

NEWS BRIEFS

Newsletter of the Architectural Woodwork Institute

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AWI NEWS BRIEFS

AWI's monthly newsletter is published as a service for members to help them improve operations and grow their businesses. *NewsBriefs* is also a resource for news and information about AWI's products, programs and publications and other membership benefits and services. •

COMING NEXT MONTH

- CODBS Highlights
- SkillsUSA Cabinetmaking Competition Medalists
- AWI/CNA Safety Award Winners
- LEED® Analysis Part III

NOTE: The information, examples and suggestions presented in this newsletter should not be construed as legal or other professional advice. Neither AWI nor guest contributors accept any responsibility for the accuracy nor completeness of this material and recommend the consultation with competent legal counsel and/or other professional advisors before applying this material in any particular factual situations.

Who and How Much? Successful Succession

Don't wait. Now is the time to start planning for the successful transfer of your business. While there are many types of buyers to explore – children, industry players, company management, another individual – the process of “selling” your business to any of these buyers is essentially the same.

AWI *NewsBriefs* recently spoke with AWI 2009 Convention presenter Brooke Tucker, ASA of Tucker Capital Advisors about the process of planning for successful succession. “If you are thinking about retirement or getting out of the business in five years, start the process now. It takes careful preparation to maximize your company’s value for a successful exit,” Tucker said.

“Exit planning raises two key questions for a company owner,” Tucker said, “who” and “how much.” The “who” is one of the types of buyers noted above and each involves a particular type of sale. “An owner looks for the best exit which is determined by the quality of the buyer and their ability to pay for the business. Typically, business sales break down as follows: 70% to industry players; 20% to management; and 10% to children,” Tucker said.

(continued on page 8)



Brooke Tucker

“If you are thinking about retirement or getting out of the business in five years, start the process now.”

LEED® 2009: Deciphering Its Impact on Woodworkers

By Rob Ziegelmeier, AWI Sustainability Resources Representative

In this issue of *AWI NewsBriefs* you’ll find several more sections of my analysis of LEED Version 3 (Leadership in Energy & Environmental Design) Green Building Rating System™ of the U.S. Green Building Council. This three-part series, which began in the June issue of *NewsBriefs*, is designed to update AWI members about the effects of Version 3 changes for architectural woodwork in LEED projects.

LEED 2009 for Existing Buildings: Operation & Maintenance

This program went through major changes. The bottom line is that woodworkers have a potential of two (2) points. Like the other 2009 programs there are now 100 base points and a potential six (6) Innovation in Design and four (4) Regional Priority Points for a total of 110 points.

The following are the new point levels for certification.

- Platinum (80 Points and above)
- Gold (60-79 Points)
- Silver (50-59 Points)
- Certified (40-49 Points)

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Spirited Chapter Roundtable Delivers Business Solutions

CHAPTER NEWS

The AWI Texas Chapter had tried to conduct a roundtable discussion within the context of a regular chapter meeting and it didn't produce the desired result. So, the chapter's Board of Directors decided to try

again, but this time with a third party moderator. They invited former AWI Board of Directors member Steve Waltman, Vice President - Sales & Marketing of Stiles Machinery, Inc., to do the job.

"When we first started planning for this meeting we were not sure how well it would be attended. However, by having a third party moderator like Steve Waltman, registration took off. With this type of set-up our members were more relaxed and willing to enter into lively discussions and ask questions. Even after the meeting members were still talking and asking questions of each other," Texas Chapter President Weldon Riley of Terrill Manufacturing Company said.

Waltman broke down the barriers of internal restrictions and played "traffic cop" to 40 attendees after presenting the topic, "How to Grow a Business in Tough Economic Times." He stimulated discussion by presenting such provocative discussion topics as: will buying habits change; is your manufacturing process flexible; in a tight market should you broaden your product line or become more focused.

What came out of the discussion on June 19 among chapter members was the benefit of hundreds of years of combined experience, which the AWI Texas Chapter agreed to share with other AWI members.

