

The RetailObserver

August, 2010

YOUR RESOURCE GUIDE TO THE INDUSTRY

Vol. 21, Issue 8

NKBA'S TOP 10 DESIGN TRENDS FOR 2010

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The Waiting Game

AND THE PURSUIT OF HAPPINESS

In today's busy world filled with deadlines, debt, worries, and other challenges, it's easy to fall into the trap of the waiting game during your pursuit of happiness...

My local printers' online newsletter came the other day stating, "Waiting for a better break, or a new job to take, or the phone to ring, or what money will bring, or health and well being, or a relationship with meaning, or things to be better, or different weather, or waiting for tomorrow, or something to borrow, or a body of steel, or to cut a deal, or for the kids to behave, or your way to be paved?"

Here's the way I see it: Time waits for no one, so don't waste precious time waiting for something or someone to make you happy or rich. The clock is running...how are you spending your valuable time?

As I was shopping in our home improvement center yesterday, I was talking to the salesman about fixing-up properties for re-sale, which is something I like to do. He told me how much he enjoys it and how there are deals out there right now, so I asked him why he wasn't out there doing it. His response was, "I'm waiting for the economy to get better." How many times have I heard that?

How many of us are waiting for the economy to get better? Stop It! Stop waiting for circumstances outside yourself to change in order to do or have what you want in your life or business. Use the challenges you face to your advantage, including the economy. Take care of those in your community that need your help. A lot of bad things have happened to good people who need another chance to get back on track. How can you help? Do you have a dream? How about including others in your dream?

Don't wait—Get up every morning and greet the new day. My Mama used to say, "The early bird gets the worm", and she was right. Go after your dreams and do what you need to do to make them come true.

The pursuit of happiness isn't waiting for you!



Get up and go get that worm,

Eliana Barriga

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CELEBRATING OUR 21ST YEAR

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When Opportunity Knocks, Are You Ready to Answer?

Today's economy has given us many chances to either make it or break it.

"Some say opportunity knocks only once, that is not true. Opportunity knocks all the time, but you have to be ready for it. If the chance comes, you must have the equipment to take advantage of it."
Louis L'Amour (American writer, best-selling author, 1908-1988)

What are you doing to prepare yourself to be ready for your chance?

"Learn to listen. Opportunity could be knocking at your door very softly." Frank Tyger (nationally published editorial cartoonist, columnist and humorist for the Trenton Times)

How long have you waited for your chance?

"If opportunity doesn't knock, build a door." Milton Berle (slapstick comedian and show host)

How will you know when it's your turn and what will you do about it?

"What is opportunity, and when does it knock? It never knocks. You can wait a whole lifetime, listening, hoping, and you will hear no knocking. None at all. You are opportunity, and you must knock on the door leading to your destiny. You prepare yourself to recognize opportunity, to pursue and seize opportunity as you develop the strength of your personality, and build a self-image with which you are able to live / with your self-respect alive and growing" Maxwell Maltz (US plastic surgeon, motivational author, and creator of the Psycho-Cybernetics, 1927-2003)

Of all of these quotes, I feel the simplest was the strongest. Uncle Milty seems to make it very clear—build the door. But why stop there? Add a doorbell, welcome mat, and a video monitor. As far as that goes, why not a doorman, a watchdog and a tangle of bells and tin cans at your front step. You don't want to miss your chance, nor do you want to let it get away without at least knowing that it's there. Like a Boy Scout, be prepared, have a strong plan and know what path you want to take. But most of all don't wait for opportunity to knock, because as Maxwell Maltz states, it never knocks—only you do. Find your door, knock, and most important of all, don't wait for an answer, open up the door to your destiny and march right in. Only you have the power to make things happen for you. And as that swooshy shoe company states, "Just Do It".



Happy Knocking,

Moe Lastfogel

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The
RetailObserver

AUGUST 2010

VOLUME 21, NUMBER 8

CELEBRATING OUR 21ST YEAR

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2010 DESIGN TRENDS

THE MOST POPULAR NATIONAL KITCHEN & BATH DESIGN TRENDS
FROM THE NATIONAL KITCHEN & BATH ASSOCIATION



1



2



3

The National Kitchen & Bath Association announces the top 10 design trends from the 2010 NKBA Design Competition. The winners of the competition were announced on April 16 at the NKBA's 2010 Kitchen & Bath Industry Show in Chicago.

1. CONCEALED KITCHENS

Kitchen design has reached a new level of integration. The quiet incorporation of the kitchen into the home's primary living and entertaining rooms provides homeowners with far more flexibility in their lifestyles. The incorporation of integrated and concealed appliances allows the kitchen to enhance rather than intrude into other spaces. Clean structural lines coupled with sleek color palettes enable the space to establish a distinctive identity, without overpowering the surrounding rooms.

Design by David Heide

David Heide Design Studio, Minneapolis, MN

2. BEVERAGE STATIONS

A new element added to many kitchens is a beverage station. This area is usually comprised of an undercounter refrigerator and wine refrigeration, as well as a coffeemaker,

2010 DESIGN TRENDS

NEW DESIGNS OF 2010
KITCHEN & BATH ASSOCIATION

which can be as varied as the homeowners using them, ranging from simple single-pot coffeemakers to larger units capable of espresso, latte, and cappuccino. This functional destination within the kitchen typically houses stemware, coffee cups, silverware, cream, sugar, tea and may sometimes have a smaller bar area.

*Design by Peter Ross Salerno, CMKBD
Peter Salerno, Inc., Wyckoff, NJ*

3. SCALING OF ELEMENTS

Shapes, actual and implied textures, along with the placement of fixtures are being used to create scale. The overall composition of kitchens and baths is being defined by a sense of scale, which is both functional and visually appealing. An irregularly textured pebbled wall, marbled surface in glass tile, reflective metallic material, or symmetrically hung pendant lighting directs the eye around the room and contributes to a balanced space. Distinctive wall coverings, tin ceilings and the implied texture of a pronounced wood grain are all stand-out details that are being seen as contributors to the balanced scale of current designs.

*Design by Kirsti Wolfe
Kirsti Wolfe Designs, Bend, Oregon*

| continued on page 10 |





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4. COLOR WITH ENERGY

Bold colors are creating a vibrant splash in room palettes for 2010, with rich blues, purples, greens, and citric yellow making their confident appearance in kitchens and baths. Colors exuding emotion, acting not merely as a passive backdrop for the room, but bringing life through lighting, wall colors, and wood tones, are profoundly impacting the most innovative designs. Colors from nature combined with others more synthetically blended, are inducing a feeling of movement and motion throughout the room through sharp contrasts.

Design by Adel Visser, CKD, CBD

All About Kitchens & More, Sacramento, CA

5. SOFT GEOMETRY

Rounded organic shapes can be seen in the edge of a counter or island top, an arch over an entryway or cooking hearth, the curved lines of a light fixture, and well-placed, space-defining soffits. Softer geometry is showing up with fortitude in contemporary and traditional designs alike. The introduction of rounded islands and countertops carves a smooth-flowing traffic pattern throughout the room, while an appropriately placed arch will bring an overall softening to the more angular fixed features that are typical in kitchens and baths.

Design by Earl Lawson

V6B Design Group, Vancouver, BC



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6. SPACE SUBTLETIES

Fixtures once confined by location are now incorporated into kitchen and bath designs in almost limitless ways. This freedom in the use of space allows designers to create design-driven room plans rather than those driven by necessity and space solutions. Floating vanities and wall-mounted toilets allow an unobstructed and spacious feel to a bathroom, while appliances that are stacked and positioned within islands are contributing to functionality in the kitchen by bringing together task space with the right appliances.

Design by Lori Carroll

Lori Carroll & Associates, Tucson, AZ

7. DESIGN FRAMING

Designers are bringing artistic details to new heights. A seemingly simple detail, such as the use of a soffit along the ceiling or a width of wall space surrounding inset cabinetry, can call out the item being framed as a focal point while also providing visual balance to the room.

The thickness of a countertop edge outlined by a higher countertop acts to highlight a unique material used in the surface. Balance in design is achieved not only by the use of simply symmetry. Portions of a room can be treated as a piece of art, with a frame indicating its presence.

Design by Tanya Rentzos

Andros Kitchen & Bath Design, Mississauga, ON

8. VARYING HEIGHTS

Island tops, countertops, and partial walls are being customized to the task performed there and to the needs of the homeowners. Pairing lower desk and prep areas with higher breakfast bar surfaces provides convenient task-specific spaces, which fosters a greater level of family interaction within the kitchen. In the bathroom, this design concept not only provides function, but balances the space. Varying heights seen in the edge of a wood bar top or granite countertop serve as a beautiful counterbalance.

Design by Robert Kinsley

Kinsley Design Group, Highland Park, IL

9. JAPANESE INFLUENCES

The impact of Japanese design can be seen very subtly in clean lines, open spaces, and neutral color palettes with bold splashes of color in select areas. More apparent Japanese influence is showing up in designs across North America, relying often on one strong anchor piece of Japanese origin. Artwork, Japanese antiques, and the traditional qualities of Japanese culture are at the core of some compelling kitchen and bath designs. The cultural effects seem not only to be additions or decorations to the design, but are deeply embedded as a primary ingredient.

Design by Leslie J. Jensen, CMKBD

Signature Woodworks, LLC, Tacoma, WA

10. ART INTEGRATION

An intense level of personalization in kitchen and bath design is taking different forms. The introduction of a favored piece of art—perhaps a framed painting or an antique sculpture—as the basis for a design creates challenges, but also offers guidelines and solutions to color and material choices, as well as selections of theme. As artwork itself is personal to the owner, this presents an immediately intimate quality to the space. This method of integration allows the designer to fold all other aspects of the room around the treasured piece.

Design by Savena Doychinov, CKD

Design Studio Int'l. Kitchens & Bath, LLC, Falls Church, VA

RO



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FEATURED THIS MONTH:

Sierra Select AGA Pro Demo With Chef James McIntosh



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Mailbag

I just wanted to let you know how disappointed I am in your piece on the 2010 NKBA Design Competitions. I feel you did not do enough about the winning kitchens and baths to make it be more helpful in finding out more about the designs, in order to use some of the ideas. What is the point of the competition if the dealers aren't able to pass on any of the information? I tried the website as well to no avail. *Faith Finney*



Editor's Note:

I am not sure what information you are looking for in particular, but you can contact NKBA directly if you'd like. Here is what NKBA suggested: "visit www.NKBA.org/Gallery, they can view photos, floor plans, and design statements from the 2008, 2009, and 2010 NKBA Design Competitions. The 2011 Design Competition will open for entries in mid-August. For more information and to enter, your readers can visit www.NKBA.org/Competition."

Hello and congratulations on the great look of the magazine. Wonderful paper upgrade as well. Good job!

*Tim Latta, Allied ASID
San Mateo, CA*

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

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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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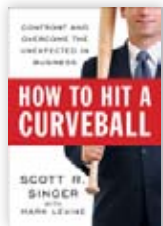
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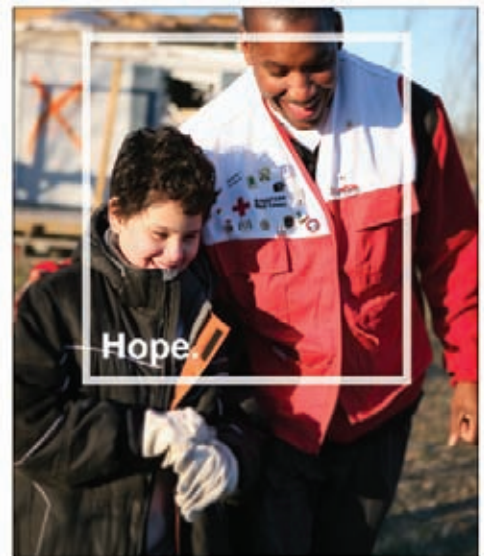
While not everyone is a baseball fan, the culture and rituals of America's pastime can provide us with valuable lessons on how best to weather today's chaotic and unpredictable workplace.

