

The RetailObserver

February, 2009

The Monthly News Magazine with Personality

Vol. 20, Issue 2

**CEA'S GARY SHAPIRO DISCUSSES
THE DIGITAL ECONOMY:
MORE POWERFUL THAN EVER**

**CES IN REVIEW:
ONLINE INTERACTIVE KEYNOTE SPEECHES
AND VIDEO CLIPS—SEE INSIDE, PAGE 6**

**THE
WORLD
OF CONSUMER
ELECTRONICS:
CES**



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Publisher's Statement
Celebrating Our 20th Year!

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DEADLINE FOR
MARCH 2009 ISSUE
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KBIS OR BUST

In my opinion, I see KBIS as a must-go, not-to-be-missed show. Not as an advertising/marketing guy but as a relationship guy. It's not about the color or size of the booth, it's the "I'm here for the long run and I'm your partner and I want to see how you are doing." It's about giving something back to the community that supports us and letting them know we support them. The chatskies are cool, the waterfalls are nice, but what I remember most of all is the pat on the back that said thanks for selling my product or the recommitment of partnership for the next year. You don't have to buy 50 people a Morton's dinner or put them up in a high-rise suite, you just have to let them know you appreciate their business and you'll be there tomorrow when they need you and your product most. The new relationships are the gravy; the old ones are the meat and potatoes.

The message here is that in this economy, it's more important than ever to attend K/BIS this year. Businesses are in a hole with this economy, and they're not going to dig their way out by selling their shovels. K/BIS is the event where exhibitors can find new distributors and dealers, while invigorating their existing partners. Dealers and distributors can find new product to sell. It's the event where attendees can form vital business relationships and where they can attend conference sessions with business strategists that will show them how to survive this economy.

Yes, I know the parties are nice, the gifts are great and all the free drinks and dinners make for really nice memories. But truly that's not why we go. Any industry professional who skips K/BIS is giving up his best chance to strengthen his or her business in this market. The show is an investment that makes more sense now than ever.

NEW TO RO

We would like to welcome our new Customer Service columnist, John Tschohl who is called the "Guru of Customer Service" by *USA Today*, *Time* and *Entrepreneur magazines* and is a bestselling author and president of Service Quality Institute, the global leader in customer service training.

INTERACTIVITY ONLINE

As you read the CES in Review article take the time to do it online. As you read about the keynote speakers and find you are interested in what they had to say at the show, just click on their photo and you will be able to view the speech online from the pages of *The Retail Observer*. This will be an ongoing online tool to bring more of the shows and information to you.



Happy Retailing.

Moe Lastfogel



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DID YOU KNOW?

We just spent a week in Las Vegas at CES and felt the power and strength of the digital economy. Technology is rapidly changing the world in which we live from our appliances and home automation to our cars and mobile world. It affects the way we watch TV, play with our kids and communicate with one another. I see these changes to be not only good, but essential to creating successful futures, as we keep pace and forge ahead in our rapidly growing digital world.

In a conversation recently about obsolescence, in regard to equipment life and technological advancements, a salesman sent me a link to a video on YouTube, by Karl Fisch and Jeff Brenman entitled "Did You Know?" The clip presents a global perspective of the significant exponential changes we are experiencing both personally and in business. In contemplating my own life, and that of our six children, I realized we are rapidly assembling a vast repertoire of coping skills to continue to function in today's world in order to prevent ourselves from becoming "obsolete" as we move into the future.

The video suggests that the amount of new technical information is doubling every 2 years. By 2010 it is predicted to double every 72 hours.

- For students starting a 4 year technical degree, half of what they learn in their first year will be outdated by their third year of study
- We are currently preparing students for jobs that don't exist yet, using technologies that haven't been invented in order to solve problems we don't even know are problems yet
- In 2002 Nintendo invested more than \$140 million in research and development and the U.S. Federal Government spent much less than half as much on research and innovation in Education
- There are now 31 billion searches on Google every month compared to 2.7 billion in 2006
- 3rd generation fiber optic cables have successfully been tested that push 14 trillion bits per second down a

single strand of fiber the width of a human hair

- By 2013, a supercomputer will be built that exceeds the computational capabilities of the human brain
- China will soon become the #1 English speaking country in the world
- There are over 200 million registered users on MySpace, and if MySpace were a country it would be the 5th largest in the world
- It took 27 years for PC usage to grow to 1 billion and 7 years to double to 2 billion
- Amount of years it took to reach a market audience of 50 million -- Radio: 38 years / TV: 13 years / Internet: 4 years / iPod: 3 years / Facebook: 2 years

“ OUR BOTTOM LINE IS ALTERED BY THE WAY WE CHOOSE TO DO BUSINESS. HOW DO WE ALIGN OURSELVES WITH THE TRENDS OF THE FUTURE? ”

Are you dizzy yet?

With our national and global economies going through a cleansing period, as the old systems of greed give way to a leaner, meaner and greener business model, this trickle-down effect is causing us, the independent business owners, to follow suit and tighten up the belt. We also need to open our eyes and minds to a broader world view, and not just economically, but technologically.

So I encourage you to watch the clip and ask yourself "What does this all mean to me, now that I know?" Our "bottom line" is altered

by the way we choose to do business. How do we align ourselves with the trends of the future? Are we growing and adapting our businesses and product lines accordingly? The success of your future awaits you in the best education, best technology and planning for the future. Will *you* be prepared? **RO**

Eliana Barriga

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the art of technology

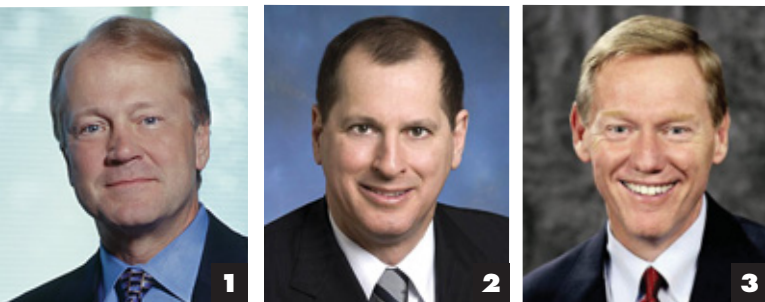
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2009

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PRE-SHOW

MICROSOFT KEYNOTE, CES UNVEILED AND MAJOR COMPANY ANNOUNCEMENTS KICK OFF 2009 INTERNATIONAL CES

A first-time keynote address from Microsoft's Steve Ballmer and cutting-edge product launches fueled momentum on the eve of the 2009 International CES®. Produced by the Consumer Electronics Association (CEA)®, the 2009 International CES, the world's largest tradeshow for consumer technology, opened January 8th 2009 in Las Vegas and January 11th.

"The pre-CES events created an incredible buzz throughout Las Vegas and around the globe as the world waits in anticipation for the innovative products that will launch this week from the International CES," said Gary Shapiro, president and CEO, CEA. "With 2,700 exhibitors, including 300 new technology companies, spanning 1.7 million net square feet of exhibit space, the products introduced at this year's CES will change the shape of our industry and energize the global economy."

During a market research presentation on Tuesday afternoon January 6th, CEA released the Global CE Sales and Forecast. According to new data from CEA and the Gfk Group, CEA projected worldwide revenue for consumer electronics will grow more than four percent to reach \$724 billion in 2009.

On Tuesday evening, the fifth annual CES Unveiled: The Official Press Event of the International CES, launched the pre-CES media events at the Sands Expo and Convention Center/The Venetian. The event hosted a record number of more than 900 media, which was a 10 percent increase over the 2008 event. With 56 exhibitors, including AMD, Boxee, Lenovo and Phoenix Technologies, CES Unveiled showcased the latest products and technologies in home networking, text to sign language technologies, innovative gaming keyboards, embedded technologies, digital imaging and more.

1. Cisco Chairman and CEO John Chambers 2. Consumer Electronics Association (CEA) President and CEO Gary Shapiro 3. Ford Motor Company President and CEO Alan Mulally 4. CEA Senior Vice President, Industry Affairs Jason Oxman wraps up the second annual Technology and Emerging Countries Program at the 2009 International CES 5.

CES

VIEW

Product debuts continued on Wednesday the 7th with CES' Press Day, which featured 11 exhibitor press conferences. CES exhibitors making product announcements included LG, which announced a wireless wristwatch phone with video chat and text messaging capabilities; NETGEAR, which introduced an Internet TV player and a 3G Mobile Broadband router and Panasonic, which unveiled the world's thinnest Plasma TV, measuring one third of an inch thick, with NeoPDP technology making the product very energy efficient.

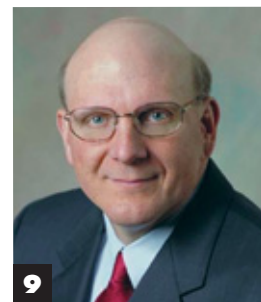
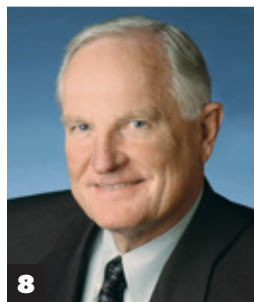
Steve Ballmer, CEO of Microsoft Corporation, delivered his first CES keynote address on Wednesday evening. Ballmer discussed the economy and noted that the challenges we face today should be viewed with optimism. "No matter what happens with the economy, our digital lives will only get richer," he said.

Ballmer outlined three opportunities that lay ahead for the technology industry – the convergence of the PC, phone and TV; a more natural consumer interaction with devices that will incorporate speech and hand gestures and the connected experience between devices.

Ballmer announced that Windows 7 is on track to deliver the ultimate Windows experience, complete with "simplicity, reliability and speed." A beta version will be available for worldwide download on Friday. Ballmer also announced exciting partnerships with Facebook, Verizon and Dell, which will pre-install Windows Live and Live Search on its entire consumer line of PCs.

Robbie Bach, president of Microsoft's Entertainment & Devices Division, returned to the CES keynote stage to discuss the latest in Microsoft gaming. Bach announced the upcoming release of two new Halo titles, Halo Wars in February, and Halo 3: ODST in the fall.

Actor Tom Hanks joins Sony Corporation Chairman and CEO Sir Howard Stringer
6. Samsung's series line-up **7.** Canon products **8.** Intel Chairman Craig Barrett
9. Microsoft Corporation CEO Steve Ballmer **10.** Sony Corporation's Sir Howard Stringer, Chairman and CEO





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DAY #1

DIGITAL ENTERTAINMENT, IN-VEHICLE TECHNOLOGIES AND KEYNOTES LAUNCH THE 2009 INTERNATIONAL CES

Gary Shapiro, president and CEO, CEA, opened his 2009 International CES keynote on Thursday morning with the debut of an innovative new video platform from Yoostar, which featured personalized footage from classic Hollywood movies. Shapiro noted that this “personalization meets content” technology epitomizes what CES is all about: innovation, technology and enhancing life. Shapiro discussed how the consumer technology industry is resilient and will lead the way to economic recovery. He also announced CEA’s plans to work closely with president-elect Obama, the nation’s first digital president, who was elected on a message of change.

To assist the new Administration and Congress in evaluating technology legislation and its impact on our innovation economy, Shapiro announced that CEA is launching an Innovation Checklist. It is a simple test for any legislation that touches technology: Does it create jobs? Does it spur new technology? Does it encourage the best and brightest to come to the U.S.? Does it reward risk taking? Does it promote exports? Will it help deploy broadband? Shapiro stated these simple questions ask Washington to do no harm to the technology companies that are the economic backbone of our nation.

Sony’s president and CEO, Sir Howard Stringer, kicked off his opening keynote address at the 2009 International CES by unveiling the “CES Seven,” key imperatives for creating the critical user experience. These included the concepts that products should interact seamlessly across industries, be service-based, multi-functional, support open technologies, advance the new shared experience, create new value chains and be green. Stringer stated that Sony intends to create the total Sony experience so that by 2011, 90 percent of Sony’s product categories will connect wirelessly to the Internet and to each other.

To help illustrate Sony’s cross-platform entertainment strategy, offering content and services at home and on the go, Stringer was joined onstage by a variety of entertainment stars, including Tom Hanks, Usher, Jeffrey Katzenberg, Reggie Jackson, Dr. Oz and John Lasseter.

In the Thursday’s SuperSession “Connect2Car: The Automobile’s Convergence with Consumer Electronics,” top industry executives discussed efforts to increase efficiency and effectiveness of in-vehicle technologies. Moderated by SEMA’s John Waraniak, panelists provided solutions to improving the quality of the traveling experience, including

1. LG display wall 2. A product to watch 3. LG’s 4door French Door 4. Demo Monsters 5. Industry leaders and top executives look on as Sir Howard Stringer cuts the ribbon opening the 2009 International CES 6. LG phone watch 7. Intel was inside 8. Samsung’s floral

the implementation of more efficient HMI, telematics and eco-friendly technologies. Panelists recognized that the industry is going through tough economic times, but encouraged automakers and suppliers to take advantage of the opportunities driving change.

During the SuperSession “What Will They Think of Next? Consumer Technology in 2025,” a panel of industry experts moderated by Kara Swisher, co-executive editor, All Things D, discussed what the future might hold for consumers and the industry. The experts predicted a world without wires, stressing the importance of wireless networks, the advances of 3D technology and content, and how the everyday consumer device will be Internet-enabled.

To demonstrate his message of “The Future is Fusion” at Thursday’s Industry Insider presentation, Dirk Meyer, president and CEO of AMD introduced several of AMD’s industry partners, including LucasFilm Ltd., LightStage/OTOY, MTV, HP, AlienWare and Electronic Arts. The audience enjoyed demonstrations of advanced computer graphics including real-time rendering, gaming via cloud computing, a new super gaming PC—the Dragon System – and both ultra-thin and personalized notebook computers.

At the “Wireless Meets Consumer Electronics: The Fundamental Shift to Mobility” SuperSession, senior executives from Intel, Panasonic, Nokia and Verizon Communications discussed what wireless means to the industry and to future opportunities. The panel agreed that wireless technology helps give consumers a user-friendly experience with the content they want, while getting them out of the house and into the world. They concluded that the potential of the 4G network will lead to an explosion of new devices and capabilities.

Anne Sweeney, co-chair of Disney Media Networks and president of Disney-ABC Television Group, delivered Thursday afternoon’s Industry Insider address at the Hilton Theater. Sweeney spoke about the ways Disney and ABC are providing entertainment and news content across various platforms for consumers to enjoy in their home or on the go. “Digital devices equal consumer content connectors,” Sweeney said, as she described the changing ways consumers are being entertained. Sweeney also discussed ABC and Disney’s position of creating original and supplemental online programming, noting that online content adds a new experience for fans, context to current shows and drives future storylines.

At CNET’s Next Big Thing SuperSession, “the cloud” was announced as the next big | *continued on page 41* |



display 9. Disney Media Networks Co-chair and Disney-ABC Television Group President Anne Sweeney speaks at the 2009 International CES Industry Insider Series 10. Jeopardy’s Alex Trebek hosts the popular gameshow live at the 2009 International CES

BSH HOME APPLIANCES CORP. AND PURCELL MURRAY COMPANY, INC. ANNOUNCE EXTENSION OF MULTI-YEAR AGREEMENT



Thorsten Rosenberg, executive vice president and CFO, BSH Home Appliances Corp.; Michael Traub, president and CEO, BSH Home Appliances Corp.; Tim Murray, president, Purcell Murray Company, Inc.; and Larry Purcell, vice president, Purcell Murray Company, Inc.

BSH Home Appliances Corporation and Purcell Murray Company today announce that the two companies have extended their relationship through the signing of a new multi-year agreement. Under the new agreement (the specific terms of which are confidential), Purcell Murray will continue as BSH's exclusive distributor for Bosch, Thermador and Gaggenau products to appliance dealers and the builder community in California and Northern Nevada.

"The strong, sixteen-year relationship we have forged with Purcell Murray in the important markets of California and Northern Nevada has been critical to the growth of our premium brands," said Michael Traub, president and CEO, BSH Home Appliances Corp. "As a dedicated partner to our success, Purcell Murray has continuously gone above and beyond to enhance consumer and dealer experiences with our brands through comprehensive sales and marketing support and customer care from beginning to end."

Purcell Murray's relationship with BSH dates back to 1992, when BSH granted the company distribution rights for its Bosch brand.

"Purcell Murray is most proud to be a part of the BSH

distribution family and truly value the confidence and partnership that continues to be exhibited by BSH management in our company," said Timothy J. Murray, president of Purcell Murray Company. "We look forward to many more years of representing these fine brands in the California and Northern Nevada marketplace."