1. One manufacturing member personally approached each of the General Contractors (customers and prospects) with whom they worked to assure that the bidding remained equal from a perspective of scope/scale/quality/terms, etc. They found in many cases where they were losing on price, the winning bidder had missed a detail in the proposal.
2. Another manufacturing member has attempted to interject "value engineering" into their product and service offering.

This is providing additional unique services or products that their competitors were not or could not provide or provide competitively.

3. One manufacturer has decided to broaden their work scope by bidding job components (customers and prospects) that they traditionally have not bid.
4. One manufacturer has positioned their marketing to become a "sole source" for their existing customer base, similar to above (#3) in offering additional products and services to an existing/established customer base.
5. Another manufacturer has pursued additional or new customers by concentrating marketing and bidding efforts in

"hot" markets, these being markets where construction was stronger than others due to government, school, health care or even storm recovery contracts (retail).

6. One manufacturer has worked to control the cost of doing business with existing customers and products by adjusting their work schedule and even offering "flexible scheduling." Typically, their employees would otherwise be faced with less favorable alternatives during tough economic times.

7. One manufacturer and a supplier noted that they have made great

efforts in product and service innovation – this is across the business units in administration, production and installation. Incremental gains in each area have proven well to grow the business as a whole.

8. Another manufacturer has approached employees to partner for success. Creative idea sharing, flexible scheduling, cross training and innovation were all positive results.
9. There was a good bit of discussion referring to Steve Waltman's chart which described three different ways in which a business model may grow: offer new products and services to existing customer base; grow customer base by adding new products and services; offer new products and services to a new customer base. •



Forty members of the AWI Texas Chapter participated in a lively roundtable discussion. Left to right are AWI Texas Chapter President Weldon Riley, Terrill Manufacturing Company; Tom Weaver (Past TAWI Board Member), Roddis Lumber and Veneer; and Steve Waltman (Roundtable Moderator), Stiles Machinery.

Lifting Employees Up in a Down Economy

Proactive business owners are continually looking for new ways to strengthen their organization. But during a challenging economic period, many employers struggle to find cost-effective and creative approaches to help motivate and captivate their top performers.

Engaging employees doesn't require a big budget. Implementing the following human resources practices can help any size company achieve success regardless of the circumstances.

Strong leadership. It starts from the top. Employees look to company leadership for direction. One suggestion is for employers to clearly communicate their business goals to employees in order to build support. Employees want to know what's going on and how they can help.

Business owners also can demonstrate their commitment to employees by personally visiting with staff on a regular basis. In order to establish their loyalty, it's important for employees to feel a connection with management.

Effective communication. During good times and bad, sound communication practices have often been cited as a driving force behind some of the world's most successful organizations. While some companies think employees should be protected from bad news, this often paves the way for rumors to circulate throughout the organization. This can lead to mistrust, which often results in good employees leaving a company.

Career development. In order to keep top-notch employees, employers need to show their commitment to their employees' advancement. Successful companies help employees focus on growth and development opportunities despite the economic crisis.

One way companies can help employees' career advancement is through training programs. Not only can employees improve their current skills to boost performance, but they can also acquire new abilities that can help the company in the future. Companies should consider all avenues, including programs available through the Internet, local universities and community colleges, as well as in-house training programs.

Reward and recognition. While many companies are cutting back on raises, there are other ways to demonstrate the value placed on employees. Effective incentive programs don't always have to offer lucrative bonuses or prizes. A weekly drawing or casual workday can prove to be just as powerful when it comes to motivating employees.

Recognizing individual achievements on a daily or weekly basis helps send the right message. Acknowledgement from leadership has a lasting impact on the individual and the entire organization.

More than ever, employers need to retain their best employees to ensure the long-term success of their companies. One way to do this is to make sure employees feel valued and know the company is dedicated to helping them achieve personal goals. The result? A more committed and loyal team. •

Clay Davis is a district manager and Kane Flora is a sales consultant in Administaff's Washington, D.C. offices. Administaff (NYSE: ASF) is the nation's leading professional employer organization (PEO), serving as a full-service human resources department that provides small and medium-sized businesses with administrative relief, big-company benefits, reduced liabilities and a systematic way to improve productivity. For more information, call 800.465.3800 or visit www.administaff.com. Administaff is an AWI Affinity Partner.



