

MAY/JUNE 2015

THE HAI HARDWARE JOURNAL

THE VOICE OF THE IRISH HARDWARE INDUSTRY

CREDIT CRUNCH

MERCHANTS FACE CRITICAL CREDIT CHALLENGES

ALSO INSIDE:
FOCUS ON FINANCE

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Adaptability drives
Archers' success



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DEAR READER,

This issue has a strong financial focus. Our cover story looks at some of the critical credit issues currently facing the trade (see page 15); there's legal advice on debt recovery (page 24); and John Hassett, a merchant and accountant discusses some key financial concepts and how they apply to your business (page 18).

HAI's Business Index continues to attract more participants and the latest update is on page 4.

And for those of you who didn't make it to the Hardware Show, you can read all about the winners of the Innovation Awards at the Show (page 28).

Enjoy the issue!

Bernard Potter, Editor

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HAI launched the first in a number of training initiatives in April with the first day of a Digital and Social Media Marketing Bootcamp.



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HAI BUSINESS INDEX SHOWS POSITIVE SIGNS FOR MEMBER REVENUE

A total of 30 members, who between them have 110 branches, completed the third HAI monthly business index of net sales for the first quarter of 2015.

This was an increase in participants from the January starting point with 23 members and 89 branches. The infographic has been updated to show the first quarter results.

Total member revenue at the end of Q1 2015 shows a 13% increase on the same period last year. All categories of firm indicate a year-on-year Q1 rise. Sector revenue in March 2015 rose 13% month-on-month. The month-on-month rise in March 2015 was also evident across all categories of firm.

The updated 2014 Index confirms that Q3 accounted for the highest percentage of members' revenue in 2014. September and October were the highest grossing months last year. Q3, 2014 was consistently the highest grossing period for members – particularly for branches with less than 10 employees.

The Index presentation of overall monthly revenues confirms that September and October were the months where revenue most exceeded the 2014 monthly average. December, January and February were the weakest months in 2014 for revenue.

This increase in data confirms trends published in the previous edition of *The Hardware Journal* and shows a continuation of revenue increase on 2014.

To participate in HAI's monthly business index, please contact Jim on 01 298 0969 or jim@hardwareassociation.ie



GRAFTON REPORTS POSITIVE MARKET CONDITIONS IN EARLY 2015

Market conditions were broadly positive in the early part of 2015 according to Grafton Group plc, the builders merchanting and DIY Group with operations in the UK, Ireland and Belgium, which recently issued its Interim Management Statement for the period 1st January 2015 to 30th April 2015.

The continuing recovery in the Irish and UK economies and development activity supported volume growth in the Group's businesses which primarily serve the residential repair, maintenance and improvement (RMI) and new build markets.

Group revenue for the four months to 30th April 2015 increased by 6.7% to £698 million (four months to April 2014: £654m) and by 9.6% in constant currency.

The strong momentum in revenue growth in the Irish Merchanting business that started in the second quarter of 2014 continued into 2015. Residential RMI activity was the key driver of improved demand as the recovery in the wider economy gathered pace according to the interim statement. The gradual recovery in house building, from the exceptionally low levels of recent years, was concentrated in the Greater Dublin Area and provincial cities. There were early indications that a recovery is starting to take hold in the civil and commercial segments of the market. Grafton's DIY business in Ireland benefitted from modest revenue growth as the recovery in the wider economy started to slowly transition into the retail sector and DIY market following a prolonged period of flat or declining revenue. Management continued

to implement operational changes and refocus the business on Woodie's core strengths of DIY, Home and Garden.

Operating profit for the seasonally quieter period to the end of April was ahead of the corresponding period in 2014 and reflected

a slightly higher Group operating profit margin. It is anticipated that operating profit will be more heavily weighted towards the second half of the year reflecting the benefit of both ongoing development and margin improvement initiatives. Gavin Slark, Chief

Executive Officer of Grafton Group plc commented: "The Group is well positioned to benefit from growth in its markets and from ongoing development activity that will support further progress towards the delivery of its medium term targets outlined earlier this year."

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PESTICIDE TRAINING & REGISTRATION REQUIREMENTS

If a Builders Merchant/Hardware Retailer wishes to continue selling Plant Protection Products either for Professional or Non-Professional use then they must successfully complete the relevant training programme. **A laminated Pesticide information flyer for in-store use is available with this issue of *The Hardware Journal* and additional copies are available from Hardware Association Ireland.** From 26th November 2015, a registered distributor/retailer must be available at all times at the point of sale to ensure that adequate information is provided to customers as regards pesticide use and health and environmental risk and safety. In order to register as a Pesticide Distributor (PD), you must first be appropriately trained.

FOR PROFESSIONAL USE PRODUCTS:-

In order to be eligible to register as a PD (Professional Use Products), you must first successfully complete the FETAC Level 5 Handling and Distribution of Pesticides (Code 5N2466) or equivalent. Once you have done so, you can apply to register as a Pesticide Distributor online at www.pcs.agriculture.gov.ie/sud/ To maintain registration, trained distributors (Professional Use Products) will be required to maintain Continuous Professional Education (CPE) at www.iasis.ie

MBE Skillnet is coordinating this professional use products training and has already delivered courses in Longford, Westmeath, Kildare, Cavan, Wexford, Tipperary, Galway, Kerry and Roscommon.

Training is due to commence in Carlow /Kilkenny/ Donegal in early June. Courses during the summer months are on a demand basis only and subject to minimum numbers. Scheduled training will commence again in Cork in early September and all enquiries regarding this training or any other training need, should be directed to Michael Lynch, MBE Skillnet Network Manager, 087 3594116, michael@mbeskillnet.ie .

FOR NON-PROFESSIONAL/AMATEUR USE PRODUCTS

In order to be eligible to register as a PD (Amateur/Home garden products ONLY), you must first successfully complete the online course (one hour) for Pesticide Distributors of non-professional/amateur products. This course is available now at www.iasis.ie

Once you have done so, you apply to register as a Pesticide Distributor online at www.pcs.agriculture.gov.ie/sud/

COLOUR DASH RACES BACK



Spin 103.8's Daniella Moyles and Cormac Moore help launch the Irish Cancer Society's Colour Dash 5k, which this year takes place in Galway on June 21st, in Cork on June 28th and in Dublin on July 11th.

Crown Paints will once again sponsor the Irish Cancer Society 'Colour Dash' 5k, with three locations for 2015. The first event sees Colour Dash come to Galway for the first time ever as 'dashers' will take to NUIG on Sunday 21st June, followed by a return to Cork where the event is moving to a city centre location on Sunday 28th June and finally the flagship event in Dublin will return to Phoenix Park on Saturday, 11th July, following a sold out event the last two years. Colour Dash is a five kilometre run that sees participants of all ages running, walking or jogging the course.

Kevin Whelan, Marketing Controller, Crown Paints Ireland Limited said "We're delighted to be involved with the Colour Dash again this year. Best of luck to everyone planning to take part from all of us at Crown Paints."

To register for your place CallSave 1850 60 60 60 or visit www.cancer.ie



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BERTHOUD ANNOUNCES IRISH WIRE PRODUCTS AS DISTRIBUTOR



Berthoud Sprayers has announced Irish Wire Products (IWP) as its new distributor. The new directive on working with pesticides requires all professional pesticide users to be trained and registered with the Department of Agriculture and Berthoud Sprayers says that its products are the preferred demonstration unit of many of the leading course trainers.

Berthoud sprayers come with a five-year guarantee and 10-year after sales service. All the components of the sprayer are available in spare parts and availability of parts is guaranteed for at least 10 years after production of device has ceased. According to Berthoud, all sprayers offer high performances as well as comfort and safety in use. Sprayers give unrivalled precision during applications, the right dose in the right place to avoid expensive overdoses for user and the environment.

FLEETWOOD APPOINTMENT



The Board of Fleetwood Sherwin Williams has announced the appointment of Stanley Buckley to the position of Managing Director of FSW Coatings Ltd and Director of Fleetwood Paints Ltd.

Stanley has worked with Fleetwood/FSW Coatings since 1987 and previously held the position of Financial Controller. Stanley is a Fellow of the Institute of Certified Public Accountants, holds an MBA from Aston University and has completed the Leadership Programme at the IMD Lausanne in Switzerland.

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TOPLINE ROGERS CELEBRATES 145 YEARS

Topline Rogers in Ballymote, Co. Sligo celebrates 145 years in business with celebrations on Saturday 13th June. Dermot Bannon architect from RTE1's Room to Improve will be the main guest from 12-3pm. A marquee will be set up in the yard where trade stands will be open from 9am-4pm to talk to all their customers.

The day will feature the Dulux Dog, Dulux Colour consultant, BBQ, Face Painting plus lots of discounts. Local radio station Ocean FM will also be there to cover the celebrations. Padraig Rogers comments: "To reach 145 years in business and to be the fifth generation is a major milestone. We feel that it's fitting that we mark occasion."

TIMCO LAUNCH SANITARY FIXINGS



The range offers a selection of complete fixing kits for installation of sanitary ware.

Continuing to grow their collection of more than 5000 different products lines, TIMco, one of the UK's largest independent suppliers of screws, fasteners and fixings, has launched a new range of sanitary fixings. The launch fits with TIMco's strategy to extend its range of products to builders merchants and fixing and fastening specialists. The range offers a selection of complete fixing kits for quick and easy installation of sanitary ware, including; wash basins, toilets and bidets. The new products are suitable to use with a variety of solid building materials including concrete, natural stone, brick and timber.

All Sanitary Fixing products come in TIMco's 'pre-pack' packaging, meaning all necessary fasteners and fixings are included in the pack to complete a job. The packaging and merchandising also provides details of how the products can be used and their most effective applications.

Simon Midwood, Managing Director of TIMco comments: "Our latest Sanitary Fixings range has been created to TIMco's high standard to ensure each and every product is of a superior quality and is produced in our 'pre-pack' packaging to guarantee user ease."

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HAI PRESIDENT'S PRIZE

The HAI President's Prize competition was held on 24th April, 2015 at Carlow Golf Club and was sponsored by Crown Paints.

PRIZE WINNERS:

OVERALL

		Pts.	H/Cap
1st	Tom O'Connor	39	(22)
2nd	Brian Murphy	37	(14)
3rd	William Carey	36	(17)

CLASS 1

1st	Martin Rowe	36	(7)
2nd	Vincent Hyland	34	(13)

CLASS 2

1st	P J Gunn	33	(16)
2nd	Bill Kelleher	32	(19)

CLASS 3

1st	Paddy O`Leary	35	(23)
2nd	Dermot McFeely	32	(28)

LADIES

1st	Brid Gunn	29	(16) BB9
2nd	Kathleen Lynch	29	(23)



Winner of the HAI President's Prize, Tom O'Connor with Hugh O'Donnell, President, HAI.



Winner of President's Prize for Ladies was Brid Gunn with Hugh O'Donnell, President, HAI.



Winner of second prize in the Gentlemen's Competition, Brian Murphy with Hugh O'Donnell, President, HAI.

HAI Golf Society Captain's Prize will take place at Castlecomer Golf Club, Kilkenny on Friday, 26th June, kindly sponsored by Irish Abrasives. Captain Martin Rowe welcomes all members to his home course, tee times available from William Dixon, 086 0708761.

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EXPERT HARDWARE OPENS NEW STORE IN 'CARRIGSTOWN'



Expert Hardware's new outlet in Fair City's Carrigstown.

Expert Hardware and RTÉ recently announced a three-year sponsorship deal that has seen an Expert Hardware store open in Fair City's fictional Carrigstown.

