

JULY/AUGUST 2014

# THE **HAI** HARDWARE **JOURNAL**

THE VOICE OF THE IRISH HARDWARE INDUSTRY

## **BRIGHTER OUTLOOK FOR HARDWARE?**

**SURVEY FINDS CAUTIOUS OPTIMISM  
AMONG HAI MEMBERS**

**ALSO INSIDE:  
SUCCESSION PLANNING**

# CROWN



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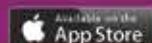
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## DEAR READER,

As summer draws to a close, the HAI Members' Survey brings some good news from the hardware sector, with over half the respondents reporting a better performance in the last 12 months than in the previous comparable period. However, the good news is better for some than others, with urban-based builder's merchants/hardware retailers enjoying a faster rate of growth than their rural counterparts. For more on the survey, see page 14.

August is a month that offers many the opportunity to wind down. If you're in that position, it might be a good chance to take a break from the frontline of the business to think about the bigger picture.

You should get some food for thought on strategic management in our Business Focus articles where John Hassett offers useful tips on measuring business performance (page 31) and Oliver O'Connor has advice on succession planning (page 39).

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## FASTEST RISE IN NEW ORDERS SINCE NOVEMBER 2004

**The recovery in the Irish construction sector gathered pace in July, helped by a series-record rise in housing activity. The rate of growth in new business quickened sharply to the strongest since November 2004 and the pace of job creation picked up.**

The Ulster Bank Construction Purchasing Managers' Index – the seasonally adjusted index designed to track changes in total construction activity – rose to 62.6 in July from 59.9 in the previous month and signalled the fastest rise in activity in three months. Total activity has now increased in each of the past 11 months with panellists linking the latest rise to higher new orders, and in some cases the release of projects that had previously been on hold.

Commenting on the survey, Simon Barry, Chief Economist Republic of Ireland at Ulster Bank, noted that: "The Irish construction sector has made a strong start to the third quarter, according to the results of the latest Ulster Bank Construction PMI survey. Overall activity increased sharply in July, with the rate of growth quickening to its fastest in three months. The July results marked the eleventh consecutive month of expansion among Irish construction firms – an important indication that a sustained recovery is taking hold.

"Housing was a particular bright spot as a further strong acceleration in activity last month took the rate of growth to the fastest in the survey's 15 year-history. It is important to recognise that levels of residential activity remain extremely low following the huge correction which took place over 2007- 2013. Nonetheless, the evidence provided by the PMI – and indeed other data sources, including Department of Environment figures on house completions – indicates that housing activity trends are clearly on an improving trajectory. Also offering considerable encouragement was the strength of new business flows reported by respondents last month. The rate of growth of new orders picked up markedly to the strongest since November 2004, thus providing a solid basis for expecting that overall activity levels should continue to expand solidly in the months ahead."

## A NEW NAME AT HAI

A new name has arrived at HAI. Annemarie Harte formerly worked as Secretary and Chief Executive Officer of Rotary International in Great Britain and Ireland (RIBI) and has lived in the UK for the last seven years. Rotary is an association of over 1830 Rotary clubs with 53,000 volunteer members, part of a global network that is Rotary International based in Chicago, US. In her time there she undertook a root and branch analysis of the Secretariat support service for volunteer Rotarians in order to reduce costs and improve efficiencies as well as being part of the team that streamlined the management structure of the organisation in order to enhance transparency and governance. She spent six years ensuring that change management and performance based business plans (as part of an overall global strategy) were implemented whilst ensuring members' voices were heard and used as part of the ongoing process of attracting people to membership.

Prior to Rotary, Annemarie was the CEO of Dún Laoghaire/Rathdown Chamber of Commerce where she learnt her trade as an advocate, multi-tasker and membership driver. Previous roles included sales, marketing and business development across the Telegraph Group Limited and Associated Newspapers in the UK and Ireland, as well as a spell working with Paddy Power to launch their online casino in the UK. Annemarie studied Politics and History at University College Dublin and holds a Public Relations Diploma from the Public Relations Institute of Ireland, coming first in her class and awarded Student of the Year.

She is committed to lifelong learning and now enjoys keeping fit and supporting Leinster and the Irish rugby teams. She is a committed volunteer and now that she has returned home, intends to continue this work. Annemarie is delighted to join Hardware Association Ireland as its new Chief Executive and together with Jim Copeland looks forward to working on ensuring the long-term sustainability of the organisation. Annemarie will officially be announced to the industry and the national media at the end of August.

## DERMOT'S DROP

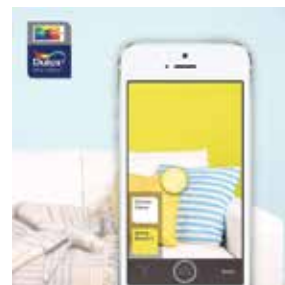
The Make-A-Wish foundation are running a charity skydive event called "Toss Your Boss", and some of the hardworking people at P.J. Kelly Ltd., Homevalue Hardware, Westport thought this would be a wonderful opportunity to have Dermot Kelly thrown out of a plane to raise some much-needed funds for a worthwhile charity at the same time!

Dermot says: "I would very much appreciate your support in helping me to raise funds for my chosen charity. I have created a fundraising page on [www.mycharity.ie](http://www.mycharity.ie). On it you can read a few words about the event that I am doing and the Make-A-Wish Ireland charity." Dermot adds that you can sponsor him via credit or debit card.

## AUGMENT YOUR REALITY WITH DULUX VISUALISER APP

Whether you're a born colour addict or simply need some inspiration to get creative, the new Dulux Visualiser app acts as your personal colour assistant on the go, according to Dulux. The Visualiser is a mobile augmented reality app which enables users to test colour their walls, while viewing the results live on their mobile device, as they move around the room.

This is the first time a paint brand is providing an augmented reality tool to consumers, Dulux notes. The tool is free for download on both IOS and Android and aims to help DIYers build confidence in their colour choices by allowing them to try out Dulux colours and recommended schemes in a few simple steps. Users can go crazy with colour or can play it safe through the colour picker function which gives instant tailored schemes based around existing items in their room.



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## SAINT-GOBAIN GYPSUM AWARDS SHOWCASE GYPROC PRODUCT

The ninth Saint-Gobain Gypsum International Trophy Awards ceremony was held at the Kosmos Cinema in Berlin, Germany recently. The ceremony resulted in another success for Gyproc Ireland as Glenstal Abbey, Ireland's first Activ'air school, represented by contractor Paul O'Loughlin, was awarded runner up position in the Segment Solutions category. With 87 competing projects from 33 different countries, this was truly a global event. Competition was intense, with seventeen projects entered in the Segment Solutions category alone.

The refurbishment to Glenstal Abbey involved a three storey 2,541 sq. metre extension to the school and general refurbishment to the existing school which is a protected structure. Close collaboration between the Gyproc team and contractors was critical in order to meet the required project performance criteria.

With a five-year schools building programme underway in Ireland, Glenstal Abbey is an exemplar schools project, demonstrating not only high levels of workmanship, but also how the use of innovative materials and systems can help to improve the levels of air quality within school buildings.

The project entries, especially the winners, showcased how Gyproc high performance plasterboard systems and plasters, combined with skilled workmanship provide solutions for high quality, safe, comfortable, modular and sustainable interiors across a wide variety of applications.

The competition was judged by an international jury, comprising external specialists representing all of the industry's key professional, trade and client interests, as well as representatives from Saint-Gobain. Winners from Ireland's national event went forward to compete in the international event in Berlin.

### ACTIV'AIR

Gyproc Activ'Air Plasterboard uses an innovative technology to improve indoor air quality by taking volatile organic compounds (VOCs) out of the air and keeping them out. Activ'air is a new technology added to Gyproc DuraLine and Gyproc SoundBloc plasterboards and Gyptone ceiling products. It is designed specifically to decompose VOC emissions into non-harmful inert compounds, thus eliminating the risk of re-emission. It keeps working for up to 50 years, based on tests and analysis, even after multiple renovations.



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## COLOUR DASH WINS FUNDRAISING AWARD

The Irish Cancer Society Colour Dash, sponsored by Crown Paints, has been named the Best National Fundraising Event at the 2014 Irish Fundraising Awards. The Colour Dash five kilometre event raised almost €100,000 for the Irish Cancer Society in 2013. Participants can walk, jog or run the course where each kilometre is marked with a different colour representing a different type of cancer. As participants pass each one, powder paint is thrown at them, creating a vibrant spectacle.

Fundraising Ireland, which presented the award, is the association for professional fundraisers in Ireland.

Its mission is to foster excellence in fundraising and to promote best practice across the sector.

Speaking about the Colour Dash, Kevin Whelan, Marketing Controller for Crown Paints Ireland, said: "The Colour Dash is a fun and exciting way to raise vital funds for the Irish Cancer Society. We are delighted to sponsor such a fantastic event and, this year, we're hoping to raise even more money for the Irish Cancer Society."

Emma Barrett, Corporate Partnerships Manager with the Irish Cancer Society said "It's an honour to win Best National Fundraising Event for the Colour Dash. All of the funds raised go to fighting cancer and we are thrilled that so many people come out to show their support."

This year, the Irish Cancer Society Colour Dash sponsored by Crown Paints was back in the Phoenix Park, Dublin, on July 26, with over 3,200 people taking part on the day, an increase of

almost a thousand on the numbers that took part in 2013. Two additional Colour Dash events have also been announced for Limerick and Cork this year. The Limerick event is on August 24 at University of Limerick and the Cork event takes place on September 6 in Ballincollig Park.



