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YOUR RESOURCE GUIDE TO THE INDUSTRY

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EASTERN REGION

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WESTERN REGION

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Enhance Your Customer's Experience

he common thread our writers have been coming back to again and again, is the thing that seems to make the biggest difference for you, the retailer, and that is customer service. In real life, each one of us is the customer....

All around us, the subject of customer service seems to enter the conversation. Be it good or bad service, it is an integral part of our daily life experience, from the grocery store clerk, to the waiter at the restaurant, to the customer service agent on the phone of your credit card company. We all tend to talk about this subject a lot, so do you think it might be pretty important? I hear a lot of complaints, but what do we do personally to change the way things are?

Most folks just don't like to be treated poorly or unfairly. We take notice when either someone is rude to us or goes out of their way to help us. Good customer service belongs on the endangered list, as encountering it seems very rare these days, and like a rare bird, it should be recognized and appreciated when found. The more I experience incompetence, negativity or just flat-out bad service, the more I am apt to take time out of my crazy-busy schedule to write a letter of commendation to the employee's boss for the good service I received for a change. I like to encourage the willingness, effort and ability of a person who acknowledges my issue and gives me a satisfactory result in taking care of my problem.

Many businesses we have spoken to report the same thing; the improvement of their customer experience has kept them alive or has contributed to increased sales. This summer, our Showroom Spotlight features focus on a few specific Retailers that understand the importance of treating their customer respectfully as well as taking care of their immediate community, knowing how crucial that is to their success. How we cater to the needs of the people in our own community and how we give back, not only for the sake of caring and contribution, but for the goodwill and word of mouth referrals it generates for your business is monumental in commanding an important place in the eyes of the people of the town in which you live. It increases your client base and loyalty program through a strong "Buy Local" sentiment that not only strengthens your bottom line, but it also builds strength within the local economy.

Here's to Creating Happy Customers!

Eliana Barriga letters@retailobserver.com

RetailObserver

JULY 2010

VOLUME 21, NUMBER 7 CELEBRATING OUR 21ST YEAR

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Retail = \$ & ¢ (DOLLARS & SENSE)

etail comes from the French word retailler, which refers to "cutting off, clip and divide" in terms of tailoring (1365). It first was recorded as a noun with the meaning of a "sale in small quantities" in 1433 (French). Its literal meaning for retail was to "cut off, shred, paring".

The retail industry is the second largest industry in the U.S. (responsible for approximately 12% of all US employment) with over \$3.8 trillion in sales annually. Although the vast majority of all retail stores in the U.S. (approximately 90%) are single-store businesses, these single-store businesses account for substantially less than half of all retail sales. Thus the majority of the revenue in the retail industry is generated by companies that run retail "chains".

In the past ten years, the Internet has changed the landscape of the retail industry. The Internet has enabled consumers to shop for and purchase goods online from the comfort of their home. E-commerce has added new dimensions to traditional retailers as nearly every major company in the retail industry sells products through their own website. E-commerce currently represents approximately 2.7% of total retail industry revenue (\$104 billion annually), a number that has steadily grown in past years. As younger, internet-savvy customers mature and internet-usage becomes more widespread over time among consumers of all ages, e-commerce will become increasingly relevant.

Off-price retailers purchase retail merchandise directly from suppliers, taking advantage of manufacture overruns and cancelled orders to acquire retail goods at an opportunistic discount. They also utilize "packaway" items purchased at a discount at the end of a season, then hold in inventory until the next appropriate season for sale. The off-price retail sector as a whole is growing faster than most other retail segments, with a CAGR compounded annual growth rate greater than 10% over the past five years

B-stock retailing is another avenue for revenue. B-stock is a unit that was used as a demo unit/ or display model normally by the manufacturer, who then sells it to the retail stores at a lower price, who then sells it to the public for a lower price. Products that are often not new, but could be in first class condition, and/or that have been returned opened but not damaged are usually sold on a first come, first serve basis.

No matter what kind of retailer you are, there are many possible ways to retail as long as they make dollars and sense.



Happy Retailing

Moe Lastfogel moe@retailobserver.com

RetailObserver **IULY 2010**

VOLUME 21. NUMBER 7 CELEBRATING OUR 21ST YEAR

We proudly support the following trade associations and buying throughout North America whose news and information greatly contribute to the quality of The Retail Observer and the education of our readers.





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Showroom Spotlight





Warners' Stellian—

UTILIZING "BUY LOCAL" AS A WEAPON AGAINST THE BIG BOX ONSLAUGHT

BY JULIE WARNER

hen a Minneapolis newspaper reporter approached Warners' Stellian in April to do a story about how the St. Paul-based appliance retailer is surviving the mounting competition of national chain stores, the Warners thought he had it backwards—and soon, the reporter realized the same.

Steve Farkas opened Stellian Appliance in 1949, combining his first name with the first name of his wife, Lillian. In 1954, Jim Warner took a job as a bookkeeper at the St. Paul, Minneapolis Frigidaire store, and quickly moved into sales, where he remained for the next 16 years. Jim bought the business in 1971 and attached his family's name to it, creating Warners' Stellian.

Thirty-nine years later, Warners' Stellian has grown to include seven stores, six in the Twin Cities metro area, one in Rochester (home to the Mayo Clinic), with the distribution center and corporate headquarters located in St. Paul.

Jim passed his company and commitment of excellent service down to his nine children, who share equal ownership. Four owners— Jeff Warner, Carla Warner, Robert Warner and Bill Warner-act as directors of the company. Eleven (and counting) of Jim's 36 grandchildren work full-time for Warners' Stellian in sales, distribution and marketing. Warners' Stellian's showrooms range from 7,500 - 13,000 sq. ft. each. In 2003, the company began transitioning the stores to a more inspirational shopping experience including custom vignettes showcasing brands such as Viking, Thermador, Dacor and GE Monogram appliances. Displays were designed to help customers imagine the possibilities and to actually experience appliances in the context of the latest design trends.

Warners' Stellian carries 50 brands, more than any appliance dealer in Minnesota. The knowledge of the sales staff and their passion for educating customers | continued on page 10 |



about new products buoyed the dealer's success in pioneering brands with local and national limited distribution, including LG, Asko, Fisher & Paykel, Liebherr, Bertazzoni and Faber. Likewise, one of the first Miele Galleries in the U.S. was built into a Warners' Stellian store in suburban Minneapolis.

Built in 2005, the 156,000 s.f. state-of-art distribution center installed energy efficient cooling, lighting controls, window glazing, motion sensor lighting, saving the company about \$20,000 annually in energy costs. Many of the 30 branded vehicles in the delivery and service fleet use GPS and power off after 5 minutes of idling to conserve fuel.

SELLING 'LOCAL'

A large component of Warners' Stellian's community involvement focuses on promoting the "Buy Local" movement. Warners' Stellian is a founding member of the Metro Independent Business Alliance, the Twin Cities chapter of the American Independent Business Alliance. Jeff Warner has been a board member for five years and was named president of MetroIBA for 2010-2012.

Through MetroIBA, Warners' Stellian promotes and educates along with other member companies, the value of buying from local independent businesses. For instance, prominently displayed flyers educate customers that \$1 spent with a local independent re-circulates an average of 68 cents into the local economy. In contrast, \$1 spent at a national chain keeps only about 43 cents at home (2004 Andersonville Study of Retail Economics). Once customers understand the power of their dollar, Warners' Stellian believes they'll be more inclined to put that dollar to work by spending it locally

While size allows Warners' Stellian to be nimble, it can also be a challenge to its visibility and brand recognition. Therefore, community involvement is a key piece of the mission of Warners' Stellian, which gives a minimum 10 percent of its net profits to nonprofit organizations. "Customers prefer to do business with their neighbors and friends—the people they see out in the community," said President Jeff Warner. "There's a lot of passion surrounding community service," Jeff said. "We've learned that when we offer our support, our business grows."

Warners' Stellian found success this year as an Official Partner of Minnesota Trade-In & Save Appliance Rebate Program. Because the program was state-run program,











national retailers were often too large to keep up with the nuances of Minnesota's administration and Warners' Stellian was able to become Minnesota's "stimulus expert."

In addition, a sale held in 2004 to minimize the amount of product being moved into the new distribution center proved so successful, the partners made their Extreme Warehouse Sale a semiannual event. Last November 3,300 groups of people shopped the sale. Vendors now approach Warners' Stellian with their distressed and overstock merchandise in advance of sale because of the retailer's success with selling it both during the two-day event and throughout the year. Vendor representatives also assist on the sales floor along with up to 180 Warners' Stellian employees.

"We've always offered free delivery, free installation, free recycling—since our founding," said Jeff Warner. "The feedback we get tells us we should keep doing it-it's a



















difference maker." Although focusing on sustainability has ceased to be unique, going green isn't a gimmick for Warners' Stellian- it's a part of its history. For years, the company led the way in appliance and cardboard recycling. Now Warners' Stellian seeks to be a model for other retail businesses to reduce the impact on the community's environmental footprint.

Aside from the eco-friendly design of the distribution center, substantial investments have been made to allow recycling of nearly all packaging including a Styrofoam densifier, which converts the Styrofoam from waste into reusable material and compacts it by a 20:1 ratio, thereby reducing shipments and fuel use. Partnering with local sustainability organizations and events allows Warners' Stellian to better position itself for the future of appliance retail sales.

Though competition with big box retailers continues, Warners' Stellian thinks consumer demand for local, independent businesses can increase as well if given proper support. As for that future, Warners' Stellian wants to continue to retain its local spirit as it expands its territory and transitions into its third generation of family leadership, sales and service, which is unmatched, living up to its tagline, "Your Appliance Specialist." The company's in-house staff handles delivery, installation, service and parts—a combination big box retailers rarely offer. Just because Warners' Stellian is a local, independent business doesn't prevent it from competing against the national retail chains—it often helps it compete.

When customers do business with Warners' Stellian, they have a relationship with individuals and the family, not a big corporation. "We've never gotten away from being a mom and pop store," Jeff Warner said. "We like our identity and wish to keep it as we continue to grow." We promise to keep it that way. RO



SEND US YOUR SHOTS

LOOKING FOR RETAILERS, DISTRIBUTORS AND MANUFACTURERS engaged in their element while at trade shows, special events, showroom openings or just plain group get-togethers. The Retail Observer is interested in featuring you in our new snap-shot page, "Retailers Observed", where you can see what your industry buddies are up to. Please e-mail us your hi-res photos in .jpg format. Include the captions with the photos you send for consideration and be sure to put "Retailers Observed" in the subject line. Send to: production@retailobserver.com

FEATURED THIS MONTH: ALMO CORPORATION





Mailbag

Nice edition again, and by now everyone should be more than comfortable with the new and better Retail Observer. It was especially nice to see the tribute to Elaine Chaney!

I will be doing a lot more with NKBA events and bringing energy and fun back into the Appliance Industry and day to day business, as we all go about making a living!



Charlene Rouspil Dacor Design and Culinary Manager S. San Francisco, CA

Editor's Note:

We would love to see more NKBA national events listed in our calendar. No matter what part of the country you're in, please let us know what is going on and we'll consider it for inclusion in our monthly calendar.

The redesign of The Retail Observer and the investment in the higher-quality paper stock and new print process in the April Earth Day Issue, which debuted at K/BIS, was received with a big 'thumbs up' from many manufacturers, distributors and readers alike. The magazine's editorial quality is improving on a monthly basis as well. What will you do next? Anonymous

Editor's Note: At the rate we're going.... I don't know what we'll do next! With more and more feedback from our readers, you are giving us new ideas for our features and columns and specialty items to help you run your business better. We are starting to get more personal stories of what some of you Retailers are doing in your communities to stay strong and hold your own against the competition. You will see this in our summer Showroom Spotlights. Please send us more stories like these to share with our readers...

(Missed the original article to which these letters refer? They are avaiable online at www.retailobserver.com)

HOW TO REACH US

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We welcome your thoughts & comments, questions & suggestions. Letters may be edited as necessary for clarity and space



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Customer Inspired Marketing

CHANGE THE GAME AND BECOME THE BRAND THEY REALLY LOVE

AUTHOR: AUBYN THOMAS

Each year, United States companies spend more than \$150 billion on innovative, creative, and forward-thinking marketing and advertising campaigns for their products. These campaigns then face the hundreds of thousands of new products that are launched each year.

In her new book, Aubyn Thomas explains why certain brands generate energized reactions from customers and how other brands can spark the same enduring, devoted following, even during times of financial volatility. "After 20+ years of marketing experience in corporate America, I've learned how difficult it can be to achieve that sense of connection to the passions and desires of your customers and to deliver products and services with true value," says Thomas.

