

Security Hardware Distributors Association

July 2011

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Any Exciting Company News or Articles that you wish to share? Please email them to nweber@shda.org.

Karen Hoffman-Kahl Elected President of SHDA

Karen Hoffman-Kahl, President of IDN-H. Hoffman, Inc. was elected President of SHDA at the Annual Business Meeting of Distributors during the SHDA Annual Conference. Karen follows in her father's footsteps in service to SHDA. Elected Vice President was Steve Dyson, President, IDN-Canada and Treasurer, Lauri Christiansen, Vice President of Marketing with US Lock.

Elected to two-year terms as members of the Board were Sean Steinmann, Vice President of Sales & Marketing with Intermountain Lock and Security Supply and Jeff Floeck, General Manager of H.L. Flake Company.

Congratulations to SHDA's 2011-2013 Board of Directors!

SHDA Members Join Together For Another Successful Industry Summit In Arizona!

SHDA members met again this Spring for the Annual Industry Summit in Phoenix, Arizona. The meeting provides members with networking and educational opportunities and this year was no exception. The Ben Silver Seminar "Deliver the Ultimate Customer Experience" was presented by Chuck Connors with a focus on the sales process and how it is built upon trust and faith. Again this year, the One on One Meetings were a huge success and very beneficial to the attendees.

This meeting was also overshadowed by the recent passing of Al Hoffman. When addressing the joint luncheon of distributors and manufacturers for the first time as President of SHDA, Karen Hoffman shared some thoughts on what SHDA meant to her father, Al Hoffman, and why she chose to become an active member of SHDA's leadership:

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"Thank you very much. Seems to me lately, wherever I go, I'm always stepping into someone's big shoes!

Before addressing the future, I would like to take a few minutes and talk briefly about my father and his relationship with SHDA. But first, thank you, on behalf of my mother, myself, and the rest of our family, for the outpouring of condolences and support we received after AI passed away. We cherish all the thoughts and memories that you hold of him.

Al often said that he had been born to the right parents, at the right time, in the right industry. He entered his father's business flying by the seat of his pants, not really knowing what he was doing, not being able to measure his results, and with very few people to share his struggles with. This association changed all of that for him. It brought him an opportunity to learn, a sense of camaraderie, and wonderful friendships and partners.

For Al, SHDA represented what a group of people coming together could accomplish that no one of us could do on our own. This conference was his absolute favorite event of the year. I know, because a few years ago he contemplated attending the conference and risking a late arrival to his twin grandsons' Bar mitzvahs.

I have a story I'd like to share with you but first can I see a show of hands for any of you who have ever been a scout leader or Indian Prince Guide? Ok. good so, you might really identify with this story. Al once volunteered to be a Scoutmaster. He told me the overall experience had been horrendous, not because of the kids but because of the parents and their expectations. He said he found himself running all around town picking up and dropping off kids and not just to the scout meetings, but to other appointments they had. He said the parents (back then it was usually the mothers) were calling him all times of day and night talking about their kids emotional and physical issues. I asked why he volunteered to do it. He said they needed a leader and he felt it was his responsibility to give back to the community from which he took.

Why am I telling you this story?

A few years ago Jenny Pagano called me and asked if I'd be willing to serve on the SHDA board. I had previously served a short term in the 90's. I told her no. My thoughts at the time were; I had three young school age children at home, a husband with a job, which entailed travel, a company to run, so who needed more responsibility? After we hung up the phone I couldn't stop thinking about my father and his time as a scout leader. It struck me, if not me, who? And if not now, when? I called Jenny back and said sure, I'd be willing to serve.

I will be reaching out to you, particularly our distributor members, for your involvement with the guidance and leadership of this association. I promise you, it is less of a time commitment and less stressful than being a Scout master and more rewarding too.

As for our associate members, thank you on behalf of the association; we enjoy robust participation and are grateful for your generosity in both time and effort.