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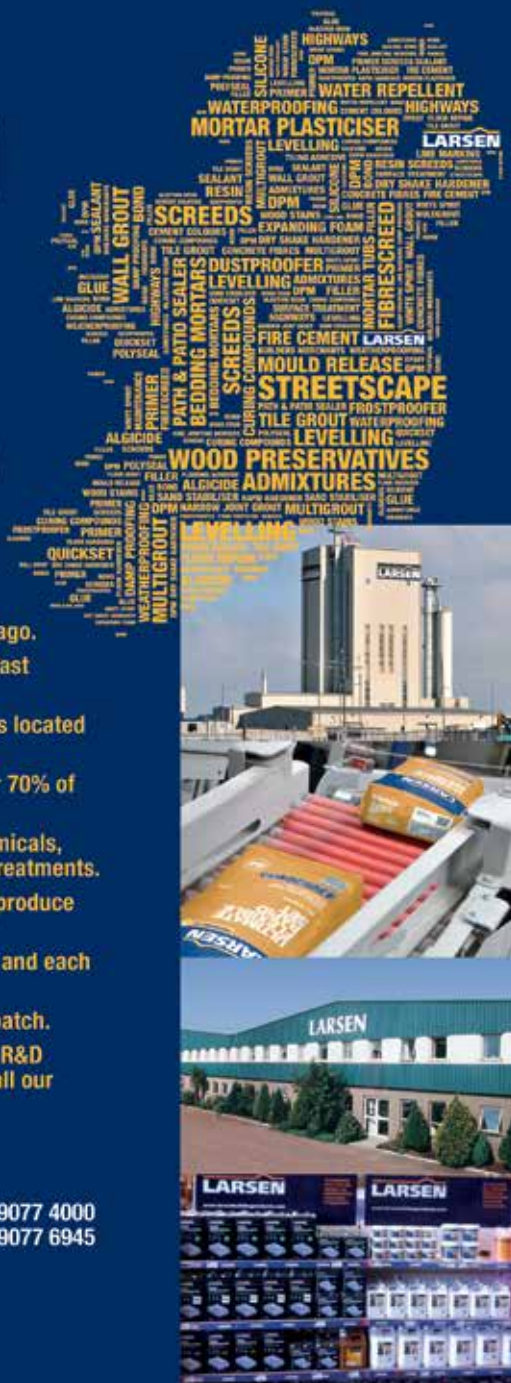
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Anne Marie O'Shea

## NATIONAL HARDWARE APPOINTS NEW DIRECTOR

National Hardware Limited (ARRO Home and Garden Group) are pleased to announce the appointment of Anne Marie O'Shea as a Director of the company.

Anne Marie holds a Bachelor of Commerce from University College Dublin and is a member of the M.D. O'Shea Group operating builders merchants stores in Killarney, Co. Kerry and Ballincollig, Co. Cork.

Active in a number of community enterprises, Anne Marie also serves as an Executive Committee Member of Killarney Chamber of Commerce and Tourism. William Telford, Chairperson of National Hardware said: "Anne Marie O'Shea brings a wealth of retailing experience from a well-respected 4th generation DIY business and we look forward to her valued contributions to National Hardware board affairs."

## SUPER MARKETING SUPPORT FOR RTE'S SUPER GARDEN

Garden brand Cuprinol bloomed through the late spring and early summer with a marketing campaign comprising TV stings, in-store, digital and PR, all designed to inspire the creation of colourful outdoor spaces.

RTE1's Super Garden was supported by Cuprinol for their latest TV show via a €150K package for the airing of the programme which ran from April 24 for six weeks. The support package comprised co-sponsorship of Super Garden, a seven and 10 second sting under their new "Cheer it up" platform, inspirational in-store displays of colour, strong social media presence, launch of new Cuprinol.ie site and a national PR campaign.

Super Garden featured five up-and-coming garden designers who provided a €5k outdoor space makeover to five lucky viewers whose gardens were in need of cheering up. The winning makeover was chosen to compete at Bloom in the Park over the June Bank Holiday weekend. After the success of the Super Garden link up, the word is that Cuprinol is set to launch a 'Shed of the Year' competition in Ireland for 2015.





Martin O'Halloran, Chief Executive of the Health and Safety Authority; Eddie Kelly, Managing Director of the Grafton Group and Tom Parlon, Director General of the Construction Industry Federation, at the launch of the 'Safety at Heights' campaign.

## SAFETY CAMPAIGN FOR CONSTRUCTION INDUSTRY

A new health and safety campaign aimed at increasing 'Safety at Heights' on construction sites is being rolled out around the country. Falls from heights were responsible for 24 of the 42 construction related deaths that occurred in the last five years (57 per cent of all construction fatalities) and a disproportionate number of these accidents have happened on small sites and maintenance type jobs.

As part of the campaign, attention-grabbing posters will be displayed in Grafton Group hardware stores such as Chadwicks and Heiton Buckley and 15,000 leaflets will also be distributed in these outlets. The 'Safety at Heights' campaign is being backed by the Health and Safety Authority (HSA), the Construction Industry Federation (CIF), Hardware Association Ireland (HAI), the Construction Safety Partnership, and is sponsored by Affinity Cover.

Martin O'Halloran, Chief Executive of the Health and Safety Authority also backed the campaign saying: "The majority of fatal accidents that occur in construction involve working at height. A study of recent trends in the sector shows us that smaller sites, operated by small employers and self-employed craftsmen, are of particular concern. With any work activity that takes place at height, such as; working on roofs, on ladders or on scaffolding, the risk of a fall resulting in serious injury or death is increased."

The posters will be displayed in Grafton Group outlets around the country and their Managing Director Eddie Kelly said: "We are delighted to participate in this important campaign which we hope will help improve workplace safety on construction sites. This is a powerful and important message which needs to be communicated to construction personnel and we are happy to play a part in achieving that goal."



## Child's Play

There are some self adhesive floor protectors that require the purchase of a rather expensive applicator to unroll the product. Others, have the adhesive applied to the inside of the roll and require more than a degree of brute strength to force the protector to unroll.

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Keith Giblin has been appointed Chief Executive Officer with Allied Merchants Buying Association.

## NEW CEO FOR ALLIED MERCHANTS BUYING ASSOCIATION

In order to build on their success in recent years, the board of Allied Merchants Buying Association is pleased to announce the appointment of Keith Giblin as their new Chief Executive Officer. Keith graduated from DCU with a BA in Accounting and Finance and has more than 10 years' experience in company strategy, strategic partnerships and operations and data analytics. Keith comes to Allied Merchants Buying Association from Retailsoft, which is an International company providing software solutions designed to improve retailers' profitability. In Allied Merchants Buying Association Keith will lead the role of driving excellence in all aspects of the group's operations. Keith will focus on enhancing the group's infrastructure to underpin the ongoing strategic development and growth of the group. Commenting on the appointment, former Chairman Michael Ganly said: "Keith has joined at a very important time of growth within Allied Merchants. We have over 100 approved suppliers with a purchasing turnover tracking €50m for 2014 and average growth of 22% with our approved suppliers compared to turnover with the same suppliers in 2013. The number of Approved Suppliers will continue to grow in categories such as timber, building supplies, plumbing, hardware, garden, agriculture and homewares. Keith will build on the success of recent years and take the group into a new phase of its development, which will continue to drive profitability for each of our members."

## EUROPEAN BES 6001 MILESTONE FOR TEGRAL

Tegral, based in Athy, Co. Kildare, is the first fibre cement roofing manufacturer in Europe to achieve BES 6001 Certification for responsible sourcing of construction products. Tegral Building Products Ltd states that it has always been at the forefront of sustainability within the construction industry and this recent achievement highlights its ongoing commitment to reduce the environmental and social impact of its operations.

The construction industry is a major consumer of resources and the BES 6001 standard was developed to enable construction product manufacturers, like Tegral, to prove that their products have been made with materials that have been responsibly sourced from suppliers who have documented health and safety systems, and quality and environment systems (ISO 9001 and ISO 14001). For instance, Tegral's wood cellulose for fibre cement production is sourced from eco-certified plantations, timber used in Tegral's pallets are sourced from FSC (Forest Stewardship Council) managed forests, and wherever possible, recyclable cardboard and plastics are used for banding, interleaves, bags and boxes.

Judy Fusco Linnane, Marketing Manager with Tegral commented: "We are delighted that we have been awarded the BES 6001 Certification. We have worked hard to achieve the certification on responsible sourcing and the fact that it is an independent, third party assessment proves that our sustainability claims are genuine."



Tegral is the first fibre cement roofing manufacturer in Europe to achieve BES 6001 Certification.

## UK'S LARGEST GARDEN CENTRE CHAIN REBRANDS

The UK's largest chain of garden centres 'The Garden Centre Group' is in the process of rebranding back to Wyevale Garden Centres. Sarah Fuller, marketing director for Wyevale Garden Centres, said: "We chose Wyevale Garden Centres as our brand name due to its strong existing recognition and positive associations among consumers as well as its history of being at the forefront of the UK gardening tradition."

The company, known as Wyevale GardenCentres at the time, rebranded to Garden Centre Group to allow it to return to its horticulture roots in 2009. The current rebranding follows on from a trend that is seeing some garden centres going back to calling themselves a nursery which is originally where the garden retail and garden centre sectors came from.

The company started as a mail-order nursery operated by the Williamson family in the 1930s in Hereford and in 1967 opened the first Wyevale Garden Centre on Kings Acre Road. Garden Centre Group was bought out by Terra Firma capital partners for £276m in 2012.





## ELMER'S ESSENTIALS – RETAILING TIPS

Elmer Kerr shares his tips on enhancing turnover and profit. Elmer is Sales & Marketing Director of PMM, Ireland's leading merchandising and retail marketing consultants. Elmer is currently leading The Beacon Initiative, a retailer development programme in Co. Cork.

### STOP POURING MONEY DOWN THE DRAIN

Many stores concentrate heavily on attracting new customers with expensive advertising campaigns – offline and online. Newspapers, radio and even TV are considered great opportunities to attract potential buyers. Growing your customer base is a worthwhile endeavour. However, when setting your sights on new customers, don't neglect to make the most of the customers you already have. Concentrating on encouraging existing customers to spend more money in-store can often be an easier route to increase sales and profits.

This can be achieved through better merchandising, tempting displays, wire dump bins, counter pockets full for impulse purchase, special offer boards, window vinyls with key messages, and a text or email every month to let their database know why it is worth a visit.

Store managers need to put their customer hats on everyday and look closely at everything the customers see in-store – as well as what they are not seeing.

Last month, I did a review on a group with multiple stores and not one store manager could tell me how many customers or transactions he/she had daily. In addition, they couldn't rhyme off the tip of their tongues the top five store offers on that day! They hadn't contacted their customer database in over a year and two stores had never made contact. Monthly news bulletins weren't considered, including low-cost, effective community 'people' sponsorships.