The 8-step plan in Customer Inspired Marketing includes themes such as:

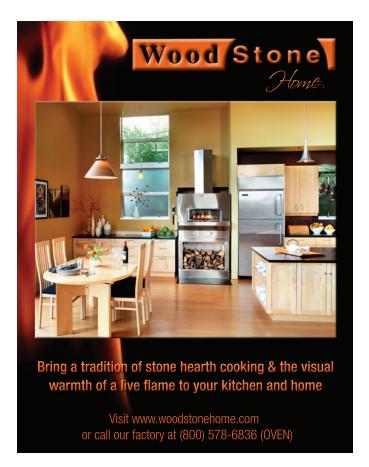
- The Customer: an examination and analysis of today's customer and how demographic changes are shaping the new landscape of personal connections
- Igniting the power of people -- How to tap into the strengths of your team and avoid the most common pitfalls companies encounter
- · Essential branding techniques for the small business owner
- Creating sustainable value: how you can create the elusive enduring relationship that survives tough economic times
- · The company's core: reevaluating the core passion and values of the organization
- Developing a proactive plan: the framework for putting your new brand into action.

Whether you're a CEO, a salesperson or a one-person operation, breaking through to customers and truly connecting with them will determine your eventual success or failure.





Author: Aubyn Thomas Thomas is a comprehensive and strategic marketer using a holistic approach of data to understand, create and execute innovative consumer marketing. www.aubynthomas.com. Publisher: Author House



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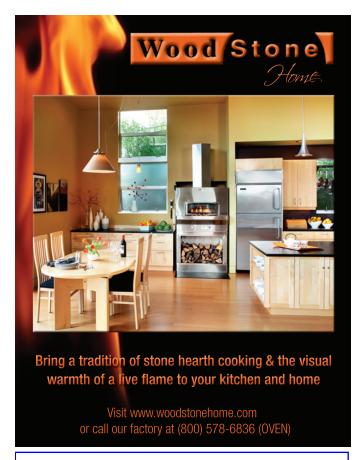
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Industry [News]







NEW BROAN® EVOLUTION™ SERIES RANGE HOODS—IT'S WHAT COMES NEXT

The new Broan® EVOLUTION Series of under-cabinet range

hoods offers consumers the ideal range hood for their kitchen no matter their budget. Based on extensive market research, the EVOLUTION Series is the next step following the Broan ALLURE® range hood, which has been a number one selling product line since its introduction in 1997.

"Research shows that consumers want style, quiet, ease of cleaning, lighting and performance in a range hood. Price is a contributing factor as well," says Brian Wellnitz, marketing manager, kitchen ventilation, Broan-NuTone®. "With the EVOLUTION Series, we wanted to exceed expectations with regards to how a range hood can change the way one cooks."

The Broan EVOLUTION Series offers consumers three models to choose from. This tiered approach provides the flexibility for various budgets without sacrificing key improvements. Each model features enhanced lighting output and an improved capture effectiveness credited to filters that are up to 40 percent larger along with a sloped bottom design that funnels smoke into the filters. Smooth surfaces, a fullyenclosed bottom and dishwasher-safe filters reduce upkeep, and with a 40 percent sound reduction, the EVOLUTION Series is clearly the next step in range hood development.

- The EVOLUTION OP3 is the top of the line and features brilliant lighting and greater blower control including a Boost mode designed for the serious cook and is remarkably quiet, even at high power modes. A sealed, advanced electronic touch panel with clock and timer provides all the control features and an optional handheld remote means that control is always within reach.
- The EVOLUTION QP2 provides control, power and lighting in four attractive finishes. The sealed flush mount control panel cleans easily and features simple LED indicators for lighting and blower control.
- The EVOLUTION QP1 is ideal for consumers who feel simplicity defines elegance. This option offers more power than comparable under-cabinet hoods, bright working light and dishwasher-safe filters with antimicrobial protection.

Broan is committed to providing high-quality, energyefficient products to its customers. To learn more about Broan EVOLUTION Series Range Hoods and other Broan products, visit www.Broan.com.



VIRUPURE™ SYSTEM, A WORLD'S-FIRST TO FILTER VIRUSES, WINS PRESTIGIOUS AWARD

Everpure, a brand of Pentair,

Inc., and the world leader in commercial grade water filtration, has been awarded a 2010 Best of KBIS (Kitchen & Bath Industry Show) product award in the green/sustainability category. The ViruPure[™] commercial grade system won due to its ability to filter even the smallest possible viruses from drinking water—making filtered tap water the go-to choice over wasteful, plastic water bottles.

The ViruPure system removes more than 99 percent of viruses, bacteria and cysts and reduces volatile organic compounds (VOCs), chlorine, chloramines, lead and other harmful contaminants. Yielding truly flawless water, free from the taste and odor of impurities, the ViruPure enhances everything from coffee to family recipes. The revolutionary system offers a generous 500-gallon capacity of filtration, which will typically last a family of four more than one year.

"We are honored to be the first recipient of a green/ sustainability Best of KBIS award alongside a group of leading kitchen & bath industry manufacturers," says Joseph Hutko, marketing manager for Everpure Residential. "This award reinforces the consumer demand for water filtration products that offer drinking water safety, a positive

impact on the environment and peace of mind for the whole family."

The ViruPure[™] system by Everpure was selected by a group of top-notch industry professionals including certified kitchen and bath designers, remodelers and specifiers. Awards were given based on a high-ranking in five key areas including: functionality, quality/durability, flexibility, aesthetics/style and innovation. Visit: www. everpure.com.

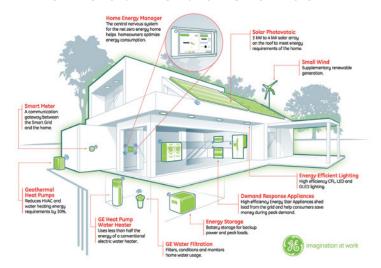
GE FIRST TO USE ZIGBEE® PROTOCOLS FOR **SMART APPLIANCES**



GE SUPPORTS COMMUNICATION TECHNOLOGY IN SMART GRID-ENABLED APPLIANCES THAT WILL EMPOWER CONSUMERS TO CONTROL THE VOLUME AND TIMING OF ENERGY USE

GE Appliances & Lighting announced that it is the world's first appliance manufacturer to achieve ZigBee® Smart Energy certification for its "smart" or smart grid-enabled appliances. This industry first will enable GE's smart grid-enabled appliances to communicate wirelessly with utility companies via smart meters to help consumers better manage their electricity usage and utilities better manage overall power consumption during peak usage times, thus helping reduce the need for more power generation and helping consumers save money in areas where utilities have implemented Time-of-Use (TOU) pricing. | continued on page 16 |

GE TARGETS NET ZERO ENERGY HOMES BY 2015



"The ZigBee Smart Energy Profile is emerging to be an important protocol for smart grid communication. This is a huge step in our strategy of supporting multiple protocols, as the smart grid gets rolled out, helping both consumers and utilities manage energy consumption more effectively, improving grid reliability and reducing consumer costs," said Kevin Nolan, vice president technology for GE Appliances & Lighting. "With this technology, both consumers and the utilities will have more information and be able to make better decisions than ever about energy usage."

ZigBee is a wireless communication protocol that helps smart devices in a home, such as appliances and thermostats, communicate with the smart grid through the smart meter. The ZigBee Smart Energy Profile is an open standard for communicating pricing and demand information into the home developed by the nonprofit ZigBee Alliance, an association of utilities, manufacturers and organizations. The information helps consumers make more educated decisions about their energy consumption and helps the utility better monitor the demand on the energy grid.

Certification testing of the GE technology was conducted by National Technical Services (NTS), an independent organization authorized by the ZigBee Alliance.

ABOUT SMART GRID-ENABLED OR DEMAND-RESPONSE APPLIANCES:

"We want to provide assurance that when consumers purchase GE smart grid-enabled appliances, they will 'future-proof' their investment and homes, and the appliances will have the ability to communicate with the Smart Grid," said Nolan.

GE's suite of smart appliances includes washing machines, dishwashers, drvers, refrigerators, microwaves, and the GeoSpring(TM) Hybrid Water Heater, of which the GeoSpring is the first commercially available smart appliance that is on the market now. Other smart grid-enabled appliances in the suite will be available starting later in 2010. The appliances will be able to communicate wirelessly with the utilities' AMI (Advanced Metering Infrastructure) "smart meter" systems. This will enable the utility to communicate pricing and grid status to the smart appliances, and will also enable the utilities to receive confirmation and usage data in return.

For example, a utility can signal appliances during periods of critical peak energy usage or highest prices. The signal

will shift the appliances' operating software into demandresponse mode, temporarily reducing power consumption, decreasing the risk of power disruption, and saving the consumer money. Utilities can also signal the appliances when pricing is at its lowest, allowing consumers to take advantage of these low-price periods to perform energyintensive tasks at the lowest rates and at times of least electricity demand.

For more information visit www.ge.com.

50TH IFA IN 2010: SEPTEMBER 3-8

A WIDE RANGE OF INNOVATIONS STRENGTHENS IFA'S POSITION AS THE WORLD'S NO.1 SHOW FOR CONSUMER **ELECTRONICS & HOME APPLIANCES**



At IFA 2010, 3D-tv, emedia and lifestyle products are the driving forces. Building on last year's success,

further growth is expected and there will be international retailers networking with IFA.

With so many innovations, both the industry and the retail trade are looking optimistically towards the future and expect business to be lively at IFA 2010. Dr. Rainer Hecker, chairman of the supervisory board of the organizers of IFA: "The industry is in such a variety of innovations, which is expected to be favorably received in the trade as well as a strong demand among consumers. The concept of IFA is tailor-made for global markets. With IFA we have created a unique basis for long-term success that will leave its mark on society. The concept has been specifically designed and continues to be adapted to meet market trends and requirements, ensuring that in the future IFA will fulfil its role as the world's largest and most important trade fair for doing business, as well as for the general public."

INTERNATIONAL TRADE NETWORKING WITH IFA

The close cooperation with international retailers' cooperatives and their international orientation are among the main reasons for IFA's success. Particularly with such strong partners IFA, the world's leading event for the industry, will continue on its successful course. In this context Euronics will not be holding its autumn forum but instead will be expanding its network through participation in IFA. Furthermore, retailers from around the world at IFA will be making use of this opportunity to place seasonal orders. | continued on page 18 |

I wouldn't trust my drink to any other ice.

Bob Griese, Hall of Fame Quarterback and Ice Purist



Even the most demanding consumer is easily satisfied with a Brilliance™ ice machine by Scotsman® Bob Griese is a perfect example. He's been a loyal Scotsman user for over 25 years for this simple reason. It's all about the ice, and he demands the best. Crystal-clear. Taste-free. Odorless. Ice that protects the integrity of the drink you put it in. That's how Scotsman ice elevates the experience. It's so good—it sells itself.

Scotsman° Ice for the purist°

Industry [News] continued from page 16

NEW DISPLAY SECTIONS AT IFA 2010—IFA IZONE AND IFA ELIBRARY

Once again IFA 2010 can boast new display sections. The impressively styled "IFA iZone" hall featuring products from the booming world of Macs and apps will be a magnet for trade visitors and the general public alike. Be it networked devices, accessories or applications, this display section has the entire product line-up on display. IFA is introducing a spectacular concept and solution for the new media world of eBooks and tablet PCs-the "IFA eLibrary". Together, device manufacturers, media companies and publishing houses will be presenting their entire portfolio to the public. Jens Heithecker, IFA excecutive director: "We are pleased to develop the concept of IFA even further this year. With new product ranges and increasing internationalization of the retail structures IFA is stronger and more global than ever before."

IFA TECWATCH

Now centrally located, this display section has expanded and will be exhibiting an even wider range of innovations to the public, the retail trade and the international media. Thus, both spatially and in terms of content, IFA TecWatch is increasingly integrating exhibitors' communication, infrastructure and home appliances topics.

PRODUCT INNOVATIONS ARE THE FORCE DRIVING BUSINESS

Every year IFA vindicates the outstanding reputation it enjoys with the industry, retail trade, media and the public with an impressive display of world firsts. They range from the first "demonstration television receiver" introduced by Albert Einstein in 1930 when IFA first opened its doors, the introduction of colour TV in Germany in 1967, the debut of the mp3 format in 1991, to 3D television, which premiered at IFA in 2008. This world of innovations and product premieres at IFA has contributed decisively to the global successes of industry and the retail trade in both sectors.

