companions of Sub-Zero and Wolf combine beautiful, flexible design and proprietary, high performance technology to create the ideal uncompromised kitchen.

From its modest beginnings, Sub-Zero has become what it is today: the recognized leading manufacturer of premium built-in home refrigerators. Since its founding, Sub-Zero has pioneered quality products that meet its customers needs. For 60 years, Sub-Zero has offered innovative, aesthetically appealing and technologically advanced solutions to meet virtually any home refrigeration need. Through foresight and responsiveness, the company has earned its position as an industry leader – a position Sub-Zero intends to maintain well into the new millennium.

**SUB-ZERO FREEZER COMPANY BIOGRAPHY: JAMES J. BAKKE—
PRESIDENT AND CEO**

James J. Bakke is president and chief executive officer of Sub-Zero Freezer Company. He is the third generation of the Bakke family to lead the company, which was founded in 1945 by Westye F. Bakke. James Bakke was named president of his family's business in 1990 and CEO in 1992.

Among Mr. Bakke's accomplishments is the introduction of three highly innovative product lines, including the new 400 Series of consumer wine storage equipment, the built-in 600 Series, and the integrated 700 Series. All three product lines were developed in direct response to customers' needs, providing greater design flexibility and home integration. With the 400 Series, Sub-Zero has made wine storage beautiful and functional. With the 600 Series, Sub-Zero has ensured it can meet virtually any kitchen design need. And with the 700 Series, Sub-Zero has taken refrigeration out of the kitchen, integrating it throughout the home.

In preparation for assuming the presidency of Sub-Zero, Mr. Bakke spent 10 years working in various positions within the company, including assembler, customer service representative, regional sales manager, plant manager, national sales manager and executive vice president. Mr. Bakke began his career in 1977 as a sales representative with Oscar Mayer, Inc. Earlier that year, he earned his bachelor's degree in marketing from the University of Wisconsin-Madison School of Business. **RO**



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Get hands-on with the ingredients that
bring a dream kitchen to life.



Before you create the kitchen of your dreams, take it for a test-drive.
At the Showroom, you can get hands-on with Sub-Zero and Wolf products,
and our knowledgeable consultants will help with any questions you might have.



SHOWROOM

GE CONSUMER & INDUSTRIAL UNIVERSAL DESIGN PRINCIPLES IN NEW APPLIANCE DEVELOPMENT

WILL AID AGING BABY BOOMERS AND CONSUMERS WITH DIVERSE ABILITIES

Although each of us has a unique profile consisting of height, age, ability, strengths, weaknesses, and preferences, most homes are designed to fit a “standard” person. As a result, many of us struggle to reach or operate sink fixtures, cabinets, and appliances.

Universal Design is a design concept that meets the needs of people with varied abilities. It not only addresses the current difficulties people face, but also the possible physical challenges later in life.

“The time has come for kitchens and homes that fit the real needs of real people—needs that will change over time,” observed Marc Hottenroth, Industrial Design Leader for GE Consumer & Industrial. “Our Industrial Design team will continue to take a leadership role in addressing these issues,” he said.

The Appliance Division of GE Consumer & Industrial teamed up with members of the Carnegie Mellon School of Design and over the past three years have compiled data and statistics and cite changing demographics in America that are adding urgency to addressing these design issues.

- The senior population is growing at three times the rate of the general population.
- Currently, thirteen percent of Americans are over the age of 65; a figure that will grow to almost twenty percent by 2030.
- By the year 2014, all baby-boomers will have celebrated their 50th birthdays and received their AARP® cards.
- More than half of Americans expect to have elder care responsibilities within the next 10 years or simply want to be able to entertain and host family members and friends, of all abilities, in their homes.

The Industrial Design Group of GE Consumer & Industrial teamed first with the University of Illinois and then, more extensively, with Carnegie Mellon School of Design. During these meetings a variety of activities took place.

During Phase I field research was conducted with elder and late baby-boomer communities including personal interviews and observations of consumers in their homes. Focus groups were conducted with this

population and comments and observations were reviewed. In addition, a review of literature and compiling of demographic information and statistics were important steps in the study.

The University researchers and GE Industrial Design participants also gathered knowledge from empathy sessions. Participants taped their knuckles and wore gloves to simulate arthritis, put cotton balls in their ears to simulate a decrease in hearing, and wore special glasses that simulated vision impairment such as macular degeneration. This role-playing simulation allowed them to experience firsthand what an aging consumer or special needs consumer might experience when operating an appliance. The group also consulted with health care professionals and gerontologists.

“Phase II consisted of direct application of this knowledge to generate appliance design concepts that would meet many of these needs,” noted Hottenroth, “Two dimensional and three dimensional sketching of appliance prototypes were made and sketch models and form studies created,” he continued.

“Style will be a critical element of these appliances so that nothing is sacrificed when designing these products to be more user-friendly for consumers of all ages and abilities,” explained Hottenroth.

Phase III will continue with the testing of these prototypes and may include surveys, contextual observation and consumer acceptance testing. “Like the auto industry’s concept cars, there are many design phases, testing and manufacturing challenges to face before a new product is brought to market,” explained Hottenroth.

“GE may use the research to integrate into new product designs for the near future, but there are already many product offerings that accommodate a variety of needs when used with room design techniques that employ the concepts of Universal Design,” according to Hottenroth.

GE also offers over 100 models that are ADA (Americans with Disabilities Act) compliant appliances. The Americans with Disabilities Act establishes accessibility guidelines for products within the home. **RO**



Pretty. Impressive.

With bold colors, sleek lines and signature doors, the stylish GE Profile™ frontload washer and dryer pair changes the way you look at laundry. And that's just the beginning. The revolutionary SmartDispense™ pedestal holds up to six months of detergent and fabric softener,* then dispenses just the right amount for each load. The StainInspector™ stain removal system treats more than 40 common stains, from grass to grease. And, thanks to the CleanSpeak™ communication system, the washer electronically alerts the dryer to preset dry cycles and helps save time. All together, this laundry pair is the perfect combination of great appearance and innovation to assist your busy lifestyle.

The GE Profile™ frontload washer and dryer pair will be available in July, so act now to add a touch of style and innovation to your sales floor.



*Based on an 8-lb. AHAM load; 10 loads per week, SmartDispense technology pedestal sold separately.



imagination at work

GE Profile™

For more information on GE appliances, contact:

- Northeast: Pete Furfaro at 508.698.7790 • Mid-East: Jeff Cooksey at 513.530.7020 • Southeast: Steve Campbell at 727.939.819
- North Central: Steve Stremke at 630.771.0341 • South Central: Jill Locklear at 972.770.3313 • Northwest: John Boyd at 425.226.7194
- Southwest: Jim Skaggs at 480.367.2913

VIKING MOVES DISHWASHER MANUFACTURING IN-HOUSE

Viking Range Corporation is announcing a bold move designed to elevate the performance and feature offerings of its high-end dishwasher products. Moving Viking dishwasher manufacturing to its headquarters location in Greenwood, Miss., will complete the company's transition of bringing all core Viking Professional and Designer major appliance categories in-house.

"For the past few years, we've enjoyed our relationship with the current manufacturer of our dishwashers. This move is something we've been anticipating and wanting to do," said Liston Durden, senior vice president of marketing—Viking Range Corporation. "Not only will we control the manufacturing processes of our dishwashers, we will also be able to add exclusive state-of-the-art technology and enhancements to our line-up."

The 450 model will be the first model available. All models will include several new technological advances exclusive to the Viking-produced dishwasher:

- A Vari-Pressure Intelli-Wash™ system which delivers customized water volumes and pressure;
- A Central Intelligence™ System which maintains constant communications between various dishwasher systems for unmatched performance;
- A Airflo™ Gentle Drying which offers a gentle and effective fan driven air system to thoroughly dry dishes;
- A Sure-Temp™ Water Heating System which utilizes a Hydroflo™ water heater that automatically heats water to appropriate/selected temperatures;
- A five-stage filtration and waste removal system which delivers spot free dishes;

- A Quiet Clean™ performance package that ensures virtually no operational sounds from the dishwasher are heard, making the Viking dishwasher one of the quietest in the industry.

The new Viking-produced dishwashers will be ENERGY STAR® qualified and NSF certified. They will be shipped as no front units with optional Professional and Designer door panels in stainless steel and all other exclusive color finishes to coordinate with other products. The panels will also be available with a brass trim option. In addition, the consumer may opt for a custom overlay door panel. **RO**



FOR MORE INFORMATION,
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Viking® Biscuit (BT)

CULINARY COORDINATED

24 Exclusive Finishes for the Entire Kitchen
(or Just as a Garnish)

Imagine trying to whip up a fabulous meal using only one ingredient. With a full 24 colors in your designer pantry, we invite you to write your own recipe for a one-of-a-kind kitchen. Whether you choose complete Culinary Coordination or just a splash of color, you now have an extensive Viking palette to call upon.



Biscuit, Chocolate, Pumpkin, Plum, and Sage are just some of the classic flavors now available as exclusive Viking finishes.



“We commend and congratulate Richie for this milestone achievement,” said Tracy Frye, senior contract marketing manager at Whirlpool Corporation. “This achievement truly reinforces our commitment to being a comprehensive resource to help builders incorporate new trends and technology into their home building efforts. Richie is one of many Whirlpool Corporation sales professionals who work closely with the building industry to help set the pace for sustainable construction and other emerging building trends.”

CGAs earn the building industry’s premier professional designation by successfully completing an intensive series of six 8-hour courses. The CGA curriculum incorporates training by leading building industry practitioners and academics on a range of topics, including business management, emerging technologies and market trends. After earning the CGA designation, program graduates are required to maintain their designation through completion of an additional 12 hours of training every three years.

Heumann also earned the Green Certified Professional (GCP) designation earlier this year from the NAHB.

Whirlpool Corporation works to exceed expectations with appliances that help building professionals create homes of distinction. For this purpose, the company developed – The Inside Advantage™.