WHIRLPOOL CORPORATION HELPS CARNEGIE MELLON STUDENTS CAPTURE EPA'S BUILDING CHALLENGE AWARD

The Carnegie Mellon University Solar Decathlon team recently won the 2008 Environmental Protection Agency's (EPA) Lifecycle Building Challenge Award in the "Student-Built" category. Their prize-winning entry, TriPod, is a prefabricated housing alternative outfitted with Whirlpool ENERGY STAR® qualified appliances. The award recognizes building design and innovation that minimizes waste, energy consumption and greenhouse gas emissions while reusing local building materials and promoting adaptability in design.



The 'zero-energy house' uses passive solar conditioning, super-insulated walls and windows, day lighting and Whirlpool and KitchenAid® brand energy-efficient appliances. TriPod, which also won the Outstanding Achievement Award: Best Greenhouse Gas Reduction Design, reduces the average electricity consumption by 75 to 90 percent, compared to that of a standard-built house of equal size. TriPod's mechanical "core" manages multiple "pods" used for living, cooking and sleeping spaces. As a result of this modular design, homeowners can now add or subtract pods to meet individual needs. In addition to energy savings, a prefabricated house has only minimal leakage and causes less damage to the house's physical site.

"The EPA's Lifecycle Building Challenge competition recognizes innovative green building and energy-efficient ways of reducing the building industry's carbon footprint," said Brian Kish, student construction manager of TriPod. "Whirlpool's energy-efficient appliances were essential in meeting the goal of reducing energy consumption, a key component of the building competition. As a young architect, it's exciting to partner with an industry leader like Whirlpool Corporation to bring sustainability to the forefront of the building industry."

In October 2007, as part of its ongoing commitment to the

development of energy- and water-efficient homes, Whirlpool Corporation contributed its KitchenAid, Maytag and Whirlpool brand appliances to four additional university teams competing in the Solar Decathlon: Massachusetts Institute of Technology (MIT), University of Illinois at Urbana-Champaign, University of Colorado at Boulder and University of Cincinnati. The Solar Decathlon is an international collegiate competition where architecture and engineering student teams compete to design, build and operate highly energy-efficient, completely solar-powered houses that incorporate building-integrated photovoltaics.

For information on Whirlpool Corporation and its sustainable offerings for builders, visit insideadvantage.com/sustainable or call 1-800-253-3977.

SERVICE AND RETAIL CONVENTION— 2009 SRC



Improving your skills is a necessary part of every business person's life. Whether it is learning how to use a computer or read a profit & loss statement or how to fix the latest model of a Whirlpool front Load washer, learning is essential. Everyone in a position of leadership must make sure that you are staying on top of new technology and changes in the industry. It's not just something important today that you should be doing, it is required if you intend to be around in the next five years. Marketing to your existing customer base, mining referrals from them, pricing repairs properly, having a software program that tracks all the important information you need to successfully manage the day to day operations and position yourself in such a way so that your company is attractive to a potential buyer are all part of the training you can receive when you attend this year's SRC 09.

The SRC09 will be held February 22 – 24, 2009 in Dallas, TX at the Hilton Anatole hotel. The class development committee has come up with a fresh group of classes that are sure to help you manage your business in order to navigate through these turbulent times and come out on top on the other side. Don't delay. Time is of the essence. Register now by going to www.unitedservicers.com and click on the SRC09 icon or call the USA office at 800 683-2558. The SRC will be held in conjunction with the Merchandizing group Brand Source and their annual winter conference called the Summit. The SRC09 will be held independently from the Brand Source Summit but members of each group will have access to each other's convention floors and will share meals and entertainment venues.

Registration for the SRC09 is \$499 for 2 people for the event only, \$899 for 2 people and one room for 2 nights, \$1099 for 2

people and one room for 3 nights, \$1299 for 2 people and one room for 4 nights. Food includes breakfast on Monday and Tuesday and one lunch on Tuesday as well as two evening receptions serving drinks and hors d'oeuvres. Don't get caught thinking that it is too expensive. There are several less expensive hotels in the local area so members can book rooms elsewhere if desired. Smart business people know that you have to spend money to make money and often you have to spend money to *save* money. I have heard far too many people tell me that the money they spent attending a convention was made back in the first couple of weeks they were back implementing the new ideas they learned that included both cutting unnecessary expenses, improving their marketing programs and changing their prices to name a few.

This event is sure to be the largest of its kind with over 1200 attendees. Don't miss out on this great opportunity to learn so much in a very short time frame from some of the sharpest minds in the industry. You will not be disappointed. Sign up today.

EPSILON SURVEY SHOWS CHIEF MARKETING OFFICERS OF LEADING U.S. BRANDS HAVEN'T "FRIENDED" SOCIAL NETWORKING SITES

VAST MAJORITY OF MARKETING EXECs SEE CURRENT ECONOMIC CRISIS HURTING 2009 BUDGETS



Despite the cultural phenomenon that Facebook and MySpace have become in five years' time, 55% of the chief marketing officers at leading brands surveyed by Epsilon said they're not too interested (22%), or not interested at all (33%), in incorporating the social networking sites into their marketing strategies.

Though dialogue marketing is a bonafide trend in the industry, just 10% percent of CMO survey respondents said they already are using these social sites in their marketing plans.

Internet forums (52%), webcasts and podcasts (47%), email (47%), blogs (37%) and webinars (52%) outscored Facebook and MySpace (35%), in terms of being social media elements that marketing executives said they are very interested or somewhat interested in using.

"These sites narrowly appeal to college and high school students, providing a challenge as far as measuring results and yielding a limited amount of actionable data," said Steve Cone, Chief Marketing Officer of Epsilon.

Somewhat quixotically, 27% of marketing executives identified social networking and word of mouth as the tool they most want to introduce to their marketing mix to compensate for anticipated budget cuts—ahead of all other elements of traditional or digital marketing.

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Epsilon is a leading marketing services firm providing comprehensive online and offline marketing services to some of the most-recognized brands in the world. Its late-October online survey was completed by top consumer and business-to-business marketing executives at 180 brands whose annual revenues range from \$250 million to over \$10 billion. The survey was conducted by GfK Roper Public Affairs and Media, of New York.

Other key results from the CMO survey provide a peek into top marketers' playbooks for the coming year:

- CMOs bracing for budget reductions identified email as the channel they are least likely to cut back on versus any other tool in the traditional or digital marketing mix.
- While just over half of the companies surveyed already use consumer data mining, 23% more said that they plan to utilize the technology in the next 12 months. 55% of those not already employing web analytics plan to do so in the next 12 months.
- Customer loyalty and rewards programs remain polarizing, with 33% of companies already using the strategy and 17% planning to use in the next year, but 50% not using or planning to use.

Kevin Mabley, Senior Vice President, Epsilon Strategic Services, noted the value that marketers place on email. "According to our latest benchmark statistics, retailers see 20 cents in e-commerce revenue for every email delivered, showing the measurability and profitability of the email channel in times when people are seeking those two attributes."

The CMO survey results strongly indicate the economic crisis will diminish marketing spending in 2009. No less than 93% of marketing executives said the current state of the economy will have a moderate or significant impact on their marketing efforts in the next few months.

Epsilon released the results of their first CMO survey in early September 2008. The report and press release "Survey Records Shift in Blue Chip Marketing Spend" can be found at <http://www.epsilon.com/modules/PressReleases-9808/p62-l3>.

DIRECT BUYING SERVICE, INC. OFFICIALLY CHANGES NAME



After nearly 60 years in the appliance business in Seattle, Direct Buying Service is changing its name to

Metropolitan Appliance.

"The confusion and negative connotation raised by our company's name similarity to another Seattle area business is one of the reasons for the change" according to President and CEO Jim Freedman. "However, the driving force

behind the change is to allow us to more appropriately describe what our business is about, and allow us to evolve with our clients' needs". "We've been supplying the greater Puget Sound area with major appliances and plumbing fixtures for decades, but the concept of a "buying service" is archaic and really doesn't begin to describe our level of professionalism, our dedication to our ever-expanding client base, or our ability to provide the highest level of knowledge and service to our customers, whether they are looking for an appliance for themselves or a rental property, or need quality assistance in planning and outfitting their dream kitchen."

Direct Buying Service, a local family owned business, began in 1950 in what is now the Federal Building, before spending nearly 35 years on 4th and Madison in downtown Seattle, prior to moving to its current location; three blocks south of Safeco Field on 1st Avenue South and South Holgate.

LEADER IN WATER FILTRATION INDUSTRY LAUNCHES WATER-SOFTENING LINE

EVERPURE, LLC BROADENS LUXURY WATER SERVICE TO SOFTENING FOR BATHING, DISHES AND LAUNDRY



Everpure LLC—a Pentair company that has led the water filtration industry for more than 75 years by offering superior, commercial grade drinking water—now provides that same level of quality, service and luxury to the water-softening category with a new line of water softeners for the home.

Everpure's WS-30 Cabinet Style Home Water Conditioner and CES-7000E-30 Two-Tank Softener Home Water Conditioner systems are designed for average to large-sized homes. The systems can dramatically reduce water hardness, mineral deposits, soap film and build-up, eliminating the frustration associated with faded laundry and water spots on kitchenware, sinks and bathtubs. The benefits to users of the state-of-the-art systems also include softer skin and shinier hair.

"The new Everpure water-softening models present numerous benefits for improved living," said Eleni Yianas, director of marketing for Pentair Residential. "They deliver sparkling dishes and glasses, keep clothes softer, whiter and brighter and even save 20 percent of the home's energy by inhibiting scale build-up in the water heater."

Everpure's WS-30 Cabinet Style Home Water Conditioner boasts sleek Euro styling, which houses its Fleck brand 5600se electronic demand-initiated controller and stainless steel bypass valve, solid-state

| continued on page 14 |

JACK RIGGS

1921 – 2009

FORMER PRESIDENT & CHIEF EXECUTIVE OFFICER

R & K DISTRIBUTORS, INC.

IN LOVING MEMORY

Jack was a leader, a mentor, a friend, a father and an inspiration to all who were fortunate enough to know him.

He was focused, innovative, dynamic and committed. His talent and drive led him to become a top-ranked executive in the manufacturing and distribution field.


We appreciate the thoughts and prayers of his friends and colleagues, as we mourn the loss of a vivacious man who showed us all how to seize opportunities and make them real.

The Riggs Family

microprocessor, and LED display. The system also offers an energy-saving vacation mode and peak flow rates of up to 12 gallons per minute, which is perfect for average-sized homes.

The CES-7000E-30 Two-Tank Softener Home Water Conditioner is built for larger homes with more plumbing fixtures and greater demand—up to 15 gallons per minute peak. It also offers more programming options and an advanced Fleck brand 7000E high flow, demand-initiated electronic controller.

JIM HUMISTON RETIRES FROM ASKO APPLIANCES, INC.


 Jim Humiston, Vice President of Customer Service at ASKO Appliances, Inc., retired after 8 years of loyal service. Steve Piro, President of ASKO Appliances, Inc. recently announced Humiston's retirement at a company luncheon, which was held at the ASKO USA corporate headquarters in Plano, TX. Also in attendance at Humiston's retirement luncheon was his wife, Shirley Humiston. His retirement has been effective since December 31, 2008.

"Jim Humiston had a tremendous career serving his customers, consistently pursuing excellence and innovation" stated Steve Piro, President of ASKO Appliances, Inc. "He was a mentor to many in the industry and we are proud that he concluded his career at ASKO Appliances. Our employees wish Jim and Shirley all the best for the future."

Jim Humiston joined the ASKO team in 2001, when he was hired as the Vice President of Customer Services. He has been an integral part ingrowing the ASKO customer service department to what it is today and over the past year he has served as a member of the quality improvement team.

Jim Humiston has been in the appliance industry for over 50 years. For 29 of those 50 years, Humiston owned an appliance sales and service company in Akron, OH. Prior to coming to ASKO Appliances, Inc., Humiston served as the Vice President of Customer Services at Amana Appliances.

TCF INVENTORY FINANCE, INC. ASSUMES FLOORPLAN FINANCING PROGRAMS

 TCF Inventory Finance, Inc. ("TCFIF"), a subsidiary of TCF Financial Corporation ("TCF") (NYSE: TCB), announced an agreement with Textron Financial Corporation ("Textron") to assume the right to continue existing programs of originating certain floorplan financing receivables for retailers of consumer electronics and appliances.

The assumption of these programs by TCFIF represents the opportunity to originate future floorplan financing receivables from 1,200 retailers who acquire products from the industries' major suppliers and buying groups and will begin originating receivables under these programs.

Although TCFIF did not acquire any existing floorplan financing receivables from Textron, these floorplan finance customer relationships total approximately \$200 million in credit lines.

"By assuming the floorplan finance programs from Textron, TCFIF makes a clear statement of commitment to support retailers, | *continued on page 16* |



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SHOWROOM

suppliers and buying groups in the Consumer Electronics and Household Appliances Industries in the United States and Canada. In the current environment, with unpredictable and diminishing credit availability, it is truly exciting to lead a team dedicated to providing liquidity into our chosen markets," said Mr. Ross Perrelli, President and CEO of TCFIF.

"TCF is committed to expanding lending across all of its business lines," said William Cooper, Chairman and CEO of TCF Financial Corporation. "Assuming these relationships will be beneficial for TCF and 1,200 retailers will continue to receive first-class service from the TCFIF team."

TCFIF (www.tcfif.com) offers a full range of inventory financing solutions to retailers in the Consumer Electronics and Household Appliances Industries throughout the United States and Canada. TCFIF is a subsidiary of TCF Financial Corporation (www.tcfbank.com), a Wayzata, Minnesota-based national financial holding company with \$16.5 billion in total assets. TCF has 445 banking offices in Minnesota, Illinois, Michigan, Colorado, Wisconsin, Indiana and Arizona, providing retail and commercial banking services. TCF also conducts leasing and equipment finance business in all 50 states.

BSH BUILDER SALES MANAGERS EARN CERTIFIED GREEN BUILDING PROFESSIONAL DESIGNATION

AS A CERTIFIED GREEN BUILDING PROFESSIONAL, BSH SALES MANAGERS OFFER HEIGHTENED LEVEL OF SUPPORT FOR BUILDERS

B/S/H/ Exemplifying its commitment to green building, BSH Home Appliances announces the certification of members from its sales team as National Association of Home Builders' (NAHB) Green Building Professionals. The designation recognizes these individuals for their understanding of green building principles, and ability to offer builders an enhanced level of support in developing residential projects that meet NAHB National Green Building standards.

BSH Builder Sales Managers who have earned the NAHB Green Building Professional designation include Thomas Linton, Rick Runge and Rick Federico. An additional eight BSH associates are expected to be certified as Green Building Professionals in 2009. As Green Building Professionals, the sales managers will offer builders insights and recommendations to maximize the efficiency of their residential projects and achieve National Green Building Certification – without driving up the cost of construction. National Green Building Certification delivers the assurance that projects meet NAHB Model Green Home Building Guidelines, and truly are green.

"BSH is dedicated to providing the builder community with new ways to build efficiently and distinguish their projects. As Green Building Professionals, the BSH sales team will offer builders a valuable resource in the form of their knowledge and in-depth understanding of sustainable residential building," said Zach Elkin, director, Builders, Contractors and Designers Group, BSH Home Appliances.