The consumer electronics trends at IFA 2010 reflect the entire range of innovations of a dynamic and innovative industry. Be it 3D media, fascinating new technology for screens, entertainment, navigation and communication using mobile devices, new mobile phone technologies enabling nationwide broadband coverage, wireless media in the networked home—the trends from all areas of the industry are on show at IFA.

Whereas in the consumer electronics sector the attention is on portable media devices, the focus of the home appliances industry is on ease of operation, lifestyle products, health and wellness in the home. Outstanding design, total ease of operation, intelligent technology and—it goes almost without saying—the latest home appliances from leading manufacturers feature highly efficient use of water and energy resources.

Besides showing the elements that traditionally make up IFA the organizers are working on a spectacular display of highlights to celebrate the anniversary of the world's leading trade fair for consumer electronics and home appliances which takes place from September 3-8 2010 in Berlin and a special fireworks display for the anniversary highlights. More information is available at www.ifa-berlin.com | continued on page 22 |



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Manufacturer (NOTES)

Eurochef USA Announces Trio of New Ranges

EUROCHEF USA DELIVERS SELECTION AND VALUE

EuroChef USA founded in 2000, introduced America to a new, high end line of imported cooking products from Italy, Verona, DeLonghi, Fratelli Onofri and ILVE. EuroChef now announces the addition of 3 new 30" pro-ranges to compliment their unique range brands.

EuroChef brands are imported from Europe's finest manufacturers, each with proven track records in the world market. Each brand is unique with innovative features offering EuroChef dealers a selection of range styles at value prices satisfying and complimenting a consumer's "all special kitchen". Ranges from EuroChef are offered in a European contemporary style, a restaurant pro-range design and an increasingly popular old world styling. Dealers in the U.S. know EuroChef offers appealing products at value pricing and backs these with parts inventory and a national network of service companies.

NEW 30" MODELS INTRODUCED—EuroChef USA provides 24",36",40",48" and 60" free standing pro ranges in both all-gas and dual fuel models. EuroChef now introduces 3 new 30" pro-range models. The new introductions offer 2 models in all-gas and 1 in dual fuel.

VERONA ALL-GAS RANGES—Two of EuroChef's new 30" ranges will be all-gas from its own brand, Verona complimenting the Verona line of cook tops. The new 30" models are restaurant style pro-ranges offering great culinary features. The model VEFSGG31SS has 4 high performance brass burners with a super low simmer control, down to 400 BTU/hour. The same brass burners are capable of achieving a robust 18,000 BTU/hour for maximum cooking performance. Convection cooking and infrared broiling is offered in both models. The Verona model VEFSGG30SS is offered at \$2,599 and the Verona VEFSGG31SS is \$3,199.

ILVE DUAL FUEL RANGE—European flare and old world elegance characterize the Majestic Dual Fuel Range line from ILVE. These are substantially built ranges offering the most flexible cook top on the American market. ILVE range cook tops offer an interchangeable griddle, grill and grate and are sized to meet American specifications. EuroChef now introduces a new 30" ILVE in addition to the 36", 40" 48" and 60" sizes. All ILVE Majestic styled ranges are 27 5/8" deep.

ILVE Ranges are often described as "the most beautiful ranges in America". The new 30" range, model ILUM76DMP has a feature laden oven with Quick start in all oven models, a visual temperature indicator, rotisserie and European convection and boosts a wide temperature range of 75 degrees to 525 degrees. Each range comes standard with a warming drawer. Retail prices on ILVE ranges are offered from \$4,449 - \$13,499. ILVE has a large assortment of culinary accessories to enhance the cooking experience.

Contact our distributors or corporate office for dealer information or visit www.eurochefusa.com for more details. RO

EuroChef USA

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The New 30" Gas Range

Visit us at K/BIS Booth #6526



EuroChef usa

BLUESTAR™ LAUNCHES NEW LINE OF HIGH-PERFORMANCE RANGES INSPIRED BY CHEF MARCUS SAMUELSSON



A UNIQUE COMBINATION OF CONTEMPORARY DESIGN AND EXCEPTIONAL PERFORMANCE



BlueStar, manufacturer of highperformance cooking equipment for the home, announced that it has teamed with celebrity chef and cookbook author Marcus Samuelsson to launch an "Inspired by Marcus' line of ranges for the home chef.

The new 'Inspired by Marcus' line combines the power and highperformance that has become synonymous with BlueStar products, with unique cooking features and aesthetic sensibilities inspired by one of the world's leading chefs.

"This range embodies my vision for every home chef to have the best products with which to create their own culinary experiences," said Chef Samuelsson.

Each model in the line features additional BTU power, giving the home chef more cooking power than has ever been available from BlueStar. "One of the reasons many restaurant entrees taste better than those cooked at home is due to the high heat of restaurant ranges. Searing quickly in high heat locks in the flavor and results in restaurant-level food; that's what's possible with this line," said Chef Samuelsson.

With French doors, rounded body sides, and slim, comfortable handles, the 'Inspired by Marcus' line is striking in its contemporary design. The line features six unique color options handpicked by Chef Samuelsson and never before released by BlueStar—Infused Copper, Statuary Bronze, Ginger Spice, Enchanted Silver, Enchanted Sand, and Matte Black. Knobs and trims will be colored to match the selected range color and each range will come personalized with an 'Inspired by Marcus' signature plate, with the customer's name inscribed.

Available in a 30" model or a 36" model, the range's cooktop can be custom configured. The standard 30" model will feature two 22,000 BTU burners, an 18,000 BTU burner, and a simmer burner. The standard 36" model will feature two 22,000 BTU burners, an 18,000 BTU burner, a simmer burner, and a choice between a 12" French top, griddle, or charbroiler.

For the highest possible burner output on the "Inspired by Marcus" line, consumers can order a 36" cooktop with all burners— | continued on page 24 |

Speed Queen_®

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Industry [News] continued from page 22

this configuration will include three 22,000 BTU burners, two 18,000 BTU burners, and one simmer burner.

The extra large oven capacity on both model sizes provides ample space to cook more and larger meals simultaneously.

"It's exciting to collaborate on a product that reflects the performance requirements of one of the world's best-known and most discriminating chefs," said Mike Trapp, BlueStar's vice president of operations. "BlueStar has always delivered premium, professional-quality performance in a home kitchen environment, and with the 'Inspired by Marcus' line, we feel we have upped the ante in the market for professional quality ranges."

The company is limiting production to 200 'Inspired by Marcus' ranges in 2010. Consumers can order their range through BlueStar dealers in the US and Canada orders began being taken in June, with a 4-6 week delivery time. For more information about BlueStar, visit www.bluestarcooking.com.



EXHIBITS AND ATTENDANCE UP AT THE 2010 NRA RESTAURANT, HOTEL-MOTEL SHOW

THE INDUSTRY'S PREMIER EVENT



Both attendee and exhibitor numbers showed positive growth at the 91st annual National Restaurant Association Restaurant, Hotel-Motel Show® and the International Wine, Spirits and Beer Event (IWSB). The increases underscore the NRA Show's position as the restaurant and hospitality industry's premier international forum for the products, services and information that operators need to grow their business. NRA Show 2010 was held at Chicago's McCormick Place May 22-25, and IWSB was held in conjunction with the Show on May 23-24.

The NRA Show attracted more than 58,000 registrants—a six percent increase over 2009—from 120 countries, up from 107 countries in 2009. Approximately 1,700 exhibitors, covering more than 480,000-square-feet, showcased the most innovative new products and services on the market today.

"NRA Show 2010 was a tremendous success and we have received excellent feedback from both exhibitors, and attendees about the | continued on page 26 |



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180 Years of Range Innovation





high energy and wide array of easily accessible business solutions showcased on the trade show floor," said Ira Cohn, convention chair for NRA Show 2010 and president of ARAMARK Business and Industry Group. "The Show provides a valuable, efficient, and cost-effective opportunity to interact, under one roof, with all aspects of the foodservice industry from throughout the world. I'm sure that all attendees will return home energized, optimistic, and ready to implement the solutions they discovered."

This year's NRA Show and IWSB Event were both complemented by an impressive lineup of education sessions—addressing the National Restaurant Association's industry imperatives: "jobs and careers;" "food and healthy living;" "sustainability and social responsibility," and "profitability and entrepreneurship." The unprecedented number of sessions covered everything from the mobile foodservice craze that's taken the United States by storm to word-of-mouth marketing, and from social media to rooftop gardens and much more.

The IWSB Event—the industry's only professional event focused exclusively on growing restaurant and hospitality bar programs—represented hundreds of brands and labels from the world's best vintners, distillers and brewers. IWSB boasted a 17 percent increase in attendee registration over last year with more than 3,500 qualified registrants.

Adding even more energy to the event, the National Restaurant Association executed the first-ever restaurant industry flash mob on the final day of the show. The originally choreographed flash mob set to Lady Gaga's "Just Dance" was created by Chicago-based dancer Christina Chen exclusively for the NRA Show.

Participants in the flash mob included show attendees, chefs, culinary students, exhibitors, and many others.

For more information on these and the many other Show features, including photos, videos, and the Floored! Blog, visit www.restaurant.org/show.

NRA Show 2011 will be held May 21-24 at Chicago's McCormick Place. The 2011 International Wine, Spirits & Beer Event will be held May 22-23.

The annual National Restaurant Association Restaurant, Hotel-Motel Show is the largest single gathering of restaurant, foodservice and lodging professionals. The event attracts tens of thousands of attendees and visitors from all 50 states and 100+ countries, and showcases more products, services, innovative ideas and other growth opportunities than any other industry event. For more information, visit the Show Web site at www.restaurant.org/show.

KINGSTON DISPLAYS AIR ELEGANCE BODY DRYING SYSTEM AT KBIS 2010

Kingston displayed its signature KINGSTON product, the Air Elegance Body Drying

System at KBIS 2010. This unique product boasts water conservation and energy savings as well as a very extraordinary way of drying off. The bathroom model features 5 adjustable nozzles, Stainless steel or decorative colors with clear coat protection, 120V power and single touch digital control. The outdoor model features 15 nozzles and 240V power. Both are easy to install and offer an alternative drying method for all including those that have a limited range of motion.

The Body Dryer by Kingston creates a warm air drying experience, where in minutes you are dry and refreshed. The best kept secret though—literally no towels to launder later. If you want to be pampered and dry in luxury then visit us at www.notowels.com, and "Experience the Dry!" RO

Supreme Silver	Slate Blue	Desert Stone
HBF8-C0001	PLS4-C0001	PHB2-C0015
Tan	Western Tan	Warm White
HHS4-C0036	PHS6-C0021	HHS4-C0038
Bronze Age II	International Red	Rust
PDV8-C0001	PRS8-C0015	PRB2-C0001
Weather Green UGB4-C0001	Transparent Black	Green Marble UGB8-C0000
Vista Green	KAT 2	Charcoal
PGS6-C0016	COLOR CHOICES	PAS4-C0001



Manufacturer (NOTES)

Peerless-Premier Announces Vodena Appliance Distributors as New Distributor on West Coast

VODENA®

VODENA UNDERSTANDS THE INDEPENDENT

The appliance business in recent years has gone from the high end luxury to the now affordable replacement and value brand. Premier is the brand to watch and bet on. In a competitive market, Premier allows the independent dealer to shelter from the appliance direct market giants and sell against with price, a lifetime burner warranty, and made in the USA. Vodena understands what the independent dealer needs and is keeping stock available for just in time delivery and factory service to back it.

Vodena Appliance is the Northern California and Nevada distributor for Maytag and Whirlpool Coin Laundry. Along with the coin laundry, dealers are able to make good consistent and competitive margins all across the board and most importantly, they have merchandise in stock with freight

programs. The appliance replacement industry is what Home Depot, Sears and larger chains have built a long lasting stable and profitable business on. Appliances will

break and people will buy what is affordable and in stock. Since a shift in the luxury housing market, the rental and replacement business is soaring-affordable and stocked brands are poised to win.

Vodena Appliance is aware of its challenges and is looking to help independent appliance dealers weather the storm with this section of the appliance industry. Vodena Appliance will continue to expand its distribution lines and will soon have available refrigeration and ventilation that once again will shelter the independent appliance dealer from the chain giants.

Today they step into the world of Distribution with the help of Jaxco Sales by taking a hold of Peerless Premier distribution in Northern California and Western Nevada. Vodena Appliance Distributors is also currently stocking and distributing Maytag/Whirlpool Commercial Coin Laundry.

PEERLESS-PREMIER APPLIANCE CO.

