

The Retail Observer

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AN EYE ON THE INDUSTRY SINCE 1970

Vol. 23, Issue 8



DWELL ON DESIGN:
MODERN BEYOND EXPECTATIONS
Continued Growth and Record Attendance

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Don't Let the Dog Days of Summer Slow You Down

The dog days of summer usually slow people down a bit, so make sure you are taking full advantage of the final days of summer. August is a perfect time to pre-prepare for fall's back to school frenzy and the holiday rush. Give your store a fresh new coat of paint. Rearrange your warehouse and showrooms. Schedule employee training and team building sessions. Clean up your books and tie up any loose ends now instead of waiting until the end of the year. Taking advantage of this time to rev up while others are revving down will keep you ahead of the game and give you the peace of mind needed to enjoy the end of summer, fall and winter.

In his book, *Retail Truths*, Chip Averwater talks about customers' movement away from big box stores and back to independent retailers. Summer provides a host of opportunities to get out into the community and market your business. It's not too late to sponsor or exhibit at local festivals, movies in the park and farmers markets. Or perhaps hold your own cook-out at your store or partner with a local charity and host a fundraising event. Make it an easy choice for residents to shop your store by showing your support for the community, introducing yourself and welcoming them to stop by.

In this issue, several of our writers talk about the importance of taking ownership and examining what you are doing wrong to contribute to unrealized business goals. Too many times owners hone in on the industry, vendors, politicians, employees faults and weaknesses as reasoning for a failing business or limited growth. Our writers challenge us to look inward to fix the problem.

Be honest, how many times have you said to yourself, "If Danny were more aggressive on the sales floor" or "If I had more support from my vendor rep..."? If you are feeling helpless against eCommerce, have you reached out to your Congressman to make sure they understand why and how they can help independent retailers in your state? Are you taking responsibility for your errors, remaining honest with your employees and encouraging them to do the same? Remembering how much influence your actions and words do have as an owner will keep you and your business moving in the right direction.



See you in September!

Eliana Barriga
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The
RetailObserver

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CELEBRATING OUR 23RD YEAR
AS *THE RETAIL OBSERVER*

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Is There Really an 18-Foot-Tall Green Gorilla on Your Roof?

In today's race to be the #1 recognized brand in your market, it seems there are a lot of ways to get there. There's customer service, weekly flyers, radio/TV, social media and of course that most import "Recognizer" a mascot. When you think of Jack in the Box or McDonalds, you probably see a clown in your mind. RCA brings back memories of "Nipper" the dog and MGM Studios "Leo the Lion", and any time I see a white duck I automatically think of Aflac. What or who is your mascot?

From Wikipedia, the term mascot is defined as a term for any person, animal, or object thought to bring luck- includes anything used to represent a group with a common public identity, such as a school, professional sports team, or brand name.

Barbie Carpenter of E-How states "Some businesses create mascots to market their brand and increase brand awareness. Using mascots as marketing tools can be an effective way to follow a consistent marketing theme from campaign to campaign. A mascot serves as a real-life character that promotes a brand, product or company. It serves as an identifiable character that consumers associate with a brand. Images of the mascot trigger an association with the brand, which can encourage consumers to buy a product or service. Its purpose, like the purpose of other advertisements, is to increase sales or company visibility."

She later discusses in her article that "Organizations use mascots in advertising campaigns to raise awareness of their brand. Mascots also exist in the local community. They attend local events, from sporting events to festivals, to interact with the community and, as a result, heighten brand awareness. Mascots might pose for pictures with children. Creating a mascot doesn't guarantee a successful marketing campaign. Mascots have to appeal to consumers in a unique way. However, mascots should identify with the brand somehow. Simply assigning a random mascot to your business doesn't mean that consumers will identify with it, embrace it and respond with increased sales."

So who do you want to be your mascot? I suggest rethinking the Green Gorilla.



Happy Retailing,

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The RetailObserver

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VOLUME 23, ISSUE 8

CELEBRATING OUR 23RD YEAR
AS THE RETAIL OBSERVER

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DWELL ON DESIGN: Modern Beyond Expectations

West Coast's Largest Design Show Experiences Continued Growth & Record Attendance

THE SEVENTH EDITION OF DWELL ON DESIGN SAW A SIGNIFICANT INCREASE IN SALES AND ATTENDANCE THROUGHOUT ITS THREE-DAY RUN AT THE LOS ANGELES CONVENTION CENTER, MAKING DWELL ON DESIGN OFFICIALLY THE LARGEST MODERN DESIGN EXPERIENCE IN THE NATION.

Modern design enthusiasts from around the world descended upon the Los Angeles Convention Center for a full host of discussions, demonstrations, home tours, and a diverse array of exhibits covering every aspect of the modern lifestyle. During the week leading up to the show, visitors also enjoyed a series of local events hosted in design showrooms throughout the city as part of Dwell Design Week. Dwell on Design attracted a record number 27,428 attendees and combined with Dwell Design Week activities 30,000 visitors experienced the Dwell brand across Los Angeles. This year's Presenting Auto Sponsor of Dwell on Design was Infiniti.

The show went beyond the urban dwelling to encompass all aspects of the modern lifestyle, seeking out a new definition for modern beyond expectations. "Design is driven by exploration and touches every aspect of our lives from the technology and products we use, to the way in which we communicate, to the spaces in which we live," said Dwell Media President Michela O'Connor Abrams. "Without exploration, there would be no innovation. This year at Dwell on Design, we explored beyond the boundaries of expectation to get a first look at the people, products, and ideas that will redefine the very notion of modern. Dwell on Design is a true festival of ideas and innovation. We've worked hard to create a unique, immersive, and thoroughly unforgettable modern design experience. And based on the reaction this year, we feel that we're just hitting our stride as the fastest growing design event in the country." *| continued on page 10 |*

DWELL ON DESIGN 2012 HIGHLIGHTS INCLUDED:

- **KEYNOTE & PRESENTATIONS**

A stirring keynote by Architecture for Humanity Founder Cameron Sinclair and presentations by 190 industry influencers and innovators, including Bryan Cranston, and Ed Begley, Jr. Over 1000 different brands were represented on the show floor.

- **[NEW] DESIGN INSTALLATIONS**

Dwell on Design featured original design installations by local creatives, such as designer Oyler Wu Collaborative.

- **[NEW] MODERN MARKETPLACE PAVILIONS**

A curated mix of smaller and independent brands showcased their wares in the new marketplace pavilions dedicated to the Modern Family, Modern Home, Design Materials, and Modern Artisan. Dwell on Design attendees were able to peruse, source, and shop throughout the course of the three-day design celebration.

- **[NEW] DEMONSTRATION**

In addition to the Sustainability and Design Innovation stages which featured over 70 presentations by the best and brightest from all walks of design, Dwell on Design added a third stage this year. The Demonstration stage was dedicated to hands-on demonstrations for the DIY design enthusiast throughout the weekend of Dwell on Design and on Friday during the Business of Design Talks and Trade Day.

- **[NEW] DWELL HOME VENICE**

Dwell Home Venice was Dwell Media's latest show home. Scheduled for completion in summer 2012, the home is a showcase of modern design and architecture and was open to the public for tours during Dwell on Design. Designed by Sebastian Mariscal, the house blurs the boundary between indoor and outdoor, transforming a modest Venice lot into a modern urban sanctuary.

- **[NEW] DWELL MODERN HOME TOURS**

The ever-popular Dwell Modern Home Tours returned this year. Attendees got to get a peek inside some of the most memorable modern homes on the Westside and Eastside of Los Angeles. New this year: Dwell added a third modern home tour on Sunday as well.

- **GREEN CAR RIDE AND DRIVES**

In their second appearance at Dwell on Design, Green Car Journal offered test drives of some of the latest and new-to-market hybrid and electric vehicles. The Green Car Ride and Drive, sponsored by Green Car Journal and Infiniti, gave visitors the opportunity to drive new-to-market sustainable vehicles of every different type of technology, including: Infiniti's M@ Hybrid, Chevy's Volt electric car, Fisker's Karma, Acura's ILX

Hybrid, CODA electric car, electric Audi A3 e-tron, Ford Focus Electric, Mercedes-Benz F-Cell hydrogen vehicle, VW Touareg hybrid, and the VW Passat running on biodiesel.

- **DWELL OUTDOOR**

Dwell Outdoor stole the show with three full scale prefab structures housed in a fully landscaped garden, punctuated by unique architecture and other outdoor structures and furniture. The pop-up village showcased the latest and greatest in outdoor furnishing, accessories, and materials. Dwell Outdoor featured several new prefab structures, including Airclad by Inflate, Connect Homes, LivingHomes, and Sustain Design Studio's miniHome.

- **MODERN FAMILY**

Dwell on Design is also a hit among the kids. Budding modernists were invited to check out the latest in modern playground architecture, painting, photography, toys, and other pint sized accoutrement for the modern lifestyle.

- **DWELL ON DESIGN AWARDS**

Dwell on Design hosted their 2nd Annual Dwell on Design Awards, recognizing the best exhibits on the show floor. A jury that included HGTV's Emily Henderson, the Los Angeles Times' David Keeps, and LACMA's Bobbye Tigerman walked the show floor and presented winners in each category of show, as well as Best New Product and Best in Show.

- **AIA/LA RESTAURANT DESIGN AWARDS**

The 8th Annual RDAs recognized top toques and great design. Jury winners and People's Choice favorites were announced on Friday, June 22nd at a special reception. The esteemed jury this year included Chef Michael Voltaggio, architect Mark Rios, and KCRW's Host of Good Food Evan Kleiman.

- **DWELL DESIGN WEEK**

Dwell Design Week was a series of special events leading up to and in conjunction with Dwell on Design, and which encourages both design professionals and consumers to experience the best of Los Angeles design. Dwell hosted a series of engaging conversation-based events between Dwell Editors and select design innovators that rotated throughout L.A. design districts, including the popular "Meet the Architects" Nights.

The show drew over 400 members of the media and was featured by E!, KABC, KTLA, Los Angeles Times, National Public Radio, and countless design blogs.

Dwell on Design confirmed that it is the only show of its scale that can create such an immersive, content-driven design experience. With such a stellar mix of programming and exhibitions, Dwell on Design 2012 proved to be one of the most successful in the show's history. Mark your calendars for next year's Dwell on Design 2013 June 21-23. For more info: www.dwell.com.

| continued on page 12 |



2012 WRAP UP EVENT OVERVIEW

The seventh annual Dwell on Design (www.dwellondesign.com) saw a significant increase in both sales and attendance throughout its three-day run at the Los Angeles Convention Center. This remarkable growth OFFICIALLY makes Dwell on Design the LARGEST modern design event in the nation.

HIGHLIGHTS

- 27,428..... Total Attendees (30% increase over 2011)
- 450+ Media Outlets
- 1,000+ Brands Represented
- 350..... Modern Exhibitors
- 190..... Notable Speakers
- 2,700..... Dwell Design Week Attendees
- 1,200..... Home Tour Tickets Sold

FEATURING

3 Stages with All-Day Programming | Green Car Ride and Drives Oyler Wu Installation | Student Exhibits | VIP Lounge | Cultural Exhibits Architect Consults | Landcape Consults | Interior Design Consults Screening Lounge | Prefab Structures | Live Design Competitions Modern Pet Pavillion | Cash & Carry Exhibitors | Pop-up Stores AIA|Los Angeles Design Conference | Continuing Education Units New Face of Affluence

EXHIBITION ZONES

- The **Kitchen and Bath** zone featured live demos by Miele, Dwell on Design Award Winner Sub-Zero/Wolf's Convection Oven, and a plethora of exhibitors who showed us new ways to think about cooking, baking, grilling, dining, bathing, cleaning and more.
- This year's **Furniture & Accessories** zone had some tricks up its sleeve featuring interactive demonstrations from young designers by Swiss Design Prize, Art Center College of Design, and Dwell on Design Award- Winner for Best in Show, Quench Design from Australia.
- The **Modern Lifestyle** zone showcased new furniture, an array of modern playhouses swarming with young modernistas, innovative carpet tiles by FLOR, and family photoshoots sponsored by Infiniti.

- The **Dwell Outdoor** zone transplants the outdoors into the convention center. The green oasis was designed by Shades of Green Landscape Architecture, and installed by FormLA and trees from Vecchio and SWG Trees. The area hosted three fully-furnished prefab houses, a ping-pong table, and plenty of places to lounge.
- The **Design Materials** zone featured the **Dwell Design Materials Lab** sponsored by Stikwood, where showgoers had the opportunity to touch, feel, and learn about common—and not so common—construction materials. In addition, the area housed Design School exhibitions, architects, prefab and emerging technologies.
- The **Technology Lounge** not only presented the perfect place for guests to recharge courtesy of the ingenious U-Socket but also to play with the USA's debut of VivdWorks AR's virtual design tool.

PRESENTATIONS

Keynote by Architecture for Humanity Founder Cameron Sinclair and presentations by 190 industry influencers and innovators, including Bryan Cranston, Mitchell Joachim, Chad Oppenheim and Ed Begley, Jr.

AWARDS

- A prestigious jury walked the show floor and selected winners in each category of show as part of the 2nd annual Dwell on Design Awards.
- The winners of the annual **AIA|Los Angeles Restaurant Design Awards** were announced by noted restaurateur Barbara Lazaroff.
- Dwell and Design Within Reach named, out of 500+ entries, up-and-coming furniture designer Amanda Ip as the winner of the first-ever Live/Work Contest. **RO**





CALL TO ACTION



SEND US YOUR SHOTS

Looking for retailers, distributors and manufacturers engaged in their element while at trade shows, special events, showroom openings or just plain group get-togethers. *The Retail Observer* is interested in featuring you in our snap-shot page, "Retailers Observed", where you can see what your industry buddies are up to. Please e-mail us your hi-res photos in .jpg format. Include the captions with the photos you send for consideration and be sure to put "Retailers Observed" in the subject line.