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BUSINESS TOOLS

“During good times and bad, sound communication practices have often been cited as a driving force behind some of the world's most successful organizations.”



LEED® 2009: Part II (continued from page 1)**MR Credit 2: Sustainable Purchasing—****Durable Goods Furniture** (1 Point)

The building owner can achieve sustainable purchases of at least 40% of total purchases of Furniture during the performance period (by cost). You need to meet one (1) or more of the criteria. The criteria are very similar to the previous MR Credit 2.1-2.5.

MR Credit 3: Sustainable Purchasing—**Facility Alterations & Additions** (1 Point)

The building owner can achieve Sustainable purchases of 50% of total purchases (by cost) during the performance period. You need to meet one (1) or more of the criteria. The criteria are very similar to the previous MR Credit 2.1-2.5.

GREEN SCENE**LEED 2009 for Schools**

Like the other 2009 v3 programs there is now 100 base points. Additionally, there are potential points — six (6) Innovation in Design and four (4) Regional Priority — for a total 110 potential points.

The following are the new point levels for certification.

- Platinum (80 and above points)
- Gold (60-79 points)
- Silver (50-59 points)
- Certified (40-49 points)

For the most part this follows the New Construction (NC) format. As for the Materials & Resources (MR) credits it follows New Construction exactly.

The Indoor Environmental Quality (IEQ) credits are a little different from New Construction. IEQ Credit 4: Low Emitting Materials has six (6) subsets and can be worth a total of four (4) points. New for this version is the IEQ Credit 9: Enhanced Acoustical Performance. To help the project achieve this credit, use wood doors that can have an STC (sound transmission) rating of at least 35.

LEED 2009 for Homes was not affected by 2009 v3.

LEED 2009 for Retail is in a pilot program at this time.

LEED 2009 for Healthcare is under development. •

* MR = Materials and Resources; IEQ = Indoor Environmental Quality;
RP = Regional Priority

Rob Ziegelmeier served as President of the Architectural Woodwork Institute in 1996-1997 as well as Chairman of the LEED Task Force from 2003 to 2007. In the past few years he has established Forest Stewardship Council Certification for two companies and conducted numerous AIA Continuing Education presentations on the impact of LEED on the woodworking industry. Mr. Ziegelmeier was employed with Ideal Architectural Doors prior to his current position as a sales representative with Algoma Hardwoods.

**“Leveraging LEED®”****October 8, 2009****1:00 - 3:30 pm**

Rob Ziegelmeier, AWI Sustainability Resources Representative, will present this two-part seminar during the AWI Convention, October 7-10, 2009 at The Westin Alexandria in Alexandria, VA. Join the Town Hall discussions or just come to learn!

Part 1: Clearing the Haze —

This session will dispel the misunderstanding and confusion in completing a successful LEED project. A brief presentation will be followed by an open Town Hall discussion. Share your own experiences with your fellow “Myth Busters” or just come to learn.

Part 2: The Paperwork Bog-Down —

Part two focuses on the resulting paperwork that comes with a completed LEED project. Are you having problems working your way through the LEED accounting forest? Does your staff hide when they know it’s coming? We’ll help you find the clarity needed to have your work accepted for LEED points. •

AWI Trademark Policy Takes Effect; Unauthorized Logo Use Violates Law

Effective immediately, AWI's registered trademarks are restricted to authorized use. Accordingly, AWI members are advised of the terms of the use of the AWI and AWI Quality Certification Program (AWI QCP) logos. Under AWI Trademarks and Copyright Protection (20.5) policy, AWI members are notified of the following:

AWI NEWS

- 20.5.1.1** Use of the Architectural Woodwork Institute (AWI) logo and the AWI Quality Certification Program (QCP) logo is restricted and their use is privileged as provided by AWI and AWI Quality Certification Corporation policy guidelines, most current edition.
- 20.5.1.2** AWI and QCP registered trademarks may not be modified in content, design, color or otherwise be modified from the original format, as established and approved by the AWI Board of Directors.
- 20.5.1.3** Unauthorized use and or modification are a violation of U.S. trademark protection under the provisions of USC 1125.