Before spending money on trying to get new people in, get your store in order to maximise sales. Concentrate on your core customer base, you already know them and where they come from. It costs little or nothing to do the simple things right everyday.

**More helpful hints from Elmer in the next edition...**

## EXCELLENCE LAUNCHES NEW CIRET RANGE

'Quality', 'choice' and 'value' are the words best used to describe the new range of Ciret decorating products according to distributors, Excellence Ltd. Adding to its range of household DIY decorating products such as Rustins, Briwax, Solvite, Antique Wax and Swarfega, Excellence says it is now becoming the one-stop shop for all DIY needs. The new Ciret range includes the brands: Kana paint brushes, Rota rollers and the Prep range of decorating tools. A spokesperson for Excellence commented: "We are bringing some of the best quality paint brushes, rollers and preparation tools to the Irish DIY market and, along with fantastic quality products, we are offering very competitive prices which will allow our customers an opportunity to enhance their margins on this very important category. We decided that a mix of quality, a comprehensive range and a competitive price is what our customers want. We have trialled the range with some professional decorator's around the country and the feedback and response to the quality and price has been fantastic.

Having the Ciret range of paint brushes, rollers and preparation products on your shelf will certainly bring added value to your business, according to Excellence.

Rota Rollers are durable long life Rollers, giving an all-round performance, coverage and finish. They are available in a wide range of fabrics, sizes and colours so there is a suitable product for any type of DIY job.

Kana paint brushes are high performance brushes and part of a range that includes mixed bristle, synthetic, cement to name but a few. These brushes are suitable for all paints and varnishes and come in a variety of sizes.

Prep tools are aimed at the DIY sector, from filling knives to stripping knives; these products are durable and easy to use, Excellence states.



## 60 SECOND INTERVIEW

### DAVID BOLGER

David Bolger is joint Managing Director of John Bolger & Co. Ltd., Agri & Hardware Merchants, along with his brother, Peter. This fifth generation family business is based in Ferns and Ballycogley, Co. Wexford, and has been in existence since 1884.

#### 1. Are you an optimist?

Always.

#### 2. Business leader you most admire?

Michael O'Leary.

#### 3. Biggest lesson learned in business?

Customer service is vital for the success of your business.

#### 4. Best business book you have read?

'How to win friends and influence people' by Dale Carnegie.

#### 5. Advice to entrepreneurs starting out?

There are lots of grants, supports, advice and co-operation from Government bodies to help.

#### 6. Who, or what, has helped you the most?

Working for Woolworth's Ltd. in Sydney, New South Wales, for five years.

#### 7. What type of phone do you have?

iPhone.

#### 8. Tablet or laptop?

Tablet.

#### 9. Favourite pastime?

Rugby refereeing and playing golf.

#### 10. Favourite movie?

Braveheart.

#### 11. Favourite part of the world (other than Ireland)?

Australia.

#### 12. Greatest regret?

Not being able to play an instrument in my teens.

# THE HARDWARE SHOW 2015

HOME - GARDEN - BUILD - DIY



## BE PART OF THE ACTION DON'T MISS THE HAI HARDWARE SHOW 2015

**15 - 16 FEBRUARY 2015**

**CITYWEST HOTEL, CONFERENCE & EVENT CENTRE**

The Hardware Show 2015 is an event organised by the industry for the industry. Its organisation is being driven by an influential and informed trade show committee, which has already begun planning on making THE HARDWARE SHOW 2015 an unmissable event for both merchants and suppliers.

### BOOK YOUR STAND

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# INDUSTRY SHOWS STRONG SUPPORT FOR THE HARDWARE SHOW 2015

With over 85% of exhibition space sold (and that's after an additional 25% of space was added following an initial sell-out), Hardware Association Ireland welcomes the support of some key industry names for the extended and improved Hardware Show 2015. The show will take place at the Conference & Event Centre, Citywest Hotel, Co Dublin, on February 15 and 16, 2015

The HAI are delighted that some of its most loyal exhibitors have expressed their support for the show and extends a warm welcome to newcomers.

**Donal Moulton of Tucks O'Brien** comments: *"We have begun our preparations in earnest and we are treating this exhibition as the most important customer interface for Tucks O'Brien in 2015."*

One of the most valuable elements of the show for **Niall Nugent, Sales & Marketing Director with Ames True Temper**, is the opportunity to enhance business relationships: *"Our participation in the 2015 HAI Hardware Show gives us the opportunity to strengthen our relationships with existing customers as well as the opportunity to build new business relationships, all under one roof. It is the most effective stage to promote new innovation in terms of product and selling tools such as merchandising solutions and POS. A must-attend event."*

**John Murphy (Castlerea) Limited's Managing Director, Cillian Molloy** reports: *"While the company has always supported the biennial event as it is the most important showcase for the Irish Hardware & DIY trade, the upcoming exhibition has taken on more significance given the continuing signs of economic recovery and general improvement in the market. JMC has committed to taking a larger stand at the show to display its ever-growing product range and is pleased with the professional approach of the show organisers."*

**Derek Doyle, Managing Director, DS Supplies**, notes: *"As exhibitors at the Hardware Show since 2001, we have always found the attendance to be excellent, especially since the show was relocated to the Citywest Exhibition Centre. As a bi-annual, trade-only event, the show attracts key decision-makers from all corners of the island. DS Supplies will use this opportunity to showcase our new product lines for 2015."*

Meanwhile, **Declan Byrne of CCEC Distributors** sees the show as a significant platform: *"CCEC Distributors has been a long-time supporter of the Hardware Show. The show provides a platform for us to launch/promote new products, network with existing and prospective customers, and engage with others in the trade."*

**Liam Roche, Finance Director of McLoughlins RS**, says: *"As one of Ireland's leading DIY, home and garden suppliers, McLoughlins RS is delighted to support the Hardware Show. It promises to be the main event of the year for the industry. We anticipate it kicking off a year of recovery for all of us."*

**Alex Taylor, Sales Director, Uppercross Enterprises**, comments: *"Having witnessed the huge numbers of key trade buyers attending the last HAI show, it was a no-brainer for Uppercross Enterprises and Niko Ireland to take space at the 2015 event. Following on Eventhaus's success as organisers of Bloom, we were excited to see the company take the event planning reins for next February's Citywest show."*

**Peter McGill, Managing Director, Larsen Building Products** states: *"Larsen is delighted to exhibit at the forthcoming Hardware Show to emphasise our broad range of building chemicals, adhesives, levellers, sealants and primers, wood treatments and technical mortars."*

## HAI PRESIDENT WELCOMES INDUSTRY ENDORSEMENTS

Paddy Kelly, HAI President, commented: "The HAI is proud to receive these comments from some of our best customers. I can assure them and every other participating company, that The Hardware Show 2015 will be the most commercially productive to date, for both visitors and exhibitors. We will not let them down."

## BIG NAMES BOOK EARLY

Most of the major industry brands have already confirmed their space. In addition to the companies quoted, here are just a few of the major names that will be at the show next February: Amalgamated Hardware Plc., Arc Building Products, Bostik Industries, Calor Gas, Canadia Distributors Ltd., Centurion Europe Ltd., Classic Hardware, Contech, Colortrend, CPL Fuels, Crown Paints, Dargan John & Sons Ltd., DFE, Donal Lynch Hardware, Dosco, Draper Tools, Dulux, Duracell, Ecocem Ireland, Everbuild, Fleetwood Paints, Galco Steel, Gyproc, Hamble Distribution, Henley Stoves, Irish Cement, Irish Wire Products, IS Varian & Co. Ltd, Henkel, JB Key, John Stafford & Sons (Dublin) Ltd., Keystone Group, Kilsaran, Lagan Group, Laydex, N and C Enterprises, Power Home Products, Rowlplug, Rhino Distributors, Ronseal, Saint Gobain, Snickers, John Stafford & Sons Ltd, TIMCO, TW Clarke, United Hardware and Xtratherm.

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# BRIGHTER OUTLOOK: HARDWARE SEES FIRST SIGNS OF GROWTH

Hardware merchants across the country are seeing an improvement in business activity for the first time since the onset of the recession, but the pace of improvement varies across the country. In Dublin, for instance, 68% of merchants reported an improvement while, in Connaught/Ulster, only 43% saw an improvement

**In a survey of Hardware Association Ireland (HAI) members carried out by Behaviour & Attitudes (B&A), 52% of merchants nationally reported a better performance in the past 12 months, almost double the figure recorded 12 months previously when only 27% reported an improvement.**

HAI members are more positive about the year ahead than they were in 2013, with 56% expecting business will be higher in the next 12 months, against 30% this time last year.

There are also fewer hardware merchants seeking financial support from lending institutions and fewer receiving the required support. Just 13% applied to lending institutions for funding over the past 12 months with 60% being successful. A year earlier, 21% sought financial support and 75% were successful. Both short-term and long-term finance provided the rationale for application, with funding for short-term loan (55%), long-term loan (45%) and overdraft (30%) topping the list.

Business performance is considerably stronger in Dublin/Leinster and urban areas. Indeed, while business activity outside Leinster is in line with the national average, staffing and profitability levels outside Leinster have a negative balance – despite pricing levels increasing.

Specifically, 43% of merchants in Connaught/Ulster reported an improvement in the past 12 months. Only 8% of merchants in the region reported increasing staff.

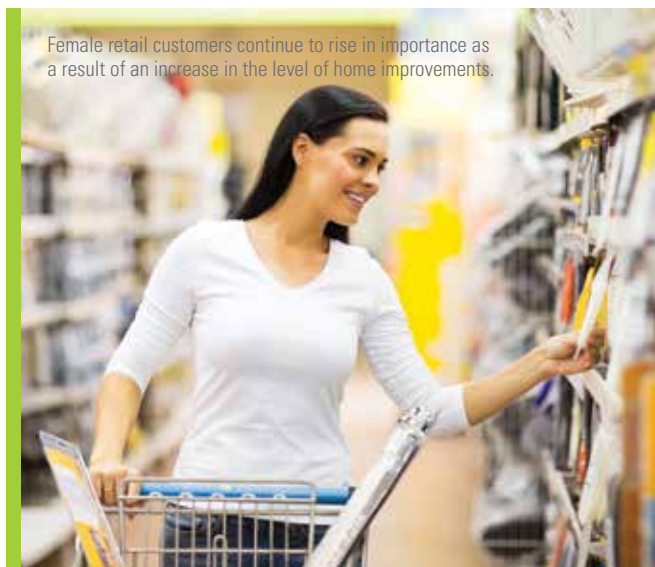
In Munster 46% of merchants reported an improvement. Munster is also

below the national average in terms of the growth in employment with 15% of merchants reporting more active recruiting. The national average is 19%. In Leinster (excluding Dublin city and county), 57% of merchants reported an improvement. Leinster hardware merchants also reported more active recruiting with 22% reporting higher staff levels in the past year.