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FEATURED THIS MONTH:
DWELL ON DESIGN



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Book Review

Retail Truths: The Unconventional Wisdom of Retailing

It's no secret that a growing number of customers are fed up with big box stores taking over their cities and putting the mom and pop's out of business. Shoppers are more ready than ever to support their local economies, as evidenced by the successful "Small Business Saturday" sponsored by American Express and "Shop Local" campaigns popping up across the country.

But can a small, family-run hardware store, electronics store, or coffee shop really compete with the likes of Home Depot, Best Buy, and Starbucks?

YES, says retail expert Chip Averwater. With nearly four decades of retail experience under his belt in his family's fourth-generation musical instrument store, Averwater has amassed a long list of "retail truths" that he says can help retailers survive and thrive in any market, and shares them in his new book, *Retail Truths: The Unconventional Wisdom of Retailing* (March 2012).

A compendium of 427 street-smart insights on retailing, *Retail Truths* is filled with hard-nosed, practical lessons shrewd retailers learn only in the trenches of retailing and use to build profitable stores. From hiring and firing personnel, pricing profitably, and negotiating with suppliers, to even dealing with bankers, Averwater covers most facets of retailing.

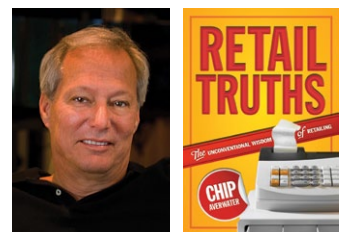
"Many of the lessons retailers need to survive aren't taught in textbooks or business school," says Averwater. "They're learned only on the front line where bets are real and mistakes are costly."

Averwater's passion for retail is in his blood: Ninety years ago, his grandfather started Amro Music Store in Memphis, now one of the largest musical instrument retailers in the U.S. Not only did Averwater play a key role in keeping his family business afloat, but in his time with Amro, Averwater built the store from \$1 million annually to \$14 million. *Retail Truths* is tried-and-true advice that has kept his family's store running for nearly a century.

"Retail has too many facets and intricacies to ever be mastered," says Averwater. "There are thousands of lessons to learn—some critical to a store's survival, many valuable for improving customer service or increasing the store's profits, and others that simply make operations run smoother." **RO**

Author: Chip Averwater is a third-generation, 38-year veteran of retailing. He currently serves on the boards of several retailers and charities and is often consulted as a retail advisor. Learn more at www.retailtruths.com.

Publisher: ABB Press



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VIKING INTRODUCES NEW D3 PRODUCT LINE



Viking Range Corporation is pleased to announce its latest product offering – Viking D3, a unique and innovative line of kitchen appliances featuring breakthrough design, performance, and personalization options. Viking D3 is the only line of major appliances to offer consumers a completely new approach to design, including exciting styling, 24 designer colors, and personalization options.

At the heart of the D3 design innovation is its novel, patent-pending option for customizing knobs and handles to complement virtually any cabinetry finish or kitchen décor using consumer-installed knob and handle inserts. Beautiful stainless steel knobs and handles with polished chrome inserts come standard on each D3 appliance. However, for the consumer wanting complete flexibility with the accent finishes of their appliances, the chrome inserts are removable and may be replaced with optional inserts in different colors or finishes. The chrome inserts can be kept and easily reinstalled at a later date.

The customization process is simple. Kits containing either wood or clear acrylic knob and handle inserts may be purchased either at a Viking dealer or online at vikingrange.com and used to replace the chrome handle and knob inserts that are shipped standard with the product. The inserts can be quickly and easily changed as a “do it yourself” project in just a few minutes. And if the homeowners’ tastes or décor change, or if they would like to color coordinate their appliances with a season or holiday, the knob and handle inserts can be repeatedly replaced with new inserts in an entirely different finish or color.

To provide maximum design flexibility, the optional knob and handle inserts are offered in clear acrylic for unlimited paint color choices and in wood in several stains to complement the most popular cabinetry

finishes. Wood inserts are also offered unfinished so they can be stained to match any adjacent cabinetry finish. For painted finishes, the consumer spray paints the backside of the clear inserts any color they wish and the resulting paint finish looks factory-applied through the clear acrylic.

The Viking D3 line is available in 24 designer finishes, from lemonade and mint julep to wasabi, along with venerable stainless steel, providing the appliance industry’s broadest palette of colors and finishes for adapting to any conceivable kitchen décor. Because of the infinite number of combinations provided by the standard D3 knobs and handles, the option of convertible and customizable knob and handle inserts, and a choice of 24 different finishes, no other appliance line can match the design options and flexibility of the new D3 line from Viking.

To enable the consumer to visualize different knob and handle colors and finishes on D3, Viking has created a new D3 customization feature on its website. This interactive design tool allows consumers to change knob and handle inserts with a variety of wood finishes and an infinite selection of colors. Brent Bailey, director of design at Viking, said, “This will be a fun way for people to modify and create their own D3 appliance and visualize how it would look in their kitchen.”

Bailey further stated, “The robust, yet modern styling of D3 gives a slight nod to our professional heritage while providing an entirely new design interpretation of the Viking brand. Viking has always been at the forefront of kitchen appliance design and performance. D3 provides design choices that no other manufacturer offers. We’re certain that consumers will be excited about that creative aspect of the line.”

The D3 product line consists of 30” convection ranges, cooktops and built-in convection ovens, microwaves, warming drawers, ventilation, dishwashers, and a French door refrigerator/freezer.



Ranges are available in gas self-clean, dual fuel, and electric models. Gas and dual fuel ranges have five high-performance sealed gas burners that provide up to 18,000 BTUs of powerful, precise cooking power for which Viking is known. The electric range provides five QuickCook™ electric elements that reach full power in three seconds. The electric and dual fuel self-clean convection ovens boast the largest oven capacity available.

Because Viking D3 appliances are in standard dimensions, they are ideal for replacing existing appliances in addition to new construction and total kitchen remodel, at a price point that will represent the greatest consumer value in the luxury appliance segment.

To request product information, please contact Viking toll-free at 888.845.4641, or visit the website at www.vikingrange.com.



THERMADOR FREEDOM® INDUCTION COOKTOP MARKS ITS OFFICIAL LAUNCH

LUXURY KITCHEN APPLIANCE PIONEER OFFICIALLY RELEASES ITS HIGHLY ANTICIPATED FULL-SURFACE INDUCTION COOKTOP

Thermador® After making an immediate splash debuting at the 2012 International CES in Las Vegas, the most anticipated kitchen appliance of the year marks its official launch as luxury appliance pioneer Thermador announced its Thermador Freedom® Induction Cooktop is available for purchase.

The new Freedom Induction Cooktop is the first full-surface induction appliance with the flexibility of a natural-mapping user interface that intelligently recognizes cookware size, shape and position to deliver heat without boundaries. It is the world's first induction appliance to eliminate conventional cooking elements and offer one limitless cooking surface with an intuitive touchscreen interface.

"Thermador once again delivers real innovations for passionate culinary enthusiasts who can now cook beyond convention with a

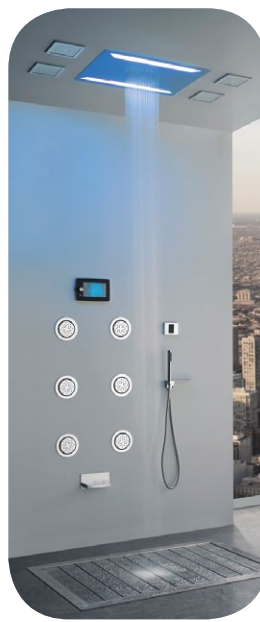
product that affords no limitations," said Zach Elkin, director, brand marketing for Thermador. "Since its initial unveiling in January, we've seen incredible buzz and interest from the culinary world for this revolutionary product, which finally is available for purchase to cook with and entertain with in luxury kitchens."

Available with a MSRP of \$5,499, the Freedom Induction Cooktop offers all of the benefits of traditional induction technology: instantaneous and precise temperature control, making it as responsive as gas; safer cooking, as the surface stays cool to the touch; and easier cleaning with its smooth and flush surface.

With more than 30 international patents, the Thermador Freedom Induction Cooktop is built with 48 individual 3-inch induction heating elements below the surface of the appliance. This translates to a 63-percent more effective cooking area on the surface by eliminating the conventional standard of predefined elements. Additional product highlights include:

- A 6.5-inch, full-color touchscreen display that recognizes pot shape, size, and controls power setting and cooking time
- Surface area to accommodate a 21-inch x 13-inch pan with the largest cooking surface in the industry
- A range of 4,600-watt maximum power output with Boost feature and 15-watt minimum power output

For more information, visit www.thermador.com or follow us on Facebook— www.facebook.com/thermador and on Twitter @ThermadorHome, or call 1-800-735-4328



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AQUA-SENSE ELEVATES SHOWER EXPERIENCE WITH CREATIVE USE OF DIGITAL TECHNOLOGY

GRAFF® GRAFF®, a premier manufacturer of precision-engineered contemporary products for the bath and kitchen, has announced its most technologically advanced collection to date: Aqua-Sense. The Aqua-Sense shower system represents the future of shower design: a full sensory, completely modern experience. Created for those who want to bring the luxury | *continued on page 18* |

spa experience home, Aqua-Sense combines high-style design with the technical innovation that GRAFF is known for. Replete with RGB LEDs, a touch-screen, ceiling-installed speakers, a USB port and four flow configurations, Aqua-Sense has it all.

“We knew that homeowners wanted more control in the shower and that they wanted to make use of all the current technologies – and with Aqua-Sense, we’ve given them an experience like no other,” says Ziggy Kulig, CEO and president of GRAFF. “Because we live in such a fast-paced world, people understand that having a spa-moment in the shower might be the best thing that they can do for themselves, both physically and mentally.”

Music can be easily uploaded using an iPod connected to a wall-mounted USB port, while the speakers are ceiling-installed. The RGB LED changes color, shaping diffused chromatic lines to produce a soothing effect on the bathroom environment. The system is controlled by a touch-screen with simple and intuitive interface controlling water functions, color changes and music. The system is well equipped with a hand-shower, foot-shower and adjustable side body-sprays, and the touch screen and electronics are easy to use. The design and capabilities of Aqua-Sense confirm GRAFF’s commitment to design, innovation and sustainability.

Welcome to the digital shower age! To learn more about GRAFF, visit www.graff-faucets.com.



PERLICK CORPORATION’S SIGNATURE SERIES 48-INCH FREEZER/REFRIGERATOR HAS BEEN AWARDED ENERGY STAR® MOST EFFICIENT IN 2012



Perlick Corporation, a leader in total package bar equipment, beverage dispensing systems, and luxury residential undercounter refrigeration, announced today that its patented, industry exclusive, Signature Series 48-inch Freezer/Refrigerator (HP48FR) has been awarded the ENERGY STAR® Most Efficient designation for 2012.

“When Perlick introduced its residential line of products seven years ago, quality and energy efficiency were of utmost importance,” states Jeff Wimberly, vice president of sales and marketing for Perlick’s Residential and Hospitality Products. “This incredible achievement is an honor for Perlick’s engineering department, great news for consumers, and a testament to Perlick’s dedication to produce products that display low annual energy use and that perform significantly better than the Federal Standard.”

To be recognized as the Most Efficient of ENERGY STAR in 2012, Perlick’s 48-inch Freezer/Refrigerator had to prevent greenhouse gas emissions by meeting rigorous energy efficiency performance levels set by the U.S. Environmental Protection Agency. In addition to creating energy efficient (ENERGY STAR qualified) products, Perlick also produces products that meet specifications of the Consortium for Energy Efficiency (CEE), And, as a Tier 1 member of Wisconsin’s Department of Natural Resources Green Tier program, Perlick Corporation is proud to be a manufacturer that recycles, reuses, and utilizes environmentally friendly materials.

Available with solid or glass doors, drawers and the ability to easily accept wood overlay, Perlick’s 48-inch Freezer/Refrigerator is as versatile as it is energy efficient. And, its impressive 12 cubic feet of storage space along with the options of being built-in, freestanding, and/or stacked make it the perfect solution to numerous refrigeration and kitchen design needs.

Perlick’s industry exclusive 48-inch Freezer/Refrigerator features a 1,985 Btu Variable Speed Compressor, zero-clearance hinging that allows for abutment with surrounding cabinetry, and a full three year warranty on the entire product and a six year warranty on the sealed system. Pricing for Perlick’s 48-inch Freezer/Refrigerator starts at \$4699 (price varies dependent upon configuration). To learn more visit www.perlick.com or call 800.558.5592.

A REFRIGERATOR THAT ADAPTS TO YOUR LIFESTYLE: FISHER & PAYKEL APPLIANCES ANNOUNCES NEW KEY ENHANCEMENTS TO ACTIVESMART™ REFRIGERATORS

NEW SEAMLESS STAINLESS STEEL STYLING, BOTTLE HOLDER WHICH INCREASES STORAGE CAPACITY, AND LED LIGHTING



It’s a refrigerator equipped with smart technology that can adapt to your lifestyle. This is not science fiction, but it is only one of the key technological benefits of Fisher & Paykel Appliances’ ActiveSmart™ refrigerator line.



| continued on page 20 |



THE LINES OF PERFECTION

THE S3 SERIES FROM SCHOLTÈS

The name that signifies timeless design, technological excellence and professional performance across Europe has arrived. Cooking products, dishwashers, ventilation, refrigeration, wine storage and coffee machines create an appliance line so rich in history, so impeccably designed and so full of flavor that North American kitchens will be transformed to the place for life's best experiences.



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Now, Fisher & Paykel Appliances has announced a cool refresh of its ActiveSmart™ line that offers consumers new style, storage, and lighting enhancements, adding even more flexibility to their refrigeration needs.

This is all part of Fisher & Paykel's smart kitchen that brings continuing award-winning technological and stylish innovation to the home. The appliance manufacturer has added new features to its E22B ActiveSmart™ refrigerator line, including concealed hinge styling, LED lighting and a bottle holder allowing for increased storage capacity.