The policy was unanimously approved by the AWI Board of Directors at its meeting on June 11-12, 2009.

AWI members are encouraged to proudly display the AWI and AWI QCP logos provided permission is obtained and guidelines are followed. Use of the logos associates your company with an internationally recognized association and accreditation program. •

2009 AWI Convention Your Knowledge & Networking Forum!

October 7-10, 2009 • The Westin
Alexandria • Alexandria, Virginia
www.awinet.org

Regular Registration Online
Closes August 27, 2009!



New AWI Members

Manufacturing

Alliance Millwork & Manufacturing, LLC
Trotwood, OH

Cabinets Direct

Eagle Rock, VA

**Cayman National Manufacturing &
Installation, Inc.**

Deerfield Beach, FL

CTB, Inc.

Wyoming, MN

Commercial Cabinetry of Georgia, LLC

Loganville, GA

Distinctive Wood Works, Inc.

Earlville, IA

Faubion Associates, Inc.

Dallas, TX

Fixture Concepts, Inc.

Saint Peters, MO

George J. Rothan Company

Peoria, IL

Keanes Custom Cabinets

Deerfield Beach, FL

Leland Woodworks, Inc.

Leland, IA

Memphis Plywood Corporation

Memphis, TN

Montgomery Woodworks

Tuscaloosa, AL

Patzer Woodworking, Inc.

Mitchell, SD

Phoenix Wood Products Corporation

Niagara Falls, ON, Canada

**Richard E. Stephenson II Construction
Management**

Naples, FL

Scheel & Sharp of PA, LLC

Norristown, PA

Staircrafters Plus, LLC

Manchester, NH

Stanly Fixtures Company, Inc.

Norwood, NC

Struckmeyer Company

Irving, TX

Tate Ornamental, Inc.

White House, TN

Venture, Inc.

Fremont, NC

Welbornhenson, Inc.

Atlanta, GA

Suppliers

Cornerstone Interior Woodworking, Inc.

Garrett, IN

S.I., Inc.

Murrieta, CA

Williamson Builders, Inc.

Plain City, OH •

Everyone Can Be...An Exceptional Presenter

“Don’t just stand there with your arms dangling in front of you, like a T-Rex,” presentation and media consultant Tim Koegel cautions presenters.

LEARNING FORUM

In this second part of our series on presentation skills, we will address

another one of the six characteristics of an exceptional presenter: Being Passionate. The passionate speaker displays good posture and uses defined gestures.

The techniques which Koegel shares with AWI members can be applied in a myriad of situations, including presenting the new *Architectural Woodwork Standards* to colleagues and customers.

Typical Bad Posture

What is the typical presentation posture you want to avoid? “A presenter, who looks at notes too frequently or reads from a speech, does not make eye contact with the audience, fidgets with hands, has poor posture, and has an expressionless face. Looks can be deceiving. You can feel passionate, but look bored. If you don’t look passionate about your presentation, why would your audience be passionate about it?” Koegel says.

The most common standing presentation posture is T-Rex, a Tyrannosaurus Rex with those tiny arms dangling in front of its massive body. “The arms don’t appear to have a purpose,” Koegel notes. “This position presents numerous distracting idiosyncrasies. Avoid it.”

Other positions to avoid and the messages they send are: The “Fig leaf” position (hands clasped together below the waistline) reflects inexperience and vulnerability. “Hands in Pockets” can reflect a nonchalant, passive or over-confident attitude. “Parade Rest” (hands clasped behind the back) will indicate a sheepish presenter or one who is withholding information or hiding something. “Hands on Hips” can exude a defiant or overbearing attitude. “Arms Crossed” appears closed-off.