SEVEN THINGS THAT BASEBALL CAN TEACH US ABOUT BUSINESS/WORK:

1. While it's human nature to feel ashamed and embarrassed by job loss or salary cuts and to want to conceal what's happening from those closest to us, in business and at home, procrastination and avoidance do nothing but extend pain and problems. We need to "step up to plate," admit what has happened and let those close to us provide support, advice, and comfort.
2. With the way things are going in today's job market it's easy to become pessimistic and paint worst case scenarios. Instead we need to fight off this negativity, and not let our nightmares become real. We need to "be the batter not the ball."
3. Technology and work pressures have let us to all fall into a frenetic pace in which multitasking is the norm as we try to control every element of our work and lives. To stay sane we need to learn to surrender. We must let go of those things beyond our control and "keep our eye on the ball," focusing on those things we really can control.
4. These are alienating times. We feel alone and isolated in a fearful environment. That's why it's doubly important that we seek out and "listen to our coaches." No one can win a game by themselves so rather than trying to go it alone we need to reach out for help.
5. We're not in Kansas anymore. The workplace rules have changed and continue to change. But in troubling times we all look back to the traditions and patterns and practices that worked in the past and try to reapply them. Instead we need to "step out of the batter's box" and try to look at things from a fresh perspective.
6. The incredible pace of life and work today often forces us all into equally speedy actions and reactions. It feels like there's no time to think, and barely enough time to act. We all have to fight this instinct and "wait for a pitch we can hit."
7. There has never been a better time to turn our careers and lives around, to launch second acts, to pursue long deferred dreams. We need to "become home run hitters" and knock the curveballs we're being thrown out of the park. **RO**



Author: Scott R. Singer with Mark Levine
Publisher: Portfolio



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DriMark Products, Inc., U.S. manufacturer of the original Counterfeit Money Detector Pen, announces the introduction of its new **Counterfeit Detector System**, which **adds an ultraviolet light** in the pen cap to help cash businesses prevent counterfeit currency from entering the register drawer. The announcement coincides with the U.S. Treasury's unveiling of a new \$100 bill to combat increasingly sophisticated counterfeiting of U.S. currency.

"Adding a UV light to our Counterfeit Money Detector Pen gives cashiers a dual test to authenticate U.S. currency," said Cathy Williams-Owen, DriMark President & Chief Financial Officer. "The light reveals the micro-printed strip embedded in all \$5 through \$100 U.S. bills printed after 1996. It works the same way on credit cards and checks, which also have a hidden security thread. Coupled with our best-selling anti-counterfeiting pen, which uses special ink to authenticate currency paper stock, the UV light gives retailers, club owners and other cash businesses an important new level of protection at the register."

"The advanced security features we've included in the new \$100 note will hinder potential counterfeiters from producing high-quality fakes that can deceive consumers and merchants," said Larry R. Felix, Director of the Treasury's Bureau of Engraving and Printing.

The DriMark Counterfeit Detector System lets cashiers quickly and easily verify the authenticity of U.S. notes by revealing several of the hidden security features. It also provides two effective tests in one convenient pocket-sized unit. When used on an authentic U.S. currency note, the pen's specially formulated ink produces a light-colored mark; on bogus bills, it produces a dark mark. The UV light in the pen cap provides a second authentication test by revealing the embedded security strip.

"DriMark's Counterfeit Money Detector Pen is the industry standard-bearer and the only proven loss prevention tool that can reliably authenticate paper currency at the register. The complete Counterfeit Money Detector System with UV light gives retailers a dual test for paper money, and lets them authenticate checks and credit cards, as well. It is the most reliable, easy to use device to keep counterfeit money out of the cash drawer," Ms. Williams-Owen said. For more information, visit DriMark at www.drimark.com. **RO**



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FULGOR MILANO Fulgor Milano, the new luxury Italian kitchen appliance name in America, is proud to unveil its 300 Series single and double wall ovens for sale in the U.S. market. Combining award-winning design skills of the 60-year-old Fulgor company with the manufacturing power and fiscal stature of parent company Meneghetti S.p.A., Fulgor Milano is poised to redefine kitchen elegance in the United States.

“You can tell these are Italian masterpieces before you even cook with them,” enthuses Gianni Meneghetti, president for Meneghetti S.p.A. and Fulgor Milano. “Their harmonious blending of lines, angles, and curves, coupled with a sensuous application of shimmering stainless steel and glass, set them apart from all other high-end appliance brands in style and quality.”

The 300 Series wall ovens “cook as good as they look,” with a powerful 2,500 Watt heating element and power fan to ensure uniform heating, up to eight cooking functions on the convection models, chrome racks, concealed eight-pass baking elements, and even variable self-cleaning and smooth “steady” hinges on their doors. These electric-fueled wall ovens are available in single and double configurations in both 27- and 30-inch widths, in both thermal and convection. The 300 Series is also an ideal upgrade solution for the building community. With its sleek Italian style, the wall ovens are conveniently sized for under-counter use to optimize space, so home builders can enjoy more options and flexibility with installation.

Fulgor Milano’s commitment to its distributors reflects its commitment to upscale homeowners with a class-leading two-year warranty that benefits both parties. “At a time when so many other brands are taking the shortcut straight to retailers, Fulgor Milano is proud to maintain a rigorous two-tier distribution infrastructure, with unflinching support to the companies who help bring our products to American homes,” notes Enrico Sasso, director of Sales & Marketing USA of Fulgor Milano. “While we have an excellent distributor network in place for such a new brand, we still have opportunities available for those who are interested in adding a new and exciting brand to their line-up.”


Fulgor Milano brings genuine sleek Italian style and innovation to distinctive American kitchens, and is backed by the quality and staying power of parent company Meneghetti

S.p.A., with a half-century of experience as the private-label manufacturer for more than 400 of the world's top kitchen-appliance brands. For more information call (800) 926-2032, or e-mail info@fulgor-milano.us.

LESS IS MORE AT GE'S APPLIANCE PARK

LESS WASTE MEANS MORE EFFICIENCIES, MORE INVESTMENT IN NEW PRODUCTS



 GE Appliances & Lighting will be getting the most out of the recently announced multi-year (2010-2014), \$600 million investment in its manufacturing and other facilities at Louisville's Appliance Park. As part of this investment, two major product platforms—the GeoSpring Hybrid Water Heater and a new frontload laundry pair will be manufactured in Louisville. In addition, the dishwasher and top-load washing machine platforms currently made at Appliance Park will be redesigned from scratch—all using Lean manufacturing techniques.

THE FIRST COMPLETELY NEW PRODUCT LINE TO BE MANUFACTURED AT GE'S APPLIANCE PARK IN MORE THAN 50 YEARS WILL TAKE A VERY DIFFERENT JOURNEY.

The GeoSpring Hybrid Water Heater will be developed and manufactured using the Shingijutsu philosophy or Lean production system. GE's engineers, quality, production (hourly and salaried) and sourcing teams have abandoned the traditional tools of their trade, left their work spaces,

and co-located in one work area, under the instruction of specially trained instructors, called senseis, to execute the (3P) strategy—production, preparation and process.

During a visit to Louisville, KY GE Chairman and CEO Jeff Immelt talked with Willie Lewis, about the GeoSpring Hybrid Water Heater and Lean principles.

“This is a radical departure from our normal engineering and manufacturing processes, which utilize high-tech equipment, involve massive manufacturing equipment, and hand-offs from team to team. The Lean process is a hands-on, one-team approach,” said Dirk Bowman, GE Appliances manufacturing leader. “Now, the Lean process instructs the teams to learn by doing and to leverage the power of collaboration. No more sending engineering drawings or strings of emails from building to building. They work as a co-located team, which allows them to make adjustments in real-time.”

The new Lean Production Preparation Process (3P) ensures that every skill needed to build a new product is in the room from the first day to product launch. This cross-functional approach cuts product development time and involves all team members in the entire process — from design through production. 3P also emphasizes using full-scale equipment and product mock-ups, which allows the teams to identify problems early so that adjustments can be made quickly. The team is already seeing the benefits with dramatically simpler designs and more flexible equipment requirements.

WHY TAKE THE JOURNEY NOW? WHERE WILL IT LEAD?

Why did GE - Appliances pick this time to re-energize its domestic manufacturing capabilities? Two major reasons are the availability of job-creation incentives from state and federal governments, as well as competitive labor costs as a result of the 2009 Competitive Wage Agreement between GE and IUE-CWA Local 761. In addition, the business is shifting the overall investment strategy to one that starts with the most efficient way to manufacture the product as possible, eliminating waste from the start—changing the entire strategy of product development.

“The journey will take several years to fully implement,” said Bowman. “But the changes point to a promising future for appliances in Louisville and will strengthen our competitiveness globally. The new investments represent a major commitment by the Company to our Appliances business and to our Louisville workforce.” | *continued on page 18* |

HONEYWELL GENERATOR LINE

INCLUDES COMPACT, LIGHTWEIGHT MODELS WITH INVERTER TECHNOLOGY FOR OUTDOOR RECREATIONAL USE

Honeywell The Honeywell generator line features two inverter generator models, the HW1000i and HW2000i, that are ideally suited for camping, RV, marine, tailgating, and other uses in the outdoor recreation market. The generators can help to recreate the comforts of home and are capable of powering small cooking appliances, laptop computers, cordless phones, radios, televisions, lights, and many other electrical appliances.

The generators have continuous power outputs of 900 and 2,000 watts respectively, are very compact, lightweight and affordably priced for the amount of power they provide, and run quieter than standard full-sized portable generators. The two models run up to five hours on a full tank (1.5 gallons) of unleaded gasoline.



Honeywell inverter generators have been designed by Northshore Power Systems for ease of operation—helpful to the consumer who has never before operated a generator. The generators have step by step starting instructions affixed to the generator housing plus 24-hour phone assistance if required.

Additional consumer-friendly features include: an ergonomic built-in handle for portability in remote locations; an indicator light that illuminates red when the generator is overloaded or if there is a short circuit in a connected appliance; an efficiency mode that automatically adjusts to the most efficient fuel consumption; a low oil indicator that automatically stops the engine if the oil level drops too low; plus a two-year warranty good at service centers throughout North America.

The inverter generators are powered by four-stroke, single cylinder, air-cooled engines and meet CARB, EPA and CSA standards for operation in all 50 states and Canada.

| *continued on page 20* |



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ABOUT HONEYWELL GENERATORS

Northshore Power Systems, based in Milwaukee, Wis., is the exclusive licensee for the Honeywell brand of home standby and portable generators. More information may be obtained at Northshore Power Systems LLC, (414) 332-2375.

HOMEPLUG POWERLINE TECHNOLOGY JOINS THE GLOBAL FAMILY OF IEEE STANDARDS

IEEE 1901 SPONSOR BALLOT APPROVAL SIGNIFIES BROAD INDUSTRY SUPPORT



The HomePlug® Powerline Alliance congratulates the IEEE P1901 Working Group

on passage of the initial sponsor ballot, paving the way for a global standard for powerline (PLC) networking. The ballot passed with over 80 percent of affirmative votes, which demonstrates the overwhelming industry support behind 1901. Final ratification of the standard is expected in the third quarter of 2010. The advancement of powerline technology to an internationally recognized IEEE standard will provide manufacturers and end-users with the assurance of product interoperability, driving broader adoption of PLC for home networking.

“The broad market acceptance of networking technologies such as Ethernet, Wi-Fi® and Bluetooth® is in great part due to the IEEE worldwide standards that help define product interoperability and performance thresholds for them,” said Rob Ranck, president of the HomePlug Powerline Alliance. “Having this IEEE powerline networking standard provides a stable foundation that will help the industry to accelerate mainstream adoption for broadband networking and emerging Smart Grid applications.”

HomePlug AV was used as baseline technology for the IEEE 1901 powerline networking standard. As such, products compliant to 1901 will be interoperable with millions of HomePlug AV products in the market today. The HomePlug Powerline Alliance will serve as the certification body for IEEE 1901 devices in a similar way as the Wi-Fi Alliance™ certifies IEEE 802.11 wireless networking devices.

Due to the maturity of the draft standard, the IEEE is already offering the specification for purchase through its online store, enabling members to now develop Smart Grid applications as well as next-generation broadband solutions that comply with P1901. The HomePlug Alliance is also

finalizing the new HomePlug “Green PHY” (GP) specification as a certification profile of IEEE 1901, which will provide a low-power Smart Energy/Smart Grid standard. HomePlug GP will enable the industry’s only powerline solutions to meet the IP networking requirements of utility companies and appliance manufacturers.

