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VOLUME 8 ISSUE 5 SEP/OCT 2014 A WINWHOLESALE PUBLICATION

Advancing The Spirit of Opportunity at the Win Group of Companies

Many touchpoints shape the customer experience

Local companies do what their competitors don't

by Teresa Zumwald, Zumwald & Company

Local companies doing business in the Age of the Customer know the imperative: Keep the focus on customers and deliver an experience your competitors can't or won't. Four local companies, all Standards of Excellence Six Star winners last year, say this requires deliberate, often innovative actions at many touchpoints to shape customers' perceptions and drive their decision about where to buy.

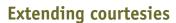
Creating an experience starts with the president or manager, says Mona Souza, Cape Cod Winwater Works (Mass.) president. "We must have the drive ourselves - and then give our employees the drive - to take

care of customers," she said. "We project out to customers, 'You are not just a customer, and we are not just a shop.' We have the drive - the right attitude and passion and our customers know it."

Employees like **Kevin Terrio**, with retail customer service and management training and experience, give Bangor Winsupply (Maine) an edge, says President Dana Wadsworth. To keep up in the warehouse and at the counter, Kevin has to multitask, Dana says, "but he always takes care of customers first so they don't have to wait."

His driver **Aaron Hoard**, who recently earned a business degree, has the same customerfirst instincts. "Aaron knows he's leaving the last impression about our company, so he dresses clean, talks politely, has a good attitude, learns which customers want things done a certain way and

does them happily," Dana said. "This gets missed by our competitors, but Aaron gets it."



Customers deserve respect, and being neat and clean helps to demonstrate that, says Central Oklahoma

Sean David checks the monitor at Central Oklahoma Winnelson, which tracks the company's seven GPS-located trucks, to find the closest one that can make the next "Hot Shot" delivery of a water heater straight to the job site. (Photo by Keith Jones)

"Our yard is spotless - our competitors leave piles of wood and pieces of cut-up straps outside - and inside every bin location has a label," Keith said. "I want customers to know I care about my company."

> Surprising customers with something extra makes an experience memorable, says Omaha Winlectric (Neb.) President Don North, whose employees load customers' trucks with their orders.

> "Why handle it twice?" Don said. "Customers really like it and tell other people, 'You have to buy from these guys - they load your truck!""

Mona said Cape Cod Winwater Works does favors for its best customers, even stocking a product for only one customer. "The superintendent may not need it for six months, in an emergency, but we were asked to carry it for him, so we do," she said. In turn, "he refers contractors to us because he knows we will not deviate from their spec and put just anything in the ground."

Employees who take initiative also contribute to the customer experience, said Mona, whose drivers often volunteer to start deliveries early to beat the traffic; that means customers get products faster. Back in receiving at Cape Cod, employees are always on the lookout for special orders included in large UPS or FedEx shipments and pull them out first for expedited

> "We told our customer, 'We'll take care of was relieved "and gave me five orders that

For aging accounts, Don may volunteer to help a customer collect from his customer. "Our customer appreciates it because he gets paid, and he doesn't look like he's pushing his customer," he said.



Eric Fass at Omaha Winlectric (Neb.) gets ready to take a special order from customer Evan Young of DC Electric. Omaha Winlectric President Don North says every employee lives by the company's motto: "Never say no to a customer." (Photo by Jason Barcel)

Being flexible

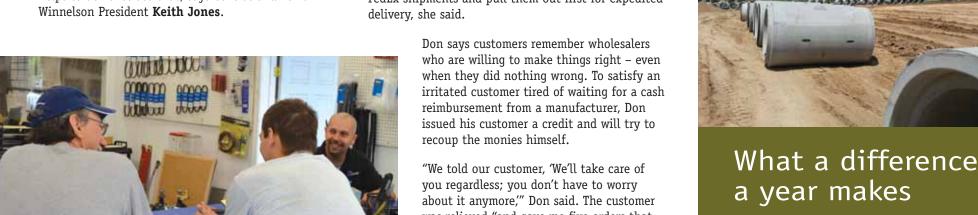
Omaha Winlectric employees create the best possible customer experience by living the company's motto: "Never say no to a customer," Don said. That means, for example, making customer deliveries "just in time." His three trucks sometimes make 20 deliveries a day total, while competitors may only make two deliveries a day, he said.

Never saying no also means being willing to stock new items a customer requests, opening on weekends and making deliveries after hours. Don says this gives him the chance to talk with customers - uninterrupted and build even closer relationships.

Saving the customer time

To make quoting and ordering faster for customers in the field, Bangor Winsupply customized an Excel spreadsheet for contractors to choose needed line items, add their labor cost and do quotes for their customers on the fly, on a laptop or tablet. When their customer approves a quote, the order is sent directly to Bangor Winsupply, Dana said.

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Because he's had specialized training, Kevin Terrio (right) of Bangor Winsupply (Maine) knows how to create an outstanding experience for counter customers like Eric Trask (left) and Derek Ornsby from Ken Tarr Plumbing. (Photo by Sam Irish)

In July 2013 – during construction of the new Denver regional distribution center (RDC) in Colorado - Fairwinds Construction installed utilities, purchasing all materials from Colorado Springs Winwater. Here are 8-foot joints of 48-inch reinforced concrete storm drain pipe, each weighing 7,000 pounds. The Denver RDC opened in March 2014, five months after the new Middletown RDC in Connecticut opened. See page 6 for recent statistics on both new RDCs. (Photo by Curtis Haynes)

From the CEO and Chairman

You can take us into the future by creating loyal, profitable customers

by Rick Schwartz



We don't intend for that to happen with the Win-Wholesale Strategic Plan. It means too much to our organization and the future of everyone in it.

If we work hard to execute the plan, the results will take WinWholesale and the Win Group of Companies confidently into the future. That's why we need contributions from every employee to make it work and fulfill our vision: to create loyal, profitable customers by offering them superior solutions for their everyday needs and unique challenges.

I believe every employee can contribute directly or indirectly every day to that vision through the way they do their jobs to help create a complete and satisfying customer experience.

As you may remember, the plan has five strategic objectives. You can see them on the WinZone by clicking on the "Drive" banner at the top of the home page. Even though the announcement was just made in July, activity is happening now in various places to achieve the objectives. Let me give you some examples.