That is not to say, these postures should be eliminated from your presentation entirely when appropriate; but they should not be used at the beginning of a presentation.

Good Posture

What is good posture when making a presentation? 1) Stand tall; 2) Keep your head and eyes up to connect with the audience; 3) Smile to warm up the audience; 4) Never retreat; and 5) Move with purpose, energy, and enthusiasm. “Your non-verbal messages tend to override anything you say,” Koegel says.

“A presenter’s body language should be consistent. Posture gives the first impression which should be one of a confident, relaxed speaker with hands down at one’s side or on a lectern when standing. When presenting at a table, keep your hands on the table. Send a message of poise and relaxation.

Definitive Gestures

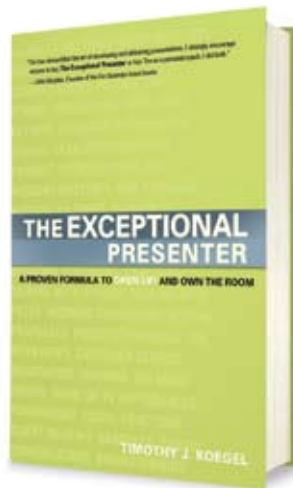
“Gesturing makes presenters appear more knowledgeable and confident. The key is for people to use definitive gestures that are deliberate. Use gestures that help you to paint a picture for your audience. We appear more comfortable when we move freely and we move with purpose,” he says.

Examples from Koegel are: 1) When showing growth statistics with increasing and decreasing numbers move your hands vertically; 2) Illustrate timelines and chronological sequences with horizontal gestures; and 3) Think about what the information would look like if placed on a PowerPoint slide and replicate that with your hands. “Learning how to incorporate gestures into presentations starts with casual conversations. Use of specific gestures can become second nature. Become more self-aware and watch other people to discover what makes sense,” Koegel says.

Tim Koegel’s book, *The Exceptional Presenter*, includes a multitude of sketches of postures and gestures – both good and bad. He recommends that everyone videotape themselves when practicing for a presentation.

“Unless people see themselves, they don’t know what they look like. A videotape is painful evidence, but it’s the best way to learn. The camera does not lie; learn from it,” he says. •

Tim Koegel has conducted workshops for the White House, members of Congress, press secretaries, and government agencies. He provides media training for corporate executives, politicians, athletes, coaches and authors. He is author of the New York Times and Wall Street Journal best selling book, The Exceptional Presenter. He is founder of The Presentation Academy in Annapolis, MD. Visit www.timkoegel.com. •



In this second part of our series on presentation skills, we will address another one of the six characteristics of an exceptional presenter: Being Passionate.

The Do's and Don'ts of Sales Lead Follow-Up

From Jack Warkenthien, Founder of NextStep® Solutions

In June, *NewsBriefs* talked with Jack Warkenthien, founder of NextStep® Solutions, about strategies for successful sales. Here he offers some fundamental tips that the most successful companies in the world follow.

Sales Do's

1. Do preliminary research on a candidate before making a call.

Use the Internet, find an article or topic associated with the prospective client. Find out something about them.

2. Do offer an idea that is unique and specific.

There are four magic words to get an appointment or return phone call. How about this scenario? "Hey, John, I have an idea for you." How many people would turn down an idea?

3. Do alternate between an e-mail and voice message.

Don't presume you know which communication method will be most effective with the client. Stick with the one that gets returned.

4. Do make an exclusive, high value, low-cost offer to get a small yes.

If you know the client has already chosen someone for the cabinet work, try offering a custom finish.

5. Do own and control the next step of the sales process.

There is one sure way to compress the sales process. For example, if I am calling Doug Carney at R&S Commercial Interiors about heightening the visibility of his company, Doug says he will call me. I would take control by saying, Doug, I'm delighted you will take some time to think this over; I will call you by 5:00 pm on Monday.

Sales Don'ts

1. Don't assume that the client knows anything about your company.

For example, don't assume that everyone knows Ted Bolle Millwork in OH.

2. Don't sound like every other peddler who sells something.

Have a valuable message, like an idea.