Founded in 2000, the HomePlug Powerline Alliance, Inc. is an industry-led initiative with more than 70 member companies that creates specifications and certification logo programs for using the powerlines for reliable home networking and Smart Grid applications. The Alliance accelerates worldwide adoption for HomePlug technology by collaborating with international standards organizations such as the IEEE and through market development and user education programs. Sponsor members include Atheros Communications (ATHR); Cisco (CSCO); Comcast (CMCSK); Duke Energy (NYSE: DUK); GE Energy, an affiliate of General Electric Co. (NYSE: GE); Gige Networks; Motorola, Inc. (MOT); Renesas Electronics Corporation (TSE: 6723); and SPiDCOM Technologies. Contributor members include Arkados (OTCBB: AKDS) and Corporate Systems Engineering.

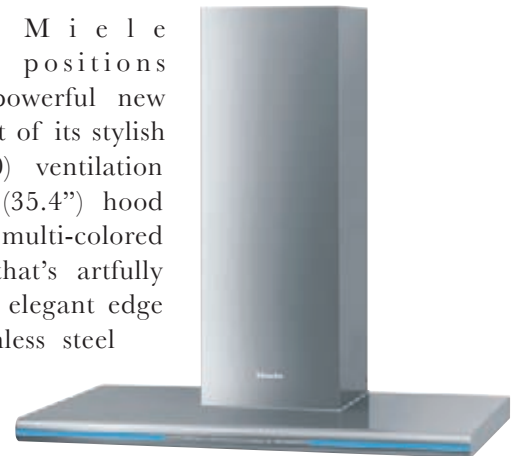
Please visit www.HomePlug.org for more information on the HomePlug Powerline Alliance.

Additional details on the IEEE 1901 standard are available at www.grouper.ieee.org.

SLEEK NEW MIELE DESIGNER WALL/ISLAND HOOD SETS THE MOOD IN 196,000 COLORS

NEW LUMEN VENTILATION HOOD LIGHTS UP DWELL ON DESIGN SHOW IN LOS ANGELES

Miele positions ventilation in a powerful new light with the debut of its stylish Lumen (DA 6290) ventilation hood. The 90cm (35.4”) hood offers a unique, multi-colored LED light band that’s artfully integrated into the elegant edge of a slimline stainless steel canopy. Standard, preset colors are | *continued on page 22* |



INTRODUCING THE NEW 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 separate wash cycles.



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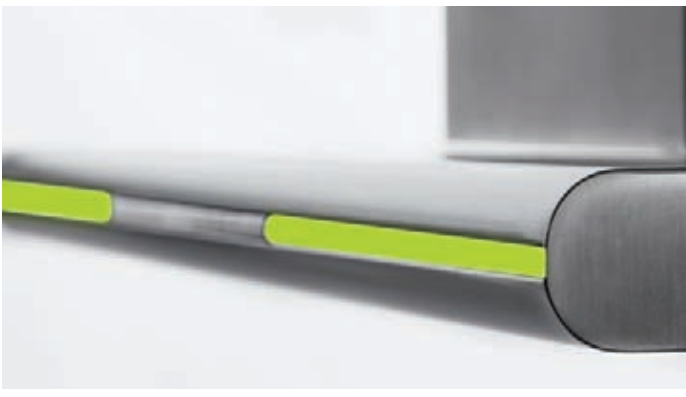


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white, green, red and blue but the truly eye-catching and unique feature is a setting that gently transitions through all 196,000 colors in the spectrum. The color changeover can be set at 1 minute or 15 minute intervals and also can be frozen to illuminate a favorite selection. This first-of-a-kind ventilation hood for Miele made its international debut in April at the Eurocucina in Milan, Italy and has already earned the 2010 iF Design Award for its outstanding aesthetics. The DA 6290 made its American debut at the Dwell on Design show in Los Angeles in June.

“Miele ventilation hoods are handcrafted works of art and modern engineering all rolled into one,” states Paul McCormack, director of public relations for Miele. “Lumen, which means light in Latin, is sculpted by artisans at Miele’s Arnsberg, German production facility, and is a monument to modern design ingenuity. From its truly stunning LED and halogen lighting systems to its gently rounded front edges formed from top grade stainless steel, it adorns the kitchen while performing its extraction function effectively and quietly.”

FORM AND FUNCTION IN PERFECT HARMONY

Consumers will be pleased to discover Miele’s design innovations including: front-mounted controls, halogen dimmer lights and 10-ply dishwasher-safe metal filters to safely extract steam/smoke, grease and fat vapors before they can enter ducting. The DA 6290 Lumen hood (available for island and wall mounting) moves up to 625 CFM and is available in over 200 custom RAL colors. Additional features include: 4 fan speeds, easy-to-use controls, delayed shutdown (for either 5 or 15 minutes) and programmable timers that indicate when it’s time to wash the dishwasher-safe filters.

GERMAN ENGINEERING

Every Miele ventilation hood offers excellent air extraction, optimizing a careful balance between air removal and energy efficiency. The advanced blower system, quality tested for 20 years of uninterrupted use, builds longevity right into the design. A special sound dampening acoustic package works in conjunction with the latest motor technology to ensure performance is not compromised. Miele-made electronics ensure easy operation and a high standard of quality.

The Miele DA 6290 Lumen ventilation hood will be available in fall 2010. Retail price, TBD. | *continued on page 24* |



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FOUR KEY TRENDS IN OUTDOOR KITCHEN DESIGN

KALAMAZOO OUTDOOR GOURMET™ PREDICTIONS



Outdoor kitchen design is undergoing a transformation. A new report, released by Kalamazoo Outdoor Gourmet™, an industry leader in outdoor kitchens, predicts four key trends will shape the market: outdoor kitchens increasingly built under shelter, the explosion of available features in high-end outdoor kitchens, artisanal cooking techniques that require specialized equipment and an influx of new design professionals from a broader range of disciplines.

KALAMAZOO OUTDOOR KITCHENS

Because of our role as a clear leader in the outdoor kitchen market, and our sponsorship of the Oasis Award for Outdoor Kitchen Design Award, Kalamazoo is uniquely positioned to see where the outdoor kitchen design trends are headed,” said Kalamazoo Outdoor Gourmet CEO Pete Georgiadis. “Trends in outdoor kitchens typically begin at the luxury end of the market and then permeate their way down.”

MORE DESIGN PROFESSIONALS FROM BROADER DISCIPLINES

Once the domain of landscape architects and designers, outdoor kitchen design has seen an influx of new design professionals; in particular, interior designers are embracing the outdoors. In 2008, Kalamazoo Outdoor Gourmet saw consumers turning to interior designers to create their outdoor living spaces. The company predicts more designers of different backgrounds to start combining their expertise to bring outdoor kitchens to a new level. To address this trend, Kalamazoo offers outdoor kitchen design training programs

to a variety of design professional organizations, including the National Kitchen and Bath Association (NKBA) whose members are interested in new business potential.

BRINGING THE OUTSIDE IN

Outdoor kitchens began as a trend of taking the indoors outside; homeowners are now putting a roof over their outdoor kitchens. A sheltering structure provides a location for lighting, ceiling fans; helps retain heat from radiant heaters on cool spring and fall evenings, among others. More than 50 percent of designers attending Kalamazoo Outdoor Gourmet’s kitchen design classes report seeing an increase in the number of outdoor kitchens being designed under a roof. Kalamazoo believes this trend will continue to strengthen and become more elaborate as more people combine their outdoor kitchens with outdoor living spaces.


FEATURES ABOUND

Outdoor kitchens are evolving at a rapid pace, changing from “grill-centric” to true culinary work areas. The highest end of the market is demanding more sophistication, functionality and specialized appliances, including separate wine chillers for whites and reds, freezers and freezer drawers, multiple beer keg tappers, pizza ovens, wok burners and specialized storage. Kalamazoo sees the market’s top end continuing its demand for specialized products while the middle market later incorporates proven pieces.

ARTISANAL COOKING TECHNIQUES

Cooking outdoors no longer means a sizzling slab of meat on a grill. The artisanal cooking trend, begun in high-end restaurants and moved into people’s homes, expresses a reverence for the best ingredients used in simple combinations, prepared exceptionally well. Kalamazoo Outdoor Gourmet is now seeing the trend influencing people’s choices in outdoor kitchen equipment: In 2008 the company’s hybrid grill outsold its gas grill cousin by 10-to-1, providing proof that people want a versatile grill that allows them to cook over any combinations of gas, wood or charcoal; pizza ovens have become a popular addition to the outdoor kitchen, and Kalamazoo Outdoor Gourmet predicts the pizza oven to extend to more modest outdoor kitchens. To view the full Kalamazoo Outdoor Gourmet Outdoor Kitchen Design Trends report, visit www.kalamazoogourmet.com/outdoor_kitchens_trends_report.

Kalamazoo Outdoor Gourmet™ has been bringing gourmet lifestyles outdoors for more | *continued on page 26* |



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"NO PHONE ZONE"

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Eight people will die today in a crash related to cell phone distractions, while related accidents will inflict incomprehensible suffering to families. For business owners, the impact can reach beyond the painfully personal and into the financial as well, with crash-related lawsuits potentially bringing their company to a screeching halt.

Today, more smart companies require employees to forego phone and text usage while driving, thanks to the nationwide "No Phone Zone" campaign – a safe driving initiative recently championed by Oprah Winfrey. But even those participating businesses risk liability if a rogue staffer ignores the rules.

HandStands, one of the nation's leading auto accessories manufacturers, has introduced nine new "No-Phone Zone" brand-ready reminders for businesses. These clever, affordable and functional car accessories include Sticky Pad and Gadget Grip non-slip dash pads that secure cell phones to a dashboard; as well as a line of car air fresheners that fit in a vent, or hang in easy view. Each of the new No Phone Zone pledge reminder products can be customized with the company's logo and given to staffers when the program is introduced or used as goodwill promotional products to share with clients and vendors.

According to the National Highway Safety Administration, "On the job crashes cost employers \$24,500 per crash, \$150,000 per injury and \$3.6 million per fatality." By providing a constant, visible reminder of a company's "No Phone Zone" commitment, employers not only reduce the likelihood of an employee using a phone in transit; they potentially reduce their corporate liability.

The safe driving initiative is supported by the U.S. Department of Transportation, GHSA, the National

Highway Traffic Safety Administration, National Safety Council, FocusDriven, a non-profit group combating the problem, and SADD (Students Against Destructive Decisions).

HandStands is backing its commitment to a No Phone Zone in every car by requiring its employees to go phone – free while on the road.

HandStands No Phone Zone awareness efforts have been endorsed by Jennifer Smith, founder of Focus Driven, a non-profit organization dedicated to building awareness of the dangers of mobile phone distracted driving and champion of the No Phone Zone movement. HandStands is donating a portion of each No Phone Zone product sale to Focus Driven.

Distributors looking for further information or to order samples of Handstands' No Phone Zone product line, visit www.handstandspromo.com.

SANUS BFV145 AV STAND OFFERS HIGH PERFORMANCE AT AN AFFORDABLE PRICE

SANUS SYSTEMS Sanus Systems®, a leading global brand of audio/video mounts, furnishings and consumer electronics accessories, announces it is now shipping the Foundations® Basic Series BFV145, an expertly crafted audio video stand designed for high performance and superior value.

The BFV145 Audio Video Stand is the first product to be released within the new Sanus Foundations Basic Series furniture line and is available for a list price of \$269.99.

"We are very excited to introduce our new Basic Series with the release of the BFV145 AV stand," said Jason Schmidt, Sanus product manager. "The Basic Series brings a fresh new look to our Foundations line at an affordable price point for value-conscious consumers and interior designers."

The BFV145 features a beautiful high-gloss, black lacquer finish and an open architecture for a | *continued on page 28* |





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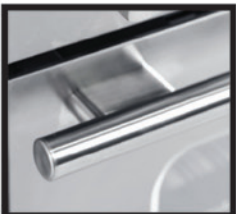


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sleek, modern look. Tempered glass shelves provide strength and shatter resistance, while generous cable management holes make it easy to keep cables hidden and organized behind the furniture. With no doors or enclosed sides, the stand allows unrestricted airflow, keeping AV components at a proper temperature for optimal performance. The BFV145 also features adjustable feet for easy leveling on any surface.



The BFV145 fits TVs up to 52". Shelf capacity supports 150 lbs. of equipment on the top shelf, 50 lbs. on the middle shelf and 75 lbs. on the bottom shelf.