The latest model will be available in the United States and Canada in July 2012 and will be released under the Fisher & Paykel brand.

The new ActiveSmart™ refrigerator's noteworthy enhancements include:

- A sleeker appearance with new seamless stainless steel styling. The new design completely conceals the hinge from the side and front of the fridge.
- Better ease of use.
- LED lighting will replace halogen lighting. This will reduce potential glare problems and provide better illumination of the food contained in the fridge. Light will also be more evenly distributed throughout the fridge offering improved visibility and food presentation. LED lighting also saves on energy with 88 percent less power usage than current halogen lighting.
- A faster ice maker that will produce 75 percent more ice. In addition, the quality of the ice is improved.
- A quicker water delivery system that is 65 percent faster.
- More storage capacity. New individual bottle holders can be stacked on top of each other when not in use and conveniently stored within the refrigerator in a self contained storage area. The bottle holder is also made of chemical resistant ABS plastic and has rubber feet that provide better stability. This allows consumers to place it anywhere in the fridge bringing more customized options of the available space to their individual needs.


"The latest chapter in the Active Smart™ line refines the platform to an even higher level with focus on integration and designer elements," said Scott Davies, Fisher & Paykel's marketing manager. "These new enhancements add even more luxury and flexible refrigeration options to the already impressive ActiveSmart™ product."

What sets apart Fisher & Paykel's ActiveSmart™ technology is its potential to take your lifestyle's temperature. It's a fridge that thinks for itself to constantly monitor how you and your family use it, adjusting airflow to achieve a stable and even temperature. This makes it possible to keep food fresher much longer.

To find out more about Fisher & Paykel's brand please contact your local dealer. You can also get more information at www.fisherpaykel.com or call us toll free at 888.936.7872.



HOME IS WHERE THE HEARTH IS

Enkeboll  Why is it, that of all of Earth's creatures, only man is drawn to fire? We find comfort in its warmth and security in the soft, flickering light that seems to embrace us like an old friend. | continued on page 22 |



The Legacy Hood Collection

More than just a decorative housing for your kitchen vent, a Legacy Hood from Enkeboll is a handcrafted work of art. Reflecting nearly 60 years of artisanship, each piece is alchemized and hand finished, so no two creations are ever the same. The Collection features one of three classic architectural details alchemized in Enkeboll's unique Enketallic™ metallized finish, creating a one-of-a-kind focal point for your home.



Enkeboll

FINE ARCHITECTURAL WOODCARVINGS
SINCE 1956

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Reaching into our collective past, to a time when all family, community and social activities took place deep within the castle's keep, we find the "Hearth," the center of communal activity.

Today, rich in tradition and craftsmanship, the EnkeFire™ Hearth can be found in a variety of styles, including the Honeycomb (as shown), the Tranquility and the Basket Weave. EnkeFire™ is available in natural wood, EnkeStone™, and all ten Enketallic™ finishes including Enkeboll Gold, Polished Zinc, Bronze with Black Patina, Bronze Verdigris, White Bronze, Nickel Silver with Black Patina, Copper with Black Patina, Copper Verdigris, Blackened Iron and Rusted Iron as well as special finishes upon request.

At the heart of the EnkeFire™ Hearth is the EcoSmart Fire™ bio-ethanol firebox, a vent-less fireplace which burns bio-ethanol, a 100% clean and efficient fuel requiring no chimney or flue. Because EnkeFire™ requires no venting, you can place and enjoy a modern fireplace by Enkeboll in any room of the home, be it house, loft or high-rise. From classic to transitional, from romantic to modern, each EnkeFire™ Hearth is created to reflect your personal style.

Enkeboll has been crafting fine architectural details and furniture since 1956. Inspired by great design traditions from around the world, Enkeboll products are known for being exquisitely carved and hand-sanded to perfection. Enkeboll elements and architectural details are specified by leading architects, interior designers, kitchen and bath specialists, as well as builders and contractors the world over.

For more information about Enkeboll and the EnkeFire™ Hearth, please visit enkeboll.com® or call 800.745.5507.

toiletries when they are not in use. The mirrored finish creates an additional visual appearance of greater space, while also creating a full-length mirror.

• **Door Profiles With Lifting And Lowering Mechanisms—**

A brilliant chrome frame provides the infrastructure for OpenSpace. The two large doors, which are made of 8mm thick safety glass are fitted into the frame, which contains an innovative rise and fall hinge mechanism.

The doors are designed so that they can be lifted and folded into the frame, and then lowered back into the shower position. The doors are lowered continuously until they reach a shower position of 90 degrees and lock there, to guarantee protection from splashing. The doors can also be opened further, into a 180-degree position, to facilitate cleaning. Finally, the integrated U-profile adds stability and compensates for wall unevenness of up to 18mm, making OpenSpace also ideal for older buildings. These features, which offer practical installation and upkeep, add to OpenSpace's compact and attractive appeal.

• **Suitable for Combination Shower Trays—**

OpenSpace can be combined with any tile floor, but for those who prefer to shower on a seamless surface, OpenSpace also fits with Duravit's DuraPlan shower trays. These shower trays, in 2 sanitary acrylic, have been developed in collaboration with German Architect, Professor Frank Huster, and are installed flush with the floor to create a clean and unified aesthetic.

• **Taps—**

A multitude of standard hand showers may be combined with a special adapter, which is included with OpenSpace to ensure that the shower fittings will be hidden discretely while a clash of hand shower and glass is also avoided. Furthermore, the shower fittings can be positioned on either the left or right side, depending on the position of the shower.

For more information on Duravit visit www.duravit.us or call 888.DURAVIT.



THE OPENSOURCE SHOWER FROM DURAVIT ANSWERS THE SMALL BATHROOM PROBLEM

"FOLD-AWAY" SHOWER OPENS UP ADDITIONAL SPACE IN THE BATHROOM

Duravit has collaborated with Vienna based design group, EOOS, to create a truly original shower concept – one that folds against the wall after use to create newly usable square footage in the bathroom. Designed for the small bathrooms often found in urban environments, clear or mirrored glass shower walls disappear into a discreet chrome frame that tidily conceals tap fittings, shower attachments, and



CEDIA ANNOUNCES CEDIA EXPO 2012 OPENING KEYNOTE

The Custom Electronic Design and Installation Association (CEDIA) has announced that Dr. Michio Kaku will give the Opening Keynote Presentation at CEDIA EXPO 2012.

Dr. Kaku is an internationally recognized authority on physics and predicting trends based on the latest research in science. His book, *Physics of the Future: How Science Will Shape Human Destiny and Our Daily Lives by the Year 2100* | continued on page 24 |



32 cu. ft. Maximum capacity means Maximum sales.



32 cu. ft. equals
32 bags of groceries!!!

**32 cu. ft. Maximum capacity
saves trips to the market**

Our largest French Door refrigerator has enough room to fit up to 32 bags of groceries*. With an expansive 32 cu. ft. inside, this refrigerator features the largest capacity of all French Door refrigerators in its class**.

*Grocery comparison based on each cu ft of usable space equaling one paper bag.
**Features the largest capacity refrigerator in Samsung's current lineup.



Ice Master

**Nearly 12 lbs. of ice daily
for family and friends**

Our Ice Master makes nearly 12 lbs. of ice per day with storage for nearly 10 lbs. of ice*.

*Actual Dual Ice Master production and storage quantities are 11.8 lbs. and 9.7 lbs. respectively.



High-efficiency
LED Lighting

**High-efficiency LED Lighting
illuminates virtually every corner***

Samsung's new high-efficiency LED Lighting gently brightens the interior of your beautifully organized refrigerator.

*As compared to Samsung's 2011 conventional LED lighting.



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was recently named one of the “Top 25 Tech Books” by VentureBeat. This book also spent five weeks on the New York Times bestseller list.

His keynote presentation, *The Intuitive Home of 2016: What’s After the Smart Home*, will center around the concept that most smart homes are not smart, but well-designed homes installed by smart electronic systems contractors (ESCs). Dr. Kaku will discuss how the smart home is set to evolve into the fully intuitive home with the help of next-generation future technology such as IPv6, RFID devices and artificial intelligence.

“CEDIA is committed to providing our industry with the data and resources needed to prepare for future business opportunities,” said Dave Pedigo, CEDIA Senior Director of Technology. “As we move beyond the smart home, our members and the industry need to be ready to be the experts on this next generation of technology. Attending this presentation is the first step in that learning process.”

The Opening Keynote Presentation will take place on Wednesday September 5 at 5:30 p.m. in the Wabash Ballroom at the Indiana Convention Center and is free to attend.

CEDIA EXPO 2012 will be held Sept. 5-8 at the Indiana Convention Center in Indianapolis. Registration is open at www.cedia.org/expo.

SAMSUNG LAUNCHES FIRST-EVER VACUUMS IN THE U.S.

THREE NEW CANISTER MODELS MAKE FLOOR CLEANING A QUIETER, QUICKER & HEALTHIER EXPERIENCE



Samsung
Electronics
America,

Inc., is America’s fastest growing home appliance brand and award-winning innovator, and is taking its technology and smart design innovation to a new level with the U.S. launch of the company’s canister vacuums. Samsung’s three new models—

available in Champagne, Electric Blue and Black colors—feature reduced noise levels and innovative ergonomic design, giving busy individuals the flexibility to vacuum almost any time of day or night with minimal disturbance to others.

The three new models combine comfort and ease of use with a compact, ergonomic design, making it easier to store and maneuver on all floor types. The innovative airflow design reduces excessive noise, cutting down on the roaring vacuum sounds that can disturb everyone



in the house. The units also feature unique design components with a carrying handle designed to make it easier for individuals to move around the home and reduce the amount of pressure on the body while transporting the device from one room to another. The ergonomic design extends to the control handle and is meticulously contoured to fit the palm of your hand.

“The launch of Samsung’s new vacuum line is the latest example of how we use insights and our deep expertise in technology to develop products that benefit customers and make their lives easier,” said Kevin Dexter, senior vice president of home appliance sales and marketing, Samsung Electronics America. “From refrigerators to ovens to washing machines, Samsung has over the past few years completely transformed the home appliance industry with new technology and design, and we’re now doing the same thing with vacuums. With unique airflow for less noise to multi-chamber technology and HEPA filters for cleaner air, the vacuums incorporate a number of innovative and convenient features that were designed to make cleaning more efficient.”

Whether cleaning the floor, or hard to reach places like ceiling fans or under the seats of cars, the models also include features that help it adjust to suit any cleaning job. Each canister model features a telescope wand that extends up to 35.4 inches and down to 23 inches for the ideal length. The Electric Blue and Champagne models include a 15-inch wide brush which is larger than the standard 13-inch brush on most other vacuums and can be used on different floor types for faster cleaning. All models feature large dust bins designed to easily remove and empty the bin without spilling the dust. In addition, the 2.5 liter dust bin holds more than conventional canister vacuums so you can clean bigger messes without interruption.

Other features include:

- The Champagne model features an innovative MultiChamber Vacuum System which delivers improved efficiency with longer lasting suction power than conventional vacuums and catches up to 99.7% of even the finest dirt, dust and particles
- The Black and Electric Blue models feature a Twin Chamber Vacuum System, which offer an efficient and powerful design that catches up to 95.2% of dust and fine particles
- Each model features a HEPA Filter, which traps small particles, purifying the air and bringing relief to allergy sufferers
- The Champagne model also features an Auto Dust Sensing System, which intelligently measures the amount of dust it needs to clean and adjusts suction accordingly, further resulting in cleaner air. It is also perfect for pet owners since it tackles pet hair on all surfaces, reduces pet dander with its HEPA sealed-gasket filtration system and eliminates pet odors with the Anti-Odor Carbon Filter
- Each features a compact canister design making it easy to carry, maneuver and store

| continued on page 26 |

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HOW QUIET A
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REALLY IS.



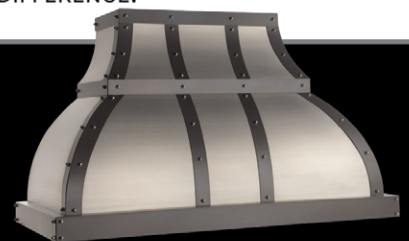
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VENT-A-HOOD'S WHISPERTECHNOLOGY MAKES OUR RANGE HOODS THE QUIETEST IN THE INDUSTRY, EVEN AT THE HIGHEST SPEED. WHILE OTHER BRANDS ARE WELL ABOVE THE CONVERSATION LEVEL, WE'RE 40% QUIETER.

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WE'LL REVEAL THE PROVEN TEST RESULTS. YOU'LL HEAR THE DIFFERENCE.

Vent-A-Hood



The Black (SC88BOH1K) is available for MSP \$299.00, the Electric Blue (Model SC88POH1B) is available for MSP \$349.00 and the Champagne (Model SC96POH1G) is available for MSP \$449.00. Visit www.samsung.com.



ROBERN COMPACT VANITY MAXIMIZES STORAGE IN SMALL SPACES WITH GLASS DRAWER ORGANIZERS AND CUSTOMIZABLE COMPONENTS

robern. Those who start and end each day in a small bathroom know the storage battle all too well; it's a struggle to keep frequently used items both organized and close at hand, especially when the one space serves multiple people. Robern, an industry leader in bathroom storage and grooming, knows the secret to conquering clutter lies in maximizing the functionality of every available inch. The Compact Vanity does just that, offering the full Robern experience while transforming a space from cramped and confined to effortlessly efficient.

True to Robern design, the Compact Vanity's exterior embodies a clean, modern aesthetic. Inside, sleek and customizable storage elements abound.