Now onto the future; I have a couple of goals in mind that I would like to see us accomplish during the next couple of years together;

The first is to see to the implementation of an automated sign up process for this conference. This worthy project began during Steve's term with Peter Berg heading up the search. The impact of this change would be twofold; first, it would open up a wider range of potentially lower cost sites in which to hold this conference, as we would no longer have a need for such a large room for the single purpose of sign up. Second, it would give us flexibility to reconfigure the length of the conference and/or educational content of the conference, resulting in less of a time commitment and therefore lowering our costs. So, I am really excited about this initiative and the options it will provide us. Please keep in mind that we contract two to three years out for our meeting space so this will take a bit of time to get to our end goal.

My second goal is a big one, and I will need your help and want your input to achieve it. It is to build a stronger community within our association. Some thoughts I have to achieve this: is to reestablish the honorable practice of exchanging trade credit

Continued from page 2

references with legal counsel input, when asked by our customers to do so, for our own welfare as well as our customer's benefit, to make use of panel discussions during the conference to address industry trends or concerns, to make better use of our SHDA website, so that it becomes a valuable community asset, to educate our full membership on the value proposition we in distribution bring to the marketplace, to identify affinity programs to offer through the association that can reduce costs within our businesses and enhance the value of holding SHDA membership. Are we competitors? Sure we are, and there are limits to what we will share with one another, but I maintain, there are far greater threats that each and every one of us faces today than the threat we pose to each other, such as our struggling economy, increased government policies effecting business, escalating costs, an aging workforce, not to mention the sheer speed of change itself within our industry. Let's not waste the value in our common bond as members in this association, let's do better at leveraging this network to improve the performance and profitability of our businesses.

We have a rich history spanning 41 years of having our members actively involved with the guidance of our association. I want to encourage you to get involved with one of our committees. You will gain knowledge and insight into our industry and association but most rewarding will be the relationships you will build. We are particularly interested in engaging some of our younger people just coming into our industry so that you can fully realize the value that SHDA can bring to you personally and professionally and the value your participation can bring to your company and to the association.

In closing I want to say, it is an honor for me, not just an obligation, to give back to an organization that has contributed much to the success of my family's business and to follow in the footsteps of the many dedicated people who contributed to the success of this association. I look forward to the next two years and to hearing your ideas. Thank you."

The Summit was filled with a wonderful balance of fun and networking and left attendees looking forward to meeting again in Chicago!∞

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Eight Great Men - Continued

Eight Great Men: SHDA Remembers Arnie Goldman, IDN-Hardware Sales

Arnie Goldman, President of IDN-Hardware Sales, offered his remembrances of eight great men, all lost in the past year. Their impact on SHDA, the industry, their colleagues and families were great and Arnie was kind enough to share his thoughts with the SHDA membership:

When Gale Johnson asked me to write an article for the Know Your Distributor issue of the *Locksmith Ledger*, it was a no-brainer. I wanted to write about the men we lost in the lock industry over the last year, eight men who were good bosses, outstanding salespeople, loving fathers, smart and humble men, inspirations to the industry, and true friends to so many of us.

When Virl and Al spoke last year at this time to a room full of SHDA members celebrating the 40th year of the association, I never thought that the next meeting in Phoenix would be held without Al, this founding member. And when I sat two seats away from Andy Hildebrand, both of us laughing at the stories Al and Virl told, I could not have even imagined that this young man, one of the healthiest looking members of the association, would be gone in a few months, leaving his family's distributorship as well as his wife and young children without a husband and father.

It's been a painful year for SHDA and a truly sad year for the industry. Less than six weeks after last year's SHDA conference and only two weeks after his retirement from KSP, Doug Maston died. When I walk from room to room this year, I will stop and think about the empty chair in KSP's room and the man who occupied it for so many years. Doug was the guy we often saw at the end of the day, when it was just time to schmooze and laugh and talk about old times and customers. Doug was what this industry was all about, a person who did his job consistently well, with a simple product line that rarely changed. This association, it seems to me, was made for guys like Doug, the small businessman who could survive in a cottage industry like ours, who was simply happy to get a

little piece of the market's pie.