Dublin hardware merchants are seeing a stronger growth in business activity than anywhere else in the country. In Dublin 68% of merchants reported an improvement over the past 12 months. Dublin hardware merchants also reported more active recruiting with 41% reporting higher staff levels in the past year.

Commenting on the survey, HAI President Paddy Kelly said: "While it is encouraging to see the first signs of an uplift in activity in our sector, it is from

Female retail customers continue to rise in importance as a result of an increase in the level of home improvements.



a low level due to the harsh trading conditions that have existed since around 2008. And there is a clear need to rebalance economic activity with a greater focus on rural Ireland. While there is a need to stimulate consumer spending nationally, there is also an imperative to energise rural economic conditions with the inevitable benefit of increasing employment.

"In terms of the future, we are seeing a level of measured optimism evident across the sector. Hardware businesses are more positive about the year ahead than they were in 2013, with 56% expecting business will be higher in the next 12 months, against 30% who expressed that view 12 months ago. But there is a marked difference in confidence between Dublin/rest of Leinster (68%) and the rest of the country (46%)."

**(Continued on page 16)**

## BUSINESS PERFORMANCE: KEY FACTORS

**HAI Members' business performance in the past 12 months was ahead of the national average (B&A Business Barometer) across each criteria. Broadly, the same commercial pattern is evident:**

- business activity has now moved to growth;
- companies are only slowly beginning to take on extra staff;
- profits have been slower to shift and, while moving upwards, are not in line with business activity; and,
- prices are taking even longer to shift with businesses probably concerned that price increases will have a negative impact on the growth of business activity



## Employment

In terms of employment,

**19%**

of merchants increased staff in the past 12 months compared to

**9%** in the the previous year.

However, in the coming year

**85%**

expect staff levels to be the same or lower.



## Costs

Hardware businesses continue to take a more pragmatic approach, with

**56%**

keeping costs down to a minimum using measures such as salary freezes.

## Pricing

**78%**

reported maintaining prices at past levels or lowering them.

**60%**

believe that prices will remain static for the next 12 months.

## Payments

Cash and credit card customers have risen strongly in importance among

**74%** of respondents.



## Future Challenges

According to the research, three challenges dominate

'keeping sales/business coming in'

**87%**

'keeping costs to a minimum'

**71%**

'lack of disposable income among shoppers'

**65%**

## Customers

Female retail customers continue to rise in importance,

**65%**

of correspondents report.



## REGIONS SHOW SLOWER RECOVERY

**Business performance is considerably stronger in Dublin/Leinster and urban areas. Indeed, while business activity outside Leinster is in line with the national average, staffing and profitability levels outside Leinster have a negative balance – despite pricing levels increasing.**

In terms of employment, 19% of merchants increased staff in the past twelve months as against 9% the previous year. However for the majority, staffing levels are not expected to increase in the coming year with 85% expecting staff levels to be the same or lower.

Hardware businesses continue to take a more pragmatic approach by keeping costs down to a minimum with measures such as salary freezes (56%). Companies are slow to take on extra costs or impact negatively on the tentative growth in business activity. On pricing, 78% reported maintaining prices at past levels or lowering them and 60% believe that prices will remain static for the next twelve months. Cash and credit card customers have risen strongly in importance among 74% of hardware merchants in the past 12 months. The same pattern is evident among trade customers and consequently credit (17%) and cheques (21%) are showing a decline in importance. Female retail customers (65%) also continue to rise in

importance as a result of an increase in the level of home improvements. According to the research, 'keeping sales/business coming in' (87%) and 'keeping costs to a minimum' (71%) remain the two critical challenges facing the sector, followed by the lack of disposable income among shoppers (65%).

John O'Mahony, Managing Director of B&A sees the results of the HAI survey as being consistent with

## CAUTIOUS OPTIMISM

**Member firms are more positive about the year ahead than they were in 2013. When asked to take everything into account, firms are slightly more optimistic about both the general environment and their own prospects than last year but only slightly.**

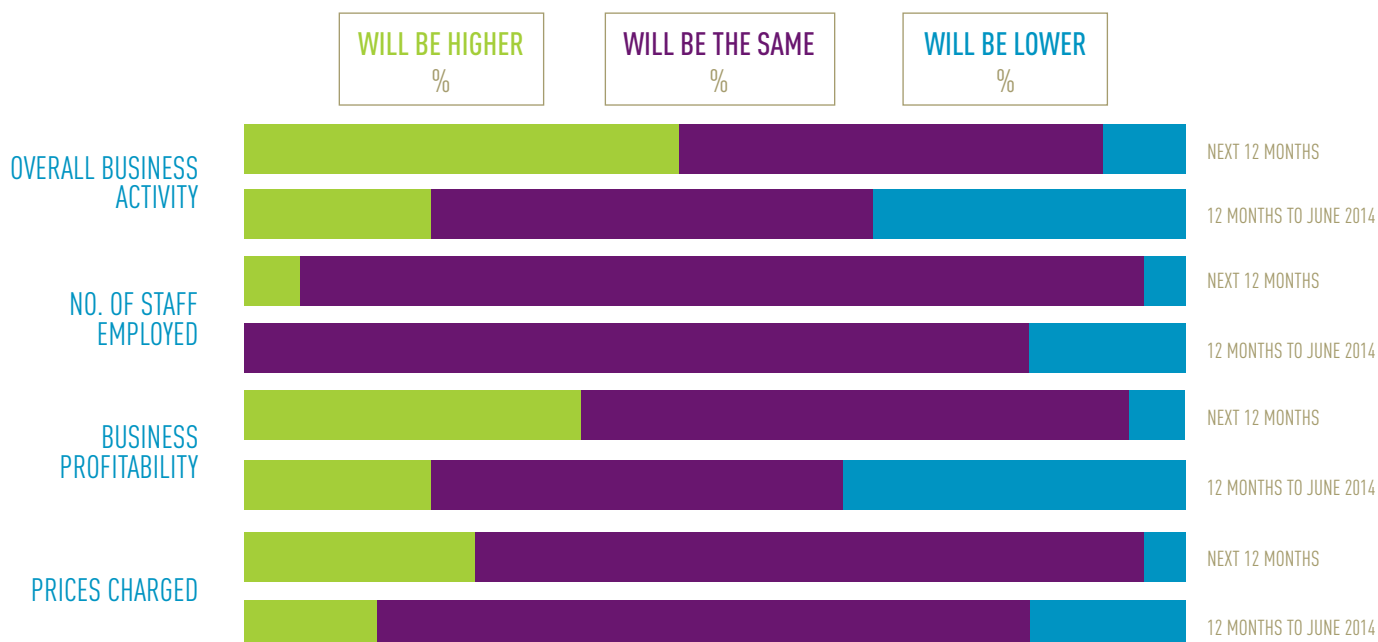
broader national trends. B&A compile a Business Confidence Monitor across all key business categories, which provides it with a comprehensive view of the wider economic landscape. According to John, the Monitor shows that, broadly, business is stabilising or increasing for most respondents across the country. The HAI survey results are in line with the broader national trends, he says: "Overall, key indicators are moving in a positive direction. What's evident in the HAI results is equally evident in the wider survey, including the faster pace of business recovery in the cities and larger towns. Interestingly, the HAI's urban members are reporting better performance in the past 12 months, and higher expectations for the next 12, than their urban counterparts in other business sectors.

"At the same time, while rural HAI members experienced a less emphatic boost in performance in the past 12 months and have lower expectations for the next 12, they can take some comfort that their results are in line with most other businesses operating in rural areas."

The HAI members' survey was conducted by B&A among 156 retail members in June 2014.

As a member of HAI, if you would like a copy of the full survey findings, please email: [jim@hardwareassociation.ie](mailto:jim@hardwareassociation.ie)

Business Performance in Next 12 Months.