Sanus Systems®, a division of Milestone AV Technologies, designs and builds fine AV mounts, furniture, stands and accessories. Every Sanus product is engineered to enhance AV systems and the surrounding décor. Today Sanus offers more than 300 home theater units, TV and audio stands, mounts, speaker supports, AV equipment racks and accessories. Sanus products are available at thousands of retail locations worldwide and can be seen at the company's website: www.sanus.com.

ALMO PROFESSIONAL A/V NAMED SAMSUNG'S SPECIALTY DISTRIBUTOR OF THE YEAR

ALMO Almo Professional A/V, the nation's fastest growing audiovisual distributor, has been named Samsung Electronics America ITD Division's "Specialty Distributor of the Year".

The prestigious award was presented to Almo Professional A/V during Samsung's Fourth Annual Innovation Jam 2010 Customer Appreciation Event, which took place on June 10,

2010, in conjunction with InfoComm 2010. Almo Professional A/V received the award just a few hours after its own celebration event, held to mark the one-year anniversary of the company formation. Almo Professional A/V is a division of Almo Corporation, a 64-year-old leading distributor of major appliances, consumer electronics and A/V equipment.

"Our experience at this year's InfoComm show was a real validation of our value-added business model," said Sam Taylor, executive vice president and COO for Almo Professional A/V. "Earning Samsung's Specialty Distributor of the Year award after only one year in business is an absolute honor. It acknowledges the strength of our vendor partnership with Samsung and the hard work that Almo Professional A/V has put into bringing the Samsung products—and the training and education behind them—into the reseller community."

Samsung's Fourth Annual Innovation Jam 2010 Customer Appreciation Event was held at the Pure Nightclub in Caesar's Palace. To view a video clip of Sam Taylor accepting the award on behalf of Almo Professional A/V, [click here](#).

ABOUT ALMO PROFESSIONAL A/V

Founded in 2009, Almo Professional A/V is the nation's fastest growing distributor serving the needs of professional audiovisual integrators, dealers and consultants. With a highly skilled sales team, reseller education programs, 10 distribution centers across the U.S. and product lines specifically for the Pro A/V channel, customers can expect the full distribution experience on a local and a personal level.

The entire Almo Professional A/V sales team is Infocomm-trained, and the vast majority is CTS-certified. The team is also the first to complete the Digital Signage Certified Expert program. Almo Professional A/V teams with InfoComm International to offer certified courses that enable partners to stay ahead. At the same time, the division works with industry vendors to bring live and online product training opportunities directly to channel partners.

Almo Professional A/V distributes all the leading displays and peripherals, with new manufacturers and products being added each day. Markets served include bar and restaurant, corporate, digital signage, education, government, healthcare, home theater, hospitality, house of worship, and rental & staging.

Almo Professional A/V is a division of Almo Corp., the nation's leading independent distributor of consumer electronics and major appliances. For more information about Almo Professional A/V, please call 410-560-2890 or go to www.almoproav.com. Almo Professional A/V can also be followed on Twitter at www.twitter.com/almoproav. **RO**

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Dealing with PCI Compliance

Retailers of all sizes and types are facing a looming threat from “PCI”, the long list of complicated and demanding information security requirements created and enforced by the Payment Brands (Visa, MasterCard, and so on).

It used to be the case that only the largest retailers needed to worry about the Payment Card Industry Data Security Standard (“PCI DSS” or just “PCI”), but now the requirements are being imposed on all merchants—no matter how small—who accept, transmit, or store credit card data. Those who ignore PCI are leaving themselves exposed to serious legal and business risk.

Actively dealing with PCI is a good idea for multiple reasons, but for most small retailers this is the first time that they have had to face these information security issues. Many find themselves lost in jargon and confusion.

The right approach can help retailers capture a lot of real value from PCI, while minimizing the pain, expense, and confusion. Here are some useful suggestions: not all of them are relevant to all retailers, but it’s a checklist that all should at least consider:

1. Only use payment applications or Point-of-Sale devices that are certified by the PCI Security Standards Council. (The certification program is called “PA-DSS”, and a list of certified devices can be found at www.pcisecuritystandards.org (As of July 1, 2010 retailers will be

expected to be using only payment applications from this list or face potential fines and penalties. Doing so is the simplest way to be sure the payment processing system has been checked out by security professionals, a good, simple way for retailers to move some of their security and compliance burden to the payment provider.

2. Restrict how much of your computer network is affected by PCI. When worrying about PCI, you don’t need to take into account every computer system and device you own, just those that do any of the following:

- Store, transmit, or process sensitive cardholder data
- Are directly connected to a computer that does store, transmit, or process sensitive cardholder data; or
- Are directly connected to a computer from item b above.

You should think of “being in scope for PCI” as something “contagious”, spreading through your network as far it can, stopped only by firewalls or breaks in the network. Retailers should separate PCI issues from other “messy” things such as surfing the web or reading email. Avoid storing sensitive cardholder data in electronic form unless absolutely necessary for critical business functions, such as recurrent billing using in-house applications. Every retailer should at least seriously consider whether the benefits outweigh the complications.

3. Avoid wireless computer networking or at least keep it away from anything to do with PCI. Wireless is easy to set up, but not easy to set up in a safe way. PCI requires retailers to either carefully configure and manage wireless or avoid it altogether. Retailers should think seriously about avoiding it, since it’s the simpler, cheaper, safer alternative.

4. Remember that you don’t need to do this all by yourself. Companies like Panoptic Security recognized a long time ago that retailers didn’t want to become security and technology experts, but would rather want a partner to take that burden away from them. These companies can provide you with expert advice and tools to make the entire process simpler and easier for you.

It’s tempting to ignore PCI and other security programs and hope that they go away. That isn’t going to happen, though, and the smart approach is to deal these issues today, in as smart and efficient a way as possible. Doing this makes your business safer, your customers safer, and helps you avoid a whole range of potential fines, penalties, and lawsuits. **RO**

Dr. Tim Cranny is an internationally recognized security and compliance expert and is Chief Executive Officer of Panoptic Security Inc. (www.panopticsecurity.com). He speaks and writes frequently for the national and international press on compliance and technology issues. Contact him at tim.cranny@panopticsecurity.com



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CEA 3DTV Study Finds Interest Up—Education and Content Needed

Interest is heating up and many consumer electronics sales associates are excited for 3D technologies, according to a new study from the Consumer Electronics Association (CEA)[®]. The 3D Retail Experience—Opinions of Sales Associates survey of more than 250 retail sales associates selling 3DTVs also found that many consumers are still confused about 3D technology.

The view of 3DTV from the sales floor is generally positive. The sales associates interviewed report roughly 50 percent of shoppers have an overall positive response to 3D technologies while only two percent respond negatively. Additionally, 80 percent of sales associates report seeing an increase in interest and traffic over the past several months. When compared to the launch of LED televisions and Blu-ray disc players, sales associates believe 3DTV has generated the same, or more, excitement.

While nearly 70 percent of sales associates feel well trained to answer questions about 3D, there is still consumer confusion. According to the retail associates interviewed, roughly half of consumers had some confusion about the technology.

“Interest at retail for 3D technologies is growing,” said Shawn DuBravac, CEA’s chief economist and director of research. “Ensuring consumers and retail sales associates have the answers they need is paramount.”

For most retail associates, 3D content is pivotal. Nearly 80 percent of the associates interviewed believe sales of 3D technologies will not be strong until more 3D content is available. Moreover, some of the most frequently asked questions by consumers revolved around the availability of 3D content.

“Interest in buying a 3DTV is being helped by a desire to watch 3D movies and 3D sports and play 3D games,” said DuBravac, “Early sales figures tracked by CEA look solid. With content being king, developments like the recent launch of ESPN 3D and a slew of 3D movie titles set to hit Blu-ray will propel the category further.”

To help retailers answer many of these questions, CEA has developed a 3DTV primer at DigitalTips.org. In addition, CEA is organizing National 3D Demo Days (September 10-12, 2010) and will provide retailers the tips and tools needed to offer the consumer the best possible 3D retail experience.

3D Retail Experience – Opinions of Sales Associates (June 2010) was conducted from June 4- 13, 2010. It was designed and formulated by CEA Market Research, the most comprehensive source of sales data, forecasts, consumer research and historical trends for the consumer electronics industry. Please cite any information to the Consumer Electronics Association (CEA). The complete study is available free to CEA member companies at members.CE.org.

ABOUT CEA:

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the \$165 billion U.S. consumer electronics industry. More than 2,000 companies enjoy the benefits of CEA membership, including legislative advocacy, market research, technical training and education, industry promotion, standards development and the fostering of business and strategic relationships. CEA also sponsors and manages the International CES – The Global Stage for Innovation. All profits from CES are reinvested into CEA’s industry services. Find CEA online at CE.org. **RO**



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Showroom Spotlight

SHOWROOM SPOTLIGHT

HUDSON'S
APPLIANCE CENTER

Focusing on the Little Things

INDEPENDENT RETAILER
GETS BIG RESULTS

In 2009, one of the worst years in the history of the U.S. economy, Hudson's Appliance Center located in Paradise, California saw a growth of over 152% in premium brand sales and shot through the roof of every VR ceiling offered.

Jim Clarkson moved to Paradise, CA in 1984. "Unemployment in the town at that time was 20%. I picked up a rake and knocked door to door looking for work. People saw I was a hard worker and recommended to others that they should hire me. Before long, I was offered a part time job doing deliveries for the Bauman's, the owners of Hudson's Appliance Center. I saw great potential in learning how to repair appliances, so I made Weldon Bauman an offer he couldn't turn down—to work free for up to three months, if he would teach me how to repair appliances. I made it onto the payroll within 30 days, which led to a full time position within a few months" said Clarkson.

"Eight years later, I had a chance to buy the office supply store next door. Over the next ten years, the Bauman's saw how I was able to manage a business," said Jim. "Arlan Hudson, the founder, started the business in 1964, repairing appliances. Weldon and Sandy Bauman purchased the business in the late '70s. I was their first fulltime employee. When it came time for them to retire, they wanted to see the business in my hands, so they made me an offer I couldn't refuse. I still own the Office Supplies Business next door, and I am an equal partner in another business (Longfellow's Commercial Appliance Service) which services large food service equipment."

When savvy business owner Jim Clarkson bought Hudson's Appliance Center, in 2006, it was an unappealing place to shop and work in. However, Clarkson saw the raw potential behind the 1960's decor and knew that with proper attention to the little things he could turn a comfortably | *continued on page 36* |



Hudson's Appliance Center pictured before (inset) and after recent renovations and upgrades to the interior and exterior of the store that helped increase foot traffic and boost sales in a slow economy.

HUDSON'S



profitable store into a lucrative business with a local reputation for excellent customer service.

Clarkson started the store's transformation with his support team, developing procedures that gave the business a solid plan with a discernable direction. He also worked closely with his accountant to develop meaningful financial processes and reporting.

He then moved on to his employees, some of whom were unmotivated and uncaring of the success of the business. He implemented intensive sales training and incentive programs and got rid of employees who did not want to contribute.

Once he had a strong support, sales and service team in place he worked on refining the customers' experience. This included outfitting the service team with a finishing bag to educate customers on the care of newly installed appliances. The service team was also issued comment cards with every invoice. If the card was not returned, the customer was called for their feedback on the service and overall satisfaction of their purchase.

"There is tremendous power in the employees' ability to serve when they know that the store will always do the right thing," said Clarkson.

Clarkson then focused his attention on building up the appearance of the store which was hiding under decades of neglect. He worked with the owners and local government programs to find the resources needed to give the building façade a makeover. In addition, with a can of paint, new carpet and redesign of the show floor, the store saw an immediate increase in traffic and sales of high end appliances.

