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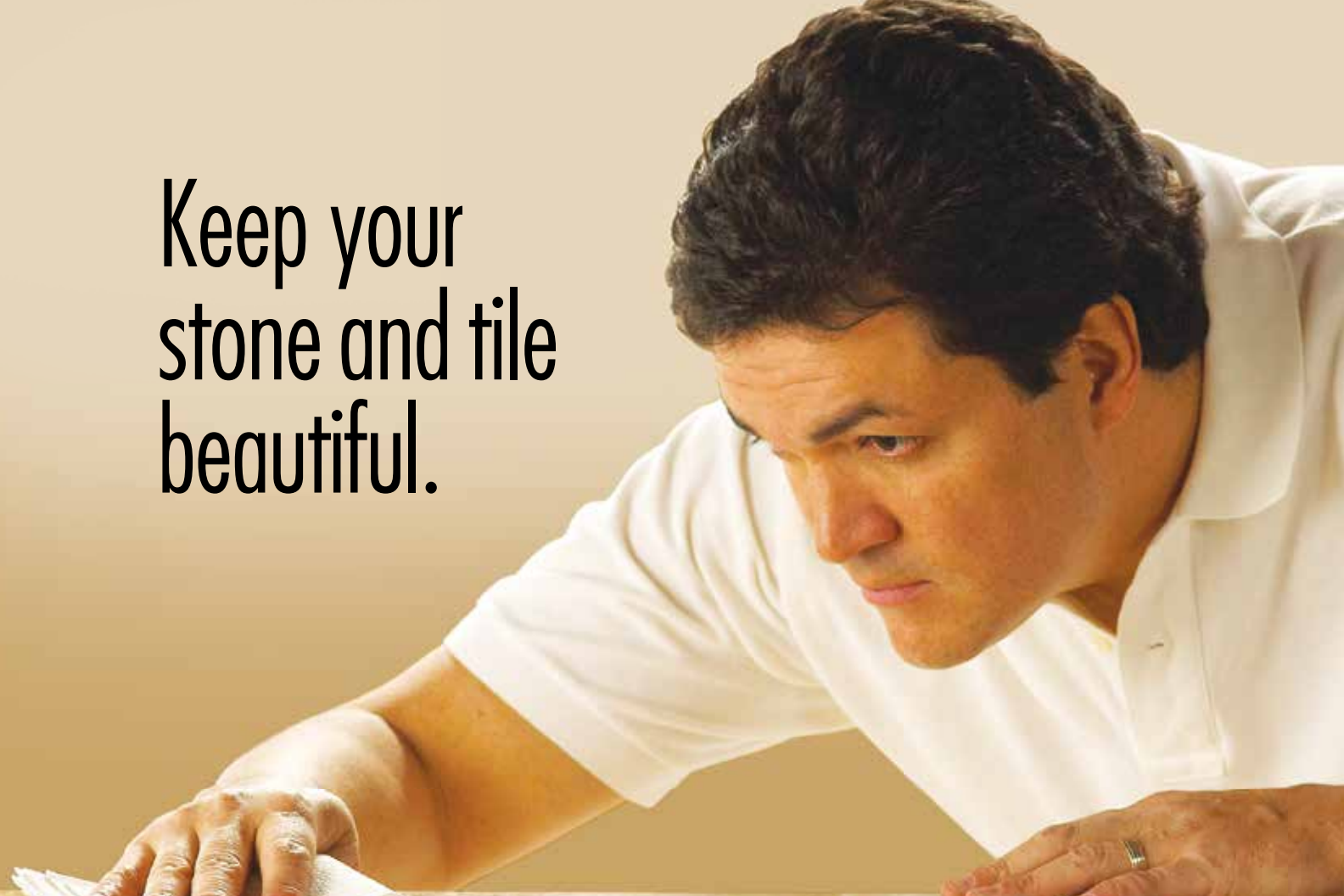
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WFCA's Gold Standard Award Winner

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Featured is Jason McSwain, president of McSwain Carpets & Floors, a multi-location retailer headquartered in Cincinnati, recipient of the WFCA Gold Standard Award. See article beginning on page 12.

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So You Want To Be President?

By Scott Humphrey, CEO, World Floor Covering Association

I realize *Premier Flooring Retailer* is a magazine dealing with the success and profitability of the professional flooring dealer and that we are cautioned to stay away from discussing politics, but there are lessons happening all around us that we can apply to our businesses, including what is going on in the United States Presidential election process.

Throughout this year, communities all over the country will be inundated with the reality of our political process. The airwaves will be dominated by political advertisements, it will be the talk at the local diners, and likely one of the key topics discussed among friends. With that in mind, whether you are a political junky or not, or even live outside the United States, there is much we can learn from these campaigns that can help us be more efficient and productive in running our businesses. Here are a few parallels to help you make 2016 your best year yet by getting consumers to choose you:



“I am amazed how many people forget to ask for the job. You won't hear politicians making this mistake.”

1. You can't do it alone – I love our political process, flaws and all. But with the freedom to elect our nation's next leader comes the risk that the best potential president may not be elected. In fact, throughout our history, hindsight has made us question some of those elected to the highest office in the land. So let's face it, the best leader may not get elected, but the best campaigner likely will. Candidates understand the value of the team surrounding them. With this in mind, their most important selling job is to their inner circle, or what many would call the *circle of influence*.

Your team matters, so ask yourself these questions: Are you surrounded by winners? Are they committed to your vision for the organization? Do they have your back? Can they articulate your message and communicate your uniqueness?

2. Your ground game matters – So often in retail, we focus on what happens within the confines of our store. This analysis allows us to better address those who make it to our door, but rarely brings in prospective consumers. You will hear a lot this year about the *ground game* of the given candidates. This is in reference to their ability to get likely voters to the polls. In other words, they are going out and getting voters to come in.


What are you doing to go out and bring in potential buyers? Do you have hunters on your staff who are gifted in going out and getting the business? If not, you need to work on your ground game. If you are only closing a percentage of those who enter through your doors, then you are missing a great deal of potential business. You need someone going out and driving even more potential buyers in. Focus on improving your *ground game*.

3. Keep your message positive – Though negative ads can and sometimes do work in political campaigns, in the end, people tend to vote for someone they like. It is very difficult to like someone who is negative every time you encounter them. Therefore, it's essential to keep your messaging positive. In other words, you want to communicate what you can do – not what your competition can't. Very few retailers spend their advertising dollars discussing the shortfalls of their competition, and that is good. But the same retailers who would never advertise negatively will verbally knock their competition every opportunity they get.

Since a good portion of most independent flooring retailer's customers come via word of mouth, your negative conversations toward your competition run the risk of painting a negative view of you, or worse yet, causing the consumer to become curious about your competition. When tempted to knock your competition simply reframe your conversation. Politicians are experts at this. They know how to take any question asked and respond with something positive about themselves or their position. Make a list of the things you and your team do best and be ready to communicate these positive traits whenever the opportunity arises.

- 4. Don't forget to ask for the vote (job)** – I am amazed how many people forget to ask for the job. You won't hear politicians making this mistake. They ask for your vote and support every opportunity they get. Do they always get it? No. But as the great motivator Zig Ziglar once said, "You lose 100% of the sales you forget to ask for." Sometimes we are asking for the job. Other times we are asking for an opportunity to prove ourselves. Still others find us asking to be trusted or respected. Each time we ask for the job gives us an opportunity to prove ourselves and to create separation from our competition. To assume the sale is to cheapen the relationship. We should always be working to improve and meet the needs of others in our business and personal lives.

If you live in the United States, unless you are hiding in a hole, you will be inundated by our political process. You can't avoid it, so you might as well learn from it. The great thing is that there is much to learn that applies directly to your success in business and in life: Make sure you have the right team around you; work your ground game; keep your message positive; and by all means, ask for the vote (job)!

We would love to hear from you, and if you are not yet a member of the WFCA, we would love to represent you. Won't you join today? We can't wait to hear from you! 



Scott Humphrey
Scott Humphrey
 CEO, WFCA

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Warm Bodies Produce Cold Customers!

By Tom Jennings, World Floor Covering Association, VP of Professional Development

Since it was announced last fall that the WFCFA had assumed the operation of the International Certified Flooring Installers Association (CFI), I have been receiving frequent inquiries regarding how we intend to address the problem of getting both new blood into the flooring installation trade as well as increasing the skill levels of those already in the field. However, before we can move forward, I think it's important to take stock of where we are today so past mistakes are not compounded. Following are a few thoughts:

The labor shortage exists in all facets of the construction industry, not just flooring. Our first task will be to present the flooring segment as a desirable vocation, rather than just a job. The majority of today's installers entered the field as helpers who needed a paycheck, not because they had any particular skills or passion for the trade.

Unlike sales or management, aptitude tests for entry level installers are virtually unheard of. We've simply got to raise our requirements above warm bodies to elevate the trade from its current state. The entire industry needs to paint a better picture of the benefits that can be obtained by being a professional installer, including the pride of a job well done.



If we are not **proactive** in making **training** a reality... limited installation capacities will eventually have a crippling effect on both sales and manufacturing.