Local company examples

- At Central Oklahoma Winnelson, "Hot Shot" deliveries of water heaters right to the job site on demand - let customers schedule more service calls each day.
- Bangor Winsupply (Maine) customized an Excel spreadsheet so contractors can create quotes for

- their customers on the fly, in the field, and then send orders directly to Bangor Winsupply.
- Omaha Winlectric (Neb.) delights customers by making as many as 20 "just in time" deliveries daily;
- volunteer to deliver early to beat the traffic; customers get products earlier and faster. And employees are always on the lookout for special orders included in large shipments and pull them out first for expe-

I know there are many other great customer experience examples among our 540 local companies. That's a main reason why - as WinWholesale President Jack Johnston said in his message to everyone in August - local companies had the best total net revenue increase in the first half of fiscal year 2015 since the housing bubble peak in fiscal year 2007.

WinWholesale examples

- A great three-day training event is planned for help their business. This supports the train our people objective.
- We are growing the organization through increased revenue at existing local companies, opening new companies and continuing discussions on potential acquisitions. This supports the objective to grow our organization.

create a customer experience. As of Aug. 30, as many as 31 local companies have earned 50 or more credits toward the 120 needed for the Six Star designation. My challenge to local companies: Be a Six Star company. This supports the focus on customers and grow our organization objectives. WinWholesale Sourcing Services has two new regional distribution centers with more products,

• Part of the Standards of Excellence Six Star program helps local companies grow, and part is to help

including HVAC, and larger quantities that support making it easy to do business with us through best-in-class distribution services.

Now I have a challenge for each of you - the employees of the Win Group of Companies – everyone from the Dayton, Ohio, office to every local company.

What can you do in your job today, tomorrow, the next day and beyond to create loyal, profitable customers? Here's just one for all of us: Do the very best job possible. That contributes to excellence in all parts of the organization. I quarantee that customers will see that excellence, which will influence them to do business

What do you think? Please visit winzone.com/ rickscolumn and use the "Comments" feature.

42 employees celebrating milestone anniversaries

Congratulations to these employees with 25 or more years of service to the organization as of September 2014:

51 years: Floyd E. Munson Jr., Frederick Noland (Md.)

43 years: Paul H. Donarum, WinWholesale Sourcing Services

42 years: Patricia J. Austin, West Albuquerque Winnelson (N.M.)

40 years: Gary W. Hooker, Poplar Bluff Winnelson (Mo.)

38 years: Alton R. Miller, Mobile Winsupply (Ala.)

36 years: Douglas A. Frushour, Frederick Noland (Md.)

34 years: Harold W. Holloway Jr., Manassas Noland (Va.)

33 years: Dale W. Pecolar, Rock Springs Winlectric (Wyo.)

Chester L. Remington, Kansas City Winwater (Mo.) Larry M. Curtis, Roswell Winlectric (N.M.)

Kirk A. Russell, Manchester Winnelson (Conn.) Roger Glanz, Fort Collins Winlectric (Colo.) Tim Voss, Sunnyvale Windustrial (Calif.) William A. Hall, WinWholesale Group Services -Marketing Plumbing

30 years: Dennis M. Clan, Elizabethtown Winnelson (Ky.)

29 years: Robert V. Davis Jr., Manassas Noland (Va.)

Sheri E. Dwyer, Northern Windustrial (Conn.) Christopher L. Osenbaugh, Louisville Winnelson (Ky.) Rick L. Moore, Newark Winnelson (Ohio) Vern A. Combs, Pocatello Windustrial (Idaho) Charles D. Lyall, Drilling Equipment Roanoke (Va.) Jeffrey C. Dana, WinWholesale Group Services -WISE Information Technology

26 years: Wayne A. Billingham, Shelton Winair (Conn.) 25 years: Jeffrey W. Carsrud, Rapid City Winsupply (S.D.)

Congratulations to these employees with 25 or more years of service to the organization as of October 2014:

47 years: Willie T. Hall, Macon Noland (Ga.)

42 years: John H. Gabaldon Sr., West Albuquerque Winnelson (N.M.)

Scott L. Coplan, Victorville Winnelson (Calif.) Gwendolyn B. Merritt, Noland Consulting Services

35 years:

Thomas K. O'Hara, Annapolis Noland (Md.) Robert R. Freese, Rockville Noland (Md.)

John J. Roberts Jr., Stamford Winnelson (Conn.) Todd L. Toureen, Englewood Winsupply (Colo.) Robert D. Stanley, Columbus Noland (Miss.)

31 years: Carl M. Curtis II, Fredericksburg Noland (Va.)

30 years: Marcella M. Dirks, Omaha Winnelson Supply (Neb.)

28 years:

Dale H. Pearson, Carterville Winnelson (Ill.) Dennis M. Muncy, KC Windustrial (Mo.) John F. Long, West Palm Beach Noland (Fla.)

27 years: Dennis L. Shackleford, Winchester Noland (Va.) 26 years:

25 years: Gary L. Jacobs, Omaha Hydro Winpump (Neb.)

Philip I. Anaya, Santa Fe Winnelson (N.M.)

Laura A. Montoya, Santa Fe Winnelson (N.M.)

competitors may only make two deliveries daily. • At Cape Cod Winwater Works (Mass.), drivers

dited delivery.

October in Denver, Colo. Local companies will send attendees who will choose from among 14 topics to

Customer experience

CONTINUED FROM PAGE 1

In Central Oklahoma Winnelson's competitive territory, residential and commercial service plumbers in the middle of a job, like a water heater changeout, can get material delivered right to the job site - on demand for free with the company's "Hot Shot" service, Keith said. Because plumbers don't have to leave the job site, they can schedule more service calls every day. None of his competitors offer the service, used by his top 20 customers, he said.

Don says customers calling Omaha Winlectric always get their questions answered and orders placed fast. "That's because we don't have anyone answer the phone who can't answer questions and take orders," Don explained. And because customers want quotes turned around quickly, "we give them high priority," he said, turning them around faster than competitors.

Bangor Winsupply customers get what they need the first time they call because "we have what we sell, and sell what we have," Dana said. "So if we're promoting hydronic heating to customers, we'll have everything to do the job - nothing will be backordered - and our customers know it."



Order accuracy contributes to the customer experience. James Hall of Cape Cod Winwater Works (Mass.) double-checks the loading of product before the driver leaves. (Photo by Mona Souza)

Keith says customers who need RIDGID tools or parts for plumbing service and repair know they can save time by going straight to Central Oklahoma Winnelson. "Having a niche - something you're known for around town" - also shapes a customer's experience, he noted.