Larry Kern was different than Doug. Larry was a consummate salesman for Master, Fort, Kaba, then Securitron and Assa Abloy. He had tremendous energy, he was funny and smart. We joked to each other how hard it was to lose weight and how important exercise was, which he admitted was tough for a road warrior like him. Only a year before he died suddenly at age 59, I strongly recommended Larry be added to the SHDA Industry Advocacy Committee because, as I told Trish and Steve, he was one of the brightest and best people in the industry. And I am proud to say that in Larry's one committee meeting, he surely didn't disappoint. Larry had great ideas and was a strong advocate for this industry and will be sorely missed.

Ernie Pugatch, formerly president of Arrow Lock and SHDA member for many years, proved that a great person's legacy doesn't end with age. Ernie had been ill for awhile but he went through periods of recovery and always made sure to contact those distributors he knew. Ernie was honest, honorable, and very sharp, but most of all, he cared about his friends and wanted to make sure they knew they still had a friend. Just because he lived in Boca Raton and was retired and had no computer didn't mean he couldn't call those he had done business with on the phone, every few weeks until he couldn't any more. When I hadn't heard from Ernie in a few months. I called his home and talked to his wife and heard that Ernie was unable to communicate and knew that I would never hear Ernie ask about my dad or talk about the industry again. Even though he was 30 years older than me, he was truly one of my best friends in this industry.

I didn't know Eddie Mayer of Commonwealth Lock of Massachusetts but the industry surely did. He had built a solid locksmith distributor business and passed it on to his children before he died on October 4th. Eddie said in a *Locksmith Ledger* article, "The locksmith is my business and I treat him as family." I ask you, Isn't that sentiment the foundation of SHDA? Jerry Roraback of Lab, told me, "Ed Mayer was 'one of a kind' like your dad. He built that business with his own hands and was so very knowledgeable and so very liked. Everyone loved Big Ed."

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Eight Great Men - Continued

The future of this industry took a blow when Andy Hildebrand suddenly died at the age of 40. Like so many others in this industry, he joined the family business after college and he had many other passions, especially music. When I read how upbeat and encouraging Andy was, I realized that he was the kind of person who was so critical to this association. Andy received what might be the highest form of compliment from a customer of his, Mike Groves from Federal Lock, who wrote that "it always felt like he was on our team, too, because he was a good soul."

The locksmith industry has been slow to change in 40 years and many of us still sell some of the same locks we sold in 1970. Slow to change is certainly not what you'd call Security Lock Distributors which has been altered radically over the years into one of the biggest distributors in the security and lock industry. Its legendary founder, Sid Schwartz, who built the company from the ground up, passed away last Thanksgiving. Employees and customers alike called him humble, a visionary, a man of passion, a fine boss, and a true family man, who had developed an exceptional family business into a legacy for his children and the industry.

When I was a young member of NLSA, I remember going to distributor parties thrown by Jerry Hoffman, founder and long-time president and CEO of HPC. What a great company, I remember thinking, a company that valued its customers, its association, and all locksmiths. Jerry was so devoted to improving the locksmith industry and dedicated to helping distributors grow profitably. He came to every ALOA show and was a member of SHDA from its beginning as NLSA. But what I remember most is the utter joy that Jerry displayed every conference when he would demonstrate one of his new key machines or locksmith tools to us. He delighted in the purest form of locksmithing and his passion was giving the everyday locksmith a better way to perform his or her trade. As Jerry became ill over the last few years, his absence in these SHDA conferences was always noticeable.

This will be the first SHDA meeting without Al

Hoffman, who died six weeks after his brother. As Frank Belflower from Kaba so eloquently wrote, "Al was the most revered person I have ever had the pleasure to have known. A true gentleman, intuitive businessman, and a presence beyond compare." A true legend in the industry, Al was a great friend and associate to so many of us. He talked to me and many other young people early in their careers that the locksmith distribution business was a good place to be, convincing many of us that we could do something valuable, earn money, and raise families while working in the lock and security business.