Image Courtesy of CFI

This is in contrast to today where far too many people seem to view installation only as a necessary evil. It is apparent to me that we need to increase not only the numbers entering the profession, but the overall quality of the applicants as well.

The industry needs to be more supportive of installation performed well. With no meaningful method of enforcing right from wrong techniques, the emphasis too often resorts to price and speed, leaving little incentive for a job to be performed correctly. It seems the industry would rather reactively deal with problems than proactively work to avoid their occurrence, usually leaving the customer caught in the crossfire. We can't blame the installers here – they didn't create the environment in which they must operate.

Earning potential simply must catch up with the times, but only if performance expectations are raised as well. Installation simply can't all "pay the same!"

While we are always on the lookout for grant monies, etc., it is critical that the manufacturing, distribution and large retailing groups invest in providing scholarship funds to offset the costs of training. While our tuition fee structure is very competitive with training offerings available in other trades, the typical applicant just doesn't possess the financial ability to self-fund their schooling. If we are not proactive in making training a reality for those interested in improving their abilities, limited installation capacities will eventually have a crippling effect on both sales and manufacturing. Many other construction trades have recognized this and taken appropriate measures. What are we waiting on?

Further, since there is no one dominant method of communication with the installation trade, it will be critical for all facets of the industry to cooperate in spreading the word of any upcoming training opportunities in their trade area, whether these are designed for novice or more seasoned installers. Opportunities to advance skill levels will be available in 2016 unlike in any year in my memory, but they will only be as effective as attendance allows. Seeing this happen will require a commitment from all stakeholders – retailer, manufacturer and distributor. We need your voice!

Retailers are going to have to take control of their own destiny when deciding what the acceptable standards of performance by those who represent them in their customers' homes and places of business are. I see far too many stores where the tail is wagging the dog. Refuse to accept excuses from installers like "I already know that," "I don't have time," or "I don't get paid to go to class."

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Selling & Installation

Warm Bodies, Continued

Quit marginalizing these responses and then saying, "It would be best, but I could never get my installers to cooperate." Products and installation techniques have changed a great deal in the past few years. Continuing education cannot be optional! Allowing installers to "do it like I always have" or worse yet, "guess," will never provide optimal results. To me, who ultimately pays to correct performance-related issues is irrelevant. It is the retailer who suffers both immediate and future damage to their reputation, not the installer, when unfavorable comments and posts are made by a dissatisfied customer. No service business can thrive in this environment. Sure, training comes at a cost, but failure to train is unaffordable.

In conclusion, while the WFCA/CFI is eager to facilitate the training of the next generation of installers, the need is greater than we could hope to satisfy alone. It will require a significant investment of both time and treasure on the part of all involved. However, it is critical that steps are taken to improve the situation now! Procrastination will only serve to make the need more urgent and the task more difficult.

Consider the saying: "Battles are ultimately won and lost based upon what you do or don't do – not what you avoid doing." Those who realize this fact and commit to both changing and improving their installation talent pool will ultimately have important tools to be successful in an ever more competitive environment. Those who choose to take the easier route and stand on the sideline, continuing to avoid today's realities while their service becomes ever more mediocre in the customer's view, will not.

Surely our industry has sufficiently learned by now repeatedly doing the same thing will not eventually produce different results! How committed to winning the battle for competent installation labor is your firm? ○



ABOUT THE AUTHOR

Tom Jennings is a lifelong member of the flooring business. Since selling his family's retail business in 2006, he has served the industry as an educator and speaker. He is a past-board chairman of the WFCA and is currently the board chairman of WFCA Services, Inc. and WFCA vice president of professional development. He may be reached at tjennings@wfca.org.

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With 'Service You Can Trust,' McSwain Carpets & Floors Earns WFCAs 2015 Gold Standard Award

By Arpi Nalbandian, Associate Editor

Recognizing its continued dedication to putting customer service first, the World Floor Covering Association (WFCAs) has honored Cincinnati based McSwain Carpets & Floors with its 2015 Gold Standard Retailer Award. To McSwain's employees, suppliers and especially its customers, the WFCAs Gold Standard Award comes as no surprise since one of the company's leading principles of conducting business is to provide "service you can trust."

"This award confirms that our commitment to an exceptional flooring experience is on the right track," says company president Jason McSwain. "Our employees are reaffirmed by the WFCAs of the high value we place with each customer. For every customer that trusts our sales associates and entrusts our brand with their flooring project, our reputation is only as good as the deliverable we generate in their home. The commitment to always refine for improvement is validated with receiving the Gold Standard achievement."

Historical Perspective: It's in the Genes

With a grandfather and father involved in the hardwood flooring installation business, it seemed a natural move for two brothers to extend the family business into retail and open McSwain Carpets & Floors. Since the age of 12, Ron McSwain worked at his older brother Ralph's flooring company. These efforts eventually led to a college education funded by Ron's strong work ethics, all while installing hardwood for Ralph's customers.

In the mid 1960s, Ron formally joined Ralph's business, McSwain Hardwood Floor Co. As the business thrived, the McSwains never faltered in their core beliefs – treating builders and homeowners with integrity.

Shortly after incorporating a new division of McSwain Hardwood Floor Co. in 1969, the family tradition of McSwain Carpets was realized. "More than 41 years after our first store opened, McSwain Carpets & Floors is still very much a family business," added Jason. "We continue to uphold the tradition of putting customer service first."

With decades of business experience and 11 showrooms, McSwain has served its community and flooring clients well. "Armstrong has had the unique privilege of partnering with the McSwain family over many decades, and through this experience," says Tom Cole, retail strategy manager, North America, Armstrong Floor Products. "We've gained a first-hand feel for how they operate their specialty flooring retail business. After a complete analysis of all retailers in the markets that



Management Staff of McSwain Carpets & Floors

they serve, McSwain was chosen by Armstrong to receive our highest Elite endorsement, and is the only flooring retailer in the greater Cincinnati-Dayton Metroplex that we actively elevate to consumers as 'an expert team of trained product professionals dedicated to helping you choose the right floor.' To put this in perspective, of the 11,200 flooring stores in the United States, less than 2% have achieved Elite status from Armstrong as the most recognized and trusted brand in flooring."

Moreover, Randy Merritt, Shaw Industries president, added, "On a personal note I have known not only the McSwain family but many of their associates for at least 35 years. I have called on them and sold them. From this experience I can tell you that they are true to their word and committed in their mission to serve."

"The Gold Standard recognition will positively affect the morale of each associate," commented Jason. "In all we do, humility is the key to happiness because humility enables learning. If pride sets in, the ability to learn and adjust to the ever changing needs of customers also sets in. The esteemed recognition from WFCAs, spurs our group to pursue greater brand growth to more customers that may be new to our region and not familiar with the McSwain Carpets & Floors legacy of customer service."

Continued



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Gold Standard, Continued

Creativity, Innovation Enhance Customer Experience

It takes more than setting up a table covered with product samples to help a customer understand which product(s) would best fit their home's and their family's needs. The McSwains understand, meet and exceed their customers' needs with several in-store zones. Each zone, be it a designer/product center, lounging area, or one catered toward the comfort of children, is focused on the customer's experience.

For Jason, product zones organized by customer needs and/or brands, take center stage. The zones include:

- STAINMASTER Flooring Center displays that group carpets by construction and customer need (e.g. extra durability for active families).
- Armstrong Elite, which groups all Armstrong products together for the customer seeking that particular brand.
- The Karndean Design Center, which features all LVP and LVT products for creative use by designers.
- The interactive DalTile Statements Dealer showroom, which offers the most recent updates DalTile brings to the market.

Further, design/work tables available throughout the stores provide the customer with a home base where samples from home (fabric, pillows, paint swatches) can be arranged, while working with product samples from within the store. Most importantly, at least to parents of small children, McSwain's activity areas feature comfortable seating, games, and TV/VCRs for videos to keep the kids occupied. Refreshment areas with a coffee maker and cold beverage center helps keep customers hydrated for an enjoyable shopping experience.

Specialized rooms and vignettes also showcase each product category with sample displays, imagery and installations. The customer is allowed to look, feel, touch – and most importantly – envision how the chosen product(s) will change the look of their home.

In terms of providing the customer with a complete experience, McSwain adheres to pre- and post-installation checklists, offers a variety of customer support channels, and empowers its sales and installation managers with decision-making tools when it comes time to correcting a problem.

It's with this care and overall commitment to its clients that McSwain Carpets & Floors netted the WFCA's Gold Standard

Award. Obviously, providing exceptional customer service doesn't just start with the initial greeting and end with the installation. A full-service model ensures that associates can oversee the customer's flooring project from start to finish. For McSwain, this means:

- Customer Service support from the time the product is ordered until the installation is complete, but most importantly, until the customer is satisfied with their experience;
- Address and correct any negative experiences promptly to the customer's satisfaction;
- Frequent follow up with existing customers via phone call, email, social media, direct mail; and
- Exclusive product warranties; installation warranties, and more.

In the Community

Similar to how McSwain Carpets & Floors works hard to deliver premier flooring products and services to its extensive client base, it also serves as a leader within the communities they serve and live.