Earning the Green Building Professional designation requires the completion of NAHB University of Housing courses that provide a solid background of green building methods. In addition, continuing education courses are required to maintain the designation. **RO**



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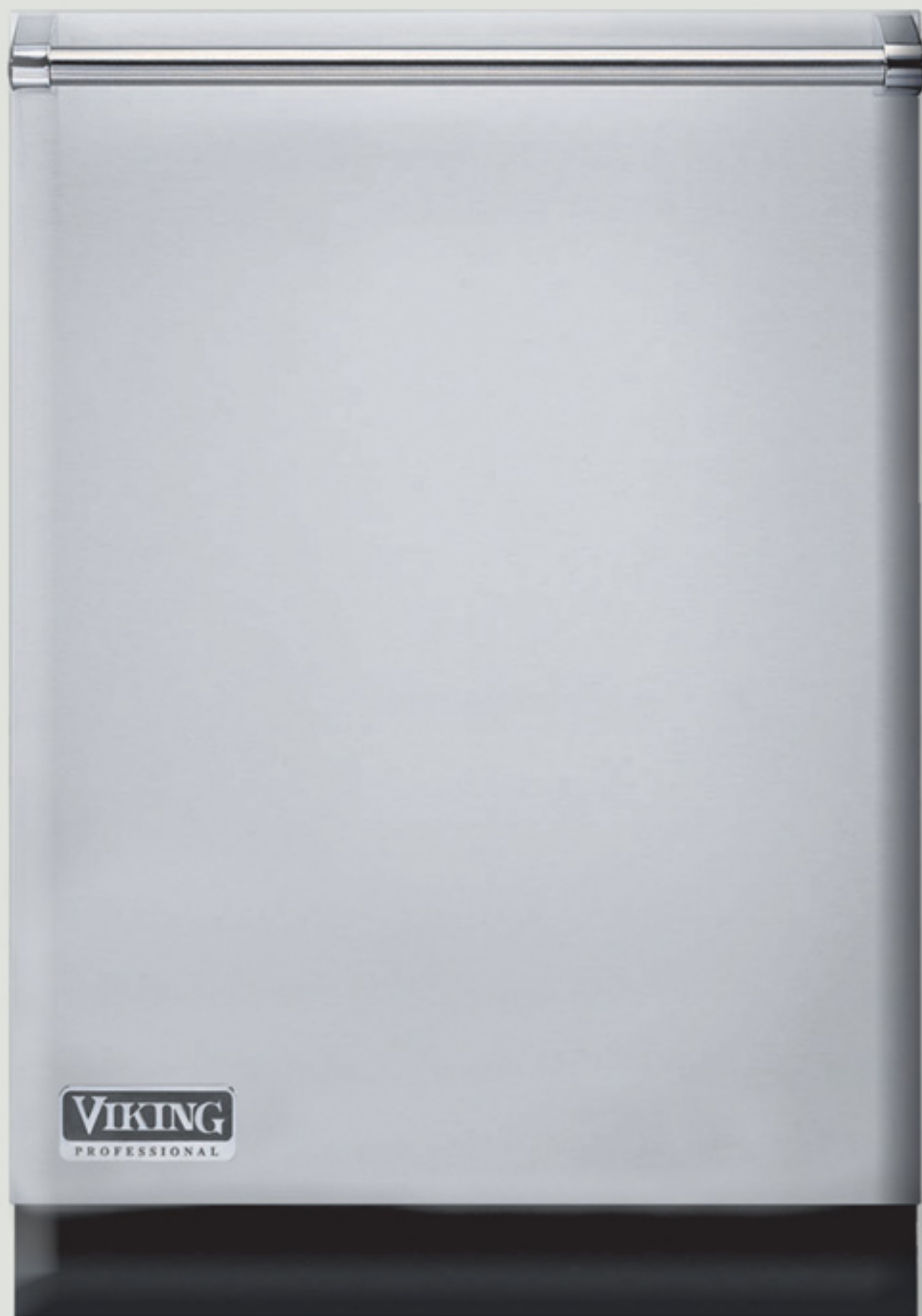
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AIR KING EXPANDS PRODUCTION WEST CHESTER, PA



Air King, a leading producer of residential exhaust fans, range hoods, and industrial fans, has begun manufacturing exhaust fans in its West Chester, Pennsylvania facility. Production in West Chester now includes range hoods, air circulators, and all North American exhaust fans.

Air King has expanded capacity of an already existing state-of-the-art facility in West Chester, PA that is currently manufacturing Industrial Grade Air Circulators along with its line of Under Cabinet Range Hoods. The added capacity will be used to produce a new line of Deluxe Energy Star bath fans featuring near silent operation and allowing designers easy compliance with ASHRAE standard 62.2 which is rapidly being adopted across the US for healthy indoor air quality.

As part of Air King's ongoing commitment to the environment, the facility features a high capacity powder coat paint line which will improve the finish quality and reduce VOC emissions for all painted products. The plant has also recently upgraded its factory & warehouse lighting to more energy efficient fluorescent lighting and implemented a demand management system as part of its sustainability efforts. Additionally new packaging will eliminate Styrofoam inserts to eliminate waste that would otherwise go to landfills. Strategically located near the intersection of I95 and the Pennsylvania Turnpike, the location provides a better shipping point for its largest customer markets. John Fox, CEO of Air King says, "Air King's commitment is to be the leader in the market producing environmentally friendly products with the least amount of impact on the environment as possible. This starts in our engineering labs, through the manufacturing process and even into how we are positioned to supply product to the market."

The Air King facility in Brampton, Ontario will be adding a new Engineering Research & Design Center where Air King's team of engineers will develop, test and design new

and innovative products to keep Air King at the forefront of the ventilation market. Mr. Fox goes on to say "The market is changing and Air King is positioned to respond, adding to its already extensive product line of energy efficient and environmentally friendly products." The facility will allow sales, marketing and engineering to quickly identify and respond to changes in the market. The team will take advantage of advanced testing facilities including sound and air performance chambers as well as a variety of application specific, specialty testing fixtures.

The facility will continue to serve as the Canadian distribution center located near the demographic center of Canada, and will allow Air King to quickly and effectively serve the most populated areas of Ontario and Quebec while still maintaining strong shipping corridors to eastern and western Canada.

The additional production in West Chester has required the plant to nearly double its workforce providing new jobs to the area along with the increased economical benefits associated with a higher volume manufacturing location. The shipping points have not changed and will continue to come from the main warehouses in Columbia, Pennsylvania and Brampton,

Ontario along with regional warehouses in Reno, Nevada and Seattle, Washington.

What assurances can you give that distribution will not be interrupted?

Air King has given very careful consideration to all aspects of this expansion in West Chester and are addressing them as follows:

Inventory

Air King has built up inventory to considerably higher levels in anticipation of expanding the West Chester facility. In early August, products starting coming off the new production lines in West Chester, replenishing the inventory that was used.

| continued on page 19 |



Shipping

The shipping points have not changed and will continue to come from the main warehouses in Columbia, Pennsylvania and Brampton, Ontario along with regional warehouses in Reno, Nevada and Seattle, Washington. With production up and running, shipping of the product has not been an issue and Air King does not anticipate any shipping delay as a result of the West Chester expansion. The increased inventory levels provided the buffer that was needed during the transition time.

What are the benefits?

- Better cost control through simplified logistics.

- Opportunity for Air King to modernize equipment and production processes to produce even higher quality products.
- Creation of Engineering, Research and Design center for better response to market needs.
- Higher quality painting, using a state of the art powder coating system.

Air King welcomes the opportunity to answer any questions or concerns that might arise from this announcement. Feel free to contact Air King at 877-304-3785 or via email sales@airkinglimited.com.

SAMSUNG SHOWCASES ITS AWARD-WINNING HOME APPLIANCES AT CES 2009

LARGEST INTERNAL STORAGE FRENCH DOOR REFRIGERATOR AND ENERGY EFFICIENT FRONT LOAD WASHER LEAD HOME APPLIANCE OFFERINGS



SAMSUNG

Samsung Electronics America, Inc., a market leader and award-winning innovator in consumer electronics and home appliances, displays its latest award winning home appliance offerings at the 2009 International CES tradeshow. These exciting products include a French Door Refrigerator with 7" LCD Touch Screen and a Front Loading Washer, with a Steam Dryer and the quietest wash at top spin speeds available. The French Door Refrigerator is a CES Innovations 2009 Design and Engineering Award honoree, and the Front Loading Washer is a recipient of the CES Innovations 2009 Eco-design Award.

"We are honored that CEA has awarded two of our pillar home appliance products with this esteemed industry recognition," said James Politeski, vice president of Home Appliance sales and marketing at Samsung Electronics America. "As an award-winning home appliance company, Samsung is committed to technology and innovation that can make a big difference in consumers' lives. Both our French Door Refrigerator and Front Loading Washer attest to this commitment."



RFG299 FRENCH DOOR REFRIGERATOR

The new RFG299 French Door Refrigerator includes a convenient 7" LCD touch screen above the ice and water dispenser and delivers the industry's largest internal storage at 28.5 cu. ft. in a standard footprint.

Understanding that the kitchen is the true heart of the home, Samsung developed the LCD touch screen to give consumers easy access to calendars, schedules, showcase photos, nutrition facts, and unit conversions, allowing the refrigerator to act as an interactive, digital lifestyle centerpiece.

The RFG299 French Door Refrigerator's larger interior capacity is made possible by high-rate urethane insulation technology, which reduces the refrigerator walls from 2.04 inches to 1.38 inches. This results in an extra 3.5 cubic feet or 14 percent more storage space. Despite the extra internal space, the RFG299's overall physical size remains the same and provides quality cooling without the need for a new kitchen layout.



Along with its breakthrough technical | *continued on page 47* |

DISTRIBUTOR NEWS

PACIFIC SPECIALTY BRANDS HOSTS THEIR SHOWROOM GRAND OPENING

Pacific Specialty Brands hosted a showroom grand opening party in December. The distributor of high-end kitchen appliances recently renovated their main office showroom located just outside of Vancouver, BC Canada. Over 150 dealers attended the event that included a gourmet catered buffet dinner. Dealers were able to see the latest in appliance trends featured in luxury kitchen vignette settings. Mike Kipp, the president of Pacific Specialty Brands said this about the showroom: "Pacific Specialty Brands newly renovated showroom is now open for business. The grand opening was well attended and the new showroom got great reviews. We are happy to get it completed and look forward to many events in the future."

The showroom is now open for the public by appointment only. For more information call 877-430-5253 or visit their newly re-designed website at www.pacificspecialtybrands.com.

Pacific Specialty Brands is a leading kitchen appliance distributor located in Burnaby, British Columbia, Canada. PSB distributes high-end brands in Western Canada (including B.C., Alberta, Saskatchewan, Manitoba and Northwest Ontario to Thunder Bay) and in the Pacific Northwest (including Washington, Oregon, Idaho, Montana, Utah, Colorado and Alaska) of the United States. Their collection of brands that they distribute includes: AEG, Aga, Alfresco, Blomberg Faber, Fagor, Fulgor, Liebherr, Marvel, and Waste King. **RO**



Top: Products from Liebherr, Faber, Fulgor and AEG Bottom: Alfresco grills

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COOL NEW OPTIONS



Liebherr continues its tradition of innovation with the introduction of three new refrigeration products: the 2062 Series of 36" refrigerators, and two new fully integrated 24" refrigerators, the HC 1011 and HC 1060.

Liebherr has reinvented the 36" refrigerator with the 2062 series. Available in freestanding and integrated models, these premium refrigerators provide nearly 20 cubic feet of storage capacity. Stylish French doors and double freezer drawers make this appliance a true kitchen showpiece.

The PremiumPlus HC 1011 and HC 1060 are cleverly concealed behind cabinet doors to blend seamlessly with any custom kitchen. On their own either of these 24" units are the perfect food storage solution for smaller space kitchens. Together, they create the SBS 20H1, an impressive 48" side-by-side refrigerator.

Of course, the 2062 series, HC 1011 and HC 1060 exceed ENERGY STAR ratings, and adhere to ActiveGreen, Liebherr's commitment to protect our environment through responsible manufacturing practices. They provide SuperQuiet operation, and innovative features like LED lighting and a dual refrigeration system for the best food preservation. With so much going for them, the only choice you have to make is which of the new Liebherr refrigerators is right for you.

GAGGENAU HOME APPLIANCES REFLECTS ON 2008 ACCOLADES

GAGGENAU HAILED AS AN INDUSTRY INNOVATOR IN 2008

GAGGENAU

In recognition of Gaggenau's dedication to timeless, modern design, restaurant-grade performance and innovative technology, multiple industry authorities have selected Gaggenau home appliances when naming the best of 2008:

GAGGENAU'S LIFT OVEN: WINNING COMBINATION OF FORM AND FUNCTION

Gaggenau's BL 253 Lift Oven has been selected as 2008 GOOD DESIGN Award recipient and 2008 Woman's Day KB Award recipient

GOOD DESIGN Awards—Presented by The Chicago Athenaeum: Museum of Architecture and Design and The European Centre for Architecture Art Design and Urban Studies, the GOOD DESIGN award recognizes new and innovative product design. The Museum's jury of architects, designers and authorities in the design community evaluate hundreds of submissions from 48 countries. Submissions are judged on design, function and the interplay of the two. With Gaggenau's BL 253 Lift Oven, the only oven with an automatic elevating base, form follows function, wrapped in Gaggenau's cutting-edge design.

Woman's Day KB Awards—Sponsored by Woman's Day Special Interest Publications, the KB Awards highlight the best kitchen and bath products of the year. Gaggenau's BL 253 Lift Oven was recognized for its technological innovations and design:

Mounted into upper cabinetry or placed on an open wall above a countertop, the push of a button lowers the Lift Oven's glass ceramic base to the countertop where dishes can easily be loaded and unloaded.

GAGGENAU'S AH 600 WALL-MOUNTED COANDA HOOD IS A "CONSUMERS DIGEST BEST BUY"

Consumers Digest, long respected for its ability to identify outstanding values in what can be a confusing marketplace, named Gaggenau's AH 600 Coanda wall hood as a "Best Buy" in 2008. On average, the "Best Buy" certificate is awarded to fewer than three percent of the competing models in any given product category. Easy to operate and featuring Coanda technology, three air output levels plus an intensive mode, Gaggenau's AH 600 Coanda wall hood is a valued addition to any kitchen.

PROFESSIONAL BUILDER NAMES BM 281 FUSION OVEN NAMED ONE OF THE "100 BEST PRODUCTS: 2008"

Professional Builder's "100 Best Products: 2008" identifies the 100 top products in a variety of categories. Each product represents advancements in technology, a significant improvement to an existing product, an entire new line or increases competition among products. These products represent the finest achievements of the building product and service industry. Selected for its marriage of quality and innovative convenience, the BM 281 fusion oven combines the benefits of convection technology with the speed of a microwave, using Gaggenau's Innovave technology to evenly disperse heat.

Variable energy outputs ensure energy efficiency and the precise heating of foods.

3LUXE HIGHLIGHTS GAGGENAU IN MULTIPLE "BEST OF" SELECTIONS

Gaggenau's VI 411 induction cooktop and EB 388 built-in oven selected as "Best Of Category"

3Luxe researchers do the leg work for consumers, identifying the three absolute best products on the market in various categories, including kitchens, naming them "3Luxe Best Of's." 3Luxe highlights the VI 411's induction technology, efficiency and enhanced safety and focuses on the EB 388 built-in oven's spacious interior, precise temperature control and innovative cooking accessories, such as a heated baking stone.

GAGGENAU HOME APPLIANCES RECEIVES INTERNATIONAL STAR DIAMOND AWARD

The American Academy of Hospitality Sciences presented Gaggenau home appliances with its International Star Diamond Award for Gaggenau's excellence in the luxury services sector. The award reflects Gaggenau's commitment to using only the finest raw materials, performance capabilities and promotion of ingredient-driven cooking and unparalleled culinary talent.

Evaluations are based on the company's dedication to hospitality, gastroenterology, attitude, quality, cleanliness and service. The AAHS is based in New York City and is governed by an International Board of Trustees, who are each respected leaders in their industries. **RO**

FISHER & PAYKEL APPLIANCES—STANDING TALL IN KITCHEN DESIGN

UNVEILS THE TALL DISHDRAWER®, A NEW DESIGN FOR THE WORLD'S FIRST DISHWASHER IN A DRAWER

Fisher & Paykel Redefines its Unique DishDrawer® With A More Spacious Interior and New Modern Styling for Launch in Spring 2009

Fisher & Paykel Appliances has once again reimagined the concept of the dishwasher with the announcement of its new Tall DishDrawer.

The company has reinvented its revolutionary DishDrawer, the world's first dishwasher in a drawer, with the introduction of the Tall DishDrawer featuring a more spacious design and new sleek modern styling that loses none of brand's compact charm.

Continuing to innovate and improve on its uniquely designed industry leading appliances has never been a tall order for Fisher & Paykel Appliances.

DishDrawer is a signature product line for the company with its distinctive ergonomic design that doesn't take up a lot of space and cost-saving and environmental features that minimizes water, energy and detergent usage. Since launching the DishDrawer in 1997 after years of testing and research, Fisher & Paykel has continued to redefine the dishwasher of the future and to date has sold more than a million DishDrawers.

The Tall DishDrawer has been designed specifically for the North American market and will be manufactured in the company's new facility located in Reynosa, Mexico starting December 2008. The company expects to release the Tall DishDrawer in February 2009.

"The DishDrawer revolutionized the industry with its economical yet efficient design and performance, but we have always continued to improve upon it," said Laurence Mawhinney, VP of sales and marketing for Fisher & Paykel Appliances. "Now, with the Tall DishDrawer we offer everything consumers love about this product—

energy and space savings—but with a more spacious and flexible interior design."