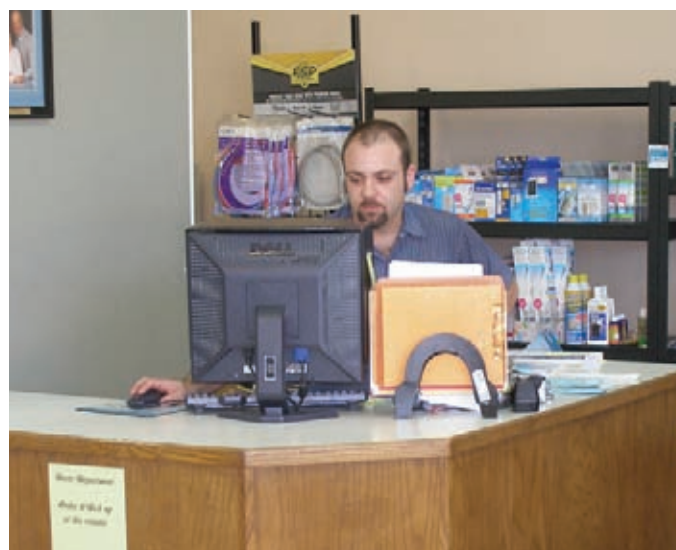
He then moved his attention to the community he serves, recently creating a program for families who lost their homes due to local fires. "We were pleased to be able to help the families in need," said Clarkson. "We had many new customers come shop with us who were not victims but who heard about the program and wanted to support our efforts."

Clarkson understands the power of the big box chains but chooses to remain focused on the advantage he has as an independent retailer. "Because the independent is smaller, we can have greater control over our business. That is a huge advantage that the big stores simply can't beat," explained Clarkson.

He also attributes his success to the support of Nationwide Marketing Group, a buying group for appliance, electronics and furniture for the independent retailers in the country. "There are many reasons why we had such a great year; the bottom line is simply this, a commitment to integrity, customer service and taking advantage of the endless programs available to us as a member of the buying group," said Jim Clarkson, CEO of Hudson Appliance Center.

For over 40 years, Hudson's Appliance Center has been providing consumers with the highest quality customer service, sales and service of major appliance products. Hudson's appliance will be celebrating its 50th year anniversary in 2014. Hudson's Appliance Center is located in Paradise, California and is owned and operated by Jim Clarkson. Visit: www.hudsonsappliance.com. **RO**

Below: Nick Vitale at the parts counter. Bottom right: Technicians Micheal McMaster & Ted Fakhouri.





“
**SUCCESS COMES
FROM KNOWING
THAT YOU DID
YOUR BEST TO
BECOME THE
BEST THAT YOU
ARE CAPABLE OF
BECOMING.**
”

Coach John Wooden

Book Review

The Wisdom of Wooden: My Century On and Off the Court

Coach John Wooden’s final book, completed just weeks before his death on June 4th, 2010. In it he shares his most treasured memories and never-before-seen photographs as he looks back on an extraordinary life on and off the court. At its core: Family, faith, and friends.

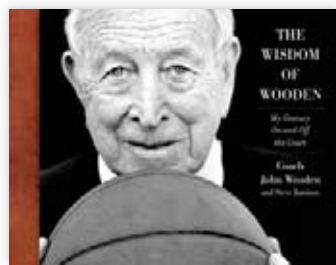
Hailed by many as the greatest coach in the history of American sports, John Wooden is as famous for his personal philosophy of success as he is for his career achievements. He inspired, guided, and motivated generations of fans with his bestselling books on leadership, values, family, and faith.

Coach Wooden wrote his final book, *The Wisdom of Wooden*, with his longtime collaborator, Steve Jamison, in the last months before his passing. Filled with insights and inspirational messages coupled with more than 100 extraordinary photographs, it captures a life spent teaching, guiding, and serving others. Starting with his father’s now-famous 7 Point Creed—including “Make Each Day Your Masterpiece,” “Help Others,” and “Be True to Yourself,”—Coach Wooden affirms the principles of true success that helped him become an All American at Purdue University, a winning coach at Indiana State University, and a historic sports figure at UCLA.


Yet, all who know John Wooden understand his record on the court was only part of the story. In *The Wisdom of Wooden* the revered coach and teacher offers a rare glimpse not just behind the scenes, but inside the man; not just on the court, but in the huddles; not just his maxims, but his poems -- those he wrote and those he loved; not just the people he inspired, but the family, friends, and fans who inspired him; not just the lessons he learned, but the lessons he taught; not just what was on his mind, but what was in his heart.

Ultimately it was the life he lived that served as a model for his greatest lesson of all: a deep commitment to family, friends, and faith—the bedrock values of the man we all call, “Coach.”

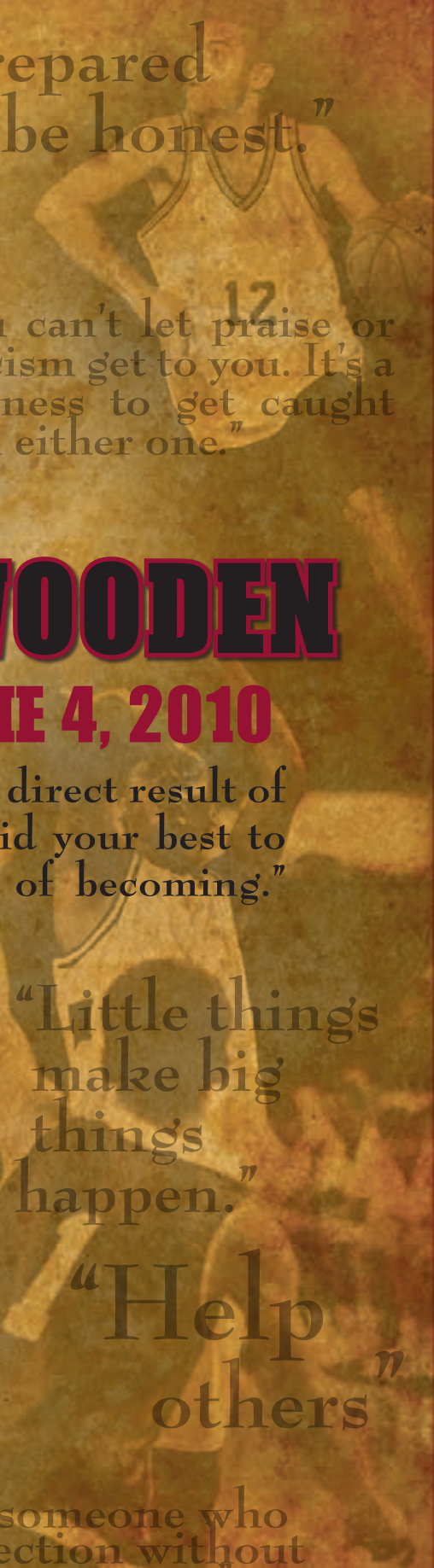
Perhaps the most profound message within *The Wisdom of Wooden* is that you can be a success in all areas of life—personally and professionally—and still be a decent person, one who plays by the rules, is faithful to family and friends, and respects hard work, sincerity, and enthusiasm. Coach Wooden’s final book is his most positive and powerful, a fitting conclusion to an All American journey. **RO**



Authors: Coach John Wooden and Steve Jamison
Publisher: McGraw-Hill



“Be prepared
and be honest.”



“You can't let praise or
criticism get to you. It's a
weakness to get caught
up in either one.”

COACH JOHN WOODEN

OCTOBER 14, 1910—JUNE 4, 2010

“Success is peace of mind which is a direct result of self-satisfaction in knowing you did your best to become the best you are capable of becoming.”

He made his life a masterpiece—

His personal philosophy touched the hearts and minds of millions.

His commitment to faith, friends and family made him a true success.

As coach and teacher he lived his life by example, an inspiration to us all.

He will be missed.

“Little things
make big
things
happen.”

“Help
others”

“Be true to
yourself”

“A coach is someone who
can give correction without
causing resentment.”

Pyramid of Success

“Success is peace of mind that is a direct result of self-satisfaction in knowing that you did your best to become the best you are capable of becoming.”

—John Wooden

As a college student during the time that Coach Wooden famously led the UCLA Bruins to an unmatched ten NCAA championships, I followed the team’s uncanny success with some awe. In the years that followed, I became a sort of student of Coach Wooden whose lifetime observations both in life and in basketball have shaped not only his players, but many others who followed his philosophy.

As I began to get settled after boarding a cross-country flight several years ago, a quiet, humble man sat down beside me. I recognized Coach Wooden immediately. Wanting to give him his privacy, after a brief hello, I left him alone. Fortunately, he didn’t need to be alone and we chatted for the entire five hour trip. He showed me pictures of his family and spoke about his great love affair with his late wife Nellie. I had to prod him to get him to talk about his winning career or the greats he had coached. In time, he told me that since he’d stopped coaching, he traveled the country speaking about leadership, and he detailed his Pyramid of Success to me.

In his book *Wooden*, written with Steve Jamison, Coach Wooden wrote that he chose the first two cornerstones of the Pyramid in 1934, knowing only that the top of the Pyramid was Competitive Greatness. He said *“that without industriousness and enthusiasm, you will not succeed.”* Wooden defined industrious as

more than merely showing up and going through the motions. It’s hard work. There are no shortcuts and no easy ways to the finish line.

Retailing by nature is hard work, but all retailers aren’t industrious. Those who are seem more conscientious, and inspired by their own vision of success. Enthusiasm is defined as liking what you’re doing enough so that your heart is in it. Enthusiasm enables us to work up to our full potential. Managing a retail store is hard. If you don’t have the passion for it, your ability to be successful is limited at best. Leadership without enthusiasm is hollow. We’ve all probably worked for bosses who weren’t enthusiastic. How can you motivate someone else to greatness when you are less than engaged yourself?

THE BUILDING BLOCKS OF MR. WOODEN’S PYRAMID:

- At the top is **Competitive Greatness**—Perform at your best when your best is required. Your best is required each day.
- **Friendship**—Strive to build a team filled with camaraderie and respect; comrades-in-arms.
- **Loyalty**—Be true to yourself. Be true to those you lead.
- **Cooperation**—Have utmost concern for what’s right rather than who’s right.
- **Self-Control**—Control of your organization begins with control of yourself. Be disciplined.
- **Alertness**—Constantly be aware and observing. Always seek to improve yourself and your team.
- **Initiative**—Make a decision! Failure to

act is often the biggest failure of all.

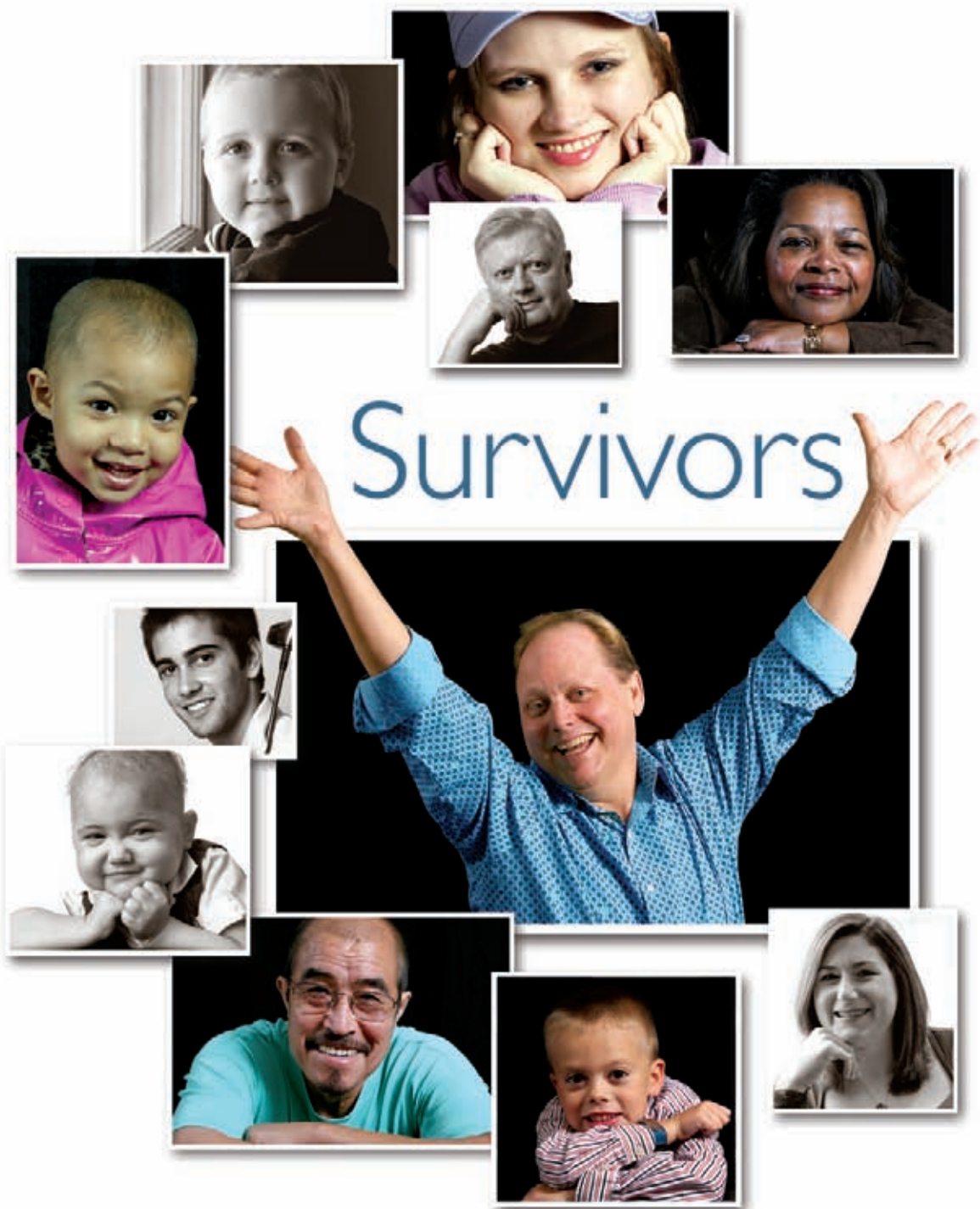
- **Intentness**—Stay the course. When thwarted try again; harder; smarter. Persevere relentlessly.
- **Condition**—Ability may get you to the top, but character keeps you there—mental, moral and physical.
- **Skill**—What a leader learns after you’ve learned it all counts most of all.
- **Team Spirit**—The star of the team is the team. “We” supersedes “me.”
- **Poise**—Be yourself. Don’t be thrown off by events whether good or bad.
- **Confidence**—The strongest steel is well-founded self-belief. It is earned, not given.