3. Don't prescribe before you diagnose.

Don't presume you know the client's needs. Be a doctor of sales and don't be guilty of malpractice. I emphasize two things with my clients: premature elaboration (feature, feature) and tactile dysfunction (not connecting emotionally). A sale is transference of emotion.

4. Don't hesitate to call candidates as soon as you receive a lead.

So often we get referrals in passing. Time kills deals. If you get a lead, jump on it like a june bug on sugar.

5. Don't disconnect either in person or on phone until both parties are clear on what happens next.

You may only get one opportunity. What is the next step? •



Jack Warkenthien is the Executive Vice President of Industrial Info Resources and Founder of NextStep® Solutions, sales specialists who deliver training and strategies in areas relating to marketing, service, leadership, and of course, sales. For the past four years, Jack has hosted the widely popular daily, drive-time morning show, called "Where Wall Street Meets Main Street," heard every weekday morning on the BizRadio Network. Mr. Warkenthien has authored the best selling book, *Life's A Sales Call: How to Succeed in the World's Oldest Profession.* •

"How to UP Sales in a DOWN Economy"

October 9, 2009

8:00 – 11:00 am

The Westin Alexandria
Alexandria, VA

During the 2009 AWI Convention, Jack Warkenthien, founder of NextStep® Solutions, will help you maximize your value-added position in the architectural woodwork market. Stand out from the new competitors entering the market looking for a piece of the pie. Learn about the "Five Cs of Relationship Sales:" Contact, Candidate, Customer, Client, and Crusader. Discover why most companies support four of the strategies and forget about the last one. Learn how to grab market share in a down economy and how to take advantage of new sales opportunities. •



Who and How Much...(cont. from page 1)

Best Buyer

Finding the best buyer depends on individual circumstances. Who is the best buyer at the time or two to three years down the road? The risk factor varies according to the buyer as well.

LEARNING FORUM

Transitioning a business to children provides owners with a long time to plan for succession and there is no big squabble about the price. The children typically pay for the business over time. The second type of buyer – company management – is the easiest succession but is more risky. Obviously, management knows the business and has a vested interest in its continued success. The third type – industry player – comes with a large amount of cash at settlement, and is less risky. And, the fourth type – John Doe (individual), generally doesn't put up more than 60% of the cash at the time of transfer, leaving the balance of 40% over five years in which the sale is financed. This is the most risky buyer.

Business Worth

"The second key issue is business valuation," Tucker said. The five years prior to sale is the time to make improvements to the business. This is the time when an owner is grooming the business for sale for ALL types of buyers, with improvements varying according to the targeted buyer. During his "Succession Success" presentation on October 8 at the upcoming AWI Convention, Tucker will share his "Ten to Get Ready" steps for successful succession.

"If your buyer will be an industry player, between now and then, get to know the bigger players in the market, and network to identify the best buyer now," Tucker recommended.

"As you prepare for succession, you need to know how much you require to be financially secure. Owners also need to grow the business to increase its value," Tucker said. How? "Double your marketing efforts and then redouble them. There is a big market out there, and right now it's a 'take away' game. In a recession, don't hibernate – network; get aggressive," Tucker concluded.

Brooke Tucker has 30 years of financial experience, including asset-based lending, business valuation, debt restructuring, debt and equity placements, venture capital and financial and transaction advisory in mergers and acquisitions. He is an Accredited Senior Appraiser, American Society of Appraisers and a Certified Financial Planner. For more information, visit www.tuckercapitaladvisors.com.

"Succession Success"

October 8, 2009

4:00 – 5:00 pm

The market for the sale of a privately owned company today has been severely impacted by the troubling times. A recovery is forecast for sometime in 2010, but you can get ready now to take advantage of a warmer market and to maximize the value of your business. Learn how to value your company, identify the right buyer for the business, find a red hot buyer, and more. Discover the 10 must-do tasks necessary for the smooth hand-off of your business. Get the facts from Brooke Tucker of Tucker Capital Advisors who will dispel misconceptions about succession planning.



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