A NEW DISHDRAWER WITH A TALLER, MORE SPACIOUS DESIGN

The Tall DishDrawer offers a number of key improvements over the current design including:

- A top drawer that is significantly larger and will even fit 13-inch plates
- A completely redesigned racking system with vertically adjustable and independent cup racks and enhanced plate

racks including folding tines

- A complete cosmetic upgrade with a new streamlined appearance
- A more simplified and improved installation process

"The larger top drawer and fully customizable racking system can be adapted to fit any individual's or family's lifestyle," said Mawhinney.

In fitting with the Fisher & Paykel "green" tradition, the Tall

DishDrawer is also energy efficient and ENERGY STAR® approved.

Additionally, the Tall DishDrawer also offers the option of an economical, smaller load using as little as 1.98 gallons of water (2.6 gallons on average for a normal eco cycle). This single unit or half load function needs only half the energy, water and detergent of a conventional dishwasher.


To find out more about Fisher & Paykel's products or its DCS by Fisher & Paykel brands, please contact your local Fisher & Paykel representative. You can also get more information at www.fisherpaykel.com or call us toll free at (888) 936-7872. **RO**



PERLICK LAUNCHES ITS FULLY-INTEGRATED SIGNATURE SERIES

Staying in tune to what consumers are looking for in kitchen design, Perlick reintroduces its current *Signature Series* undercounter refrigeration products. Showcasing a sleek, fully integrated design, the entire *Signature Series* line now features full-height doors, zero-clearance hinging and an interior digital display, along with the many Perlick Exclusives consumers have come to know and love.

The models of the Perlick *Signature Series*—including Freezers and Refrigerators (with doors or drawers), Beverage Centers, Wine Reserves and Beer dispensers—offer an array of new features and functionality to aid both consumers and designers who demand a seamless look in their design. Each model features an industry exclusive Variable Speed Compressor and interior and exterior commercial-grade stainless steel, not plastic. The full-height door, graced by Perlick's distinctive handle, is available in solid stainless steel, insulated glass, or with a wood overlay to perfectly match surrounding cabinetry. "We've spent a lot of time working with our distributors and designers, listening to their feedback and working hard to implement their requests into the new *Signature Series*," explains Jeff Wimberly, Director of Sales and Marketing – Perlick Residential Products. "The new features and enhancements of the *Signature Series* is above and beyond what is currently on the market—consumers can now have everything they ever wanted in an undercounter refrigeration product and seamless blend that into their kitchen design."

Celebrating 90 years of excellence, Perlick is the leader in commercial bar and beverage refrigeration and dispensing equipment. The Perlick brand can be found in the finest restaurants, bars, stadiums, hotels and resorts in the world and is now available for those who want the ultimate entertainment suite for the home. The Perlick product line includes both indoor and outdoor undercounter refrigerators, wine reserves, freezers, freezer and refrigerated drawers, clear ice makers and beer dispensers as well as countertop blender stations, cocktail centers and liquor displays. For more information about the Perlick product line, contact Perlick at (800) 558-5592 or visit www.perlick.com. 



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DACOR® INTRODUCES NEW NATIONAL CUSTOMER SERVICE PROGRAM

dacor

Dacor Distinctive Service will save consumers time and money, increasing technical services efficiency by up to 50 percent

Dacor, a market leader in luxury kitchen appliance design, manufacturing and distribution, today announced the nationwide launch of Dacor Distinctive Service (DDS), a new customer service program created to help Dacor appliance owners resolve technical issues quickly and efficiently.

DDS offers a proven, streamlined approach to service that eliminates unnecessary calls to the home, which often cause frustration, dragging out the technical solution process and costing consumers more money. Tested in the Southern California market and rolled out to 12 additional geographical areas before launching nationwide, DDS has proven to successfully resolve 20 percent of all reported use and care issues over the phone and corrected 75 percent of customer issues with only one in-home service call. Additionally, DDS has helped to increase technical service efficiency by up to 50 percent by cutting telephone wait time in half.

“During a time when consumers and manufacturers are concerned about how every dollar is spent, we are excited to launch a program that will reduce costs and save time for everyone,” said Steve Joseph, Vice President of Marketing at Dacor. “With DDS, Dacor is focused on ensuring each consumer has the optimum ownership experience, which goes beyond the product itself, but embodies every level of the cooking experience. And if that experience is interrupted for any reason, it’s up to Dacor to help the consumer to get back on track.”

Cooking enthusiasts are passionate about every detail of the culinary experience, from the freshness of the ingredients selected to the quality of the tools used, which is why many

home chefs opt for reliable appliances, like Dacor, that provide exceptional performance. Advanced features like the Discovery Controller™ with preprogrammed cooking modes and SimmerSear™ Burners with ultra-high and ultra-low heat settings for the perfect sear and gentlest simmer, provide cooks with a unique advantage to yield professional results and effortlessly transform the mundane task of cooking into an enjoyable experience.

And while reliable, there are rare moments when something goes wrong. However, with the new DDS program in place, if problems arise with a Dacor appliance, there should be comfort knowing that someone is waiting to assist with resolving the issue quickly.

“ DURING A TIME WHEN CONSUMERS AND MANUFACTURERS ARE CONCERNED ABOUT HOW EVERY DOLLAR IS SPENT, WE ARE EXCITED TO LAUNCH A PROGRAM THAT WILL REDUCE COSTS AND SAVE TIME FOR EVERYONE. ”

—STEVE JOSEPH

THE DISTINCTIVE DETAILS

If a consumer has a problem with his or her appliance, and it is within the warranty period, they can call the Dacor DDS Center at 800.793.0093 ext. 2822 or visit www.dacor.com/DistinctiveService and use the convenient online form to send a message to the DDS Technical Service team. All consumers can expect a response swiftly.

A trained Dacor Technical Service Representative will talk the consumer through a few easy diagnostic tests to attempt to solve the issue and ease customer frustration. If the initial diagnostic determines replacement parts are required, Dacor will order and ship the necessary parts to the consumer’s authorized Dacor Servicer. When the Dacor Servicer receives the replacement part, they will contact the consumer to schedule an appointment, resolving the issue with one quick visit.

For more information on Dacor and its product line visit www.dacor.com, contact Customer Care at (800) 793-0093 or visit the Dacor Design & Culinary Centers in Los Angeles, Atlanta, Chicago or San Francisco. **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 Strenke 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

BRINGING BACK THOSE "HAPPY DAYS"!

The folks at Elmira Stove Works think happy days are just ahead...and their cheery line of Northstar retro-styled appliances certainly seems to reinforce that thinking. With bright bold colors, lots

of chrome, and lines reminiscent of the glory days of the "fabulous fifties", people can't help but crack a smile when they see the Northstar line.

"People are hearing gloom and doom in the papers, on TV and the radio, and from neighbors and coworkers," says Brian Hendrick, Vice-President of Elmira Stove Works. "Our appliances give them a chance to escape from that version of 'reality', back to a time when things were happier and more optimistic." Indeed, with colors like Candy Red, Flamingo Pink, Mint Green, Robin's Egg Blue and Buttercup Yellow – plus four other standard colors and an endless array of custom colors – Northstar appliances are anything but gloomy!

Northstar offers three models of ranges (all-electric, all-gas or dual fuel). Only the look is fifties – ranges feature professional features like infinite-control radiant elements, high output sealed gas burners, true convection self-cleaning ovens, dual halogen oven lights, an optional warming oven and programmable oven controls. Digital controls are cleverly hidden behind a fifties-styled analog clock.

Customers can choose from three models of ultra-cool refrigerators; from a compact eleven cubic foot apartment / bar model to an eighteen or nineteen cubic foot ENERGY STAR® rated modern (but retro-styled) auto-defrost full-size, full-feature model with optional ice maker. Add to that two models of range hood (recirculating or outside-vent), a handy combination microwave / convection oven / grill, three models of dishwasher panels and a color-matched splashback... and you've got a complete retro kitchen that rivals anything on the market for function, versatility and convenience.

"Northstar has taken off with people who want to make a personal style statement. It is popular with car restorers and memorabilia collectors. We're seeing them ordered for trendy garage renovations, retro kitchens, loft apartments, and others who just want a taste of nostalgia," adds Hendrick. "Although we intended Northstar as a retro line, it works extremely well in modern and contemporary kitchens too. The colors and lines are pleasant to look at... in almost any style of décor. And although the styling may seem trendy, the lines are timeless – this is not a product you'll get tired of seeing in your kitchen."

Not only are Elmira's products "cheery"; the company maintains a positive outlook for the future. "Despite the gloom and doom we keep hearing about, there are some very positive things going on out there," Hendrick reflects. "Interest rates are at an all-time low. Fuel prices are way down. Housing is more affordable than it's been in a decade. There seems to be a growing sense that the economy is going to come back in the not-so-distant future. We have almost no competition for our products. When people want unique appliances like ours – which they still do and will even more so when the economy rebounds as it always does – they'll come to us. And we'll be here ready to look after them with some great vintage-styled products."

Elmira Stove Works has been manufacturing vintage-styled ranges since 1975, and offers a full line of "circa-1850" ranges, refrigerators, microwaves and wall ovens. Elmira appliances are sold through dealers across North America. For more information or to become a dealer in your area visit ElmiraStoveWorks.com or call Elmira Stove Works at 800-295-8498. **RO**

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DISTRIBUTOR NEWS

DECORATIVE PLUMBING DISTRIBUTORS ANNOUNCES STEAMIST® SALES CONTEST WINNER: DECORATIVE PLUMBING SUPPLY

DECORATIVE PLUMBING DISTRIBUTORS

Diane and Jeff Steves, owners of Decorative Plumbing Supply in San Carlos, CA, received a \$500 award as the Grand Prize winners of a Steamist® sales incentive contest. The contest was co-sponsored by Steamist and Decorative Plumbing Distributors (DPD). The contest, which ran from July 2008 through December 2008, included cash rewards for every unit sold and a grand prize for the most units sold.

The philosophy behind the joint effort was to promote the category of steam systems for custom showers, reminding sales associates that adding steam to a sale is a win-win scenario for both associates and homeowners. A steam shower can increase home-resale value while a majority of the cost is already built into the cost of a shower enclosure.

An additional benefit of steam systems is water conservation. Incorporating a steam bath into one's daily shower routine can significantly reduce the amount of water washed down the drain. In fact, an average regular shower uses approximately two-and-a-half gallons of water per minute, while a 20-minute Steamist steam bath uses less than half a gallon. This means that a one-minute regular shower uses five times more water than a 20-minute steam bath. In addition, steam baths are conservative on energy and easy on electric bills, with a 20-minute steam bath costing an average of 25 cents.

"Whether in the morning or at night, taking a steam bath is an ideal way to reduce stress, soothe muscles, open pores, and increase circulation – all without any of the so-called 'green guilt' that many Americans experience in today's environmentally conscious world," states Jeff Carney, vice president of sales and marketing for Steamist. "Installing a steam bath in the home is a step towards luxury that homeowners can feel good about."

Based in Rutherford, N.J., Steamist offers a full line of residential steam bath and sauna products and systems, as well as a full commercial line of steambath steam generators, controls, and maintenance products. For more information, visit www.steamist.com.



Pictured (left to right) Ted Howell of Western Sales Company, Northern California Steamist Representatives; Diane and Jeff Steves, Decorative Plumbing Supply; and Eric Locke, Decorative Plumbing Distributors

DPD is a Steamist distributor who distributes mid- to high-end kitchen and bath fixtures. For more information, visit www.dpdonline.com.

Decorative Plumbing Supply, a showroom located at 1200 Industrial Rd. #5, San Carlos, CA, provides quality and elegance in plumbing fixtures, cabinetry, and accessories. For more information, visit www.decorativeplumbingsupply.com. **RO**



FOR MORE INFORMATION, PLEASE CONTACT YOUR LOCAL FULGOR DISTRIBUTOR. FOR MARKETS NOT LISTED, PLEASE CALL FULGOR AT 800.926.2032.

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MIELE VENTILATION HOODS RECEIVE TWO CONSUMERS DIGEST BEST BUY AWARDS

THE MIELE DA 408 AND DA 409 VENTILATION HOODS RECEIVE CONSUMERS DIGEST BEST BUY HONORS

Miele

Anything else is a compromise

Two Miele ventilation hoods were awarded the *Consumers Digest* Best Buy award. Both the DA 408 and DA 409 designer wall hoods impressed the panel with their front-mounted controls and dishwasher-safe metal filters. *Consumers Digest* also noted the new DA 424 V and DA 5000 D ventilation hoods for their highly innovative motorized functionality.

For over 48 years, people have trusted *Consumers Digest* magazine to identify outstanding values in a complex and often confusing marketplace. *Consumers Digest* defines a Best Buy as a product that offers outstanding value for its price and merits special attention from consumers. It is awarded to nationally available products that *Consumers Digest* considers to have a great value in the marketplace, and more than 60% of consumers trust the Best Buy seal when it comes to choosing appliances for their homes.

"We are honored to have not one, but two ventilation hoods in the Best Buy family," states Paul McCormack, Senior Marketing Manger for Miele, Inc. "We've always felt that our high standards of quality and performance add up to a great value for our customers. Plus our ventilation hoods offer clean, simple lines that are so beautiful – they feel more like commissioned art, than functional appliances. And this recognition from *Consumers Digest* validates our engineering, performance and 20 year life design standards."

DA 408 AND 409 DESIGNER WALL HOODS FEATURES:

- Designed for vented or recirculated use
- Front-mounted controls for lights and 4 fan speeds
- Delayed shutdown for 5 or 15 minute timed programs
- Automatic shut-off of intensive level, programmable for 10 minutes
- Integrated halogen lighting with dimmer function
- Removable, dishwasher-safe metal filters
- Programmable filter saturation timers
- Double-sided, single motor system moves up to 625 CFM
- Widths: 30" and 36" respectively
- Optional recirculation kit accessories available
- Optional chimney extension kits available
- Offered in over 200 RAL colors plus stainless steel
- Retail price: \$2,199 each

QUALITY TESTED TO LAST 20 YEARS

Every Miele ventilation hood offers excellent air extraction, optimizing a careful balance between air removal and energy efficiency. The advanced blower system builds longevity right into the design, while also sounding comfortably quiet. A special acoustic package works in conjunction with the latest in motor technology to ensure performance is not compromised. Miele-made electronics – Novotronics – ensure easy operation and a high standard of quality. **RO**



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ECONOMIC SURVEY REVEALS RESILIENCY

With gloom and doom predictions dominating the retail landscape, NARMS International decided to poll its members on how the current economic recession is affecting their specific business. In December, 2008, NARMS members answered nine questions designed to gauge how the difficulties being reported by retailers and manufacturers have impacted the number and types of at-retail merchandising and marketing programs being utilized. The member survey also gave a glimpse of how conditions might be shaping the possibilities for retail job opportunities in the near future.

A significant number of companies (48% of those responding) indicated that the number of projects their company executes has been negatively affected by the recession. However, 34% showed they had remained unaffected and 18% said that business has actually increased during the downturn. That means that an equally significant number of respondents (52%) are still perceived as adding value and/or providing additional value to stimulate sales and service in the marketplace.

A huge issue for members of the at-retail industry is cash flow. Since they perform sales building services at stores, these services can't simply be undone when payment is not received. There is a legitimate negative trickle-down effect going on with 49% saying they are having difficulty receiving payment of services rendered. Sixty-one percent of those said that they were more often getting paid 60-days after their terms indicate.

It appears the key to surviving and even thriving in a tough economy is innovation, creativity and service. Very few respondents (2%) said they have backed off on the service variety that they offer. Forty-three percent have actually changed their service mix to address the needs of struggling retailers and manufacturers.

Of course, adjustments have to be made. It is perhaps surprising to note that 41% report that they have kept their field workforce intact and 14% said it has actually increased. There are some members who are experiencing a downturn with 31% saying that they have decreased their workforce size and another 14% who anticipate a decrease.

The field management structures of our member companies mirror the field force with 55% remaining unchanged and 8% increasing field management. Twenty-nine percent reported a decrease and another 8% say they anticipate a decrease.

Management and headquarters also follow this path. Fifty-two percent have remained unchanged and six percent have increased staff. Thirty-two percent reported a decrease and another 10% anticipate a decrease.

But what about NARMS member's bottom line? We as an industry are definitely not coming out unscathed. Those who are reporting a decrease to their net profit total 52%. Only 14% are saying they will increase and another 34% are holding fast.

THE SUMMATION MESSAGE
OF THE NARMS ECONOMIC
SURVEY SEEMS TO BE THIS:

“TIMES ARE TOUGH,
BUT
WE ARE TOUGHER.”