Al was a listener and educator both. He listened to everyone with respect, with his ever-present smile and he became very close to so many of us here. He was a pleasure to talk to about anything, food, locksmithing, financials, importing, current events, and of course, family. Any conversation was fair game for Al and boy, did Al have stories, funny, vibrant, memorable stories.

Al and Jerry were not just members of SHDA but were also instrumental in the formation of this association. They were pioneers in this industry when it came to promoting the strong Distributor/Manufacturer relationships that represent this industry. And it is certainly fitting that one of Al Hoffman's last wishes was for anyone who wanted to honor his memory to contribute to the Ben Silver Education Fund at SHDA. In a few minutes, Virl Mullins, one of our revered Association founders and Past Presidents, will come to the podium to talk about what Al and Jerry meant to the association and to him personally.

But before that, take a few moments to imagine what the lock industry would have been without these eight great men. Their contributions to SHDA and the locksmith industry have been immense. Consider the families they raised, the jobs they created, and the good will they spread. Unfortunately, now is the time for our extended family of locksmiths, distributors, and manufacturers to somehow move on without them. Yet, hopefully, we can use their legacies as our guides to be humble and honest businessmen, loving family members, supportive bosses, and encouraging friends.

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These men are no longer physically with us but we still have our stories, memories, and imaginations. Let us imagine that these eight gentlemen are still mingling with us here, but on the upper level. And why can't it be this way? Distributor members Al and Eddie and Sid and Andy lined up on one side of the heavenly table and manufacturer members Larry, Doug, Ernie, and Jerry lined up on the other side. I'd like to believe that they are still here, communicating with each other, their conversations exuberant, their memories richer than ever, their prayers for our well being everlasting.

These eight legends of the lock industry are a part of our shared history. Their memories will stay strong inside us and they will always remain unforgettable members of our lock family.

Please remember these eight gentlemen who have passed away and left us richer for knowing them. ∞

Arnie Goldman is president of IDN-Hardware Sales, Inc. and a member of the SHDA Advocacy Committee.



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A MEMORIAL TRIBUTE – The Brothers Hoffman, Virl Mullins

Virl Mullins, a founder and Past President of the National Locksmith Suppliers Association, now known as the Security Hardware Distributors Association, paid a moving tribute to his good friends, Al Hoffman of IDN-H. Hoffman and Jerry Hoffman of HPC, Inc. Their contributions to NLSA-SHDA are legendary.

Virl noted that he first met Al and Jerry in 1964. He had known their parents, Harold and Frieda, long before that. Harold and Frieda owned H. Hoffman, which was both a distribution and manufacturing firm. Al and Jerry worked for the family business and were not only brothers, but friends and business partners...they did everything together.

In the late 1950s, H. Hoffman split off the manufacturing portion of the business to form HPC, Inc., which Jerry ran.

During the late 1940s through 1970, Al, Jerry and Virl were involved in the founding and formation of NLSA, which Virl reported did very little of note during that time. About all the organization did, was to hold an annual lunch at ALOA, and accuse each other of being a price cutter. The modern day board meetings were first held in the late 1960s. In 1970, NLSA held its first meeting with both distributors and manufacturers participating. In 1971, the Marriott Motor Hotel in Chicago was the site for the first NLSA meeting featuring room conferences. This unique gem of an idea stemmed from the minds of Al and Ben Silver. Al served as the Master of Ceremonies for this meeting.

Al and Jerry both recognized the critical relationship between distributors and their manufacturers and the need to support efforts to bring these parties together for the benefit of their businesses and their customers. The NLSA/SHDA meeting format, devoted primarily to One-on-One Conferences and much copied, is the success it is today as a result of the efforts of distributors like Al and manufacturers like Jerry.