All businesses strive for competitive greatness. In today’s retail marketplace where customers have a myriad of shopping choices, all of which are trying to capture their attention with low price offers, daily specials and very personal messaging, it’s difficult to stand out from the crowd.

Coach Wooden would say that success is up to you—not how you respond to your competitors, your suppliers or even to the economy. The keys to success lie within you. You have the building blocks. Strengthen them so that the foundation is solid and the apex will be Competitive Greatness. **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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IVRS: Expensive and Frustrating

TECHNOLOGY CAN'T REPLACE THE HUMAN TOUCH

While talking with my friend Ann recently about Interactive Voice Response Systems, (*that endless maze of options that companies use in an attempt to direct callers to the appropriate department, without having to pay an employee to actually answer the telephone*)—my friend made a confession. “When I call my bank, I wait for the option for non-English speaking callers and press that number,” she said. “By doing so, I’m immediately connected to a real person and can skip several more layers of options. I’m sure that I annoy the hell out of them, but it’s better than having them annoy the hell out of me.”

Ann is not alone in her dislike of Interactive Voice Response (IVR) systems. Millions of customers throughout the world surely share her opinion of the greatest barriers to customer service that technology has created to date.

Companies have turned to IVRs in order to save money, but they don’t realize the real cost of that technology. IVRs are the most expensive equipment companies will ever buy. They will never stop paying for it, as customers defect and they are faced with the expense of attracting new customers. I would guess that 95 percent of customers hate IVR systems, so why would any company use them? Any company that has at least 100 employees and wants to dominate the market should have its

phone answered by real people 24 hours a day, seven days a week, within three rings.

The message companies send by using IVRs is this: We don’t want to be bothered by having to speak with you directly, but we’re more than happy to take your money. When technology replaces the human factor, it drives customers away—and they take their money with them when they go. If you have a monopoly, it doesn’t matter how upset your customers become, because you own them. Most companies, however, face fierce competition for their customers.

One company that does understand the importance of the human touch is TD Bank, a member of TD Bank Financial Group in Toronto, Canada. During a recent trip to Russia and Belarus, I tested that company’s claim that it had competent people answering its phones 24 hours a day, seven days a week. I called the bank at 4 a.m. U.S. time on a Saturday and a Sunday, and both times my calls were answered by real people within three rings.

I was also impressed with Mirax, the largest real estate developer in Russia. Two years ago, I recommended that Mirax get rid of its IVR system, and company officials implemented that suggestion the following week. They then hired people to answer the phones 24/7, and they do so within two rings.

When it comes to hiring people to

replace IVR systems, I recommend that companies hire local people, people who speak the language of the bulk of their customers. When U.S. companies outsource their calls to other countries, language becomes a huge barrier. Often, because many of those employees come from a caste system, that prohibits them from making decisions, so their ability to solve a customer’s problem is extremely remote. Dell Computers lost its brand, image, and customer experience when it outsourced it calls to India and the Philippines, and it still has not recovered. In fact, its stock has dropped almost 60 percent since March 2004.

Companies train employees who are answering customer calls. Train them so they are knowledgeable about the company’s products and services and develop their interpersonal skills, so they can deal effectively and efficiently with your customers. Then give them the authority to respond to your customers’ needs with speed and courtesy. The easier you make it for customers to do business with you, the more business they will do with you. **RO**

John Tschohl - 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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You're on Facebook and Twitter! Cool! Now what?

These days it's all the rage to create a Facebook page or a Twitter account for your business, and for good reason. These are awesome new tools (well, not so new anymore) you can use to engage your customers and market your business in a differentiating, cost-effective way.

So you may feel the pressure to sign yourself or your company up for an account on Facebook, Twitter, or both. That's great! You're keeping up with the times. Fantastic!

But wait a minute. Now that you have these new tools, what do you do with them? How do you begin? Well, Social Media is still like the Wild West—the rules are still being written, broken and rewritten. So there may not be a reliable guide for you to follow. But here are some suggestions about how you should approach creating your Social Media presence.

1. Listen First

The first thing you should do when you get your Twitter account set up is to listen. Follow a bunch of people—in your industry and others—and get a feel for how the conversations go. When you're ready, join the discussions.

2. Be Yourself

On Twitter, the temptation will be to hide behind a corporate moniker so people don't know your real name. It is usually better to set up a personal

avatar. People like to see the name and the face behind the company. Also, on your Twitter and Facebook posts, don't be afraid to let your personality come through.

3. Don't Make It All About You

If every Twitter or Facebook post is about how great your company is or whatever promotion you're running, people will tune you out. Use your posts to lift other people up, to educate them about something interesting, or to share ideas. You can toot your own horn. Just not all the time.

4. Give Your Fans Something Special

People who "like" you on Facebook (and Twitter to a lesser extent) are doing so because they want to hear what you have to say. Use this opportunity to give them something no one else gets. A special sale, an event, a coupon, a contest. Anything to say thanks.

5. Your Competitors Will Follow You. Deal With It

The Internet is wide open, for all to see. That includes your competitors. Don't hide from this, embrace it. Use it as an opportunity to show why you're better. And you can follow them back. You may even get an idea or two from them.

6. Don't Get Obsessive About Numbers

It's easy to get caught up with how many Twitter followers or Facebook fans you have. Don't worry about that. If you have just five followers,

then do what you can to make them be glad they're following you. The numbers will take care of themselves.

7. You Get Out What You Put In

The great thing about Social Media is it's cheap (or free). But it does take time. But you have to put that time in to be successful. The more effort you put into it, the more you'll get in return. But if you don't give it proper attention, it will do more harm than good.

8. Give Shout-Outs

People love getting recognition. Use your Social Media presence to say how much you enjoyed a new restaurant, or how great it was to meet someone, or offer congratulations to a company. The more you do this, the more you'll get in return. But you probably shouldn't give shout-outs to your competition...or should you?

9. Have Fun

This is the most important. Remember that Social Media isn't serious business. It's a great way to connect with people you never thought you'd connect with. The possibilities are endless, so enjoy it! **RO**

BUILD

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





The profile of good taste.



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Who's on First?

NATURALLY OF COURSE!

Knowing that timing is everything, and competition is fierce for our ever shrinking over-stimulated attention spans, I am about to break my own golden rule for writing this column; never reference current events when something is written 2 months before it's published - your odds of looking foolish are significantly elevated. Frequent readers of my column might be surprised that I have any concern whatsoever in looking foolish. Nevertheless, I can't help but reference the ecological nightmare that is taking place in the Gulf of Mexico. It is a tragic situation that has dominated the public conscience for the better part of 60 days. I reference this not as an op-ed moment to add to the myriad of commentaries that are taking place daily on the handling of the spill, but rather as a stark illustration of the obvious bureaucratic inefficiencies that have conspired to exacerbate what is simply the worst ecological disaster in our history (and no, I am not about to violate rule # 2 - political references are and will remain taboo).

TIME TO STEP OUT OF THE SILO...

A common misperception is that only large organizations suffer from bureaucratic paralysis. The reality is that EVERY organization has some level of dysfunction that leads to communication breakdowns, complexity and inefficiency. These breakdowns are not the result of complex management structures or layers upon layers of hierarchy on the org chart (most of us don't have the luxury of

printing our own money, and must operate our businesses within a realistic budget - I know, I am getting dangerously close to breaking rule #2!). It is the pace of our business, coupled with inefficient business processes and outdated or under-utilized technology that create the foundation of bureaucratic indecision and communication boundaries or "silos".

Sales doesn't understand why the purchasing department failed to order the merchandise in time for the delivery; delivery points fingers at salespeople who make customer commitments that are unreasonable; and management can't figure out why warehouse and delivery overtime are escalating while sales and deliveries are flat. So how does your business break free of the shackles of inefficiency created by the silo mentality?

POWER TO THE PEOPLE!

There is no better way to cut through functional boundaries and process inefficiency than to assemble cross functional teams to analyze every function of your business. Many businesses that make the decision to invest in new technology (i.e. ERP implementation), fail to utilize their most powerful resource - the people who perform the tasks that make up the very business processes they intend to analyze and improve with the new technology. In my experience, utilizing cross functional teams not only provides the most practical and realistic view of your key business processes, but also facilitates a teamwork approach that fosters an understanding

of the overall business versus a myopic focus on the individual function. In other words, your employees gain a better understanding of each function and how they interact; your business develops better processes that are developed through practical application analysis and enhanced through the implementation of the new technology.

A LITTLE COMIC RELIEF PLEASE...

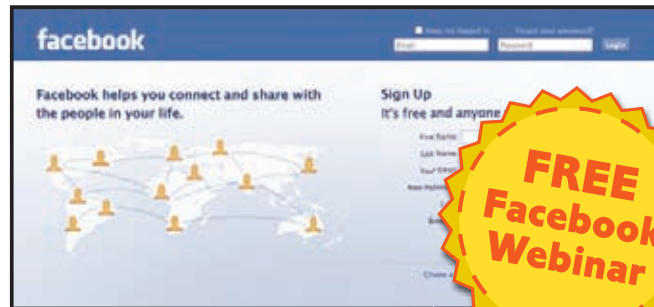
As I was doing some on-line research for this column I stumbled on a reference to the old Bud Abbott and Lou Costello baseball routine. If you have never seen the classic Who's on First, What's on Second bit, you're not only missing these two legendary comics at their best, you're missing a hilarious commentary on a common problem that plagues most organizations....bureaucracy and a failure to communicate. So if you have Who running delivery, What in purchasing, and I Don't Know in sales, your business might be trouble, but there's always Tomorrow in accounting and Today in operations. Now who is in sales? No, actually Who is running delivery...or is Who on First? - Naturally, of course! **RO**

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Dealing With Negative Feedback

WHAT WOULD YOU DO IF SOMEONE SAID NEGATIVE THINGS ABOUT YOUR BUSINESS... TO THE WORLD?

“Rick, PLEASE HELP!!! One of my customers was so unhappy that I wouldn’t give her a refund on something she bought 6 months ago. She is destroying me on the internet. I don’t know what to do. Please help me. She wrote posts on my blog, she sent out tweets, entries on Facebook and any social media networks you can imagine. Rick, what can I do and where do I go?”

This type of negative publicity is becoming a rapidly growing problem. The customer today has power over us like never before. We are almost at their mercy and it kills me to say that. Throw “FAIR” out the window. We are living in a world of FREE - have it your way - totally customized for you - type of world.