"We've partnered with St. Jude Hospital for the past six years providing flooring for the St. Jude Home, and plan to do so again in 2016. The partnership Shaw Industries has with St. Jude is commendable and McSwain is fortunate to provide the skill of flooring installation for these homes. Shaw has now expanded their partnership with St. Jude and we will now carry the St. Jude flooring line within all showrooms," added Jason.

Similarly, McSwain partnered with Armstrong with the installation of flooring for "Homes for Our Troops" by providing hardwood flooring throughout the ranch home of a returning disabled army veteran wounded from battle.

Further, McSwain Carpets & Floors has provided flooring services for more than 120 Habitat For Humanity Homes in Cincinnati since 1992. The company has also played key roles in the startup of a free medical clinic, a credit union, early childhood education program, and a K-8th elementary school, all in Cincinnati's most challenged neighborhood, an area called Over-The-Rhine.

Also benefitting from McSwain's community involvement mission, the company sponsors – with financial or product support: Matthew 25: Ministries' "Fighting Hunger 5K Run/Walk" (an international humanitarian aid and disaster relief organization helping the poorest of the poor locally, regionally,

“Our retail sales **associates are trained on products** through a number of ways. We also recognize the continued development and **training of installers as a top priority.**”

nationally and internationally; Hands Against Hunger: A Child's Hope International (motivates and mobilizes the church to care for the orphans in their distress; Cornerstone Foundation (more than \$6 million donated to date); 241-KIDS organization (a hotline for reporting child abuse); founder Ron McSwain, has focused on the creation of Insured Success, a program that enables foster children to prepare for and complete a college education; and so much more.

Training & Education

As evident from the recently concluded TISE West/Surfaces exhibition in Las Vegas, new product launches are a must for the floor covering industry to remain relevant, and most importantly, fashionable. With that in mind, McSwain is passionate about keeping everyone within each of the company's showrooms up-to-date with new products, methods and technologies:

- In-showroom mini-meetings
- General sales meetings
- Vendor seminars
- Two-day Karastan installation clinic for installers
- Two-part TCA tile certification training for contractors
- Shaw Learning Academy
- Mohawk brand product training with Mohawk University
- Invista continuing education for Stainmaster Flooring Center selling teams

Obviously, says Jason, “Our retail sales associates are trained on products through a number of ways. We also recognize the continued development and training of installers as a top priority.”

Improvements & Staying Power

With new ideas come two outcomes: long-lasting success or immediate failure. However, with McSwain's longevity and its inherent embracing of new technology, the company has introduced several new successful ideas/platforms, including:

- Newly optimized website for both desktop and mobile phone users
- Increased social media interaction
- Partnership through Shaw Industries to service the Costco Warehouse flooring program



- Partnership with Pet Adoption Event – My Furry Valentine, from which they gained several customer leads, resulting in sales, as well as capture a prospect list to advertise to in the future.

“Beyond our quality product selection, it is McSwain's desire to give our customers complete satisfaction with their experience. This business can be difficult because so many things can happen that are out of our control, but if we truly work to treat our customers fairly and to provide an experience that exceeds their expectations that will set us apart from the competition,” added Jason.

Along with the recognition and honor for receiving the Gold Standard Award, annual recipients are also awarded a \$5,000 check. Jason says small celebrations with those involved in their installation and customer service teams have already occurred. “It is team reliance each and every day. The clear reality with servicing retail customers: we are only as strong as our weakest link on any given day.”

To further spread the word on this recognition, McSwain plans to implement “a talking piece” that invites customers to want to learn more in each showroom. The Gold Standard plaque will be part of this. Our office is not big on collecting plaques or trophies; there is no trophy case in the lobby. But

Continued

Gold Standard, Continued

making replicas of the plaque received from the WFCA, one for each showroom, is intended to invite future consumers to gain a glimpse of how McSwain Carpets & Floors is recognized within our flooring industry. We are truly honored with this recognition; we want our consumers to share in the joy alongside our team. I plan to also place a copy of the plaque in our three customer service offices, as a job-well-done each and every day to our service team members that execute behind the sales team.”

Additionally, Michelle Bruegge, McSwain’s marketing director, will incorporate the Award into the company’s upcoming print campaign, as well as their online social channels. “Michelle’s creativity will push the Gold Standard far beyond my initial ideas,” McSwain added.

Reflecting upon the company’s longevity, Jason credits his father Ron’s strong business foundation and core business principles to his success as a leader today. In 1988, Jason’s father received the Greater Cincinnati’s Small Business Leader of the Year award, he shared with the *Cincinnati Enquirer* the following quotes:

- “Executives of a company in its formative years should be employee-conscious and also sacrifice personal financial gains for corporate success.”
- “Officials should leave money in the business. If the company is expanding rapidly, it’s easy to outgrow your cash limits.”
- “Presidents who think they deserve more money should invest the money back into the firm.”
- “It is important to put employees first, thereby retaining solid people.”

“These principles he shared publically of his first 20 years continue today. Arising from these primary root principles, the company has strategically expanded through acquisition while weathering prolonged economic recessions. Recruiting and developing exceptional people is the common business pulse from the 70s through today that produces the success we strive for,” added Jason.

Lastly, as a flooring retailer, Jason emphasizes how the embracing and leveraging technology can lead to “innovate new ways of engaging and delighting the customer, and then converting and executing sales as accurately and efficiently as possible. To do this thoroughly, investments of attention and funding in areas that often receive less support than

We are truly honored with this recognition; we want our consumers to share in the joy alongside our team.

needed are required.” With thoughtful planning and execution, McSwain will surely achieve its next set of goals.

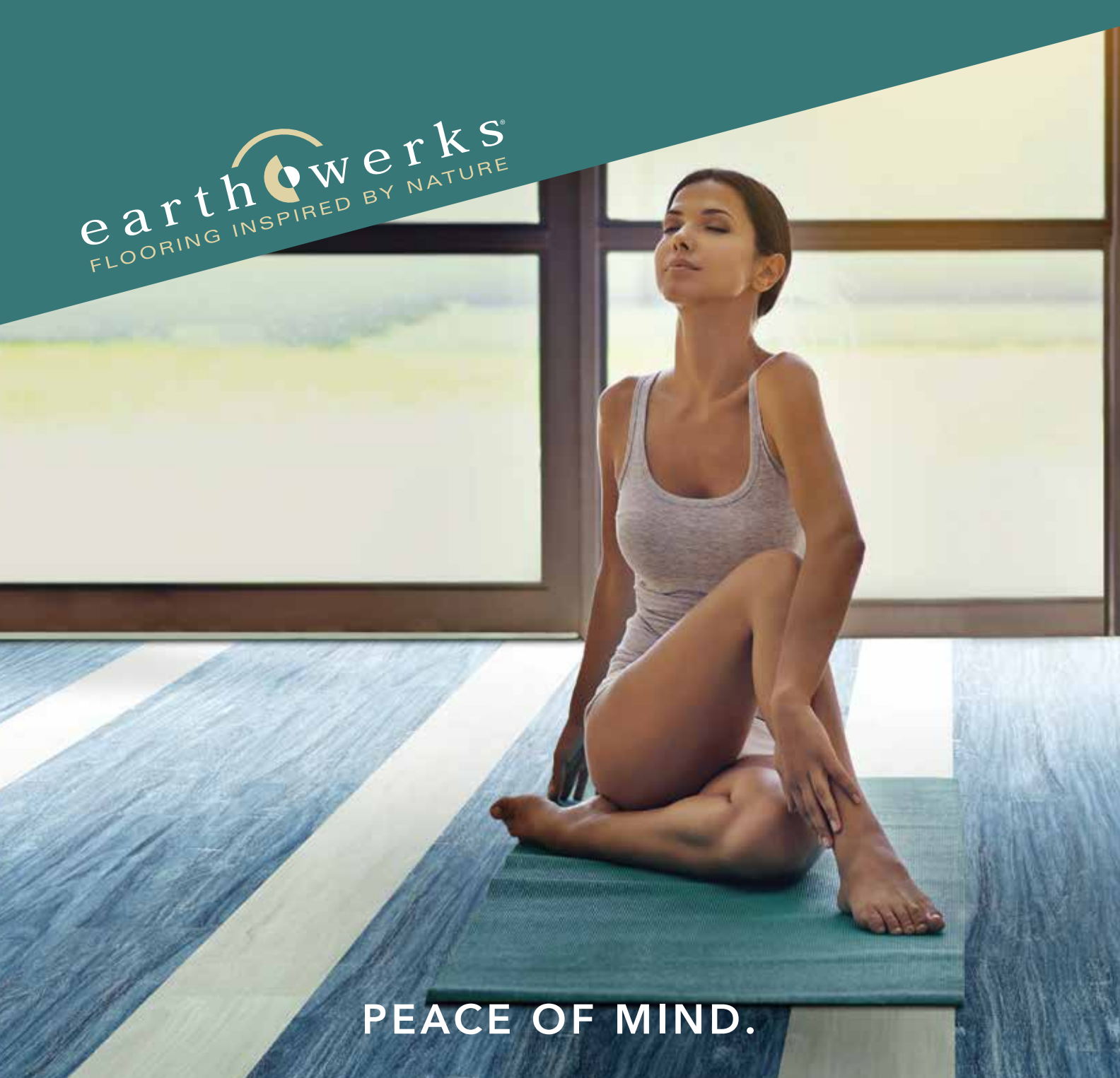
To receive the Gold Standard Award, companies were reviewed and judged based on:

- **Knowledge** – ensuring a knowledgeable management and staff who work to remain actively informed on the state of the industry;
- **Customer Service** – providing courteous service and offering customers help throughout the purchase and after-purchase process;
- **Quality of Store Image** – a clean, professional, well-maintained store must be presented at all times;
- **Code of Conduct** – the facility must adhere to the WFCA Code of Conduct, which states retailers must: be truthful with customers in all matters related to the sale, service and installation of floor covering; refrain from misleading advertising of any nature, and offer only merchandise and services that are readily available; treat all customers with respect; be attentive to the customer’s desires and needs; uphold the highest standards of excellence and fairness in their business; observe and abide by the laws and regulations governing good business practices; conduct business in a sensitive and considerate way; subscribe to the highest standards of professionalism in their business at all times; and treat violations of this code as inconsistent with membership in the WFCA.