In the early days, there was a major push to build distributor attendance which took off when Jerry Hoffman began hosting his distributor parties. Virl believes that initially, Jerry's parties were a larger attraction than the meeting itself. As Virl noted, no one could forget a party hosted by Jerry – his hospitality had no bounds. As other manufacturers began to understand the significance of Jerry's parties, they were concerned that Jerry got all of the goodwill. Jerry graciously opened his parties to all attendees at NLSA meetings including all the other manufacturers. With the success of Jerry's parties, other manufacturers began to host parties and plant tours.

However, Al and others were concerned that the focus of the meeting was shifting from business to pleasure. They did not want NLSA to be like other organizations where manufacturer spent thousands of dollars entertaining their distributors. Wanting to ensure a business-centric event, a new rule was put into place providing that there be no entertainment during NLSA meetings, a policy which endures today. Unfortunately, this policy ended the era of fantastic parties hosted by Jerry Hoffman.

During much of this time, Al served as President, an active President who had his hand on the rudder of the growing organization. He served on panels and chaired educational projects.

Al's two major goals were to help distributors grow and become more profitable and to provide a forum for education for members of the industry. When Ben Silver passed on in the late seventies, Al suggested the formation of the Ben Silver Education Fund. Seed money of \$10,000 was provided by NLSA. At the time, Al Hoffman, Howard Johnsen and Milt Goldman announced a goal of \$50,000 in funding. Al made many appeals for donations and today the fund stands at \$125,405.92 – a testament to Al's belief in and work on behalf of building a fund to provide education for the security hardware industry. Al remained a Trustee of the Ben Silver Education Fund until his passing.

Al's final act for the association came with his wish to have donations sent to the Ben Silver Fund. More than \$12,000 was collected in his memory. Al's legacy will continue as years of educational offerings will be provided to members of the industry in his name.

Virl concluded his remarks noting that the Brothers Hoffman, Al and Jerry, served NLSA/SHDA well and will long be remembered as two towering figures in our industry.

SHDA thanks Virl Mullins for his heartfelt tribute to two great industry leaders. ∞

SHDA EDUCATIONAL CALENDAR

There is never a better time to train your employees and provide them with an edge on the competition. Due to the success of the sales webinar series last year, SHDA has again partnered with AEA to provide business relevant webinars throughout the year. SHDA is also again sponsoring the Don Buttrey "Sales Bootcamp" and the University of Industrial Distribution program this year. More detailed information, including registration is available at www.shda.org

September 6-8, 2011 Sales BootCamp with Don Buttrey, Dayton, Ohio

March 5-8, 2012 University of Industrial Distribution Indianapolis, Indiana

More Details and Secure Online Registration for all of these exciting events are available at www.shda.org.



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Tip: Prioritize the Needs of Top Talent to Help Create Loyalty

Your top employees know they are the best, and they will seek new opportunities if they do not feel they are being treated appropriately.

Your top employees know they are the best, and they will continue to seek new opportunities if they do not feel they are being treated appropriately in their current organization. To prevent your best workers from feeling overworked and underappreciated, managers need to make sure top talent understand their importance and role in the organization's success, according to HR specialist Patti Redden in <u>A Compensation Strategy Review</u>.

This is especially true as the recovery continues to take hold. Some advice from Redden:

- Identify the core group you must keep and evaluate their retention risk.
- Look at the total value proposition of compensation and benefits, career development, training opportunities and work style options.
- Listen to the needs of this group; be flexible and work to satisfy them whenever possible to help create a sense of company loyalty.
- Recognize and reward this group; consider retention grants and bonuses selectively, as needed.
- Continue to develop top talent for future leadership.

Top talent is in demand even in turbulent times, and they have options, whatever the market conditions. Provide reward programs that keep these employees focused and motivated. They expect career development and training opportunities; they expect differentiation; and they expect rewards. ∞



Secrets of Successful Succession Planning - JoAnne Berg (Wise Bread)

One of the first questions I ask my small business clients is: "Are you planning on working in your current business forever?"