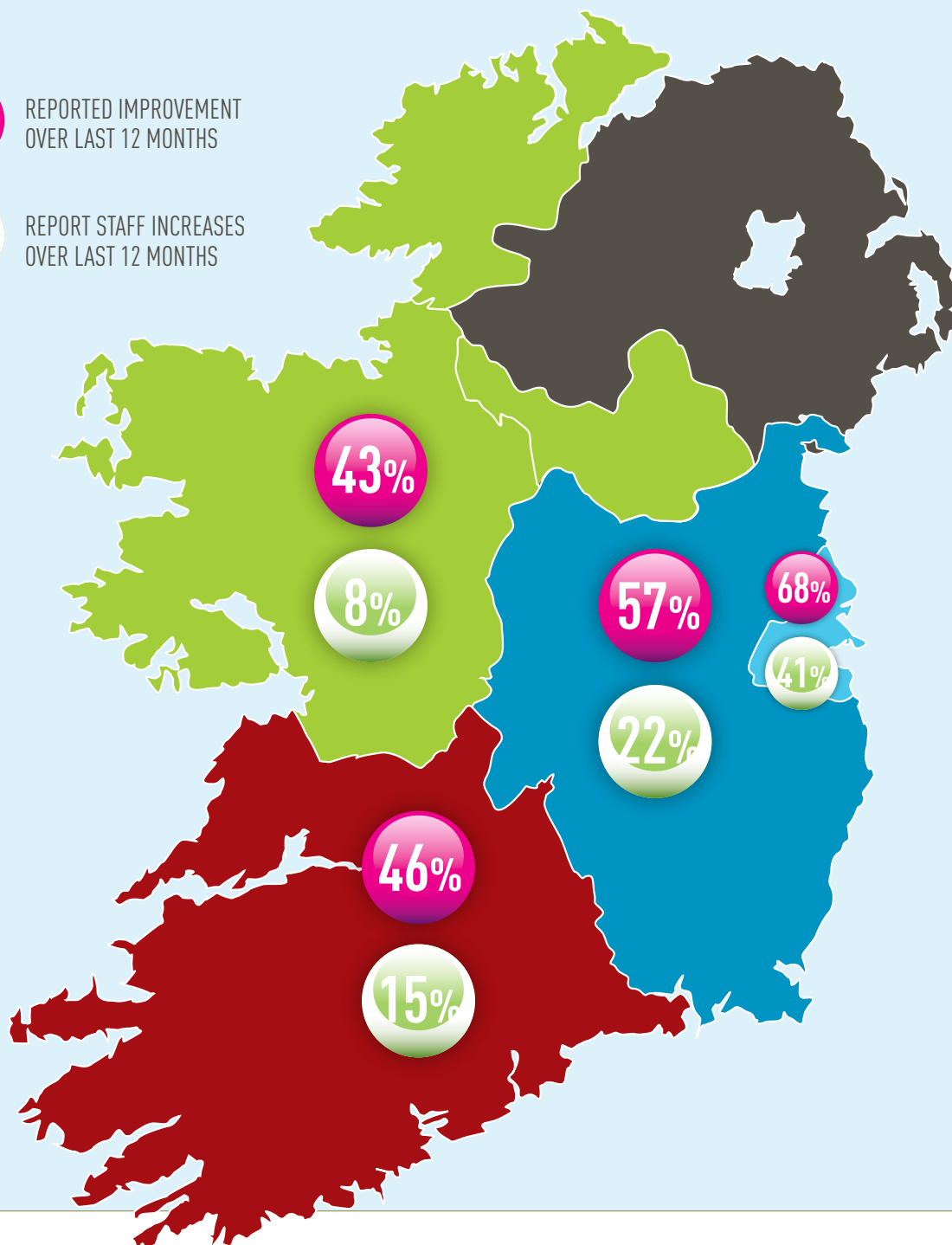
## KEY TRENDS IN HARDWARE RETAILING



REPORTED IMPROVEMENT  
OVER LAST 12 MONTHS



REPORT STAFF INCREASES  
OVER LAST 12 MONTHS



**Research Background** – the profile of the sample of businesses in the survey is:

LOCATION OF BUSINESS	2014	2013
<i>BASE:</i>	<i>156</i>	<i>169</i>
DUBLIN & REST OF LEINSTER	47%	51%
REST OF ROI	53%	49%
URBAN	46%	N/A
RURAL	54%	N/A

NUMBER OF EMPLOYEES	2014	2013
<i>BASE:</i>	<i>156</i>	<i>169</i>
1–9 EMPLOYEES	36%	39%
10–19 EMPLOYEES	39%	41%
20+ EMPLOYEES	22%	19%

A policy on social networking sites should consider posts made on an employer's own site and inform employees whether it is acceptable that they post information on their employer's site or not.

Tom Smyth's advice on putting together a well-constructed IT policy

# IT'S VERY IMPORTANT!

**PCs, email, internet, laptops, tablets, smartphones and the cloud now store information in relation to employees, stock control, order management, financial accounts, customer details and trends. Clear guidance should be given to employees on how they are permitted to interact with the organisation's IT infrastructure. This article alerts employers to the areas that a well-constructed IT policy should cover**

## HARDWARE

Employers must clearly advise employees on their permitted use, if any, of company PCs, laptops, tablets or mobile phones. An employer should clarify the expected standards of care an employee should show to company property and they should be told of the possible consequences of misuse.

## SOFTWARE

Advise employees that all software is the property of the business and can only be used to satisfy the commercial interests of the business. Indicate that you expect strict adherence to software vendors' licensing agreements. Any copying of software in a manner that is not consistent with the vendors' license agreement is prohibited and any use of software for personal gain is not permitted.

## CONFIDENTIALITY

Certain employees will be made aware of passwords for hardware or files. They must be advised clearly not to disclose these to unauthorised people. Employees should not publicly disclose via the Internet, email or any form of electronic communication, inappropriate information regarding

their employer. IT confidentiality applies to all electronic communication and data. We would recommend that employees are advised that sending, transmitting, or otherwise disseminating proprietary data, trade secrets, or other confidential information is strictly prohibited.

## VIRUS PROTECTION

Ensure you have virus protection software installed on all hardware and inform employees of this. Let them know there is still a high risk of viruses being received. All files entering your network via the Internet must be virus checked prior to their transfer for use to any machine. This includes all email attachments. If an employee receives an external email from an unknown source or a message which they feel is wrongly delivered, instruct them not to open the email or any attachment.



## MONITORING

The employer should set out (if appropriate) that employees should never consider electronic communications, or use of company IT equipment, to be either private or secure. An employer must reserve the right to record and monitor the activities of all users on their system. While it may not be required on an ongoing basis, the right to check and monitor is reserved at all times to ensure the protection of all employees and to ensure no abuse of privilege. Every employee must be made aware if the security system records every email/file transfer, internet site accessed and task completed.

## INTERNET

Alert employees who have internet access that at no time can inappropriate, pornographic or obscene sites, or sites with the risk of such material, be accessed. Care must be taken in the use of information accessed through the Internet. Most information is unregulated, and as such there is no guarantee of accuracy. An employer may not permit the downloading of files from the Internet without prior permission and strict relevancy to work. This is to protect their system, reduce the risk of viruses and ensure that large amounts of storage space are not taken up with unnecessary files. Employees should not be permitted to register with sites or electronic services in their employer's name, or through an employer's email without prior permission.

## EMAIL

Tell relevant employees that email access is given to them to assist them in the performance of their jobs and that at all times it must be used in a responsible, professional, ethical, and lawful way. A business email system is intended for business purposes. Employees must recognise that all emails sent are done so in the business's name.

Due to the permanent nature of emails and the legal implications, messages should be written and formatted in the same manner as standard formal written communications. All external communications with customers, associates and suppliers must be considered for the relevance of content, accuracy, and potential to commit the business to transactions or exposure to liability.

An employer may insist that a relevant disclaimer footer is attached to every external email communication. This can be set up on every email account to automatically appear on each email sent and must not be deleted.

## SOCIAL NETWORKING

Employers have to realise that many employees will have active Social Networking Site (SNS) profiles. This would mainly involve Twitter and Facebook but could also include Snapchat and Linked-In, to name but a few.

Employers should advise employees to think carefully about any content they post on their SNS as, if it is brought to the employer's attention, and, if it in any way affects their work, they reserve the right to raise it with the employee and, if appropriate, deem the particular post as unacceptable and warranting of investigatory and/or disciplinary action. While it may not have deliberately intended to cause offence or upset, employees must remember that comments may be perceived differently by others.

An SNS policy should also consider posts made on an employer's own site and inform employees whether it is acceptable that they post information on their employer's site or not.

Examples of the type of content that employees should avoid would include, but are not limited to:

- comments that misrepresent their role in a business;
- comments of an inappropriate nature relating to a work colleague(s);
- comments relating to customers/clients/third parties known to the

employer;

- comments relating to product, pricing or sensitive business information;
- comments that may raise questions regarding an employee's absence from work;
- comments relating to workplace grievances an employee has; and,
- comments which may damage the reputation or professional standing of the employer.

It will absolutely not be the case that an employer will trawl the internet waiting for posts from employees, however, an employer can reserve the right to raise certain issues if they are brought to their attention given the possible harassment and/or bullying implications or the negative commercial impact they may have on the business.

Communication is key in many aspects of HR Management but when it comes to the technicalities of an IT system, written policy guidelines, that are signed off by all employees, are crucial.



### TOM SMYTH

Tom Smyth is Managing Director of Tom Smyth & Associates, a HR consultancy, established in 1991, that gives Irish employers practical advice on HR, industrial relations and employment law issues.



The head offices of Associated Hardware and United Hardware



Associated Hardware gears up for future growth on back of successful turnaround strategy

# ASSOCIATED HARDWARE ENTERS NEXT PHASE OF TRANSFORMATION

**“Associated Hardware has undergone a positive transformation in recent years and, on the back of a turnaround strategy implemented by the Board and management team, the Group is now in a strong position and geared up to take advantage of growth in the market,” says Padraic Glynn, Chairman of Associated Hardware (AHL).**

Like most of his peers in the hardware sector, Glynn maintains that trading conditions are still very challenging but believes there are clear signs of recovery that will present very real opportunities for AHL and its members.

Associated Hardware was established in 1975 to enhance the purchasing power of independent hardware retailers across the country, while also offering a community-like forum for professional counsel and assistance. As one of Ireland’s few remaining co-operative organisations, the group was specifically designed to help members achieve optimal performance.

“We pride ourselves on the diversity of our membership but if there’s one thing all our members have in common, it is that they are specialist hardware retailers with an absolute passion for expert advice.”

AHL has over 40 members nationwide trading under the Homevalue brand who together employ more than

750 staff. At its peak, the Group, which operates from an 85,000 sq. ft. purpose built warehouse in the Magna Business Park in Dublin, had a turnover in excess of €205m but, like all businesses in the sector, it was hard hit by the collapse of the hardware sector and the economic recession.

## CLEAR STRATEGY TO WEATHER THE STORM

“We’re proud of how we, and our members, responded to the unprecedented trading conditions and economic challenges. The board and management team, supported by the members, developed and rolled out a comprehensive new strategy aimed at creating a sustainable future for the Group, whilst at the same time supporting our members through these most challenging times.”

The strategy rolled out by AHL, a testament to the strength and resolve of the Group’s board, included significant cost reduction of more than €2m per annum to put the Group’s cost base on a sustainable footing and a number of new initiatives aimed at arresting and stabilising declining sales, enhancing margins and efficiencies and supporting members in numerous other ways.

This included the establishment of United Hardware in 2009, a joint venture with National Hardware, which

significantly enhanced the buying power of members, as well as the creation and sourcing of new product lines and ranges, which enhanced the margins of members and created new sales opportunities.

“The roll-out of this strategy wasn’t always easy for our members and we weren’t in a position to pay full rebates during this period. However, they understood the challenges facing the business and for this reason it makes it all the more pleasing for us to be able to report that we’ve now delivered two consecutive years of profit and have fully restored our rebates to members since 2012,” says Glynn.