Mona says customers don't get the runaround when calling Cape Cod Winwater since they know her employees have been trained by Bob Souza, "who's been doing this for 35 years," she said. "Customers have no problem asking for people like Craig Jeanmaire, who's been here four years, because they know Bob's worked one-on-one with him."

Following standard procedures

Delivering the wrong material can mar the customer's experience, Don said. So Omaha Winlectric ensures order accuracy by making employees accountable; the employee who picked the order and the employee who checked the order both initial the ticket. "It helps ensure customers get what they ordered," Don said.

Drivers at Cape Cod Winwater familiar with a customer's typical order always do a visual inspection before leaving, Mona said. "Last week **Steve Grant** saw the guys had loaded 10-foot pipe, and he knew the customer

likes 20-foot. Sometimes you can pick an order wrong, and things could get by. So eyeballing is important," she said.

At Central Oklahoma Winnelson, Keith sets specific expectations so employees know how to treat customers. "Our goals are knowing customers by their first name; answering the phone after two rings; not putting customers on hold for more than one minute; and calling for help on the counter so there's no waiting," he said.

To Mona, delivering on the customer experience means delivering complete service. That includes paying attention to every step in a transaction: picking the order, loading it correctly, delivering on time and unload-

ing. Even then, drivers don't just drop an order and drive away.

"They don't leave without asking the customer to check and make sure the order is right," she explained. "If the customer doesn't have time, the driver says, 'Check it when you can. If something isn't right, call our office, and we'll take care of it.' And they don't leave without telling the customer 'thank you.'

"We've had repeat customers for 10 years now because we are the total customer experience," Mona said. "When we make a mistake, there's forgiveness, because we've done good things in the past. We have the drive - and the customer realizes that."

DON'T LEAVE BUSINESS ON THE TABLE

National Sales agreements with buying groups give local companies access to members - and new sales

by Teresa Zumwald, Zumwald & Company

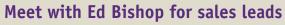
Local companies collectively may be able to capture millions of dollars in additional sales by calling on contractor members of national buying groups that have named WinWholesale a preferred supplier, said Michael Souders, WinWholesale vice president, Sales.

"The opportunity is wide open," Michael said, thanks to agreements between WinWholesale National Sales and national buying groups. Contractor members not already purchasing from another preferred supplier in the buying group are the best prospects, he said.

"Local companies can go to these members and say, 'We're a preferred supplier with a rebate program. And we work with certain manufacturers that also give direct rebates to members," Michael said.

Calling on buying group members is an avenue for new business since "60 to 70 percent are not

spending many dollars with local companies," Michael said. "These are sales opportunities that local companies can leverage but may not know about."



Local companies can get started by contacting **Ed Bishop**, national account manager, WinWholesale

National Sales. He's the liaison between local companies and all National Sales customers, which include the buying groups. "Ed has brought a real professional selling mentality to the department," Michael said.

Ed will meet with any local company president or manager to present buying group sales targets on a spreadsheet and on a map; review the best prospects; provide marketing resources such as custom letters and emails; and discuss a sales approach.

Consider Nexstar, a buying group with 500 members providing plumbing, HVAC and electrical services. "There are 85 Win and Noland locations within 50 miles of 243 Nexstar members we're not doing business with today," Ed noted. "They're really 'existing customers' because we have preferred supplier status. We



Supporting WinWholesale National Sales are account managers Marlene Ditto and Tom Thorman. Together they handle inside sales, product research, quoting, invoicing, rebate calculations, payment processing and more. (Photo by Chuck Manker)

Members are loyal Local companies selling to members of a buying group pay quarterly rebates on these sales to

> National Sales negotiates a new agreement with a buying group that includes a member already buying from a local company, Michael said.

"In those cases, we believe being a preferred supplier solidifies that business for a local company," Michael explained. That's happened at Queen City Winnelson (Mo.), which serves BuyMax Alliance member Benjamin

> Franklin Plumbing located in Springfield, Mo.

need to focus on existing products to these existing customers and

Ed will even make joint sales calls

with local companies to members.

"It brings the national buying

group relationship to the local

level and says to the contractor,

'we want you as our customer,"

National Sales for return to the

buying group. This is true even when

expand our market share."

"Unless it's something we cannot get in the time frame they need, they buy from us," said Dale Blankenship, outside salesman at Queen City Winnelson. "Because they're so loyal, we bend over backwards to make sure they're taken care of," providing special services such as vendor-managed inventory, exclusively stocked products, consigned water heaters and job-site troubleshooting after hours. "So we're up in sales and margin with them over last year."



Ed Bishop is national account manager for WinWholesale National Sales. (Photo by Chuck Manker)

'We have to go after preferred supplier programs'

Michael said being a preferred supplier gives local companies like Queen City an advantage by keep-



Dale Blankenship (left) of Queen City Winnelson (Mo.) manages the local relationship with BuyMax Alliance member Benjamin Franklin Plumbing in Springfield, Mo., where Carl Phillips (right) works. (Photo by Michael Souders)

ing the competition out – but that can happen in the reverse, too. Some local companies have reported they cannot get business from contractor members of certain buying groups that don't have a preferred supplier agreement with WinWholesale, he said.

"So if we're going to help local companies, we have to go after preferred supplier programs. If we don't jump in, a competitor will," Michael said. National Sales has preferred supplier agreements with seven buying groups, "and we're looking for more," he added.

Ed said as more competitors try to become preferred suppliers, "if we don't play that game, we'll be the underdog" if more buying groups pressure their members to buy only from preferred suppliers, he said.

Across the Win Group, sales to buying group members have increased 20 percent annually in recent years, Michael said.

WinWholesale National Sales works for local companies

Besides working with national buying groups, WinWholesale National Sales negotiates agreements with other large regional and national contractors to help local companies sell more, said Michael Souders, WinWholesale vice president, Sales. These include:

- construction companies serving the healthcare, education and federal government markets;
- general contractors for privatized military housing and multifamily construction projects; and
- home warranty companies.

Approximately 300 local Win and Noland companies benefit from National Sales agreements, Michael said. "National sales, in most cases, are sales that otherwise would not be achieved at the local company level," he said. "National Sales manages the corporate relationships, while local companies own the relationships at the local level."