In a minute I will share what the experts (from Synthesis Communication and The Reputation Hawk) say on negative feedback. But I want you to consider two issues:

1. The cost of this negative publicity can be far more expensive than the return. Yes, I know it’s the principle, BUT we can win a battle and lose a war. I once was almost involved in a lawsuit that I had a 100% chance of winning. But I chose NOT to sue because the cost of suing was more than the victory would have been.
2. We can be as nice as possible and still have a customer upset with us, so don’t beat yourself up—just accept the new reality. Social

media such as Twitter, Facebook, blogs and more are great tools to use to connect with customers. The great thing about social media is that you really put yourself out there. But with this openness, problems can occur.

HOW DO YOU DEAL WITH NEGATIVE FEEDBACK?

- **Create a Policy**—Before you start having comments available—whether it’s through a blog or a Twitter conversation—make sure you clearly outline the organization’s policy on commenting. I know it sounds excessive, but having some guidelines in place will ensure that you won’t be caught off guard.
- **Make Sure it’s Not Libel**—In the United States and in many countries around the world, truthful statements about another person are safe to publish. However, publishing outright lies with the intent to defame or injure the reputation of others is illegal.
- **Don’t Lash Out**—It’s easy to respond quickly when someone makes you mad. The best thing to do however is keep your cool, no matter what the situation. You will come off as the better person for it.
- **Respond Publicly**—If someone makes a negative comment, respond publicly to let others know how you’ve handled the situation.

Maybe others were wondering the same thing, but didn’t want to ask. Being able to handle the situation shows that you (and the organization) are in control.

- **Respond Privately**—This may seem the opposite to the point above, but let me explain. While some situations require a public response, others do not. If you are being harassed, you may not want the situation to play out over the blog. Also, if a negative situation is going back and forth many times, you should move that to a private conversation as to not interfere with your other posts/comments.
- **Respond in a Timely Manner**—If you take too long to reply, people may think that silence is your answer. Try to respond as quickly as you can, even if just to say that you will be able to provide an answer/opinion shortly. That way people know that you are involved.
- **Be Clear and Concise**—Nobody’s going to read a response that’s many paragraphs long. Keep your answers clear and concise and you will get your point across. **RO**

Rick Segel, author of *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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Induction Cooking

I HAVE SEEN THE FUTURE AND IT IS COOL!

“Nothing is too wonderful to be true.”

-Michael Faraday - 1831

Not since our ancestors squatted around an open fire, cooking the catch of the day on a stick over an open flame, has there been such a leap in cooking technology. With today's modern kitchen consuming as much as 30% to 40% of household energy, the magnetic induction cook-top uses 90% less energy than that of a conventional gas or electric cook top, making it the most energy efficient form of cooking on the market today.

The principle of magnetic induction was discovered in 1831 by Michael Faraday, a British physicist who laid the foundation of many of today's common technologies. Faraday found that the electromotive force produced around a closed path is proportional to the rate of change of the magnetic flux through any surface bounded by that path. A magnetic induction cook-top uses electromagnetic energy to heat the cooking vessel itself, without generating heat on the surface of the cook top.

Induction cooking is far more energy efficient than gas or traditional electric cooking. The induction Cook-Top delivers 90% of the energy that it uses to the pan! Gas on the other hand delivers only 55% to the pan and traditional electric about 65%. In addition, when you remove the vessel from the induction-cooking surface, the cooktop immediately goes into standby mode.

The first patent for an induction cooker was filed in 1900, but the idea was never fully realized until Frigidaire

created a prototype for a traveling road show, showcasing the kitchen of the future. The first real production induction cook-top was launched by Westinghouse in the 1970's, but production ceased when the company was sold in 1975.

From here, development of induction cooking moved from the US to Europe where induction cooking was developed for the commercial market. Induction cooking was first introduced to the great kitchens of Europe's leading hotels and restaurants as a way to reduce energy consumption and extreme temperatures, while at the same time allowing for the quick and safe preparation of food without the need for open flames and time consuming pre-heating of pots and pans.

Adapted for residential use, when the unit is turned on, the induction coils produce a high frequency, alternating magnetic field, much like a radio wave, which flows through the cookware quickly and evenly, stimulating the iron molecules in the cookware to move back and forth rapidly, causing the molecules to collide, thus creating friction, which in turn creates heat to cook, yet the black glass-ceramic surface of the Induction-Top stays cool to the touch as it is unaffected by the magnetic field.

As with any new technology, the question of health and safety always comes up in regard to the effect that magnetic induction has on the human body. The answer is simple...none! The radiofrequency radiation that is transmitted from an induction cook-top is less than those encountered during every day interaction with common household appliances.

The magnetic fields that are created during use are safer than electric fields. Electric fields interact with the water in a person's body, which magnetic fields do not do. The reason is simple; the water molecule is a polar molecule with an electrically positive end and an electrically negative end. A water molecule within an electric field will tend to align with the field and when the field is oscillated, the water molecule will oscillate as well. This is how a microwave oven pops popcorn. Magnetic fields, on the other hand, go relatively unnoticed by water molecules or any other molecule in the body.

BENEFITS OF INDUCTION COOKING:

Magnetic induction cooking is safe to use, easy to clean, quick to heat up as well as to cool down. Because energy is directly transferred within the pan, induction cooking is extremely fast ...even faster than gas.

Induction is much safer than gas or other electric cooking surfaces since there is no open flame, red-hot coil or other radiant heat source to burn or scorch if left unattended. No contact...No heat.

Most importantly, it is energy efficient. It would be safe to say that in any other culture this technology would be mistaken for magic. **RO**

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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The Wisdom of Mom & Pop: Hard Work

When interviewers ask me what I learned working in my parent's butcher shop, my answer is simple: "the value of hard work."

Some are underwhelmed by that response. Isn't the value of hard work a given? You might think so, but I had to witness hard work, live it, value it, and learn from it.

As you bring your children into your business, it's imperative that they appreciate the fact that, in order for them to succeed, they are going to have to bust their butt, or else go home.

Every one of the men and women I profiled in "The Mom & Pop Store" talked about how important it is to give everything you have in order to make your business a success. Many relished talking about hard work.

Bob Margolin, who runs his three-generation family business, Miller Lumber in Chicago, fondly recalled when he was eleven and he was working in the store with his grandfather, a hard-driving, Russian immigrant, who could be tough to work with and for.

"That day, we had a ton of stuff to put away," said Bob. "We started at seven in the morning. It was hot. I was getting a workout, but I enjoyed it. I'm working and working and working. Finally, it was seven in the evening, and my grandfather said to me: 'That's enough. Let's go home.' For him to tell me to stop working, was for me, the greatest compliment."

When Jack Weiss, owner of Modern Carpet & Rug in Pittsburgh, was trying to survive in the Fifties, he learned that as an independent shopkeeper, "you do whatever it takes. I was so desperate to make this business work, I stayed open late and made appointments in the store with customers who couldn't come in during the day." That hard work came in handy as Jack eventually gathered a small, loyal group of employees.

Colin Powell graciously granted me an interview for the book. Through much of high school and college, the former Secretary of State worked part-time at Sickser's, a family-owned baby furnishings and toy store in the South Bronx.

"What I remember from Sickser's is you do what they tell you to do," Powell told me. "You work hard. The boss wants you to unload a truck; you unload a truck. He wants you to clean the merchandise; you clean the merchandise. Any work is honorable, as long as you're doing it well, and as long as you're making a living by doing it. I took that into the army. They gave me lots of jobs I didn't like, but they never gave me a job that I didn't do my best at. That ethic came out of Sickser's."

Tony Imbraguglio, co-owner of Vincent's Italian restaurant in New Orleans, said that Hurricane Katrina, "taught me how to work again, how to get in there and make a mess of the kitchen, and get back to the nuts and

bolts. That was one of the most common things that was mentioned among all the business owners that I talked to. Before Katrina, some of them took the easy life and hired managers to do most of the work. After Katrina, they had to come back to work. They had to roll up their sleeves like the old times, and learn how to do it, all over again."

When Kenny and David Wassler, who run Wassler's Meat Market in Cincinnati, met me for lunch, they confessed that it was the first time that the brothers ever had a sit-down lunch together during a workday.

"We always eat standing up. If my grandfather saw this, he'd be rolling over in his grave," Kenny said with a laugh. The Wasslers are the fifth generation of the family to run the store, which opened in 1894. Every generation of Wassler has worked six days a week. "My grandfather taught us that if you're going to make it, you have to work hard. You work until you're done. The whistle doesn't blow at four o'clock. That's pretty much standard in the retail industry."

I have a hunch you already knew that. **RO**

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



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9/11/2010	Social Media Saturday: Google, Part 1 •	Webinar Series
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Quality of Service Determines Warranty Labor Rates

There is a new trend in the warranty arena when it comes to seeking a warranty labor rate increase from some manufacturers. The consumer now has a say in whether or not you get that increase. More than one manufacturer is making a direct link between labor rate increase and the score a consumer gives on the quality of service (QOS) survey that they receive after a warranty service experience.

It wasn't long ago some manufacturers could be heard saying "we can't give you that raise; you're already paid more than anyone else in town." After years of teaching ourselves how to calculate and communicate our true cost of doing business to manufacturers they couldn't use that excuse any longer. It's almost as if manufacturers had to come up with a new angle to fight the ever rising cost of providing in home warranty service. But to ignore the fact that service companies are faced with rising costs every day is just not acceptable. Manufacturers know firsthand about rising costs as they too are faced with the same increases as the independent service provider. In manufacturing, when costs exceed the ability to meet profit expectations, product prices are increased accordingly. Why shouldn't labor rates follow suit?

Studies show that if a consumer has a positive warranty service experience they're more likely to buy or recommend

that brand in the future. A quality service experience is also necessary to ensure you get that customer to call you back when the product fails outside the warranty period. Most independent service companies regularly go out of their way to provide the best quality and professional service possible. If they haven't they shouldn't expect to be warranty authorized in the first place. Recommendations for your service shouldn't be expected, it should be earned.

The problem here is that QOS surveys being used today are flawed for several reasons. For manufacturers to make a direct connection between consumer satisfaction and labor rates that offset rising operational costs is unfair. The QOS survey not only rates the service experience but also the consumers satisfaction with the appliance they purchased that failed during the first year. If a consumer is not satisfied with the value they received for their money spent, they're not going to necessarily give the service company a fair grade. If you're the preferred service company in your town and are constantly called in to correct or complete a service that was started by an incompetent company, you're bound to get a bad rating from that consumer as they have not had quality service to begin with. Often the performance of a service company is affected by back ordered parts or product improvement kits, actions that

are out of the service provider's control. Survey response rates from consumers are less than 2%, not a sizeable measure. Certainly not one I want my labor rates based on.

The concept here is a good one—to ensure that warranty service providers are providing the level of service that consumers demand and that manufacturers are spending their money to regain consumer satisfaction and brand loyalty. But much work is needed to update the survey process to target the quality of service, not brand satisfaction, and to do so in a timely manner.

I often wonder how the independent service company compares to factory service when it comes to QOS but manufacturers are not willing to share those statistics freely.

As I've said in the past and I'll say it again, if an activity you're doing isn't profitable, you shouldn't be doing it. If warranty service for a certain brand is not paying you enough to cover your costs and make a profit then stop doing it. There are so many other more profitable services that you could be doing for your customers. **RO**

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Brandsource to Showcase Triple Threat at 2010 National Convention

Independent retailers typically have joined traditional buying groups for generations in order to take advantage of what a group can accomplish collectively that a dealer cannot individually. Brand Source, the industry's premier merchandising organization, is however neither typical nor traditional.

Brand Source will host its 2010 National Convention and Buy Fair August 29 through September 2 at the Paris Hotel in Las Vegas, NV. Record numbers of attendees are expected, and all will come to take advantage of the programs and benefits that make Brand Source the unique organization that it is. While members will enjoy the usual fare of great buys, educational seminars, networking and some great entertainment, there is one common reason for attending that all participants will share: The opportunity to learn how to stay competitive and profitable in today's challenging economy.

The mantra from of Brand Source's Anaheim, CA based corporate leadership team is that it doesn't matter what at what price a dealer acquires a product if they don't have a consumer to sell it to. For this reason, Brand Source helps members reach customers in order to drive traffic to the stores. Brand Source creates top-of-mind awareness with consumers through a carefully targeted, multi-million dollar national advertising campaign. The campaign is designed to enable members to co-market their businesses by pairing the national identity with their local identity that has often been built over generations.