Expert Hardware have a confidentiality agreement with RTE, so the group's Chairman David Baker does not discuss details of its three-year strategic plan to maximise the impact of its sponsorship but he says it will be exciting and innovative. He comments: "Expert Hardware Stores provide an important, personalised local service in towns and villages across Ireland which makes this partnership with Fair City a perfect

fit. It's going to be an exciting three years and among the highlights will be the inclusion of the store in the storyline of two of the main characters, 'Pete' and 'Damien'." He reveals to the The Hardware Journal that the investment involved amounts to a six-figure sum which has been supported by some valued preferred suppliers to the Expert Hardware Group and he is confident it will prove money well-spent: "There's a great camaraderie to soap watching in Ireland and I think the inclusion of the Expert Hardware store in Carrigstown will have a significant impact on the image of small to medium-sized hardware stores across the country. For anyone who has a dated view of hardware stores, the Expert Hardware premises on Fair City will be an eye-opener. "Expert Hardware manages the layout and merchandising in the shop and the 'staff' wear the full Expert Hardware uniform with logos, etc. It is very much a store of the future. It will give a new lease of life to the public perception of hardware stores and,

I believe, help create interest in the business among a new generation of hardware retailers."

In his view, the investment by Expert Hardware is a landmark development: "It's a major breakthrough to have a group of small and medium-sized hardware stores achieve a prime position on such a popular show in homes across the country."

Fair City is watched by an average of nearly half a million viewers, four times a week on RTÉ One. With that large audience, the store placement represents an equally sizeable opportunity for the Expert group of stores, David believes: "We explored this concept extensively before taking the decision and research indicated that this three-year deal would have a marketing impact on our business equivalent to that of 17 years of more traditional approaches. For the Expert Hardware management team, this initiative has involved eighteen months of hard work and sustained commitment but the end result makes it all worthwhile."

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Topline Quinns

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Business: Builders Merchant

Watersave Ltd

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Business: Plumbing & Hardware

Wogan Build Centre

Ballymakenny Road, Drogheda, Co. Louth
Contact: Derek Wogan
T: 041 9830511
E: sales@wogans.ie
www.wogans.ie
Business: Builders Merchant

HOMEVALUE CELEBRATES LOCAL TRADESPEOPLE

Homevalue, the retail brand of Irish hardware buying group Associated Hardware, has teamed up with Peugeot Ireland to launch a nationwide commercial van competition aimed at acknowledging the contribution of local tradespeople to their stores.

The initiative, which will see a brand new Peugeot Boxer, crowned overall Van of the Year 2015, up for grabs, is the first of a number of similar initiatives planned by Homevalue and Peugeot as part of their national partnership.

Commenting on the launch, Paul Thompson, CEO of Associated Hardware said, "With builders back building we were keen to show our support to the trade and are delighted to have teamed up with Peugeot for this wonderful initiative."

"We are committed to supporting our customers where possible and hope to launch a number of further initiatives aimed at supporting tradespeople in the future."

The recent uplift in construction activity is now trickling through to the motor trade as builders have helped push the sales of new light commercial vehicles up a massive 60% so far this year when compared with the same period last year, according to The Society of the Irish Motor Industry.

As part of the campaign,

the Peugeot Boxer will travel to each of Homevalue's 50 stores nationwide where it will be on display for customers. Trade customers can apply online for a chance to win at www.homevalue.ie.



Kilkenny hurler Martin Comerford from Gypsum Isover, with World Plastering Champion, Patrick Doran, and John Bolger, Bolger's Homevalue Ferns at the Homevalue Win a Van promotion held in Ferns recently.



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WHAT THE NEW BUILDING REGULATIONS MEAN FOR YOU



Why is everyone talking about building regulations right now?

The specifications for buildings themselves have not been changed, but rather the system which we can ensure these specifications have been met. The amendment is called *The Building Control (Amendment) Regulations 2013* (BCAR or SI.9).

What changes are being brought in with *The Building Control Regulations 2013*?

More Documentation will now be required, overseen by an Assigned Certifier, who must be a chartered building surveyor, a chartered engineer or an architect registered with the Royal Institute of Architects of Ireland (RIAI).



There are 5 extra documents that need to be completed. The Commencement Notice, or 7 Day Notice, that must be sent to the relevant local authority before construction can begin, must now be signed by the owner of the works & accompanied by some other documentation, including:



01
Outline Plans
and Documentation



02
3 Certs of Compliance
(by a design professional, the Assigned Certifier and the builder commissioned)



03
Cert of Compliance
on Completion

When will these changes come into effect?

They already have, as of the
1st March 2014

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Sources for this infographic can be found at: <http://bit.ly/buildingreg>

CRITICAL CREDIT ISSUES NEED TO BE ADDRESSED

Credit continues to be a major concern for builders merchants and hardware retailers, even as a general economic recovery takes hold. From a lack of understanding among the banks to a widely held perception of the local hardware store as a 'credit business', merchants say that credit remains a critical issue.

The EU Late Payments Directive was introduced into Irish law in March 2013. The Directive lays down the specific deadlines for the payment of invoices and establishes a right to compensation in the event of late payment in all commercial transactions.

The main points of the Directive are:

- Public authorities must pay for the goods and services that they procure within 30 days or, in very exceptional circumstances, within 60 days.
- Enterprises should pay their invoices within 60 days, unless they expressly agree otherwise and if it is not grossly unfair to the creditor.
- Enterprises are automatically entitled to claim interest for late payments and can also claim compensation for remaining reasonable recovery costs.
- The statutory interest rate for late payment is increased.
- Enterprises can challenge grossly unfair terms and practices.

In April of this year, the Government launched a new online portal aimed at encouraging businesses to pay their suppliers on time. Enterprises of all sizes in Ireland can now become signatories to the Prompt Payment Code of Conduct through the website www.promptpayment.ie A quick check on this website as of mid-May suggests that the reach of this code has been negligible as almost 100% of the signatories to the code are Government departments, semi-states or the larger business representative organisations.

Has any of this legislation and encouragement made any difference to HAI members struggling to manage? Surely negotiation must be at the heart of late payment collections in order to protect the integrity of the supply chain, otherwise the balance will remain tipped in favour of those with resources to prosecute, and sadly, that will never be the small business owner.

Merchant perspective

John Webb O'Rourke, Cahills Homevalue, Kilmallock has seen a general tightening up of credit terms from his suppliers. "Suppliers who were giving you 90 days for



Debt collection is time-consuming but essential work.

instance have now gone down to 60 and so on. But the delivery of product is very efficient and we aim for just in time delivery so that the customer gets what's required, when it's required."

An overall tightening up of credit would not necessarily be a bad thing, he believes but it would have to be consistent across the board: "If a tighter credit management system is going to work, it has to be followed through at all levels of the business, if I'm going to be expected to pay my suppliers promptly I need my debtors to do the same." John has built up a good relationship with his builder clients through the difficult years of the downturn and he's finding they are paying much more promptly now: "I'm finding you don't have to chase them up. They're proactively settling up themselves. The problems tend to arise with customers buying smaller quantities of products."

Invoice discounting

Cahills Homevalue has operated an invoice discounting system which allows the business to draw down cash on debtor invoices but, John says its an expensive measure: "And you still have to work to get the job in; you still have to be stringent on your collections."

At one time, John had a sales rep who also managed debt collection but with the downturn he had to bring the collecting work in house, where it is time-consuming but essential work. "It takes a lot of hard work and persistent effort but in my view efficient debtor management is as important, if not more important, than good sales management. Achieving high sales is a futile exercise, if you don't get your payments in quickly and efficiently. Good

debtor management is crucial to the bottom line for the business."

John believes that full enforcement of the Construction Contracts Act, championed by Senator Feargal Quinn, will be helpful in improving the overall credit situation: "The Act is intended to help protect the type of smaller contractors who do plumbing and electrical work and to ensure they see some sort of payment for work done. Most of our builder clients are smaller operations, made up of two to three people. If the subcontractor gets hit, the merchant gets hit, so full enforcement of this act would have very positive knock-on effects for builders merchants."

Another factor that would help alleviate credit pressures, would be a more understanding attitude from the banks, John believes: "I don't believe that the banks appreciate the seasonal nature of the hardware industry and the natural cycles of the business. There is an urgent need for a dedicated banking service for builders providers. I think this is something that all the major merchant groups and HAI should cooperate on. The business has the same seasonal trends, no matter what groups or suppliers you're talking about, so if representatives of the groups and HAI sat down with the banks, outlined the realities of the business and agreed a realistic cash flow model, I think this would be a real benefit."

Credit culture

Paul Harrington, proprietor of Harrington Arro in Castletownbere, believes that there is a culture prevalent in Ireland where hardware stores are seen as credit businesses: "There seems to be an expectation or an assumption that builders merchants will extend credit." Just like John Webb O'Rourke, Paul finds that the main payment problems arise with smaller payments in relation to renovation and home improvement purchases: "It even extends to the kind of purchases where someone is, for instance, buying four or five sacks of coal. This perception of extended credit facilities being available is far less common among grocery retail stores. In most grocery retail stores, you'll see signs saying 'no credit' prominently displayed." He's aware that it's a complex problem and change won't be achieved overnight: "It's not a simple problem to solve, particularly for local stores in small town locations like my own. You know your customer, you meet them every day on the street and you want to be fair to them but you have to maintain the viability of your business too."

It's urgent that something be done, Paul says: "Builders merchants are part of the backbone of business life in towns and localities all around the country. They provide valuable services and employment in their communities and, if something isn't done, these credit issues will lead to business closures."

If the public mindset is to change, Paul believes it will take an industry-wide commitment: "Any initiative that we take as an industry will have to be consistently supported across all the groups and throughout the country. With the economy finally showing some positive signs, this is the year to establish some standards."

"The key is to change the perception that the local hardware store is a credit business. Everybody has to move together, so the HAI, the groups and the independents need to come together on this initiative. That's how the message will hit home."

GOING TO WAR

In January 2013 the UK Government declared it was 'going to war' on the issue of late payments, it's this kind of assertive action that we need here. In the space of two months and under the threat of being 'named and shamed' there had been a noticeable shift in UK businesses response to the issue, largely due to the media and politicians keeping it front of mind. Independent analysis from Experian suggested that signatories to the UK equivalent of our Prompt Payments Code represented over 60% of total UK supply chain value.

Whilst the Prompt Payments Code is a welcome initiative it is not enforceable so without an appropriate campaign with real voice, energy and commitment the industry will continue to struggle. Turn over the page to see what HAI suggests you do for your business and watch out next month for HAI's policy manifesto in preparation for Budget 2016.



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EDRA IDENTIFIES KEY CHANGES IN STORE FOR DIY RETAILERS

Today, there are several important and rapidly evolving transformations taking place in the way retailers and their customers interact. The European DIY Retail Association (EDRA) has looked at some of the changes taking place in the home improvement sector and what they mean for retailers and customers alike.

Already, the DIY customer is often highly involved in the purchasing decision. DIY demands a level of understanding of the product, how it is used and whether the customer has the skills to properly handle it. As a result, the physical store has always played a particularly important role. When a consumer urgently needs a product, they are unlikely to want to make an online purchase when their need is immediate.

But change is taking place. In Germany, amongst the top three largest DIY retailers, one is an online retailer with no physical store presence. A growing number of customers are content to only purchase DIY products online, particularly among the male population.

Empowering the customer

But instead of running away from the competition, retailers are embracing it, by giving the customer more control, and convenience in their shopping experience. And they are doing this by deploying new technological innovations in other parts of the customer journey. For more on technological innovations specifically, see the report on GlobalShop on page 36.

Being empowered isn't confined to simply purchasing goods, it also applies to greater demand for information about products. In 2015, retailers are serving a better-informed and educated customer base, with easy access to information, who tend to be more demanding and inquisitive about the products they buy.

This has implications for product labelling and traceability, ensuring retailer due diligence systems are robust and sound, with intimate knowledge of the supply chain that can be provided to the customer quickly and clearly. Similarly, review websites, price check apps, and social media will also grow in popularity and trust.

Retail in 2015 will continue to be driven by the needs and preferences of two prominent generations: those in their 60s – 70s and the 'millennials' (18 - 34 year olds).

The more mature shoppers will need an easier shopping experience; this could include changes to store layout, such as areas for people to sit down, larger in store signs and clearer packaging and labeling.

A broader, and perhaps even more profound change between these age groups is a generational DIY skills gap between the over and under 35s, between homeowners

and renters. Younger consumers are now more likely to go down the Do It For Me route, hiring in professionals or asking their parents to fix their homes.