There's still time Are you moving toward Six Star status?

by Chuck Manker, WinWholesale Marketing

This year's Standards of Excellence Six Star program is two-thirds complete. As of Aug. 30, 31 local companies have earned 50 or more credits toward the 120 needed for the Six Star designation that reaps rewards for presidents, managers and employees.

All local companies were automatically part of the annual program Feb. 1, which closes Jan. 31, 2015. The program began in 2013 to enhance the Win Group brand, increase local company profitability and bring more value to customers.

There's still time and opportunity for companies to earn the 120 credits because up to 90 can come from financial measurements that will be known at the end of fiscal year 2015 Jan. 31.

The financial measurements are:

- 10 percent top-line sales growth,
- 20 percent gross margin and growth,
- minimum 5 percent return on sales,
- minimum 20 percent return on investment and
- 10 percent growth in regional distribution center (RDC) purchases.

Local companies can earn up to 155 Six Star credits, but only 120 are required for the designation. Besides the 90 financial credits, up to 65 can come from operational measurements:

- ProRewards participation,
- education/product training and
- six Win Way criteria such as location branding, location professionalism and regular use of WinReports.

Six Star companies for 2014 will be announced in mid-February. There were 13 companies for 2013.

Local company presidents and managers and their employees benefit. Six Star presidents and managers for 2014 will earn a trip in April 2015 to the Paradisus Palma Real Resort in Punta Cana, Dominican Republic. Employees can receive credits and select from almost 10,000 merchandise rewards.



Six Star presidents and managers for 2014 will earn a trip to Paradisus Palma Real Resort in Punta Cana. (Contributed photo)

Even if a local company does not achieve Six Star status, it can still receive credits that presidents and managers can allocate to employees if they are earned in these areas: 20 percent gross margin and growth; 10 percent growth in RDC purchases; and education/ product training.

WinWholesale pays for the employee credits, yet in 2013 more than 200 local companies had employee credits available for allocation but failed to do so. Four companies had more than \$10,000 in credits to allocate and did not, according to WinWholesale Marketing.

In 2013, more than \$850,000 in employee credits were awarded to local companies for presidents and managers to distribute to employees. Employees redeemed 96 percent of the credits received, said Steve **Edwards**, WinWholesale vice president, Marketing.

Albuquerque Winair customer TLC Plumbing & Utility Turning students into employees

by Mark Hinrichsen, WinWholesale Marketing

Success in business can be defined in different ways: by revenue, profit, return on investment or shareholder equity, for example. But Dale Armstrong – president and founder of TLC Plumbing & Utility, a customer of Albuquerque Winair (N.M.) – defines success as "peace of mind," which makes TLC a very unique company.

Dale started TLC as Armstrong Plumbing in 1987 when he was a single operator working out of a mobile home. In 1989, Armstrong Plumbing became TLC, for tender loving care.

Dale turned his business into a 24-hour service for emergencies, concentrating on service work for residential and commercial customers. TLC has grown to 417 people serving customers from Albuquerque, Santa Fe and a new location in Socorro.

Culture is extremely important at TLC, Dale says. Friendliness and accountability are key components, along with TLC's five core values: honesty, hard work, respect, compassion and consistency. "These are the values we look for when hiring, and expect our people to adhere to," Dale explained.

The core values help TLC employees succeed, Dale said, which "helps everyone find peace of mind through integrity and stability."

These core values are evident to Albuquerque Winair President **Chris Lopez**. "Dale has created a culture of respect with his employees," Chris said. "They are the most respectful technicians you'll ever see and unbelievably fair."



Developing employees through a unique four-year apprenticeship program is a passion for Dale Armstrong of TLC Plumbing & Utility, a customer of Albuquerque Winair (N.M.).

TLC the top 5 percent of their students.

r of

When Dale started in the business more than 30 years ago, "I found it hard to

Apprenticeship

program is 4 years

One of Dale's passions – and "a reason I come to work every day,"

he says - is developing his em-

ployees. Part of this development

is a unique four-year apprentice-

that lets students work full time,

go to school for free, and earn an

associate's degree or certificate in

Recruiting the right candidates

is crucial, says Dale. Half of the

employees who enthusiastically

program's students are current TLC

embrace the company's core values

and are motivated to succeed, says

Dale. He also talks to high school

counselors to recruit from among

ship program, established in 2006,

gain technical knowledge because no one was there to help me," he recalled. "I wanted to make it easier to qain that knowledge."

As a result, TLC partnered with several local educational institutions so they could include his company's training needs into their trade programs.

Drawings are reviewed by Dale Armstrong (left) and Tobias Marquez, plumber apprentice/helper. Tobias is a current apprentice in the program.



Stan Klopman (left) and Dale Armstrong discuss a truck drive-shaft part. Stan, TLC's heavy equipment manager, is a graduate of the company's apprenticeship program.

2 phases cover all the bases

TLC's apprenticeship program is popular; last year, 60 applicants competed to fill four spots. Accepted students are assigned a TLC mentor and must follow an Agreement of Standards, a teaming agreement that clarifies expectations. "We expect high standards of these people," Dale says.

The program has two phases:

- phase one: life skills development (year one) and
- phase two: school and work (years two through four).

During phase one, students receive instruction from their mentor on setting goals, balancing work and life, managing money, leading, building relationships and creating budgets. Students are then exposed to career options.



127 Win Learning Center courses support personal safety

by Chuck Manker, WinWholesale Marketing

If you want to prevent heat stress, back injuries and hypothermia – or learn about welding safety, forklift best-operating practices, fall protection or 120 other safety topics – the Win Learning Center on the WinZone is your training gateway.

Now available are 127 safety courses to help employees better recognize hazards and promote safe work practices to prevent accidents and injuries. From July 25, when the courses came online, through Aug. 25, 57 employees had completed a total of 141 courses.

The courses, also available in Spanish, are provided through Wells Fargo Risk Management working with WinWholesale Risk Management and Internal Audit.

Safety, insurance cost control

"The main reason for the courses, and the top priority for WinWholesale, is the personal safety of every employee," said **Mike Kirkland**, WinWholesale vice president, Risk Management. "We don't want anyone injured on the job, no matter how small the injury might seem. It's not a small thing to the person injured who experiences the pain and possible physical limitations that result."

Aside from personal safety, reducing injuries also helps to control company insurance costs. As the number of injuries increases, so does the probability that a significant claim will occur, Mike said. That means higher insurance costs to local companies, which affects profitability.