The summation message of the NARMS Economic survey seems to be this: “Times are tough, but we are tougher.” NARMS members continue to invest in people, systems and infrastructure with only 20% indicating that their line credit has decreased while ten percent show they have increased. Taken as a whole, serious business challenges exist. The numbers say that members of NARMS International are up to the challenge.

NARMS' 511 member companies perform well over \$3 billion in merchandising services, sales marketing, event marketing, demonstration and other retail services annually. The international trade association serves as a “central gathering point” for the retailing industry; establishing and promoting industry standards; providing critical industry research studies and educational information about the industry while acting as a voice for its diverse membership of service providers, manufacturers, retailers and associates. NARMS represents all classes of trade including: grocery, mass, department, home and building centers, computer and office supply, electronic, value retailers, specialty and convenience retailers. Additional NARMS information is available at www.narms.com, including information about the upcoming 14th NARMS Spring Conference & Exposition at The Broadmoor in Colorado Springs, CO on April 4-7, 2009. **RO**



MAJOR HOME APPLIANCE INDUSTRY DOMESTIC SHIPMENTS*

NOVEMBER 22, 2008—THOUSANDS OF UNITS

PRODUCT	CURRENT MONTH			YEAR TO DATE		
	2008	2007	%CHG	2008	2007	%CHG
All Major Appliances	4,546.4	4,984.5	(8.8)%	62,853.1	68,829.9	(8.7)%
Cooking-Total	1,779.1	1,858.9	(4.3)%	17,553.6	19,240.2	(8.8)%
Electric Cooking - Total	432.0	486.2	(11.1)%	4,642.1	5,415.8	(14.3)%
Electric Ranges	334.4	375.0	(10.8)%	3,610.6	4,171.0	(13.4)%
Electric Ovens	61.8	71.9	(14.0)%	636.0	781.9	(18.7)%
Surface Cooking Units	35.8	39.3	(9.0)%	395.6	463.0	(14.6)%
Gas Cooking - Total	237.5	274.1	(13.4)%	2,563.4	3,006.6	(14.7)%
Gas Ranges	204.4	231.4	(11.7)%	2,165.8	2,504.8	(13.5)%
Gas Ovens	4.8	5.7	(16.4)%	41.5	48.6	(14.7)%
Surface Cooking Units	28.4	37.1	(23.4)%	356.1	453.2	(21.4)%
Microwave Ovens	1,109.6	1,098.6	1.0%	10,348.1	10,817.8	(4.3)%
Home Laundry - Total	1,120.0	1,148.8	(2.5)%	13,821.7	14,757.4	(6.3)%
Automatic Washers	604.8	621.5	(2.7)%	7,513.3	7,957.0	(5.6)%
Dryers - total	515.2	527.2	(2.3)%	6,308.4	6,800.5	(7.2)%
Electric	411.6	421.5	(2.3)%	5,086.5	5,426.9	(6.3)%
Gas	103.7	105.8	(2.0)%	1,221.8	1,373.5	(11.0)%
Kitchen Clean Up - Total	851.9	1,023.9	(16.8)%	10,543.5	12,239.7	(13.9)%
Disposers	395.7	493.1	(19.8)%	5,027.1	5,807.1	(13.4)%
Dishwashers - Total	450.6	523.5	(13.9)%	5,448.6	6,341.0	(14.1)%
Built-In	444.8	514.9	(13.6)%	5,366.2	6,243.6	(14.1)%
Portable	5.8	8.6	(32.4)%	82.4	97.4	(15.4)%
Compactors	5.6	7.3	(23.7)%	67.8	91.6	(26.0)%
Food Preservation - Total	778.7	867.4	(10.2)%	10,510.0	11,320.4	(7.2)%
Refrigerators	587.7	713.6	(17.6)%	8,596.5	9,510.9	(9.6)%
Freezers - Total	190.9	153.9	24.1%	1,913.5	1,809.5	5.8%
Chest	110.9	91.5	21.2%	1,134.5	1,083.0	4.8%
Upright	80.0	62.3	28.3%	779.0	726.4	7.2%
Home Comfort - Total	16.7	85.5	(80.5)%	10,424.2	11,272.2	(7.5)%
Room Air Conditioners	(9.4)	6.8	-	8,897.5	9,354.8	(4.9)%
Dehumidifiers	26.0	78.7	(66.9)%	1,526.7	1,917.4	(20.4)%
AHAM 6***	2,954.7	3,223.7	(8.3)%	36,234.2	39,925.1	(9.2)%

* Includes shipments for the U.S. market whether imported or domestically produced. Export shipments are NOT included

** For period of four weeks between Oct 26, 2008-Nov 22, 2008 vs Oct 28, 2007-Nov 24, 2007

*** AHAM 6 includes: Washers, Dryers, Dishwashers, Refrigerators, Freezers, Ranges and Ovens.

Includes revisions posted through 12/06/2008

RO

BY DEAN LANDERS—PRESIDENT, SERVICE USA

POSITIONING YOUR BUSINESS TO SELL

Our industry is aging! No kidding, right? All most of us have to do to see that this statement is true is look in the mirror. Everyone knows it but not everyone is doing something about it, especially business owners. The time to prepare your business for sale is not a year or six months before you sell. It starts years before. It includes keeping great customer records electronically which means it is absolutely essential to have a computer and a software system that tracks vital information such as customer name, address, phone numbers and service history. You also must monitor your inventory closely to keep it lean and current. Make sure you have clean financial reports (a profit & loss statement and balance sheet) covering many years of your business. Don't think that since you are now considering retiring next year you will put together one year's worth of information and magically find a buyer. Detailed records are a necessity if you intend to reap any degree of reward from your years of hard work. Those of us nearing retirement age are going to encounter potential buyers for our service businesses who are younger, usually more educated and much more computer savvy. They want real hard data to back up your claims of calls volume, customer records and the like. For these potential buyers to have to hire someone to sit in front of a computer and type in your customers data as well as rifle through boxes and boxes of records to confirm your claims, and all the other issues surrounding purchasing a company that is not up to speed with current standard business practices can severely reduce the amount of money someone is willing to pay you for your years of sweat. Professionalize your business now and it will serve you in planning toward the day you would like to retire. It is never too early and it is never too late. Don't wait!



these fires. It's evident that consumers are unaware that clothes dryer and dryer vent maintenance is necessary to keep dryers functioning properly and prevent dryer fires. The Consumer Product Safety Commission, (CPSC), and *Consumer Reports* confirm that dryer fires are a home safety issue and proper maintenance is key to keeping dryer functioning properly and preventing dryer fires.

I know some appliance service companies also offer dryer vent cleaning services to compliment their repair business. Some have told me of having achieved a decent amount of income from these side ventures. But for most of us, especially those living in medium to large metropolitan centers, the hassle of dealing with condominium and homeowner associations and the like, the lack of enough work to keep a truck busy consistently, maintaining the vent cleaning equipment, not to mention the liability issues involved have caused many of us to look for a company to refer this work to.

One company that has made a name for itself and is the only one I know of that has multiple locations (franchises) is Dryer Vent Wizard. Dryer Vent Wizard was founded by David Lavalle, (also founder of the Mr. Handyman franchise) in 2004 in Boston, Massachusetts. According to their web site the concept was created to meet the "urgent response" need of consumers who were dealing with clothes dryer venting problems (these problems were a result of dryer vent lint accumulation causing dryers to function inefficiently or not at all) and as a result of finding no one specializing in this type of work.

Dryer Vent Wizard franchise owners and technicians have specialized training, tools, and materials and they provide maintenance, inspection, cleaning, repairs, alterations and complete installation of dryer vent systems for residential and commercial customers. DVW technicians are trained to educate consumers about dryer maintenance and dryer fire prevention as much as they are trained to provide solutions to dryer vent problems.

One of our USA board members, Bob Dougherty purchased a DVW franchise in Long Island, NY within the last year.

For more information visit or to see if there is a location near you check out their web site www.dryerventwizard.com, call 866-498-7233 or call our friend Dayn Benson's direct line is 586-619-2160 x555. **RO**

DRYER VENT CLEANING

According to a recent dryer fire study conducted by the United States Fire Administration (USFA), on average, dryer fires account for approximately 15,000 structure fires, 15 deaths, 400 injuries and \$88 million in property damage annually. "Failure to clean" was cited as the leading cause of

iART PREPARES TO TRAIN THOUSANDS OF SERVICE TECHNICIANS IN AN EFFECTIVE STAINLESS STEEL REPAIR SYSTEM

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SCRATCH-B-GONE

The creators of Scratch-B-Gone have teamed up with a new training and certification company to begin training service providers around the world in the only industry recognized solution for scratched, discolored, rusted and scorched Stainless steel appliances, sinks, grills and more.

Barry Feinman, and Ron Ford have teamed up to bring the now proven and industry standard process for repairing Stainless steel to the world with the goal of training and certifying thousands of technicians, small business owners and service providers in the Scratch-B-Gone Stainless steel restoration system.

The Institute of Applied Restoration Technology, Inc. (iART) was launched in late 2008 to bring innovative surface restoration technologies to commercial, institutional and residential consumers by training and certifying a world-wide network of technicians in the art and science of surface restoration. iART's initial course and certification program is built around the Scratch-B-Gone technology, invented by Barry Feinman. The course, named 'Stainless Steel Restoration 1' contains all the knowledge and expertise Barry has accumulated developing this process.

For the past 5 years, Barry and Restore It Yourself, Inc. has been pioneering a new industry of Stainless steel restoration with a technology developed under the name of Scratch-B-Gone. "I don't have to tell you

how costly damage to Stainless steel surfaces can be to your company or your customers, draining hundreds of thousands of dollars a year for warranty returns, mark downs or other losses," Barry Feinman recently told a group of manufacturing executive in Mexico City. Scratch-B-Gone has been successfully used to reduce these losses by repairing and restoring Stainless steel surfaces to like-new condition, eliminating the need for replacements. Service providers and home owners alike regularly purchase the Scratch-B-Gone

Home Kits and Professional Kits from Restore It Yourself or our distributors and dealers for commercial and home use with great success.

iART's courses and certification programs are available through its main website at www.iartpros.com.

The Institute of Applied Restoration Technology, Inc. is an innovative company created to provide standardized training

and certification of metal refinishing and restoration technologies for Stainless steel, copper, brass and aluminum, or other hard surfaces to independent service technicians, service companies and OEMs. Additionally, iART provides systems and processes to facilitate referrals from consumers, OEMs and other businesses to iART Certified Technicians around the world.

For additional information, contact: gsemel@scratch-b-gone.com **RO**





WORLD MARKET CENTER LAS VEGAS

LAS VEGAS MARKET SPOTLIGHTS SUSTAINING & GAINING IN '09

ECO-FRIENDLY FURNISHINGS TAKE CENTER STAGE IN EXHIBITS, PROGRAMS

Eco-friendly home furnishings exhibits and complementary educational programs planned for the Winter Las Vegas Market (February 9 - 13) illustrate how simple—and stylish—reducing our carbon footprints can be.

The glass-enclosed Living Green Pavilion showroom, a popular attraction at Las Vegas Market, has moved to prime real estate on the World Market Center Las Vegas campus, Building B, Suite B-220, which will resemble a sustainable Shangri-La. From upholstery to case goods, bamboo products, accessories, lighting and bedding, the products at the Living Green Pavilion are diverse, earth-friendly and even affordable.

That's because consumers are buying responsibly now more than ever before. Earth preservation has hit the mainstream and is here to stay. And as interest and production increases, prices go down. It's a critical step in moving sustainable products out of "specialty niche" and into the greater marketplace, says Margaret Casey, Director of Programming for World Market Center Las Vegas.

"As consumer demand for this product rises, retailers have to be ready to meet demand," says Casey, who is also a board member with Sustainable Furnishings Council. "We're focusing on growing as a credible destination for sustainable and eco-friendly furniture and furnishings."

Jeff Hiller, a founding board member and current Marketing & Education chair of the Sustainable Furnishings Council, adds, "The creation and promotion of venues such

as the Living Green Pavilion at World Market Center Las Vegas' Las Vegas Market, the most successful of its type in residential furnishings, raises awareness and brings together a wide range of eco-friendly options to make the shopping experience infinitely easier. The strong performance of the Living Green Pavilion last July shows the Market is very much on track."

Ecologically mindful design is the way of the future. According to a 2008 consumer study, nearly half of consumers are very interested in global warming and have started doing what they can, primarily buying green products. Ordinary consumers are increasingly buying everyday items like recycled copier paper, compact fluorescent light bulbs, and green cleaning supplies.

Though in the past sustainable home furnishings options have been limited, that's changing rapidly. The Living Green Pavilion is proof of that, and it's being recognized across the globe.

"The Sustainable Furnishings Council very much appreciates World Market Center Las Vegas' commitment to doing more each Market in the way of promoting our industry's efforts to become more sustainable," says Susan Inglis, executive director at Sustainable Furnishings Council. "The growth of the Living Green Pavilion in spite of the economy has been impressive and we see more and more variety in what is being offered."

PROGRAMMING PROVIDES ECO CUES TO BUYERS, DESIGNERS

A variety of environmental education seminars are scheduled throughout Winter Las Vegas Market, such as "Ab Fab Nursery" with HGTV's Paige Rein, which focuses on earth-friendly nurseries; "California's New Composite Wood Regulations," with Angela Csondes from California

Air Resources Board and designer Dann Foley demonstrating how industry professionals can best keep pace with new products and sources. In addition, the Brave New World Environmental Leadership Series highlights education, trends and international influences in the sustainable home furnishings movement.

For a detailed listing featuring descriptions of the extensive green programming, including the Brave New World Series, visit www.lasvegasmarket.com/events to find the "Interactive events calendar." The calendar also features social events and exhibitor-sponsored events. For more information about the Sustainable Furnishings Council and related events, visit www.sustainablefurnishings.org.

ABOUT WORLD MARKET CENTER LAS VEGAS

World Market Center Las Vegas is an integrated home and hospitality contract furnishings showroom and trade complex in Las Vegas. With the opening of Building C, World Market Center now stands at more than five million square feet of space, exceeding the size of any trade merchandise mart in the United States. When fully built, at \$3 billion, 12 million square feet and 8 buildings, World Market Center will be the largest trade show complex in the world. The state-of-the-art campus showcases furniture, decorative accessories, gift, lighting, area rugs, home textile and related segments, as well as the Las Vegas Design Center (LVDC), open year-round.

SPRING AIR WILL PUT ITS MUSCLE BEHIND THE OFFICIAL IRONMAN® MATTRESS LINE



BEDDING LEADER WILL PRODUCE AND MARKET EXCLUSIVE MATTRESS LINE FOCUSING ON THE UNIQUE NEEDS OF ATHLETES

The Spring Air Company, one of the world's largest mattress manufacturing companies, today signed an exclusive licensing agreement with T3 Athletic Recovery Products to produce and market the official mattress of Ironman®. The new lineup will be showcased at the Winter Las Vegas Furniture Market in early February 2009 and will be available at leading retailers shortly thereafter.

"There is nutrition, apparel and several other consumer products dedicated to athletes—but bedding has yet to be among the branded products. We're excited to be able to bring a new offering to the market," said Spring Air acting CEO Steve Cumbow. "The Ironman lineup will utilize

technology designed to give Ironman athletes and active consumers alike the quick recovery needed to live vibrant and productive lives."

"Spring Air believes the official Ironman Mattress Series developed by T3 Athletic Recovery Products is a way to tap into a new market focusing on delivering the right type of support and recovery to more athletic consumers until now underserved by the bedding market," he added.

Dan Ederer, a founder of T3 Athletic Recovery Products said, "Anyone who has experienced an Ironman event, as a volunteer, spectator or athlete, recognizes the importance of rest and recovery. Now, there is a mattress designed for the everyday hero and the Ironman athlete. The Ironman T3 Athletic Recovery mattress is all about recovery."

Celebrating its 30th anniversary this year, the Ford Ironman World Championship in Hawaii features more than 1,700 of the world's fittest athletes attempting to earn the title of "Ironman." They range from 18 to 79 years of age and compete in the world-famous 140.6-mile odyssey: a 2.4-mile ocean swim, a 112-mile bike ride and a 26.2-mile marathon in a classic battle against the sweltering heat—and themselves. Ironman has become a lifestyle to millions around the globe, with athletes that demonstrate passion, courage and determination.

World Triathlon Corporation, owners and organizers of Ironman, is a Florida-based company recognized for athletic excellence, performance and quality products. With the addition of the Ironman 70.3 Series, Ironman now has more than 50 qualifying events worldwide. Supported by leading corporate partners, Ironman is the leading sports brand in the world. Ironman has been a respected name in triathlon since its inception 30 years ago and is regarded as the world's most challenging endurance event.