- STANDARD COMPONENTS
 - Hanging tray and glass bin set keep small items stored at the top for easy retrieval and organization.
 - Divider set and crossbar make it easy to see the contents stored in each compartment. Are easily removed for cleaning if ever spills or leaks occur.
 - Durable aluminum frame construction withstands moisture in the bathroom and secures long-lasting beauty.
 - Slow-close drawers with plumbing clearance provide smooth operation and maximize storage while accommodating space needed for plumbing.
- OPTIONAL COMPONENTS
 - Night Light built into the drawer handle provides a soft glow to

illuminate the bathroom at night.

- In-drawer electric power installs on the inside of the drawer and features three plugs, complete with its own power switch so items can remain plugged in, even when not in use.
- Hair Dryer Organizer corrals clutter, controls cords, and optimally positions your hair dryer for easy access and quick storage.
- COLORS
 - Stock Colors: Black, White, Beach
 - Special Order Colors: Tinted Grey Mirror, Satin Bronze, Champagne Mesh, Onyx Mesh, Hammered Oil-Rubbed Bronze, Satin White, Ocean
- MSRP
 - Starting at \$2,059.

For additional information on Robern products, customers may call 800.877.2376 or visit the Robern website at www.robern.com.

ALMO'S DOUBLE-DIGIT ANNUAL GROWTH PROMPTS EXPANSION OF NATIONWIDE DISTRIBUTION NETWORK

ALMO Almo Corporation, the major national consumer and professional electronics and appliance distributor, released its fiscal 2012 results during the most recent quarterly board meeting, and the company reported an overall double digit revenue increase over fiscal 2011, which marks the 10th straight year of double digit compounded growth. In addition, the company has expanded its nationwide distribution network as a result of the recent addition of several major appliance product lines and continued growth in the Fulfillment and Pro Audio/Visual channels.

An integral part of the distribution network expansion includes the addition of a distribution center in Reno, Nevada while also enlarging the footprint of several existing distribution centers throughout the country, such as Dallas, Texas and Columbus, Ohio. Almo's growth, coupled with recent exclusive distribution agreement wins, made the choice to expand its distribution network an easy one.

"Our unwavering commitment to providing our dealers with the best products in a timely fashion has placed us in the rapid growth category in this otherwise unstable economy," said Warren Chaiken, Almo president and COO. "With this marked growth pattern and upcoming opportunities, it's necessary that we ensure our facilities and services remain top-notch."

According to Almo Professional A/V Executive Vice President and COO Sam Taylor, "The Pro A/V division had another record year with 50 percent growth year-over-year. It's because of our continued focus on education for our sales team and our reseller partners that we've achieved this amazing growth, which is a validation of our approach to this market."

More information on Almo is available by contacting the company directly or the website at www.almo.com. | continued on page 28 |

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ELEGANT SIMPLE LINES PROVIDE DRAMATIC FLAIR FOR AMERICHS NEW ROC COLLECTION BATHTUBS AND MATCHING SINKS



Gentle curves and corners give these solid surface soaking tubs a simple grace that will afford many years of beauty and purpose. The collection includes matching countertop sinks providing a harmonious sense of understated elegance to bathroom design.

As a company that is dedicated to producing the finest luxury bathing systems, Americh International is proud to announce the addition of the Roc Collection. The collections two solid surface soaking tubs rise from the floor with gently curved lines, either convex (model A12201-WH) or concave (model A12202-WH), that meet at the top to form gentle rectangular shapes. Consumers may also choose to include matching countertop sinks that unite with the tubs to create a cohesive style that is as functional as it is beautiful.

“A tub from the Roc Collection will certainly add beauty to the bathroom,” said Ed Richmond, president of Americh. “But to really appreciate their beauty you must take a nice long soak in the tub. There are few pleasures that are so simple and yet provide such a sense of well-being and relaxation. A good soak is a great way escape from life’s sometimes hectic pace.”

The Roc Collection tubs and sinks feature solid surface construction that will provide many years of beauty and function. Their matte white finish and clean simple lines will compliment a wide range of bathroom designs and color palettes. The Model A12201 tub measures a generous 64” x 34” x 24” and can be filled to a capacity of 90 gallons, while the Model A12202 tub measures 71” x 31” x 23” with a capacity of 79 gallons. The matching sinks measure 19.5” x 10.5” x 5” and 24” x 12” x 7.5” respectively. Both the sinks and tubs come with chrome drains and overflow trim that can be upgraded to an optional satin nickel finish.

Like all Americh tubs the Roc Collection are created using a customized approach that begins with the identification of a customer’s style, space and needs. This unique method produces products that fit seamlessly into any bathroom, any life, any style.

“The addition of the Roc Collection here at Americh will | continued on page 30 |



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Refrigerator

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about this or any other Daewoo Electronic product

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help us to provide customers even more choices when choosing a luxury bathing system," added Richmond. "We want to offer them the widest array of choices possible. It's in this way that we can provide them with products that we like to say are designed by us but personalized by our customers." For more information, please visit www.americh.com or call 800.453.1463.

quick reheating or defrosting meat or vegetables. Sensor cooking technology detects humidity released by food during the cooking process and automatically adjusts the cooking time, eliminating hot spots for superior results. Haier also offers a full line of primary cooking models that feature Grilling and Convection functions. Grilling uses a radiant element to crisp or brown foods. Convection cooking combines radiant heat with a fan for accurate baking and roasting.



HMC1685SESS

When preparing food for a large family, capacity is of utmost importance. This 1.6 cu. ft., 1,000-watt microwave with electronic touch controls offers more room for heating larger serving dishes with a 12.80" removable glass turntable. The additional space helps cut down the need to heat multiple smaller portions. While in the past heating larger portions may have meant sacrificing quality, the sensor cooking function monitors food moisture levels inside the microwave for the best possible cooking results. The Grilling and Convection settings create further opportunities for creating delicious meals in the microwave.

HMC920BEBB

This 0.9 cu. ft., 900-watt microwave with electronic touch controls packs plenty of features into a compact package. Like most models in this line, this microwave oven has the built-in convenience of six one-touch cooking programs for commonly heated foods like popcorn, potatoes, and hot beverages. Ten power levels afford the user more accuracy by allowing them to adjust the level as appropriate for different items. Multi-Stage functionality allows for slightly more involved cooking by enabling the selection of multiple power and time settings within a single cycle.

HAIER LAUNCHES NEW LINE OF COUNTERTOP MICROWAVE OVENS

NEW MICROWAVE LINE OFFERS OPTIONS FOR CHANGING CONSUMER NEEDS

Haier Haier is in the midst of launching a new, comprehensive line of countertop microwave ovens suited to fit the needs of varied consumer lifestyles. From compact models with the simple handling of mechanical control knobs, to family-sized models with electronic controls and a number of convenience features, Haier's new line offers the right fit for anyone from college students to single professionals, busy moms, large families and others who've come to value the time-savings benefits of a reliable microwave.

"With this new lineup, Haier is acknowledging that the microwave has come a long way from its humble beginnings as the appliance that simply heats up leftovers or makes quick popcorn," said Troy Mann, vice president of cooking and dishwasher products at Haier America. "The primary cooking functions and various convenience features on our new models respond to the lifestyle demands and time constraints consumers face every day by offering microwave ovens that simply and easily cook food faster without sacrificing quality."

In this new line, Haier offers cooking technologies that range from Convenience to Grilling. Convenience cooking is time based, perfect for



The new line of Haier countertop microwaves will be available in black and white, with a number of models displaying stainless steel trim. Small and midsize models are available now, with the 1.6 cubic foot ovens slated for Fall 2012. For more information, please visit www.haieramerica.com. You can also become a Fan of Haier America on www.facebook.com/Haieramerica or follow Haier America via Twitter @haieramerica. **RO**

The New Fagor Torre

The 24" Energy Star Refrigerator provides the perfect solution for modern living with high efficiency and stunning design



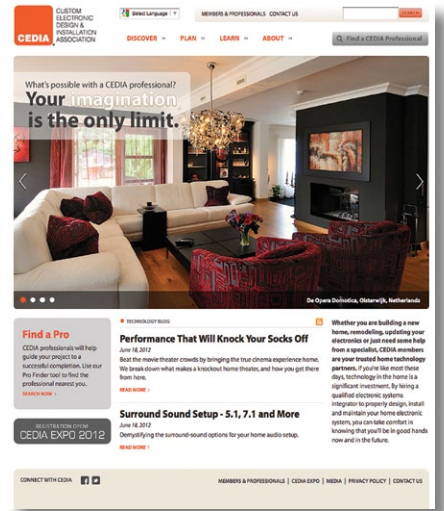
www.fagoramerica.com





CEDIA Launches New Global Consumer-Focused Website

Features Include Lead Generation Resources, an Enhanced Member Finder Service, ND Access to Education for Design and Build Professionals



As interest in home technology solutions increase, it is imperative that consumers are educated and informed about the options they have in addition to the professionals they should hire to deliver these solutions. In an effort to provide a brand neutral, unbiased trusted source of information, the Custom Electronic Design and Installation Association (CEDIA) has launched a new consumer-focused website rich with informative content that positions CEDIA members as qualified and credible professionals who deliver home technology solutions.

The new site includes over 50 stories and project profiles from across the globe focused on educating, informing, and connecting visitors to CEDIA members worldwide. The stories and profiles are organized in different featured areas of the site including a home technology solutions blog, project inspiration gallery, a plan your project section, as well as a dedicated section on working with CEDIA members.

“The goal of the site is to be an extension of our members marketing efforts while also serving as a go-to unbiased, resource for consumers and design/build professionals to navigate and learn about the constant changes and emerging trends in home technology,” said Jamie Riley, CEDIA senior director of marketing and public relations. “We are committed to producing unique and original content that is optimized and focused on driving traffic to the site which helps drive business to our members.

Visitors looking to research technology options from energy management to aging-in-place can find a variety of content within the home technology solutions blog. The home technology solutions blog is organized by popular home technology topics including: audio-video, lighting, automation, network, security, and theater-cinema. Those looking for answers to specific questions may visit the dynamic FAQ area, which pulls together several common technology questions and provides visitors the opportunity

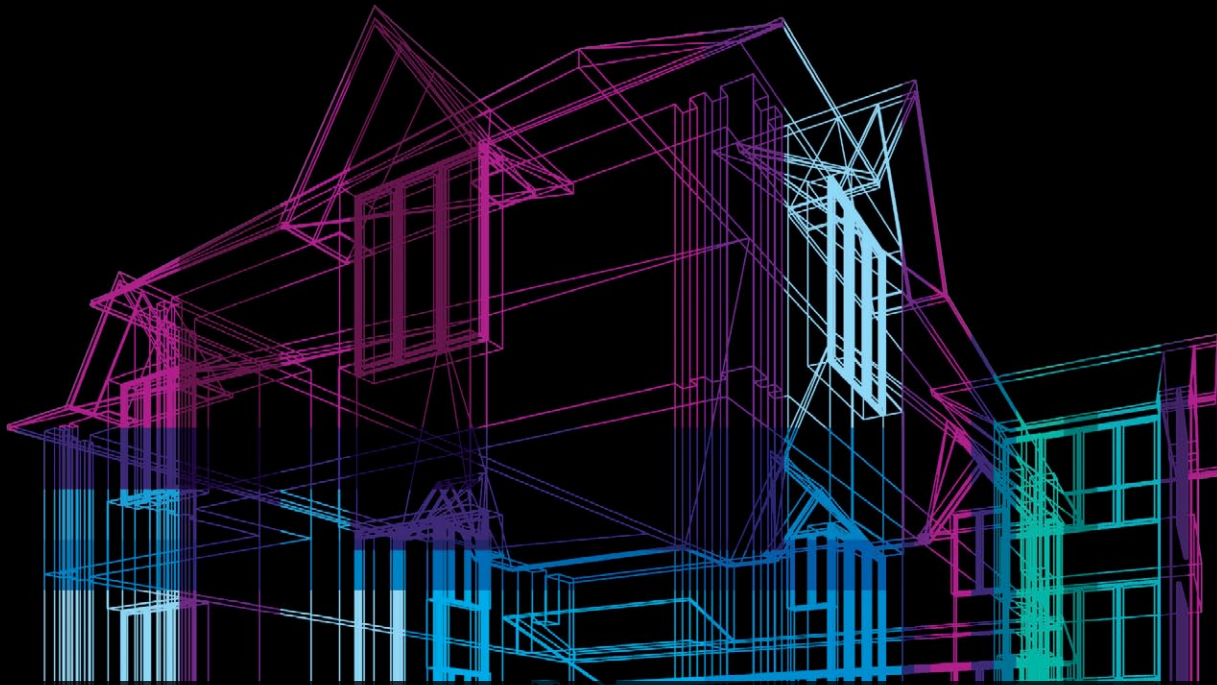
to submit their own questions for CEDIA professionals to answer.

CEDIA members, design and build professionals, and consumers alike can find projects to entertain their imagination in the project inspiration gallery featuring complete profiles of CEDIA member projects, including winners of Electronic Lifestyles® Awards, with high-quality images, featured technologies, and contact information. Visitors to the inspiration gallery may filter their search results based on several factors including; theme, budget, size, type of solution and more. CEDIA members may submit inspiration gallery projects for consideration by contacting jriley@cedia.org

For those consumers who are researching home technology systems, the new site offers a plan your project area which provides tips on what to expect, what to know, and a consumer checklist. Another key enhancement of the site is a refined Electronic Lifestyles® Finder Service that allows users to search CEDIA member companies by location, services, and certification. CEDIA members who employ a CEDIA Certified individual may customize their company listing with a logo and up to two project images. Additional search functionality will be added to the site in the coming months.