Employees who are registered on the Win Learning Center and have a Win or Noland Company email address can access the safety courses. (Information about Win Learning Center registration is below.) Employees with Internet access can take the courses anywhere.

Regulations must be met

Safety courses also help local Win and Noland companies meet state and federal regulatory requirements, Mike said.

"For example, if forklift drivers are not certified, the company is subject to fines and penalties," he explained. "In addition, there are other OSHA requirements that if not met, can result in fines. So ensuring employees take these courses is very important."

OSHA is the federal Occupational Safety and Health Administration created by Congress in the early 1970s "to assure safe and healthful working conditions for working men and women," according to OSHA's website.

WinWholesale believes taking the safety courses is important enough that training records may be subject to verification through internal audits, said **Greg Holbrock**, WinWholesale Internal Audit manager. Records



Available on the Win Learning Center are 127 new safety courses, including some on forklift best-operating practices. Gideon Yilma uses a forklift to place product on a rack at the Middletown regional distribution center in Connecticut. (Photo by Jeffrey Yardis Photography)

include employee and company records, Department of Transportation (DOT) files, OSHA logs, forklift certifications, safety records and more.

"An internal audit is not just about fines and penalties," Greg said. "Taking the necessary steps and corrective actions noted in an internal audit will assist local companies with any reviews from regulatory bodies and improve safety for employees." "They rotate through the various disciplines in our company, introducing all of them," Dale points out. "Then they pick the path they want to focus on in their schooling."

During phase two, students attend school while working full time. Because TLC pays for tuition and books, students graduate without debt.

Employees in the program receive a \$3 per-hour pay raise for a 40-hour workweek but are charged back \$120 weekly for their education. This may seem like a wash – but TLC deposits each \$120 charge into an account that's returned to the student upon graduation.

As a result, each graduate receives a lump sum payment of \$25,000.



Billy Knisley, apprentice welder, and Dale Armstrong (right) share a lighter moment in the shop. Billy will start TLC's apprenticeship program this fall.

"Seeing six or seven graduates use the \$25,000 to make a down payment on a house is a game-changer," Dale says proudly.

15 graduates, 15 TLC employees

Students sign no contracts requiring them to work at TLC after graduation. However, perhaps as a tribute to TLC's culture and program, all 15 graduates to date still work for TLC, Dale says.

Peace of mind means different things to different people. However, the culture, leadership, dedication and commitment Dale Armstrong has established at TLC have brought peace of mind to his employees – and given them their own little piece of heaven.

Photos by Kyle Zimmerman Photography

Greg asked that an email be sent to compliance@ winwholesale.com if a regulatory body such as OSHA or a DOT visits a local company, or if a local company is notified about an upcoming visit.

Completing these safety courses counts toward the Standards of Excellence program's training requirements. Each course completed is one point toward the 15 per quarter, per company, required for the Six Star program, said **Anita Fletcher**, WinWholesale Training.

Here's how to get started

To access the new safety courses, you must:

- Be a learner on the Win Learning Center. Go to WinZone > Support > Training > Win Learning Center to register as a learner.
- Have a company-provided email address.
- Go to http://osmanager4.com/logindynamic.aspx.
- Log in using your email address and your temporary password (654321).
- Change your password.

If you don't log in within 10 days, enter your email address and click "Forgot Password." You will receive an email with a new temporary password.

The link to access the safety courses also is at Win Learning Center > Safety Courses Training Track > Instructions for Safety Training Access.

Any employee without an email address can request one from their supervisor to access the courses.

To take a course, click on the "Start" button to the left of the course name. There's a due date shown; this is required by the system. It is not necessary to complete all the courses.

If you have questions, contact Anita Fletcher at trainingdept@winwholesale.com or 937.531.4581.

NAW's Dirk Van Dongen on wholesaler-distributors: 'It really is a tremendous constituency to represent'

by Teresa Zumwald, Zumwald & Company

WinWholesale is a member of the National Association of Wholesaler-Distributors (NAW), composed of direct member companies and a federation of associations and their member companies, which total more than 40,000 companies. WinWholesale CEO and Chairman Rick Schwartz, first vice chairman on the NAW board of directors, works closely with NAW President Dirk Van Dongen, who talked with The Spirit about the association and industry issues.

How does NAW's work affect what local companies do every day?

NAW is about two things: One, we help members be so good at what they do that no one else will try to do it. We do that by providing executives and managers with tools and insights to be very effective and efficient at moving product when it's needed, in the



Dirk Van Dongen is president of the National Association of Wholesaler-Distributors. (Contributed photo)

quantity needed, to where it is needed.

Second, we advocate in Washington on behalf of our industry, which has been built by entrepreneurs. Like WinWholesale, we believe entrepreneurs produce superior business results. And while there's a role for government, sometimes government can be too intrusive, too greedy, issuing regulations for the sake of issuing regulations. These oversteps diminish the ability of entrepreneurs to produce at their very best. So we try to ensure that critical elements of the free enterprise system are not only preserved and protected but also encouraged and enhanced.

Talk about these tools and insights. The Win Group has benefited from "Facing the Forces of Change" and "Customer Stratification:

Best Practices for Boosting Profitability," which NAW championed.

Virtually all of our research projects focus on finding best practices for distributors, and then sharing that knowledge across a coalition of the willing: people who understand that to grow and prosper, they have to innovate. They have to be nimble. They have to understand there's someone out there working really hard to take business away from them.

What other resources are available from NAW? You have to invest time and sweat equity into our research studies because they're so in-depth. For a busy business owner, the NAW SmartBrief is an excellent surrogate because it's quick and snappy. It sources the best stuff from the Web on how to manage your business, and it's free. You can sign up for it at www.naw.org.

You mentioned NAW's advocacy in Washington. What's the focus of this work?

Our free enterprise system is under very serious, sustained attack. Government action or inaction is not the whole cause, but it's a huge part of it. So we try to do everything we can to help wholesaler-distributors put money on the bottom line so they can redeploy it instead of sending it to a government entity.

I have to commend Rick Schwartz for his advocacy on behalf of entrepreneurs. Rick's leading a company that's growing and providing more jobs and opportunity. Politicians are really affected by people like that who have something to say. As a member of our board, Rick's a real resource because of his championship of the entrepreneur.

What's NAW's strategy for addressing threats to the free enterprise system?