In the UK, research suggests that anything from rewiring a plug to unblocking a sink can prove too much of a challenge for many under 35s. This is not a universally shared trend in the whole of Europe though. In Finland, retailers see young people doing more in the home, conscious of the ongoing recession and more careful in how they spend their money. DIY retailers are adapting to a changing world with softer concepts, more space for home furnishings in place of construction products, electronic screens to illustrate products, more accessible garden sections and decorating zones.

Building loyalty

As retailers compete more intensively for customers, so loyalty has risen up the scale of priorities. Retailers will aim to build loyalty by providing highly personalised services. Location-specific marketing, with store offers arriving on mobile phones while the customer is browsing, replacing loyalty cards with customised rewards and incentivising customers to share information.

Better trained staff will evolve more into positions of an advisor or problem solver, and in doing so build stronger relationships with customers. This is all part of moving away from the points-for-purchases model into a more personal approach to rewarding customers.

Rapid innovation in retail packaging will continue, with circular economy principles of reducing the amount of materials used, increasing product shelf-life, reducing the amount of energy needed, increasing the use of recycled materials becoming more mainstreamed.

The backdrop to this shopping revolution is however, an economy struggling to shake off the aftermath of the financial crisis. Continued uncertainty in the Eurozone is hampering a prolonged return in consumer confidence. The DIY market will not fully recover until stable growth returns. The sector is highly cyclical, and trends in home improvement industry are closely linked with the performance of the housing market.

To increase sales in this market, retailers will need a flexible supply chain allowing stores to hold the right products at the right time.

FOCUS ON FINANCE

WHILE 2015 WILL PROBABLY BE THE MOST PROFITABLE YEAR IN SOME TIME FOR A LOT OF HARDWARE STORES, PARADOXICALLY SOME MAY FIND IT THE HARDEST YEAR SINCE THE CRASH TO PAY BILLS, AS GROWTH REQUIRES ADDITIONAL FUNDING. IN THIS ARTICLE, JOHN HASSETT WILL EXPLAIN SOME COMMON FINANCIAL CONCEPTS AND HOW THEY APPLY TO A HARDWARE BUSINESS.



Finance tries to quantify business in monetary terms, taking account of risk and time. Interest rates reflect the cost of money over time and the risk of the borrower. Entrepreneurs spend one euro today and hope to make two in three years' time, they track their progress using a profit and loss (P&L), balance sheet and cash-flow statement.

Profit and loss

A P&L measures the business' performance over a given period of time. It is prepared monthly; displaying the current month and year to date, and last year as a good basis for comparison.

It matches the income of the business against the cost of goods

(margin) and expenses incurred in earning that income. Costs are separated into costs directly related to goods sold and overheads. The difference between sales and cost of goods sold is net margin. Overheads are paid out of margin. If there is anything left over, then that's profit, representing the reward for those who put up the money to finance the business.

"Margin is not something it's everything"

Margin is key to increasing profitability, monitoring changes in it and ensuring it is not given away needlessly. To achieve this, record your margin as product flows through your business, mainly at three points:

- Back Door Margin (BDM) – margin earned if all product was sold at the RRP;
- Gross Margin (GM) – BDM less discounts and promotions, reported by point of sale (POS);
- Gross Margin (NM) – GM less waste and unexplained stock losses, as per P&L.

Unexplained stock losses traditionally run 3% to 4% in the hardware industry, e.g. sales of €2m typically result in €80K stock losses, €20k caused by customers and €60k by staff. A cheque is not written for this loss and so it may remain invisible; year-end stock takes may pick it up. Stock losses can be substantially reduced by quantifying them, reviewing business procedures, training and performing cycle counts.

ONE-DAY FINANCE COURSE

HAI will hold a one-day course for Finance for non-financial managers on two dates: 8th and 10th September in Citywest, Co. Dublin with John Hassett for €150 for members and €200 for non-members. Call Amanda on 01 298 0969 or email Amanda@hardwareassociation.ie to book or for more details.

Breakeven

Breakeven is the point at which a business is neither making a profit or a loss. If you know by lunchtime you have broken even, then the additional margin in the afternoon is yours, this reduces stress and builds confidence. It is calculated by dividing the fixed cost by the margin %. The POS enquiries screen will show you sales and margin for the day, or a longer period. Example:

Sales	€2m
COS	€1.5m
Margin	€500k 25%
Overhead	€400k
[Breakeven is	€400k /25% = €1.6m sales/year]
EBITA	€100k or €6k sales per day

Margin V. mark-up

Margin and mark-up are two different ways of expressing the difference between the cost of a product and its sale price. Traditionally, in the heavier end of the trade, a mark-up formula is used to set the price of a product, starting with the cost price. It's simple and easy to guide sales personnel. However, the perception of high mark-up can be dangerous as it leads staff to discount more.

Margin works back from the sales price, it is more useful for analysing sales/expenses, e.g. breakeven and setting prices e.g. rounding up. The goal is to use margin analysis to adjust prices and determine what your mark-up formula should be.

Cash flow

Profit and cash flow are two entirely different concepts, each with entirely

diverse results. The concept of profit is somewhat narrow, and only looks at income and expenses at a certain point in time. Cash flow, on the other hand, is more dynamic. It is concerned with the movement of money in and out of a business.

More importantly, it is concerned with the time at which the movement of the money takes place. The concept of cash flow is more in line with reality. To convert your profit to your cash flow, subtract increases in working capital, loan repayments, taxes paid, drawing and fixed asset purchases, i.e. this requires an examination of your balance sheet.

Balance sheet

A balance sheet is a snapshot of the business's assets (what it owns or is owed) and its liabilities (what it owes) on a particular day - usually the last day of the financial period, ideally monthly. Information is presented in descending order of liquidity. Buildings at the top, as they are the least liquid (difficult to turn into cash), then current assets less current liabilities, the net of these two, is working capital. Working capital is the amount of money a firm needs to trade, i.e. buy stock and give credit. In contrast to fixed assets, it is dynamic, difficult and expensive to finance. Overtrading occurs when increases in sales in pursuit of greater profits strains cash flow. For example, take a builder's merchant with €4m sales, who requires additional funding of €400k to increase sales by €1M to create an additional €250k profit. Good payback at two years, but difficult to finance. Fixed assets such as buildings and machines are long-term assets and should be financed by long-term

finance, not by short-term finance such as overdrafts. Banks are willing to finance fixed assets as they can physically and legally nail them down. Typical methods are leasing and term loans, similar to a mortgage on a home.

Liquidity and solvency

A liquidity problem occurs when a firm can't pay its bills as they fall due. In the recovery phase of the economic cycle, this is usually caused by overtrading. Poor liquidity can raise the concept of solvency, the ability of a business to have enough assets to cover its liabilities. Should a business find itself in an insolvent position, the directors should take legal advice, as to continue to trade may leave them open to allegations of fraudulent trading and to being personally liable for the debts of the business. Directors also have a legal obligation to maintain proper books of records. Volume for vanity, profit for sanity and cash is king: finance tries to explain the relationship between these. It is not an exact science and it requires judgement. Owner/managers know their business in detail, they have an instinct for how they are doing; finance confirms or rejects this, by representing the business in facts and figures, especially at a summary level. My top tips are:

- forecast cash;
- monitor margin changes;
- and ensure you have good processes in place, that gives you the vital information you require on time.

John Hassett is Owner Manager at Topline Hassets, Birr, Co. Offaly. He is also a business coach and accountant with international experience.



THE LONG-STANDING ARCHERS MERCHANTING BUSINESS IN BALLINA HAS ALWAYS BEEN CHARACTERISED BY ITS ADAPTABILITY AND READINESS TO EMBRACE CHANGE. SENAN MONAGHAN, CEO, ARCHERS, SPOKE TO BERNARD POTTER ABOUT THE LATEST PHASE IN THE EVOLUTION OF THE BUSINESS.

ADAPTABILITY DRIVES ARCHERS' SUCCESS

The modern Archers store that customers visit today represents the latest chapter in an ongoing story that has seen the business trading successfully for over a century. The factors that give Archers its durability as a business are straightforward, according to Senan: "It's a combination of hard work, generations of merchanting experience, and an openness to change and innovation."

A busy year

The most recent demonstration of that commitment to continuous innovation was the investment in a major refurbishment of the store which took place last year. That initiative follows on from an overall structural transformation of the premises six years ago. "In 2009, we added a second storey to our building,

doubling our available retail space. In the subsequent years, we saw more possibilities for streamlining the customer experience across the larger space. So, by 2014, we had a lot of ideas on what we needed to do to enhance the store layout and maximise its appeal to customers." Alongside the refurbishment, Archers had also been looking at broader strategic management issues and, in another significant development, the business became part of the Topline group in February 2014. Senan explains: "Topline's vision of the future direction of the hardware industry coincided with our own and we were impressed with their plans for where the group is headed in the medium and longer term." The timing of that link-up meant that when plans for the refurbishment were put into action last July, Archers

were also able to avail of Topline's input into the new design and layout: "We were pleased to have Topline's involvement as their design team, which included a project manager and three merchandisers, brought with them the benefit of extensive experience working across the group's stores, nationwide."

The end result is a refurbishment that has created a brighter, more vibrant store which significantly enhances the customer experience, Senan believes. He describes the impact it has had on the business: "The transformation of the premises in 2009 was a landmark development for us. But last year's refurbishment has helped us to deliver the full potential of the two-storey structure and the 30,000 sq ft space. In our new layout, the different departments have their own clear identities but they are also coordinated



Senan Monaghan CEO; Garret Michael, Retail Sales Manager; Paddy Hennigan, Trade Centre Manager; and William Michael, Trade Sales and Yard Manager.

so that they naturally guide the customer through the entire store along a clear and intuitive path. "For instance, in the past, our building supplies and merchanting area was completely separated from the rest of the store. It's now integrated much more effectively and customers can move freely between it and our other departments. We're finding that our weekend retail customers who have some time to browse are visiting the trade section and purchasing selected products. The more integrated layout is helping to create a new

dynamic across the store, where all departments are working together to create a stronger overall impact."

Stores-within-a-store

From the customer's point of view Archers, in effect, features several stores-within-a-store, as Senan explains: "We've developed the business to be a one-stop shop: for construction professionals on any type of building project; for DIY-ers, home improvement and garden enthusiasts; or for the more casual



A HERITAGE OF INNOVATION

Now in its 103rd year in business in Ballina, Archers was founded in 1902 by Thomas Archer. Adaptability and flexibility has been the key to the longevity of the business and, at different times Archers' core merchanting activities have been accompanied by a range of manufacturing ventures including a sawmill in the early years. In the 1970s, Archers manufactured roof trusses and, in the '90s, the business supplied timber frame homes.

"Archers has always been open to diversification opportunities where they make sense and are a good fit," Senan says.

Owner-operated by Denis Michael until the late 1990s, Archers today is run by a management team of CEO Senan Monaghan alongside Paddy Hennigan and the grandsons of the founder, William and Garret Michael. Paddy Hennigan, with over 40 years' experience, is in charge of the trade centre. Garret Michael, is in charge of retail sales and William Michael is in charge of trade quotations.



The refurbishment has created a brighter, more vibrant store.

STRAIGHT ARROW

Archers CEO Sean Monaghan shares his views

On Facebook: "We use it extensively to publicise sales promotions, new product lines and developments within the business. It's a great way of communicating with our local catchment area."

On the agri-sector: "It's not the largest part of our business but it is steady and resilient. In good times and bad, the farming community have consistently invested in infrastructure upgrades and improvements."

On surviving the downturn: "I wouldn't say we didn't make one or two mistakes but, crucially, we were never overly-exposed credit-wise."

customer who just wants to pick up an electrical item or something for the home."

The move to introduce an Expert Electrical offering was an innovative step but one which quickly became an established section within the store: "We've always seen the benefits of diversification and, particularly, in recent years it was important to have a wide range of products and services to attract footfall and draw customers through the door. The idea of having an Expert Electrical offering in the store was an obvious one in hindsight. The Expert product range features high quality brands such as Apple, Samsung, Whirlpool, Electrolux and many more value-for-money products and as such is a good fit with our other home product ranges."