In order to be considered for the Gold Standard Award, companies must be WFCA members, had to have been in business for a minimum of three years, and have a clean Better Business Bureau report. Applicants also had to complete a multiple-page submission form and present multimedia marketing materials and other collateral that factored into the review process.

Companies interested in entering or nominating an entrant for the 2016 Gold Standard Award can visit wfca-pro.org for more details. ○

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Installation Training: If I Pay for It, Does the Independent Installer Become My Employee?

By Jeffrey King, General Counsel for the WFCA

You have successfully grown your business only to run into a shortage of qualified installers to put the flooring in your customers' homes or businesses. You could sell more flooring if it could be installed in a reasonable amount of time. You considered hiring and training new installers, but are afraid they will leave you once they are trained. You have even considered paying for the training of independent installers, but have been advised that paying for their training is likely to make them employees.

The solution may be in "lending" the installer the costs of training. The key is that the loan must be considered commercially reasonable and the result of "arms length negotiations," that is, not an insider deal. For example, in a normal commercial loan, the flooring dealer could not borrow money without paying interest or a finance charge. Similarly, a loan to an independent installer should include a finance charge in order to be considered legitimate. Moreover, the loan needs to be carefully written to ensure it does not create an employment contract.

The simplest way to create a loan is to enter into a contract with the installer, whether the installer is an employee or independent. The contract should spell out that the dealer is lending the installer the money for training. The type of training should be clearly stated. The amount of the loan and the repayment terms should be provided. The agreement should also specify that the installer must pay back the loan whether or not he or she completes the training course.

There will be differences in the loan agreement depending on whether the installer is an employee or independent. The differences are explained below.

Employee Installers

An important aspect of a contract with employee installers is to create incentives to ensure they do not leave soon after completing the training. Accordingly, repayment can be based on continued employment. For example, a portion of the loan can be forgiven for every six months the installer remains an employee over a two-year period. If the employee leaves before two years, the amount of the loan not forgiven will immediately be due.

In addition, the contract should include a provision that states the contract is for a loan to be used for specified training, and not a guarantee of employment. Pay increases can always be given for trained installers, but the dealer should avoid promising that the installers will receive a raise upon completion of the

training or once the loan is repaid, unless such raises are needed to incentivize employees to attend training.

Independent Installers

The loan agreement with the independent installer needs to take into account that the flooring dealer cannot force the installer to install the flooring sold by the dealer. A principle factor for an installer to be considered an independent contractor is that the installer is free to accept or reject assignments. A requirement that the independent installer provide a certain amount of installation work for the dealer runs a significant risk that the installer will not be considered independent, but the dealer's employee.

Accordingly, the flooring dealer cannot use the same repayment method as used for employees, which is forgiving the debt based on the number of months worked. Rather, a payment schedule must be developed. For example, the dealer could establish a monthly payment amount. The dealer could also automatically collect a percentage of any payment for work the independent installer does for the dealer and apply that amount to the monthly payment. This way, the dealer is ensured some payment from the work the installer does for the dealer.

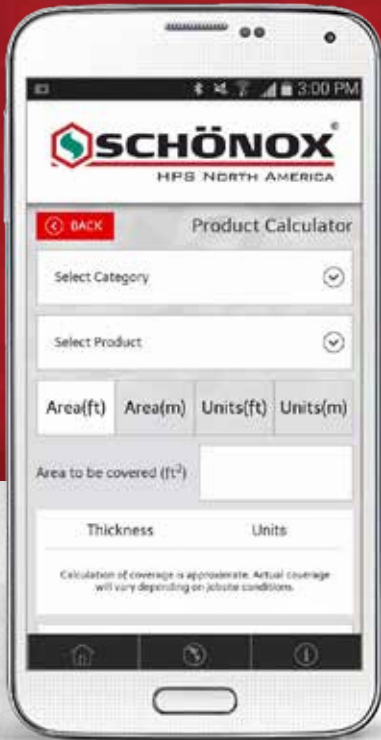
Another important provision is financial charges. To ensure the loan is seen as a legitimate arms-length transaction, the flooring dealer should add a financing charge. Alternatively, the flooring dealer could charge a monthly interest rate on the balance each month. Any financial charge or interest rate needs to be commercially reasonable and not at a lower rate unavailable to others. Moreover, most states regulate the interest rates and limit unfair rates. It is important that the flooring dealer ensure any rate it charges is not unfair under state laws and regulations.

Sample Contracts

Provided on following pages (**See Pages 22-23**) are sample contracts for both employee and independent installers. The samples are only suggestions. Competent legal counsel should review any final contracts.

The need for capable installers continues to be one of, if not the key issue facing flooring dealers. The flooring dealer can help by funding training through loans to both employee and independent contractor installers. These loans, however, must be carefully written to avoid turning independent installers into employees and paying for employee installers that then leave to work for others. As with any contract, and especially

Continued



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Installation Training, Continued

since the law on who is an independent contractor varies from state-to-state, it is important to have the contracts reviewed by competent legal counsel familiar with state and local laws.

Notice: The information contained is abridged from legislation, court decisions, and administrative rulings and should not be construed as legal advice or opinion, and is not a substitute for the advice of counsel. ○

Sample Employee Training Agreement

MEMORANDUM OF AGREEMENT FOR RECOVERING THE COST FOR SPECIALIZED TRAINING

I, [NAME], understand and agree that in consideration of my employment by COMPANY NAME ("Company") and the specialized installation training that I will receive in the CFI Installation Training Program in the area of IDENTIFY COURSE, that I will reimburse the Company for all reasonable costs and expenses relating to my training in the CFI Installation Training Program and such costs will be treated as a loan, subject to the following terms and conditions:

1. Cost of Program

I understand and agree that the costs and expenses incurred by the Company for my training in the CFI Installation Training Program is set forth in the attached "Itemized Cost of Training," which is incorporated in this Memorandum of Agreement as if fully set out herein. I agree to repay this amount pursuant to the terms and conditions set out below.

2. Reimbursement/Resignation

(a) In the event that I voluntarily resign from the Company during the two (2) year period after my completion of the CFI Installation Training Program, I agree to repay all of the costs and expenses incurred by the Company on a pro-rated basis as follows:

NUMBER OF MONTHS OF SERVICE FROM THE COMPLETION	REIMBURSEMENT OF THE ITEMIZED COST OF TRAINING
1 to 6 Months	100%
6 to 12 Months	75%
12 to 18 Months	50%
18 to 24 Months	25%

(b) I expressly authorize the Company to deduct the reimbursement amount owed under the terms of the Agreement from any compensation owed me by the Company at the time of or following the termination of employment. I shall promptly pay to the Company the full balance of any amount owed that is not deducted from compensation.

(c) The full amount of the loan shall be forgiven if I continuously remain in the employ of the Company for two (2) years after completing the CFI Installation Training Program.

3. Employment-At-Will

(a) This employment shall be on an at-will basis, and not for any definite employment term. Either the Company or I may terminate this employment relationship at any time, for any reason, with or without notice.

(b) I understand and agree that this Memorandum of Agreement does not constitute a contract of employment and I understand that this Memorandum of Agreement does not grant me any rights, privileges or benefits from the Company, nor does it require the Company to offer me a regular position or change my at-will status of employment.

(c) I understand that if I successfully complete the CFI Installation Training Program, that this agreement does not alter any other terms or conditions of my employment with the Company.

COMPANY NAME

EMPLOYEE NAME

BY:
TITLE:

DATE:

Sample Independent Contractor Training Agreement

MEMORANDUM OF AGREEMENT FOR REPAYMENT OF THE COST FOR SPECIALIZED TRAINING

I, [NAME] , understand and agree as follows:

1. Loan

(a) **COMPANY NAME** (“Company”) shall lend me the costs and expenses (“Training Costs”) relating to my training in the CFI Installation Training Program for **IDENTIFY COURSE** as set forth in the attached “Itemized Cost of Training,” which is incorporated in this Memorandum of Agreement as if fully set out herein.

(b) The Company may, at its discretion, pay all or any portion of the Training Costs directly to the vendor(s).

2. Repayment: I agree to repay the Training Costs pursuant to the terms and conditions set out below.

(a) I shall repay the Training Costs over twenty-four (24) consecutive months by paying the MONTHLY PAYMENT amount each month.