T3 Athletic Recovery Products was founded by a triathlete for all endurance athletes. The company is committed to making quality products that promote and enhance a true physical recovery and the restoration necessary after intense training.

T3, T3 Athletic Recovery Products, Complete the Cycle and T3 Athletic Recovery Mattress are trademarks of Sunrise Mattress Company, Inc. The Ironman logo is a trademark of the World Triathlon Corporation.

Founded in 1926, The Spring Air Company is one of the world's largest mattress manufacturing companies with more than 650 employees in nine company owned locations in the United States, and three domestic and 20 international licensee facilities with approximately 1,220 employees. Its well-known consumer brands include: Back Supporter Classic, Back Supporter Four Seasons, Nature's Rest and Chattam & Wells. **RO**

MONSTER'S ANNUAL CONCERT NIGHT—AND GIVING BACK

ULTIMATE ELECTRONICS AND P.C. RICHARD & SON WIN TOP PRIZES AT MONSTER'S ANNUAL RETAILER AWARDS AND CONCERT

Monster's annual Retailer Awards and Concert was the hot ticket for those attending CES 2009. The ballroom at the Paris Hotel was filled to capacity with four thousand guests attending the festivities in honor of the Most Monsterous Dealers of the Year Awards. A concert by superstar Diana Ross followed the awards presentations, during which winners received Monster Retailer Awards in a variety of categories. The top awards, "The Gold" and "The Global Gold," were presented respectively to Ultimate Electronics of Thornton, CO and P.C. Richard & Son of Farmingdale, NY.

Those nominated for awards were selected as the best Monster Retailers in their particular categories, standing out as among the highest achievers in growth, highest percentages of total Monster product sales, and dollars-

per-store sales. Each nominee reflects the highest standards of business procedure in today's retail environment. To win, however, retailers must also have done something "above and beyond" Monster's ordinary business processes. Winners were painstakingly chosen from among the selected nominees, with final decisions coming down to interviews with Monster reps, sales managers and trainers.

The Gold Award, bestowed on a single retailer from among all the "Most Monsterous" nominees and winners, is Monster's most prestigious presentation. It represents the Most Monsterous retailer in Monster's largest market, recognizing outstanding accomplishment throughout the year. The Global Gold Award winner is given to that retailer who demonstrated an extraordinary ability to implement Monster programs on a global basis. **RO**



SPECIAL RECOGNITION AWARDS

Audio/Video Independent Specialist Retailer

ADIR International/La Curacao — Los Angeles, CA
 Primetime Audio Video — Rockford, IL
 Sound Around, Inc. — Upper Montclair, NJ
 Stereo Advantage — Buffalo, NY
 Electronics & Appliance Retailer
 AAFES-Army/Air Force Exchange Service — Dallas, TX
 HH Gregg — Indianapolis, IN
 NEXCOM — Virginia Beach, VA

SILVER ACHIEVEMENT AWARDS

Audio/Video Independent Specialist Retailer

Bjorn's Audio Video — San Antonio, TX
 Howards Appliance — La Habra, CA
 Paulson's Audio & Video — Farmington Hills, MI
 Audio/Video Specialist Chain
 Myer-Emco — Gaithersburg, MD
 Electronics Expo — West Caldwell, NJ
 Sixth Avenue Electronics City — Springfield, NJ
 Electronics & Appliance Retailer
 ABC Warehouse, Inc. — Pontiac, MI
 Bernie's TV & Appliance Co. — Enfield, CT
 Brandsmart USA — Hollywood, FL
 Nebraska Furniture Mart — Omaha, NE
 RC Willey Home Furnishings — Salt Lake City, UT

MOST MONSTEROUS AWARDS

Most Monsterous Buyers of the Year

Al Warren — ABC Warehouse Inc.
 Bernard Paradis — Ameublements Tanguay Inc.
 Brian Miller — Nexcom
 Barry Goodolf — Boscov's
 Colin Cottrell — London Drugs Limited
 David Landino — Bernie's TV & Appliance Co.
 Jorge Pezat — Office Depot, Mexico
 Larry Correy — DSI Systems Inc.
 RJ Jirshkind — ADI/Honeywell Corporation
 Linda Walters — RC Willey Home Furnishings
 Maurice Pesant — Centre Hifi
 Mike Stevens — Nebraska Furniture Mart
 Richard Ash — Comet Group PLC
 Ruben Rodriguez — Office Depot, Mexico
 Ryan Kinsman — Soundsaround
 Scott Donaldson — East Hamilton Radio
 Sevan Cehreci — Sixth Avenue Electronics City
 Shai Shimcha — Electronic Expo
 Steve Kleinschmidt — Schaefer's
 Wayne Baas — P.C. Richard And Son

Most Monsterous Retail Salesperson

Ed Kasza — The Little Guys Glenwood, IL

Most Monsterous Car Audio/Video Retailer

California Custom Sounds — Englewood, OH

Most Monsterous Domestic Distributor

Capitol Sales Company, Inc. — Eagan, Mn

Most Monsterous Buying Group

Home Theater Specialist of America — Chester Springs, PA

Most Monsterous Audio/Video Independent Specialist Retailer

Schaefer's — Lincoln, NE

Most Monsterous Audio/Video Specialist Chain

Ultimate Electronics — Thornton, CO

Most Monsterous Electronics & Appliance Retailer

P.C. Richard And Son — Farmingdale, NY

Most Monsterous International Retailer

Harvey Norman Australia — Sidney, Australia

Gold Award

Ultimate Electronics — Thornton, CO

Global Gold Award

PC Richard And Son — Farmingdale, NY

thing in consumer technology. The session focused on three aspects of connecting to and experiencing “the cloud” - devices, services and connectivity. The panelists noted that the challenge facing manufactures, content and service providers is to provide consumers with a seamless process to connect and have access to their devices. Consumers want to have a personalized experience and are starting to demand quality over convenience.

During the afternoon CES keynote address Alan Mulally, president and CEO of Ford Motor Company, showcased the latest additions to the Sync infotainment and connectivity platform. Joining recent Sync additions, such as 911 Assist and Vehicle Health Report, were personalized traffic reporting and driving direction features. Mulally also unveiled Ford’s new concept of a totally configurable cockpit, developed in collaboration with Sharp, Microsoft, Sony and Nuance, and featuring SmartGauge with Eco Guide fuel economy capabilities.

DAY # 2

TECHNOLOGY’S ROLE IN ECONOMIC DEVELOPMENT AND INNOVATIVE TECHNOLOGIES ANCHOR DAY TWO OF THE 2009 INTERNATIONAL CES

Technology’s role in advancing economic development in emerging markets and predictions for the next big trends in technology were the focus of day two at the 2009 International CES®. Produced by the Consumer Electronics Association (CEA)®. Intel Chairman Craig Barrett delivered a keynote address on Friday, as part of the Technology and Emerging Countries Program (TEC) at CES. Prior to Barrett’s address a brief video was shown, produced by CEA and W3RA, detailing an initiative which collected and recycled 150,000 computers from seven states. The video led viewers through the entire donation and recycling process that ultimately created 150 jobs in the U.S. and resulted in 56,000 refurbished computers being shipped overseas.

During his keynote, Barrett discussed a number of technology initiatives that are key in advancing economic development in emerging regions: access to inexpensive technology, connectivity and content. Barrett, joined by Adam Levin of Maroon 5 and Counting Crows’ Adam Duritz, acknowledged initiatives such as Kiva.org, NetHope, Save the Children, the Greybird Foundation and Kids for Tomorrow for the work they have done to improve lives around the world through education, business development and health care.

After unveiling the third generation of the low-cost Classmate PC, Barrett announced the launch of www.SmallThingsChallenge.com, a campaign where Intel will donate five cents per click on the site toward educational access and economic development.

Following Barrett’s address was the TEC panel, “Reaching the Promise of Universal Access to Technology: Creating the Global Tech Ecosystem,” in which industry experts discussed the importance of technological innovation as a catalyst for advancement in developing countries. Moderated by Eric Nonacs, Managing Director for Global Affairs, Endeavour Financial Ltd., panelists Michael Fairbanks, Co-Founder, The SEVEN Fund; Kazi Islam, Chief Executive Officer, Grameen Solutions; William Kamkwamba, Inventor and Kentaro Toyama, Assistant Managing Director, Microsoft Research India, discussed ways in which current technologies and ongoing development can work to improve human and economic development worldwide.

John Chambers, Cisco Systems CEO, delivered the closing TEC keynote address. Chambers spoke passionately about the role technology can play in companies and countries. “Speed is the answer—the fast will always beat the slow, but you need a plan for where to go.” He outlined five key pillars of strength for a country—education; infrastructure; high-speed broadband to allow information to be shared; innovation and market transitions and a supportive government.

Chambers, along with Jim Grubb, | continued on page 42 |



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1. Industry members, media and general attendees fill the aisles of the 2009 International CES to see the latest innovations in home theater and home systems 2. Microsoft Program Manager Janet Galore demonstrates their new ultra thin, flexible monitor. 3. Where do you put the groceries?

chief demonstration officer, demonstrated Cisco's Health Telepresence product, which is still in development. Grubb was able to contact a doctor in Honduras who was able to take his vital statistics and deliver a diagnosis in Spanish and English, closing the divide between cultures.

Chambers and Grubb also provided demonstrations of the Linksys by Cisco Media Hub, which enables information to be managed in one place and devices to be connected to one platform, and the Linksys by Cisco Wireless Home Audio Devices, which allows consumers to enjoy their content from anywhere in their home.

Activision Publishing President and CEO Mike Griffith spoke of the growing and dynamic video game market during Friday's Industry Insider presentation. Griffith noted that the video game industry is capturing a larger share of the entertainment market by incorporating innovative story telling, social experiences and interactivity. Griffith, whose company publishes the popular Guitar Hero series, also mentioned how the convergence of video games and music has changed the music industry by spurring artist downloads and consumers' interest in playing real instruments. Video games will remain innovative and it's up to the industry to keep adapting, explained Griffith.

In Friday's International SuperSession, moderator Richard Waters, West Coast Editor, Financial Times, led a panel discussion with Ambassador Susan C. Schwab, United States Trade Representative; The Honorable Gaspar Tarte, Minister for Government Innovation, Panama; The Honorable Antonio Vega, Member, Chamber of Deputies, Mexico and The Honorable Konrad W. von Finckenstein, Chairman, Canadian Radio-television and Telecommunications Commission, focused on trade policy in the Western Hemisphere. The panelists unanimously agreed that in this current economic environment, trade is more important than ever and has the ability to lift us out of our current global crisis. Schwab encouraged members of Congress to pass the pending free trade agreements with Columbia, Panama and South Korea as part of any stimulus package.

Friday's SuperSession, "The Great Rewrite: How Digitization and Changing Consumer Behaviors are Revising the Entertainment Industry's Script," featured a panel discussion on data from Deloitte's "State of the Media Democracy Survey." Moderator Edward Moran, Deloitte's Director of Product Innovation, revealed survey results showing how consumers between the ages of 14 and 75 are interacting with media across five international markets: Brazil, Germany, Japan, the United Kingdom and the United States.

Industry leaders took part in the SuperSession, "Big Thinkers and Disruptive Technologies—Today's Thought Leaders, Tomorrow's Technologies," on Friday afternoon. Moderated by Tim Bajarin, President, Creative Strategies Inc., a panel of technology executives from Zoran Corporation, Sonic Solutions, SanDisk Corporation, Cisco and Ziff David Media discussed the technology trends that will revolutionize the consumer electronics industry.

DAY #3

TECHNOLOGY POLICY AND THE YEAR'S HOTTEST PRODUCTS HIGHLIGHT DAY THREE OF THE 2009 INTERNATIONAL CES

Candid insight from U.S. Federal Communications Commission (FCC) Chairman Kevin Martin and predictions for the year's hottest products were the highlights of Day Three at the 2009 International CES®.

FCC Chairman Kevin Martin joined CEA President and CEO Gary Shapiro for a one-on-one discussion addressing Chairman Martin's tenure at the FCC. The two discussed a variety of issues including the upcoming digital television transition. Martin said that Congress should clear up the accounting issues with the NTIA coupon system so additional coupons for converter boxes can be issued. He stated, "If the coupon problem can be fixed without changing the date, we should do that." Chairman Martin expressed concern that changing the date could cause consumer confusion because the industry and government have spent a considerable



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1. Truly an extra kick 2. LG's award winning steam washer and steam dryer 3. SONY Vaio display 4. Ford Motor Company President and CEO Alan Mulally

amount of time and energy on ensuring consumer awareness of the February 17 transition date.

For the second year in a row, Eye-Fi claimed the prize in the ninth annual Last Gadget Standing SuperSession sponsored by NetShelter. This fast-paced session featured live demos from Eye-Fi, Bug Labs, ClickFree, HeartMath, Pure Digital, LiveScribe, MSI, Motorola, T-Mobile and WowWee. Winning the audience vote, the Eye-Fi video card allows users to wirelessly upload videos, and even share videos in real time, over the Internet. Winning the online vote at www.lastgadgetstanding.com was the emWave Personal Stress Reliever by HeartMath, a portable biofeedback tool that lets users learn to manage their response to stress.

2009 INTERNATIONAL CES ELECTRIFIES AND ELICITS OPTIMISM FOR GLOBAL ECONOMY

More than 2,700 global companies, including 300 new exhibitors, unveiled an estimated 20,000 new technology products across 1.7 million net square feet of exhibit space this week at the world's largest consumer technology tradeshow, electrifying the technology industry and helping lead the way to economic recovery. New trends unveiled at the 2009 CES will shape the future of consumer electronics, including 3D HDTV, advances in OLED, green technologies, Internet TV and digital entertainment. Produced by the Consumer Electronics Association (CEA)[®], the 2009 International CES[®] ran January 8-11, in Las Vegas, Nevada.

"Despite a subdued economy, excitement exuded from the International CES show floor, with the sheer volume of innovative products, the quantity of senior level executives from the consumer technology and related industries, the international participation from companies and government officials and the partnerships and deals at the show," said Gary Shapiro, president and CEO, CEA. "More consumer technology business deals start at the International CES than any other event on earth. The success of the 2009 International CES gives us optimism that innovation will restart the world's economic engine."

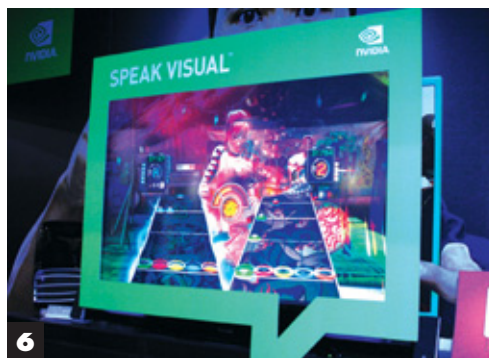
"The level of excitement on the CES show floor was at an all-time high with ground-breaking technologies such as the Palm Pre, Sony's flexible OLED display, 3D HDTV, Yahoo!'s TV Widget, LG's Watch Phone and a 1/3 inch thin energy efficient Plasma HDTV from Panasonic," said Karen Chupka, senior vice president, events and conferences, CEA. "Microsoft's Steve Ballmer announced Windows 7 Beta at his pre-CES keynote and the download response was so high, it overloaded their systems."

"The 2009 CES was very successful for Sharp, because the show's attendees, while fewer in total number, were the people that we really wanted to talk to," said Judah Zeigler, Associate Vice President, Retail, and Consumer Marketing Group, Sharp. "When you have fewer people to the show, but they're the right people who want and are capable of doing real business, everybody wins and the 2009 CES delivered." "This CES has had the most CEOs in attendance since I can remember and they are on the show floor. If you are not here at CES you are not in this industry," said Randy Fry, president of Fry's Electronics.

At its meeting on the third day of CES, the 45 members of the CEA Board of Industry Leaders, which includes top executives from large and small manufacturers and retailers, reported to CEA staff that the 2009 International CES succeeded beyond all expectations and that CEA should strive to restrict future attendance to 2009 attendance levels.

"Our board concluded that it is essential to have the right people attend CES. Board members reported getting more business done this year than at any prior show. One board member reported his company scheduled 450 customer meetings prior to CES and every one of those 450 meetings took place at the show. Quality trumps quantity when it comes to exhibitors and attendees conducting business at CES," said Shapiro. "CEA's research shows that on average, each CES attendee holds 12 meetings at the show, making CES a smart, strategic and economical business decision."