On the other hand, the Archers' agri-supplies division has been a familiar part of its business for many years. According to Senan, sales of product to the farming sector has tended to remain fairly steady year on year, weather permitting. This has been a welcome relief from the peaks and troughs experienced in the merchanting side of the business over the last 10 years. As a result, agri supplies represents a major contribution to the overall performance



of the company.

Archers' commitment to the agri-supplies sector has been underlined by their recent purchase of a well-known agri/fuel store located about a mile outside Castlebar, Sweeney's in Rehins. "This expansion by acquisition is a first for us but it's an initiative which we believe has tremendous potential. Sweeney's have specialised in agrifeed, fertiliser and fuel sales for many years.

"The previous owners are continuing to operate the business and bring a wealth of expertise and know-how to running it. We don't envisage any radical changes and we see our role as supporting them in developing and expanding in the years ahead."

Commenting on the building supplies department, Senan sees a gradual pick-up in activity: "From 2008 to 2012, small building and renovation projects were severely impacted. People simply weren't getting access to finance. But there are some positive signs now of a recovery in activity in smaller projects. There has always been an appetite for expenditure on the kind of home improvements that can lead to cost savings, specifically in areas such as insulation and heating and plumbing systems."

The impact of the HRI scheme has so far been muted, he says: "We have been highlighting the scheme in our

promotional material and our staff are well-briefed to inform and advise customers about it. While it has led to some business, it hasn't quite grabbed the public imagination as yet. It's possible that interest will increase as we near the deadline. That was what happened with TV sales in relation to the introduction of Saorview where demand really only took hold as the deadline loomed."

The Archers team

With a total staff in the Ballina store of 58, including full and part-time employees, the Archers team has been built on a solid foundation of experience. "We have very good people in all key sectors of the business. A lot of our people have been working with Archers for decades and our staff training is built around strong mentoring of new recruits by senior staff members who have extensive experience and a vast amount of accumulated product and customer-service knowledge."

Future trends

Looking to the future, Senan believes that the idea of adding value will become increasingly important: "The hardware business is a competitive sector and I think that's only going to intensify. Where traditionally the

focus was simply on selling products, in future we may well see merchants providing not just a product but a service that will combine sale and installation, where, for example, it won't be just a fireplace that's sold but its installation will be provided as part of the package as well.

"The economic impact of the last few years on people's incomes, in particular the effects of additional taxation, such as the universal social charge, means that the customer is focused on value. She or he not only wants a quality product but also one that is attractively priced. Customers are extremely price-conscious and I don't see that changing anytime soon." In conclusion, he comments:

"Nationally, I think we're seeing a two-speed recovery, with the major urban areas experiencing it first. Ballina is a vibrant town with a lot of good industries that are strong employers locally and we have a strong tourist industry with the River Moy in particular being a great attraction. However we haven't seen the full impact of the recovery as yet. There's still a cautiousness to customer spending patterns and promotions have to offer extremely good value to be successful."

DEALING WITH BAD DEBTS

SIMON FRASER OF HUSSEY FRASER OFFERS SOME ADVICE ON DEALING WITH BAD DEBTS.

The recovery of monies due is an obvious priority for all businesses at the moment. This is particularly true for suppliers of goods and services, such as the members of Hardware Association Ireland (HAI). Understanding the legal avenues and remedies available to your business as a creditor of another, and the defensive steps that may be taken to protect your company in the event that a demand is made of you, will assist in devising strategies to secure prompt payment on the one hand and avoid difficulty should a creditor persist and prosecute claimed entitlements. Each company will of course have its own systems of credit control, but, should those systems prove ineffective, the next step is to consider the issue of legal proceedings for debt recovery.

Issue of Court proceedings

Proceedings may be issued in the District Court (upper limit €15,000), Circuit Court (upper limit €75,000) or High Court, for all debts in excess of €75,000. For claims that do not exceed €2,000, the District Court offices provide a small claims procedure which is designed to handle consumer and business claims cheaply without involving lawyers. An application can be made online and the fee is €25. If the matter is not resolved the claim will be brought to the District Court.

Obtaining Judgement

Once proceedings have been issued and served, and assuming that an Appearance has been entered,



The recovery of monies due is a priority for businesses at the moment.

the next step is to progress the proceedings.

Each of the different courts (the District, Circuit and High Courts) has different systems.

Options available for enforcement after Judgement is received

There are a number of options available for enforcement once judgement has been obtained. These include Publication of the Judgement, the Sheriff, a Judgement Mortgage, Garnishee Proceedings, an Injunction and issuing a petition to wind up a limited company.

Entitlement to Interest

Under the EC (Late Payment in Commercial Transactions) Regulations 2012 (S.I. No. 580 of 2012) (the

Regulations), a supplier is entitled to interest if payment for commercial transactions is late. The Regulations apply equally to public and private sectors and provide that, unless otherwise specified in an agreed contract, the interest rate will be the European Central Bank main refinancing rate (as at 1st January and 1st July in each year) plus 8 percentage points. With effect from 1st January, 2015, the late payment interest rate is 8.05% per annum which equates to a daily rate of 0.022%. Interest due for late payments should be calculated on a daily basis. An appropriate claim for interest should be included in all claims for debt recovery.

The Regulations apply to payments for commercial transactions but not to transactions with consumers.

HAI MEMBERS HONE SOCIAL MEDIA SKILLS AT DEDICATED BOOTCAMPS

HAI launched the first in a number of training initiatives in April with the first day of a Digital and Social Media Marketing Bootcamp.

HAI is running two streams of this training, which is specific to the hardware industry, one dedicated to B2C for Retailers and Merchants, and a second tailored B2B course for Suppliers. The bootcamp incorporates case studies specific to the hardware industry with local and international insights from the sector and similar markets. Day One of the programme took place in Citywest Hotel on 14th April for retailers and merchants, and 16th April for Suppliers.

The training is facilitated by Greg Fry of SocialMedia.ie. Greg is a social media trainer and personal brand expert. A graduate of the Marketing Institute of Ireland, he is passionate about helping individuals and organisations achieve more from their social media efforts and has worked with many multinationals as well as SMEs and start-ups.

On the importance of digital content and social media, Greg says: "There is immense untapped value in the use of social media in the Irish Hardware Sector. There are mountains of free online resources that make it so easy to interact with your customers, and research what competitors are up to in the marketplace. Take Facebook, for instance; you can set up a company page for free and engage with customers using informative content, deals, competitions, etc., and, with minimal investment, use



Greg Fry of SocialMedia.ie addresses HAI members at the recent bootcamp event.

Facebook ads to target users of a defined demographic to drive traffic to your page and/or website. If your competitors are active on social media, you have visibility of what deals they are running, how many followers they have, etc. Likewise, suppliers can engage with their customers online and feed them with informative content for their pages to pass onto consumers." Greg advises those with minimal resources: "If starting from scratch, or if you have minimal resources, don't take a supermarket sweep approach to digital. Much better to focus on one or two things rather than try to do everything."

Day One of the programme kicked off with attendees defining their digital marketing goals before moving onto topics such as: "What makes a good website", "Responsive websites", "SEO", "Content creation and sharing", "Email marketing" and "Social media: The basics, statistics and tips".

Delegates have a month between Bootcamp Days One and Two. During this time, they will have:

- audited their websites and use of social media;



- prioritised areas to improve specific to their business; and
- started to utilise some of the tools they learnt about on day one.

Day Two commenced on 19th and 21st May for Retailers and Suppliers, respectively.

FEEDBACK ON THE COURSE FROM TRAINEES

"Very relevant to where the hardware industry needs to be to build our brand and build communities."

"Great introduction course for me – lots of examples."

"Excellent workshop, very useful and relevant content."

"Excellent. Very well structured. Helpful to our B2B as previous courses catered mainly to B2C. I feel confident and informed to apply knowledge."

LOCAL HARDWARE STORES DRIVE LOCAL ECONOMY

A US study has found that purchasing home improvement products from locally owned retailers generated twice as much local economic activity than purchases made at big-box chain stores.

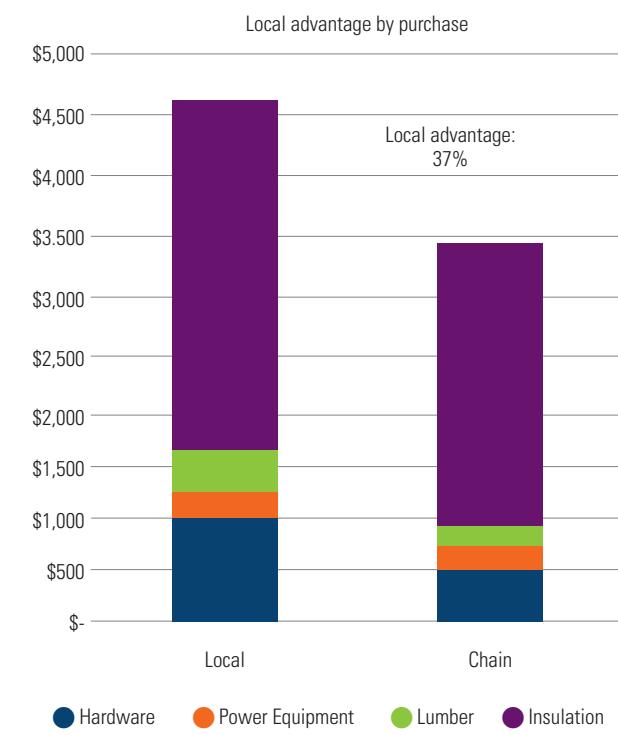
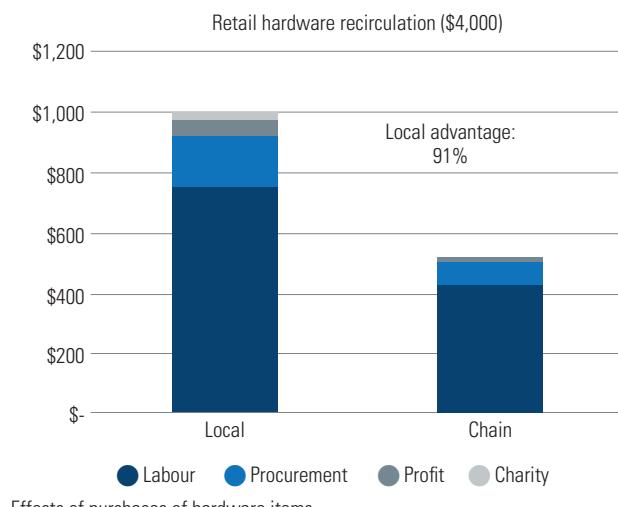
The study aimed to quantify the local economic impact when consumers concentrate their purchases for a home improvement project through local, independently-owned businesses. Entitled the "Home Sweet Home Study," the research was commissioned by North American Retail Hardware Association (NRHA) and Independent We Stand and examined the economic impact of supporting independent home improvement retailers, as opposed to national 'big box' centre chains. The study showed that purchasing power products from an independent dealer resulted in a 71% increase in local economic activity compared to purchasing comparable outdoor power equipment products at the major chains. Together, the two largest national home centre chains in the US sold more than \$114 billion in goods in 2013 (excluding installation services), the study reports. If just 10% of that business had gone instead to independently-owned retailers, hometowns around the country would enjoy the benefits of an additional \$1.3 billion in economic activity, according to the findings of the report.

Project model

Because a typical home improvement project involves a range of goods and services the authors of the study used a hypothetical project model to demonstrate their findings. They allocated a budget for the hypothetical project of \$10,000, divided as follows: \$4,000 allocated for a variety of hardware items; \$1,000 for a specialised piece of power equipment; \$2,000 for lumber and building materials; and \$3,000 for professional installation services. Based on their findings, the researchers used real world data from study participants to determine what percentage of each dollar spent on the different goods and services would end up re-circulated in the local community. They then compared those figures to the percentage of each dollar that would be re-circulated into the local community, if the goods and services had been purchased through a 'big box' chain, based on public financial data from the industry's leading home improvement retailers.

Of the \$4,000 of hardware items purchased, \$1,000 was recirculated into the local community when purchased at a local hardware store, while less than \$600 was recirculated when bought through the large chain. The study found that buying in the local hardware store offered a 91% better result for the local area than when similar purchases were made at a big centre chain.