This targeted program offers Powerful Brands, Innovative Products, Targeted Services and Consumer Insight to support building professionals. **RO**



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RETAIL TIPS

PREVENTING CREDIT CARD LOSSES

HERE ARE 10 THINGS TO WATCH FOR

CREDIT CARD FRAUD—HANDY CHECK LIST:

1. Embossed numbers on the card aren't straight or are badly-spaced
2. Touch-up paint has been applied to the front of the card
3. Signature space has been tampered with
4. Letters or numbers appear to be altered
5. Embossed numbers don't match numbers printed on your receipt
6. Customer takes extra pain signing, which may indicate forgery
7. Customer appears nervous or hurried
8. Customer arrives at closing time and tries to rush the purchase
9. When asked for photo proof, claims to have left the document home
10. Customer pulls the credit card from a pocket and not a wallet **RO**

DESIGN

WITH LIEBHERR



A design contest that rewards innovation, creativity and green thinking using Liebherr refrigeration.

With Liebherr refrigeration products appearing ever frequently in beautifully designed custom kitchens, Liebherr is giving designers the opportunity to showcase their work, and earn fabulous prizes. Categories include best use of Liebherr full size and undercounter refrigerator, most ActiveGreen kitchen using a Liebherr product, and best use of Liebherr wine storage outside the kitchen. Spread the word and visit www.liebherr-appliances.com for full contest details.

LIEBHERR
Design, Quality and Innovation

ALMO ADDS AUDIO LEADER SHERWOOD AMERICA TO ITS LINE CARD

SHERWOOD HIGH PERFORMANCE AUDIO AND VIDEO GEAR NOW AVAILABLE TO ALMO DEALERS.

One of the nation's largest consumer electronics and appliance distributors, Almo Corporation, today announced a distribution agreement with Sherwood America. Through this agreement, Almo will distribute select models from the Sherwood America high performance A/V line within the United States. Sherwood is a legendary manufacturer of audio gear. A long-time leader in the industry, Sherwood developed the industry's first 100% all-silicon solid-state audio receiver. Their innovation and manufacturing excellence have continually advanced resulting in a laundry list of awards throughout the years.

"The exceptional quality and style of the Sherwood America line is a welcome addition to Almo," stated Warren Chaiken, President and CEO of Almo Corporation. "Sherwood's line is a perfect fit, not only for our electronics retailers but also for our custom installers."

Among the Sherwood offering available at Almo is the new RX-4503 2.1 Channel Stereo Receiver with Virtual Surround. This 100 watt per channel receiver features totally discrete amplifiers for all channels, 5.1 Channel Direct inputs, a Bluetooth audio receiver and more.

"Almo is one of the most requested and successful internet fulfillment agencies in the US for consumer electronics," stated Jeff Hipps, Sherwood America Senior VP for marketing and product development. "We look forward to doing business with such a well-respected company."

Other key products available at Almo include the new BDP-5003 Blu-ray player and the Hollywood-at-Home™ DVD Theater System. The BDP-5003 Blu-ray player is capable of 1080p output from Blu-ray discs and also scales standard DVD's to 720p or 1080p (24 or 60Hz) when used with its HDMI 1.3 output. The Hollywood-at-Home DVD theater system features a beautiful hand-rubbed black lacquer speaker bar and 50 watt subwoofer. This elegantly styled system sets up in 10 minutes and provides remarkable surround sound from a 2-speaker unit. Current Almo dealers

interested in detailed information can contact their sales representative at 1-866-371-2566 or log in at access.almo.com. Dealers interested in working with Almo should email: newaccounts@almo.com or visit www.almo.com.

ABOUT SHERWOOD

Since 1953, Sherwood has designed and manufactured high-performance, cost effective audio gear including the world's first all-silicon solid-state receiver and equipment for the first commercial FM stereo broadcasts. Earning high acclaim from discerning critics and millions of satisfied customers worldwide, the Sherwood brand has become synonymous with high performance audio and the development of new technologies like home theater. With many awards from the likes of *Stereo Review*, *Stereophile Guide to Home Theater*, Innovations Design Award from CES, *Audio Video Revolution*, *Son Video Magazine* (France) among others, Sherwood is one of the few companies to manufacture all the products bearing its name. For more information, please visit:

<http://www.sherwoodusa.com> or call 800-962-3203.

ABOUT ALMO CORPORATION

Almo Corporation is the nation's leading independent distributor of major appliances and consumer electronics. Known for its Rapid Ship services and exceptional customer service, Almo distributes over 40 of the industry's top brand names. Dealers and retailers have instant access to a wide variety of major appliances, consumer electronics, mobile and professional audio/video equipment and professional residential kitchen and outdoor appliances. Founded in 1946, Almo is headquartered in Philadelphia, Pennsylvania, and operates 12 regional distribution facilities with over 1 million square feet of warehousing throughout the United States. More information on Almo is available by contacting the company directly or at Almo's web site located at www.almo.com. **RO**



RX4503 Sherwood Surround Sound Stereo Receiver optimized for Blu-ray



Sherwood BDP-5003 Blu-ray player

ALMO BREADTH OF PRODUCT

The difference between selection and limitations.

Delivering the products your customers want is a key to success in today's Internet-enabled market. Selection is as important to winning more sales as service is to keeping customers satisfied. For more than 60 years Almo has offered a vast array of products from industry-leading suppliers. Partner with Almo to deliver greater breadth of product than your competitors, because at Almo, we exist to ensure that our customers can deliver on their promises to consumers.

Expect more from Almo. We deliver.

Rapid Ship Services

12 Nationwide Locations

Legendary Customer Service

Drop-Ship Services



Jeff Wise
Director of Product Mgmt.

distribution on a personal level



Home Entertainment



Consumer Appliances

Portable Entertainment

Small Electronics

Mobile Electronics

▶ TVs ▶ DVD & Home Theater ▶ Audio Systems ▶ HE Accessories ▶ Kitchen ▶ Professional ▶ Outdoor ▶ Laundry

Better Than Live Action



52" Series 7 Touch of Color LCD HDTV
Model # Samsung LN-52A750R1FXZA

Big Meals Need a Big Oven



30" Double Oven Convection Gas Range
Model # Frigidaire PLGFMZ98GC



Blu-ray + Home Theater = Wow

7.1 Channel Blu-ray Home Theater System
Model # Panasonic SC-BT100

Simplify Holiday Cleanup



24" Pro Dishwasher with Speed Clean
Model # Frigidaire PLD4375RFC

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To experience the difference for yourself, call 1.800.345.2566 or click www.almo.com

CONSUMER ELECTRONICS

MOBILE ELECTRONICS

MAJOR APPLIANCES

ECONOMIC WATERS

HOW TO PADDLE WHEN THE ENGINE STOPS

BY DEAN LANDERS—PRESIDENT, SERVICE USA

One of the largest New Jersey Auto dealers, when asked how was he coping with the downturn in the economy, was quoted saying, “When we can’t motor we paddle, and now we are paddling”. At least he is still moving forward. He may not be moving as fast as he would like, or as fast as he previously did, but at least he is moving forward. He went on to explain that he had diversified his business, and had 4 different divisions that could generate income—Sales, Repairs, Parts and Resale. Other dealers that folded have added to his repair operation and he was able to capture additional profits, although minor, from the smallest of part sales.

Appliances in our culture, like automobiles, have become a necessity for the average American household. And homes have more white good appliances than cars, so take heart. Though people can muddle through with a knocking dryer drum or leaking refrigerator, when their appliance stops working, just like with their car, they have 4 choices—1) repair, 2) replace, 3) purchase parts and self install or 4) replace with a used or scratch and dent model. You can see that our industry can capture a diversity of options, just like the auto industry.

Take heart. Our industry is a “*basic family need*” product than other luxury businesses that are hurting and faltering without much hope of recovery in the near future. Be alert, not hurt. Evaluate your productivity, don’t evade or ignore the numbers. How could you streamline costs to pass that savings (or lack of increase) over to your customers? Research your purchasing, wasted materials, and recycling practices. Are there unused parts to return, and can you be more organized about keeping up with timeframes that better manage inventory? What about your billing practices, especially to commercial customers who lump your work together into an accrued account, delaying payment? Tightening up on the management of small areas within your business can benefit in big savings over time. Do you need to charge a fuel fee or higher service charge for providing services in districts over a certain mileage from you base? Can you reduce multiple visits to a customer’s

home for service by more efficient parts ordering? What about offering special discounts on standard accessory items, such as hoses, belts, venting, etc. when they are installed while you are in the house servicing other appliances. Can you ask a simple question while scheduling the initial service call: “Are there any other appliances we can check while we are at your home, Mrs. Jones?” Even though we are a service industry, you can always offer add on sales items. Often time’s customers really appreciate the offers because they are safety and home protection related. It is a basic sales principle. Consider a reward program for your techs for add on sales, even with something simple like candy bars, or sodas.

Affirmation juices everybody, and helps the morale of techs that might be experiencing the crunch too, and may not be so motivated to do their best while feeling discouraged!

Can you offer specials on your over the counter parts sales to generate additional revenue from the do-it-yourselfers?

Can you streamline staff with part-time employees to save on benefits, especially where a spouse may already be covered with health insurance?

Brainstorm, network, and attend conferences that offer new ideas. Look at new computer software programs and other services that may enhance, update, and invigorate your business.

Some of the most successful American businesses started in the Great Depression years on a wing and a prayer (not a bad idea either!). Remember, risk is always an element of the free market enterprise system.

Be confident that quality, honest, efficient service provided by a faithful, independent community based service man has always been a hallmark that has reaped a stable, if not successful income. Perhaps your profits may not exceed last years’ by your projected increase, or your sales may be “flat”, but they are stable. Be thankful that you have profit and sales at all! Looking at the full glass is always more encouraging than a half full and especially a half empty glass. Be grateful and positive that our industry is necessary. Who knows? Perhaps some of the



corporate enterprises who have tried to have a piece of the market for multiple home services just might need to reign in their purse strings and focus on their primary business, and allow us to recover some of the territory that has been outsourced by second party service managers hacking at our customer base.

