

Message From Your President



Members,

"Factory orders surge...home sales contracts up" (L.A.Times, 5/5)

While the stock market continues to fluctuate wildly, I see lots of headlines in the business section everyday that are decidedly positive and good indicators for our sector of the economy. No question...the hearth business on the west coast remains more than challenging. But the dealers who diversified, made really hard cost cuts, and kept promoting over the last year or so have started to see slight improvements in sales go right to the bottom line. Osh and Home Depot are hiring faster than people can fill out job applications. Do they know something we don't? Are you ready to serve customers the box stores are simply not qualified to handle?

I join the other board members in strongly encouraging you to bring as many staff as possible to the July Round Up where there will be 5 days of technical and business educational sessions. As the economy strengthens you will need to have all the ability and tools possible to make the most of each sale. The Round Up committee has put together a strong program of information. Plus, many manufacturers and distributors will be there with their latest products...indoors and out.

Keep good thoughts for John Crouch's wife...getting better every day...and congratulations, Kaity, on your marriage!

Spring has sprung! Let's sell some barbecues and outdoor fireplaces!

Amie Ryan
Ryan Brothers Chimney Sweeping

Spotlight of the Month: Curly Orlando Jotul North America, Inc.



Q: How did you get into the hearth business?

A: I started out 32 years ago working for a shop that sold doughboy pools and box woodstoves fresh out of high school in 1978. I cleaned the pools and helped with delivery and set up of the pools and woodstoves. A year later I started working for a spa and stove shop in Fairfield, CA doing sales and installs. Since then, I've operated a retail store, been an independent sales rep, in management for a distributor, and now I'm with an internationally respected manufacturer.

Q: What is the hardest part of your job?

A: Staying up to date on the technical side of the industries' products. Every year there is a new and improved valve/remote/widget...something. All very high tech. But we "old dogs" learn new tricks every day in product development.

Q: How about the best part of your work?

A: Countless things...First, I've been so fortunate to work for some real good folks in our industry, Guy and Sharon Fasanaro, Jay Hanson, Kirk and Craig Newby, and now Bret Watson and the Jotul North America Group. I've learned so much from them. Great professionals, all of them. Then there are the dealers that I have come to know over the years that have become my friends. We've shared stories, dealer meetings, ball games and home shows together. We've watched our kids, our families, grow up. It really is the people that make my job great. How lucky am I? I get paid for doing something I love.

Q: What keeps you going each day?

A: That's easy, it's my family. My bride Lorraine, my three kids and being a Poppy to our grand-daughter (really cool being a grandpa). For me, family is the best motivator.

Q: Do you see the economy loosening up in your market place?

A: Yes, I have seen it getting better in parts of California and Nevada, but there are a few areas that are still struggling with their local economies. Unfortunately, I don't think we've seen the last of store closures, but I think we have seen the worst of it. Dealers are seeing spurts of new construction and remodel customers coming in. One of the positive outcomes of this market adjustment is that business owners are running tighter operations now, truly becoming better business owners. They have found ways to cut waste, eliminated or greatly reduce dead inventory, reinvest in their store display's. They just seem more focused than I have seen in a long time. As a rep, I do my best to lend advice and support to all of my customers.

In the News

- Businesses that rely on U.S. mail will pay 5% more on average in 2011. Declining volume...the same problem behind the decision to end mail delivery on Saturdays...will also push prices up at almost twice the rate of inflation, also, a hike in first class mail...from 44 cents to 46 cents. Try to stock up on "forever" stamps.
- Appliance makers and retailers will get some help this year: Up to 10% sales lift from a federal Cash for Clunkers appliance program...\$300 million incentive program covering Energy star rated clothes washers, refrigerators, freezers, water heaters, dishwashers, and heating and cooling systems. The rebates administered through the states should push sales to \$22 billion this year, but that is still down 15% from the record hit during the housing boom. For retailers...an extra boost, as consumers in need of one appliance, decide to spring for another as well since the government is paying part of the tab.
- Nuclear power is on the cusp of a big reemergence. The likely enactment of carbon dioxide emissions controls that will make coal more expensive plus safer operating technology have more utilities preparing to build new reactors. Wall St. is interested too. Investors like new government backed loan guarantees. They also like that utility company mergers over the past 10 years have left utilities in better financial shape to take on loans to finance plants of up to \$10 billion each.
- Soon to be underfoot: A new and improved generation of domestic robots. Driven by advances in microprocessors, software, miniaturized cameras, materials and WiFi, the mechanical helpers can do far more than just vacuum. In the works: Automotons that can sniff for gas leaks, watch for intruders when you're away and let out a shrill yell while calling police if they spot any...remind you to take and assist the infirm. Some do windows too.

Round Up 2010

July will be here in no time! If you haven't signed up, do so now! Over 20 exhibitors will be at Round Up with Wood, Pellet and Gas NFI certifications available. Here's a current list of exhibitors:

Black & Stone	Napoleon	Comtec Dist.
Archgard	RHP	HHT
Saver Systems	West Oregon Wood Products	Blaze King
Jotul	Kuma Stoves	AES
West End Brick 'n Fire	Lignetics	BOSCA
Monessan	Pilgrim	
Montigo		And more!

Our website has registration forms as well as other event information. July 17-21, Ontario Convention Center, CA. Call the affiliate office with questions. 626-237-1200.

This Just In...

Sacramento's Check Before You Burn Program final numbers:

12 Stage 2 days called in comparison to 2009 when there were 28 Stage 2 days.

9 Stage 1 days called in comparison to 2009 when there were 10 Stage 1 days.

Sacramento also issued 136 violations and received 172 complaints.

Update on Crouch Family

As many of you know, John Crouch's wife and daughter were in a very bad car accident about 8 weeks back. While Doris, John's wife, is still in the hospital, positive progress is being made. There's still a long road ahead as her injuries were severe. John's daughter, while still going through some physical therapy, is back in school and doing well. All the prayers, support and well wishes are appreciated by John who has always been very close to our Pacific family.

Important Advice!

We've said it before and we'll say it again: Remind your employees that emails and other electronic communications are not private, and are very much subject to discovery in the course of litigation. If you don't want to see it in bold face print in the national news media or on a large screen before a jury, don't email it. Emails linger in the computer's memory for years and years and years- and are subject to disclosure at the most disconcerting times.

Don't Get Mad...

"Don't get mad, get even!" It's better as a sound bite than a policy. An employee in Texas was terminated and her access to the medical center's computer system was closed....so they thought. From her home computer she was able to access the system and she erased numerous database files and software applications related to the center's operations. She was not successful in covering her tracks. She subsequently pleaded guilty to charges stemming from her activities and is awaiting sentencing to a federal prison and a hefty fine. Some lessons here for employers and employees: employees who pull such reprisals are typically caught and face serious jail time and fines. Don't get mad and try to get even. And, employers had better lock up access to their systems, and should change system access passwords when personnel leave for any reason.

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