The new CEDIA Consumer website is one of the largest initiatives from the new strategic plan set forth by the CEDIA Board of Directors. This new member benefit will continue to be developed and maintained as a robust resource for CEDIA members and clients to use as a tool to help in the home technology decision-making process. Questions about the new CEDIA Consumer site may be sent to Jamie Riley. Visit www.cedia.org to view the new CEDIA Consumer website. For more information on CEDIA, visit the association's Website at www.cedia.org. Follow @CEDIA on Twitter, find us on Facebook at www.facebook.com/CEDIA.Region2, or join the CEDIA group on LinkedIn. **RO**

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Keynote Speaker: Dr. Michio Kaku

Wednesday, Sept. 5, 2012

5:30 p.m. - 6:30 p.m. (EST)

Location: Wabash Ballroom, Indiana Convention Center

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Dr. Michio Kaku's keynote presentation will explore topics ranging from the technology to design knowledge necessary to be successful in providing your client's intuitive home.





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34,000+ Attend Infocomm 2012

Audiovisual Technology Show Success Driven by Conferencing, Digital Signage, & Networked AV

InfoComm 2012, the annual conference and exhibition for professional audiovisual buyers and sellers worldwide, held June 13 -15 in Las Vegas, was visited by 34,268 AV professionals attending from more than 90 countries. This represents a 4 percent increase in attendance over InfoComm 2011.

"InfoComm continues to be the one tradeshow where most professional AV service providers make their important buying decisions for the year," said Randal A. Lemke, Ph.D., executive director & CEO, InfoComm International. "The AV marketplace has enthusiastically embraced InfoComm as the place to make their purchasing choices, network with product and service providers, and enhance skills through our robust educational program."

INDUSTRY TRAINING, INTEREST IN CERTIFICATION SURGES

Registrations for InfoComm University educational courses totaled

6,940, up 15.6 percent over last year. Super Tuesday, a full-day of advanced instruction for AV pros, attracted 850 registrants in 2012, up 32 percent from 2011. PreComm attracted 501 registrants, up six percent. More than 5,560 attended seminars and workshops, nearly 1,000 more than in 2011. Tours attracted 268 participants.

Attendees come to InfoComm for the diversity of courses on topics ranging from acoustics to videoconferencing. Popular courses were Future Trends and CTS Prep. Other popular classes included Service Level Agreements, Space, Time and Technology: The Future of AV, and AV Signals Gone Wireless. With two-thirds of all of the education sessions being new, participants flocked to classes on smart buildings, net-centric AV and conferencing.

This year, 145 AV professionals passed the Certified Technology Specialist (CTS) exam onsite, a new record. Twenty-seven passed the CTS-D® and two passed the CTS-I®. | *continued on page 36* |

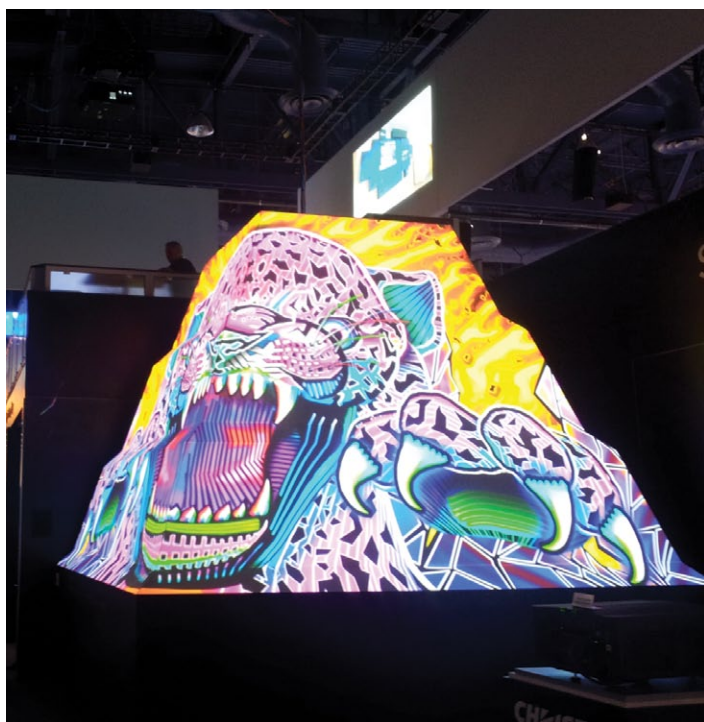
EXPOSITION SHINES WITH THE LATEST TECHNOLOGY

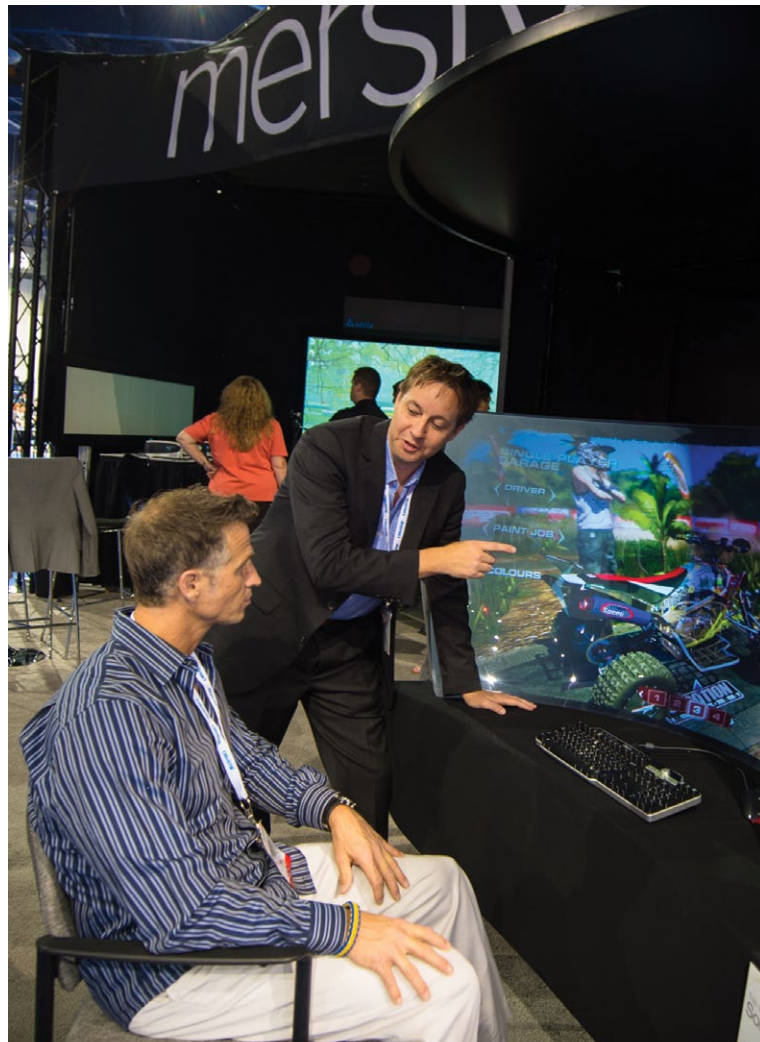
There were 933 exhibitors participating at InfoComm this year. Exhibitors occupied more than 487,000 net square feet of exhibit and special events space.

Other news released at the Show includes a new InfoComm Sustainability policy for trade shows and operations, a Market Definition and Strategy Study sizing the AV industry at \$78 billion, the Board of Directors adoption of an InfoComm Energy Management Standard, a new program with the International Society of Automation to jointly develop building automation standards and the creation of a new partnership with United Veterans Learning Centers designed to train veterans for the CTS credential.

InfoComm 2012 will be the last InfoComm overseen by InfoComm Executive Director and CEO Randal A. Lemke, Ph.D., who will retire at the end of the year.

InfoComm International® is the international trade association representing the professional audiovisual and information communications industries. Established in 1939, InfoComm has more than 5,000 members, including manufacturers, systems integrators, dealers and distributors, independent consultants, programmers, rental and staging companies, end-users and multimedia professionals from more than 80 countries. InfoComm International is the leading resource for AV standards, market research and news. Its training, certification and education programs set a standard of excellence for AV professionals. InfoComm International is the founder of InfoComm, the largest annual conference and exhibition for AV buyers and sellers worldwide. InfoComm also produces trade shows in Europe, Asia and China. Additional information is available at www.infocomm.org. **RO**





CEA-CEDIA Committee Approves Home Theater Video and Smart Grid Installation Standards

The Consumer Electronics Association (CEA)[®] and the Custom Electronic Design and Installation Association's (CEDIA)[®] R10 Residential Systems committee announced new standards to enhance the home theater experience and to provide the industry with an understanding of the issues related to smart grid devices.

The updated CEA/CEDIA-CEB23-A: Home Theater Video Design standard will help professionals design, install and calibrate home theater systems to meet consumers' growing needs and maximize the home theater viewing experience to meet or exceed the commercial theater experience.

"A successful home theater experience will realistically reproduce images created by the director and allow the viewer to become fully immersed in the program material," said Dave Pedigo, CEDIA's senior director of technology. "The revision of CEA/CEDIA-CEB23-A outlines theater installation and performance recommendations for the design of high-performance home theaters to meet or exceed the commercial theater experience."

The approval of the new joint CEA/CEDIA-CEB29: Installation of Smart Grid Devices standard will provide a basic understanding of many of the issues related to the proper installation, protection and connection of smart grid devices.





"As devices become more interconnected through the smart grid, the importance of proper installation practices regarding electromagnetic compatibility and electromagnetic interference increases," said Brian Markwalter, senior vice president, research and standards, CEA. "The new smart grid bulletin should be seen as a starting point for consumers, installers and companies involved in the buying, developing or installing of smart grid technologies and devices."

CEA leads technology manufacturers in fostering consumer electronics industry growth by developing industry standards and

technical specifications that enable new products to come to market and encourage interoperability with existing devices. CEA maintains an unmatched reputation as a credible and flexible standards-making body and has earned accreditation from the American National Standards Institute (ANSI). Through more than 70 committees, subcommittees and working groups, CEA's Technology and Standards program provides a unique and efficient forum in which technical professionals throughout the industry develop a unified technology roadmap and address technical issues critical to CE industry growth. For information about CEA Technology and Standards, visit CE.org/standards.

The updated CEA/CEDIA-CEB23-A: Home Theater Video Design and the new CEA/CEDIA-CEB29: Installation of Smart Grid Devices are available in the CEDIA Marketplace at www.cedia.org/marketplace or from CEA at www.ce.org/Standards/Standard-Listings/R10-Residential-Systems.aspx.

CEDIA is an international trade association of companies that specialize in designing and installing electronic systems for the home. For more information on CEDIA, visit the association's website at www.cedia.org. Follow @CEDIA on Twitter, find us on Facebook at www.facebook.com/CEDIA.Region2, or join the CEDIA group on LinkedIn.

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the \$195 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 owns and produces the International CES – The Global Stage for Innovation. All profits from CES are reinvested into CEA's industry services. Find CEA online at www.CE.org, www.DeclareInnovation.com and through social media:    

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The Retail Observer

AN EYE ON THE INDUSTRY SINCE 1970

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e-fairness—

If You're Not Part of the Solution, You're Part of the Problem

Since the dawn of the Internet, brick and mortar retailers have been left at an unfair advantage when competing against the likes of ebay and Amazon. Without nexus—physical stores or warehouses—cyber sellers aren't required to collect sales taxes. Cities and states have had their coffers drained and consumers have gotten billions of dollars of benefit. Main street merchants have lost sales and gone out of business.

In fact, Internet sales, like all others, ARE subject to sales tax. By law, consumers are supposed to report purchases they've made from out-of-town merchants and pay state and local sales taxes. Few, if any, do.

A little background may help understand how we got to where we are today. In an effort to help the nascent industry gain a foothold, Congress enacted legislation exempting Internet sales from taxation. Precedent had already been established by catalogues like Lands' End and L. L. Bean. Without store fronts, they never collected sales taxes.

Although the exemption was meant to be temporary, it has since been extended.

But no one predicted how fast Internet sales would grow and how much sales tax revenue would be lost. Some estimates show that there will be nearly \$20 billion in uncollected local taxes this year. That could pay for a lot of street repairs and put a lot of teachers back in the classroom.

Until the recent economic downturn created severe budget shortfalls in virtually

every community, our cries to level the playing field have been pretty much ignored.

Although the problem appears to be political, in fact, it's more of a misunderstanding. In their continual bid for re-election, state and federal legislators continue to cry "no new taxes." But, when the Alliance for Main Street Fairness sends in retailers to meet with them, those same officials learn—most for the first time—that these aren't new taxes, but a rally cry to collect taxes already in place.

Twenty-three states are moving to address the issue in some way or another. Unlike earlier claims made by catalogue merchants, sophisticated computer systems now make it easier for online retailers to compute and remit the myriad of local taxes out there. Some are calling for some kind of national sales tax solution. New Jersey, California and Texas appeared to have already established deadlines for some tax to be collected by some companies.

The Democratic process may be slow, but it does work. It's up to each of us to get out there and make ourselves heard.

Join the Alliance for Main Street Fairness and sign their petition. Go to their website and familiarize yourself with the facts at www.standwithmainstreet.com

Call your state representatives and senators and ask them what they are doing about sales tax collection on remote sales into your state. Ask them if they understand just how much it's costing to exempt sales by out-of-state merchants from tax collection on

products sold in your state.

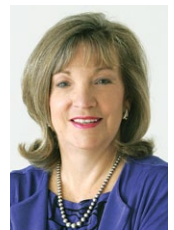
State by state, Amazon is making deals to collect and remit sales tax, but a better approach might be to enact a broader national solution. Go see your Representative and Senator—they all have offices in the district and most are home for the summer. Let them know not only how unfair the exemption is but how it impacts their constituents' lives. Ask for their support on the bi-partisan Marketplace Fairness Act currently in Congress. The act imposes no new taxes, protects small online retailers and brick and mortar stores, costs the Federal government nothing, and closes the tax collection loophole.

With our rights come responsibilities. Don't call or write me complaining about how you can't compete against Amazon unless you can show me the letter you wrote to your Congressman or until you can tell me how your telephone call went.

Once you've made those calls and written those letters, I'd love to hear from you. Send me a note to elly@ellyvalas.com and I'll compile the responses.