Slow and steady wins the race. If you are not moving forward, then you are moving in reverse, and that is probably very discouraging to you. Remember: Attitude is everything, and sometimes you are your only cheerleader. If your business door is still open you are still in the race. Whether you are a big player or small, you are still in the game. Review your cards, and play them carefully. Flat sales during these economic times can be seen as a very positive thing. Remember that cash is king during a recession. Don't spend your money on anything unnecessary.

Take heart. Every business, not only in America, but around the world is experiencing the impact. I was just overseas, and heard accounts firsthand in the coffee shops, on trains and subways, etc. of job concern, and financial instability. At least you have promise that people will eventually need your services. Make sure you are ready and waiting with the best possible service product you can offer.



THE SRC 09 IS COMING TO DALLAS!

The United Servicers Association has coordinated its 2009 national service convention to be held in conjunction with buying group Brand Source (BS) at their winter Summit convention. The joint conventions will be held in Dallas on March 22-24, 2009 at the Hilton Anatole. USA will provide business management classes covering flat rate pricing, how to calculate your cost of doing business, How to negotiate fair warranty rates, Best Marketing Practices, industry round table discussions, and much, much more. Technical classes will include all the major brands as well as many boutique and high end manufacturers, with hands on tear down and other pertinent instruction.

We are in the process of coordinating the specific class schedule. Make plans to attend now. Stay tuned for more details over the next several weeks. Check the web site at www.unitedservicers.com. There is a registration page along with mail in directions. E-mail any of the board members (their e-mail addresses are listed on the web site)

or call the office at 800 683-2558 with any questions.

FLAT RATE PRICING

Flat rate pricing continues to be a hot topic around the country. I have spoken at a few Regional Service Meetings recently as well as engaged in lively dialogue on line concerning the Blue Book and flat rate pricing in general. Thanks to Jay Allen from Fitchburg, WI for his insightful comments concerning flat rates posted on www.servicetechelp.com (It is an awesome tool to use for all aspects of running your appliance business). Many people use flat rates. Some who use the blue book believe that the prices are too high for their market and choose to reduce the price. I have been told that they simply select a percentage (10-15% is commonly mentioned) they believe is reasonable and reduce the published price by that amount. I typically argue against this point since the national service providers usually charge about the same in all markets except a few such as LA, Boston, Chicago, NYC, etc where they charge a whole lot more. Jay's point is that a flat percentage discount negatively affects parts margins especially as the price of the part increases because the mark up is typically less.

Jay wrote "let's take a part that costs you \$1.00. That part will sell for \$4.00 under (my) markup schedule:

\$.01.....	\$.99.....	Multiply by 5
\$.1.00	\$2.00	Multiply by 4
\$2.01	\$8.00	Multiply by 3
\$8.01	\$30.00	Multiply by 2
\$30.01	\$80.00	Multiply by 1.85
\$80.01	\$120.00	Multiply by 1.75
\$120.01	\$200.00	Multiply by 1.65
\$200.01	and up.....	Multiply by 1.5

That equates to a margin of 75% [margin = (retail price - cost) / retail price]. With your 10%, your customer pays .40 less, so your margin drops to 72%. Not much of a drop. Now, let's take a compressor that costs you \$225.00. Your retail will be 337.50, which equates to a margin of 33%, which is a problem to begin with. However, with your 10% coupon, you will now be selling that compressor for \$303.75, which gives you a margin of only 26%. So, the more expensive the part, the more you are giving away with a percentage coupon. It is not just the 10% of the coupon, but it is a larger percentage of your margin. In the case of the \$1.00 part, your coupon gave away only 13% of your markup (.40 / 3.00). In the case of the compressor, your coupon gave away 30% of your markup (33.75 / 112.50). "

Well stated, Jay! We stopped using a percentage discount some time ago and offer a specific \$ amount, normally \$10. Let me know how you handle discounts and parts mark ups. I'll include the information in a future edition of The Servicer. **RO**



1



2

stainless steel, as well as Bertazzoni's complete color palette.

The Elegant Heritage Series is a Special Edition series embodying all of the elegance of its rich European legacy, the colorful 30, 36 and 48-inch Heritage Series gas ranges reflect design reminiscent of Bertazzoni's founder years. Available in three matte colors, each range celebrates Bertazzoni's 125 years of excellence in craftsmanship and design, and carries the signature of Antonio Bertazzoni, the son of company founder Francesco Bertazzoni. Antonio's signature is a symbol of familial pride, as he was the man whose energy and imagination made Bertazzoni wood burning stoves popular throughout Italy at the turn of the last century.

The Stainless Steel Modular Series—Superior Performance and Metropolitan Chic redefines the kitchen space of individually arranged modules, blending appliance and furniture into a highly functional design statement. Used alone, or in conjunction with a modular cabinet, these built-in cook tops were designed as part of a completely modular kitchen architectural system, or can be integrated into a more traditional plan.

PHILOSOPHY

A few years back, the company factory embraced a new management philosophy inspired by *"The New Economics for Industry"* by W. Edwards Deming. He states that "Competition, we see now, is destructive. It would be better if everyone would work together as a system, with the aim for everybody to win. What we need is cooperation and transformation to a new style of management." The system of profound knowledge, as it is called, consists of four parts: appreciation for a system, knowledge about variation, theory of knowledge, and psychology. He believes in creating constancy of purpose toward improvement of product and service, with the aim to become competitive and to stay in business, and to provide jobs. Eliminate the need for inspection on a mass basis by building quality into the product in the first place. Improve constantly and forever the system of production and service, to improve quality and productivity, and thus constantly decrease costs.

It is a system of cooperation and individual transformation that will enable the person to perceive new meaning to his life, to events, to numbers, to interactions between people. It is an understanding that the performance of anyone is governed largely by the system that he works in, the responsibility of management. A manager of people needs to understand that all people are different. The transformation is everybody's job. Putting everybody in the company to work to accomplish this transformation encourages a well oiled, tight running system of responsible employees, who take pride in the work they produce.

Today, it seems to be working for Bertazzoni, as employee satisfaction is up and so is production. Embracing an organic system of doing business has been a good move for the whole company. Maybe it's time we explore this way of thinking for our companies back here at home, using cooperation rather than competition can help people develop joy in their work and learning at the same time that it brings about long-term success in the market. We could use some of this simple philosophy about now in our business structures.

Thank you, Paolo and Nicola, for your inspiration and your unforgettable Italian hospitality. **RO**

1. Bertazzoni Modular Series 2. Bertazzoni Heritage Series



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CELIO'S SECOND GENERATION REDFLY™ NOW SHIPPING TO ENTERPRISE AND RETAIL CUSTOMERS

CELIO CONTINUES VISION FOR SMARTPHONE COMPUTING WITH NEW REDFLY PRODUCTS FOR MOBILE WORKERS

Celio Corp (www.celiocorp.com), the maker of the REDFLY Smartphone Terminal, announced that two new REDFLY models—C7 and C8N—are shipping and available for enterprise and retail customers. Starting at just \$199 the REDFLY Smartphone Terminals continue the Celio vision of the smartphone as a mobile computer.

“The REDFLY Smartphone Terminals unleash the computing capabilities of the smartphone,” said Kirt Bailey, CEO Celio Corp. “When you enhance a smartphone with REDFLY capabilities, such as a larger screen, keyboard, longer battery life and USB ports, you enable the smartphone to become a strong alternative to a mini-laptop, netbook, MID, UPMC or cloud computer. Combined with remote access using Microsoft™ RDP or Citrix™ you create a powerful, flexible mobile platform with far reaching market implications. We look forward to continually offering new and innovative products that expand the reach of smartphone computing.”

WHAT IS REDFLY?

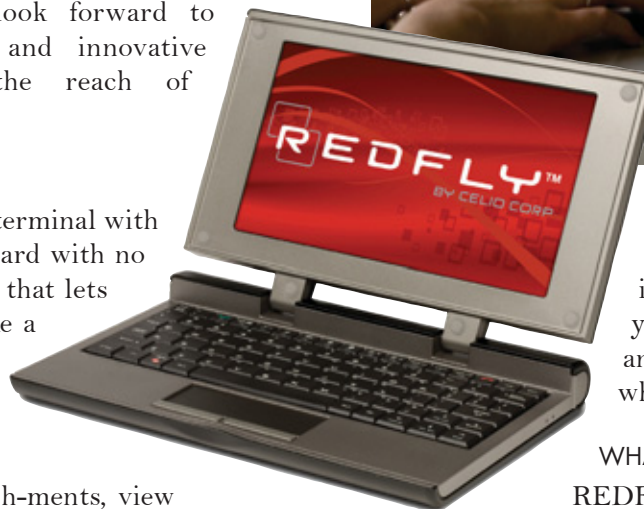
REDFLY is a smartphone terminal with a large screen and full keyboard with no OS, no CPU, and no storage that lets you use your smartphone like a laptop. REDFLY links to your smartphone via a USB cable or wireless Bluetooth connection.

Easily do email, read attach-ments, view web sites, and use applications that reside on your smartphone with up to 8 hours of battery life.

REDFLY gives you anytime, anywhere full-screen access to Web 2.0 and line of business applications that reside on your company network or the Internet.

Since the unique REDFLY terminal architecture has no OS, CPU or storage, it lowers TCO, provides data loss protection, and improves corporate security.

REDFLY is unlike any sub-compact laptop, netbook or UMPC because it has no CPU, memory or OS. There's no need to sync with a smartphone or manage



the REDFLY in any way. Just install the over-the-air driver on your phone, connect to REDFLY and you see your smartphone in a whole new way.

WHAT CAN YOU DO WITH REDFLY?

REDFLY unleashes your smart-phone making it easy to type long emails, check attachments, work with spreadsheets, make presentations, view websites, fully utilize CRM applications and connect to remote servers, desktops and applications from anywhere using your smart-phone's data connection.

Access your office, home, or any virtualized PC with REDFLY through your smartphone using Citrix, GoToMyPC, RDP, LogMeIn, etc. REDFLY's large screen, full keyboard, and touchpad give you a true laptop-like experience without the expense and

maintenance of a laptop.