(b) The MONTHLY PAYMENTS shall be made no later than the last business day of the month it is due.

(c) The first MONTHLY PAYMENT shall be due one month after completing or leaving the CFI Installation Training Program.

(d) I agree to repay this amount pursuant to the terms and conditions set out above whether or not I complete the CFI Installation Training Program.

3. Authorized Deductions

(a) I expressly authorize the Company to deduct percent (%) of any compensation owed me by the Company and said amount shall be deducted from the next MONTHLY PAYMENT amount due.

(b) If the percent (%) deduction payment exceeds the MONTHLY PAYMENT amount, the excess shall be applied the subsequent MONTHLY PAYMENT(S) until the Training Costs are fully paid.

4. Relationship of Parties

(a) My relationship with the Company is that of an independent contractor. I understand and agree that this Memorandum of Agreement does not constitute a contract of employment and I understand that this Memorandum of Agreement does not grant me any rights, privileges or benefits from the Company, nor does it require the Company to offer me a regular position or change my status as an independent contractor.

(b) I understand that if I successfully complete CFI Installation Training Program, that this agreement does not alter my relationship as an independent contractor.

COMPANY'S NAME _____

CONTRACTOR'S NAME _____

BY: _____
TITLE: _____

DATE: _____

ITEMIZED COST OF TRAINING

ITEM	COST
REGISTRATION FEES	
TRANSPORTATION COST (<i>per diem</i>)	
FOOD COST (<i>per diem</i>)	
LODGING COST (<i>per diem</i>)	
HANDLING/FINANCE FEES	
TOTAL DUE	
MONTHLY PAYMENT	



ABOUT THE AUTHOR

Jeffrey King has more than 35 years' experience in complex litigation with a focus on contracts, employment, construction, antitrust, intellectual property and health care. He serves as general counsel for WFCMA and other trade associations, and is a LEED Accredited Professional. For more information, contact him at (561) 278-0035 or jeffw@jkingesq.com.

Hardwood Tells a Design Story

By Annette M. Callari, Allied ASID; CMG

Hardwood floors command an impressive segment of the floor covering business. The popularity of wood is not diminishing, and this is a good time to provide an update on what's trending forward and what new products have come to market to meet those trends. I use the word "trends" with a broader meaning because wood trends have stay-power and are relevant for years to come. So, let's break this down by the major design styles: contemporary, nature-embraced, and eclectic.

Contemporary Design (minimalist, clean lines)

In contemporary designs, Euro-influences have a strong impact on styling, both in fashion and flooring. This includes the use of pure colors and modest graining. A major color trend continuing in floors is the graying of neutrals and the introduction of "browned grays" to add color warmth to the floor. This trend bridges to blonde wood tones like birch and white oak—the perfect foundation for dark, dramatic color contrasts. Graining is modest to allow the pure wood tones to be the focus. Gloss levels for contemporary can range from super glossy to super matte.

- **Quick-Step's** (us.quick-step.com) engineered hardwood exemplifies the minimalist feel with their Elonge Collection. Notably the Tarnished Silver Maple resonates contemporary. Engineered construction of the 7"-wide random length planks perfects a smooth, matte finish in silvery whisper-gray tones.
- 12/2 Tailored Collection by **Citiflor** (www.citiflor.com) from Power Dekor North America is a stand out. The Powdered Walnut color combines chalky gray, white and brown-toned graining. The natural wood finish allows the wood grain to be the star. Contemporary designs cry for smooth, lustrous finishes, which is exactly what we have here from Citiflor.
- **Mohawk** (www.mohawkflooring.com) came to the contemporary party with Rockingham Oak, a 3"-wide plank in solid hardwood. The color that fits our contemporary palette is Oak Shale. If you assume from the name that it's a stone-like, low grain style, then you're right! Shale is dark gray and solid looking, and that's what defines this beautiful hardwood.
- Let's not forget about bamboo. New construction techniques have increased bamboo floors' dimensional stability and performance. The artistic contrasts bamboo styles contribute to contemporary design is stunning. Coupled with its highly sustainable characteristics, it's an excellent choice. Manor



Mohawk - Rockingham Oak, Oak Shale

Ivory from the **Bamboo Hardwoods** (www.bamboohardwoods.com) combines ivory with subtle striations of gray. Adding black, metal, and glass accents to this floor is a sophisticated interpretation of high-style contemporary.

- **Allwood Floors** (www.allwoodgrp.com) brings to market bamboo floors with a colorful twist. The Dream Collection uses nine coats of a color-infused, scratch resistant finish. This provides solid color coverage with the wear resistance of UV-cured factory finishes. Color choices include Dream Apple, Blush, Bone, Oxblood, Espresso, Sand and Plum. Great choices that create focal-point floors.

Nature-Embracing Design (authentic, provenance-based)

Traditionalists gravitate towards authentic, natural, classic environments. With that in mind, classic hardwoods are, quite naturally, their favorite flooring choice. The selections in this category are countless, but here are a few standout introductions that debuted at TISE West:

- **Mannington's** (www.mannington.com) Maison Collection brings the best of the past to the here and



Allwood- Bamboo Floors

Continued



Metropolitan



Classics



Naturals



Essentials

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Hardwood Tells a Story, Continued

now. Focusing on their Provence Hickory, the planks feature a timeworn surface texture that highlights knots, scrapes and chatter marks. All three colors (Champagne, Vine, and Wine Barrel) fit well into classic designs.

- **DuChateau** (www.duchateau.com) continues to amaze with their product introductions. The Vernal Collection lends itself well to nature-embracing design. It brings a new ambiance to hard-wax oiled floors, lustrous and modern yet subtle enough to create a feeling of tranquility. It offers an exceptional combination of possibilities for all interiors because of its pure and fresh nature. Style Zermatt plays with light to dark shading and high character grain—authentic in every way.
- **Shannon & Waterman's** (www.shannonwaterman.com) custom wide-plank flooring had an impressive presence at TISE this year. Their beautiful hardwoods speak for themselves, relaying a powerful connection to



Mannington - Provence , Champagne

the past. They captured the essence of why wide-board planks are enjoying extreme popularity today. In the words of S & W's marketing department, here's a brief history of how and why wide boards work so well:

Today, wide plank flooring refers to board widths starting at 5" and going up to 7", 8" and wider. These widths are aesthetically pleasing: the wider (and longer) planks allow for fewer seams, creating a feeling of openness and making rooms seem larger. Wider planks also accentuate the natural beauty of any wood type, allowing the unique characteristics and patterns in the wood to appear more noticeable. Though wide planks are certainly used to replicate historical flooring, they can bring character and beauty to any design style—rustic, traditional, modern, or industrial.

Given the extreme flexibility to adapt to any design mode, here are just two examples of the Shannon & Waterman styles that complement nature-embraced, traditional designs. Spotlight-worthy was S & W's White Oak with Brown Velvet finish. A richly grained hardwood with a deep chocolate-brown finish made this style a standout. Also noteworthy was Distant Thunder from their Amelia & James collection. The wide board format, in conjunction with old-world sawing techniques of aged trees, nets a dramatic visual that allows the true wood grain to be appreciated. Classic on its own, it is an asset to nature-embracing interiors.

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“The popularity of wood is not diminishing, and this is a good time to provide an update on what's trending forward and what **new products have come to market** to meet those trends.”

Eclectic Design (personal, no-rules, mix & match)

Eclectic design is so personal, and this style successfully twists and reinvents all design rules. If you crave visual drama, high color, textural contrasts, and exotic patterns, then you are a true eclectic. Hardwood floors identify with classic design, but make room – exotic grained woods are finding their way into the world of eclectic design. Here are some great examples:

- **Tropical Flooring** (Tropicalflooring.net) brings to market unexpected woods and finishes that fit eclectic designs perfectly. Take a look at Kempas Cokelat (shades of red planks that are simultaneously elegant and funky). But don't stop there. Also from their hardwood collection are Taupe Jubilee, Gray Jubilee and Velvet Jubilee, which offer playful signature flooring for eclectic looks.
- **Armstrong/Hartco** (www.armstrong.com) wood floors have something to contribute to eclecticism. By nature, hickory has high character grain that brings light and dark pattern to a beautiful floor. Hickory Gold Rush and Hickory Country Natural add particular drama because of the high contrast graining.
- **Lauzon** (www.lauzonflooring.com) has a collection of exotic woods that are each artistic and reflect individualism. The company takes pride in these exceptional exotics that meet FSC certification standards. Sumatra and Borneo, both part of the



Lauzon - Sumatra

Designer Series, combine exotic graining, a smooth surface texture, and a pearl luster level to bring a unique floor to any eclectic design.

- **Preverco** (www.preverco.com) understands eclectic design. They define it as a high-variety style open to several trends that leaves the door wide open for creativity. This style gives free rein to its creator while following certain rules for pairing decor elements. Their pre-oiled Hard Maple and Yellow Birch styles (Preverco.com) offer shades of browns and grays that live happily in eclectic settings. They walk that fine line between contemporary and classic and allow individual creativity to shine.
- **Mullican Flooring** (www.mullicanflooring.com) offers a diverse collection of American hardwoods. Actually harvested from the Appalachian Mountains, you can choose from maple, oak, American cherry, hickory and walnut. Even though I've classified this collection under eclectic design, it's a crossover collection that can easily enrich any design mode.