Located in Belleville, Illinois, "The Stove Capitol of the World," Peerless-Premier has sustained a long-standing tradition of quality and value with a lineup of freestanding ranges for nearly 100 years. With a Focus on convenience and reliability, Premier Ranges have been designed since 1912 to deliver practical solutions by adding great value to the cooking experiences of the day.

Peerless-Premier is the nation's largest U.S.-made manufacturer of ranges and offers over 50 different styles of gas, electric and commercial style ranges, with sizes varying from 20 to 36 inch widths. Niche models include unique and industry-exclusive features, benefits and advantages. Key benefits include an industryexclusive lifetime warranty on all top burners for all

> models. Similarly, 25 inch wide ovens, none wider in the industry, are standard in all 30 and 36 inch ranges to offer more usable oven space. Likewise, all

Premier electric ranges feature front controls and eliminate the need to reach over hot burners, a great safety feature, and can be provided with factory-installed power cords if desired. Lastly, Peerless-Premier markets ranges that are HUD-approved, ADA-compliant and crafted with pride.Made in the U.S.A. For more info: www.premierrange.com.

JAXCO SALES AND MARKETING

Jaxco Sales and Marketing, representing the factory for 20 years+ in this market, is enthusiastic to initiate this change. This selection was based on increasing the sales potential for this value line of gas and electric ranges made in the US. Dealers can feel assured that higher inventory availability and promotional incentives will add to their bottom line in this competitive industry. RO

remier

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Pro · Series

Is Your Retail Business Prepared to Deal with a Disaster?

ealing with the daily responsibilities of running a business often leaves owners with little or no time to plan ahead for a disaster that could result in lost income or even permanent closure.

Disasters large or small could force a business to close its doors for several days to weeks. From natural disasters such as Hurricane Katrina to power outages to supply chain disruptions, a business continuity plan increases the likelihood that a business will open its doors quickly following a disaster, remain competitive, and fully recover. The first step in creating a business continuity plan is to identify all of a business' risks—whether tornadoes, floods, hurricanes, severe winter weather, earthquakes, or the "smaller" problems such as loss of basic utilities—and what to do to protect the business property. The next step is to think about what must be done to assure the business' survival and ongoing viability.

HERE ARE SOME QUESTIONS TO CONSIDER:

- · What are the most critical and timesensitive business functions?
- How much downtime can be tolerated?
- Which functions are necessary to fulfill regulatory, financial, legal, contractual obligations?
- What must be done to maintain market share and reputation?

After identifying and prioritizing critical business functions, determine the necessary resources.

HERE ARE SOME TIPS:

- Maintain and frequently update contact information for employees, including multiple ways to reach them and emergency contacts. Keep the list in more than one place.
- Verify that critical suppliers of goods and services will be available when needed. Consider having alternate suppliers in place if primary suppliers are unable to deliver.
- · Be sure to communicate with key business partners, service providers, and customers or clients to facilitate timely restoration of your business.
- Regularly back-up critical information and data. Store it off-site or online.
- Plan for an alternate location in case the business is inaccessible or uninhabitable. Consider a mutual aid agreement with a similar business. Be sure that the location is or can be furnished with what you need to continue business operations.
- Have a crisis communications plan in order to convey information to employees, suppliers, key customers, and the media. Be sure to identify one spokesperson to ensure consistent messaging.

Once the plan is complete, store it in paper and online copies. It's a good idea to keep an extra encrypted backup copy on a computer flash drive on a key chain. Experts recommend updating the plan at least once a year, perhaps on an anniversary date or before storm season.

The Institute for Business & Home Safety (IBHS) offers several tools to help business owners understand the ins and outs of planning ahead for a disaster, as well as identify other areas that may benefit from planning on a day-to-day basis. The Open for Business® program is available in multiple formats and includes resources such as worksheets and checklists. If planning still seems too daunting, take a look at the Open for Business Trainer to walk through the process one step at a time, with optional e-mail reminders to help stay on track.

For business owners who would like to take planning to a more comprehensive level, IBHS will soon launch the Advanced Track of Open for Business. It will include information on supply chain continuity; a vulnerability assess-ment tool; and information about logistics and resources; financial controls and resiliency; incident management and crisis communications; and employee awareness, training and exercises. Resolve to start planning today. Your customers and employees are relying on you, so be ready to respond to and recover when disaster strikes. RO

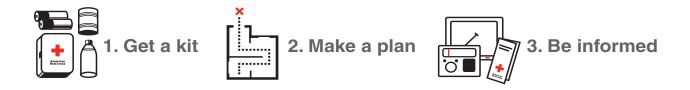
By Diana McClure, Business Resiliency Program Manager, Institute for Business & Home Safety. Visit www.DisasterSafety.org/ Twitter: disastersafety



Visit www.redcross.org/BeRedCrossReady

Preparing for a disaster before it strikes is vital.

Visit us online to learn how you can:



Contact your local Red Cross chapter or visit www.redcross.org/BeRedCrossReady for more information about disaster preparedness, emergency preparedness kits and creating a family communication plan.





Twelve Percent Attendance Growth Verified at 2010 International CES

he 2010 International CES® today announced that 126,641 industry professionals attended the tradeshow's four-day run in Las Vegas, Nevada, January 7-10, a 12 percent increase in CES attendance from the previous year. An independent audit of the 2010 International CES, performed by Veris Consulting LLC, confirms CES' status as the world's largest consumer technology tradeshow and North America's largest annual tradeshow of any kind.

Veris is certified by the Exhibition and Event Industry Audit Commission (EEIAC) to perform audits. As part of the Veris audit, each CES attendee is counted only once, and show size is calculated using only exhibit space actually sold, not hallways or bartered space. "The CES was overflowing with innovative new products, and this audit proves that the 2010 International CES successfully attracted top executives, retail buyers, content providers, entertainment executives, venture capitalists, engineers, government officials and media from every corner of the world," said Gary Shapiro, president and CEO, Consumer Electronics Association (CEA)®, producer of CES. "CES is also a must-attend global event as evidenced by our more than 24,000 international attendees."

2,500 global companies, including a record 330 first time exhibitors, unveiled an estimated 20,000 new technology products across 1.4 million net square feet of exhibit space. More, 24,364 international attendees from 136 countries helped increase global attendance at CES by more than eight percent over last year. The top ten countries represented at CES are Canada, Korea, China, Japan, Mexico, United Kingdom, Taiwan, France, Brazil and Germany.

Senior-level executives and business decision makers continue to conduct business at CES. According to the Veris audit, 45 percent of all attendees were senior level executives, director level and above, on par with last year. Presidents, CEOs and/or business owners made up 20 percent of attendees. More than one third of all attendees are the final decision makers when it comes to new

product purchases and partnerships within their organizations. More than 8,400 attendees represented companies with more than \$500 million in total annual sales, nearly double the previous year.

The Veris audit also shows that CES attracts leaders from diverse business areas including entertainment, retail, education, engineering and venture capital. More than 12,000 retail buyers, 8,000 manufacturers and 3,000 engineers came to the 2010 CES along with more than 8,500 attendees from the software development/ publishing, content development and entertainment industries, a 41 percent increase over last year.

Top government officials also attended the 2010 International CES. Policy-makers from the U.S. House of Representatives, the U.S. Senate, the Department of Commerce, Federal Communications Commission (FCC), U.S. Department of Transportation and the U.S. Department of the Treasury were all present.

Every year, influential media and analysts attend the CES to report on the cutting-edge technologies and trends in consumer technology. The 2010 CES drew more than 5,000 press, bloggers and financial and industry analysts.

The CES audit provides absolute verification of exhibition records, including direct on-site observation, examination of registration systems and testing of attendee records. Post-show analysis included direct confirmation sampling, reconciliation of attendance lists, elimination of duplicate names and verification of demographic data with the source of documentation.

Final audit numbers may differ from estimates given on-site due to additional badge pick-ups and badge reader reports. This audit complies with the industry standards for audits adopted by both the Exhibition and Event Industry Audit Commission (EEIAC) and the International Association of Exhibition Events (IAEE).

The 2011 International aCES is scheduled to run January 6-9 in Las Vegas, Nevada. RO



Samsung Appliances Now Available to the Independent Dealer Channel.



Rannes



Dishwashers



Refrigerator



Microwaves

Breath new life into your appliance sales with cutting-edge designed appliances from Samsung. From top selling front load washers and dryers that are huge on style and capacity, to sleek kitchen appliances that make cooking a joy and clean-up effortless, it's no wonder Samsung is the elegant appliance customers want most.

Laundry Care that saves time and money

They practically sell themselves. How?

Washers:

- Advanced washer technology uses less water
- · Extra large capacity
- · Virtually silent operation

Dryers:

- · Dewrinkle with steam-burst technology
- · Self adjust drying times to save energy



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PRODUCT HIGHLIGHT



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NARDA Releases Dealer Cost of Doing Business Study

STUDY SERVES AS A VALUABLE BUSINESS MANAGEMENT TOOL

The North American Retail Dealers Association's (NARDA) newly released Cost of Doing Business Study serves as a valuable business management tool for independent dealers, as well as an important resource for the industry as a whole. The survey was prepared with assistance from Sandy Cloud, president of Management Advisors, Inc.

The study was conducted among a sample of U.S. retailers and servicers in the appliance, consumer electronics, service and mixed sales categories. The research focused on benchmarking key income statement and balance sheet metrics. The results provide a clear picture of dealer profitability, liquidity, operations expenses, and balance sheet management.

The results show the average participant reported a gross profit margin of nearly 34%*. Inventory turns were down from the industry benchmark of 6 annual turns; however the good news was gross margins helped offset these decreases with an all dealer average of \$1.80 return on inventory (ROI), which is very close to the industry bench mark of \$2.00.

"In today's highly competitive marketplace, education and information are essential elements for business success," stated NARDA's Chairman, Leon Barbachano of Allen & Petersen Cooking & Appliance Center, Anchorage, Alaska. He also pointed out that, "The Cost of Doing Business Study provides comparative information that dealers can use to assess the relative financial health of their businesses, to identify their strengths, and work on areas that need improvement in

order to develop strategies for growth". "Understanding and using the data in this report is one of the most important things dealers can do to ensure their businesses continues to prosper and grow," stated Otto Papasadero, NARDA's Executive Director.

Those who participated in the survey will receive a free copy of the Cost of Doing Business Report. The Report is available to NARDA members for \$150 and to nonmembers for \$200. To order the Report, contact NARDA at 800.621.0298, or nardasvc@narda.com.

* This gross margin percent reflects the fact that volume rebates were used to reduce the cost of goods sold, thus lowering the basis for calculating GP.

ABOUT NARDA:

The North American Retail Dealers Association is a not-for-profit trade association established in 1943 with members throughout North, Central and South America. Its members are independent retailers and servicers of consumer home electronics, kitchen and laundry appliances, furniture and computers. NARDA members represent over 3,000 storefronts and account for more than \$10 billion in annual sales.

NARDA's mission is to provide the power of knowledge to independent retailers and servicers through progressive education, information and services. For more information, contact Gretchen Oie, Administrator, NARDA Member Services 800-621-0298, or by e-mail at Gretchen@narda.com. Visit www.NARDA.com. RO



WE'VE CIVILIZED
OUR COMMERCIAL
RANGES





Elly Valas

WARNING! Speed Bumps Ahead!

'm the eternal optimist. I see a silver lining in every cloud; I assume the guy in the white hat will win; I'm accused of being a bit Pollyannaish. My positive outlook has been buoyed lately by my travels to dealers in the field. Many are beginning to see more traffic, increased sales and better profits.

Home sales are picking up and prices in most areas are stabilizing. places like Las Vegas are reporting an increase in new home starts. Some dealers who participated in their states' Energy Star appliance rebate programs recording-breaking reported events.

Although these signs are hopeful and encouraging, I see potential economic whiplash around the corner, whereas just a couple of months ago stock market gurus boasted the fastest turnaround to hit a 52-week high of 11,258 as I write this today, we've seen a "correction" of more than 1000 points as the Dow hovers at 10,000. Even though your customers aren't affected by failing European banks or by a reduction in pension benefits in Greece, we live in a global economy.

Yes, 90% of Americans are working, but with nearly twice the unemployment we've seen in decades, even those with jobs are jittery. There's good news in that The Conference Board Consumer Confidence Index® increased in May, its third consecutive monthly gain. The Index now stands at 63.3 (1985=100), up from 57.7 in April. Although the index is going up, it's a long way from the reported index of 105.6 in August of 2007.