Use REDFLY's USB ports to connect a mouse and keyboard, charge your smartphone directly from REDFLY's powerful battery, or access data on USB Flash drives.

Need an easy way to make presentations on the road without a laptop? REDFLY has you covered. Just plug a projector or large monitor into REDFLY's VGA port and use PowerPoint Mobile to run the presentation.

Have you ever tried to look up a contact, respond to a text message, forward an email or just get work done while having a mobile phone conversation at the same time? With REDFLY, you can use both hands on its large screen and full keyboard to fully access your smartphone and get the job done while talking to someone on your smartphone.

Watch a movie on REDFLY (model C8N only) either in full-screen mode or while you work on your smartphone with a small video window placed anywhere you'd like on the screen.

need both for portable content and ways to share that content," said Jon Grodem, Optoma's director of product and marketing. "The Pico projector meets that need head-on by ushering in a whole new era in projection technology and allowing mobile content to be shared in new ways."

The Pico employs Texas Instruments' latest DLP Pico Digital Micro-mirror device (the reflective chip that creates the image), and combines that with the latest in LED technology to produce an image with high contrast (1000:1) and enough brightness for users to project images under lighting conditions that would normally wash them out. Its 480 x 320 native resolution is a perfect companion for portable media devices.

The Pico's internal battery will power the unit for up to 1.5 hours on a single charge and can be recharged using the included mini USB cable. Signal input is through a 2.5 mm A/V composite mini-jack, which can be adapted to most iPods and other personal media devices.

ABOUT OPTOMA TECHNOLOGY, INC.

Optoma Technology, Inc. is an award-winning developer of projection and digital display products for business and home. The company manufactures multimedia projectors for mobile users, fixed installations and home theaters, as well as HD displays. Optoma products combine superior image processing technologies with exceptional engineering and innovation to deliver images that are bright, crystal clear, and finely tuned for tone and color. Optoma products are sold through the company's global network of ProAV dealers, major consumer electronics retailers and Internet resellers. For more information, visit www.optomausa.com.



OPTOMA PICO, WORLD'S SMALLEST DLP PROJECTOR

HANDHELD PROJECTOR, IDEAL COMPANION FOR IPODS, SMARTPHONES, AND OTHER PERSONAL MEDIA DEVICES

Ushering in a new era in digital projector technology, Optoma®, the award-winning manufacturer of digital projection and display devices, began shipping the Pico PK-101, the world's smallest and lightest micro-portable DLP® projector, on December 15, 2008. Weighing only 4 oz and measuring a sleek 2" x 4.1" x 0.7" – smaller than many smartphones – the Pico represents the latest innovation in DLP technology, and gives users of personal media devices, such as iPods and smartphones, the ability to project pictures and videos onto a screen or wall at sizes up to 100 times larger than the small screen of the source device. The Pico will be available from at a suggested retail price of \$399.99.

"The increasing popularity of mobile devices is driving the

CONSUMER DESIRE FOR "GREEN" ELECTRONICS ON THE RISE, SAYS CEA

ONE-THIRD OF CONSUMERS EXPECT TO MAKE ECO-FRIENDLY CE PURCHASE WITHIN TWO YEARS

More consumers expect their consumer electronics (CE) devices to be environmentally friendly, according to new data released today by the Consumer Electronics Association (CEA)®. *Going Green: An Examination of the Green Trend and What it Means to Consumers and the CE Industry*, finds that 89 percent of households want their next television to be more energy efficient, for example. Although awareness of "green" CE offerings lags behind sectors like household products and automobiles, 33 percent of consumers say they expect to make some type of green CE purchase within the next two years.

"Consumers are now beginning to associate terms like recycling and | *continued on page 42* |

energy efficiency with consumer electronics products,” said Tim Herbert, CEA’s senior director of market research. “As they seek out those attributes in the purchasing process, there is enormous opportunity for manufacturers and retailers to educate customers about green products and how purchasing decisions can impact the environment.”

According to the study, price and features continue to be the primary purchase drivers for CE products, but green attributes will increasingly be a factor. In fact, 53 percent of consumers say they would be willing to pay some type of premium for televisions with green attributes.

Effectively communicating the green attributes of CE products continues to be an obstacle for manufacturers in particular. Though the study indicates high consumer awareness of logos like EPA’s ENERGY STAR®, the absence of a single indicator for other “green” attributes leads to consumer confusion. The study finds consumers desire an easy way to determine if a product meets environmental standards, such as logos and descriptions printed on the product packaging.

“With 74 percent of consumers saying that companies should do more to protect the environment, it’s critical that CE manufacturers and retailers clearly communicate with customers regarding the environmentally-friendly products and programs offered by the industry,” notes Parker Brugge, CEA’s vice president of environmental affairs and industry sustainability.

Going Green: An Examination of the Green Trend and What it Means to Consumers and the CE Industry (December 2008) was fielded in September 2008 to an online sample of 960 adults. It was designed and formulated by CEA Market Research, the most comprehensive source of sales data, forecasts, consumer research and historical trends for the consumer electronics industry. Please cite any information to the Consumer Electronics Association (CEA)®. The complete study is available free to CEA member companies. Non-members will be able purchase the study for \$999 at myCEA.CE.org.

CEA MOURNS LOSS OF INDUSTRY VETERAN JOHN MCDONALD

The Consumer Electronics Association (CEA)® today mourns the loss of John McDonald, Consumer Electronics Hall of Fame inductee and Chairman of the Consumer Electronics Group that later became CEA.

John passed away Thursday after a battle with Parkinson’s disease.

“John was a strong leader. He was caring, honest, funny and smart. He taught me about selling and the importance of relationships. I can still hear him saying, ‘A.B.C.—Always Be Closing,’” said Gary Shapiro, CEA president and CEO.

Other industry leaders joined Shapiro in expressing condolences:

“John McDonald was dedicated to his company, his employees and to our industry,” said Jack Wayman, former CEA president and founder of CEA’s flagship event, the International CES®. “He gave of himself to our industry as a leader, a volunteer for CEA, and a tireless proponent of the International CES. We will all miss John very much.”

“Today more than ever we will miss John’s friendship, candor, wisdom, charity, salesmanship and last, if not least, his sense of humor. John will always be remembered as an industry icon who broke the mold,” said Robert Borchardt, managing partner, Voxred International, and former CEA chairman.

“CEA and the CE Industry have lost a great friend and mentor with the passing of John. He was highly intelligent, opinionated, and a great teller of jokes. John’s personality lit up many meetings and social events for those of us who knew him. On a personal note, he mentored me on a number of difficult issues I faced with my small business, and I will always be appreciative for his help.” said Kathy Gornik, president, THIEL Audio Products, and former CEA chairwoman.

After a career with the U.S. Army, McDonald entered the consumer electronics industry in the early 1970s. He began working for Sperry Rand and was responsible for introducing Sperry-branded Casio calculators to the European market. In 1975, he became president of Casio Europe and managing director of Casio Electronics in the U.K. It was in 1978 he returned to the U.S. and became the new president of Casio Electronics U.S. He was elected to chair the Consumer Electronics Group in 1986. McDonald served CEA in numerous volunteer posts including chairman of the Investment Committee and was a long term member of the CEA Executive Board. After 25 years with Casio, McDonald retired in 1999.

A family memorial has been planned. In memory of John McDonald, contributions can be made to the National Parkinson Foundation, Inc., www.Parkinson.org. **RO**

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CEA PARTNERS WITH GREEN LIFE SMART LIFE™ RESIDENTIAL BUILDING PROJECT

PROJECT DEMONSTRATES GREEN BUILDING AND SMART HOME TECHNOLOGIES



greenlifesmartlife™

The Consumer Electronics Association (CEA)® today announced its partnership with Green Life Smart Life™, a custom green home building project that debuts this month. As the primary technology sponsors of the project, CEA and its member companies will be featured in real life applications of green living and design in conjunction with custom electronics that embrace today's smart home technology.

CEA is proud to sponsor Green Life Smart Life to highlight how our member's products and services help homeowners become better environmental stewards," said Jason Oxman, CEA's senior vice president of industry affairs. "Our member companies are on the cutting edge of developing innovative technologies that help homeowners to live green through consumer electronic products that manage and monitor a home's energy consumption."

The Green Life Smart Life™ project is a green home building project that will demonstrate how homeowners can make eco-friendly decisions that benefit their families and give their homes a technological edge. Applying for LEED-H certification, the custom 4300+ sq/ft home will showcase real life applications in green living and design in conjunction with custom electronics that embrace today's smart home technology. The home will be a case study for the updated TechHome Rating System (THRS), showcasing the importance of structured wiring to homeowners, builders and custom integrators throughout the building process and the installation of home technologies.

"We are thrilled to welcome CEA as a platinum sponsor for the Green Life Smart Life project," founder and homeowner Kimberly Hageman said. "More and more homeowners are choosing to make socially responsible buying decisions when it comes to building or remodeling their house. With CEA's support, GLSL will showcase how the installed technologies and services offered by CEA members play an integral role

in digital connectivity. We look forward to working together to show other families how to make a home high-tech, high-design, and high-efficiency while being environmentally conscious."

CEA is committed to increasing awareness of environmentally-friendly products, programs and practices within the consumer electronics industry, as well as working with lawmakers and government officials to develop public policy solutions that protect innovation and consumer choice while promoting energy efficiency and environmental stewardship. CEA's platinum sponsorship of the GLSL project is among the organization's initiatives to promote greater environmental awareness.

The Green Life Smart Life project is a platform of collaborative strength across vertical markets for select companies to demonstrate their passionate commitment to sustainable business practices and green living. The Green Life Smart Life project expected completion is in 2009. For more information on Green Life Smart Life, please visit www.greenlifesmartlife.com.