It's like football; sometimes you are on offense, and sometimes you are on defense. When you have

an Administration and Congress that are friendly toward business, you're on the offense, trying to make things happen. Otherwise you're on defense, trying to stop things.

One example of making things happen would be the tax cuts enacted during the George W. Bush Administration, which substantially reduced taxes and freed up capital to be deployed in the economy. NAW ran the Tax Relief Coalition to support that legislation, and we had 1,000 member organizations. That was huge.

NAW seems well-respected on Capitol Hill. Does that make a difference in your advocacy efforts? Reputation is everything. But no reputation in Washington is static. Your reputation today is not your reputation tomorrow unless you make it your reputation tomorrow. That's true in business, too.

NAW's reputation starts with the number of people we represent – 5.8 million are employed in wholesale trade – and the quality of our people. They're salt of the earth, the backbone of this economy, community-rooted. And since wholesaler-distributors are not supplicants of government – we don't petition the government to give us things – it really is a tremendous constituency to represent. On Capitol Hill, that's all-important: Who do I represent? How many are in my district? And do I like them?

Is there an advocacy role for local companies? Yes. An elected official looks at you as a customer, so stand up and be counted. You don't have to be an expert on a piece of legislation – you're an expert on your business – but you can get involved.

Members of Congress have district offices, the eyes and ears back home where the voters are. So drop in. Introduce yourself. Tell them what you think about something. Then do it again. Build a relationship. Pretty soon they'll start taking your phone calls. You might even find a member of Congress coming to shake your hand in the warehouse.

Astute politicians collect relationships. If you interact with your elected officials, they know you exist. They may or may not agree with you, they may or may not do what you want, but at least you have had the opportunity.

What will be a key challenge for wholesaler-distributors in the next five to 10 years?

One is a downward pressure on margins. Wholesale distribution is a very efficient system already, but it has to get even more efficient because there are tough new competitors like Amazon Supply. Wholesaler-distributors have proven themselves to be resilient and nimble, but tomorrow will be different from today. And the day after that will be different from tomorrow.

How can distributors gain a competitive edge?

It's hard today to have a product-line advantage, and very high order-fill levels are table stakes. So what's the differentiator? Your people. The people who run your business, interface with your customers and make decisions. The people who walk out of your place every day. Win's entrepreneurial model is a strength because company presidents have skin in the game. So it's theirs to win − and theirs to lose. ▶

Milwaukee Tool refocuses on the trades and distribution More local companies now in the tool biz

by Teresa Zumwald, Zumwald & Company

St. Joseph Winsupply (Mo.) President Dustin Norris looked closer at Milwaukee Tool two vears ago after a large mechanical contractor promised to buy tools from him if Dustin could get the right tools at the right price. "We started off with a couple of customers – and it took off like gangbusters," he said. "Just today I had a \$6,000 order walk in the door."

More local companies are selling the Milwaukee line, said Rich Nowak, WinWholesale's electrical product marketing manager. That's because Milwaukee has reinvented itself since 2008, retooling products around mechanical, electrical and plumbing contractors and refocusing on distribution, said Gene Wilson, director of Milwaukee's plumbing and electrical channel.

"Win and Noland locations add enormous amounts of value because they cover all three trade verticals," Gene said. "Our relationship is important and growing."

Tools = new sales dollars

Milwaukee Tool provides professional, heavy-duty power tools, hand tools, instruments and accessories. Known for lithium-ion technology in its cordless systems, Milwaukee is a subsidiary of Techtronic Industries Co. Ltd.

"R&D now goes toward our M12" and M18" cordless systems because professional trades require smaller, lighter tools that provide increased power and durability," Gene said. "M12 tools are for service work because they can go from job to job all day long. M18 tools are for production environments such as new construction."

Rich said Milwaukee is WinWholesale's fastest growing tool vendor. "Every Win industry is up in sales," he said.

This year through July, 30 local companies signed on with Milwaukee, said Kate Tomko, Milwaukee's national account manager for WinWholesale, who's working with a dedicated sales team to set up 30 to 45 more locations by year-end. Currently, 162 local companies are selling Milwaukee, up from 86 in 2012, she said.

"These are sales dollars many local companies haven't seen before," Rich said.



At Stockton Windustrial (Calif.), Brandon Garcia (left) learns about a Milwaukee Sawzall from Dylan Koster. (Photo by Adam Allen)

Dealer program turns heads

A WinWholesale preferred supplier also in ProRewards, Milwaukee was Vendor of the Year in the tool category for fiscal year 2014 based on sales growth. "Everyday" Milwaukee products are available through WinWholesale's regional distribution centers (RDCs), Rich said.

Last March, Milwaukee launched a new dealer program at the WinWholesale Vendor Showcase to help local companies get into the tool business easily.

"You can choose products based on the supplies you sell and the contractors you serve," Kate explained.



Milwaukee's new M18 FUEL™ Hole Hawg® Right Angle Drill for electrical contractors will be available Oct. 1. (Contributed photo)

"The focus is on installation-critical tools. We provide a discount and set up display material based on how much space you want to dedicate to the line."

Roger Dabio, president of Millersville Winlectric (Tenn.), signed up in August and sold three tools the first day. "Now we're looking at expanding," he said. "If we're not selling something, we can do a stock rotation. So it seems like a very low-risk line."

Gene said Milwaukee knows that local companies aren't toolhouses and are judged by turns and earns. "So you can buy one of anything at our best price," he said. "You can compete and be profitable with Milwaukee."

Products are application-specific

Because of the WinWholesale-Milwaukee relationship, Rich said, local companies could get Milwaukee's new Knockout System Aug. 1 – before competitors – through the RDCs. The Knockout System for electricians is one of several hundred trade-specific tools that increase safety, convenience, productivity and profitability, Gene said. Some others are the M18 FORCE LOGIC™ Press Tool Kit for mechanical contractors, and the M12 Cordless Copper Tubing Cutter for HVAC and plumbing installers.



The Milwaukee display at St. Joseph Winsupply (Mo.) is "a sea of red," said Dustin Norris, company president. (Photo by Dustin Norris)

"Say your copper tube is close to a wall, and you need a clean cut to replace it with PEX," Gene said. "The tube cutter will cut it in seconds, and you get a clean, square cut - no burrs."

The M12 Cordless ProPEX® Expansion Tool "autorotates to revolutionize how you expand PEX to get a fitting into the tube," Gene said. "So not only has Milwaukee made power tools more portable, but with the launch of the M12 platform, now we're making hand tools cordless, bringing the consistency and convenience of cordless to a hand tool."