Hopefully, we'll get this licked so that we're not at a 8-10% disadvantage. The problem is yours, but the solution is as well. **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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Making A Wrong Right

How to Handle Irate Internal Customers

When was the last time you made a mistake at work? Come on, you know you've done it; we all have. No matter how good we are at our jobs, there will come a time when we will screw up.

It's what you do after that mistake, however, that determines how others view you and how you feel about yourself. Think back to that last mistake. How did you handle it? Did you take responsibility for it? Or, did you lie about it? If you did the first, how did your boss or co-workers respond? If you did the second, how did you feel about yourself and how others might perceive you?

Your coworkers and boss are your customers, and you must treat them and your dealings with them just as you would any other customer. You must be honest and respectful. And, when you make a mistake, you must take the same steps to make that wrong right. Those steps are the same ones you would take when dealing with customers who walk through the doors to your company, but with a few twists.

- **Take responsibility.** It's human nature to want to blame someone else for a mistake, or to deny that a mistake was made. We are afraid that, by owning up to the problem, we will lose face, or possibly lose our jobs. Sure, there is a chance that you will be reprimanded, but just as taking responsibility for an error diffuses a customer's anger and frustration, it will do so with your boss or coworkers.
- **Act quickly.** Resolve the issue as quickly as possible. Don't try to cover up a mistake, or run from it. When you admit to an error immediately, you will have the opportunity to



take the action necessary to correct it. In the process, you will not add to the negative consequences of that mistake by delaying any corrective action necessary to correct it. In this, as in many cases, time is money.

- **Be empowered.** Analyze the mistake—what you did and what you need to do to correct it. Develop a plan of action to make things right and then present that plan to those people who have been impacted by that mistake. When you are proactive, you will earn the respect of others by acknowledging that you made a mistake and doing whatever needs to be done to deal with it.
- **Compensate.** When I train clients and their employees on how to deal with irate customers who experience a problem, I tell them they must take responsibility for the problem, solve it, and then compensate the customer. That means giving customers something of low cost that has high value in their eyes as a means of retaining their business and elevating customer service to a higher level. A restaurant, for example,

can give a patron a free dessert, a hotel can upgrade a guest to a suite, or a cell phone company can give a customer 500 free minutes.

So, what can you give customers inside your organization when you make a mistake? I suggest you give them your time. Offer to stay late, or come in early. Do whatever it takes to solve the problem—do it quickly, and do it on your own time. When you compensate your internal customers, you raise your value in their eyes.

When you treat your internal customers with the same care and concern as you do your external customers, you will earn the respect of others in the organization. **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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How to be Big When You are Small

The classic plan of expansion has changed. It used to be that you would open up a store, expand the size of your location when you were successful and then look for another location that had all of the similar characteristics of the first one.

In many cases, that was where the problems began because the skills required to run a single store were different to running multiple stores. It was not uncommon that you'd have a strong family member or trusted employee that could watch over one store while you watched over the other. Let's save that discussion for another day.

However, all of that has changed. Now, before stores look for a second location, they need to explore all of the possibilities that eCommerce has to offer. Every store should be selling something from a website. You don't have to put your entire store online. Where the rules don't change is that you are creating a second business. It's not just an extension of your store.

HOW CAN I SAY THAT? It's almost a contradiction because you are creating an extension of your brand name. However, it must be treated as a separate initiative, the same way a second store would be treated. That means it needs the special tender loving care you gave your first store when you got started. Customers look at your website and eCommerce initiative as still doing business with the store. However, from a management and ownership position, it is a separate entity. But, it must look as one business in the eyes of the customer.

The expression that is used to link a website/ eCommerce business is *seamless integration*. This means businesses must come together as one, even though they are two separate endeavors. So, here is the challenge—how do you manage these businesses and stay on the course of profitability?

Why profitability? Simply because profitability allows a business to grow and expand and makes the employees feel happy and secure. The best insurance to keep a job is to work for a company that is making money and can invest in the tools to make a business grow.

Working with businesses to help them find a path of profitability has become my life's work. I needed to find a simple system or process that would help stores convert their ideas into profitable businesses. I needed something that would address the elements and attitudes of success. I have created a formula, which works logically and effectively, that I have never shared until now. Here is my formula:

6 "P"s = PROFITABILITY

- **Product**—Treat your business like a product.
- **Powers**—What you do well, what you don't do well and what assets do you possess?
- **Positioning**—The way customers will perceive you.
- **Promotion**—How do you plan on spreading the word?
- **Procedures**—How do you do what you do?
- **People**—Will always determine your success.

The 6 "P"s = Profitability is really more than just a simple formula. I look at it as a way to convert ideas into growing businesses. When anyone starts or expands a business there is always an idea, a dream, and a mindset that guides our actions.

Here are what I refer to as the Ten Commandments of Ideas:

1. Everything starts with a dream.
2. Ideas are personal.
3. It's not how many ideas you have, it's how many ideas that you make happen.
4. If time, money or social pressure were not problems, what would you do?
5. Brainstorming, the mother of all ideas. Rules of brainstorming are:
—*The wilder the better.*
—*Weird ideas spark great ideas.*
—*Wild to wacky to wow!*
6. Many great ideas are the simplest and are in plain sight.
7. Great ideas come from ordinary people.
8. Creativity is dependent on one point of view or environment.
9. Ideas are dependent on the cycle of acceptance.
10. For every good idea, there are 3 people telling you that it won't work. **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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What if it's You?

Tips for the Courageous Leader

One of my favorite pre-client encounters occurred a few years ago with a CEO who was talking with me about whether or not I could help him with the goals for his executive team. He asked a good question: "Why should I hire you? Why you and not someone else?" Let's face it, there are other consultants who do the kinds of things I do with organizations, and I like to partner with my clients, so I replied, "Because I will be absolutely honest with you." This might not seem like such a big deal—who would purport to lie to people they are presumably trying to help? But it is a big deal, and frankly, I think he knew it because he leaned in toward me and said, "Will you tell me if it's me?"

What if it's you? What if your team can be better, faster, more efficient, more profitable, or happier, but you as the leader are an obstacle? What if, even with your best intentions, you cannot seem to make things go in the direction you want, you keep running across resistors and saboteurs? So many times, we think it is them, those who are supposed to be enthusiastically following along behind us, and well, they're not. And if it is you, and you don't know it and no one will tell you, how can you respond, address it, fix it or dismiss it? You cannot.

Consider these ideas for encouraging truthfulness in your organization:

- **Find Your Blind Spot.** Often, we have no idea that something we're doing or saying is having a negative effect on others or on the team. We don't have a clue, even though everyone thinks we are indeed aware of it. One way to deal with this is to ask someone you trust—a colleague, employee or partner

whom you know will be willing to give you straight, honest feedback. You can say something like this: "You know, I've been thinking about how I can continue to improve as a leader, and I know there are areas where I can develop and grow. What blind spots do you think I have to leadership? What sorts of behaviors or thinking do you see that might be interfering with our goals?" Then, of course, you have to listen, and if you'd like this person to be willing to be honest with you again, you need to be able to maintain perspective, refrain from defensiveness, and thank them for their willingness to tell you.

- **Create Honesty Opportunities.** If you want people in your organization to be honest and truthful—and you need them to be), likely, they are the ones closest to the work, customer or service, and have a perspective for improvement that you simply cannot have at your level. You need to create opportunities for them to be honest. If it's been a long time, or never—sometimes leaders fear this will just turn into a whiney, complaining session. It doesn't have to be, and there are a variety of ways that you can foster this kind of candor. An Open-Door Policy is not enough! You need to ask direct, specific questions in a variety of manners to get the kind of honesty you need. Employee surveys are good, but not enough. Regular, consistent ways to encourage honesty, along with a culture that supports open discussion and debate, creates the kind of atmosphere where people buy-in, commit and contribute to the creativity and

innovation that many organizations crave.

- **Remember that How Matters.** Language matters. How you ask for something matters. How you praise or offer critical feedback matters and will impact, for better or worse, the results you get from your staff and employees. If this isn't your strength, or you've struggled with it in the past—if people are afraid of you or only do things because you tell them to and not because they want to, or it's the right thing to do, consider how you've been interacting. Improve your skills by practicing or taking classes, like *Influencing Skills*, to help you become more effective at creating trust and commitment. How matters.

Being a courageous leader means that you are not only honest with yourself, but also you allow others to be honest with you. You know how to balance the toughening-up and the asking-for-help when you need it. As the leader, you are responsible for how things are going, whether it's productivity, trust, profits or customer service. You are the model and the visionary—you are the one who has to be willing both to lead from the front and roll up your sleeves if necessary. If things are not going the way you want, it's probably you. **RO**

Libby Wagner, author of The Influencing Option: The Art of Building a Profit Culture in Business, works with clients to help them create and sustain Profit Cultures. www.libbywagner.com





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Success comes from creating a business that is sustainable, has the ability to grow, and enjoys some competitive barriers to entry. Take a few minutes and list all the things your business offers the customer that they cannot get from an ecommerce purchase. As you look at the list, you notice price is not on it. That's because a competitive price (but not always the lowest price) is table stakes in the retail business. Yet it is this price card, the absolute lowest common denominator of retail selling, that creates the problem of showrooming. But independent retailers actually hold almost all the value add cards. While we are playing with a full hand, they are playing with just one card. Play to your strengths and win.

FIVE WAYS TO WIN AGAINST SHOWROOMING

- **Confidence** – You and your sales team really have to believe that your business will deliver the customer a better experience than the competition, and believe the extra few dollars you may ask of the customer for this experience vs. a low ball web price is really the best value for the customer. Be proud of your value add and share it with every customer.
- **Demo** – As always, you've taken the time to give a robust and compelling product demo. It's a 55" Smart TV, 3D, with interactive controls, and your customer is wowed. Then she pulls out her phone and sees she can (maybe) buy it for \$200 less. A lost customer and lots of wasted time? No— You have established yourself as an expert who will help her make the best product choice. That already has chipped away at the \$200. Why? Because you invested time and expertise with her, she appreciates and trusts you.
- **Instant Gratification** – Customers want stuff now. Especially really cool new electronics. Enough said.
- **After Sale Support** – Ensure your customer knows you are there for the life of the product. "...and yes, it is a sophisticated product, and I know you'll have questions as you start to try the different features. Here's my card, call me anytime, or come in and see me, and I'll help you." Powerful, and that perceived \$200 price difference is getting smaller in the customer's eyes. You are creating barriers a low ball web store cannot compete with at any price.
- **Get Into The Customer's Home** – Serving customers in the home delivers an incremental and higher margin labor sale. It also creates another barrier to the web purchase. In home services

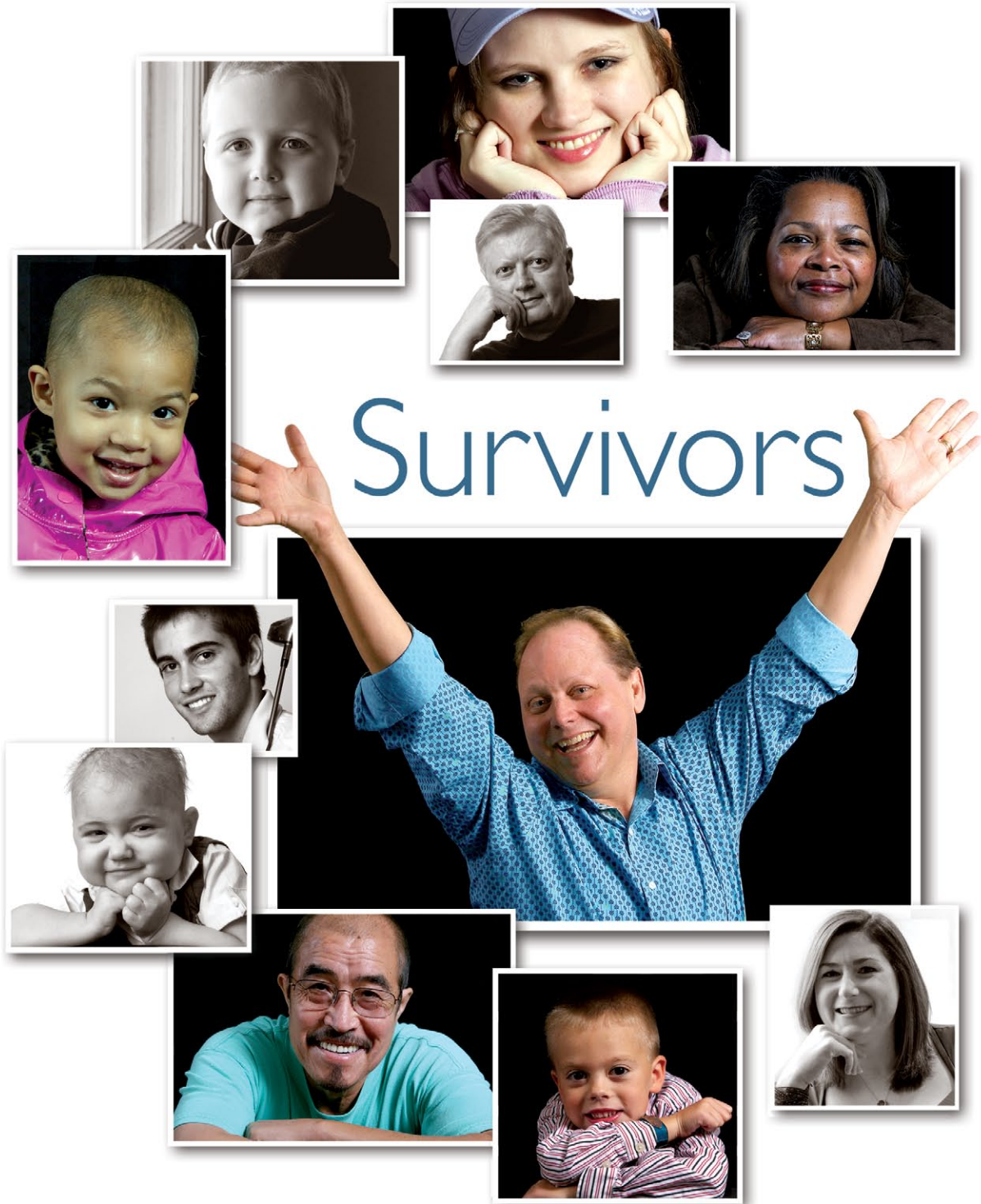
vary by category, but all make the customer's life easier and increase satisfaction. They also make price a smaller part of the decision. Services can be as simple as setting up, connecting, and having it up and running. Or more complex, ie: on the wall TV mounting and installing in wall speakers. Many customers want, and will pay for getting the Smart TV internet connected, and the 3D working, so they can be a hero to their kids without having to figure it all out.