The Group reported a profit before tax of €422,433 for 2013, a material 61 percent increase on the previous year. Like-for-like sales increased by 2 percent. “In the spirit of a true co-op, our profit goes to the members or is invested back in the business and in enhancing our services to members. I anticipate the Group will deliver another strong performance this year, which is good news for our members but also a sign that they are doing better.

“A lot has been made recently of improving consumer sentiment but for retailers, actual footfall and sales performance are the strongest indicators. We were, therefore, very encouraged to see that 88 percent of our members are reporting either level par or





The Associated Hardware warehouse in Magna Business Park, Citywest, Dublin.



Paul Thompson, CEO, Associated Hardware and Padraic Glynn, Chairman of Associated Hardware.

improved business performance on the same time last year."

## SUPPLIER RELATIONSHIPS KEY TO AHL AND ITS MEMBERS

According to Glynn, maintaining good relationships with key suppliers has been a key component in the roll-out of the strategy of AHL. "When hit hard, it's easy to focus only on commercial objectives but we value the reputation of AHL above anything and worked hard on ensuring we, and our members, met all our commitments to our suppliers and creditors and I'm very proud to say we did. I believe this significantly enhanced our standing and reputation within the industry, which I know will serve us well for years to come.

"We maintain very positive relations with our suppliers and remain focused on nurturing these relationships on behalf our members."

## FOCUS ON FUTURE GROWTH AND MEMBER SUPPORT

Despite being in a strong financial position, Paul Thompson, CEO of Associated Hardware, is intent on continuing to enhance services and drive the performance of the Group. "Our focus has to be on maintaining momentum, continuing to invest in our Group, enhancing efficiencies, and growing the size and scale of the business to the benefit of members." The Group recently rolled out an extensive new IT system following significant investment incorporating stock management processes and online

ordering capabilities, further streamlining stock management at Group and member level. "Our warehouse facility, which is a complimentary extension of members' own stock holding enhanced by innovative and flexible supply chain solutions, puts us in a unique competitive position and we have a clear strategy in place to deliver added value, excellent service and new margin enhancement opportunities for our existing and prospective members." Members have also marked their intention to invest in their own businesses as highlighted in a recent survey of its membership carried out by Associated Hardware. The survey found that 50 percent of all members plan to finance store upgrades over the next 12 months. Likewise 50 percent of members plan to invest in IT, while 27 percent plan to recruit additional staff over the same period.

In a bid to improve pricing, increase rebates, and broaden product ranges, the Group has also begun to leverage United Hardware's membership of the pan-European Bricoalliance buying group which boasts an overall buying power of €1.3bn. Within a six month period, Associated Hardware, through United Hardware, managed to introduce over 200 new SKUs, sourced from 12 different countries across the globe, providing €500k of additional margin for members on warehouse products. "The creation of United Hardware, and our membership of Bricoalliance, has been very beneficial to our members. Not only does it strengthen our buying power and broaden our access to new product ranges, it also complements our ethos of shared knowledge and expertise." The Group is also concentrating on

strengthening the Homevalue brand, the symbol under which most Associated Hardware members operate. The brand, according to Thompson, focuses on inspiring homes through expert advice, value for money, and excellent service. Recent marketing campaigns have been reflective of the brand's identity and according to Thompson there is much more to come. "Branding is vital as it reminds people what differentiates us from our peers. We have a rich history with a great offering but it's only now that we're beginning to tell that story," says Thompson.

That story may yet be one of considerable expansion, if Associated Hardware gains further traction as it looks to recruit new members. The Group is actively on the lookout for like-minded independent merchants in need of flexible and individually tailored solutions. "We have had a number of new members joining in recent weeks and months. Our flexibility, supported by professionalism throughout the business, continues to make us an attractive proposition to independent retailers. Our objective is to create individually-tailored business models for members, creating bespoke supply chain solutions to suit their specific requirements."

There is still a way to go for Associated Hardware but it does seem that the Group has turned a corner and is in a secure position. With a strategy for growth in place, and all the right soundings in terms of business investment, the next few years should be very positive for the Group and its members.

The increase in the level of home improvement work noted in the HAI Members' Survey elsewhere in this edition, along with the rise in the importance of the female shopper and continuing investment in product innovation, are all factors likely to have a significant impact on trends in the flooring sector

# INNOVATION TAKES THE FLOOR

**Overall, industry insiders report a steady level of performance in the sector. Laminate products continue to be popular, while innovation continues to nudge consumer demand with exciting new developments in screeds, sustainable materials, self-adhesive tiles and floor protectors. Builders merchants planning to refresh showrooms and display areas should also look at the range of promotional and display back-up available from distributors to see what best suits their particular stores.**

## STEADY TREND

Charlie Hamilton, Managing Director at Canadia Wood Flooring has seen a steady trend in the sector: "We at Canadia are glad to report a level of consistency and balance returning to the flooring market." In product terms, he says, in the past four to five years the market was all about laminate flooring sales: "During this period, the range and quality of laminate flooring has improved dramatically. It satisfied consumer demand for budget to mid-range flooring solutions – laminate looks great, it's cost effective and durable."

He continues: "Canadia sees sales continuing to grow in laminates but the demand for real wood is returning. Real wood floors offer something completely different – they give a natural warm feeling with the benefits of ease of care and the option to refinish in the future. Wood flooring is a lifestyle choice and should be considered for all living areas in the home."

Canadia has a huge range of laminates, engineered and solid flooring with a complete collection of accessories to match. Mr Hamilton added: "Canadia is very focused on

working with our merchant and DIY customers to help them maximise the potential of their flooring department by growing their market share and profitability in the flooring sector."

## MAKING THE RIGHT SELECTION

Larsen Building Products has produced its new flooring product selector to showcase its full range of screeds, levellers and ancillary materials for new build schemes and repairs to existing buildings. Larsen says that these user-friendly but comprehensive booklets are suitable for all involved in the selection of latex and water-based smoothing and levelling compounds, are designed primarily for contractors

and retailers, to aid their decision making and feature the company's comprehensive range of products including cement and epoxy-based repair mortars and screeds together with DPMs and primers.

Jason Pierce, Area Sales Manager, explains: "Larsen have committed significant resources to market research, product development and technical backup in recent times. As part of the roll out of our new products, we identified the need to have an easy-to-read, yet informative, guide to help merchants, specifiers, contractors and their customers in selecting the appropriate levelling compound for their project.

"This complements the recent Tiling Guides for our adhesives, grouts,



Canadia has a huge range of laminates, engineered and solid flooring with a complete collection of accessories to match.



sealants and tile maintenance products which are ideal for use with customers to find the most suitable product for their needs.”

Larsen Building Products also has announced the development of a new screed, SLC1550flex, which it describes as an innovative, universal renovation screed. This fibre-reinforced, fast-drying underlayment is suitable for all floor types including over-boarded timber floors and locations with underfloor heating installed. According to Larsen Building Products, this single part screed can be laid up to 50mm in one pass and exhibits high flexural strength. Ideal for refurbishment projects, this is one of the latest products in the Larsen flooring range, and gives a long-lasting base for floor covering materials. With its proven technologies offering reliability, assurance and ease of use for contractors, Larsen says its hand- and pump-applied materials have been



SLC1550flex is a fibre-reinforced, fast-drying underlayment suitable for all floor types.

used throughout Europe for the last 20 years in commercial, industrial and residential projects.

## BARKING UP THE RIGHT TREES

Nicoline, which has been established as a solid hardwood/bamboo/cork floor tile supplier in the UK market for many years, has appointed DS Supplies Limited as an exclusive distributor in Ireland. According to DS Supplies Ltd, products are already selling through Woodie's stores with other retailers already coming on-stream.

Nicoline specialise in environmentally-friendly flooring products such as its three hardwoods, natural light, American traditional oak medium colour and dark walnut colour – sourced from plantation timber. The hardwoods are solid throughout with an average of 13mm thickness, Nicoline states, adding that each pack

# Rustins

## For all your interior floor finishes



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Unit 43, Baldoye Industrial Estate, Dublin 13. Tel: 018323300 Fax: 018323584  
email: pnicholson@excellence.ie mreilly@excellence.ie www.excellence.ie



DS Supplies Ltd stocks and distributes the Wolfcraft laminate floor cutter.

is sensibly packed in just under one sq.metre with full laying and aftercare instructions.

Bamboo flooring is available in two designs – one has a carbonised warm coffee colour appearance and the other, new for this year, is a luxury design with a tiger stripe appearance making it “quite unique in the market”. Bamboo is suitable for bathrooms and any room in the home or for commercial use, Nicoline states. The bamboo has a solid thickness of 14mm and its weight is far in excess of other bamboo and hardwoods, Nicoline comments, making it much more durable for heavy use areas. Bamboo comes from plantations with repeat growths making the product sustainable, Nicoline notes.





The Nicoline portfolio includes cork floor tiles that are available in a



Nicoline specialise in environmentally-friendly flooring products.

**www.Canadia.ie**  
IRELAND'S WOOD FLOORING SPECIALIST


The Complete  
**Timber Flooring**  
and accessory range

**• Increase your flooring sales**

- 250 Plus floors in stock with accessories to match
- 50 Plus Canadia Prestige 12mm laminates in stock
- Heavy duty foil back underlay
- 20 years in business

**Timber Flooring Centre Canadia**



**Canadia**

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Ph: (01) 461 0997 Email: info@canadia.ie

variety of formats, such as unsealed and sanded, which can be varnished on site after installation or ready-sealed, which does not require any more varnishing. The cork floor tiles are machine-coated and therefore no brush marks will show, Nicoline say. A third alternative is to have both ready sealed and self-adhesive/self-stick. It is easy to lay, Nicoline explains – tear off the adhesive paper backing and then stick to the sub-floor underneath.

There is fast-growing demand for self-adhesive tiles, Nicoline claim, as retailers do not need to hold separate adhesives and for consumers there is much less work involved by the quick installation method. The tiles can be cut with a sharp knife as shown on the fully supplied instructions and there is minimal maintenance.

The outer bark of the cork oak tree is stripped without cutting down the tree. The outer bark then re-grows every nine to 10 years.

Due to the success of the Self-Adhesive Cork Floor Tiles and increasing demand, Nicoline has added Self-Adhesive Pinboard Tiles for walls at 8mm thickness to the range. Cork is well known for its sound insulation properties and its effectiveness in minimising heat loss. Nicoline's Cork Floor Tiles are available in 1/8" (3mm) thickness and 3/16" (4.75mm) thickness depending upon preferred choice.