For the news and product announcements from the 2009 International CES, visit www.CESweb.org. **RO**



4. Gary Shapiro, president and CEO of CEA, delivers the day one keynote address at the 2009 International CES Thursday in Las Vegas, Nevada 5. New Sharper Image licensed product 6. Nvidia 3D

THE NKBA & FCCLA EDUCATE 220,000 TEENAGERS ABOUT KITCHEN & BATH CAREERS

NATIONAL KITCHEN & BATH ASSOCIATION SPONSORS FCCLA INTERIOR DESIGN STAR EVENT



National Kitchen & Bath Association (NKBA) announced its sponsorship of this year's FCCLA Interior Design Star Event, a design competition for students hosted by Family, Career and Community Leaders of America (FCCLA), a national student organization with over 220,000 teenage members.

To promote the event and future careers in the industry, NKBA Academic Relations Coordinator Sally Spencer presented Careers in Kitchen and Bath at FCCLA's regional conferences in Dallas and Jacksonville. More than 7,000 FCCLA chapter advisors will receive the video Careers in Kitchen and Bath to inform their students about the many lucrative, rewarding careers in the kitchen and bath industry.

"The NKBA is proud to sponsor the FCCLA Interior Design Star Event," said Spencer. "I was pleased to have the opportunity to address America's future interior designers to encourage them to participate in the event and to let them know about the benefits of pursuing rewarding careers in kitchen and bath design."

This year's Star Event asks students to design and furnish three specific rooms: a home office, music room, and dining/living room. Students will prepare a file folder, an oral presentation, and visual documentation for their clients, a retired music teacher and her adult son. Students must adhere to the NKBA Seating and Traffic Standards, which ensure proper planning when designing residential spaces. The National Kitchen & Bath Association will provide local NKBA-certified members to serve as area judges for the state competitions held in March.


"We're honored to have the National Kitchen & Bath Association take part in this year's FCCLA Interior Design Star Event and we were happy to have Sally

speak on behalf of the NKBA at our National Cluster Meetings in Texas and Florida," said Bana Q. Yahnke, MA, CMP, Director of Marketing and Membership for FCCLA.

The NKBA hopes that the sponsorship of this year's Star Event Interior Design competition will give students a greater awareness of careers in the kitchen and bath industry, as well as colleges and universities with NKBA-accredited kitchen and bath design programs, while also helping students learn to design using the NKBA Planning Guidelines. Visit the NKBA Student Center at NKBA.org/Students for more information about this exciting opportunity.

ABOUT THE FAMILY, CAREER, AND COMMUNITY LEADERS OF AMERICA

FCCLA: The Ultimate Leadership Experience is a dynamic and effective national student organization that helps young men and women become leaders and address important personal, family, work, and societal issues through Family and Consumer Sciences Education. FCCLA has more than 220,000 members and nearly 7,000 chapters from 50 state associations and the District of Columbia, Puerto Rico, and the Virgin Islands. The organization has involved more than ten million youth since its founding in 1945.

Family, Career and Community Leaders of America is unique among youth organizations because its programs are planned and run by student members. It is the only Career and Technical Student Organization with the family as its central focus. Participation in national programs and chapter activities helps members become strong leaders in their families, careers, and communities. For more information, visit www.FCCLA.com. 

THE NATIONAL KITCHEN & BATH ASSOCIATION ANNOUNCES THE 2009 KITCHEN/BATH INDUSTRY SHOW

With nearly a half-million square feet of planned exhibit space, the 2009 Kitchen/Bath Industry Show & Conference in Atlanta will provide the biggest weekend of events in the kitchen and bath industry. The show will enable attendees to strengthen their businesses in 2009 by learning about the latest products, business trends, and design ideas, while networking with other kitchen and bath professionals.

Taking place from April 30 to May 3 at the Georgia World Congress Center, K/BIS will be held in Atlanta for the first time in more than a decade. The show and conference had previously outgrown the convention center, but with the facility's expansion in 2003, the Georgia World Congress Center is now one of only four convention centers in the United States large enough to host K/BIS. Hundreds of exhibitors will show their latest products at K/BIS this year, allowing attendees to be among the first to see the latest trends for 2009.

CELEBRITY PRESENTATIONS

In addition to the excitement of the show floor, K/BIS also boasts the largest collection of kitchen and bath courses and conference sessions of any event in the world. This year, there will be more television celebrities on hand to speak to K/BIS attendees than ever before.

Take inspiration from Extreme Makeover Home Edition carpenter Paul DiMeo and This Old House's plumbing expert Richard Trethewey and designer Carol Freehauf, as they present the latest kitchen and bath trends. John Gidding of HGTV's *Designed to Sell* will discuss design and inspiration, while Food Network's Aida Mollenkamp will offer food preparation tips, equipment, and tools advice for a top-functioning kitchen.

In addition, former *The Young and the Restless* star Steve Ford, son of former President Gerald Ford, will talk about maintaining your character in business, and Terry Savage, one of the country's top economists, will

provide practical tactics for business owners. Headlining the K/BIS speakers in 2009 with the opening keynote will be former Arkansas governor and Republican presidential candidate, Mike Huckabee.

SPECIAL EVENTS

NKBA Center Stage, held right on the show floor, will feature many other engaging design and business speakers who will teach attendees about energy-efficient lighting, multi-generational design, the truth about granite and radon, secrets of a great kitchen, and how to identify your best customers. The NKBA will also host dozens of professional development courses for designers and other industry professionals before, during, and after the show.

K/BIS REGISTRATION IS OPEN!

You can now register online for K/BIS 2009, which will be held from April 30 to May 3 in Atlanta. Come to the Georgia World Congress Center for the biggest weekend of events in the kitchen and bath industry.

See the newest products, network with potential business partners, and learn the latest business and design trends—all of which will help to strengthen your business.

Register now for events that will cover topics including the truth on granite and radon, creative and efficient lighting, multi-generational design, motivated selling, profitability in a puzzling economy, and creating a thriving professional blueprint. Give yourself exposure and access to the latest kitchen and bathroom trends.

Learn not only survival, but business success, regardless of which segment of the kitchen and bath industry you're in. Take this opportunity to network and benefit from the insight and hard-won knowledge of some of the country's most gifted speakers and industry leaders.

To register for K/BIS, visit www.kbis.com today. **RO**



BRANDSOURCE EXPANDS COMMITMENT TO IN-STORE SALES TRAINING



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BrandSource is expanding the training services provided to its members. Six years ago BrandSource initially developed a national training network specifically to train members to sell extended service plans. Sales of extended service plans more than tripled due to the in-store sales training program.

Two years later, BrandSource began training member stores on selling the BrandSource private label credit card, which provides consumers with 0% interest purchases, allowing consumers more credit freedom. The sales results of the BrandSource Card program continue to show substantial increases, even in a time when credit is difficult to come by.

In 2009, the BrandSource training network has added Samsung major appliances to its list of in-store sales training programs.

BrandSource offers Samsung major appliances to its members through the BrandSource Expert Warehouse program, which includes several lines of consumer electronics products. BrandSource members purchase the appliances at highly competitive costs, and with the new in-store sales training program,

BrandSource members will be able to highlight the exclusive benefits offered on Samsung major appliances.

BrandSource brings these services to all group members, with in-store sales training programs, which are in addition to the World Class Sales Training program available to all members.

In-store sales training scores high with group members. As sales training expert Gary Chaves says, "You can train someone to swing a golf club by watching a video, but you can't really improve their overall performance without in-person, hands on training. The same is true with sales training techniques."

BrandSource provides that in-store hands on training with seven regional National Market Managers, who offer field support to the BrandSource and Home Entertainment Source Region Managers.

As economic conditions continue to be challenging, those retailers who are better trained will be the winners. That is the goal of BrandSource training, to produce more retail winners. **RO**

advancements, the RFG299 French Door Refrigerator features smart engineering elements that combine to create an ideal refrigerator solution. For example, the fridge's interior LED lighting is extremely bright and Samsung's EZ-Open™ Handle allows easy opening of freezer doors, eliminating the need to strain. The attractive-styled exterior door handles, hidden hinges and stainless steel finish will also add a touch of hi-end taste to any kitchen.

WF448 FRONT-LOADING WASHER

Not to be outdone by its home appliance siblings, the Samsung 448 front-loading washer line is the first to offer an extra large capacity of 4.5 cu. ft., which can result in fewer loads. Utilizing Samsung's VRT™ technology, the front-loading washer line significantly reduces the noise and vibration commonly associated with other front-loading washers, making it the quietest washer at top spin speeds currently available. This allows the washer to be set up and used in more convenient, easily-accessible locations, or in compact living areas without being a distraction.

The 448 line also offers a steam cycle available on the

front-loading washer along with the option to add steam to conventional cycles, plus select Steam Refresh and Odor Removal in the dryer. There's also gentler fabric care abilities made possible by Diamond Drum, a diamond-shaped washing surface with smaller drain holes, helping to prolong the life of delicate and fragile clothing by reducing fabric snags. The 448 line also features a 1300 RPM maximum spin speed and Samsung's SilverCare™ cycle option, which is an uncompromising solution for washing delicates and colors. The SilverCare™ feature also saves 92 percent on energy when compared to hot water sanitization, resulting in a home appliance that's much more environment-friendly.

Offered in a Stainless Platinum finger print-free true metallic finish and traditional Neat White, the Samsung 448 line is much more than your average collection of home appliances - they are indeed fashion statements. Both the RFG299 and WF448 are just part of Samsung's entire line of kitchen appliances, which also include ranges, over-the-range microwave ovens, and dishwashers. For more information please visit: www.samsung.com/homeappliances. **RO**

Bring the Industry's Top Buyers to Your Showrooms

Sponsor the NKBA's Advanced Appliance Course*

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.
- Opportunity to promote your products' benefits in your showrooms
- Complimentary course registration for up to 12 employees
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NEW NATIONWIDE DESIGN CENTER

TOOLBOX OF SOLUTIONS TO BUILD YOUR STORE BRAND

Nationwide Marketing Group (NMG) has re-tooled the Nationwide Design Center with new fixture concepts, store enhancement ideas and an expanded range of services to help dealers build their store brands in 2009.

“A challenging economic climate, coupled with ever evolving product technologies, has made the need for compelling store environments of paramount importance to the independent retailer and RTO dealer,” said Ed Kelly, President of Nationwide Marketing Group.

Under the direction of Albert Turick, Nationwide Design Center has opened a new toolbox of brand building solutions for every budget and creative challenge. Turick brings 30 years of experience creating leading edge store environments for some of the world’s top brands in both the U.S. and overseas markets. Turick is familiar with the challenges, both creative and budgetary, facing independent retail dealers and will assist dealers in the creation of world-class store environments customized to fit every style and every budget.

“I am pleased to be working with NMG on this exciting new venture. I look forward to incorporating some of the tricks of the trade that I’ve applied to fixture programs and selling environments for such brands as Sprint/Nextel, Lazy Boy, Ashley Furniture, Calvin Klein, Home Depot, Lowe’s, and dozens more,” said Turick.

NATIONWIDE DESIGN CENTER MEASURES UP

At PrimeTime! in March, the New Nationwide Design Center will be launching NuBeam, an innovative idea in display fixture systems. The NuBeam system is the newest cutting edge design concept from Nationwide Marketing Group’s New Design Center. NuBeam is flexible in style, easy to install and very affordable.

“The Design Center has responded to the needs of independent retailers to engage consumers and build brand loyalty with their core customers,” said Turick. “NuBeam is one of the many cost effective display solutions we will be introducing at PrimeTime! along with brand new services that will help dealers create more compelling store environments with minimal investment.”

NuBeam Display Fixtures are designed to showcase TV, home entertainment, gaming systems, computers, accessories

and a stylish centerpiece for any store. NuBeam is tailored to each member’s specific needs so no two designs are ever the same. Using NuBeam, a dealer can easily create a single “Virtual Greeter” kiosk, a full-length wall display or perhaps a curved, translucent standing wall for an intimate home theatre setting.

NATIONWIDE DESIGN CENTER TOOLBOX OF SOLUTIONS

Nail down the details: Graphic Enhancement

Invigorate the look of a store with NuBeam’s visual enhancements designed to adapt to flat wall fixtures and other surfaces. Appreciate core customers by adding style cues that reflect regional and ethnic preferences. These low cost enhancements will bring new attention to key items or special promotions, help define merchandise categories and create a fresh new look throughout the store that will catch customers’ attention.

SQUEEZE A FEW PENNIES: CUSTOMIZED PROMOTION

New concepts like NuBeam and in store promotional items such as window signage, ceiling banners, POP signage, hang tags and more can be easily customized with brand images and promotional messaging at a surprisingly affordable cost. Create a “contract conducive” environment for upscale consumers with a store that says “great style on any budget” with the NuBeam system.

TIGHTEN YOUR IMAGE: BRAND DEVELOPMENT

Brand image defines a business to consumers. Fill a store with “unique to your brand” promotional ideas, logos, store design, visual merchandising style, web site, collateral materials and advertising messages with an identity package that inspires consumer confidence and builds brand loyalty. The Nationwide Design Center can help establish or re-shape your brand as the leading force in your market, with coordinated brand image packages.

RATCHET UP YOUR LOOK: STORE DESIGN AND PLANNING

The Nationwide Design Center has assembled the resources that independent retailers can rely upon including talented designers, proven vendor partners, innovative products and experienced marketing professionals. | *continued on page 63* |



BUILD YOUR BRAND.

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The NuBeam Display System™ is the sharpest new tool in our box. Create the look of your store easily and economically, with changeable color panels, stunning graphics and all of the display tools that you'll need at a very affordable price.

Tighten Your Image.

MemberNet TV will tell your story and wow your customers with spectacular HD imagery on every screen in your store. Add a slim, NuBeam TV Kiosk, and MemberNet TV becomes a Virtual Greeter or Brand Billboard right at your front door.



Measure up.

Our store design team will help build your brand one store at a time or develop a streamlined concept for multi store roll out. A tool box for your vanilla box.

Nail down the details.

The Nationwide Design Center is a resource that RentDirect Members can rely upon. Talented designers, proven vendor partners, and experienced marketing professionals are here to help you create your store environment and define the details your brand.

NationwideRent Direct
James McAlpine
336 722 4681
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Nationwide Design Center
Albert Turick
336 722 4681
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WE'VE GOT THE TOOLS.



COMING EVENTS

CALENDAR 2009

FEBRUARY-2009

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

MARCH-2009

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

APRIL-2009

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

JUNE-2009

- 2-4CONNECTIONS™: The Digital Living Conference and Showcase—
Santa Clara Convention Center, Santa Clara, CA
10-12.....Digital Downtown— World Financial Center, New York, NY
17-19PCBC—Moscone Center, San Francisco, CA
-

AUGUST-2009

- 16-19Nationwide Primetime—Walt Disney World Dolphin, Orlando, FL
30-Sept.3.....Brand Source Convention —Paris Hotel, Las Vegas, NV
-

SEPTEMBER-2009

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

OCTOBER-2009

- 17-20High Point Furniture Market— High Point NC
18-212009 CEA Industry Forum—Phoenix, AZ

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IS MONEY A MOTIVATOR? NO!

The economy is in a dismal state not only in the United States but throughout the world. As companies downsize and freeze salaries in order to survive, they are faced with a crucial question: How do you motivate employees without having to spend money?

My answer is this: Recognize them. Recognition is the most powerful tool you have—and it costs you nothing. We all have a basic need to feel valued and important, to feel that what we do is appreciated and noticed. The more you recognize your employees' efforts, the more productive and loyal they will be.

Most executives think only money or fringe benefits will motivate employees, but I would bet you could double the money and benefits you give your employees and you wouldn't see their performance increase even 1 percent. Money is not a prime motivator. Sure, we all like to be paid for our efforts, but studies show that 'more money' is ranked anywhere from third to tenth as employee motivators. Most people underestimate the power of recognition and, yet, it's something we all want, even crave. And we don't want it once a month or once a year; we want it every day. Too often, however, the only time most employees get any attention is when they make a mistake.

If you want to motivate your employees—and, at the same time increase their self-confidence—take these four steps:

BE SINCERE.

If you spew forth compliments to anyone and everyone, regardless of whether or not they deserve it, none of your employees will take you seriously. When you praise indiscriminately, you lessen the impact of that praise.

BE TIMELY.

If recognition is not timely, it will have little or no impact. If you wait a month to recognize Bob for the report he prepared for you, it will be meaningless. During that month, his feelings probably moved from disappointment to frustration to resentment. "I worked like a dog, including an entire weekend on my own time, to complete that report and to ensure it was perfect," Bob might think, "and I didn't even get a 'thank you.' I'll never do that again."