While this may seem like a silly question with an obvious answer, many business owners simply haven't thought about it, and they have no idea how to set themselves up to eventually retire from the business. As a result, they often create a business model that will make it difficult or impossible to do so.

In addition, in many cases the business is their primary asset and will be the main source of their retirement income. For that reason, succession planning (sometimes called exit planning) is a critical part of your strategic plan *and* your personal financial planning.

A second, related question is: "What will happen to the company if something happens to you?"

If you become temporarily or permanently disabled before retirement, you will want to ensure that the business survives while you're unable to work, and if you should pass away prematurely, the well-being of both your family and your employees will also depend on your planning in this area.

Succession planning is different for every business and every owner, but there are a few general places to start.

Planning for retirement

To plan succession in a small business due to retirement, permanent disability or death, you have three basic choices:

Sell to an outsider through an outright sale or a merger.

Sell to insiders (employees, family members or coowners) through a buy-sell agreement that is negotiated in advance, or perhaps through an ESOP (Employee Stock Ownership Plan).

Transition the leadership to a new CEO, but remain in a shareholder role and receive income (or have your family receive income) from the business.

Which one you choose depends on many factors, including:

- The size and type of business.
- The form of ownership and how many shareholders or owners there are.
- Whether or not you have employees or family members who are interested in the business and competent to take over.
- The outside market for that type of business.
- The profitability of the business and cash flow available after paying for professional management, if you keep the business as a shareholder.

Once you've identified the most likely path, your strategic and operating plans should start positioning the business for the eventual transition many years before it is actually expected to happen. Many CPA's, attorneys, and business consultants practice in this area, and you should involve a professional in your planning at an early stage in order to ensure that you've considered all the ramifications of your choices.

Planning for temporary disability

In a very small company or professional practice where there are no employees or partners to take over leadership if you are disabled, the primary option for handling a temporary disability is a Business Continuation Agreement. These are used extensively for small professional practices and other smaller

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Closing Skills in a Down Economy

Written by Allan Colman

What to Do When They Say "Not Right Now"

Not making enough sales and prospects are telling you "not right now"? Take off your blinkers and start thinking creatively about what you can do to link your solution to a current pressing problem that your target market is experiencing. In this article, learn how to discover what your audience needs right now so that you can offer the perfect solution and get the sale.

If you have not been "doing" active business generating activities long before this economic slump began, start doing them now in time for the next economic bump in about 7 or 8 years. Closing skills aren't brought to the table overnight. Unless you are one of those lucky few who inherit a book of business, or win a big case with lots of accompanying publicity, or complete a merger in record time, potential clients are not out looking for you.

Yoda, that great guru from Star Wars, had the perfect message for those looking to land new engagements in a tough economy:

"Do it. Don't Do It. Don't Try."

And if you have not been "doing" active business generating activities long before this economic slump began, start doing them now in time for the next economic bump in about 7 or 8 years. Closing skills aren't brought to the table overnight.

And if you have not been "doing" active business generating activities long before this economic slump began, start doing them now in time for the next economic bump in about 7 or 8 years.

Closing skills aren't brought to the table overnight. Unless you are one of those lucky few who inherit a book of business, or win a big case with lots of accompanying publicity, or complete a merger in record time, potential clients are not out looking for you. Clients frequently ask me what are the most important sales closing techniques to master? And my answer is always the same - build relationships with:

- A Future Client
- An Existing Client.

New business only comes from three sources:

- An Existing Client
- A Referral From an Existing Client
- A New Client.

Assuming the last several years have included time working on growing relationships with current clients, having some additional prospects in your sights, and continuing to develop new contacts, business development consultants would count you fortunate. But for those with no business development training, no access to business development consulting, no mentors to instruct and little familiarity with sales closing techniques, what can you do? Bottom line answer is get busy now and prepare for the next economic downturn.