Nicoline's exclusive distributor in Ireland, DS Supplies Ltd, now stocks and distributes the Wolfcraft laminate floor cutter which, it says, is ideal for laying laminate floors. According to DS Supplies Ltd, it is suitable for all commonly used laminate types up to a thickness of 11mm





The Roll & Stroll Hard Surface Protector is available from Sika Everbuild.

and 21cm wide. This precision laminate cutter can cut to a 90° angle, dust-free, the company states. The cutter is manufactured from a high-quality aluminium design which makes it "light and sturdy at the same time". Made in Europe, it comes with anti-skid cushion feet and a 10-year warranty.

DS Supplies Ltd are running a promotion that offers a free floor fitting kit for every purchase. The floor fitting kit comes with 20 spacers, a crow bar and a tapping block. Contact DS Supplies Ltd for more details.

### SIKA EVERBUILD IS ON A ROLL

Roll & Stroll from Sika Everbuild is a self-adhesive floor protector range designed with the user in mind. Reverse-coated with the adhesive on the outside, Sika Everbuild says the Roll & Stroll range is uniquely loose-wound with a release agent on the face so it easily rolls out along the floor with a simple push of the foot, with no need to even bend down.

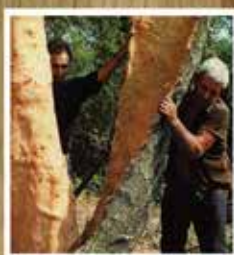
Roll & Stroll is the ideal solution for protecting floors and worktops from the costly damage that can occur during decorating and building work, shielding against mess, dirt, staining, and soiling, according to Sika Everbuild. Designed to withstand heavy foot traffic, Roll & Stroll is also waterproof,

# nicoline

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Nicoline appointed distributor - DS Supplies Limited  
Unit M2C, Greenogue Business Park, Rathcoole, Co. Dublin, Ireland  
Telephone: 00 353 1 401 1666 Fax: 00 353 1 401 1711  
Email: [derek@dssupplies.com](mailto:derek@dssupplies.com) Website: [www.dssupplies.com](http://www.dssupplies.com)





stopping liquid spills from staining surfaces and when the job's done, it's as easy to remove as it is to put down, leaving no sticky residue behind, the company states.

Roll & Stroll is available in four varieties: Premium Carpet Protector, Textured Non-Slip Carpet Protector, Contract Carpet Protector and Hard Surface Protector, all branded with the Everbuild and Roll & Stroll logo ensuring the user will always remember which floor protector to order next time. The range also contains a Glass Protector to protect glass against dirt, staining and spillages, and Roll & Wrap, a strong, stretchable film designed to protect items, furniture and installations, as well as for use in the general bundling and wrapping of small items.

Roll & Stroll Carpet Protectors can be used on all types of carpet and stairs and are heavy duty so won't tear or rip during use, Sika Everbuild adds. The Hard Surface Protector can be used on most floors including wood, ceramic tiles, laminate, vinyl and stone. It is also ideal for protecting worktops, window ledges and sills.

For further information on the Roll & Stroll range, or any other product from the Sika Everbuild range, contact your local Sika Everbuild sales representative or call the Sika Everbuild sales office.

Sika has produced a new range of soft flooring adhesives designed to work with a range of carpet, lino and vinyl flooring products.

The new range comprises SikaBond Carpet-1, SikaBond Carpet-Uni, SikaBond Lino-1, SikaBond Vinyl-1 and SikaBond Floor-Uni products – all can be used in a variety of applications and offer a solvent-free, one part adhesive solution.



SikaBond Carpet-1 and SikaBond Carpet-Uni products are designed for use on all carpet installations and, between them, can ensure the bonding of most materials. The company says they are easy to apply to the floor surface and both offer a very strong initial 'grab' coupled with high adhesion, ensuring that, once the carpet is laid, it will not ripple or move out of place. This, the company adds, makes the products ideal for high traffic areas such as commercial buildings.

Similarly, SikaBond Lino-1 ensures complete bonding of linoleum, while SikaBond Vinyl-1 ensures the bonding of all types of PVC/vinyl flooring. SikaBond Vinyl-1 is pressure-sensitive, which ensures there is no movement from side to side. However, it can be lifted up and removed if necessary.

SikaBond Floor-Uni is an all-in-one product designed to combine the benefits of all four adhesives to provide a product that can be used with a wide range of carpet, lino and vinyl flooring materials. According to Sika, a tin of this product can easily be kept in the back of the van, keeping the professional flooring fitter ready for any eventuality that crops up in the day.

Jayne Hasoon, Product Manager, Sika comments: "All five products are easy to apply and are also compatible with underfloor heating systems. What's more, the fitter can walk on the bonded floor surface immediately, allowing them to roll the covering up and down while being able to walk on the previous section, meaning the job can be completed very quickly."

To ensure the controlled application of soft floor adhesives, Sika's complementary trowel range is ideal, she adds. These trowels are intended to assist and guide the flow of the substance being applied on the substrate. They are available in different sizes to suit the job in question:

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The Whiteriver Group's Heritage Oak Vermont range of engineered wood.

- A1, notch size of 0.50mm;
- A2, notch size of 1.30mm,
- B1, notch size of 2.60mm; and,
- B2 – notch size of 2.00mm versions.

Ms Hasoon concluded: "We have developed a comprehensive soft flooring adhesive range to ensure professionals can get everything they need in one place. Designed to work with a range of carpet, lino and vinyl flooring products, Sika offers the flooring professional unrivalled product performance and ease of use."

## WOGAN'S REBRAND AS WHITERIVER GROUP

For Wogan Distributors, 2014 has been a big year, with the company rebranding as Whiteriver Group. A spokesperson for the group said the rebranding was implemented to establish a more inclusive brand identity adding that, while the group's takeover of Seadec Door Distribution in 2012 has seen it expand, there is still an onus on improvement within the company in order to serve existing customers at the best level.

Whiteriver Group says that its success has been built on service and being customer-orientated; this is supported by large stock levels and warehousing of over 100,000 sq.ft. Additional office staff have been employed this year to improve sales operations and advancements in purchasing have been implemented to reduce stock issues. Significant investment in 2014 has seen new brochures for Seadec Doors, Haro and Whiteriver Engineered Flooring, with a new laminate flooring brochure to come later in 2014.

A new, bigger-than-ever pricelist is in the final stages of production and Whiteriver Group are set to offer their customers the widest variety of products ever. The laminate flooring range has been extended significantly in the

8mm, 10mm and 12mm ranges in AC4/AC5 (Abrasion Class) finishes and with over 115 laminate floors available ex stock, there is something to suit every taste. New age structures and surface finishes including embossed in register (where the surface texture follows the wood grain), matt finish and high shine offer more variety and USPs to the end client. Good marketing is crucial to achieving decent margins and increased sales for merchants and this is a key focus of the Whiteriver Group, it states. The recently released Whiteriver Engineered Flooring brochure has proven to be very popular among customers, the company reports, and has been a key sales tool in promoting the Monolam, Forest, Heritage, Vintage and Renaissance ranges of engineered flooring. It contains 68 full colour pages of these flooring ranges with an image of each product available. Also featured are several lifestyle images of fitted floors which, the group says, gives the brochure an inspiring edge.

A professional, attractive showroom is crucial in appealing to retail customers, the Whiteriver Group notes, and its sales team is able to sit down with you and plan an improved showroom design with you step-by-step. The team will help explore the various options of display stands, sample boards, branding and marketing material that the Whiteriver Group can offer. Commitment to the environment and sustainability is a crucial concern when supplying timber products, Whiteriver Group believes. It recently announced it is now FSC- and PEFC-certified and is growing the range of products that can be offered with certification.



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Customer service is a top priority at Uppercross Enterprises Limited, which offers a 24-hour delivery service.

The summer sun exceeded all expectations this year. However, winter is fast approaching, and as it does, and homeowners thoughts will, inevitably, turn to ensuring that home heating systems are ready to take on whatever the season throws at them

## THE HEAT IS ON...

**Uppercross Enterprises Limited (UEL) have been distributing compression fittings, brass components, heating and plumbing products in Ireland since 1983, from their distribution centre in Tallaght, Dublin 24. They carry a vast range of products including Irish, metric and microbore compression fittings, Tectite push-fit solutions, endfeed and solder fittings, float-operated, plumbing and non-return valves, flexible water hoses and isolating valves, Imas radiators, and much more.**

Already this year UEL have seen an increase in demand from plumbing and builders' merchants throughout the country.

"There appears to be a more positive mood with our customers over the last few months," says UEL Managing Director, Roy Moore. "While competitive pricing is still a key driver for trade buyers, product quality and service are just as important." If quality and service are what buyers are seeking, then UEL are happy to oblige. They are one of the only suppliers who hold National

Standards Authority of Ireland (NSAI) accreditation for their Irish compression fittings. "Our customers want a supplier with products they can trust, our product knowledge and service levels have made us a first point of contact for merchants throughout Ireland."

At the heart of this point of contact is a genuine commitment to providing customer service excellence. UEL ensure that their customers get to talk to real people with a 'wealth of experience in the plumbing and heating sectors' Mr Moore states. In



order to achieve this, they refuse to use voicemail or answering machines. Their sales team has amassed over 250 combined years' experience in the plumbing industry in Ireland. Their external sales people cover the 26 counties on a regular basis, supported by an internal sales and distribution team who ensure that orders are speedily assembled and dispatched. With a 24-hour delivery service, the high standard of service to customers continues, according to Mr Moore. "We are focused on having the product in stock and getting it to our customer as quickly as possible," he says.

According to Mr Moore, the last few years have seen merchants buying smaller quantities of stock more often. While these efforts to reduce inventory by the trade may seem like a

good idea, UEL have seen an increase in trade customers running out of fast selling SKUs (stock keeping units). But he believes that the outlook for UEL's customers is very promising. "Our range, which includes such well-known brands as Tectite, Pegler, Orkli, Fernox, Fluidmaster and lmas, combined with our appetite to provide that highest levels of service to our customers, leads to a bright future," said Mr Moore.