Enough doom and gloom! The sky is not falling! But it's still time for smart management, tight controls and diligence. After months of lackluster sales and red ink, it feels great to have a couple of good months under your belt. Cash flow is better and you're catching up on your bills. Your associates are making more commissions; more customers are coming through the door. But don't get lulled by false prophets and unfettered hope. We're not completely out of the woods yet.

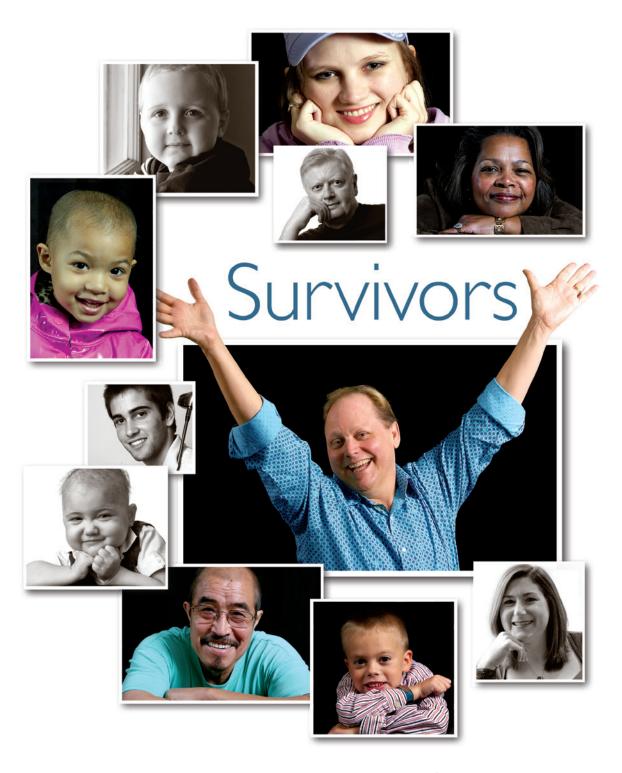
- Create a sales and expense budget. Forecast for best and worst case scenarios. Be nimble and make changes quickly as sales rise
- Keep a tight lid on your expenses. You've already discovered that you can do more with less. Resist the temptation to hire another delivery person or add an associate. Monitor every expense monthly.
- Don't increase fixed assets. Clean your carpet and touch up paint but put off adding new displays or replacing flooring for a few more months. Take the dings out of your old truck and fix the leaky radiator to keep it on the road for a few more miles.
- Keep promoting. Closely monitor the effectiveness of every ad and every promotion. Target your advertising and tailor your message to prospects most likely to buy from you. Offer attractive multi-item packages—a stainless steel kitchen

- for \$1850 or a complete home theater system with TV, soundbar, subwoofer and Blu-ray player.
- Merchandise to the new reality. Consumers want value and are trading down. Make sure your product assortment includes lowpriced budget models and a wider selection of mid-priced choices.
- Communicate with your team. Tell your associates that you're cautiously optimistic, but you're still holding in the reins. Let them know you appreciate their loyalty and their hard work.
- Be grateful. Every month I read about a once-successful independent shutting their doors. you're still in the game, you're doing lots of things right. Thank your customers, your lenders, your suppliers and associates for their help and support throughout the past couple of tough years.

Business is cyclical. This recession may have long-lasting impacts on consumer buying habits, value perception, and employment opportunities, but the pendulum will swing and the mood with improve. Do what's prudent now and you'll be in great shape to ride the coming wave. **RO**

Elly Valas is the Marketing Services Director for Nationwide Marketing Group. She can be reached at elly@ellyvalas.com or at 303-316-7569. Visit her website at www.ellyvalas.com.





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Changing the Way You Work

EMPOWERMENT IS CRITICAL

"Most people work just hard enough not to get fired and get paid just enough money not to quit." —George Carlin

hile that statement might have been true a few years ago, in the face of the dismal economy and the loss of millions of jobs throughout the country, employees today are willing to use every tool available to them to ensure they keep their current jobs or find new ones, and smart managers are encouraging them to do so.

Workers must be more agile, multitalented, and above all, empowered. Empowered employees take control; they make decisions quickly to help a customer, move a project forward, or a problem. Empowerment simplifies your job by putting you in charge of your own performance and giving you the responsibility to improve your work, your life, and the experiences of your customers. Those who reject empowerment—who fear risk and cling to the status quo-will lag behind and get left in the dust.

EMPOWERMENT RELIES ON THE FOLLOWING ELEMENTS:

• Knowledge—The more you know about the company, your customers, and your position, the better equipped you will be when called upon to create and innovate. You will be able to take that information and repurpose it to meet your own needs and the needs of your customers.

- Trust—Your employer must trust you to do the job, to make good decisions, and you must trust that your company values your skills and put you in a position of authority for a reason. You must trust yourself, confidence in yourself.
- Feedback—It allows you to alter your strategy and reevaluate empowered decisions you have made in the past and allows you to know if you are working within your organization's expectations. Ask for it, as that will demonstrate your desire to continuously improve, even for criticism, don't get defensive; accept it and use it to improve your performance.
- Delegation—When you are empowered, you have the authority to delegate, to ask for help when you need it. Delegating is not a sign of weakness; it will help you build an empowered team, which ensures a smooth and efficient operation.
- **Recognition**—The more employees are recognized for making empowered decisions, the more likely they will be to use their creativity on every future project and problem. When employees are recognized, they are more likely to replicate their success and make empowered decisions.

ROADBLOCKS TO EMPOWERMENT:

There are roadblocks to empowerment, as well. Once they are removed, however, empowerment can become part of a company's culture. Two of those roadblocks are:

- **Fear**—Employees who fear making the wrong decisions will never be empowered. They are afraid they will be fired, that they will have to pay for whatever they gave customers to retain their loyalty when they had a problem with the company, or will be yelled at. Being empowered means seeking out and embracing change without fear of retribution.
- Micromanagement—Nothing will kill empowerment more quickly than micromanaging, sending the message that you don't trust your employees. Give them the tools and skills they need to do their jobs, then take off the training wheels and allow them to ride.

Empowered employees also earn the respect of their coworkers and managers and become invaluable to the company. The Ritz Carlton hotel chain makes empowerment a priority and recognizes five employees each quarter for their 5-star behavior, including rewarding each with \$500. Each year, one of those employees is presented a roundtrip ticket to any Ritz Carlton hotel in the world and given \$8,500 in cash. What are you doing for your employees? **RO**

John Tshcohl - described by Time and Entrepreneur magazines as a customer service guru, is also an International strategist and speaker. He can be contacted at John@servicequality.com



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The Death of a Brand

few months ago, I witnessed the death of a brand. Actually it was the final breaths of a well-loved brand that had actually started dying about nine years before. It got me thinking about how brands can die, sometimes due to circumstances beyond anyone's control, and sometimes at our own hands.

The brand I'm referring to was Midwest Airlines. If you don't live in the Midwest, you're probably not familiar with the name. In its heyday from the mid 80's to the late 90's, Midwest (previously known as Midwest Express) was perhaps the best domestic airline in the country. It was universally loved for outstanding service and amenities. Every plane had wide, firstclass leather seats; there was no coach class. With quality rivaling most restaurants, the food was included in the price of the ticket and was served on actual plates with real silverware and complementary wine or Champagne.

Of course, there were the cookies. Fresh-baked chocolate chip cookies served on every flight. They were almost worth the price of the ticket alone. Midwest was truly remarkable among airlines. No one even came close.

But after 9/11 and the subsequent spike in fuel prices, it became impossible for Midwest to offer those amenities and be profitable. So they began whittling away at the things that were nice about the brand to save costs. They were in a tough spot, and they had to do what they had to do. But it was the beginning of the end for the brand.

A series of takeover attempts, mergers and reorganizations led to Midwest being purchased by Republic Airways, which also owns Frontier Airlines. In the spring of 2010, the two airlines were combined under the Frontier brand, and that was that.

There were certainly extreme circumstances that led to Midwest's demise, but I still think there are lessons to be learned here. Sometimes brands die due to changing business climates and

THEY WERE IN A TOUGH SPOT, AND THEY HAD TO DO WHAT THEY HAD TO DO... IT WAS THE **BEGINNING** END... " OF THF

there is little anyone can do to save them. But often I think brands fade away, becoming a shadow of their former selves—even if the company survives—because they are not properly cared for and managed.

What set Midwest apart were all the little things. The seats, the service, the smiles, the cookies, all made flying Midwest a pleasant experience in the sea of discomfort and frustration that is air travel. Those details defined

Midwest's brand. People were willing to pay extra to fly Midwest. When they started taking them away, they gradually became just another airline.

I'm sure you can think of other brands that have gone through that whittling away process. Whether it's a local restaurant or an international corporation, perhaps there are things you remember they used to do-nice little details—that they just don't do anymore. The company may or may not survive and keep providing its product or service. But the reason to go out of your way to patronize them is gone. The brand is dead.

What are the little details that define your brand? The things that people love about doing business with you, the things people would pay extra for? Those things your competitors can't or won't do. Make a list of those things, decide which are the most important, and protect them. Don't let them become the victim of a costcutting measure.

I am not saying your brand shouldn't evolve and change with the times. That list of little details may have to change or be replaced over the years. But the day you start taking them away and becoming more like your competition is the day your brand starts dying. RO

BUILD

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





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Kelly Rigdon

Simple Perfection

"SIMPLICITY IS THE ULTIMATE SOPHISTICATION" LEONARDO DA VINCI

n today's world, we are inundated with information. Powerful laptops Lat our fingertips, smart phones in our pockets and Wi-Fi access at every corner coffee shop—all conspire to bombard us with countless sources of information that were unimaginable just a few years ago. Yes, our lives have become so...complicated? Can you say information overload? When you have access to so much, it becomes difficult to filter. We are an indulgent society. In our efforts to manage everything, we overcomplicate...and end up managing nothing.

SAM I AM...

I live in a world of detail and complexity. I write complicated sentences, on relatively complex topics. Although I despise them, I occasionally catch myself using industry buzz-words and phrases. At the end of the day (now that's funny), these complex sentences and buzz-word laden presentations make as much sense as a Dr. Seuss tongue twister (although I do love Green Eggs and Ham). I have learned many things throughout my career; the most important beingjust when you think you know everything, prepare to be humbled. I had a client remind me that not every process is worthy of automation. What he really meant was that efforts to drive automation and simplification can sometimes work to complicate what is already a very simple process—wow, humbled again.

AUTOMATION = COMPLICATION?

When it comes to technology, we assume more is better. More functionality; more data; more reports; more automation; more...well, everything. An ERP kicks it up a notch. There is a common axiom in the ERP world; you can do anything you want, provided you have enough time and money. Look, I get it. When you're spending so much money to transition your business software to a new ERP system, you want your money's worth. In most instances, our efforts to drive automation and function, only serve to complicate. Simple processes get lost in fuzzy functionality and complex automation. I have lived and learned. I have sipped from the fountain of ERP knowledge and drank the Kool-Aid (all right, I'll stop).

KEEP IT SIMPLE STUPID (KISS)

I have seen well-intentioned people (yours truly included) attempt to pack so much functionality into their new ERP, that they forget two simple rules. Rule Number 1: the basic system has to work day one; and Rule Number 2: Know how you're going to put your maintenance into place. As business leaders, it's in the DNA to get the most bang for your hard earned buck. When you make a huge financial investment, you must deliver ROI. Our tendency is to immediately simplify and automate *Every* process in the business. In order to maximize ROI realization however, you must resist the tendency to do too much, too fast. Basic functions need to be your primary focus.

Accounting, sales, purchasing, warehouse management, delivery... all of the basic systems must be functional day ones. Only after implementing your basic business functions, can you begin optimizing to drive greater efficiency. As you automate and "simplify", you must always ask yourself: who will manage the system? Layers of complicated set-up may provide detailed insights into your business, but at what cost? How will the database be managed once the focused implementation resources are long gone? KISS must be your daily litmus test for every process.

TWO MINUTE WARNING!

I hear owners comment all of the time; our business isn't rocket science, but we try like heck everyday to make it as complicated as humanly possible. My job as a consultant is to make the complex simple. I love history, and there is no better example of simplicity as an art form than Abraham Lincoln's Gettysburg Address. In 273 words, delivered in just over 2 minutes, Lincoln crafted a speech that is so eloquent and so deliberate in its message it is widely regarded as the greatest speech in American History. Two minutes...273 words...simple perfection. RO

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Rick Segel

The Seven Breakthrough Marketing[™] Tools

here truly is a revolution taking place in marketing today. But it's more than just an explosion in the number of ideas—it is the speed in which these ideas become accepted and used by large numbers of our marketing audience.