The study, conducted by economic analysis and strategic planning firm, Civic Economics, was released at the National Hardware Show in Las Vegas recently.



The cumulative effect: an extra \$1,250 in local economic activity was generated simply by supporting local retailers.

Award Winning innovation

The only roof window that fills the gap with an **Expanding Thermal Collar**

INNOVATION
AWARDS 2015
OVERALL WINNER

THE HARDWARE
SHOW 2015

HOME • GARDEN • BUILD • DIY



Simply pull away the release tape to allow the **Expanding Thermal Collar** to expand and fill the gap between the window frame and the roof.

INNOVATIVE WINDOW DRIVES GROWTH AT KEYLITE

A FOCUS ON THE PRODUCTS AND COMPANIES THAT WERE SUCCESSFUL IN THE INAUGURAL INNOVATION AWARDS HELD AT THE HARDWARE SHOW.

Keylite Roof Windows won the top award of 'Best Overall Innovation' at the 2015 Innovation Awards in Dublin. Keylite also won "Best Building Product" in addition to the overall award.



The Futuretherm Roof Window guarantees a better installation every time, according to John Duffin, Keylite Roof Windows MD.

The product that won both awards, the Futuretherm Roof Window, comes with a new Expanding Thermal Collar, which provides a unique solution to the prevention of heat loss, according to Keylite.

How it works

By simply pulling the release tape, the insulation collar expands around the frame, closing the gap between the window frame and the roof, thereby providing an effective barrier against heat loss and the effects of cold bridging. This new feature eliminates the requirement for a second insulation fixing and is offered as a standard feature, at no extra cost.

Attention to detail in the product design facilitates faster installation, John Duffin, Keylite Roof Windows Managing Director, notes. "For example, the pre-fitted flick fit brackets allow for quicker fitting time from the box to the roof. Keylite cover flashings require 50% fewer screws than before, and the sash hinge finger spring, allows the sash to be installed back into the frame in one smooth, effortless motion. The

windows are designed to give a streamlined fit as standard, giving a more aesthetically pleasing roof appearance, as well as aiding thermal performance."

What does winning the Innovation Award mean to Keylite? "We are delighted to be recognised by the industry for our new Expanding Thermal Collar innovation. Being awarded the Overall Winner prize shows us that the industry recognises our work in developing this innovation and that is particularly satisfying. I really believe that the product is delivering a change for the better by guaranteeing a better installation every time. The expanding collar provides a real solution to the age-old problem of cold bridging, caused by a lack of insulation in the 20mm gap between the frame and the roof." For Keylite, innovation is a continuing process. John explains: "Keylite's commitment to innovation has been ongoing and will remain so in the market. We are always looking to develop new products that provide real and practical solutions, aimed at simplifying the roof window installation process, and improving performance for the customer. As a company, we have always been committed to innovation and R&D, and our goal is always the same: to create practical new products and innovative new product features, that will benefit installers, house builders, specifiers and end users alike."

Futuretherm drives growth

How is the Futuretherm Roof Window performing in hardware stores in general and in Ireland in particular? "Since the introduction of our new Futuretherm range we have experienced 24% growth as a company, with 19% growth in the UK and 44% growth in Ireland. A further 30% growth comes from sales outside the UK and Ireland. Keylite gives builder merchants and hardware stores a genuine margin opportunity on their roof window sales as a result of all the value-added USPs provided at no extra cost."

And the outlook is bright, he believes: "Today, Keylite is Ireland's and the UK's fastest growing roof windows manufacturer, with distribution centres situated in Ireland, Holland, Denmark, Poland, Russia, Australia and New Zealand. We could never have anticipated the growth that we've achieved throughout the UK and Ireland."

FLOGENIC SIMPLIFIES WATER PURIFICATION

FLOGENIC, DISTRIBUTED BY WATERSAVE, WAS THE INNOVATION AWARD WINNER IN THE DIY CATEGORY.



Flogenics low-cost, automatic water purification system.

Flogenics is a new, low-cost automatic water purification system. Manufactured in Ireland, Flogenics can be simply installed in the system in household holding tanks to purify water from rainwater harvesting systems or private

wells. The system is activated with the flow of water so no additional power source is required and water is only purified as it is used.

Watersave Managing Director, Martin Lane says one of the reasons that Flogenics won the DIY category was because its patented design simply works on the flow of the water, with no power or maintenance required.

"Flogenics kills microorganisms, like viruses and bacteria, in your water ensuring that Legionella is eliminated and biofilm remains under control. It not only makes water safer, it continues to protect the water within the system. It can also be used in new and retrofit situations and is very simple to install in most header/ground tanks for private or grouped water schemes, wells and rainwater harvesting systems."

"In the future, we are looking for connections to be available for hand-pumps and stand-pipes. Flogenics is USEPA-approved for drinking water," he said.

Flogenics

Water Purification System

For Safer Water in
Rainwater Harvesting & Private Wells



Benefits:

- No Power Required
- Easy to Install
- Treats approx 90,000 Litres

Save Up to
75%
of Water
Charges



Makes Water Safer, Keeps Water Safe

www.flogenics.net

Made in Ireland

For more information or to purchase a Flogenics Water Purification System
visit www.watersave.ie or call +353 (0) 25 84290

RONSEAL'S GARDEN PAINT FRESHENS UP FENCES

RONSEAL'S GARDEN PAINT COLLECTION WAS THE WINNER IN THE GARDEN CATEGORY IN HAI'S INNOVATION AWARDS.

Ronseal's new Garden Paint collection aims to "perk up your pots, tackle your terracotta and freshen

up your fences". According to Ronseal, the Garden Paint's easy application and high-performance standards

are just some of the reasons it won the Garden category in the Innovation Awards.



RONSEAL

Does exactly what it says on the tin®

GARDEN PAINT

Available Nationwide

Colours just about anything...

- wood • brick • terracotta • metal

Available in 24 Colours

Sage	Teal	Blue	Willow Green	Cool Breeze	Coal Black	Bluestone	Purple Berry
White Ash	Elderflower	Bronze	English Oak	Blackbird	Hot Tomato	Java	Burntwood
Denim	Lemon Tree	Lime Zest	Midnight Blue	Sandal	Summer Sky	Peacock	Terracotta

The woodcare specialists have recently launched the range, which offers householders the chance to brighten up and weatherproof outdoor spaces, garden accessories and furniture.

Featuring a wide-ranging palette that can be used on wood, metal, terracotta, brick and stone, it includes options that range from pretty neutrals like Sage and Slate to bold tones such as English Oak, Purple Berry and Peacock.

Ronseal Marketing Manager, Kate Sitch, says: "The garden range is rainproof within 60 minutes and touch-dry in four hours, so you can get two coats done in a day. We're known for our long-lasting, high-performance wood stains and the Ronseal Garden Paints range builds on this solid reputation.

"We know that using colour is a great way to transform tired spaces so we're delighted to be able to offer such a broad, versatile range. We're looking forward to seeing it in action. We feel the technology used in Ronseal Garden Paint is unique and allows the paint to stick and last on a multitude of garden surfaces – wood, metal, brick, and terracotta."

ARC BUILDING PRODUCTS ALWAYS AHEAD OF THE CURVE

ARC BUILDING PRODUCTS WAS ESTABLISHED IN 2006 ON THE VERGE OF THE ECONOMIC COLLAPSE. BUT RATHER THAN CRUMBLE, THE COMPANY AND ITS LEAN BUSINESS PRACTICE HAS THRIVED, EXPERIENCING 'PHENOMENAL GROWTH' IN THE PAST TWO YEARS, WRITES BERNIE COMMINS

Irish company, Arc Building Products develops, manufactures and distributes world class building, construction and DIY products at its state-of-the-art facility in Gorey, Co. Wexford.

Founded by David Orr, Chris Vickers, Martin Nolan and Fergal Simpson, the company is renowned for its extensive range of innovative, professional products, including its trademark tile adhesives, manufactured in Wexford. A turning point for the company came when it relocated to Gorey, from Rathnew, Co. Wicklow in 2008.

"We started in Rathnew with a small production facility there, distributing other building products, but our intention was always to focus on the manufacturing side of things. "So we outgrew those premises within two years and then moved to Gorey in Wexford, and that allowed us to dramatically expand the whole manufacturing side of things," explains David.

That expansion is now represented by a manufacturing plant, warehouse, distribution and R&D facilities, and testing lab, all located in Gorey.

As well as physical expansion, the workforce has also grown. Last year alone, the company increased its workforce by about 25% and further job creation is on the cards.

The move to Gorey coincided with significant investment in a powder plant, allowing Arc Building Products to manufacture tile adhesives, floor levelling compounds, grouts and other powder-based products. This was all happening at the depths of the 'economic abyss' according to David, but they were not discouraged.



"It was also a good time to be investing in capital equipment. There was value for money to be had back then.

"We had about six months of boom before things went over the edge and the industry suffered greatly. But what that meant was that we kept things very lean from the beginning. We did not over-commit financially.

"We have always been lean, we kept it that way and kept overheads tight." If they could have predicted the extent of the economic collapse, and its impact on the hardware and construction sectors, David and his colleagues may have thought twice about establishing Arc Building Products.

"But having said that, every year we have grown and continue to grow - double digit growth. In some ways we benefited from things being a bit tighter for customers," says David. "As things slowed down people were probably more interested in shopping

around and talking to a new supplier and for that reason we probably picked up a lot of customers because we were able to offer good products, if not better than anything else that was out there, and we were able to offer them at a better price. That was a message that retailers liked at the time," David explains.

Product range

Arc's product range extends to about 400, of which 50% is developed and manufactured on-site in Wexford. Of the remaining 50%, approximately half comprises Arc-branded products which are made under contract for them, and the remainder are other brands, distributed by Arc. The company's core products comprise its range of tile adhesives, including LT-33, a unique, sand-free, tile adhesive, developed by Chris Vickers. It is the only company in Ireland, and the first country outside of Germany, to produce such a product.



“Chris is the first person outside of Germany to develop a light-weight, tile adhesive with no sand in it. The sand is replaced with a recycled material, which means that it is a much better performing adhesive,” says David. In the past year, Arc has also launched a new, versatile grout product range, called Pro-Line which is made from 30% recycled material.

“Traditionally a hardware store will have separate grouts for use in different applications, but we developed Pro-Line wall and floor grout which is one bag of grout, covering all aspects of grouting suitable for walls and floors. It is flexible, mould resistant and stain resistant, and again, developed and manufactured here in Ireland,” says David.

Arc sources most of its raw materials in Ireland, where possible, and is extremely proud of its Irish roots. The company is constantly researching its market and developing premium products that provide solutions for people. “Research is done everyday in the form of six sales representatives

who are on the road, building relationships and knocking on doors,” explains David. And each day, the feedback they receive is passed on to head office, and this gives the manufacturing process its focus.

“It is not a case of reinventing the wheel, but is a case of trying to spot opportunities and products that don’t exist, or improving what is already out there,” says David.

With this in mind, the company’s range of mould-busting products - MouldX - introduced to the market in 2013 gave retailers and the end users a new offering.

“Our idea was to put together a suite of products - almost its own little sub-category within the store - so that when an end user comes into the store and asks about products to get rid of mould, the store owner will be be able to bring them to their anti-mould category in the shop. There are seven products in that category that will help solve the problem.”

Premium products

Arc Building Products is proud of its Irish roots and has received great support from the hardware and construction industries. But David and his co-founders know that success requires a lot more than just trading on their Irishness.

“The quality of the product has to be right, and the pricing point too. We have received great support from the trade and we do emphasise our Irishness on our bags of tile adhesives. But all the other aspects of the

business have to be right because you are not going to succeed purely on the basis that you are Irish.”

David says that being locally-owned and sourcing materials locally helps the company to offer premium products that are less costly than comparable brands. It gives the Irish company an edge, which is important when trying to make waves in an established market.

“In terms of the quality of our products, they are every bit as good as the premium products that are out there but in terms of being locally-based and locally-manufactured, the price point can be that bit lower.

“We were coming into an established market containing established brands and Irish people are brand loyal.

“So, we had to make a decision on the price point and we had to be competitively priced to make an impact.”