Let's start with that old marketing bromide, "Know where they go, what they read, who they know. If your practice specialty (s) is focused on specific industries, speaking at those conferences is essential.

Maximize your investment in preparing and presenting the speech by asking a client to be on the panel with you.

Triple your investment by converting the speech into an article published in the target industry's association publication. And here again, ask a client to co-author it with you.

Asking clients or strong prospects to participate with you is a positive business development tactic. These are 2 of the 3 bromide segments: go where they go, read what they read.

For the third segment, know who they know, note that the single best form of closing new business is success for a client i.e.: a big win, a successful settlement, a smooth acquisition, etc. Not only celebrate with them, but ask to "brainstorm" with them and colleagues from other companies, or with their own internal team.

Client retention is strongest when relationship building is 2-way, as this article suggests; give something and ask for something. If you do not have current leads to exercise your closing skills, begin building for the future. ∞





Succession Planning Cont'd from Page 9

The basic idea of a Business Continuation Agreement is that two business owners with similar businesses agree to "take over" the other's business for a limited time if the other is disabled. The professional or business owner who provides the services keeps the revenues, but keeps the business going until the disabled individual can return to work.

A Business Continuation Agreement can also be combined with a buy-sell agreement, which is triggered if the disability is permanent or one of the parties dies. Be sure to consult your legal counsel for assistance in drafting these agreements, as there are a lot of issues that need to be agreed upon.

In a larger business, the temporary disability of an owner should be handled by ensuring that there are employees who are capable of taking over a leadership role in the event the owner/CEO is not able to work. If this is not possible, a plan to bring in an interim executive (and a way to pay that person) should be laid out. In either case, business owners should carry disability income insurance, as it is likely that the company will not be able to pay for interim management *and* continue to pay the salary of the owner while he or she is disabled. It would be a shame to be forced to sell your business for income due to a disability that is temporary.

It is also a good idea to consider "Key Person" insurance. This is life insurance that is owned by the company on the life of the CEO/Owner. In the event that the CEO/Owner passes away unexpectedly, the company can use the life insurance proceeds to hire outside management to keep the business running.

As you can see, succession planning needs to be an integral part of your overall business strategy. Don't be one of the many business owners who leave the ultimate fate of their business to chance!

JoAnne Berg, CPA is the founder/CEO of <u>Peer Coaching</u> <u>Network</u>, Inc. in Carlsbad, California. She is a trusted business advisor with over 30 years of experience as an entrepreneur, CFO/COO, and CPA/advisor to closely held businesses. ∞



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FROM: Jade West, NAW Senior Vice President-Government Relations

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As you all will remember, in 2009 the Department of Labor issued a proposed rule requiring most Federal contractors and subcontractors to post a "Notice of Employee Rights Under Federal Labor Laws." NAW and other groups submitted comments to the Labor Department opposing the notice requirement and specifically objecting to the inaccurate language of the notice.

While the Labor Department did respond to some of the criticism of the flawed and inaccurate language in their proposed notice and made changes in that language, they nevertheless promulgated a final rule requiring that the notice be posted by covered contractors.

Last December, the National Labor Relations Board (NLRB) entered into this issue, publishing "Proposed Rules Governing Notification of Employee Rights Under the National Labor Relations Act." The NLRB rule would require <u>all</u> employers covered by the NLRA to post the same notice that the Department of Labor requires of Federal contractors.

NAW has again filed comments objecting to this proposed rule, arguing among other points that the NLRB lacks the statutory authority to impose this requirement. In addition, the Coalition for a Democratic Workplace (CDW), on which NAW serves as part of the Management Committee, filed comments on behalf of 180 trade associations and employer groups. There is no set date for a final ruling from the NLRB.

To read NAW's comments, go to: http://www.naw.org/files/NAWcommentsNLRB.pdf

To read CDW's comments, go to: <u>http://myprivateballot.com/wp-content/uploads/2011/02/110222_cdw_comments_nlrb_poster.pdf</u>