The bottom line is that we reach people differently today. Consumers have new buying habits and ways in which they receive information about the products and services they seek. The following is my list of The Seven Breakthrough Marketing Tools we need to know in order to compete in this overcrowded marketplace:

- 1. The Touch Tools—These are the ways that we get in touch with people—from face to face, to telephone calls, to communicating via answering machines, to traditional mail, e-mail, text, newsletters, etc.
- 2. Multiple Landing Pages—People do not go into websites from the front door anymore. They do searches for specific words and phrases and we must have a single landing page where they land and then we can redirect them to the rest of the site or sites.
- 3. Call to Action Graphics—These are the graphic nudges that will encourage the reader to seek more information. Websites today should have multiple forms to fill in to receive "additional information", a "trial period", or "free offers", etc. The reason why you need graphics is to make it stand out. A call to action without graphics

draws 73% less action.

- 4. Create Your Lead Nurturing **System**—When someone expresses an interest in a company or a product, what system do you have in place that will follow up with the customer? This can be a series of emails, letters, newsletters, or even phone calls over a desired time period, generally from 3 months to 1 year. I like to say, "until they Buy or Die".
- 5. Opt-in text/M-commerce—This is perhaps the fastest growing of all marketing tools. Here is the concept: You will see in an ad, on a sign in your window or on the side of the bus that says something like "Text 71277 for specials". This message can be on a billboard, store window, plastic bag, etc. The bottom line is that people can opt in to your list without ever having any contact with your business. That is a powerful concept that in turn will result in sales.
- 6. You Tube and the Video—This powerful technique is changing how we not only learn but also the way we entertain ourselves and it's all FREE. It's important to separate the concept of using Video and YouTube™. YouTube is important because it is a first rate delivery system that has an unbelievable distribution network. But it is the use of video that is so important. These include:
 - Video Testimonials—Here you will capture comments by customers, make a video of them, and post

- them on your website. They can also be played in the store.
- Learning Minutes. These are 2-4 minute educational videos that should be branded and can teach the customer something about a product or technique. Again, they can be played in the store, in a section of a website, and can be combined in a collection that can be sold.
- 7. **The coupons**—Get involved with as many coupon services as possible. Why? Simple, they are all pay for performance. So as long as you make an appealing offer without giving the store away, you can't lose.

These are my seven tools for now, but the way things are happening so fast, be prepared to learn new twists on some old rules and some new ideas that could only happen because of rapidly changing technology that the internet delivers to us almost daily. My advice: select what makes sense to you, adapt and adopt it, but fasten your seat belt and get ready for the ride to experience the explosion of marketing ideas and concepts to come! RO

Rick Segel, author The Retail Kit for Dummies, helps retailers and vendors partner so everyone sells more! Visit Rick's website at www.ricksegel.com









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Kevin M. Henry

Green With Envy...

A CASE STUDY

am often asked "What makes a green kitchen green?"...is it the cabinets? The counter-tops? What about appliances? Well...it is a little bit of everything...renewable and recycled materials as well as energy efficient appliances are the foundation to a green kitchen.

Nestled in the sun-drenched hills below the fabled Hollywood sign sits a group of homes built in the 1920's and 30's for the "who's who" of then Hollywood royalty. We were invited by Richard Byrd of BYRD Eco-Luxury Development to be apart of a spectacular renovation of a classic, 1929, Spanish Revival home that had been gutted to the core and was in the process of being dragged, kicking and screaming into the 21st Century.

The house, in itself, was a perfect example of green-retrofitting, strategically placed solar-panels, water reclamation, recycled site materials, energy efficient heating and air-conditioning to driveway pavers that absorbed 80% of rainwater. All in all, one very amazing home.

The kitchen was to be the focal point of the project as many of the eco-centric details were hidden from the eye...so the kitchen was to be a working example of everyday green living. The kitchen was open to the rest of the home, and as such, needed to function on several levels, from food preparation to social interaction, while blending seamlessly into the living and family areas of the home. The challenge was to successfully achieve a delicate balance between form and function.

After much thought and consideration, the cool, clean lines and the warm, rich sexy textures of the Bazzèo CERES

collection were selected for its almost "Zen" like qualities. The clean and simple lines of the CERES, seamlessly interacted with the Spanish pavers and Moorish details throughout the house.

The foundation of our kitchen was a NAUF (no-added urea-formaldehyde) cabinet box, in combination with doors and drawer fronts produced from an ecosensitive core material made from compressed wheat grass. The doors were then covered with a reconstituted oak veneer and then finished in a chocolate brown, non-toxic, water-based stain.



At the heart of our green kitchen was the EnergyStar® rated appliances. In the average American home, the kitchen is responsible for nearly 40% of all household energy consumption. Within these kitchen walls, the family refrigerator consumes over 40% of the usage for this room alone. We selected two, 24" integrated models from Liebherr for their efficient energy usage and their seamless integration into the cabinets. For the remainder of the appliances we selected two FAGOR convection ovens, a water sensitive FAGOR Dishwasher. The center piece for our kitchen was a magnetic induction cook-top. Compared to a traditional gas or electric cooking surface, induction uses a 10th of the energy to heat

a pot or pan without generating heat on the surface of the cook top.

GREEN FEATURES:

- Certified Recycled Furniture Board
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- · Manufacturing waste and cuttings are recycled or reused.
- Non-Toxic, Water Based Lacquer Finishes
- · All natural wood finishes and veneers are from certified renewable resources.
- EnergyStar Refrigerator
- Magnetic Induction Cook-Top
- · Water Sensitive Dishwasher
- Convection Ovens
- · Made in the USA

Shortly after the completion of the home, it was announced the United States Green Buliding Council (USGBC) had bestowed the First Platinum LEED certificate for a site-built home in California to this project. We took great pride in knowing that we had contributed our fair share to the total points required.

Kevin M. Henry is an international speaker on market trends and sustainable kitchen design in the kitchen industry for more than 30 years. Contact: Kmhenry@group42.net





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Robert Spector

The Wisdom of Mom & Pop: **Passion**

Il the successful mom & pop entrepreneurs I know have invested blood, sweat, tears, time, and dollars in their businesses. But they couldn't do any of those things if they did not bring one more essential ingredient: passion.

Without passion, there's no reason to get up in the morning. There's no reason to open the doors of the shop. There's no reason to compete.

In the course of my travels, I interviewed men and women who run a variety of small, independent businesses-virtually all of them talked about their passion.

"For us, the passion about what we're doing is important," said Chuck Robinson, the co-owner, with his wife, Dee, of 30-year-old Village Books in Bellingham, Washington. "We see that in other businesses, like the good restaurants that we know of are run by people who are passionate about what they do, and who throw themselves into their work. It would be impossible for a mom & pop to survive if somebody looked at it as just a job."

When aspiring bookstore owners ask Chuck and Dee for advice, "We tell them that if this is your passion, it's a great way to make a living, but if you're opening a bookstore because you love reading books, then become a night watchman, because you'll be able to read more books that way."

Echoing the Robinsons is Alan Robson, who, with his wife, Linda Sutherland, owns the Great British Pine Mine in suburban Kensington, Maryland. Their warehouse is chock full of imported antique armoires, cupboards, bookcases, and desks. "The work itself has been my passion," Alan told me. I couldn't do this if I didn't love it. I talk about my product with genuine enthusiasm."

Rob Kaufelt, who owns the famous Murray's Cheese store in New York's Greenwich Village, travels the world for different kinds of cheese for his customers to try. He enjoys educating his customers because "I have a passion for cheese. The small retailers who survive have a direct connection with their products and the people who supply them. The main thing is to let the customers see our passion. Turn them on to whatever we've got going. We want them to try our product. My grandpa, who once had a little shop in New Jersey, would always say to customers, in his Russian accent, 'Go on, take a taste.' Nothing's changed, I suppose. We tell our customers, 'Go on, take a taste.""

Passion can take many forms. Willie Earl Bates, a retired insurance salesman with no previous restaurant experience, was passionate about saving the Four Way Restaurant, a legendary soul food eatery in Memphis, Tennessee. The Four Way is not just a restaurant; it is a community institution. Martin Luther King ate one of his last meals there.

Willie Earl told me that the Four

Way is "not about gobbling down food real fast. It's about taking in all the nourishment of this place—the food, the environment, the spirit. I'm determined to do what ever I can. This is my commitment: I will do everything, including taking my last breath, to make sure this institution is a success."

Are you bringing passion to your business? Do you get up every day and can't wait to get to your business? If you own a family business, does the next generation share your passion?

At WeissHouse, an upscale home furnishings store in Pittsburgh, founder Jack Weiss handed over the business to his son, Lou, and daughter, Staci. "We've been very lucky because our father gave us free reign," said Lou Weiss. "We felt like the company was totally ours. Even in big decisions, he would generally defer. In a lot of family businesses, the passion is squashed by the founder. As a result, the next generation tends to be dispirited and not be anxious to go to work."

Passion. You can't manufacture it. Just make sure you don't stifle it because it will invariably save the day.

Robert Spector is the author of The Nordstrom Way to Customer Service Excellence and The Mom & Pop Store. Robert can be contacted at robert@robertspector.com.



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JULY

22-24

SEBC GREEN BUILDING SHOW

Orange County Convention Center ORLANDO, FL www.sebcshow.com

AUGUST

2-6

SUMMER 2010 LAS VEGAS WORLD MARKET /GIFT+HOME / VEGAS KIDS

Las Vegas Market
LAS VEGAS, NV
www.lasvegasmarket.com

15-18

NATIONWIDE MARKETING GROUP PRIME TIME!

Gaylord National Resort
NATIONAL HARBOR, MD
www.nationwideprimetime.com

25-26

* * *

MEGA GROUP NATIONAL CONVENTION

Louisville Convention Center LOUISVILLE, KY www.megagroupusa.com/show

29-SEPT 2

BRANDSOURCE CONVENTION

Paris Hotel LAS VEGAS, NV www.brandsourceconvention.com

SEPTEMBER

3-8

IFA 2010 CONSUMER ELECTRONICS UNLIMITED

Messe Berlin BERLIN, GERMANY www.ifa-berlin.com

13-14

HIGH POINT FALL FURNITURE MARKET

High Point Furniture Market HIGH POINT, NC www.highpointmarket.org

14-17

REMODELING SHOW 2010

Baltimore Convention Center BALTIMORE, MD www.theremodelingshow.com

22-26

CEDIA EXPO 2010

Georgia World Congress Center ATLANTA, GA www.cedia.net/expo/index2010.php

OCTOBER

ENERGY AWARENESS MONTH
NATIONAL KITCHEN & BATH MONTH

2-5

APDA'S FALL 2010 MEETING

The Four Seasons Resort & Club Las Colinas DALLAS, TX www.APDA.com

15-17

NINTH ANNUAL DPHA CONFERENCE

The Westin Diplomat Resort & Spa HOLLYWOOD, CA www.dpha.net

2011: JANUARY

6-9

INTERNATIONAL CES

LAS VEGAS NV www.cesweb.org

18-23

THE INTERNATIONAL KITCHEN SHOW

COLOGNE, GERMANY www.livingkitchen-cologne.com/

NOTE: Attention Buying Groups, Associations, Distributors and Manufacturers - Please submit your event schedules to production@retailobserver.com at least two months prior to the date so it may be included in our Upcoming Events Calendar. To receive The Retail Observer in print version, please go to www.retailobserver.com to subscribe.



Learn More About Consumer **Electronics Buying Groups**

SEN ANNOUNCES BUYING GROUP WEBINARS

pecialty Electronics Nationwide (SEN) Buying Group is the specialty consumer electronics division of the Nationwide Marketing Group. SEN is dedicated to independent dealers who specialize in offering custom installation services. SEN is proud to announce two free webinars designed to explain everything independent dealers need to know about Consumer Electronic Buying Groups. Hosted by SEN Director of Membership Barrie McCorkle, these free webinars are aimed at providing dealers with valuable information that can help them decide if a buying group will add profitability to their bottom line.

"We realize that many independent dealers may not be aware of the advantages a buying group membership can bring to the table," remarked Jeannette Howe, Executive Director of "Obviously deep deals with SEN. manufacturing and distribution partners are what attract dealers to buying We also offer consumer financing, warranty programs, Internet marketing services, education, training, networking and so much more to help our members compete effectively against mass merchants."