Now, the Arc brand is also well established, but it still maintains its competitive pricing.

Stronger

Arc Building Products’ tagline is ‘We Are Stronger’, but it is more than just a tagline, says David.

“That is what we try to live by and what we mean is that our products are stronger, that the level of service we provide is stronger, that our technical back-up is stronger, that our delivery is stronger and that our price points are stronger.”



DECKING AND FENCING PRESENT OPPORTUNITY FOR SUMMER SALES

Recent statistics have shown that a third of homeowners will make improvements to their garden each year by either landscaping or adding fencing or decking. Added to this homeowners look to renew patios and decking an average of six times during their adult years.

Research by Bord Bia has shown that Irish people spent €614 million on their gardens last year, up 22% since the last research done in 2011, and trends in general would suggest this will increase this year.

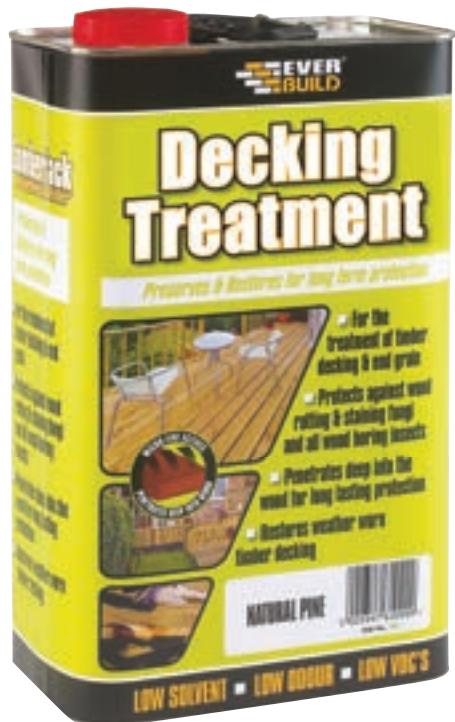
Other research has shown that hard landscaping, including decking and fencing, accounts for a chunky 30% of total gardening spend. There is a massive opportunity in the area of decking and fencing for suppliers and merchants as Irish consumers start to spend more, and, in this feature we discuss some of the products you can stock in your store to drive summer sales.

Composite decking

Composite Decking is for the homeowner who wants a decking product with a natural look and uniform colouration, according to Wogans, the distributor of Whiteriver Composite Decking. It will not need any annual oil treatment like conventional wood decks, the company says. Whiteriver Composite Decking is low maintenance and has a long lifespan. Whiteriver Composite Decking was developed by the Whiteriver Group to meet the high standard required for outdoor living today. The Irish climate can be harsh on traditional wood decks and it is a constant struggle for owners to maintain and treat

decking each year. Whiteriver says that its Composite Decking products are made using HDPE and wood, creating a composite of improved, user-friendly material that outperforms other traditional pure wooden and plastic materials. The resulting product is a deck with a natural look, that will hold its colour and does not need any further treatment, apart from an occasional clean with a power washer or hose.

The Wogans' spokesperson continues: "Whiteriver Composite Decking is ideal for the construction of domestic and commercial decks, board walks, marinas, pool sides and other landscaping applications. It is



environmentally friendly and is 100% recyclable, perfect for the forward thinking architect or local authority planner. The demand for composite decking is growing year on year and there is a great opportunity for hardware stores to add a product to their range which will increase their sales and margins."

Preserving decking

Decking Treatment from Everbuild is a ready to use decking treatment for preserving and restoring timber decking and end grain.

The fungicides and pesticides present in the formula are dispersed to provide a greater protection against all types of wood decay, mould and wood staining fungi and wood boring insects, Everbuild reports, adding that its pigmented natural pine shade helps restore weather worn decking. It is a low solvent, low odour and low VOC product.

Sales grow in the Garden

Fleetwood believe that the increased popularity of outdoor decking and furniture have helped to extend the amount of time that people spend in their gardens, which are fast becoming seen as an extension of their home.

Fleetwood launched its range of Garden Woodcare in the belief that the Irish DIY consumer would support an Irish manufactured brand that offered both quality and improved value for money.

According to a Fleetwood spokesperson: "To date the sales have been excellent and fully support our decision to launch into this very established market. We have heard a lot of comments in recent times about the market for colours in the garden. However, at Fleetwood we believe by far the biggest volume in 2015 will still come from traditional fence treatments and to a lesser extent Deck finishes.

Whiteriver

Low Maintenance Composite Decking



Weather Resistant - Excellent Grip - Does Not Decay - Uniform Colouration - Durable - No Surface Treatment Required



whiteriver group

Dunleer, Co. Louth Phone: 041 686 1000
Email: sales@wrg.ie web: www.wrg.ie

"Fleetwood have had significant success with our range of competitively-priced, Irish made, Fence Treatments, Decking Oils and Teak Oil for garden furniture.

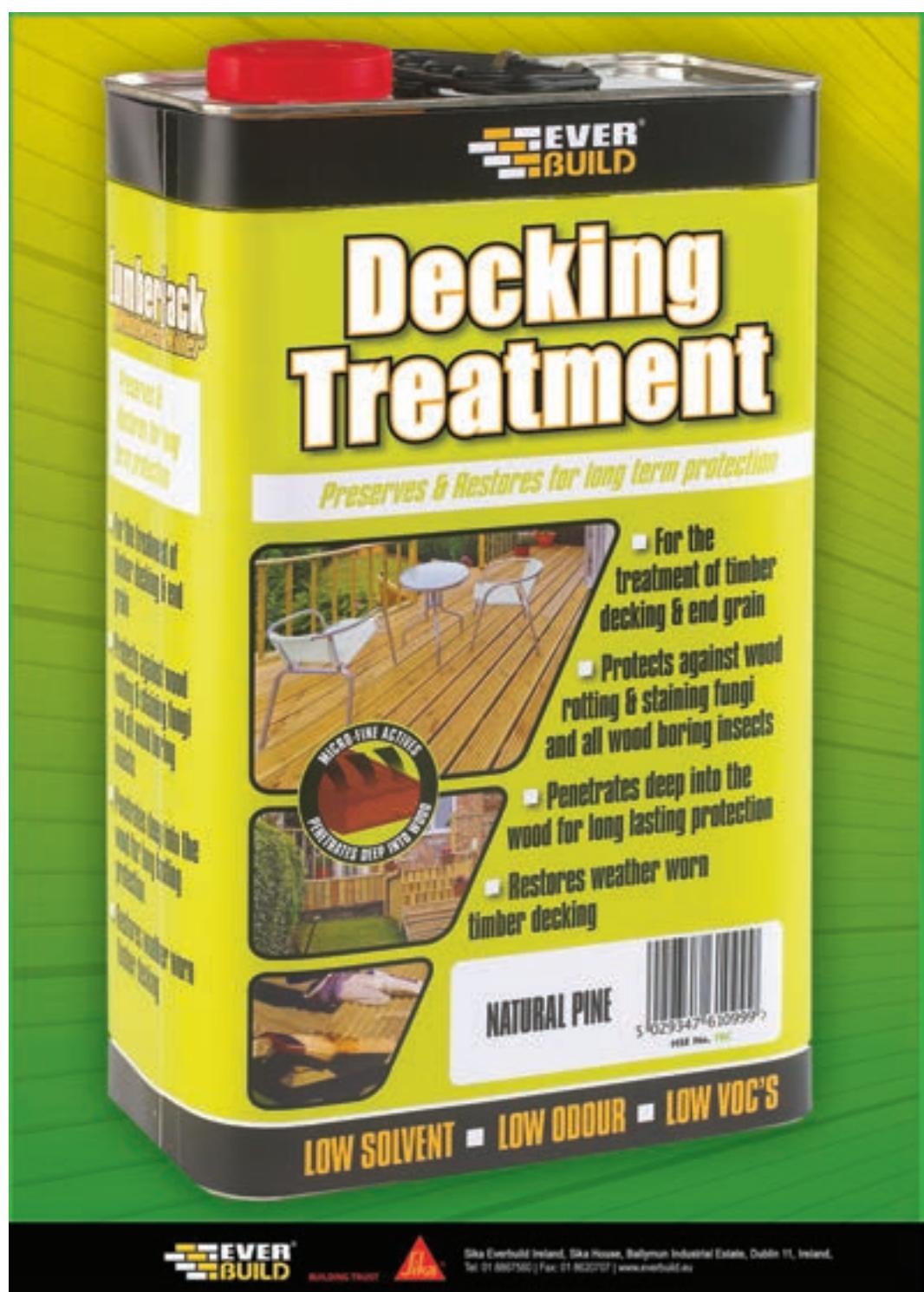
Increasingly our customers have come to realise that the great quality and prices they can be passed on to their cash-strapped consumers while making very fine margins for themselves."

No peeling, no flaking

Lardec is a solvent-based, long-chain, alkyd wood stain

and primer. It is ideal for use on all joinery components; for example, window frames, doors, garden sheds and garden furniture, poultry houses, etc.

According to manufacturers, Larsen, Lardec will not peel or flake and can be over-painted. It has excellent penetration and 'run off' properties and won't obscure the grain. Lardec is also available in a higher resin-solids version (Lardec 24) for improved performance. Use biocides safely. Always read the label and product information before use.



HARDWIRED RETAILING: STATE-OF-THE-ART TECH FOR MERCHANTS

THE INCREASING CONVERGENCE OF TECHNOLOGY AND IN-STORE MERCHANDISING WAS CLEARLY ON DISPLAY AT GLOBALSHOP 2015 IN LAS VEGAS RECENTLY. A WIDE RANGE OF INNOVATIONS WERE ON SHOW INCLUDING TECHNOLOGY THAT IMPROVES THE CUSTOMER EXPERIENCE AND PROVIDES RETAILERS WITH MORE INFORMATION ON HOW THEIR CUSTOMERS SHOP.

GlobalShop is the world's largest show for retail design and shopper marketing, featuring more than 700 vendors from all over the world. Attendees included: retail designers, store planners, consumer product companies, retailers and architects who are searching for the latest in retail design, shopper marketing, visual merchandising, retail architecture and innovation in the retail environment. The show is split into five sections: Store Fixtures, Visual Merchandising, Store Design and Operations, Digital and At-Retail.

This year, an exhibit called "Path to Purchase" was added, featuring 10,000 square feet of space with displays on merging the digital and physical retail space to optimise the in-store consumer path. More than a dozen vendors showcased solutions to create a new shopping experience using smartphones and other technologies customers can and are utilising in the retail environment to move seamlessly between brick-and-mortar and digital 'realms' within a store. A few examples of the cutting-edge technology on view includes:

1. Location Awareness

Apple's iBeacon technology was created to enable location awareness for apps. It can notify customers of nearby items that are on sale and enables them to make payments without having to remove their wallets. It also picks up information about customers as they walk through different parts of the store, giving retailers more data on shoppers.

2. Assistive Selling

Scala Inc., a digital signage company, showcased several new ways to incorporate digital signage into a retail space. This selling tool gives sales associates the ability to use a tablet to gather additional product information, browse other styles and help shoppers identify products that best fit their needs. Scala Inc. has also created Scala Fling, which gives sales associates the ability to transfer something from the app to a nearby LCD screen for optimal viewing.

3. Lift and Learn

Scala also presented the "Lift and Learn" display, which allows customers to pick up products and get more information about them on a nearby LCD screen. If the

customer picks up more than one item, a comparison pops up, allowing them to make a more educated decision. Retailers can use the collected data to make pricing adjustments instantly.

4. Shed Some Light

Another feature of the assistive selling tool gives associates the ability not only to transfer products onto an LCD screen from a tablet, but also to use in-store lighting to highlight products and accessories on shelves. Simply select a product and the light turns on or changes colour to help the shopper locate the item.

5. Tabletop Interactivity

It's now possible to boost the customer shopping experience by transforming any white table into a customer-activated display. Perch Interactive table displays entice shoppers to interact directly with products. When customers pick up an item, it activates animations that can include videos, as well as product descriptions or comparisons. And in coordination with the digital display, retailers receive shopper analytics.