ABOUT CEA

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the \$173 billion U.S. consumer electronics industry. More than 2,200 companies enjoy the benefits of CEA membership, including legislative advocacy, market research, technical training and education, industry promotion and the fostering of business and strategic relationships. CEA also sponsors and manages the International CES—Where Entertainment, Technology and Business Converge. All profits from CES are reinvested into CEA's industry services. Find CEA online at www.CE.org.

Follow the 2009 International CES on Twitter at twitter.com/2009CES and visit the International CES Page on Facebook. **RO**



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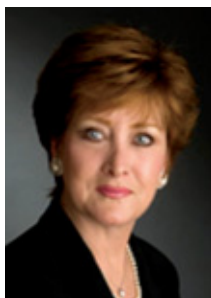
MICRO-FILTER
 TECHNOLOGY



THE NKBA ELECTS 2009 NKBA PRESIDENT AND EXECUTIVE COMMITTEE

The National Kitchen & Bath Association announces the election results for the 2009 NKBA Executive Committee, which will be led by 2009 NKBA National President Suzie Williford of Kiva Kitchen and Bath in Houston, Texas. Current Vice President Mark L. Karas, CMKBD of Adams Kitchens in Stoneham, Massachusetts will become the 2009 President-Elect, while current NKBA Secretary David Alderman, CKD of Dave's Cabinet in Chesapeake, Virginia has been elected Vice President for 2009.

Maria Martina, CKD, CBD of Reno's Appliance in Fairfield, New Jersey, who was elected to the Executive Committee for the first time in 2008 as Treasurer, has been elected to serve as the 2009 Secretary. The NKBA is also proud to announce the newest member of the Executive Committee. Alan Zielinski, CKD of Better Kitchens in Niles, Illinois was elected as the 2009 Treasurer. Please see below for more information on each 2009 Executive Committee member.



PRESIDENT SUZIE WILLIFORD

KIVA KITCHEN AND BATH – *Houston, TX*

Suzie Williford has served the decorative hardware and plumbing industry in Texas since 1975. She has been a member of the NKBA since 1978 and has held a position on the Board of Directors since 2001. She is the chair of the Ad Hoc DPH

Certification Committee and previously chaired the Finance Committee. She served on the National Speakers Bureau and has been invited to speak at colleges, showrooms, design centers, and conventions. An active member of numerous trade and community organizations, Suzie is the Vice President of Builder Sales, Texas at Kiva Kitchen and Bath in Houston.



PRESIDENT-ELECT MARK L. KARAS, CMKBD

ADAMS KITCHENS, INC. – *Stoneham, MA*

Involved in the kitchen and bath industry for more than 30 years, Mark L. Karas, CMKBD, is currently the General Manager of Adams Kitchens, Inc. in Stoneham, Massachusetts. Karas has been

involved with NKBA for more than 20 years, serving as Vice President of Communications, Vice President of Programs, and President of the Northern New England Chapter. Nationally, he has served on the Advisory Council of Dealers, Professional Development Committee, and Certification Subcommittee. He currently serves as chairman of the Ad Hoc Sustainability

Committee. He also teaches at the Boston Architectural College, an NKBA-accredited school.



VICE PRESIDENT DAVID ALDERMAN, CKD

DAVE'S CABINET, INC. – *Chesapeake, VA*

David Alderman, CKD, started Dave's Cabinet Inc. in Chesapeake, Virginia in 1980. Today, he and his partner manufacture custom moldings, millwork, radius stairways, and solid surface countertops. An NKBA member since 1984,

Alderman served the Virginia State Chapter as President, Chapter Representative, Vice President of Programs, Vice President of Professional Development, and Treasurer. He has also served nationally as Chairman of the Chapter Leadership and Development Committee, Chairman of the Membership Committee, and a member of the Board of Directors. He has received the Certified Kitchen Designer National Merit Award three times.



SECRETARY MARIA MARTINA, CKD, CBD

RENO'S APPLIANCE, INC. – *Fairfield, NJ*

Maria Martina, CKD, CBD, is a custom appliance consultant at the state-of-the-art appliance showroom for Reno's Appliance, Inc. in Fairfield, New Jersey. She brings more than 20 years of experience in the kitchen and bath industry to the NKBA's Executive Committee.

Involved in her regional NKBA chapter for many years, Ms. Martina has previously held numerous internal positions including President of the Northern New Jersey NKBA chapter. She has also participated on the national level for six years, serving on the Board of Chapter Representatives, the Ad Hoc Governance Committee, and the Board of Directors.

presents the “Edmund L. Zielinski, CKD Memorial Award” each year for excellence in design to the top kitchen and bath designer.



TREASURER ALAN ZIELINSKI, CKD

BETTER KITCHENS, INC. – *Niles, IL*

Alan Zielinski, CKD is the president and CEO of Better Kitchens, Inc., a 50-year-old design firm selected as one of the industry’s Top Leaders by Interior Design Magazine. With 25 years of kitchen and bath experience, Zielinski is a talented and creative designer with great technical knowledge. Very active within the NKBA, he has served as a chapter president and member of the Board of Directors. Zielinski has been a judge for both the NARI Contractor of the Year Award and the NKBA Design Visions Award. He



**IMMEDIATE PAST PRESIDENT
SARA ANN BUSBY, CKD**

SARA BUSBY DESIGN – *Elk Rapids, MI*

Sara Ann Busby, CKD, has owned and operated Sara Busby Design, a residential kitchen and bath showroom in northern Michigan for more than 20 years. She holds a Michigan State Residential Contractor’s License and a CKD designation that she earned in 1994. She was involved in the formation of the Northern Michigan Chapter of the NKBA, serves as member-at-large for the Bath and Kitchen Buying Group, and is a past member of Rotary International. Busby has been an invited guest presenter at regional career days and industry-related events. Sara was the first recipient of the Northern Michigan Outstanding Achievement Award. **RO**

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The NKBA offers a unique opportunity to lead the industry in advanced appliance education. By sponsoring this course, your company will enjoy these benefits:

- Inclusion of your company’s products in the course content
- Courses held at your showroom locations throughout the U.S.
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The Retail Observer is the official trade publication sponsor of the NKBA’s Advanced Appliance course.



NKBA EDUCATION - COURSE PARTNERSHIPS



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The course will run seven to ten times through April 2010, beginning on April 30, 2009 at the Kitchen/Bath Industry Show & Conference (K/BIS) in Atlanta.

BRAND SOURCE ACCEPTS CIRCUIT CITY GIFT CARDS

In a message to all members in late November, Brand Source CEO Bob Lawrence encouraged members to accept Circuit City Gift Cards at 50 percent of their value towards the purchase of any product priced at \$499 and up. Lawrence suggested to members that in markets where Circuit City is closing stores, those stores are being run by outside liquidators who no longer accept the Circuit City Gift Cards. Consumers may no longer trust a company in bankruptcy, or may want to purchase appliances and furniture rather than consumer electronics products.

Circuit City is still honoring their Gift Cards at stores and on line, but the Brand Source promotion allows consumers to shop for a broader range of products and services not available from Circuit City. One Chicago area Brand Source store is taking this offer two steps further by honoring Home Depot and Lowe's Gift Cards as well.

Brand Source has a set of instructions for all members to follow to determine each card's value and how to process the cards and the sale, and what to do with the cards following the purchase. That includes redeeming a gift card through the Brand Source office so the dealer has no out of pocket expense.

BRAND SOURCE ~~SURVIVAL~~ SUCCESS STRATEGIES

When business slows down it is time to pull out all stops and focus on success. Brand Source has established a series of messages for group members to remind them how to be successful in trying times. The messages are from business experts in and outside of our industries, but all focusing on retail success and growth during a business downturn. For example, when you are invited to a holiday party be sure to attend it. Too often retailers tell themselves they are too busy with business and the other demands of the holiday

season. Attending a holiday function is important to your business. You need to be seen and to continue to network with new and former contacts. Dress in your best suit and tie, or ladies in your best dress to make a positive and lasting impression.

In your business be sure your entire staff is genuinely attentive to the customer's. Now is the time to deliver outstanding customer service to every customer who walks through your doors. And don't forget the last three feet. Remember, the last person your customer sees is probably your lowest paid employee, the delivery person. He needs to be dressed neatly, well groomed and like your sales staff, he needs to deliver the same outstanding customer service the customer received in the store.

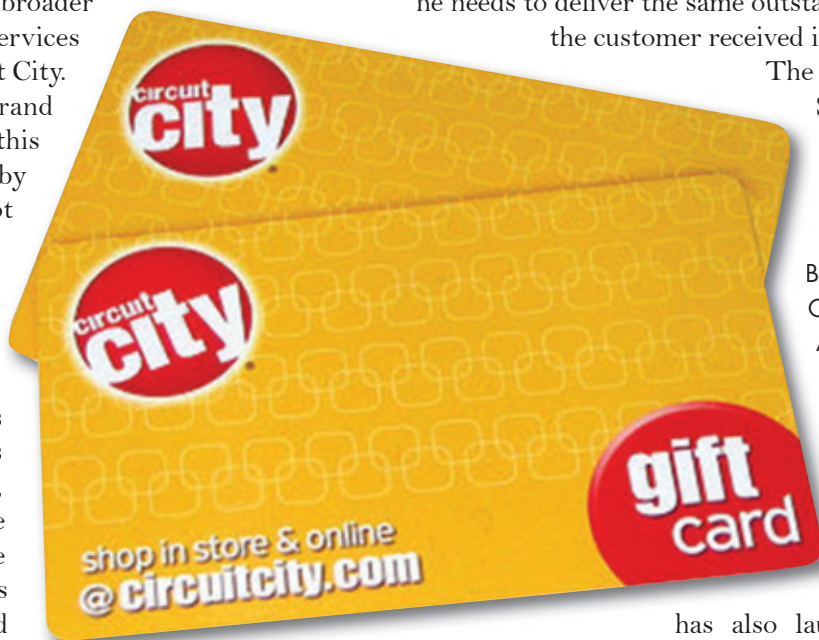
The complete series of Success Strategies is available to all members on-line in the Brand Source backroom.