SEN Buying Group Webinar 1:

Thurs, July 15, 2010, 3pm – 4pm EDT To pre-register, connect online to www.gotomeeting.com and click on

"Join Meeting" The Webinar ID is 593-854-865

SEN Buying Group Webinar 2:

Thurs, July 29, 2010, 3pm – 4pm EDT To pre-register connect online to to www.gotomeeting.com and click on "Join Meeting"

The Webinar ID is 160-074-368

SEN AND PARA CO-SPONSOR **EDUCATIONAL SESSIONS AT PRIMFTIMF!**

SEN is proud to announce details of their educational partnership with PARA, the Audio-Video Retailer division of the Consumer Electronics Association (CEA). SEN and PARA are co-sponsoring two free instructional seminars at the PrimeTime! buying show and conference on August 15 -18, 2010 at the Gaylord National Resort in Maryland, just minutes from Washington D.C.

THE ART OF THE DEMONSTRATION: ARE YOUR SALES PEOPLE CLERKS OR CONSULTANTS?

President of Atlantic Technology Peter Tribeman will be presenting "The Art of the Demonstration." Is your company creating emotional connection that converts your clients into raving fans? "Home Entertainment" is increasingly becoming a commodity business and the

proliferation of flat panel business continues to grow. This session will take you through the golden rules of performance-based selling provide you with concrete examples of structured demonstrations that excite customers, demonstrate your competence, guarantee higher profit sales and even help you navigate the art of selling 3D.

EVERYTHING YOU NEED TO KNOW **ABOUT 3DTV**

In addition, SEN and PARA are co-sponsoring "Everything You Need to Know about 3DTV" presented by Chris Chinnock, President of Insight Media and Board Member of the 3D@Home Consortium. 3D is hot and currently there is tremendous excitement about selling new 3D TVs, players and content services. Those who know the most about 3D will be the ones to profit from selling this technology. 3D is confusing and will require a lot of education at the retail level and for the consumer. This PrimeTime! University session is designed to give attendees the tools to understand what 3D is all about and more importantly, how to create sales by educating the consumer.

Please contact SEN Director of Membership, Barrie McCorkle, at bmnationwide@gmail.com,or 970-984-0545. **RO**



YOUR CUSTOMERS DESERVE GREAT SERVICE. YOU DESERVE A PROFITABLE SERVICE BUSINESS.

Adding a service program isn't complicated anymore. *Mr. Appliance* is the largest appliance repair franchise network in the United States and Canada. The business systems and software are designed to help you easily add an efficient and profitable service company to your retail operation. Call *Mr. Appliance* to see if there is a franchise opportunity in your area.

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- Discounts and rebates on appliance parts, vehicles, supplies, insurance and more.
- Technician training and recruitment support.





Brand Source Upgrades

DIGITAL SALES AND MARKETING

he Internet is a fast paced, ever evolving tool. As the needs of Internet users change, so must web sites to meet those needs. The BrandSource web site, www.brandsource.com, which underwent major upgrades two years ago, is undergoing a planned upgrade to Version 2, to meet the needs of today's Internet consumers.

Version 2 will help members become more competitive online by allowing full control of all pricing in shopping carts, or the ability to turn off pricing for select categories, such as mattresses. "We prefer our mattress customers learn about the products from our web site, then visit our stores to get the right level of comfort for each individual user," said BrandSource VP of Furniture Mike Allen.

Additional site upgrades will include more flexibility in product offerings for members and ease of use by consumers, and a much higher-level online profile becoming more aggressive product offerings. Consumers got a taste of the new aggressive pricing on June 1st when the site offered a June 1 DVD first release for only \$4.95, instead of the \$19.95 suggested retail price.

PERSONAL TOUCH WITH SOCIAL MEDIA MARKETING

Social Media is the latest form of word-of-mouth advertising, which is considered to be the most influential when shoppers make a buying decision. However, today's Social Media moves quicker than traditional word-ofmouth and covers ten times the number of people in minutes rather than days. From big to small, the way you respond to a complaint or handle the introduction of new products and solutions can leave a lasting impression on your customers.

BrandSource has taken the bull by the horns and is spreading the word of the benefits of Social Media Marketing and keeping members informed and up to date

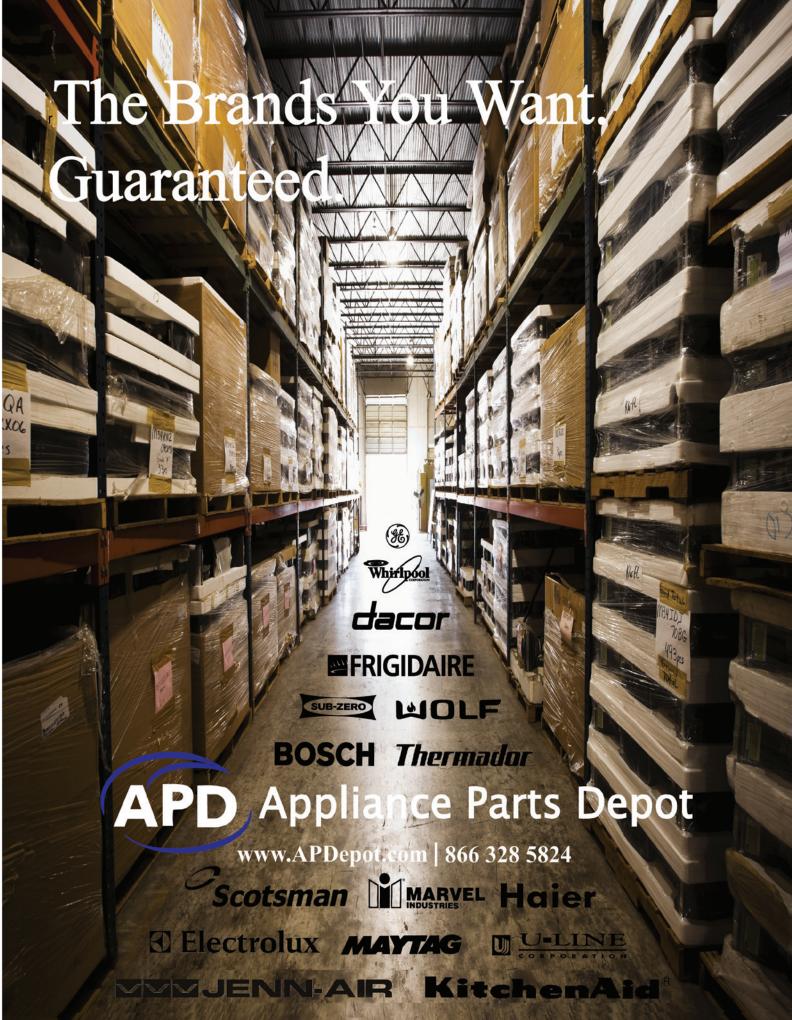
on Social Media trends and opportunities. "We not only provide the information our members need to participate in Social Media Marketing," said new Digital Marketing GM Bob Donaldson, "we provide our members with detailed instructions of what to do and maybe more importantly, what not to do online. We have seen how other industries have reacted to online viral situations and we are training our members on the best ways to react to all online situations," Donaldson continued.

BrandSource has discovered that many members want to get more active in online marketing but lack the time and energy to get started. Beginning this summer BrandSource is putting digital marketing experts in member's stores

> to set up individual Social Media accounts and e-mail marketing programs. "We aren't stopping there. If all we do is set up a Facebook and Twitter account then our job is only half done," Donaldson continued. "We will set up their accounts, teach them how to use the accounts, monitor the accounts to make sure members follow-through in using the tools we provide them with to grow their base. BrandSource will provide members with materials with how to interact

with their fans and provide members with content they may want to use to communicate with their fans."

With e-mail marketing, BrandSource makes a service available to members, costing them nothing for up to 3000 messages a month. BrandSource Marketing has designed exclusive e-mail templates making it easy for members to build newsletters for their customers. BrandSource will even provide content for members who need information to fill their newsletter. "Our members are specialists at traditional marketing, selling and delivering the products they sell. We are making getting into digital as simple and easy as possible so members can continue to concentrate on what they do best."







PrimeTime! University

NEW COURSES FOR INDEPENDENTS IN AUGUST 2010!

rimeTime! buying show and conference by Nationwide Marketing Group, brings in the "Best of the Best" industry experts to teach the strategies and techniques that are working in business today through courses specifically tailored to the independent dealer. Take a "sneak peak" at some of the educational courses being offered at the upcoming show!



MANAGEMENT COURSES

- Business Development: Planning the Future of Your Business
- On-the-Floor, On-the-Fly Coaching Techniques: Dramatically Improve Your Team's Performance
- Small Business Administration: A guide to resources for businesses with less than \$9 million in sales

SALES & MARKETING COURSES

- E-mail Marketing: Inexpensive, Effective & Easy
- Building Web Traffic: From Your Site to Your Store
- Selling to & Servicing the Emerging Generation of Home Furnishing Customers
- The Physics of Closing: How to Make the Hardest Part of the Sale Easy

MERCHANDISING COURSES

- Meet the Competition & Make a Buck
- Connecting the Dots: Making Sure Your Store Design & Appearance Matches Your
- Profit from the Complete Electronics Sale

INSTITUTE OF SERVICE MANAGEMENT - 1/2 DAY WORKSHOP (BRING YOUR SERVICE MANAGERS!)

Part 1—Increasing Service Department Profitability by Increasing First Call Completes

Part 2—Calculating the Cost of a Service Call to Increase Warranty Rates and Profitability

SPECIALTY ELECTRONICS COURSES

- The Art of the Demonstration: Are Your Sales People Clerks or Consultants?
- Everything You Need to Know About 3D TV

GET THE ANSWERS YOU NEED TO GROW YOUR BUSINESS AT PRIMETIME!

Go to www.nationwideprimetime.com for a full course listing and to register for Prime Time!, the largest buying show and conference for independent dealers.

For more information on the many benefits of membership with Nationwide Marketing Group, visit www.nationwidemarketinggroup.org. RO

NKBA EDUCATION



"Professional development courses offered through the NKBA have given me the knowledge necessary to grow in my field, and feel confident that I'm staying ahead of industry trends. NKBA Certification has provided the credibility with potential clients that has led to new business."

Rebecca Flynn, CKD, CBD, CID

Borrelli Design + Cabinetry, San Diego, CA

The NKBA is the industry's premier provider of kitchen and bath education courses that offer the tools necessary to succeed in today's demanding industry.

July 2010

7/10/2010	Social Media Saturday: LinkedIn, Part 1 •	Webinar Series
7/13/2010	What Shade of Green is That? •	Webinar Series
7/17/2010	Social Media Saturday: LinkedIn, Part 2 •	Webinar Series
7/19/2010	CKD Prep Review Course - 2 Days •	Chicago, IL
7/19/2010	Complete 5-day Certification Prep Course •	Portland, ME
7/19/2010	AKBD 3-day Certification Prep Course •	Portland, ME
7/21/2010	CBD Prep Review Course - 2 Days •	Chicago, IL
7/21/2010	Advanced Appliance Workshop •	New York City, NY
7/21/2010	CKD/CBD 3-day Certification Prep Course •	Portland, ME
7/26/2010	AKBD 3-day Certification Prep Course •	Sacramento, CA
7/26/2010	AKBD 3-day Certification Prep Course •	Baltimore, MD
7/26/2010	Complete 5-day Certification Prep Course •	Sacramento, CA
7/26/2010	Complete 5-day Certification Prep Course •	Baltimore, MD
7/27/2010	AKBD 3-day Certification Prep Course •	Omaha, NE
7/28/2010	CKD/CBD 3-day Certification Prep Course •	Sacramento, CA
7/28/2010	CKD/CBD 3-day Certification Prep Course •	Baltimore, MD

August 2010

8/2/2010	Complete 5-day Certification Prep Course •	Denver, CO
8/2/2010	AKBD 3-day Certification Prep Course •	Denver, CO
8/3/2010	CKD/CBD 3-day Certification Prep Course •	Pittsburgh, PA
8/4/2010	CKD/CBD 3-day Certification Prep Course •	Denver, CO
8/14/2010	Social Media Saturday: Facebook, Part 1 •	Webinar Series
8/21/2010	Social Media Saturday: Facebook, Part 2 •	Webinar Series

Knowledge Paths







For a complete listing of NKBA Education courses, visit NKBA.org/Courses.





MEGA Group USA Announces Partnership with United Servicers Association



EGA Group USA, a leading national home furnishings buying group for appliance, electronic, furniture and mattress retailers, has announced their alliance with United Servicers Association (USA) to provide dealer support in the service industry for MEGA Group USA's self servicing appliance retailers. This is the first venture with a services association for the 1500 member, 2500 store front buying group headquartered in Germantown, TN.