Armstrong - Hickory Gold Rush

The major design styles are here to stay, and manufacturers have done their due diligence in understanding those styles and creating floors to interpret whatever mode you choose. The floor covering industry has become uber-responsive to the direction of design, and we all are the benefactors of their product interpretations. ○



ABOUT THE AUTHOR

Annette Callari is an interior design expert with over 20 years of residential and commercial design experience. An allied member of the American Society of Interior Designers and a Chair Holder of the Color Marketing Group International, she is the Southern California commercial sales specialist for Karndean Design Flooring.

Social Media and Building Your Store's Business

By Josh McGinnis, Owner, Unlock Your Biz

Maybe you already use social media, maybe it terrifies you, but you probably know that you need to be using it more and in better ways. You may already have a social media presence and feel fairly comfortable using apps like Instagram and Facebook. But unless you're 12-years-old and listening to Justin Bieber, chances are you're not as adept at using some of these platforms as you should be.

Your Content is Your Chance to Educate

To the degree that you're not using social media, you are missing out on opportunities to extend your brand. You may not think Twitter is a good way to get people to purchase flooring, but there are a ton of apps in the market today, and each one represents a chance you have to educate others about the quality of products and service you provide.

Lions and Tigers and Wolves, Oh My!

Let's be honest, there are a ton of apps out there. The best answer is that you don't have to use them all, but you can use a lot. But if you use social media, you have to commit and be consistent. In many ways, consistency can trump competency



Your time is limited, so think about which platforms are going to have the most effect.

in social media marketing—if you let your social media profiles stagnate, it sends a strong message. Quality comes with quantity. The more you consistently post content, the better you'll get at coming up with relevant content that engages your audience.

So pick what you can do and stick to it. I've singled out some of the most important social media apps for marketing in any market and in your specific market with some concrete steps to get you going.

The more popular social media platforms are **Facebook, Instagram and Twitter**, as well as two apps that are more specifically helpful to the retail flooring industry, **Pinterest and Houzz**.

Facebook content needs to be updated regularly, because Facebook shows what is fresh and new. Posts go viral if they are shared and liked by others. Businesses can set up an account and post content on their wall in the form of pictures and videos and text. Use Facebook for long-form posts and case studies that show your business in detail. Don't be afraid to be personal, but focus on telling stories of how you have solved a customer's problem.

- Post at least **three** times per week using the *Inform, Empower and Engage* paradigm.
- One post should be a case study that shows a particular problem your company has tackled. It can be done in the form of a blog post with pictures or with video.

Inform your clients about the quality of work you do.

- One post should be an advice or a tip for your clients. Give suggestions about how to choose designs or colors. Instruct your client about various installation techniques or the different methods of care for various flooring materials.

Empower your clients to make decisions.

- One post should demonstrate the personality of your company or your clients. Maybe a member of your installation has a quirky routine when laying hardwood floors. Perhaps a client has a child with autism who fell in love with one of your floor designs. Let her tell about it.

Engage your clients and show them who you are.

- Keep it visual. Facebook allows a lot of text, but try

“Quality comes with quantity. The more you consistently post content, the better you’ll get at coming up with relevant content that engages your audience.”

to keep your posts visual for greater impact. Show pictures of your product—don’t be afraid to be boring. Show the people who work for you. Post pictures of your community and your company engaging in the community.

- Post one video per week. This can be intimidating, so keep it simple. Your customers just want to see who you are. Post a video of a sales professional discussing a new project. Show a video of a client testimony. During the holidays post a short clip of your staff shouting, “Happy New Year!” You do want to produce videos with real content, but don’t be afraid to keep it simple either in order to keep posting fresh content.

Instagram is similar to Facebook in that it updates on a rolling basis, so you want to post content regularly. Remember, quality comes with quantity. Like Facebook, your Instagram posts can be seen by those who “follow” you, but many posts will also post to the general public as well. Posts can also be “hashtagged” with the # sign, so you should hashtag any post you make with a relevant description or keyword for it to show up in searches and in current trends.

You’ll want to use the same *Inform, Empower and Engage* model as with Facebook, but with a slight change in emphasis. Instagram doesn’t allow for the same long-form posts as does Facebook. On Instagram you can post an image with a short description or a short video of 3-15 seconds. Instagram is also popular for having a wide variety of filters to use with your photos which gives more artistic freedom for how you want your photos to look.

- Post at least three times a week as well using the same *Inform, Empower and Engage* plan.
- **Inform:** post one photo that shows a finished sample of your work. You don’t have space to give an in-depth demonstration, so try to pick photos that highlight a special or unique project.
- **Empower** your clients by posting images of materials you use in your floor design with a link to your website. You can also post how-to diagrams or charts related to floor care or stats.
- **Engage** your clients by posting creative photos. Show pictures of people in your business and the culture of your company. Don’t be afraid to post pictures not related to flooring. Be creative. Post pictures of your town, of local nature, things going on and of potential interest to your clients.

- Link your Instagram account with your Facebook account. This way you can choose to allow your pictures on Instagram to post to your Facebook account as well.

Pinterest allows you to share design ideas in a visual format using bulletin boards. Posts take the form of “Pins” that you can add to bulletin boards that can then be shared. You can design bulletin boards around a certain set of ideas and keywords and then pin unique posts to each board. Pinterest works off a search algorithm similar to Google, so there is less concern with posting regular content as in choosing the best content with the correct keywords and descriptions. The same guiding principle of *Inform, Empower and Engage* should still be on the back of your mind; however, most of your focus should be on carefully curating examples of finished results that you can display to prospective clients.

With a Pinterest business account, you can also post what are known as “Rich Pins.” These allow you to add extra information right within the Pin itself such as movies, recipes, articles, product information and place. Obviously all of these won’t be useful, but you can use a Pin that highlights a particular floor design and include information about the product material, the particular store or location that your company worked with, or even an article about the product on your company blog or Facebook account.

- Start out with three bulletin boards. Choose two of your most popular flooring designs and one that fits a more niche market. Come up with an exhaustive list of keywords and descriptors so that your bulletin boards can get noticed.
- Choose five Pins for each bulletin board. Three Pins should highlight finished products and designs your company has done. If the bulletin board is for kitchen floors, at least three Pins should showcase finished projects in kitchen flooring that you’re most proud.
- One Pin should be an article highlighting the particular material used with a link back to the relevant webpage on your company website.
- One Pin should be an informative article related to a particular aspect of design or installation related to a finished work you’ve already highlighted.
- Set a goal of adding one bulletin board every month, each with at least five pins. You want to saturate Pinterest with as many examples as possible in every broad category. Once you’ve hit this limit, start cycling in fresh Pins on every board.

Continued

Social Media, Continued

Houzz is very similar but works with a different dynamic. Houzz allows designers and architects to showcase ideas and finished projects to potential clients. Most of these clients are individuals who are looking to upgrade their home, but aren't sure how to articulate their vision. By following designers in Houzz, they collect different projects in Ideabooks that give them concrete examples for their own personal projects, and they often hire designers and contractors directly through the app. In short, it's pretty much a gold mine of people looking for home upgrades and that want to hire people to do it.

- Start with one Ideabook. Pick one design idea (kitchen, living room, etc.) and upload as many high quality photos you can of both your product and finished designs
- For each particular Ideabook, upload pictures of every different color and product variation within a particular design.

- **Tag your products.** Houzz allows you to tag your product information within the photos uploaded to your Ideabook, so that if prospective clients see an aspect of a particular design they like, they can immediately identify it.
- **Engage your prospective buyers.** Houzz allows users to ask questions and voice concerns to designers and contractors within the app. These conversations are public on the app and are a great way to build trust for your brand. However, I recommend starting more slowly in developing your Houzz profile, because the level of engagement and depth it offers is significantly different than Pinterest.
- **Add one new Ideabook per month** until you think you've reached a peak threshold. This should be a balance of how ever many Ideabooks you feel comfortable engaging with the public on, and how many different design and products your company offers that you would like to promote.



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ABOUT THE AUTHOR

Josh McGinnis is in the top 5% of business coaches worldwide. He specializes in fixing marketing, sales, and people problems so his clients can maximize their growth potential. His clients routinely outperform the national average for their individual industries. This is part of the reason he has doubled his own business by word of mouth and referrals each year for the last four years.



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Empowering Your Staff for Success

By David Romano, Founder and Owner, Benchmarkinc

Finding and retaining productive, long-standing employees has never been more challenging. Millennials, who now make up 34% of the workforce, require a rewarding working environment or they will opt to return to school or job hop until they find their perfect employment match. All job boards are reporting a record number of employers looking to fill positions and a decrease in the number of applicants.

Highly competitive pay for qualified candidates is now at levels well above what they were pre-recession. So what does all this mean? It means in order to avoid paying recruiting companies top dollar to poach your next great employee from a competitor you need to focus on making and/or keeping the ones you have happy.