BRAND SOURCE MEMBER COMMUNICATIONS ADVANCES

Following the successful launch of BrandSource.com, the new Ecommerce web site and new individual member web pages, Brand Source

has also launched a new on-line communications 'backroom' area. This new backroom can be searched, similar to an internet search so members can find information faster than ever before. The backroom features new business information areas and has an expanded brand listing so members can focus only on the brands and products that are important to them. In addition, suppliers will now have access to their backroom areas to be sure the latest buying group information is posted for members to see.

In 2009 as Brand Source focuses more on emerging technologies on-line the backroom information center will play a more meaningful role in keeping members abreast of current and future events. **RO**



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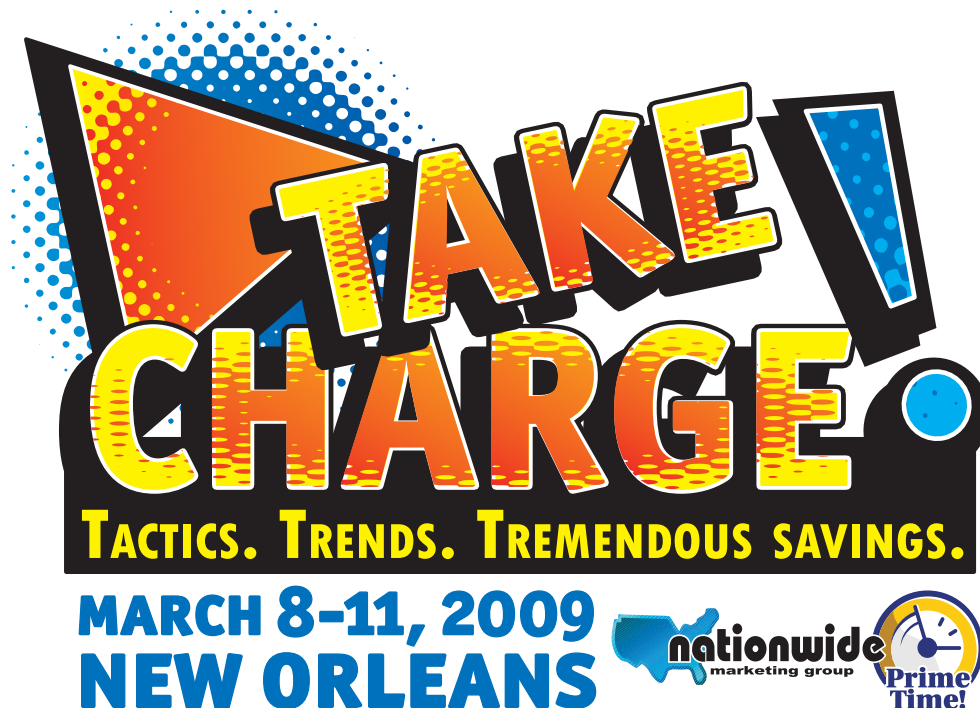
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NATIONWIDE MARKETING GROUP CALLS MEMBERS TO TAKE CHARGE IN 2009

REGISTRATION NOW OPEN FOR PRIMETIME! IN NEW ORLEANS



Nationwide Marketing Group (NMG) announced that online registration is now open at www.nationwideprimetime.com for the next PrimeTime! by Nationwide to be held on March 8-11, 2009 at the Hilton Riverside in New Orleans.

According to NMG, the theme for PrimeTime! in New Orleans will be Take Charge: Tactics, Trends and Savings. Vendor partners will be offering millions of dollars in savings on top brand merchandise through the successful CashBack Now program and special show exclusive offers.

"In New Orleans we will be challenging our member dealers to take charge of their businesses, take charge of their finances, take charge of their future by strategically utilizing the benefits that their membership provides and by taking full advantage of all the resources available to them at PrimeTime!," said Robert Weisner, Executive Vice President of Nationwide Marketing Group.

The new Take Charge theme will spill over to the focus of PrimeTime! University classes which will be on successful tactics members can use to remain lucrative. Also

in New Orleans, industry leaders and the NMG leadership team will be presenting timely reports on the latest financial and product trends. "Although NMG has always provided our members with the resources and tools needed to succeed, this PrimeTime! we will be stepping it up a notch and challenging our members to take action and take charge in 2009!"

PrimeTime! by Nationwide is the largest vendor exhibition and buying show for appliance, electronics and furniture independent dealers in the country. Over 3,000 attended last year's buying show at Mandalay Bay Resort in Las Vegas that included a 250,000 sq ft showroom floor, free training and seminars as well as performances by guest speaker Roy Firestone and inspirational artist Michael Israel.

To register for PrimeTime! in New Orleans and to keep up-to-date on the latest news and announcements go to www.nationwideprimetime.com or call Sterling Events Guest Services at 800.777.8741 **RO**

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2,800 Independent
Appliance, Electronic and Furniture Dealers
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For over 35 years, Nationwide Marketing Group has been dedicated to finding new ways for our members to thrive in a competitive marketplace.

Today, Nationwide Marketing Group is the nation's largest buying and marketing organization for independent appliance, electronics, and furniture dealers.

Larger than all competing groups combined, Nationwide has approximately 2,800 members throughout the United States with more than 8,000 storefronts and a combined \$11 billion in annual sales.

ADVANTAGES OF MEMBERSHIP

- ✓ *\$11 Billion Buying Power*
- ✓ *Group Negotiated Pricing*
- ✓ *Warehouse Direct Fulfillment System*
- ✓ *Industry's Largest Training Initiative*
- ✓ *National Quality Advertising Materials*
- ✓ *America's Largest Furniture Marketing Group*
- ✓ *High Impact Promotions and Events*
- ✓ *Leading Edge Web-based Communications*
- ✓ *New Focus on Specialty Electronics*
- ✓ *Innovative Retail Credit Programs*
- ✓ *Unparalleled Array of Member Services*
- ✓ *PrimeTime! Exclusive Member Conference*

Nationwide Marketing Group
110 Oakwood Drive, Suite 200
Winston-Salem, North Carolina 27103
(336) 722 - 4681
info@nationwidemarketinggroup.org
www.nationwidemarketinggroup.org



COMING EVENTS

CALENDAR 2009

JANUARY-2009

- 6 CES Unveiled: The Official Press Event of the International CES—Las Vegas, NV
8-11 2009 International CES—Las Vegas, NV
13 NKBA AZ chapter meeting—Eurodream Kitchens & Design Gallery, Scottsdale, AZ
20-23 International Builders Show—Las Vegas NV

FEBRUARY-2009

- 9-13 Las Vegas Market “Experience the New World”—Las Vegas, NV
19-22 Mega Group USA/Best Brands Plus Convention—Renaissance Nashville Hotel, Nashville, TN
25-26 Digital Music Forum East—New York, NY

MARCH-2009

- 8-11 Nationwide Primetime—Hilton Riverside, New Orleans, LA
11-1 EHX Spring 2009—Orange County Convention Center, Orlando FL
19-21 Hearth, Patio and Barbecue Association Expo—Reno-Sparks Convention Center, Reno, NV
22-24 International Home and Housewares Show—McCormick Place, Chicago, IL
22-25 The Summit-Brand Source Convention—Hotel Anatole, Dallas TX

APRIL-2009

- 4-7 14th NARMS Spring Conference & Exposition—The Broadmoor, Colorado Springs, CO
22 Digital Patriots Dinner—Washington, DC
22-23 CEA Washington Forum—Washington, DC
25-30 High Point Furniture Market—High Point NC
30 -5/3 K/BIS 2009—Georgia World Congress Center, Atlanta, GA.

JUNE-2009

- 17-19 PCBC—Moscone Center, San Francisco, CA

AUGUST-2009

- 16-19 Nationwide Primetime—Walt Disney World
Dolphin, Orlando, FL
24-26 Brand Source Convention —Paris and Bally's
Resorts Las Vegas NV.

SEPTEMBER-2009

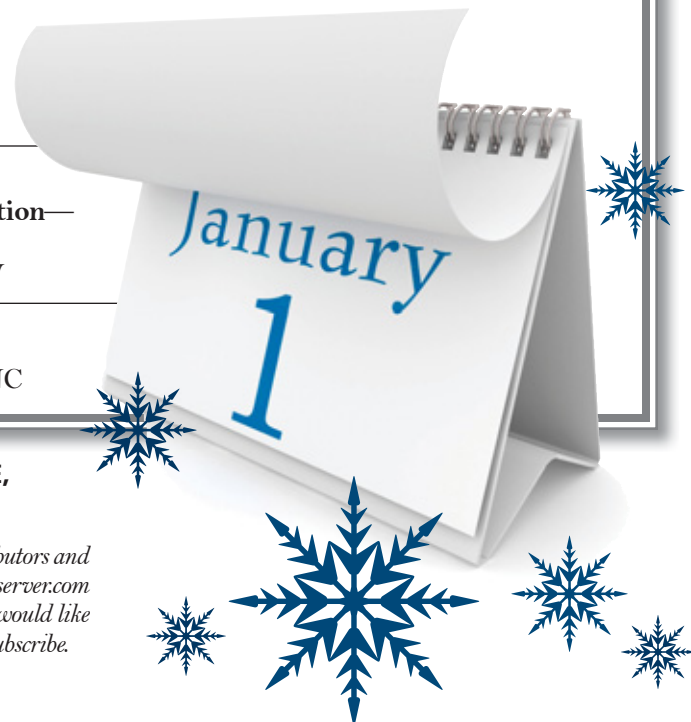
- 1-4 Mega Group USA/Best Brands Plus Convention—
San Antonio TX
14-17 Las Vegas World Market Fall—Las Vegas NV

OCTOBER-2009

- 17-20 High Point Furniture Market—High Point NC

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PLANNING FOR THE NEW YEAR

You don't need to be a financial genius to understand that the current crisis is worse than what any of us have experienced. We've seen ups and downs, but none as serious as what we're facing now.

With slowing housing starts, tightening credit and rising unemployment, consumers are showing caution in their spending. For the holiday buying season, underway as I write this, the National Retail Federation is forecasting the smallest growth in retail sales in five years.