THE WINNING HAND!

You shared your company's advantages. You did a killer product demo. You have it in stock. You built customer trust that you will be there down the road. You attached the right products to complete the basket, including audio and accessories. You have confirmed the date to deliver and set up their new purchase. Is the customer still thinking about the \$200? Probably not, because customers would rather buy from a store vs. online, and the web price is no longer a desirable option compared to the Value Added package you have delivered. Win! **RO**

Doug Schatz is the Vice President of Electronics Merchandising for Nationwide Marketing Group, a leading buying and marketing organization for independent retailers.





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All In the Family: How To

ONE OF THE BEAUTIES OF FURNITURE RETAILING IS THAT THESE ARE FAMILY-OWNED, MULTI-GENERATIONAL BUSINESSES. IT IS VERY COMMON TO HAVE SECOND, THIRD, EVEN FOURTH GENERATIONS RUNNING THE FURNITURE STORE ON MAIN STREET. AND WHILE THE INDEPENDENT FURNITURE STORE IS REALLY THE BACKBONE OF THE INDUSTRY, THERE ARE MANY UNIQUE CHALLENGES WITH ANY FAMILY-OWNED BUSINESS.

Historically, it was expected by both generations that as the family business' patriarch or matriarch retired, the company would be transitioned to the children, (who have literally grown up in the store)—either through a planned buy-out or inheritance. This tradition took a significant detour in the early 1990's.

With the "Go-Go" economy 15-20 years ago, many young adults came out of college seeing new lucrative opportunities in the financial and Internet markets. The lure of

substantial entry-level salaries and stock options were much more appealing than working long retail hours in the family furniture store with the vague promise that "One day this all will be yours." Additionally, parents were seeing their real estate holdings increase to the point that the value of the real estate surpassed the overall value of the business. It was very tempting to sell the building, close the store, take early retirement and let the kids fend for themselves.



The Crain family, owners of Appliance & Furniture Mart in Garden City, Kansas, stay strong by having a clear line of succession and management for all family members. From left to right, Eric Centatiempo (son-in-law, sales manager), Heather Centatiempo (daughter, office manager), Dan Crain (owner) and Linda Crain (owner).

Keep Family Businesses Strong

But with the downturn in 2008, many of those options have disappeared, which makes keeping the store running much more appealing to both Mom and Dad (who could sell the business to the kids) and children (who would have the safety net of guaranteed employment).

But working as a family business has its own set of unique issues that oftentimes de-rail the vision of both the founders and next generation. Most fall into one of three areas: Estate Planning, Management, and Family Relationships

ESTATE PLAN

Without a comprehensive long-range Estate Plan, many times inheritance taxes can overwhelm the heirs of a family-owned business upon the death of the owner. Your CPA, attorney, and other advisors have probably been after you for some time to address the issues of your exit, future management of the company, and your estate planning.

Owners need to consider siblings that work in the business and those that are not involved in the day-to-day running of the store. Upon the patriarch's death, do they get equal shares? Third- to fourth-generation businesses often have uncles, aunts and cousins involved. Is there a buy/sell agreement in place?

MANAGEMENT

Another consideration owners need to address is whether or not the next generation is ready to take the helm of the business. Do

the children have the experience and skill-set to keep the store running after retirement or unexpected death? Have they been trained in all aspects of the business?

Often when there are multiple siblings or cousins working in the business, each has a specific area of responsibility, such as accounting, sales, purchasing, or warehouse/delivery. Problems arise when it is suddenly necessary for one person to take the helm, and they are not well versed in all areas of running the business.

Owners (and partners) should have a clear management succession plan. This needs to be communicated to all family members, including non-working spouses, so there are no surprises and conflicts upon the current owner's retirement/death. It can also be extremely helpful to have an outside advisory board in the event of an untimely death or illness to assist new management. (Board members could include industry peers, other local business owners, and legal/financial consultants.

FAMILY RELATIONSHIPS

Relationships between parents and siblings are often the minefield of a family business. If owners want to continue the legacy of their business (which could be decades in the making), they need to regularly discuss critical questions that while sometimes uncomfortable, are needed to keep the business on plan.

- **What are the "rules of entry" into the business?** Education? Outside experience? What about spouses?

- **How are family-members compensated?** Is it comparable to industry benchmarks or because of the promise "someday this will be yours," are they indentured apprentices?
- **Are the rules of future ownership clearly defined and communicated?** Oftentimes the parents have a vision for the future, but haven't laid out their vision, timeline and strategy to make it happen. Children can become frustrated that they don't know what their future holds and eventually will look for outside opportunities. This can especially be stressful for younger siblings when the oldest is looked upon as "heir apparent."

As a Main Street business, family-owned furniture stores are stalwarts in our communities, serving their customers, providing steady employment and supporting local charities. It is disappointing when we see one of these businesses close when it oftentimes is unnecessary.

With some advance planning, strong communication and well-defined rules, these businesses can thrive and carry forward this wonderful legacy for generations to come. **RO**

E. Michael Allen, Brand-Source VP of home furnishings, has been with the organization for 15 years and overseen the growth of the category to one of the largest in the country.



In Memorium

REMEMBRANCE



Clay Lyon, CR was owner and operator of Lyon Construction+Design, a residential remodeling company he founded in 2002. With an educational background in science and mathematics, and a master's degree in business administration, his career in home remodeling and construction began in 1987. His professional experience included work in environmental and energy conservation consulting, real estate development, custom wood furniture-making and business consulting. Lyon served on the NKBA Builders/Remodelers Advisory Council and Board of Directors, and was also involved with various regional home association boards, urban planning projects and Habitat for Humanity.

A memorial service in honor of Clay Asher Lyon, who passed away on Monday, June 18, 2012 was held on Saturday, June 23rd at the Center for Spiritual Living in his hometown of Kansas City, MO. Lyon was born on December 17, 1962, and is survived by his wife, Robin and son Connor. He is also survived by his father, Don; brothers, Dan, Nick, and Skylar, and sisters, Leslie and Barbara, as well as countless friends and peers.

In Memory of Clay Asher Lyon

December 17, 1962 — June 18, 2012

THE NKBA MOURNS THE LOSS OF A LEADER, COLLEAGUE, RESPECTED MEMBER OF THE INDUSTRY, AND FRIEND

The following prose selected as adornment for the cover of Clay's memorial service program, aptly and appropriately speaks to a life enjoyed and well-lived.

I LIVE IN THE POWER OF THE MOMENT
by Julie Cameron

Every moment is a power point for creative choice. This realization is a great blessing. Knowing this, I choose to live my life consciously and concretely, moment by moment, choosing attitudes and actions which cause my life to flourish and expand. I am an arrow shot through time. My consciousness carries my accumulated energy and wisdom. As I allow my fullest self to choose my thoughts and behaviors, I act creatively and expansively. My rich life becomes richer still. I am alert to inner and outer promptings which cause me to recognize and respond to my ever-increased opportunities, my ever-increased blessings. As I created for myself an inner expectation of enlarged goodness and potential, my life becomes adventurous, optimistic, and expansive. In each moment, I choose the highest good, the clearest path, the most openhearted perspective. Each choice, each moment blesses me. I count my good fortune at every turn.



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Nationwide's PrimeTime! Summer Show

Don't Miss Ideas That Will Fuel Your Business For The Future!

Nationwide's (NMG) team and members are excited for the Nationwide PrimeTime! buying show and strategic conference being held at the Gaylord National in National Harbor, Maryland on August 19-22, 2012. Online registration is still open, go to www.nationwideprimetime.com today to find out more information on how Nationwide can help fuel your business.

At PrimeTime! NMG, North America's largest buying and marketing organization for independent appliance, electronics and furniture dealers, will deliver many tools and strategies to help you succeed in a rapidly changing landscape. Decide today to compete. Decide today to come surround yourself with other Nationwide retail professionals and get the answers at PrimeTime! Decide today to move forward with new tools and strategies that give your business the power to own your marketplace.

"For four decades, Nationwide along with our vendor partners, have been committed to supporting the independent dealer with the very best programming in the industry," said Robert Weisner, CEO of NMG. "We are fueling for growth together in all areas of business, helping our members prepare to meet all future challenges and opportunities."

Twice a year, Nationwide PrimeTime! provides independent dealers

with group exclusive pricing and savings on top brand name appliances, electronics and furniture - along with advanced educational seminars and networking opportunities that most dealers do not have access to outside of the event.

"Our buying show and conference has no rival when it comes to education and showcasing the most innovative services and products available to the independent dealer," said Weisner.

On Sunday, August 19, there will be a full day of conference sessions including group meetings and industry presentations. The day will end with a Million in Minutes auction and vendor/member dinner with entertainment from Big Ray and the Kool Kats band to kickoff the event. On Monday and Tuesday, the day will begin with 17 educational seminars and numerous buying show activities throughout the day.

For exhibitor and attendee registration and other information about Nationwide PrimeTime! buying show and strategic conference go to www.nationwideprimetime.com or call Sterling Events Guest Services at 800.777.8741. **RO**



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



Brandsource Convention Designed to Offer Inspiration & Tools for Mission-Critical Growth in Uncertain Times



AFTERBURNER

Several thousand attendees are expected to converge in Las Vegas next month as BrandSource hosts its highly-anticipated National Convention & Expo Aug. 26-30 at Caesars Palace in Las Vegas. The convention will be highlighted with a life changing two-hour corporate team-building experience presented by Afterburner, a group of current and former U.S. fighter pilots who understand how it is to execute in hostile, fast-changing environments every day. Afterburner's highly skilled speakers have trained over 1.5 million managers and executives with a program designed to help organizations foster accountability, adapt to rapid changes in the retail environment and boost their bottom line. Rare cockpit footage and state-of-the-art graphics make for a presentation that attendees will never forget.

Attendees will also be treated to a special presentation given by Ted Williams, J.D. entitled "Motivation: A Soft Skill Leading To Hard Dollars" and a workshop on succession planning led by Terrance and Leon Resnick of Resnick Associates, a nationally recognized estate, business succession and life insurance planning firm. Steve Murphy, president and CEO of Murphy Performance Strategies, a consulting firm specializing in individual and organizational performance management, will present workshops on Legendary Service (If You Don't Take Care Of Your Customers, Someone Else Will) and Relationship Building Basics to help employers master the art of building trust with and giving effective, motivational and results-oriented feedback to employees.

"We want to help our members develop clear, measurable and achievable objectives for their teams and for themselves," said Bob Lawrence, CEO. "The Afterburner program, as well as our entire program this year, is designed to resonate with members and provide inspiration and help them succeed in an uncertain environment."

For more information, please visit:
www.brandsourceconvention.com





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BRANDSOURCE CONVENTION & EXPO
Caesars Palace, Las Vegas August 26th - 30th, 2012

Introducing our keynote - **AFTERBURNER**



Automating Communications

EVERYONE THESE DAYS
IS ATTEMPTING TO DO
MORE, BUT WITH A
FIXED QUANTUM
OF TIME. IT'S
NOT JUST YOU
AND PERSONNEL
IN YOUR OFFICE.



Your customers are also juggling many balls at once, and telephone calls are often inefficient. They simultaneously tie up two people, who must come together—at the same point in time—to jointly expend their mutual time. In today's world, this is becoming increasingly difficult to do.

When a consumer already has the annoyance of a failed appliance, it adds insult to injury when they're forced to expend more time attempting to connect in a traditional person-to-person phone call. Frustration builds when navigating through menu trees, voice mail, and so on.

Enter the modern solution that yields vastly increased happiness, all around. Today, much communication that was formerly conducted person-to-person can instead be automated, and with far greater efficiency.

To begin, you must offer an intelligent and streamlined interface via which your customers can schedule their own service requests online. It should offer a calendar that exposes dates you have open for the customer's location, with availability updating automatically in real-time as your schedule changes. When the customer books, all the information must flow automatically into your internal management system. On your



Between Office and Customer

end, each job will appear and do so within moments of your customer clicking “submit”. All details will be perfectly filled-in, with no need for human hands to manually enter information.

That’s just the beginning, but a strong one it is. Imagine altering your telephone-hold greeting. Instead of just saying: “We are busy helping other customers but will be with you shortly,” your message can happily add: “If you prefer to avoid waiting, please go to our website, 123GreatServicer.com, and click on Schedule.” This kind of greeting makes your tech-savvy customers most happy. Even more powerfully, for those who go online first (i.e., shopping for service), when they land on your site and find they can immediately book the needed visit, you can bet your chances of converting that formerly potential customer into a real one are vastly increased.

Moving onward, do you call your appointments each afternoon prior to provide a timeframe, and confirm the customer’s expectation to be there? If so, why are you doing this manually? You should instead have a system that automates. It can be done via emails, robo-calls or both. If via email, the text should include a hyperlink on which the customer can click to confirm or open an interface via which to reschedule, if

preferred. Regardless, the result should feed automatically back into your management system. In other words, it should also require a single click to send out the full set of confirmation requests, and in the next following hours you should see the resulting confirmations appearing in your system, with no further work on your end.

Believe it or not, we’re just getting started. How often do customers call wanting to know the status on their repairs? You should have a system that lets them check online, any time day or night, and without needing to speak with anyone in your office.