Empowering your employees is such a hot topic in today's employment environment that you could read current articles and blogs for decades. A ton of great information is available but applying these more corporate strategies to a small business environment needs a bit of interpretation. Outlined in this article is a hodgepodge of beliefs from some of the top strategists, which I've modified to be relatable to a small business owner. The goal: after adopting a fair amount of these practices you will realize a real difference in performance, satisfaction, and turnover.

1. Start with a Clear Strategic Vision

The first step in empowering employees is to give them something to get excited about and to actively work toward. That something is the company's vision statement. Make sure your vision statement describes where the company is, where it's going and how it's going to get from point A to point B.

2. Make Sure Everyone is on the Same Page

Make sure individual work goals are aligned with those of the company. Employees who are able to connect their efforts to the overall work of the company will find it much easier to make decisions that are in unison with the organizational vision.

Gallup's 2015 State of the American Manager report found that at least two-thirds of employees strongly agree that their manager helps them set work priorities and goals are engaged. The more engaged employees are, the more productive they are.

3. Clearly Define Roles

People who don't know what they are supposed to do

can't do it very well. Additionally, they need to know their boundaries so they don't step on others' toes or create inefficiency through redundancy. Establish specific roles and responsibilities with employees so all are clear and can work together cooperatively.

4. Remove Roadblocks and Provide Assistance

Eliminate any hurdles - organizational policies, practices or habits - that may keep employees from feeling or acting empowered. If they are struggling to improve due to policies and procedures, then the only options are to concede to the current system, risk becoming a non-follower, or seek employment elsewhere where they can be successful.

5. Don't Babysit

Giving up control and empowering your team can be a terrifying experience for many leaders. You might feel compelled to watch their every move, but by doing so you're actually impeding their ability to grow. Give your team some space, trust them, and you might be impressed by what they're able to achieve.

A leader who is constantly looking over the shoulder of employees is little more than a babysitter. Give your employees reasons and opportunity to stretch out on their own and even lead others. They may stumble, but they'll learn a lot and build the respect of their colleagues while preparing to be future leaders themselves someday.

6. Fling the Door Wide Open on Information

Not sharing information is the most disempowering thing you can do. A study by George Mason University showed that apart from interesting work and appreciation for work well done, a feeling of being "in on things" tops the list of what many employees want. Sharing information ensures everyone on the team understands the critical issues and essential tasks required for success.

7. Foster Open Communication

So many companies are built on top-down communication from management. Employees in this environment feel there is no purpose in taking a stand, since they have no direct channel and don't feel they'll have an impact. As a leader, you may have clear direction and more experience, but that doesn't invalidate feedback and ideas from people on the front lines. Give your employees structured ways to make their thoughts, feelings and observations known easily and regularly. Help them understand their input is valued even if you decide to go a different way. Make sure

“Give your employees **structured ways to make** their thoughts, feelings and **observations known** easily and regularly. Help them **understand their input is valued...**”

you acknowledge them for sharing and reward valuable input that helps the company.

8. Let Employees Make Decisions

Nothing kicks employees' personal power into high gear more than having a voice in the decision-making process when it comes to areas that affect their work. The people who are best qualified to make decisions about customer issues, for example, are often those closest to the customer. But even your best employees will inevitably make some wrong decisions. If that happens, then you need a culture that says to employees, "Fix it. If you can't fix it, elevate it and we'll help you fix it." Fear is the antithesis to empowerment. Eliminating the fear of making a mistake is one of the keys to truly empowering people.

9. Give Them Flexibility

You might be used to gripping the steering wheel really tight while directing your team. It's time to let your employee drive. Sit down with your team and explain how much flexibility they have within a task. Don't leave it open-ended – give them parameters so they're not overwhelmed with options.

10. Tell Them How They Will be Measured

The worst thing in the world is doing something, and not knowing if it made a contribution. You can't become better unless you know how you're measured. Every time you hire someone, you must have an honest conversation about what that person's responsibilities are and how they'll be evaluated.

11. Require Accountability

People need to know when they are meeting expectations and, more importantly, when they are not. No one will maintain accountability if they don't understand the consequences of failure. Also, if they see others not being held accountable, then they will see little need to make the extra effort for success. Be consistent and diligent in your measurement and rewards so employees are motivated to do their best.

12. Present New Challenges and Opportunities

It's important to challenge your employees so they can demonstrate and achieve their full potential. For example, you might notice your sales associates tend to rely heavily on walk-in traffic – challenge them to seek outside opportunities and to go beyond their comfort zone. You can also work with their unique interests and abilities. For example, you might discover that a coworker is bilingual, and ask them to develop a program for that community. If you're out of ideas, then sit down with each team member and ask them what types of experiences would help them grow professionally.

13. Encourage Safe Failure

Many employees are risk-averse. That's why they are employees and not entrepreneurs. If they work in an environment where the boss is always correcting them before they have a chance to execute, then they will constantly look for approval before taking action or, worse, simply avoid any new or dynamic action. Give employees the opportunity to try new things in a way that doesn't put the company in danger.

14. Appreciate Their Efforts

Its true people get paid for the job, but the best employees don't work at your company just for the money. Empowered people need a greater level of satisfaction than simply financial stability. They need to feel leadership appreciates their contribution and values their participation. Don't be shy about finding ways to say thank you or celebrating the good things your employees do. If they have to ask how they are doing, then you are doing your job poorly as a leader.

Empowering employees is fundamental to the success of your business. Great leaders should be focused on improving business through innovation and diversification instead of trying to have their fingers in all operational aspects. Much more will get accomplished if the people paid to do their jobs are empowered to do so, believe in what they are doing, and when required, get support from their leadership team. ○



ABOUT THE AUTHOR

David Romano is founder and owner of Benchmarkinc and its predecessor, Romano Consulting Group. David's professional career spans nearly 20 years of management experience in the retail, restaurant and consulting industries. His companies have been providing consulting, benchmarking, and recruiting services for nearly a decade exclusively for the flooring and restoration industries.

What is Your Store's Brand Persona?

By Michael Vickers, Executive Director, Summit Learning Systems

Without a doubt, one of the most neglected aspects of building a successful flooring business or any other business is crafting the essence of your brand, or what I like to call your brand persona. Many business owners mistakenly believe brand persona is just about a logo and a website. Successful store owners understand in fact a brand or store persona is so much more than that. So what is a brand persona anyway?

Think of it this way. If your brand or store persona was a person, traditional brand elements such as a logo, font style, website design, photography and overall appearance would be the same as how a person looked and dressed (clothes, grooming, overall appearance, etc.). Now that's just the outer appearance.

Have you experienced good-looking people with lousy personalities? At first glance they may look good but they can become ugly very quickly.

This is where the personality of your business comes into play. Most of the time, flooring stores work on all the visual aspects

(outer appearance) of their store such as lighting, colors, signage, traditional branding elements, etc., but fail to develop a brand persona or personality and we all know personality almost always trumps appearance.

You have probably spent thousands of hard-earned dollars trying to attract new customers using traditional marketing tactics, but how much do you spend training your employees so that they can deliver memorable experiences to your customers?

Your brand experience is at the core of your store's persona. It is what customers remember and communicate to others. It drives new business even more so than marketing. So the focus on building your store persona should be on improving the level of engagement and delivery from your team internally and externally. If you have problems on the inside, your outside aura will suffer significantly.

It's simple really. You are not going to win the business because of the uniqueness or exclusivity of your product alone, particularly when it may be viewed as a commodity. Your team has to out-behave and out-perform the competition. Notice we aren't focusing on making your product better, it's about making your people better. If your people are better, your customer's experience will be better.

To create a store or brand persona, make sure you incorporate the following elements into your thinking.

1. Brand Promise – This is the promise you make to your customers that outlines the benefits that your customers should expect with every interaction with your store. You could prominently display this promise so that it is visible to your staff and your customers. Review it frequently! (Everyday is not overdoing it.)

2. Your Brand Essence – This core characteristic really defines your brand.

Your Brand Essence is the foundation of your persona, here are some must have's if you are to create a winning Brand Persona. The essence of a brand is how it is uniquely different from competitors in the same category. People make decisions based upon how unique things are, not how they are the same. The essence of the brand gives your customer the primary reason to choose one business over another. Here are some points to remember as you develop your Brand Persona.

- Successful flooring retailers are known for their loyal customers driven by fully-engaged team members



Brand Persona is the spirit of the experience. If your store persona **isn't aligned** with your marketing, **you will fail to make a connection** with your customers.

You are not **going to win** the business **because** of the uniqueness or exclusivity of your product... **Your team** has to out-behave and **out-perform the competition.**

which lead to increased sales and proactive referrals.

- Brand Persona is about the kind of experience your team can deliver to your customers with every interaction or touch point.
- Brand Persona is the spirit of the experience. If your store persona isn't aligned with your marketing, you will fail to make a connection with your customers. For example, your store could have a welcoming, informative website, amazing curb appeal and an outstanding interior but if any of your team is perceived as unprofessional or even

obnoxious throughout the experience, your brand persona can be tarnished.

- For a winning brand persona, you need all these elements working together and the elements need to be consistent with each interaction.