It's not necessarily cause for alarm and panic, but it's certainly time for quick thinking and drastic action. Tough times demand tough decisions made by tough people.

All indications are that the consumer electronics industry—driven by new gaming platforms, flat screen TV, mobile phones, computers and MP3 products—will be better than other consumer segments. Next month's digital TV transition still fuels some TV sales that might otherwise be put off until better times.

Appliance and furniture sales continued to fall during the fourth quarter. Your mission—should you choose to accept it—is to get a bigger share of the shrinking pie.

More than anything else, you need to develop a solid game plan for 2009. These are difficult times demanding that we do business in a different way. Some dealers will rise to the top despite the economic news. Here's what they'll do differently.

Even with a leg up on other industries, success this year will be driven by action and not by market conditions.

- **ACT—DON'T REACT.** More than before, you need to develop a plan for your business. If slowing home building has reduced your contractor sales, what will you have to do to re-gain some of your retail foothold? Not selling kitchen remodels? Move that volume to replacement products. If lower flat screen prices are decreasing your average sale, how can sell more accessories and audio products to bring your average ticket back up?



- **PLAN FOR PROFIT.** This year, budget your bottom line first. After you determine how much money you want to make, work backward to decide what your sales volume, margin and expenses need to be in order to hit that target. Too often dealers rely on a “what's left after everyone else gets theirs” philosophy instead of planning to be profitable.

- **SELL THE STAKEHOLDERS.** Don't let your profit plan be your own little secret. Have you noticed you tend to eat

less when those around you know you're trying to take off ten pounds? Let your team members know the company is poised to grow. Make sure your suppliers understand their roles in meeting your goals. Let everyone know that despite these trying times, you're going to get new customers, increase your market share and improve your margins. If you show your players the goal line, they'll help you score some points.

- **CUT EXPENSES—NOW!** Review your expenses line by line. There are no sacred cows. Reduce payroll. Ask your team members to take pay cuts of 5% to 10%. It's better than

losing their jobs. Renegotiate your lease agreements to reduce your occupancy cost. Get new bids on your insurance, printing and other services.

- **INCREASE YOUR MARGINS.** Yes, I've seen the low-ball prices some of your competitors are running. Good merchandising will help you meet those prices when you have to but still have plenty of room to move customers to more full-featured, more profitable products. Sell the entire package. Don't assume that a customer asking to buy a washer won't also buy a dryer. Add a disposer to every dishwasher sale. Sell more audio systems so that customers buying those flat screen TVs get the full home theater experience.

- **MAKE MORE NOISE.** I am amazed at how little promotion some retailers do. With chains like Tweeter and Circuit City on the ropes, the time is ripe for independents to gain market share.

Many of you have relied on word of mouth marketing and referrals. This may seem counterintuitive in light of present economic conditions, but to grow your business you'll need to increase your advertising budget. Let consumers—as well as architects, designers and contractors—know that you value their business. Have more events, open houses and clinics. Host a radio talk show and answer questions from consumers who want to know whether to buy LCD or plasma or whether it's better to fix that broken washer or buy a new one.

- **STOP!** Find the things you do in your business that may no longer be productive or may not be giving you an adequate return for the investment you're making in it. If a builder you've always done business with doesn't pay you promptly, stop working with them. Unload your "we've always done it that way" mentality.

- **INNOVATE.** Find a new product, a new service, a new customer group or a new promotional idea. Re-energize your business with a new logo, new paint or a new showroom display. Add a newsletter, a website or a blog to your portfolio.

- **GET OUT INTO THE COMMUNITY.** Those who give the most get the most in return. Adopt a highway or support a charity. Mentor an at-risk teen or take a scout troop camping. Join the Chamber of Commerce or a service club. Be the one who always says "yes" when called to serve.

- **BECOME A LEARNING ORGANIZATION.** Start a book club in your company. Discuss *Made to Stick* or *First Break All the Rules* or Jack and Suzy Welch's book *Winning* in your staff meetings. Start a tuition reimbursement program

that encourages continuing education. Invite team members to join you at industry events, trade shows and other meetings. Challenge those on your team to learn new skills or new computer applications. Use the web to build skills and improve competence.

- **TAKE A TIME OUT.** Quit patting yourself on the back for working 80-hour weeks for months on end. Go on vacation, sit on a beach, take a walk in the park or stare out a window. You can't be creative when you're burned out. Find a way to charge your batteries.

- **MAKE YOUR HEALTH A PRIORITY.** Switch from donuts to fresh fruit and from coffee to water. Quit smoking. Walk 10,000 steps a day. Join an exercise club or find a boot camp. Your business, your team, your family and your livelihood depend on you. Don't risk it all for a few extra pounds. And yes, you can find the time.

- **STOP LISTENING TO THE (BAD) NEWS.** Don't let the news become your reality. Even though unemployment has risen, 93% of Americans are still working. Quit following the hourly ups and downs of the Dow and spend your energy on the things you can control.

- **IMPLEMENT.** You've got great ideas and the best intentions but actions and outcomes are the keys to success. Move from inspiration to action; from thinking to doing. Keep your priority list and goals written on a white board. Learn to find joy in marking things off of your daily task list.

- **REVIEW AND REFRESH.** Schedule time to review the progress you're making in meeting your goals. Look at your marketing plan to see if it's bringing you the return you had hoped for. Determine what you have to change to make your budget. Meet with your team members at least twice a year to discuss their progress. Update your plan to ensure continued growth and profitability.

Staying the course and implementing a plan is a lot of work, but in the end, you should have a better handle on your life and your business. You'll stay afloat during these turbulent times, have a better bottom line, more time, more energy and be better prepared for the boom that's bound to follow. Here's to a profitable 2009 and to the better times ahead! **RO**

*Elly Valas is an author, retail consultant and speaker. She is the co-author of *Guerrilla Retailing*. She can be contacted at elly@ellyvalas.com or visit her website www.ellyvalas.com.*



KEEPING YOUR NEW YEAR'S RESOLUTIONS

It's that time of year again. Time to reflect on the past year and make a list of things you want to do better.

I know how it is, though. You make your New Year's resolutions in late December or January, and you have every intention of following through. Then, by Valentine's Day you're back to your old ways.

This month's column is about New Year's resolutions and specific actions you can take to make sure you keep them in 2009. Of course, they all relate to branding and marketing. If you're expecting tips on keeping your personal resolutions, I suggest you watch "Oprah."

RESOLUTION #1: LOSE WEIGHT/GET IN SHAPE

This, of course, is the big one. Everyone vows to work off the pumpkin pie and mashed potatoes. And the gym is always packed for the first three weeks. After that, it's empty (at least I think it is).

Whipping your brand into shape is easier. Many companies make the mistake of trying to say too much in an ad, a brochure or on a Web page. But in marketing, less is more. People don't have time to read about every product you offer or every detail about your customer service.

Trim your marketing down by choosing just one message and making it strong. Sum up what makes your company different in three words (better yet, one). Challenge yourself to make every ad, brochure, direct mail piece or Web site about those three words (or one word).

You will be tempted to add details about your company. Resist the temptation! Before you know it, you will have a lean, effective brand that stands for something, and consumers will notice.

RESOLUTION #2: SPEND TIME WITH FRIENDS & FAMILY

These days, it's easy to get lost in the hustle of work and responsibilities and forget the importance of friends and family. However, technology has given us some great tools for keeping in touch, and they can even help build your brand.

I'm referring to social media Web sites. There are many, but the more popular ones include Facebook, LinkedIn, MySpace and Twitter.

These sites make it easy to connect with people: friends, family, classmates, former coworkers and even complete strangers. Once you're connected, you can stay in touch by sharing photos, chatting and just saying what you're up to.

What does this have to do with branding? Well, a lot. First, social media sites attract a lot of people, so marketing opportunities abound. But they are untested at best, and that's

not where the power of social media lies.

The real power of social media is expanding your network, enabling you to reach your friends, their friends and their friends. The more people you connect with, the more opportunities you have to tell your story.

But even more importantly, social media helps humanize your brand. People see you and your company not as an anonymous corporation, but as a group of real people. That raises people's comfort level with you and more apt to give you their business.

RESOLUTION #3: HELP OTHERS

During the holidays, the giving spirit is all around us. We see Salvation Army Bell Ringers and food drives and we give generously. Many people resolve to continue to that giving spirit throughout the year.

By getting involved with a charity and staying active with it all year, you show your commitment to the community. Consumers will see you are concerned about more than just profits and sales, but that you are a good citizen and that you care about making the world a better place.

You can also help others in the professional sense. Every so often, go out of your way to help someone professionally. Help a young person find a job. Refer a business associate to a good accountant. Offer some advice to an acquaintance.

It will cost you very little, but by going out of your way, you ensure that others will go out of their way for you. And that could translate to increased sales and brand loyalty.

Another common New Year's Resolution is to get out of debt. Given the state of the economy these days, I'm not going to touch this one. There are more New Year's Resolutions to cover, but my space here is limited. I invite you to visit my blog at www.ideas2chew.com for more ways to keep your resolutions to your brand.

You can also see how I plan to keep Resolution #3 by going out of my way to help you, the readers of *Retail Observer*. See the blog post titled "Resolution #3".

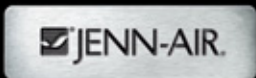
Good luck with your New Year's Resolutions. Here's to a profitable 2009! **RO**

Christopher Thiede owns BUILD Communications, a branding and PR firm. Read Christopher's blog at www.ideas2chew.com.





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STORE PLANNING & DESIGN

THE FLOOR DOWN UNDER

When it comes to flooring there are a multitude of products available on the market. From laminate floors to tile floors to stained concrete. For this discussion I will be talking about floor covering products that are most widely used in stores I work with. Over the past fourteen years I have specked a variety of flooring products. One product that I encountered the most problems with and need to make mention of is linoleum tile. Linoleum is made from natural materials including linseed oil, plant by-products and wood fibers. These natural products can react adversely if installed over concrete floors that have high moisture content. Even if installed with precision excessive moisture from the concrete can eventually cause the floor to delaminate from the surface.