How often, on the day of their appointments, do customers call, wanting to know how their tech is running? Why not offer an online interface where they can check themselves? Indeed, why not tie it to that confirmation system. After the customer confirms, have it configured so that automatically an email goes out that says, in essence: “Great, and if you’re wondering how your tech is progressing tomorrow, just click on this link.” Really, you’d not believe how powerful this can be.

As for the tech himself, why not have him equipped so that, as he’s completing one job, a feature in his mobile interface

offers to automatically call the next customer to announce he’s on the way?

You can imagine how impressive and appreciated all of this can be from your customer’s perspective. But, back to yours. How often do you want a better and more complete picture of how your customers are feeling about the work you’ve done for them? What if you had a system that automatically emails after completion of a job, with invitation for the customer do a very quick, four-click survey? You can imagine the power.

All these technologies are readily available, and made easy to implement via advanced software systems that are available right now. The needed website interfaces are simple plugins. The actual processes are entirely or virtually automated. The time saved by your staff and customers is incalculable. The appreciation from customers for the conveniences you’ve afforded them is immense. Even greater, perhaps, is that they become impressed with what an advanced, has-it-together company yours happens to be.

If you’re not using such systems, it’s time to change. Check with your software provider. If yours does not offer such features, find one that does. **RO**

Author: Glade Ross



Keeping “In Touch”

Communication and Successful Relationships

Communication is the key to successful relationships. No, I am not giving marital advice here; I am talking about appliance technology. When we consider just how drastically this has evolved over the past 12 years, a retailer could easily get sidelined in a short time if they don't maintain a two way technical line of communication.

But it doesn't stop at just having an appliance manual, online subscription, membership or thumb drive full of information. You need to read and practice that knowledge too. From my years at GE, I remember one tech that would keep all the service manuals under the seat of his van. But he never got smarter just sitting on them. In fact, when he would come for training, I sometimes wondered if he read them at all, considering his questions. “Who has the time? New stuff is flying at us every 3 months,” he would confess.

A milk crate of books is just the tip of the iceberg. I currently have over 15 GB of technical data stored on my computer too, and it is still growing. But still, I must review them, and try out all of the procedures I read before I can even begin to feel that I understand what this appliance is trying to tell me. Yes, they speak to us, and we need to learn and practice their language to relate back with them.

And it doesn't stop at reading the

manuals. You must run the test modes, look up error codes and ask customers questions. Sometimes we may find the manual has a slight error, and how would we know this if we never ran the test mode? Touch, test and verify that the appliance works the way the manual states and confirm a solid diagnosis.

Over the years, I have received countless emails and phone calls about “flashing lights” on display boards and “locked up” touch panels. And the next words I hear are, “I changed it, and it is still doing the same thing.” Most, if not all of the time, this is a machine trying to talk to us. But not all can spell it out in English, like a Miele Dishwasher or GE Harmony Laundry Pair. We need to count the flashes and reference the charts.

You have a locked key panel? Well, that Asko Condensate Dryer may be crying out “Fatal error, help! My pump won't run, or my motor failed a start-up self-test, so I can't tumble further. Please, call a doctor!” Not responding to this is like ignoring a barking dog or a crying infant. You must address these problems in order to be a successful diagnostician. The days of changing parts until it works is not only too expensive, but will only result in high mileage on the truck, no money in the bank and will not build customer confidence, needed to grow a fruitful business.

After you are done reading manuals and testing your appliances, make the time to communicate with other diagnosticians. I belong to PSA, and come across many fascinating problems and solutions on their communication center; PSANet. Here, hundreds of members email each other every day looking for better solutions, and find them.

When I am not on the road training, I relish the opportunity to be out there, in the field, with all of you learning even more. I watch, listen and learn from those flashing lights, clicking dreef boards, and whirring fans. When I am training, I invite all to share, not just on the topic, but on their specialty tools, test equipment and diagnosis, and spread these findings to other retailers I meet.

I have seen more right ways to change a front load tub boot than there are Torx screws in the rear panel of a Bosch Washer. From GE's 38 year old Versatronic Sensor, to Miele's banded tubs, there are many ways to get the job done. Sure, we are just sensing moisture to dry clothes. But when it isn't working right, understanding how that appliance communicates could be the difference of a \$40 set of worn contacts versus a \$290 control module that doesn't fix the problem. **RO**

Author: Richard J Sedlack, PSA

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Quality & Value Driving Growth in Green Building Market

According to New SmartMarket Report

Energy efficiency efforts are becoming commonplace in new construction and remodeling projects, while remodelers place high value on waste management and sustainable materials.

McGraw-Hill Construction, part of The McGraw-Hill Companies (NYSE: MHP), released its latest SmartMarket Report: New and Remodeled Green Homes: Transforming the Residential Market at the National Association of Home Builders' (NAHB) National Green Building Conference and Expo. The report includes McGraw-Hill Construction's estimate that the green homes share of the construction market was 17% in 2011, equating to \$17 billion, and expected to rise 29%-38% by 2016, potentially a \$87-114 billion opportunity, based on the five-year forecast for overall residential construction.

The report reveals that two of the key factors driving this market growth are the fact that green homes are seen as having higher quality and that they save consumers money.

"In the current residential market, there is an enormous need to differentiate your homes for consumers," says Harvey Bernstein, vice president of Industry Insights and Alliances at McGraw-Hill Construction. "When builders are able to offer homes that not only are green, but also offer the combination of higher quality and better value, they have a major competitive edge over those building traditional homes."

This report, produced by McGraw-Hill Construction in conjunction with the NAHB and Waste Management, is designed to provide key insights into product and market opportunities in the single-family home building and remodeling industries. It is backed by proprietary research surveys and the power of the McGraw-Hill Construction Dodge database.

"NAHB builder and remodeler members were surveyed on their green building practices, which allowed us to shine a light on the state of the green market in this new report," said NAHB Chairman Barry Rutenberg, a home builder from Gainesville, Fla. "The results highlight the tremendous growth in green building, and the potential market opportunities that lie ahead. As more projects seek green certification, NAHB and the NAHB Research Center stand ready to meet the demands of this exciting and ever-changing market."

Factors driving the growth in the green home building and remodeling market include:

- Higher quality for both new home builders and remodelers. For those doing a high volume of green homes (at least 60% of the homes they

build), its importance is magnified, with 90% who regard higher quality as an important trigger for building green, compared to 72% of builders overall.

- Customers are strongly value-driven—around two-thirds of builders and remodeler respondents state that customers request green homes or remodeling projects in order to lower their energy use or save money, more than twice any other factor.
- Higher first costs for building green are noted by a much lower percentage of builders as an obstacle than they were reported in 2008.

The study also reveals the key practices and technologies taking over in the residential marketplace as a result of the shift toward green:

- More than 80% report that energy efficiency is making today's homes greener compared to two years ago. Use of energy-efficient features is pervasive in the market—the top practice by nearly all surveyed builders and remodelers, regardless of their level of green building activity.
- Indoor air quality is growing in importance and focus for home builders. 60% of home builders believe that efforts to improve indoor air quality make homes greener than they were two years ago, and 95% of high volume home builders report including features that impact air quality.
- More than half consider durable materials one of the most important features in their homes today. In particular, remodelers emphasize this as a key aspect of their projects. Durability and better materials are major reasons why green homes and remodeling projects are considered of higher quality.

"These findings confirm the shift we've seen in the market," says Jim Halter, vice president, Construction Solutions for Waste Management. "Builders and remodelers are placing more emphasis on energy efficiency, increases in sustainability focused waste management practices and more products made from post-consumer materials. These important factors are pushing our industry forward."

The key findings from the study were presented by McGraw-Hill Construction on May 1 at a plenary session at NAHB's National Green Building Conference and Expo in Nashville, Tenn., followed by a panel of industry experts discussing its impact on the market. For a copy of the report, visit www.nahb.bz/ISdfcM. **RO**

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RILA Urges East Coast Ports and Longshoremen to Avoid Work Stoppage

Stoppage Would Disrupt Flow of Goods at 14 Ports East and Gulf Coast Ports

In a recent letter sent, the Retail Industry Leaders Association (RILA) urged the International Longshoremen's Association and the United States Maritime Alliance, Ltd. to reach a contract agreement well in advance of the September 30 deadline in order to prevent a disruption to the flow of goods and the lasting economic affects that would result.

The ongoing labor negotiations affect 14 East and Gulf Coast ports, which together account for 95 percent of all containerized shipments to the Eastern seaboard.

The retail industry relies on an efficient supply chain to ensure consumers have access to the products they seek at affordable prices. Ports play a critical role in the supply chain and a potential disruption would be destructive to the retail industry's ability to deliver their goods to consumers in a "just in time" fashion.

While a work stoppage would be the most harmful outcome, the letter reminded negotiators that if the parties fail to reach an agreement well in advance of the September 30 deadline, retailers will be forced to redirect shipments in order to avoid an interruption in the flow of goods.

The following is a copy of the letter sent by RILA to International Longshoremen's Association:

Dear Mr. Capo and Mr. Daggett:

On behalf of the Retail Industry Leaders Association (RILA), I write to ask for your leadership to help prevent a potential shutdown of port activity along the entire Eastern seaboard this fall. This potential disruption would be devastating to the retail industry as it would disrupt the flow of goods, resulting in lost sales and aggravated customers. Negotiations have been materializing for quite some time, but with the current contract's deadline only two months away, we urge your leadership in negotiating a master contract that is agreeable to both parties as soon as possible.

By way of background, RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more

than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and more than 100,000 stores, manufacturing facilities and distribution centers domestically and abroad.

RILA's membership consists of some of the largest users of the supply chain that rely on an efficient transportation system every day of the year. At the ports, products are moved from ocean carriers and onto rails and trucks, and then delivered to distribution facilities and stores. Since the usage of port facilities is a fundamental dynamic in the movement of our goods, any potential disruptions in that link would be detrimental to the retail industry's ability to deliver their goods in a "just in time" fashion.

It's been reported that the East and Gulf Coast ports received 110 million tons of import and export cargo, accounting for 95 percent of all containerized shipments from Maine to Texas last year. These numbers will surely be jeopardized if a disruption exists.

In fact, in the absence of certainty over the outcome of the negotiations and facing the real possibility of a September stoppage, retailers have no choice but to continue planning for a shutdown. Indeed, some of our members advise that they are beginning to redirect their supply chains in order to allow adequate lead time to ensure that customer needs can continue to be met, regardless of whether the negotiations are successfully concluded by September 30. Supply chain changes of this magnitude are not desirable to retailers because they take time both to implement and to reverse.

As discussions continue later this month, RILA strongly encourages both parties to negotiate an agreement that would prevent a strike and allow the retail industry to continue to deliver products on time and at competitive prices. If you have any questions or concerns, please contact Kelly Kolb, vice president, government affairs at (kelly.kolb@rila.org) or 703.600.2064

Sincerely,

Sandy Kennedy,

President

RO

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Whirlpool Corporation: Invested in America

An American Company Helping American Communities

What does it mean to be “Invested in America”? For Whirlpool Corporation, it’s not about which company spends more money or spins the most impressive sounding facts and figures. It’s about connecting with their roots as an American company born of the American dream and fueled by American ingenuity for more than 100 years.



The dedicated workers at the Marion, Ohio, manufacturing facility

HERITAGE

In 1911, in the heart of the Midwest, Louis Upton, his uncle, Emory Upton, and their neighbor, Lowell Bassford, saw the innovations and advancements of the times, and founded what would become Whirlpool Corporation. Their goal was simple: create quality home appliances that make the lives of American families easier. Whirlpool Corporation has come a long way since those early days, but their investment in America has never wavered.

COMMITMENT

Today, Whirlpool Corporation provides more U.S. jobs

than all other major competitors combined. But employing more Americans is just the beginning. They take great pride in this country and the success of those who make it their home.

That is why Whirlpool Corporation is also dedicated to eliminating substandard housing in U.S. communities. They donate a freestanding range and ENERGY STAR® qualified refrigerator to every Habitat for Humanity home built in the United States, so families will have high-quality appliances for years to come.

They are committed to the life-long success of youth in U.S. communities, and have partnered with the Boys & Girls Clubs of America, as well as joined the fight against cancer with the Cook for the Cure program – their partnership with Susan G. Komen for the Cure.

VISION

Though Whirlpool Corporation has grown from a family-owned business to an international company, their roots remain firmly grounded right here in America. And their goal is much the same as it was in 1911: change the lives of American families, and in the process, help them change the world.

Whirlpool Corporation credits retailers across the country with helping them reach this goal every day: *“It is you, our retailers, who have been an integral part of our story throughout the years, and have shared that story with your customers. You are the heartbeat of our organization, and for that, we thank you.”*





The future belongs to those who build it.

Whirlpool Corporation is proud to be opening the largest premium cooking facility in the world at its new state-of-the-art plant in Cleveland, Tennessee, home to the dedicated employees whose efforts make our products the best in the business.

Whirlpool Corporation is investing in America. Of the products we make, more than eighty percent of what we sell in America is built in America. The future belongs to us.



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If interested in joining Whirlpool Corporation as they Invest in America, contact your Regional Sales Director:

- | | | | | | | | | | |
|--|---|---|--|---|--|--|---|--|---|
| California
Alex Holton
(949-218-8061) | North West
Mark Collier
(206-276-9756) | South West
Steve Carron
(269-277-6218) | Central States
Kelly Safis
(269-759-8427) | Great Lakes
Tom Ellspermann
(269-923-5051) | Great Plains
Sherry Clem
(269-408-0402) | Gulf States
Jim Webb
(269-923-1068) | Florida
Jimmy Clark
(904-473-5089) | Atlantic Coast
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¹ Based on ANSI-AHAM-DW-1-2010 for plastic interior dishwashers.

² In Its Class. Based on industry drying tests using Sahara Dry™ March 2012.

³ In Its Class. Based on published manufacturer specifications for similar MSRP models. March 2012.

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