At the end of the day, there are many possible reasons why a customer may choose to purchase from you versus your competitor. It could be price, quality, location, etc., but if everything is equal, people will buy from people they like and from businesses they can connect to. **o**



ABOUT THE AUTHOR

Michael Vickers is executive director of Summit Learning Systems, a provider of customized in-house training and e-learning programs; and author of the best-selling book, *Becoming Preferred – How to Outsell Your Competition*. Contact Michael at: www.michaelvickers.com.

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Q4 2015 Study Confirms Luxury Vinyl Tile Growth; Installation, Training Concerns on Retailers' Minds

By Arpi Nalbandian, Associate Editor

As the LVT sector continues leading the way in sales volume market growth, retailers are simultaneously focusing on the installation segment and staff training resources, according to the just-completed Members Market Trend Survey.

The survey information was compiled from the responses of 119 panelists. Respondents were asked to base all answers on activity during the fourth quarter (October to December) of 2015. Charts included throughout the article feature comparative data of all four quarters of 2015.

Residential & Commercial Sales

When comparing residential sales from Q4/2014 to Q4/2015, 70% of respondents indicated sales were up. From the same time period, 30% of survey participants said residential sales were lower. (See Chart 1)

1. Residential Sales in 2015 Compared to Same Quarter in 2014							
	Same	Down > 20%	Down 10% - 20%	Down 1% - 10%	Up 1% - 10%	Up 10% - 20%	Up > 20%
Q1	11%	5%	5%	10%	31%	20%	18%
Q2	13%	3%	1%	7%	36%	27%	13%
Q3	16%	1%	3%	11%	28%	29%	12%
Q4	17%	0%	1%	12%	32%	31%	7%

In terms of the commercial segment, 56% reported an increase in sales, 29% said sales remained level, and 15% indicated their sales were lower when comparing Q4/2014 to Q4/2015. (See Chart 2) Sales to builders also enjoyed an uptick in activity with a 50% increase during the same time period.

2. Commercial Sales in 2015 Compared to Same Quarter in 2014							
	Same	Down > 20%	Down 10% - 20%	Down 1% - 10%	Up 1% - 10%	Up 10% - 20%	Up > 20%
Q1	23%	4%	3%	8%	32%	16%	14%
Q2	29%	2%	2%	8%	30%	18%	11%
Q3	31%	3%	1%	9%	27%	13%	16%
Q4	29%	3%	2%	10%	29%	18%	9%

Flooring Products

LVT continues to hold its place as the flooring product that produces the greatest sales volume growth (58%) across the residential and commercial segments, with carpet producing

the highest profit margin (63%) in Q4 of 2015. The profitability of carpet continued to grow throughout 2015. (See Chart 3)

3. Product Segment Producing the Highest Profit Margin

	Other	LVT	Resilient	Hardwood	Laminate	Tile/Stone	Carpet
Q1	4%	12%	4%	17%	6%	9%	48%
Q2	1%	13%	9%	15%	1%	11%	50%
Q3	2%	14%	3%	14%	2%	11%	54%
Q4	4%	7%	5%	13%	2%	7%	63%

Conversely, the product segment that produced the lowest profit margin according to the respondents was hardwood with 38%, followed by tile/stone with 24%, laminate at 16%, carpet and resilient with 7%, other at 6%, and LVT at 2%.

State of Installation

Hiring/using qualified installers is a primary challenge for 59% of respondents. In the midst of an installation crisis, and implementation of government regulations surrounding properly classifying employees, panelists were asked how they viewed and tasked company employees vs. sub-contractors. (See this issue's column by WFCA general counsel Jeffrey King, "If I Pay for It, Does the Independent Installer Become My Employee?" beginning on page 18)

Commercial Segment

- Seventy-three percent (73%) of retailers do not have installers as employees
- Sixty-seven percent (67%) do not intend to use company employees for installations
- Seventy-eight percent (78%) primarily use sub-contractors
- Thirty-three (33%) say they are either in the process, or seriously looking into hiring new employee installers.

Residential Segment

- Seventy-three percent (73%) do not have installers as employees
- Seventy-seven percent (77%) do not intend to use company employees for installations
- Ninety-eight percent (98%) primarily use sub-contractors

As the **LVT sector continues leading the way** in sales volume market growth, **retailers** are simultaneously **focusing on** the installation segment and **staff training resources**.

- Seventeen (17%) say they are either in the process, or seriously looking into hiring new employee installers.

Training

With flooring retailers and Big Box stores vying for the consumer's attention and business, interest in training courses and materials remains of utmost importance. General sales strategies and installation garnered the highest response (72%) from the survey's panelists, followed by product knowledge (70%), sales management, merchandising, back office management, and financial controls.

When asked which of the following staff - sales associates, managers and/or other business leaders - should attend regional training classes, more than half (58%) of the survey respondents indicated all should attend.

Industry Opportunities

As advancements move our industry forward, areas that could use more attention to successfully compete in the marketplace, according to the panelists include:

- Greater knowledge share so we can all succeed together as opposed to the cut-throat competition that leads to so many little stores.
- Hiring and training sales staff as well as installers and implementing technological tools to keep us up-to-date with other companies. Panelist comments included "We are so behind in this arena!"
- Creating an incentive for installers to make more money by charging more for labor upfront
- Digital marketing
- Reduce SKUs and quit cutting prices
- Further consolidation of retailers and contractors. Ease of entry is still one of the industry's problems to increased profitability.
- Employee education
- Technology: software systems, B2B, marketing
- Online vendors who sell at retailer cost or below

Finally, as one respondent stated, "Customers are willing to pay for professional installation if it is presented properly and they are educated about the pitfalls and traps that are set by online dealers, home centers and other questionable retailer practices. Knowing the tactics of competitors and the weakness of their tactics and ours helps us to compete at a higher level



than just price. We have chosen to explain the complexities of the flooring world to the customer and also proving to them at the same time that we have the answers and solutions to their specific flooring problems."

These are just some of the findings from the Q4 2015 Market Trend Survey. A complete report is available to current World Floor Covering Association members. For your report, please email Jeff Golden, *Premier Flooring Retailer* editor, jeff@pfrmagazine.com.

Editor's Note: The World Floor Covering Association and *Premier Flooring Retailer* have partnered with BOWE Company, Inc. to deliver the most in-depth market research available in the floor covering industry. Research is conducted at quarterly intervals throughout the year to provide an accurate analysis of the data. ○

Asbestos: Follow Up on Avoiding Liability

By Jeffrey King, General Counsel for the WFCA

There has been a significant response to the January/February 2016 column entitled, *Asbestos and Lead Paint is Still Around: Ignore at Your Own Risk*, with many flooring retailer and contractor subscribers asking how they can determine whether asbestos is present and how to minimize their potential liability. There are practical answers to both questions.

Identifying Potential Asbestos Products

It is not safe to just assume there is no asbestos in floors installed after 1980. Asbestos was used in floor felt until 1993 and in many imported flooring through 2002. More significantly, asbestos can still be found in flooring products, including masonry fill, adhesives such as carpet and tile mastics, imported vinyl tile and sheets, and sealers and coatings.

Not all of these products contain asbestos. So, how is a dealer to determine whether asbestos is present in particular products? If you know the name and manufacturer of the product, then you can review the label, go online or call the manufacturer. Absent that, you can test the flooring to be removed. If you cannot determine whether a product may contain asbestos, then it is always wise to err on the side of caution and take appropriate action.

Minimizing Liability

The law mandates that asbestos be properly abated if it is found to be present. To minimize the risk of being held liable, the flooring dealer should test any flooring that is being removed, which may contain asbestos. Since this is not always practical—most homeowners do not want the dealer cutting into their floors during the bidding process—it is recommended the dealer and contractor include the following terms in their contracts:

Asbestos Testing and Abatement:

1. **Testing:** Prior to the start of the work, the customer must test for the presence of asbestos

It is not safe to just assume there is no asbestos in floors installed after 1980.

in all flooring to be removed and provide a report to the flooring dealer. The customer can elect to have the flooring dealer undertake the testing at the customer's expense.

2. **Abatement:** It shall be the customer's responsibility to properly remove and abate any asbestos that is present. The customer can elect to have the flooring dealer undertake at the customer's expense the removal and abatement of any asbestos that is present.
3. **Deposit:** The customer agrees to forfeit the entire deposit as liquidated damages if it fails to test, abate or pay the flooring dealer to test and abate.
4. **Indemnity:** The customer agrees to indemnify, defend and hold harmless the flooring dealer against any and all claims, actions, demands, losses, damages, judgments, settlements, costs and expenses (including reasonable attorneys' fees and expenses), and liabilities of every kind and character whatsoever, which may arise by reason of the testing and/or abatement of asbestos.

Conclusion

State laws regarding asbestos vary from state-to-state. Accordingly, it is recommended that the flooring dealer consult with competent legal counsel to ensure it follows all local legal requirements and take appropriate precautions.

Notice: *The information contained is abridged from legislation, court decisions, and administrative rulings and should not be construed as legal advice or opinion, and is not a substitute for the advice of counsel.* ○



ABOUT THE AUTHOR

Jeffrey King has more than 35 years' experience in complex litigation with a focus on contracts, employment, construction, antitrust, intellectual property and health care. He serves as general counsel for WFCA and other trade associations, and is a LEED Accredited Professional. For more information, contact him at (561) 278-0035 or jeffw@jkingesq.com.

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