Displays, promos attract

Gene said local companies are asked to merchandise and tag products with market-based prices on prominent Milwaukee displays - not store them in the warehouse away from customers. Stockton Windustrial (Calif.) President Bryan Koster recently installed a larger Milwaukee display after renovating his Will Call area.

"Customers can see we're a solid rep for them," he said. "Milwaukee tools fit perfectly with our new image."

Quarterly, distributor-only promotions can help local companies move product, Gene said. Dustin expects good results from a trade-in promotion that started Sept. 1, which gives a customer \$100 off a new Milwaukee Tool kit. The last time Milwaukee ran that promotion, Dustin sold 18 tool kits in 60 days, he said.

Local promotions also help. Dustin said his Milwaukee representative routinely suggests ways to improve local promotions to move more accessories, like blades and drill bits, which have higher margins, he said.

"Milwaukee wants to help you convert smaller customers - the guy who has two vans and four guys working for him - and that's my customer base," Dustin said.

As part of its reinvention, Milwaukee streamlined its warranty program. As a value-added service, Dustin handles any Milwaukee warranty work for his customers, which happens only occasionally, he said. "Customers buy from us because they know we'll take care of their tools," Dustin said.

Update on Middletown & Denver RDCs



1,500+ new items added to both RDCs in 2014





Storage locations Middletown 23,000+ 18,500+

Vendors Middletown **Denver**

Orders processed Opening day→July 31, 2014

Denver

23,515

Opened 3/18/14

Middletown

21,920

Opened 10/21/13



Double scanned for accuracy

Delia Damasco, warehouse associate at the Denver regional distribution center in Colorado, performs a double-scan inspection before a pallet is shrinkwrapped and loaded for delivery to a local company. (Photo by Bill Cronin Photography)

Items in stock Middletown **Denver** 8,000+ 9,500+



Vendors want ROI from co-op, national marketing funds

by Maya Rodriguez, WinWholesale Marketing

What's the difference between co-op and national marketing funds? This topic seems a little gray at times when local companies are seeking help with marketing initiatives.

Vendor thinking has shifted in recent years. With marketing budgets shrinking, vendors want to be more strategic, focusing dollars on efforts that lead to sales. Now it's standard for vendors to invest national and local marketing dollars in targeted, measurable activities that produce a return on investment (ROI) instead of promotional items that cannot be tracked.

Co-op funds

Co-op funds from a vendor for local companies still exist – but they're managed between a vendor representative and a local company. WinWholesale Marketing is not involved in local company co-op funds and does not know the amount of funds local companies have.

A vendor and a local company must agree that an effort with co-op funds will drive results. "If you can propose a solid plan, vendors will still be receptive," said **Amy Souders**, WinWholesale product marketing manager, finished plumbing. "But make sure your local rep approves before going forward."

The amount of co-op funds a local company can receive from a vendor is 1 to 2 percent of the total sales volume from the previous year. "Each request and dollars allocated by the vendor are addressed on an individual basis," Amy explained.

Co-op-funded local events that can drive results include customer events at local companies that build relationships; local training seminars; outings such as golf tournaments that partner a vendor with a local company and a key customer; and local promotions with incentives to drive local sales.

National marketing funds

Vendors also want to focus their national marketing funds on efforts that lead to sales and provide a measurable ROI. Vendors want to collaborate with wholesalers to determine how to use these budgeted funds to sell new products or grow specific segments. They can do this with one point of contact. At WinWholesale, that's the Marketing department.

National marketing funds are used for targeted, largescale promotions with local incentives and a sales level that customers must achieve before they can earn points or rewards. Some WinWholesale initiatives that use national marketing funds include:

- Featured Product Campaigns,
- ProRewards and
- the lead generation program. •

Unsure about whether a vendor still offers co-op funds? Check WinVision or call your local vendor representative.



All wrapped up for the road

Five leased, wrapped "shuttle" trailers deliver products to local companies in New York, Virginia and New England from the Middletown, Conn., and Richmond, Va., regional distribution centers. Essex Winnelson (Conn.) received its first shuttle delivery in this trailer July 21. (Photo by Robert Parlee)

ADAM BYRD, CHESAPEAKE NOLAND: 'We have a great team here' to take care of the customer

by Chuck Manker, WinWholesale Marketing

There's a saying that goes, "There's no 'i' in team." When talking with Adam Byrd, inside sales and counter person at Chesapeake Noland (Va.), that message comes through loud and clear when he describes where he's worked for 23 of the 28 years he's been with Noland Company. For Adam, it's all about "we."

"We have a great team here: a wonderful warehouse staff, truck drivers, receiving, shipping, inside and outside sales people," Adam said, like a proud member of that team. "We all work as a unit to make sure the customer is taken care of."

The Chesapeake team has 13 people, including Manager Matt Weaver, who serve plumbing, HVAC, industrial and well-drilling customers in Virginia's Hampton Roads area. That takes in Chesapeake, Virginia Beach, Newport News, Norfolk, Hampton and other places.

Starting on the counter in 1986

Hampton Roads also includes Portsmouth, Va., where Noland used to have a location and where Adam began his career in 1986 after working in the restaurant industry. He started on the counter.

"I had a good friend I worked with in the restaurant job, and he worked at Noland in Portsmouth.

He got me a job there, and here I am 28 years later," Adam recounted. He moved to the Chesapeake location in 1991.

During that time, Adam has done many jobs: HVAC, plumbing and well-drilling sales; warehouse management; and the counter.

"I make sure the customer service area is stocked up with materials on the counter, the floor is clean, and the place is presentable so customers get that full No-

land experience," Adam said. "My goal is to make sure every customer who walks through that door receives great customer service."



The job includes answering the phones, pulling orders, cutting purchase orders and more. "We wear many hats and do what we have to do to make sure our customers are taken care of," he said.

The 'full Noland experience'

Asked to describe the "full Noland experience," Adam said, "We want customers to experience honesty, respect, courtesy, dependability, and that they can call us personally and say, 'Hey, Adam, I have a situation and need this thing working right now; can you make something



Adam Byrd, inside sales and counter, is one of 13 people on the Chesapeake Noland (Va.) team. Adam has been with Noland Company for 28 years.

happen?' We want to make sure when they need something, we get it to them as fast as possible to make their lives easier."