BE SPECIFIC.

Merely saying, "Thanks for a good job," isn't enough. Set

the stage. If Suzanne had record appliance sales for the month, mention the actual sales figure and maybe even compare it to the record she broke.

BE PUBLIC.

A word of praise in private is nice; a word of praise in public is powerful. When you recognize employees in front of their coworkers and supervisors, it does much to motivate them and build their self-confidence, which will in turn result in even better performance. A byproduct of public praise is that it motivates other employees to do well so they can earn their own time in the spotlight.

While verbal recognition is great, written recognition can be even more powerful. Write a letter to a deserving employee—and then copy it to her supervisor and manager. Feature that employee in the company newsletter. Think back to a letter of recognition you might have received from a top executive—I bet you still have it. We don't throw those letters away; we save them as validation of our efforts and performance.

Another way to recognize employees is to train them. When you do—especially with programs that focus on building customer service, self-confidence and self-esteem—you let employees know that you care about them. And, when they get that message, they will go above and beyond the call of duty to increase their performance and to show you they are worthy of the value you place on them. **RO**

An international service strategist and speaker, John Tschohl also is the founder and president of the Service Quality Institute in Minneapolis, Minnesota. Described by USA Today, Time and Entrepreneur magazines as a customer service guru, he has written several books on customer service, including Achieving Excellence Through Customer Service, e-Service, Loyal for Life, The Customer is Boss, and Ca\$hing In: Make More Money, Get a Promotion, Love Your Job. The Service Quality Institute has developed more than 26 customer-service training programs that have been distributed and presented throughout the world. John's bimonthly strategic newsletter is available online at no charge. www.customer-service.com Email John@servicequality.com Phone 800-548-0538



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MARKETING: THE NEXT FRONTIER IN RETAILING

In what seems like a blink, Americans have morphed from almost reckless spending to reluctant buyers. Retailers will have to work hard to capture a bigger share of the shrinking pie.

Very few independent dealers have a consistent, powerful marketing plan. I'm not sure if it's the basic nature of the beast—perhaps having been home grown from garage to showroom—or the heat of the marketplace that has enabled them to grow organically. Until now, many independents have relied on limited advertising budgets, word-of-mouth and referrals to bring them new customers.

As the landscape changes, though, you'll need to work harder to get your name out and customers in. New home construction may not grow for several years. Business is tough and customers will carefully choose how and where to spend their money.

Chances are that in the near term, you'll be doing more replacement and remodeling business than new-home installations. The way you take your message directly to consumers is different than how you've been approaching architects, designers and contractors. Both the message and the media need to be distinctive.

Just like prospecting the trade at design centers or home builder association meetings, you need to meet consumers where they are—in malls, on TV, on the Internet, in their mailboxes, in your showroom and in their homes.

Marketing creates top-of-mind awareness so that customers in the market for the products and services you offer think of you first. If you don't have one yet, the first step in marketing is to create a budget. How much are you going to invest in bringing new business into your company? You need to be sure that you have an ongoing promotional effort so that you always have business in the pipeline. Since you never know just when customers may decide to buy or upgrade electronics or appliances, you need to keep your name in front of them at all times.

Showroom. A clean, well-designed showroom is your best marketing tool. Prospects can see that you've made an investment and that you're in business for the long haul. They can see that your product offering is as wide as they'd find in a box store.

Event marketing. Host wine and cheese parties in your showroom and invite your previous customers to bring their friends and neighbors. Offer to give home theater clinics to civic groups, networking organizations and even book clubs. Don't forget the power of the private sale.

Home shows and state fairs. Prospects considering any

kind of remodeling look for ideas at these venues. You'll be able to see a wide variety of consumers in a few days. You'll get your name out and fill your pipeline.

Social networking. Facebook, Twitter and a host of other sites attract a growing group of young, sophisticated customers. At Facebook's What I Want, for example, fans can look for products, set up gift registries, review products and recommend them to their friends. Set up a business page on these sites and get your customers to rave about the products and services they bought from you.

Testimonials. After installation, ask your customers to write a short recommendation about the service they received and the fun they're having with their new kitchens or home theaters.

Previous customers. I installed my home theater system nearly ten years ago when I moved into my home. Since then, flat screens have replaced the giant tube set in my media room and whole home distribution has moved way past what I have. Yet, with all the new technologies, my installer has never contacted me to upgrade my now antique system. He's a great guy, still in business, but mired in the cool big new projects that have kept his crews busy for the past few years. As business slows, though, I hope he looks back at others like me to see if they want upgrades.

Internet. Statistics continue to prove that a huge majority of consumers research consumer electronics products before buying them. If you don't have a great website to draw prospects to your business, they'll be lured by someone who does. Monthly or quarterly e-newsletters will remind your customers and prospects of the cool new products you sell. Whether it's replacing a broken washer or just upgrading their electronics in advance of February's DTV transition, constant contact will ensure that your company stays at the top of your customer's mind.

In the past few years, great customer service has enabled independent dealers to grow their businesses. The next growth curve will be fueled by marketing. Those who make the most noise will attract the most customers. **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.*



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IS CUSTOMER SERVICE MAKING A COMEBACK?

BUILD

Is it me, or is customer service actually beginning to improve?

For decades, customer service—especially at large companies—has been steadily declining and causing untold frustration among consumers. Some stories have become legendary. Consumers struggled with uncaring, incompetent or just plain mean customer service reps—if they were lucky enough to get an actual human being—at computer companies, cell phone service providers or other notorious industries.

But I've had some experiences lately that might indicate the trend is reversing, and that has huge implications in the world of branding and marketing.

A couple months ago, I noticed some mystery charges on my cell phone bill. I think I had inadvertently signed up to get some inspirational text messages or some other superfluous service, and I was being charged an extra \$10 per month.

With low expectations, I called AT&T to get the problem solved, and I was pleasantly surprised. The customer service rep was helpful and responsive. Instead of directing me to some Web site or to a third party, he took the time to dig into the problem to see what was happening, and he eliminated the offending charges. This took less than 20 minutes of my time. Service like this, at a cell phone service provider of all things, was unheard of not long ago.

Then, shortly after Christmas, my wife and I were watching a movie we rented through Blockbuster's By Mail service. The DVD was scratched and unwatchable. This had happened several times in recent months and I was annoyed.

I promptly fired off an angry e-mail to Blockbuster to convey my displeasure. Less than 24 hours later, on a Saturday during a holiday weekend, I received an apologetic reply and coupons for two free rentals. Blockbuster's Web site made it easy to contact Customer Service, who took swift action to satisfy a disgruntled customer.

I don't know if these two examples are anomalies, or indicative of a larger trend. But I do think they reflect how companies should be doing business in 2009. Things are tough these days, and customers are hard to come by. Perhaps these huge corporations—not necessarily known for the customer service excellence—recognize the need to hang onto the customers they have.

What does this have to do with marketing and branding? A brand is more than logos and advertisements. The strength of a brand is affected by people's perceptions, which are

partially affected by people's experiences. The more positive experiences consumers have with a brand, the stronger a brand is.

Customer service is becoming an important way to differentiate yourself from the competition. People are tired of buying from places that make them angry, and with the economy slumping, they're more likely to find someone else or even do without if they can't get satisfaction. They don't need many excuses to reduce their spending.

The good news is that as small businesses, you likely already know the value of great customer service. It keeps people coming back. It causes people to tell their friends. One good experience leads to another, and soon you have a loyal customer base. And it was an easy way to fight the giant, monolithic stores with their discount prices and adolescent sales staffs.

The bad news is that the monoliths are catching on. If my AT&T and Blockbuster experiences are any indicator, big companies are starting to recognize that making a customer happy will help them survive while we wait out this recession.

Your challenge in 2009 is to up the ante in customer service. If your customer service is good now, do what you can to make it really good. Then make it great. Do more than they expect. Do that little something extra.

If there is an issue with a product you sold them, go the extra mile to see that the problem is fixed. Keep in contact with customers after the sale. Make sure they are enjoying their products or see if they have any questions. Make it easy for them to contact you if they have any questions or concerns.

Of course, continuing a strong, aggressive marketing program is important, but it will be even more effective if it's built on a foundation of great customer satisfaction and loyalty. By continually providing positive experiences for all your customers, you will keep them as customers, and they will help you spread the word. This will provide great exposure for your brand and make it stronger. **RO**

Christopher Thiede owns BUILD Communications, a branding and PR firm. Read Christopher's blog at www.ideas2cheer.com.



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THE RETAIL ENVIRONMENT

Over fourteen years ago I embarked on a journey with an uncertain future. As an independent contractor I was providing store planning and design service to independent dealers of a well respected appliance manufacturer. Every year I would submit the request to extend my contract never knowing if it would be approved or not. During my tenure I've seen and overcome many obstacles. Now with the country in a recession unlike anything I have ever seen in my lifetime, many manufacturers are being faced with tough decisions. In an effort to remain viable costs are being trimmed across the board from personnel to everyday operating expenses to value add services such as mine. Yes, independent and national retailers are also being faced with similar tough decisions. Over the next few years many retailers who survive these tough economic times will most likely be operating their companies differently than they ever could have imagined. With all the change ahead one thing will remain constant; the importance of having a warm, friendly and professional retail environment.

Many retailers are working harder than ever to get much needed foot traffic through the doors. Now it becomes even more important to visually communicate your professional-ism to the customer. I know when times are tough spending money to improve your stores appearance can be low in priority with many, but people will judge the book by its cover. It is for that very reason you should be making sure that you look like the professional you are.

Take a survey of your space or better still invite a few friends over to give you their thoughts and impressions of your store. It may be as simple as doing general house cleaning which may include removing old P.O.P. material from the walls and floors. So many times when I enter a store I become overwhelmed with T.M.I. or too much information. When money is tight paint can be a very inexpensive option. Splash a little color on the walls to give life and vitality to your space. People react to color both physiologically and psychologically. Vibrant colors will stimulate your customer's senses just like the sun. Nobody likes a rainy dreary day and nobody likes a dark dreary store. Now that we are on the topic of dark and

dreary let's talk a little about your lighting. When was the last time you re-lamped your store. For many, the answer will be never. Fluorescent lamps lose up to 40% of their efficiency over a twelve to twenty-four month period. Many stores that I visit will have foot-candles that are less than 20 in many areas on the sales floor. Call your friendly electrician and have him light meter the space. Good lighting for an appliance store should be at least 70 foot candles.

The way product is presented can also have a huge impact in the buying decision. Putting appliances in vignettes will give your customer the ability to visualize how they may look in their home. Displaying OTR's over a range or cook top and mounted to a cabinet will also let the customer visualize how the piece will look in an actual kitchen. As shown in the picture, a relatively inexpensive change to a TV wall made a dramatic difference to the presentation.



All of these elements coming together are what make up your retail environment. The cleaner the space, the better the lighting, the use of well designed displays and proper décor all contribute to your environment. When properly executed your store environment will have a look and feel that will make your customer feel at home.

When this occurs they will tend to spend more time in the store thus giving your sales people more opportunities to close the sale. A warm and friendly environment will also make your employees feel good. So take the time to evaluate your store and make the changes. **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 partnered with major appliance manufacturers 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

CLARITY WEALTH SOLUTIONS

Poor management is most frequently the main reason businesses fail, but insufficient or badly timed financing is not far behind. Whether you're actually starting a company or expanding one, sufficient available capital certainly is not enough; knowledge and design are required to do it well. These traits ensure that entrepreneurs avoid frequent mistakes like securing the improper type of financing, miscalculating the amount required, or underestimating the value of borrowing money.

BEFORE ASKING ABOUT FINANCING, ASK YOURSELF THE FOLLOWING:

- Do you have capital issues or should you manage cash flow better?
- Have you identified your needs? Do you want capital to grow or have it as a buffer against risk?
- How urgent is your need? You can easily obtain good terms when you forecast your needs rather than reacting to the situation.
- How great are your risks? All businesses have risks, and the level of uncertainty will affect price and accessible financing alternatives.
- What is the present state of occurrence of the business? Needs are most dangerous during intermediate stages.
- For what purposes will the money be used? Any lender will demand that funds be requested for very particular needs.
- What exactly is the present state of your industry? All conditions require novel approaches to capital needs and sources. Businesses that flourish while others are in decline will generally get better funding terms.
- Is your business cyclical? Recurring requirements generally are short term. Loans for these types of industries are designed to maintain a profitable business through depressed periods.
- How sturdy is your leadership team? Management is the key component assessed by money lenders.
- How does your need for capital fit with your overall business plan? Make creating one your number one priority. All sources will need to see your plan for the set up and development of your business.

Equity and debt financing are two types of financing. You need to find your organization's debt-to-equity ratio—the

relationship between dollars for your business, this makes it easier to attract financing.

If your company currently has a high proportion of value to debt, you should seek debt financing. If your organization already has a high amount of charges to equity, experts recommend that you should raise your ownership capital (equity investment) for additional funds. That means you won't be leveraged to the hilt and jeopardy your company's future.

Most small businesses use limited equity financing. Just like debt financing, extra equity often comes from non-professional investors such as associates, family, staff, clients, or others in the industry. The majority of equity lenders specialize in one or a few similar industries; equity funding comes from venture capitalists.

Venture capitalists are generally mistakenly seen as wealthy financial gurus searching for start-ups in which to throw their money, but most often they prefer companies, three-to-five-years old, with the capacity to become major regional or governmental concerns and return higher-than-normal profits to their shareholders. The real possibility of a joint securities offering is vital to venture capitalists. Good management, an innovative advantage, and business improvement are also main concerns.

Venture capitalists have differing approaches to the management of the overall business in which they invest. They usually choose to change a business passively, but will step in when a company does not act exactly as expected and may insist on changes in direction or strategy. Giving up some of the control and some of the prospects for profits often are the primary disadvantages of equity financing.

Many sources exist for debt financing, but banks have traditionally been the principal source of small business funding. Their main role has largely been as a relatively short-range lender offering demand loans, recurrent lines of credit, and other such loans for operating equipment. Banks generally have been unwilling to offer long-term direct loans to small companies. The SBA guaranteed lending program persuades banks and private non-bank lenders to make longer termed loans to small businesses by shrinking their financial risk and leveraging the assets they have available. SBA's programs have historically been an essential part of the real success | *continued on page 63*



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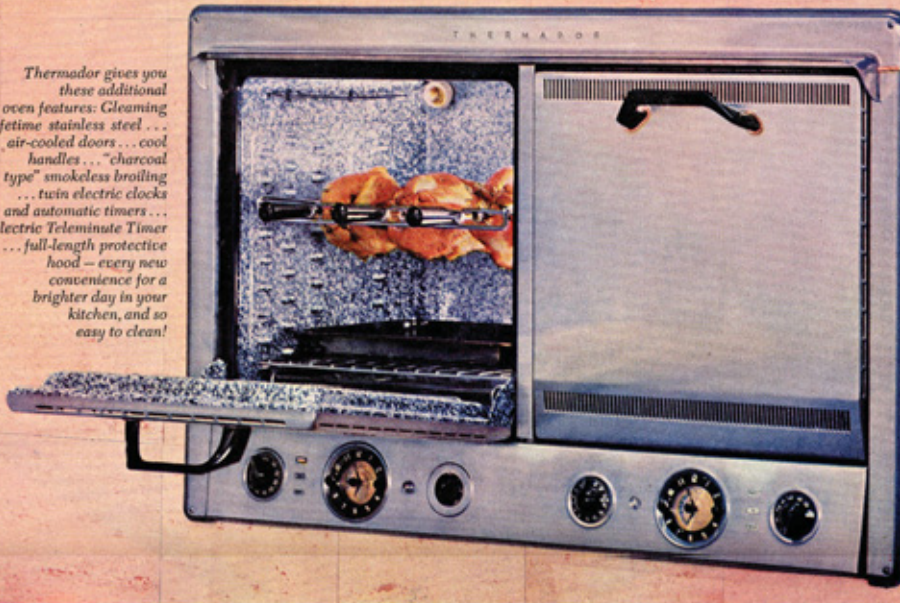
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9 chickens at a time and barbecue many other foods. Use one, two or three spits as desired — fabulous Vari-Speed switch gives "a thousand and one" instant heat selections. Each oven has more usable space than any other made — yet, the Thermador Double Oven requires only 45 inches of wall width.

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stories of many companies nationally.

Lenders also often require that borrower's personally guarantee the loan in case of non-payment. This ensures that prospective borrowers already have a sufficient personal interest at stake to give primary consideration to the business. This can be a burden for most borrowers, but is a necessity.

Source: U.S. Small Business Administration **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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