One of the most widely used flooring products that you will find in retail stores is VCT or Vinyl Composition Tile. VCT comes in a wide variety of colors and patterns and can be economical on the wallet. Tiles range from standard VCT to premium VCT to premium enhanced vinyl tile. The primary difference between standard VCT and premium is the complexity of the color mix in the tiles. The PSI or pounds per square inch is 125. PSI is a very important indicator which will be explained in more detail. The premium style of VCT uses a UV/ceramic coating allowing it to better withstand commercial traffic. This tile has a PSI of 400 and will average \$2.80 - \$3.50 a square foot installed compared to a \$1.50 - \$2.00 for standard VCT. Although you save money on the front end with VCT it does require routine maintenance which can add up at the end of the year.

Before moving to the next flooring product let me explain the importance of PSI. PSI or pounds per square inch is the impact resistance the surface area has. The higher the PSI the more durable the surface will be. For appliance stores this is an important consideration do to the type of product that moves across the floor.

Ceramic tile is another flooring option that is used. Ceramic tiles are lighter than porcelain. It is important to remember that ceramic tiles are clay based products that have a kiln fired glaze applied. Although ceramic tile is durable it has a breaking strength of 250 pounds versus 380 to over 400 pounds for porcelain; not to be confused with PSI. The other

important thing to remember with ceramic is the glaze, as it will chip if hit in the right place.

The flooring product that I have had the most success with is porcelain tile. Porcelain tile is made up of feldspar and high firing ball clays. It is pressed under high pressure in the range of 6000 PSI making it considerably denser than its ceramic counterpart. By having this dense characteristic it's water absorption rate can be less than 0.1%. This can be important if fluids, oils or solvents are spilled on it. Porcelain has an extremely high PSI that can exceed 30,000.

Maintenance of porcelain tile is minimal as it involves sweeping and cleaning with a damp mop and mild detergent. The down side is that it can be hard on the feet do to its heavy dense nature. However, that is a small price to pay when the life span is years and maintenance is minimal.

I will speak briefly on carpet as it is not my favorite flooring product for appliance stores, although it certainly has its place in furniture and electronics stores. There are various fiber types that carpet is made of. The primary ones are nylon, wool, olefin, polyester and acrylic. The fibers that are best suited for retail applications are nylon and polyester. Both of these fibers are

strong and resistant to wear and abrasion as well as resistant to oils and chemicals. When selecting a commercial carpet always check for density. The best way to check is to take a piece and fold it in half. If you see backing it will be less dense. The denser the carpet is the more years of service you will receive. **RO**



With over fifteen years of experience in store planning and design. Mark Schaffeld has been providing quality design to the Appliance, electronics and furniture industry. He has been a partner with GE Appliances for fourteen years working with their independent dealers and helping them achieve increased sales through well designed stores. Mark has not only helped dealers within the fifty contiguous states but has also worked with retailers in Honduras and Guatemala. Mark and his company the retail strata G group can be reached at: Mark@retail-strata-g.com or visit his web site at www.retail-strata-g.com

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YOUR MONEY DOCTOR

READ THIS ARTICLE! I am going to deviate from what we have been discussing over the past couple of months to address the current economic situation. I have said it before and I will say it again. The world is not coming to an end and the four horsemen are not saddled up and ready to ride. If you are concerned about your financial future you **MUST** continue reading. Some of the concepts I will be addressing seem simplistic but are actually quite complicated, so I encourage you to talk to your financial professional **BEFORE** making any decisions. Also, the internet or media is not an unbiased source of financial advice sources and will cause more confusion than they resolve. I am passionate about helping individuals understand how money really works, making sure they are working towards their goal. I have been saying for months that this is not the end of civilization as we know it.

If you are currently invested in the stock market, whether through a qualified or unqualified plan, you have undoubtedly lost something. The IRS has established specific codes that detail the provisions necessary for any retirement plan to be considered qualified, or any type of structured financial plan for retirement that complies with government regulations and is eligible for particular consideration when it comes to taxes and can be established and managed under the backing of an employer, or by an individual through a financial entity. Unqualified plans obviously don't fall under these special provisions.

You have to ask yourself: Is any loss acceptable? Keep in mind a -33% loss requires a 50% gain to break-even. With the losses some have had recently, a 75+% gain will be required to recover/break-even. Over the past 30 years, we as consumers have been programmed to believe that the stock market is the only viable option for a higher return on investment. There are alternatives...OK, not very sexy or exciting; no movies have been based on them, nor have entire news organizations been created to cover them, so you probably don't know how powerful they are. Permanent life insurance (not universal), along with fixed/indexed annuities (not variable), plain and simple. It is important to stress that both of these retirement vehicles have been grossly abused and have gotten a bad reputation, but when used properly with strategic cash flow modeling, they are the most powerful tools in your retirement

arsenal. To use these tools without a proper plan and the right person managing it can be disastrous. As I write this, an announcement was made that another big CEO is being indicted over mismanagement of funds. Scary! The use of permanent life insurance and certain types of annuities will ensure that the client will not lose money during an economic collapse.

I think Randal Whittle of Clarity Wealth Solutions in California put it best. He said "In any discussion about qualified money & the IRS, it is important to remember that Congress can change the rules on you after you have the money in there—and that's similar to allowing other parties to change a contract on you. Would you ever let your bank change your mortgage? Or a lawyer change your contract? With qualified money, you have **NO** recourse—**NONE**. You have to accept what they stick you with—**PERIOD**. So if they capriciously and arbitrarily raise the income tax rate—that's too bad for you. And if they levy a surcharge on the "rich" (an extra 10%, say), that's too bad too. And oh...if they nationalize accounts to make up for failed Social Security or Medicare, that's too bad too—yes, the fact that you scrimped, saved, and set money aside has now come back to haunt you. While you were diligently saving, your workmate spent that extra 10%, meanwhile your 401k was being robbed from you to pay for irresponsible government spending. At least he has a cool cigarette boat that he enjoys every weekend to show for it. Maybe he'll give you a ride sometime to make up for his wisdom and your utter foolishness (see the irony?)" I think that says it all, don't you? **RO**

*Gregory Hedges is a financial consultant and co-author of the book *The Four Pillars of Financial Stability*. He holds certifications in credit counseling and project management and he is also highly skilled in organization methodologies, strategic cash flow modeling and alternative financial concepts to increase financial effectiveness and profitability. For more information, visit www.thefourpillars.org or 626.914.1637.*





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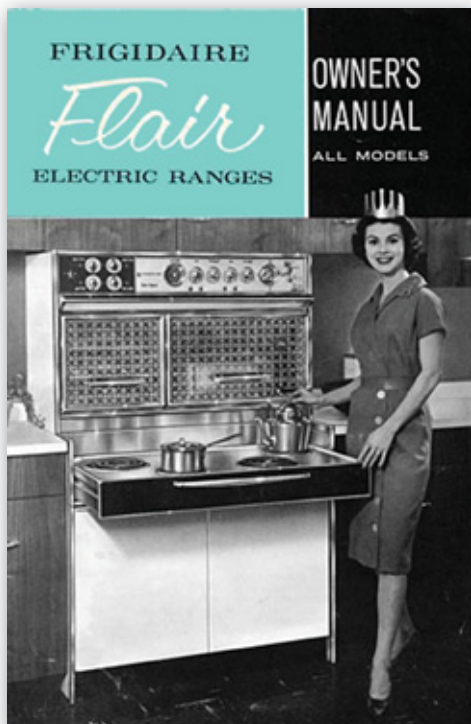


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ROTH DISTRIBUTING MINNESOTA HOSTS TWO HUGE EVENTS

BI OPEN HOUSE / TASTE OF SAMPLE CIRCUIT

BI OPEN HOUSE



Jeff Cook talking about the new Sub-Zero BI with Roth guests



Roth MN dealers enjoying the open house



Chef Philip Dorwart with guests



Vern Levens with guests in the Roth Showroom

On Thursday, November 6, 2008 Roth hosted the new BI OPEN HOUSE to introduce 200 architects, luxury home builders, designers, and authorized retail customers to the new Sub-Zero Built-In Series of products.

Each of the guests received a passport to tour the 10,000 sq. ft. showroom and to learn about all the new features that Sub-Zero and Wolf offer. Local Chef Philip Dorwart and his crew from Create Catering were on hand to provide

guests with delectable treats paired with regional brews and wine. Reception Jazz Trio provided the perfect sound for a perfect evening. A note from one of our guests sums up the event...

"Thank you SO MUCH for including us in yet another raging success of a party!!! It was great to get the low-down on the new products... Thanks again, as always, from all of us at P4D.

TASTE OF SAMPLE CIRCUIT



Daniel Green with Shop NBC as the evening MC at Roth Distributing



Chef from Crave preparing sushi in the Roth Distributing Showroom



Taste of Sample Circuit guests enjoying the evening in the Roth Distributing Warehouse



Pat Evens with Kare 11 introducing the chef from 2021 to the VIP guests.

On Wednesday, October 30, 2008 Roth Distributing Minnesota was the host site for Taste of Sample Circuit. Proceeds from the event benefitted Second Harvest which distributes to local food shelves.

Taste of Sample Circuit drew in 700 luxury consumers. To accommodate the large crowd, Roth opened its warehouse and was staged with boxed Sub-Zero and Wolf products as a back-drop. The 10,000 sq. ft showroom at Roth Distributing as a buzz with excitement. The branding of the two products was priceless.

Bentley/Mazarati greeted guests as they arrived with

valet service. The atmosphere was festive with two live bands playing in the warehouse and the showroom. There were over 15 premier restaurants, caterers and food purveyors that participated in the event. The State-of-the-art performance kitchen boasted live demonstrations throughout the evening MC'd by local celebrities Pat Evans of Kare 11 and Daniel Green with Shop NBC.

Sarah Ramsay's Blog for *On The Marq* magazine writes... It was an absolutely incredible event. The most successful foodie event of the year! **RO**

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