6. Universal Sign for In-Store Pickup

Online sales are growing rapidly, but so is in-store pickup. GlobalShop worked with Yunker Industries, Inc., to develop a universal sign for in-store pickup that they hope will spread through all industries. This sign is intended to give customers an icon to help them identify when they can buy products online for in-store pickup and also to help them find where in-store pickup areas are in physical store locations.

7. ShelfTalker Holograms

If retailers don't want to invest a lot of money into integrating their stores with mobile technology but still want to show their customers they are taking steps in the right direction, these smaller holograms could be a great solution.

Holography Box adds visual interest to aisle shelves by adding small plastic die cuts that sit between products and use a small projector to show animations. For more information about GlobalShop, visit globalshop.org. (Hardware Retailing)

REGULATIONS AND MARKET TRENDS SPUR MOVE TO SUSTAINABILITY

SUSTAINABLE PRODUCTS ARE A HOT TOPIC FOR IRELAND, THE EU AND THE WORLD. PRODUCTS WITH MINIMAL ENVIRONMENTAL IMPACT ARE SOUGHT AFTER BY GOVERNMENTS, CORPORATIONS AND CONSUMERS, WHO ARE SEEKING TO DEMONSTRATE GREATER SOCIAL RESPONSIBILITY IN PURCHASING DECISIONS IN RESPONSE TO WIDER TRENDS IN CONSUMER BEHAVIOUR AND REGULATORY PRESSURES.



The Pro Clima Intelligent Airtight System: intelligent airtightness solutions for block and timberframe constructions.

In relation to building materials, specifically, the increasing demand for sustainable products can be attributed to the implications of EU Directives such as the Energy Performance of Buildings Directive (EPBD), which requires a move to nearly zero energy buildings by 2021. This means that the embodied energy and carbon of products will become an important measure of the overall impact of new buildings in environmental and sustainable terms.

Added to this, several voluntary EU instruments have been established, such as Green Public Procurement, and there is a developing framework of building certifications. According to the Irish Green Building Council, 53% of manufacturers plan on bringing innovative green products to market in the next number of years.

Airtightness solutions

One of the companies proactively encouraging the use of sustainable solutions in the Irish market is Ecological Building Systems, which was launched almost 15 years ago as a division of the MacCann and Byrne Group. Ecological Building Systems has the sole agency in Ireland and, latterly, the UK, for Pro Clima air and windtight products and Thermo-Hemp insulation. It supplies Thermafleece sheep's wool and Daemstatt cellulose insulation. The company also supplies the complete range of Gutex wood fibreboard insulation systems, and Calsitherm Climate Board thermal insulation. These products offer "unique solutions for new builds and the refurbishment of existing buildings".

Niall Crosson, Senior Technical Engineer with Ecological Building Systems, believes that the benefits of improving airtightness in our buildings, combined with an effective

ventilation strategy, has now been realised as a central component to achieving more efficient, comfortable, durable and healthy buildings. He continues: "When considering the energy efficiency of buildings one cannot underestimate the positive contribution which natural insulation materials offer on so many levels. Constructions which are energy efficient, durable, healthy, ecological and sustainable in every sense of the word should be designed with some form of natural insulation, the benefits of which are not only in the money we save, but in the environment we live, particularly as it is estimated that we spend up to 90% of our lives in buildings."



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Medite Trade gives tradesmen a lighter, more manageable and environmentally friendly timber panel, according to the company.

SUSTAINABILITY LEADS TRENDS IN TIMBER SECTOR

Sustainability is now a hugely influential factor in the hardware sector (as our feature on page 36 illustrates) and the timber sector is no exception to this trend. Merchants are seeking timber products that are European Timber Regulation compliant and that achieve Forest Stewardship Council (FSC) chain-of-custody certification. This certification provides independently-verified assurance that the wood used in the timber, or timber based products, originates from responsibly managed forests. This helps customers choose certified timber products that fulfil Green Building Initiatives.

As the timber and joinery sector continues to rapidly evolve, we look at some new products coming to the market.

Lighter panels

Medite Trade is a general-purpose MDF that, with a lower density than standard panels, reduces tool wear and is easier to handle for the installer. Many everyday projects – from the most demanding designs to general fabrications - benefit from a lighter MDF, according to the developer and producer of the product, Medite in Clonmel, Co Tipperary. The company says that this does not compromise its consistency and project versatility for many interior joinery projects. The smooth surface can be finished directly, to provide a high quality result.

All Medite MDF panels are made from wood fibres sourced from parent company, Coillte's own FSC-certified forests, with fully audited chain of custody accreditation. Medite MDF panels are manufactured under an NSAI registered IS EN ISO 9001:2000 quality management system and bear the CE mark for compliance with the Construction Products Regulation.

Because all Medite MDF products also meet CARB2 requirements - the most stringent in the world - for formaldehyde

IRISH TIMBER PRODUCTION

Timber production in Ireland is a big business which has grown rapidly in the last decade. Almost 11% of Ireland is under forest, supporting a vibrant, forest products sector. The total economic contribution of the sector in 2012 was €2.3bn and this figure has been growing over the years as wood output expands, under Forestry 2030 Ireland plans, to significantly increase its forest area and to more than double its yearly harvest. Over 89% of the output from the panel board sector is exported along with almost 60% of Irish sawmill output. The Irish panel products sector was the second largest exporter of particle board and OSB to the UK and Ireland is the largest exporter of MDF to the UK. (source COFORD). The UK representative body for the sector the Structural Timber Association (STA) has released figures confirming a record number of orders for the sector last year with businesses reporting an increase in sales of between 100% and 150%. The local sector is also recovering greatly, with new projects increasing rapidly the rising confidence in the local industry is continuing. New home builds were up by 10% last year and are expected to increase by 26% over the next two years.



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your business
objective...**

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TOYOTA
INDUSTRIAL EQUIPMENT





Russian Softwood produced by Mill 25 is distributed in Ireland by Wood Concepts.



An example of an automatic entrance door, available from PC Henderson.

emissions, they exceed EU requirements and help to uphold rigorous health and safety requirements both onsite and for the lifetime of the installation. Nick Marron, Sales Manager, Ireland at Coillte Panel Products recognises the need for a general purpose lightweight timber panel for a range of interior joinery and design applications: "Medite Trade gives tradesmen a lighter, more manageable and environmentally friendly timber panel with a high class finish. It is suitable for almost all on-site applications and should be considered for everyday use for joiners and general builders alike."

Russian Softwood

Looking at the import sector, local distributor Wood Concepts is an importer of Archangel Russian Softwood, graded to C24, which is suitable for all quality joinery applications, according to the company.

The softwood is produced by Mill 25, a production mill that is well-known in Ireland for its quality. Also stocked is regularised Latvian softwood, graded to C16/24".

Opening new doors

As part of the world's largest entrance products company (Assa Abloy), Irish sliding gear and garage door brand, PC Henderson, has extended its product offering to include:

- automatic entrance doors and screens for commercial premises.
- automatic domestic sliding doors.
- low energy swing door openers for disabled access
- safety and activation sensors.
- industrial sectional insulated and rapid roll doors

Henderson says it is now a complete solution provider for all the doors in a commercial premises.

FSC LAUNCHES NEW GLOBAL BRAND

The Forest Stewardship Council (FSC) recently launched new global branding, "Forests for all forever".

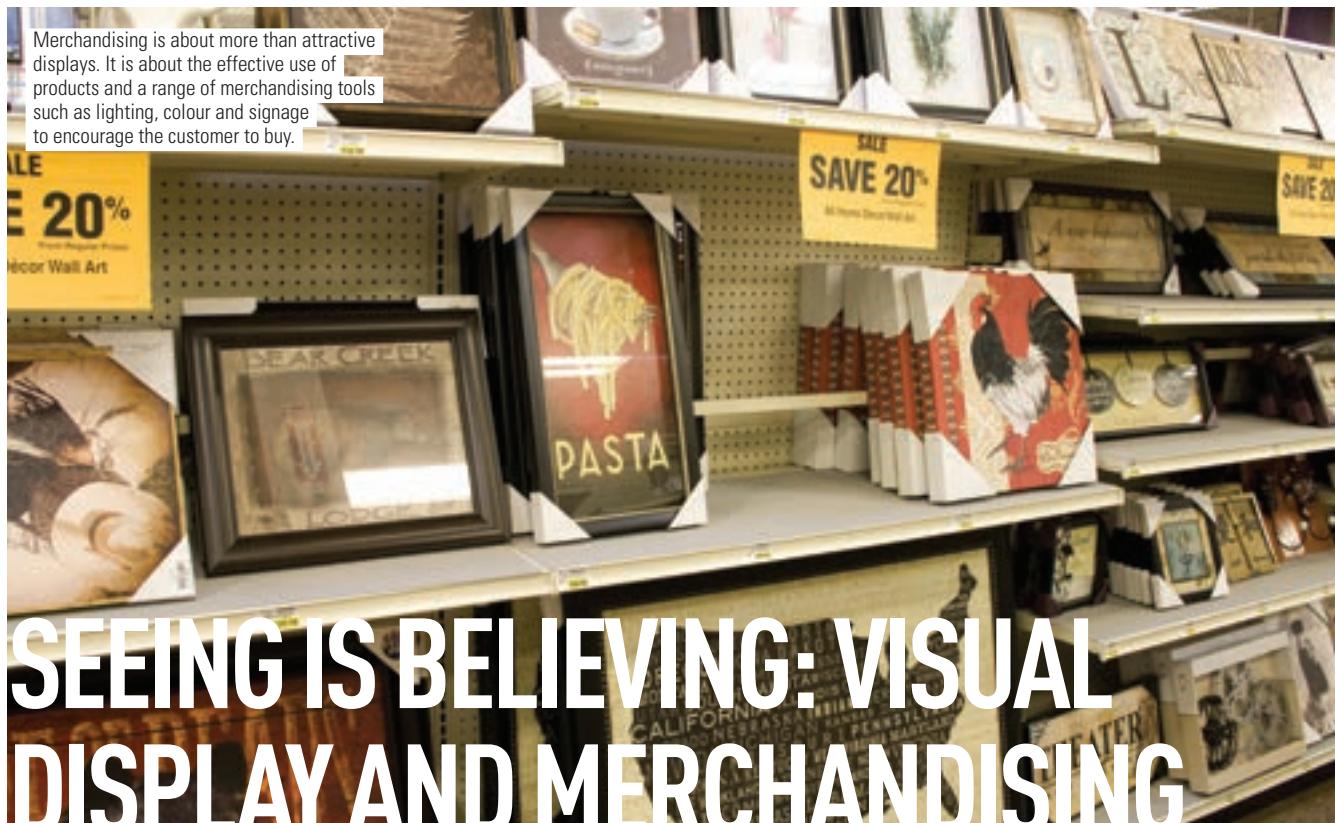
According to Kim Carstensen, Director General of FSC: "The success of FSC has always depended on consumer awareness and demand for FSC certified products. We have relied on our partners and certificate holders to spread the message of FSC on our behalf, and their success has been remarkable. But, we have also listened to their calls for more effective tools and materials that could inspire their customers to choose FSC – an identity that would connect with consumers and be memorable in the retail space. We believe the new branding and marketing toolkit will help them do this."

The new strapline, "Forests For All Forever" reaffirms the FSC vision of saving the world's forests for future generations, while the visual identity, which includes the animals and people who live and interact in forests, reinforces the all-encompassing approach FSC takes to sustainable forest management.

"Forests are so much more than trees and timber. Our principles and criteria have always reflected our determination to protect forests and their inhabitants. Now, our commitment will also be expressed in our visual identity, and provide a clearer message to consumers of what it means when they buy an FSC certified product," stated Mr. Carstensen.

"In addition, with markets opening up in Asia, Latin America and Africa, it was time to go beyond outreach to producers and retailers," continued Mr. Carstensen. "Supply grows in response to demand, and those at the end of the supply chain – consumers – are vital to ensuring companies seek out sustainable solutions and engage in responsible business practices."

The new branding was developed based on a marketing survey that reached 9,000 participants from 11 different countries in 2013. The online toolkit containing the new branding assets can be immediately accessed by certificate holders, and will be available to trademark service providers and key accounts later in the year.