"We are excited to bring our retailer partners this alliance with USA," stated Rick Bellows, president of MEGA Group USA. "United Services Association is a highly respected leader in the industry, and they have a strong reputation for having professional management and trainers. Their programs will help our dealers bring even better service programs to their businesses ultimately increasing their profits and impacting their bottom line."

United Services Association will work closely with MEGA Group USA to support and provide valuable resources to MEGA Group USA's dealers including management and technical training, education programs, government relations and marketing programs.

"USA is proud to be the endorsed service association to MEGA Group USA's successful dealer partners," stated Paul MacDonald, Executive Director for USA. "We look forward to serving their retailers as well as providing management and technical training at MEGA Group USA's two upcoming national conventions including the meeting in Louisville, KY August 23rd - 26th."

USA (United Servicers Association) is a North American service trade association formed by servicers for servicers in 1992. Its mission and purpose is to develop and provide services and programs intended to assist members in

building strong businesses for the purpose of competing successfully in the currently competitive environment. To achieve these goals, USA provides educational programs, financial services, government relations, and management and marketing programs. Visit USA's Web site at: www.unitedservicers.com.

MEGA GROUP USA TO SHOW IN LAS VEGAS

MEGA Group USA, a leading national home furnishings buying group for furniture, mattress, appliance and electronic retailers, has signed a lease in the World Market Center to show at Las Vegas Furniture Market. This is the first time MEGA Group USA has had a showroom presence at Vegas. Their 5,000 square foot space will be located in Building B-1154.

"We have attended Vegas Market since it opened and are excited to have a space to showcase our offerings to dealers," stated Rick Bellows, President of MEGA Group USA. "The World Market Center provides a powerful venue to reach our audiences, and we look forward to a successful partnership with them."

MEGA Group USA will be showcasing several new programs at the August 2-6 Market. "Our focus in Vegas will be on our new Paula Deen Mattress Collection by Serta that is exclusive to MEGA Group USA members," states Jerry Honea, Director/ COO for MEGA Group USA. "The Paula Deen collection has been a tremendous success with our current members, and we look forward to presenting it to others."

MEGA Group USA will also be featuring their Dreamhaven Mattress Collection, another MEGA Group USA member exclusive as well as a complete Home Theatre seating area complete with 3D television technology by brands such as Samsung, Mitsubishi, Toshiba and more. RO

SMART DETERGENT WASHER AND DRYER

The Smart Detergent System is the world's first intergraded detergent dispensing system where consumers can conserve the amount of detergent, softener, and bleach being used in every wash cycle. The washing machine can store up to 70 ounces of detergent and softener and 42 ounces of bleach and will distribute the washing materials in up to 45 seperate wash cycles.





NEW
Integrated Smart
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System:
Just fill with
detergent, bleach,
and softener and
wash up to 45
loads hassle free!





Available in red, silver, and white. Washer (model # DWD-WD1353RC Dryer (model # DWR-WE5413RC)

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Designing Excellence



Promotions

LG ELECTRONICS USA PROMOTIONS: JAY VANDENBREE AND JAMES FISHLER



Jay Vandenbree

LG Electronics USA, Inc. today named industry veterans Jay Vandenbree as senior vice president, sales, and James Fishler as senior vice president, go-tomarket operations.

"LG has an aggressive growth plan for 2010 and beyond," said LG Electronics USA President James Shad. "We place a very high priority on best-in-class

partnerships with our retailers, and Jay and James will help us achieve this vision."

Vandenbree assumes responsibility for leading the U.S. sales organization for LG home entertainment and home appliance products. He succeeds John Herrington, who has left the company.

Since September 2009, as LG's senior vice president, go-to-market operations, Vandenbree responsible for key sales support activities including product management, pricing, promotion, channel merchandising and market analysis for LG's home entertainment and home appliance business in the United States.

He joined LG Electronics USA with more than two decades of industry experience. In his 23-year career at Sony Electronics, Vandenbree held key sales operations positions, most recently as president of consumer sales from 2006-2009, when he was responsible for Sony's U.S. consumer sales strategy with retail partners and direct businesses. He was recognized by the Home Theater Specialists of America as 2009 Man of the Year and has been a guest speaker at forums across the country.

Fishler, who succeeds Vandenbree as head of go-tomarket operations, has been LG Electronics USA's vice president, sales, since June 2009. He was responsible for strategic account development, identifying new business opportunities and leading channel management, primarily for the LG home entertainment business. Fishler built his career with Sony Electronics in a variety of roles and locations across the United States, most recently as vice president, strategic sales planning.

RALPH SANTANA IOINS SAMSUNG



Ralph Santana

Samsung Electronics America, Inc., the technology leader and innovator in consumer electronics and communications, proudly announces the appointment of Ralph Santana as Senior Vice President and Chief Marketing Officer, at the company's American headquarters (NAHQ).

Santana joins Samsung after a 16-year career with PepsiCo Inc. During his Pepsi career, Ralph has had multiple international and domestic leadership roles in marketing, spanning various brand initiatives and product categories. Most recently he was the VP of Marketing for PepsiCo's flagship Pepsi-Cola trademark. In that capacity he re-launched the brand with a new positioning, identity, and communications strategy and was responsible for the highly acclaimed Pepsi Refresh Project.

In his new position, Santana will take leadership responsibility for Samsung's North America Marketing organization, including the Brand Marketing, Digital Marketing, Market Intelligence, and Product Innovation

teams. He will report directly to CS Choi, President & CEO of Samsung Electronics America.

"As Samsung continues to build our overall brand preference in the minds of consumers, we look to strategic industry experts like Ralph who have extensive expertise in brand management in a very competitive environment," said CS Choi. "We are pleased to welcome Ralph into our organization and look forward to his contributions as we build on our success as the number one technology company in the world."

"The Samsung brand is recognized across the globe, and I am thrilled at the opportunity to be a part of the development of that brand here in North America." stated Santana. "With the many exciting marketing initiatives from Samsung, I look forward to leading a team that has proven success in such an exciting industry. I hope to provide the same level of energy to the organization and enhance the delivery of the company's vision and value to consumers."

Santana earned his MBA from Duke University's Fuqua School of Business. RO

F. Hardy Rickbeil 1908-2010

F. Hardy Rickbeil, a true friend of the Worthington community and the retail industry died on May 16, 2010, at the age of 101.

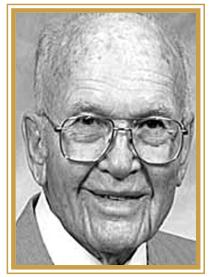
He was born in Loma, North Dakota above his parents' hardware and implement store on June 21, 1908. Hardy and his family moved to Worthington, MN. In 1920 and he grew up with a great love for hunting and fishing and enjoying the luxury of living near Lake Okabena. He

attended the University of Minnesota after high school until his father became ill and he was needed at home to help run the family hardware and appliance business. He and his wife Bethel had a wonderful 74 years together until she passed away in 2005.

His dedication to the Worthington community was exemplified by his active participation and leadership in almost every city organization and committee. His first and foremost obligation was to his family and his church. He was Alderman-at-Large on the city council, served for over 40

years on the Board of Directors of Worthington Federal Savings Bank, a board member and served as President of the Southwest Minnesota Crippled Childrens' School, as President of the Worthington Chamber of Commerce, as a member of the board of Worthington Regional Hospital and as Chairman of the Nobles-Rock Boy Scout District. He was especially interested in the Masonic Lodge and Kiwanis International.

His leadership extended beyond his community. He served for 21 years on the Board of Directors of American Hardware Mutual Insurance Company, as President of the Minnesota Retail Hardware Association, as President of the Minnesota Retail Federation. He was elected to serve as President of the National Retail Hardware Association and the only person who also served as President of NARDA, the National Association of Retail Dealers in America. He was honored to be selected as "Hardware Man of the Year" by Hardware Age Magazine in 1953, and also selected to be "National Brand Names Retailer of the Year" in 1958. He wrote a monthly column in Mart Magazine called "A Dealer Speaks" for several years.



He was appointed to the National Board of Field Advisors for the Small Business Administration, Minneapolis Region. He was inducted into the Minnesota Business Hale of Fame in 1977.

Rickbeil's Hardware, Furniture and Appliance Company Inc., incorporated in 1958. One of Hardy's first objectives was to involve his employees in the management of the company. A Board of Directors was formed and met monthly. A priority was to develop a Profit Sharing Trust as a retirement benefit--one of the first of its

kind. A Constructive Criticism Committee met quarterly to discuss issues relating to all aspects of the company. Frequent department meetings were planned to improve operations and profits. Long term employees were rewarded with shares of stock in the company. His philosophy was to always have people working for the company that could do the job as well or better than he.

Hardy is survived by one son, Dick and his wife Judy of Worthington, and one daughter, Dianne and husband Don Frerichs of Rochester, MN, 10 grandchildren, and 19 great grandchildren. He was preceded in death by his parents, his wife Bethel, one brother Robert, one sister Myrtle Schutte, and one grandson, Randall Frerichs.

Manufacturer (NOTES)

New Whirlpool Brand Cabrio[®] Pair Brings Sixth Sense[™] Technology to the Laundry Room

INTUITIVE FEATURES IMPROVE PERFORMANCE, SAVE ENERGY

elping consumers reach new heights when it comes to energy efficiency and fabric care, laundry leader Whirlpool _brand launches the newest Cabrio® high efficiency (HE) top-load washer and dryer. Featuring a variety of intelligent 6th Sense technologies, the Cabrio laundry pair senses laundry loads and adjusts cycles accordingly, helping consumers achieve improved cleaning and superior efficiency, all while washing three baskets of laundry in a single load.

"The intuitive features on the Cabrio washer and dryer help consumers maximize fabric care and resource efficiency from start to finish," said Brandon Buckingham, senior marketing manager, Whirlpool brand laundry. "New tools such as the Eco Monitor also display to consumers how their actual cycle choices affect the environmental efficiency of their laundry, helping them to be more 'green' on a day-today basis."

According to a Whirlpool Corporation survey conducted online in November by Harris Interactive[®], 68 percent of adults indicated they want to live "green" but only if it is convenient to their lifestyle. To help consumers effortlessly save water, the H2Low[™] wash system on the Cabrio washer automatically senses the size of each load and delivers better cleaning performance and gentleness than a traditional top-load washer. In fact, the Cabrio HE washers

with the H2Low wash system use 76 percent less water and 76 percent less energy, saving up to 80 gallons of water per week and more than \$1,300 in lifetime water and energy costs*.

Both the Cabrio HE washer and dryer include an Eco Monitor that provides consumers with an instant rating - from good to best - describing how eco-friendly their cycle choices are based on cycle selection. Consumers also can activate the washer's EcoBoost™ option to further enhance resource efficiency by adjusting water temperatures and mechanical energy to thoroughly clean garments in the most efficient way. The dryer also includes an Eco Normal Cycle, which uses less energy than a conventional dryer's normal cycle when paired with a Cabrio washer.

The ENERGY STAR® qualified Cabrio pair exceeds current CEE Tier III specifications and is expected to meet 2011 Tier III requirements. The CEE tier system is based on the Consortium

> for Energy Efficiency qualified product listings.

The Cabrio HE laundry pair achieves superior energy efficiency with improved cleaning and fabric care performance. The Precision Dispense Plus system dispenses the precise amount of detergent and additives at exactly the right time to deliver advanced fabric care. Additionally, the washer's temperature management system utilizes sensors to optimize and control the water temperature, adapting to each load and ensuring the detergent and additives are working at optimal levels.

The Cabrio dryer also features advanced software and electronic controls, which allow the machine to sense how fast the load is drying, adjust the temperature to optimize performance and automatically stop the cycle when the clothes are dry.

The Cabrio HE washer (WTW7800X) is

available in lunar silver, black and white with an MSRP starting at \$1,099. The Cabrio steam dryer (electric WED7800X or gas WGD7800X) is available in the same colors with an MSRP starting at \$1,099.

For more information on Whirlpool brand laundry, visit www. whirlpool.com.

* When compared to pre-2004 conventional washers, based on average use, 10-year washer life









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- Industry-exclusive MicroEtch spill control shelves give you the most shelf space
- In-Door-Ice® Plus system creates 30% more usable space in the freezer
- Temperature management system cools food twice as fast**



*Compared to 26 cu. ft. Whirlpool® models with a conventional ice maker **As compared to Whirlpool® models without 6th Sense Technology ®Registered trademark/™Trademark of Whirlpool, U.S.A. ©2010 Whirlpool Corporation. All rights reserved.

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BUY



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