Adam's day starts at 6:30 a.m. With an estimated 100 counter customers and 200 phone calls a day, sometimes the job can be a little stressful.

"Trying to be in 10 places at once can be a little challenging," he said, laughing. "In time, you learn how to take one project at a time and move on to the next project to get the job done. That's what customers expect."



Adam Byrd (left) and Chesapeake Noland Manager Matt Weaver take a moment outside the company.

Having the Chesapeake team to back him on the counter makes it all possible, Adam said. "Without the guys here, from Matt Weaver on down, it would make it hard to do my job. Everybody works together," he said.

As much as he likes his job, the three most important things to him are participating in his church, spending time with his family including four grandchildren, and working in the yard. "I love doing those things," he said.

Adam's last thought was about the Noland team. "We have a great team of people that keeps everything going. I've been here a long time, and there's no location I'd rather work," he concluded.



Adam Byrd serves customer Maria Judy of MEP Partners at the counter.

Photos by Lanpher Productions

Adam Byrd looks over inventory

in Chesapeake Noland's

warehouse.

Showroom ninja? Or just another consultant? Mastering the basics matters

by Daryn Cherry, WinWholesale national showroom manager

I recently attended an industry seminar on the neuroscience of selling. The information was good and accurate, and anyone who attended would agree that the speaker was excellent. But still, I wondered, could we be overthinking things?

One part of the seminar touched on practice and sports psychology. Some of the world's best basketball athletes will practice hours a day and take thousands of free throws in practice before they take one in a game. (As martial artist Bruce Lee once said, "Advanced skills are the basics mastered.") So what are the basics to master for the showroom?

1. Greeting customers. How quickly do you greet customers when they come into your showroom? Do you give customers the priority they deserve when they walk through the door? (How often have you received an unfriendly greeting that has set the stage for a bad experience?)

First impressions are everything. Nailing the greeting can be the difference between a customer who's "just looking" and one who's partnering with you on their next remodel.

2. Uncovering needs. After spending some years in sales, I've found that nothing is more frustrating than talking to a salesperson who immediately goes into suggestive-selling mode, throwing out every solution hoping one will stick.

Instead, take the time to practice asking openended questions and listening for your customers' needs. Too often, you might be projecting your own ideas or budgets onto others. This often will cost the sale – or result in unnecessary follow-ups.

3. Offering solutions based on needs. Whatever solutions you offer should be rooted in the needs you've discovered. (How much more effective is your solution if it directly addresses the needs your customer presented?)

During the sales process, few things are worse than offering customers something they do not need, or they believe has no value.

4. Closing the sale. All sales efforts are for naught if you don't ask for the business.

Early in my sales career, I remember this was the uncomfortable part of the sales process for many people. But there are many creative ways you can "ask for the sale" if being too direct feels uncomfortable. For example, you can offer an assumptive close such as, "Will you be paying with check or cash?" or "Would you like me to order that in a chrome or stainless finish?"



If you master the basics, you could become a show-room ninja – and gain more customers and sales.

Regardless, it's important to ask for the sale, and often you have to ask more than once. Otherwise, you're just selling information, and the competition will reap the fruits of your investment of time with that customer.

5. Following up. Your next step should be thinking of ways to follow up with your customers. Everyone gets busy, but failing to follow up with a customer can turn an amazing interaction – one on the verge of a sale – into a customer going to a competitor.

After you close a sale, following up with a hand-written thank you card can give the customer a sense of appreciation. But follow-up isn't just about closing the sale or solving the problem; it's about encouraging people to become brand advocates for your location. You want them to feel so comfortable with you, that they tell their family and friends to see you.

Can you be a showroom ninja?

Many of these basics are easier said than done, but they're all possible with practice. Identify which basics work best, share them and then implement them at your location. I believe these five are some of the crucial ones, but you might think others matter more, and that's OK.

Whatever basics you identify, make sure you practice them often. The difference between practicing these basics, or not, could determine whether you become a showroom ninja – or just another consultant.

ProRewards programs hit their final stretch

The earning period for ProRewards Points and the ProRewards Travel Tier 2 trip to Playa del Carmen, Mexico, ends Dec. 31. Now is a good time to follow up with targeted customers about their goals.

When customers push to achieve their goals and secure rewards, it can spark growth, develop the customer base and increase the bottom line. Here are tips for each ProRewards program as the year comes to an end.

ProRewards Points. Local company presidents and managers have a minimum enrollment goal of 60 percent for 2014. Following up with non-enrolled targeted customers can mean exceeding the minimum goal.

Now is also a good time to see how close customers are to their base and stretch goals. If customers haven't reached their base goal, they can be encouraged to do so by Dec. 31 so they can spend the points they've been earning since Jan. 1.

If customers have reached their base goal, they can earn double points on purchases for the rest of the year after hitting their stretch goal.

ProRewards Commercial Charge Account. Customers participating in both ProRewards Commercial Charge Account and ProRewards Points can consolidate their points from both programs to increase their reward potential. Local company presidents and managers can remind customers to do this by selecting "Tools" from the drop-down menu on the top navigation bar on the ProRewards website.

ProRewards Travel. ProRewards Travel gives local companies a great way to reward top customers. With the earning period for the Tier 2 trip coming to an end, local company presidents and managers can follow up with targeted customers to check their progress to reach their goals by Dec. 31. ▶

Tip of the month

Local company presidents and managers can take some time to meet with each targeted customer. Verify with them that they have enrolled and review their progress toward their base and stretch goals. If any customers have not enrolled, this meeting is an opportunity to help them do that.

For more information about the ProRewards Points, ProRewards Commercial Charge Account and ProRewards Travel programs, visit the ProRewards website at www.winprorewards.com.

featured PRODUCT

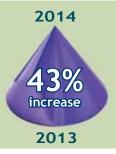
campaign

Rain Bird® 5000 Plus Series rotor

Top local company in sales: Connecticut Winpump

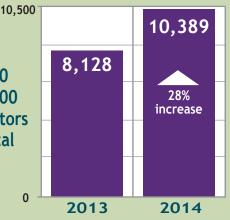


Sales dollars of Rain Bird 5000 Series and 5000 Plus Series rotors



July/Aug Results

Number of
Rain Bird 5000
Series and 5000
Plus Series rotors
sold by 33 local
companies
participating





THE SPIRIT: Advancing The Spirit of Opportunity at the Win Group of Companies

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