SEEING IS BELIEVING: VISUAL DISPLAY AND MERCHANDISING

Current studies show that unplanned purchases make up between 46% and 70% of total purchases; visual displays and merchandising play a key role in this as they facilitate the customer's shopping experience.

Put simply, when customers can shop easily sales are impacted positively; if a store is cluttered and messy, sales will significantly drop. By providing a pleasant shopping experience customers will show loyalty and repeat shopping will occur.

Merchandising incorporates a lot more than attractive displays; it is the effective use of products, display fixtures, space, colour, lighting and signage to encourage customers

to buy. It has the potential to not only increase sales, but also increase shop floor productivity by improving organisation and allowing more customers to 'self-serve'. Visual displays can be described as a 'silent salesperson', which when used effectively will propagate sales through visual appeal. Seasonal merchandising is a major factor in the hardware industry when it comes to targeting DIY customers.

This feature looks at the use of field marketing companies to support efficient merchandising and the impact of promotional signage.

Merchandising teams

More merchants/hardware retailers and brand owners are now taking a lead from the grocery marketplace by utilising

PromoPOS Hardware & DIY



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Brushed Aluminium
for Handles
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2 FOR €7.99



Promotional signs work – that's why major retailers use them, according to Bill McConnell of Documation.

dedicated teams of merchandisers to support brand activity at the point of retail. With significant investment being made in standardised, brand specific promotional fixtures and displays, the need for consistent implementation during the promotional cycle, reporting of activity and planogram compliance, has made this area a key measure in many businesses. A number of brand-leading companies are now looking to field marketing companies for support in the efficient delivery of this activity.

Companies like Crossell have adapted to the hardware marketplace, having had years of success supporting leading brands in the grocery sector. Ian Shipley of Crossell points

out that the models they have evolved in the FMCG market are now being sought after to support and enhance brand activity in the hardware sector.

Crossell provide sales merchandisers to support specific promotional campaigns and short to medium term syndicated cover. For those companies requiring ongoing support they also provide full-time dedicated merchandising and business development teams, working to supplement the clients core sales team across Ireland. Crossell currently work with a number of leading brands, providing contract merchandisers through to the recruitment of full-time field sales and merchandising staff on a client's behalf.

In-store marketing

Bill McConnell, CEO of Documation Limited, a company that develops software and sells systems for online creation of professional point-of-sale signs for retail chains and franchises, advises that there are key differences between in-store marketing and in-store promotions. In-store marketing, he notes, provides supporting printed material, information, possibly videos and maybe even leaflet drops to introduce a new product range. In-store marketing can also be used to inform customers that they need to prepare for a coming season by ensuring they purchase all the products they will need. It could also advertise an event in the near future; for example, having a well-known expert give a talk on the best flowers or shrubs to plant in spring. All these ideas are great for your reputation, he says, and should be done regularly year-round.

In-store promotions

In-store promotions, he explains, are more about selling. Any time you go into a large hardware/DIY store, a large supermarket, a large pharmacy, or any other large retail chain, you are immediately hit with promotional signs: "3 for 2," "Buy 3 for €10," "Was €17.99 – Now €12.99 – SAVE €5" and many more. In addition retailers know some customers won't be comfortable asking for details about a product, so they use informative signs. Bill concludes: "Why do all the major retailers take time to do this? Because it works. Until recently, it was very expensive to implement software solutions to manage in-store marketing and promotions but now even smaller independents can achieve all this for about €1 per day."



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WOODCARE PRODUCTS PRIORITISE DURABILITY

In conjunction with our timber and decking feature in this edition, we report on wood protection products which play an important role in the environmental sustainability of timber products such as garden decking, by increasing the useable life of the wood; by protecting against weather, moisture, fungal and insect damage; and by sealing against general wear and tear. They also play a role in Health and Safety for example in their use as fire retardants.

On average, consumers will need to paint their outdoor decking approximately every two years. With the Irish Climate, outdoor timber can suffer greatly and this provides a great opportunity for retailers and suppliers to promote the regular use of wood protectants to extend the useable lifetime of their timber home features such as decking, fencing, sheds and floors.

Retailers need to be informed on what is the best type of treatment for timber type and use. For example, a very large proportion of outdoor decking and fencing in Ireland is made from softwoods such as spruce and pine and these need to be treated appropriately. Merchandising and visual displays can play a large role in communication of this to consumers and, with summer here, it is time to get the outdoor wood protection products to the front.

Advances in technology are offering a wide range of products to the Irish Market (from sophisticated paints with multicolour options to woodstains that can protect exterior woods for up to five years), below are a number of such products available to the market.

Multi-coloured options

Cuprinol Garden Shades from Dulux features 78 colours and Dulux says it is an easy and fun way to spruce up garden furniture, sheds, fences and planters or add pops of colour to gardens. Old wooden crates can be up-cycled by painting them and stacking them for storage.



Cuprinol's Garden Shades range features 78 colours.

With the addition of some colourful accessories such as cushions, bird boxes and garden lights, it really is easy to extend your indoors out, according to Cuprinol. From muted and sophisticated tones such as Cuprinol Garden Shades in Pale Jasmine and Country Cream to the more adventurous Sunny Lime, there are colours to suit all tastes.

High-performance products

Sadolin's woodcare range features Sadolin Classic and Sadolin Extra. According to Sadolin's woodcare expert Sean Thompson: "They are both high-performance products in their own right. But they're even better when used as a combination that creates the best of both worlds.

I'd urge painters and decorators and DIYers to take a look and see what the system can do for them."

He says that Sadolin Classic is ideal for all exterior wood, including decking, and is the most versatile wood stain in the Sadolin range. "It's particularly effective on new joinery when twinned with two coats of Sadolin Extra - a durable, translucent wood stain that creates a high-quality finish." Sadolin Extra also offers tough weather protection, Sean explains, due to its flexibility and water repellent features, while enhancing the natural beauty of the wood. A new video, presented by Sean and demonstrating the benefits of a systemic approach to exterior woodcare, has been produced. It shows how using Sadolin

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Larsen Wood Preservative
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Classic and Sadolin Extra together can create long-lasting benefits, by protecting joinery and enhancing the natural beauty of wood. Search [Youtube.com](https://www.youtube.com) for Sadolin Classic and Extra - the perfect partnership. Sean added: "The video gives an overview of the system and shows how the joined-up approach can provide major benefits by protecting and enhancing exterior joinery."

Stop the rot

Larsen Wood Preservative is specially formulated to stop wet and dry rot. It kills wood boring beetles and woodworm, and provides long lasting protection from future attack. It is available in three colour variations, clear, green and brown. Larsen Wood Preservative is suitable for use on virtually all timber, internally and externally. It should be applied in a minimum of two coats to all surfaces, joints and end grains and is overpaintable. Use biocides safely. Always read the label and product information before use.

Weatherproofing

Specially developed to colour and protect sheds, fences and other rough sawn garden wood, Everbuild Quick Drying Wood Stain is a professional, low solvent wood stain that aims to enhance the natural qualities of wood, and provides long lasting protection. The weatherproof protection provided also gives a crack and peel resistant finish and excellent resistance to ultra violet light degradation, according to Everbuild. It is ideal for use on smooth planed exterior and interior timber, such as



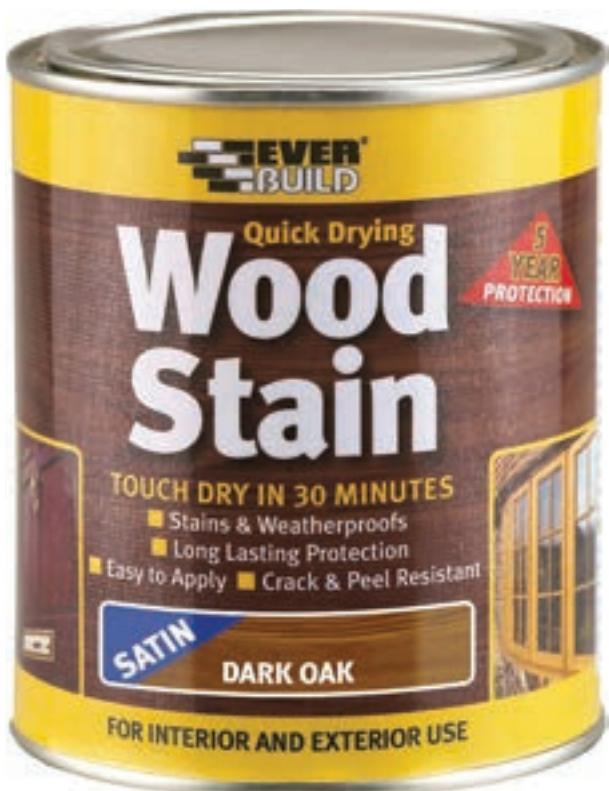
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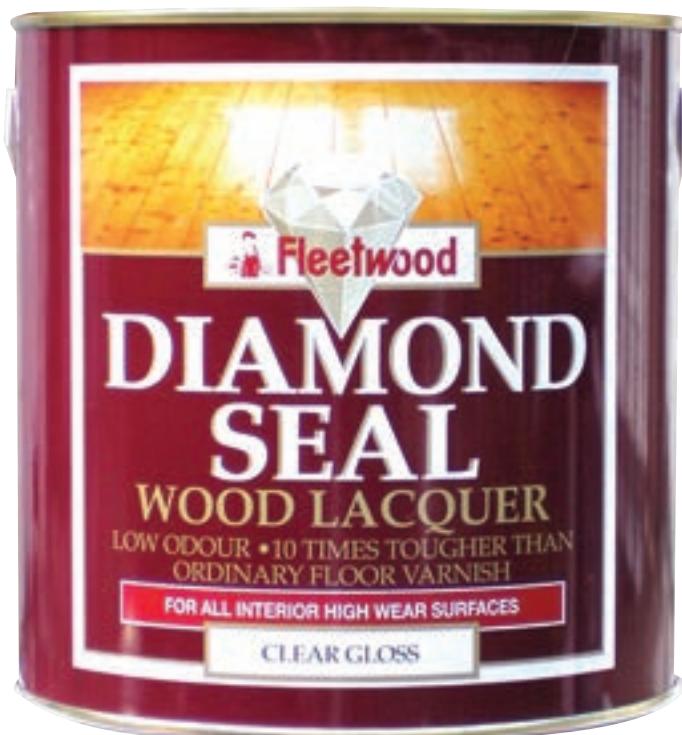
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Everbuild Quick Drying Wood Stain, a low solvent wood stain.



Fleetwood's Diamond Seal is a water-based lacquer with what Fleetwood describes as exceptional durability.

doors, window frames, architectural timbers, conservatories, cladding and garden furniture etc, Everbuild claims and, under normal weathering conditions, it can be expected to provide protection for up to five years.

The Everbuild range of Wood Stains now also features a Maintenance Clear Coat - a clear wood stain maintenance coat that protects and enhances wood without colouring or darkening. As with the coloured wood stains, Everbuild states, it can be expected to provide protection for up to five years and is touch dry in 30 minutes. It is now available in a new matt finish.

Quick Drying Clear Varnish is a professional, low solvent varnish, that, Everbuild says, will enhance the natural qualities of wood, and provides long-lasting protection. It has been developed specifically to give an ultra-hard, scratch-resistant and heat-proof, non-yellowing finish. It is ideal for use on interior wood such as tables, chairs, doors, skirtings, furniture etc.

Protection against wear and tear

Fleetwood says that its Diamond Seal product enhances the beauty of interior wooden floors, while offering tough protection against daily wear and tear. It is available in clear gloss and satin finish.

To protect against knocks, scuffs and scratches, Fleetwood recommends using high build polyurethane varnish which provides a tough durable finish on everything from spindles and stairs to doors and skirting boards. It is available in gloss and satin finish. Fleetwood also provides Extra Durable Wood Stain for exterior woods which it says resists blistering and is guaranteed for up to five years.

Fleetwood Exterior Yacht Varnish is formulated to varnish bare wood without darkening its natural colour or can be used to refresh already stained wood.

It is specially formulated with tung oil to give maximum protection and durability to marine and other external woodwork. It has excellent adhesion, Fleetwood claims, and will not flake or peel.

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