To stay competitive it is critical that members learn how to reduce expenses in their businesses. Most local retailers simply don't have the resources to find every cost-saving measure or the clout to negotiate better deals. For this

reason the Convention will present members with an entire suite of programs and services designed to help members improve their efficiencies and reduce their cost of doing business. These programs cover the gamut from human resources to health care, from service plans to financing, and much more. All these components are developed specifically for Brand Source members and the unique needs that independents have.

Brand Source also ensures that members get the lowest acquisition price. While low acquisition price is no guarantee of long term sustainability, there is no business that can thrive if they don't buy right. The combined national presence of all Brand Source members gives Brand Source significant leverage and the ability to negotiate the best programs for its members. The 2010 Convention will give Brand Source members the opportunity to make super buys that aren't available at any other time or place.

Brand Source members attending the 2010 National Convention will return to their stores fully armed and loaded with the tools and education to not only survive, but thrive, in today's marketplace. For more information on the 2010 Brand Source National Convention please visit www.brandsourceconvention.com.

ABOUT BRAND SOURCE

Brand Source has over 3,000 locally owned appliance, electronics, bedding, home furnishings and floor covering stores all across the country, combining for \$14 billion in buying power. For more information about Brand Source please visit www.brandsource.com or email information@brandsource.com. **RO**



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RentDirect Nationwide Partners with Support Squad

RAISING THE BAR ON THE RTO CUSTOMER EXPERIENCE

RentDirect Nationwide, the rental division of Nationwide Marketing Group, announced today that Support Squad is now a supported vendor for their more than 350 rent-to-own member dealers across the country.

Support Squad provides remote and phone based technical support to assist customers resolve issues with their personal computers, PC-related components, virus, and SPAM security.

According to James MacAlpine, Executive Director of RentDirect Nationwide, computers are the fastest growing segment in the rent-to-own industry. Over the last 5 years alone, computers have eclipsed appliance sales in the rental market. As computer sales continue to grow, rent-to-own dealers are faced with the challenge to service those customers who purchase computers but may not be experienced with using them or have difficulty setting up new programs.

“Most rental dealers do not have the manpower in their stores to handle the technical service issues needed to support computer sales. The Support Squad partnership is a chance for us to give our dealers the ability to offer a higher level of customer service, currently offered by big box retailers, while saving them time and money.”

Support Squad subscribers gain direct access to a professional technical support team either online or by phone. The service company employs Microsoft Certified Specialists who are trained in over 80 software applications.

“When you think of Support Squad think experience and ease of use,” said James Flynn, Executive Vice President of Strategic Alliances - Saveology.com. “Whether a customer’s computer falters due to normal wear and tear, damage, or reasons unknown, the technical support team is available 24 hours every day and customers’ average wait time is less than 2 minutes.”

ABOUT SUPPORT SQUAD

For more information on Support Squad services, go to www.supportsquad.com or contact James Flynn at jflynn@saveology.com or by phone at (954) 657-9644. Support Squad will also be exhibiting in August at the upcoming PrimeTime!

by Nationwide buying show and conference in Maryland. To find out more about the benefits of joining RentDirect Nationwide including an invitation to PrimeTime! by Nationwide, the largest buying show and conference for independent dealers, contact James MacAlpine at (336) 722-4681 or email questions to jamesm@nationwidegroup.org. **RO**



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MEGA Group USA to Host Fall National Convention in Louisville, Kentucky

PAULA DEEN TO MAKE SPECIAL APPEARANCE—
BOB NEGEN TO BE FEATURED SPEAKER

MEGA Group USA, a leading national home furnishings buying group for furniture, mattress, appliance and electronic retailers, will hold its annual Fall Convention in Louisville, KY August 22 - 26 at the Downtown Marriott. Paula Deen, renowned Food Network celebrity cook, author and entrepreneur, who recently partnered with MEGA Group USA and Serta to introduce a new mattress collection exclusive for MEGA Group USA members, will be hosting a special reception Tuesday night August 24 at 5:30 pm. Attendees will be able to meet Paula Deen in person and learn more about the inspiration behind the product and what has made this new Paula Deen Home by Serta Mattress Collection successful.

MEGA Group USA will also feature Bob Negen, founder of Mackinaw Kite Co., as the keynote speaker. Negen, known for his “make it fun, get it done” philosophy, founded Mackinaw Kite Co. in 1981 and grew the company from \$17,000 to over \$3 million in annual sales in just 20 years. Negen will be addressing the MEGA Group USA members on Wednesday morning at 8:45 am.

“We are excited to hold our Fall Convention in the

great city of Louisville, KY,” states Rick Bellows, President of MEGA Group USA. “Louisville is centrally located for the majority of our membership and has so much to offer. We have a lot planned for our members during the convention including hearing from Paula Deen and Bob Negen, product displays, breakout meetings, coaching sessions, a buying show plus so much more.”



This is the 27th year MEGA Group USA has hosted a fall convention for its dealer members. Hundreds of dealers in all retail categories including appliance, electronics, furniture, outdoor power and mattress are expected to attend. Trade industry media are invited as well.

“I have attended MEGA Group USA’s national conventions for the past several years,” states Max Boren with Smitty’s.

“Not only is it a great learning and educational experience, but it is a lot of fun and provides the perfect opportunity to network and idea share with others in the industry.”

MEGA Group USA has 1500 retail members in 2500 store fronts throughout the United States. For more information on MEGA Group USA, visit www.megagroupusa.com. **RO**

IF THE DOLPHINS ARE SO SMART, THEY SHOULD START A SMALL BUSINESS AND SAVE THEMSELVES.

While dolphins are certainly talented, many of Earth's other creatures are not as fortunate. It's expecting a lot out of most living things to rescue themselves from the ever-growing list of problems facing our planet. The power to preserve and restore our planet's resources lies in the hands of those most capable of doing so: us. Unless companies devote financial resources to protect natural resources, business as we know it may cease to exist. The future of global business is being secured by 1% For The Planet, a growing alliance of businesses around

the world pledging one percent of their sales to nonprofit organizations that support the environment.

Becoming a member of 1% For The Planet promises that your company is making a positive impact on the planet where we do business. Supporting members of 1% means that the purchases you make are changing the world we live in. For a complete list of member-companies you can support, or to find out more about how your company can help keep Earth in business, visit onepercentfortheplanet.org.



EDWARD RYAN—NORTHEASTERN REGIONAL SALES MANAGER FOR SPEED QUEEN



Edward Ryan

His territory includes northeastern United States and eastern Canada.

Edward Ryan has more than 20 years of experience serving the appliance and laundry industries at manufacturer, distributor and retail levels. As the northeastern regional sales manager for Speed Queen Home Laundry, Ryan works with Speed Queen distributors as well as their sales force, on training and development opportunities.

After achieving the rank of Petty Officer Second Class in the U.S. Navy, Ryan graduated from the University of Maryland. Ryan started his career at Whirlpool Corporation where he held positions in both consumer affairs and sales for 11 years. He then went on to own and operate his own distribution company serving New York and New Jersey for 11 years, representing such brands as Wolf Ranges, Kuppersbusch, Flash Bake Ovens and Modern-Air Ventilating products. Prior to joining Speed Queen, Ryan was the national sales manager for SMEG, a high-end Italian manufacturer of appliances for the United States and Canadian Markets.

EDUCATING A COMPANY, ONE EMPLOYEE AT A TIME

FELIX STORCH, INC. COMPLETES SPECIALIZED TRAINING PROGRAM FOR COMPANY STAFF



Felix Storch Inc. congratulates its staff on graduating from a yearlong training program with New York City Department of Small Business Services (SBS). For the second year in a row, employees of SUMMIT Appliance participated in on-site training with weekly courses in a broad curriculum.

“We viewed this opportunity as an investment, both in our individual employees and our whole company’s growth,” said Paul Storch, vice president of Felix Storch Inc. “An educated workforce helps us improve every aspect of our day-to-day output because each employee has the skills to contribute more efficiently.”

Over the past year, production, warehouse, and customer service staff members studied industry-specific subjects that included lean manufacturing and quality control. Employees also worked to improve their language and math skills, taking

classes in ESL and remedial to advanced mathematics. Sixty-four employees participated in both traditional classroom activities and more hands-on training including hipot testing and forklift safety.

The program was funded by a \$200,000 grant from NYC Business Solutions Training Funds, which was matched by a \$202,750 contribution by Felix Storch, Inc. SBS is dedicated to keeping local businesses competitive while providing entry-level workers with career advancement opportunities.

With an extensive product line that requires precise in-house customization, SUMMIT Appliance has a special demand for skilled employees in the mechanical field. “We do our best to keep as much production in the city as possible, resulting in minimal lead time and faster deliveries,” adds Storch. “The more rounded our employees are, the better we can provide for our customers.” **RO**



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New French Door Refrigerator from Kitchenaid

USER FRIENDLY, FOOD FRIENDLY

Contoured doors, chrome details and a full color LCD screen may be among the more noticeable changes to its new French Door bottom freezer refrigerator, but improvements over previous models go far beyond skin deep, according to KitchenAid.

The new bottom freezer model offers more shelf space, larger refrigerator capacity and advanced LED lighting that makes food even more accessible and visible, even when fully stocked, notes Debbie O'Connor, senior manager of brand experience for KitchenAid.

"This is by far the most user friendly and food friendly KitchenAid refrigerator ever," says O'Connor. "We've added more space to our refrigerators while making it even more convenient for cooks to store their ingredients and keep them at their freshest."

The LCD screen serves several purposes. In addition to use and care information, the screen offers a kitchen timer, access to suggested ingredient substitutions and measurement conversions, and a convenient USB port for loading images.

At 27 cubic feet, the new refrigerator provides two more cubic feet of space than previous models. Shelves have been extended an additional $\frac{3}{4}$ " to accommodate more, and larger, items.

The refrigerator's in-door water and ice system provides filtered drinking water and allows for precise measurement of water for use as a cooking and baking ingredient. Inside, a tilt-out ice door coupled with ultra fast ice making provides easy access to large quantities of ice and ensures

fresh tasting ice is always on hand for get-togethers.

For greater flexibility in storing different type of foods, individually sealed storage compartments include a pantry compartment with an independent temperature control and a crisper with extra gaskets for perfect sealing and humidity control.

Thicker materials and smooth, heavy duty gliding mechanisms provide an added measure of the heft for which KitchenAid is known.

The new refrigerator will be available starting in April at a suggested retail price of \$2,799.

Since the introduction of its legendary stand mixer in 1919 and first dishwasher in 1949, KitchenAid has built on the legacy of these icons to create a complete line of products designed for cooks. Over 90 years later, the KitchenAid brand now offers virtually every essential for the well-equipped kitchen with a collection that includes everything from countertop appliances to cookware, ranges to refrigerators, and whisks to wine cellars. To learn why chefs choose KitchenAid for their homes more than any other

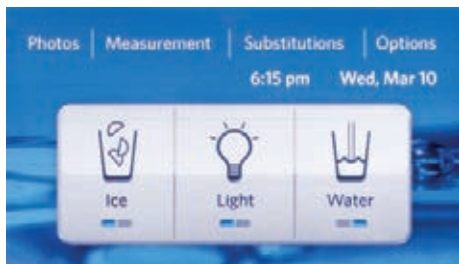


brand*, visit www.KitchenAid.com.

Based on a September 2007 survey, KitchenAid was found to be the home kitchen appliance brand chosen most often by members of the International Association of Culinary Professionals and the American Culinary Federation when asked about refrigerators, ovens, cooktops, ranges, dishwashers, microwave ovens, electric mixers, blenders, food processors, kitchen gadgets and toasters. **RO*

The Most Shelf Space*

Our latest refrigerator, model KFIS27CX, features more storage capacity than ever before with deeper shelves and extra usable space equivalent to four gallons.* An enhanced LCD display offers a variety of resourceful functions including ingredient substitutions and unit conversions, while a USB port allows for photo uploads.



*Versus ice and water external-dispensing French door refrigerators without ice storage in the door.



FOR THE WAY IT'S MADE.®

For additional information about KitchenAid® appliances, visit KitchenAid.com

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Learn everything there is to learn about VitaFresh™ and what it means for your fruits and vegetables.



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