### 40 YEARS' EXPERIENCE

Based in Ballymount, Dublin 12, Baxi Potterton Myson Ireland Ltd. sell and distribute group products such as domestic and commercial boilers, and are agents for all Myson branded equipment such as radiators, valves and controls.

The company has almost 40 years' experience providing heating and hot water solutions, as well as excellent customer services, to the Irish market. Recently Baxi Potterton Myson introduced a new domestic boiler range, available in two models, which are easy to install and maintain. With a light and compact design, they are easy to handle, and fit into almost any space.

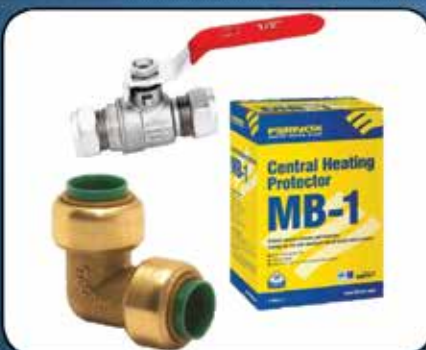
The Potterton Profile System and Potterton Profile Heat Only are the latest incarnations of the well-known Profile brand. These models have optional natural gas to LPG kits, giving installers the opportunity to offer this high-efficiency boiler range to their customers even in off-mains gas areas.

Potterton Profiles's controls make it easy for installers to fit them, but

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\*With the boilers come with a standard 2 year warranty, which is extended to 5 years for work & materials. See www.potterton.ie for full details.

**POTTERTON**

they are also very user-friendly, thanks to an easy-to-understand display. "These boilers represent an excellent opportunity for the trade to generate new business," said Vincent Broderick, Sales Director, Baxi Potterton Myson.

The Potterton Profile System outputs 18kW, 24kW and 30kW, boasts a modern aesthetic design, with a five-year parts and labour warranty. It has a wall-mounted frame for easy installation and optional stand-off frame for upward piping.

Optional time and temperature controls, including a built-in digital timer are also available, as well as a front-facing system pressure gauge. The Potterton Profile Heat Only outputs 18kW, 24kW and 30kW and is compact, lightweight and simple to use, the company says. It comes with a five-year parts and labour warranty. It has a wall-mounted frame for easy installation and comes with optional time and temperature controls.

In addition to the Potterton Profiles range, the company has also introduced a new range of quality-assured, high efficiency, Interpart ErP central heating pumps that are ErP (Energy-related Products Directive) compliant and competitively priced. These pumps are available in 5cm and 6cm with a standard 1.5" hydraulic fixing.

They have a quick-fit electrical connection, low power consumption and a digital display with automatic, and night modes. A two-year warranty is also available.

John Hassett on the importance of measuring key performance data in your business

# MEASURE IT TO MANAGE IT

**“Measurement is the first step that leads to control and eventually to improvement. If you can’t measure something, you can’t understand it. If you can’t understand it, you can’t control it. If you can’t control it, you can’t improve it.” H. James Harrington wrote this quote 100 years ago and it’s still applicable today. The big question is what do we measure, and this depends on what we are trying to achieve. This entails asking more questions:**

- Where is the business going?
- What are you known for?
- Who is going to drive key areas?
- How will the business be financed?

Clarity on the above questions forms the basis of a balanced measurement system. A firm needs a number of measures for each of these questions. When staff are included in the process of answering these questions, they develop the measurements themselves and hold each other accountable. Management is knowing what to measure and then to take action.

## PRIORITISE

If everything is a priority then nothing is a priority. Choose one measure to improve at a time, one that will make the biggest impact or is easiest to improve. Create a ‘war room’ with the measures posted on a daily, weekly, monthly, quarterly, half-yearly and yearly basis. Well defined structures and systems facilitate easy, timely and meaningful measurement. An accountant informing you that you lost money six months ago is too late. You need to know on a daily basis, on the day, what profit you made, who made it and in what department.

## ‘LEADING’ AND ‘LAGGING’

There are two basic types of measures ‘leading’, e.g., planning applications, and ‘lagging’ measures, e.g., profit. Trade sales are driven by



leads, quotes and converted quotes; tracking the number of leads, quotes prepared and converted is a leading measure. Comparing this month’s sales with the same period last year is a lagging measure. Staff can influence leading measures and they are usually more visible and accessible. Working with staff to develop these drivers can be very motivational and can lead to improved results. In contrast, staff can find it difficult to relate to some lagging measures and owners find it difficult to share sensitive information.

## STRUCTURING THE DATA

All transactions create raw data. When data is recorded in a structured manner, it is information and information is power. Well-defined structures allow you to look at your business from multiple aspects. Time is a basic dimension but you are not restricted to time only. Sales & margin can be looked at for the last quarter by staff member or, for the same period, by department or by frequency of sale. It is easy to create financial measures. However, they should be kept to a minimum. Non-financial measures

need more thought and calculation. There is little point in measuring things one has no control over, this goes for both staff and business owners, e.g. a firm has little control over the size or direction of a market but it can influence its market share.

All measures have unintended consequences, as they change people’s focus. Striving for higher margin percentages may reduce the sales of higher ticket items which normally have a lower margin percentage. Emphasis on sales may reduce focus on margin. An alternative is to find a measure that combines both, e.g., average sales value; this encourages the sale of higher ticket items and additional products. Another example is the average number of items per sale, one more item per sale can make a huge impact on margin as the extra sale is usually a high margin product and can be achieved by asking a simple question at the end of a sale – ‘is there anything else you need?’ Measures can be quantitative or qualitative, operational or financial, the key is balance. It is not the absolute of the measure that is important but the trend, is it improving or getting worse? What is an unacceptable, satisfactory or an excellent standard? Can all measures be displayed on one page, like a dashboard on a car? We drive looking out the front window not the back; there is no point in looking back – we are not going that way. Creating standards ensures you focus on exceptions, forming the basis of management by exception.

Don’t ignore success. If something is working well, can it be copied to another location? Dreaming without action is a nightmare; action without a plan is chaos. Measurement gives feedback and focus and turns our dreams into reality.

*John Hassett is Owner Manager at Hassett's Topline Crinkill and Birr, Co Offaly. He is also a Business Coach and Accountant with international experience.*



# FINDING THE RIGHT SOLUTION – SOFTWARE OPTIONS FOR STREAMLINING YOUR BUSINESS

For any hardware store, builders' merchants, or showroom to function efficiently, the electronic point of sale (ePOS) system, and associated cutting-edge software are some of the most important aspects of the business

## ALL-ENCOMPASSING EPOS

ePOS (electronic point of sale) systems are ubiquitous in hardware merchandising from the basic elements of cash register, computer, monitor, cash drawer, receipt printer, customer display and barcode scanner up to the most sophisticated business management systems. Retail operations such as hardware stores, electronic stores and builders' merchants need specialised additional features compared to other stores. POS software in these cases handle special orders, purchase orders, repair orders, service and rental programmes as well as typical point of sale functions. Innovative new applications are constantly being introduced, many of the most recent incorporate mobile phone and tablet technology.

## EPOS: WHAT'S THE POINT?

**ePOS is part of the DNA of the modern hardware store, inextricably linked to virtually all aspects of the business**

The majority of retail ePOS systems include a debit/credit card reader, as well as a conveyor belt, weight scale, integrated credit card processing system, a signature capture device and a customer pin pad device.

Touch-screen technology and a computer are built into the monitor chassis for what is referred to as an all-in-one unit, which frees-up counter space for the retailer.

POS system software packages are multi-functional handling many customer-based functions such as sales, returns, exchanges, layaways, gift cards, gift registries, customer loyalty programmes, promotions, discounts and much more. POS software can also allow for functions such as pre-planned promotional sales, manufacturer coupon validation, foreign currency handling and multiple payment types.

The POS unit handles the sales to the consumer but it is only one part of the overall POS system used in a retail business. Back-office computers handle other functions such as inventory control, purchasing, receiving and transferring of products to and from other locations. Other functions of a POS system are to store sales information for enabling customer returns, reporting purposes, sales trends and cost/price/profit analysis. Customer information may be stored for receivables management, marketing purposes and specific buying analysis. Many retail POS systems include an accounting interface that feeds sales and cost of goods information to independent accounting applications.

## Business Management Software for Merchants and Wholesalers

Merchant is affordable, flexible and simple to use

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## ADVANCED FUNCTIONALITY

Providing ePOS and business solutions to hardware stores and builders' merchants right across Ireland, Intact Software considers itself one of the country's leading software companies. Designed and developed in Dundalk, Intact brings a range of advanced functionality to the market, allowing business owners to retain much greater control of their business through the use of technology. The software boasts specialised features ideal for handling the many different product types found in stores including timber, tiles, bathrooms, lead, kits, split packs, multi-packs etc. Intact also offer a range of features designed to guarantee a high level of customer service while ensuring your business needs are met, in terms of margin control and upselling etc.

They offer users the chance to enhance their controls through a range of optional features including electronic signature capture, scanners, document management, hand-held devices and labeling solutions. In the back office, the powerful Intact stock management module ensures that stock levels are optimised through clever stock replenishment, and re-ordering facilities. Properly managed, this means you will avoid stock-outs while ensuring you don't have valuable cash tied up in slow moving items. Intact is widely used by members of Topline, National Hardware and Associated Hardware groups, as well as by a large number of independent retailers across the country. The software is also used extensively in similar businesses across the UK and Australia.

Over the past 15 months a further 15 stores converted to Intact, many of these using the new Intact iQ software product. Built on their years of experience in the industry, iQ offers an additional level of control and reporting, which delivers value to its users.

## SCALEABLE SOLUTIONS

Another leading Irish company in the business solutions sector is RNH Solutions, which provides a dedicated software solution, called Merchant. This Dublin-based company provides a fully integrated business environment that can help streamline internal operations, improve customer service and maximise profitability. Merchant is fully scalable and is ideal for



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for the **Building Supply Chain**

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Michael Forrest, RNH Solutions pictured with Gary Morrison, Techplus, at the MAM Software and RNH Solutions InfoDay, held recently in the Red Cow Moran Hotel in Dublin.

businesses of any size, including multi-user, multi-branch operations. The software is available as both an on-premises and in-cloud solution. It seamlessly integrates sales, stock management, accounting and reporting processes in one easy-to-use package. RNH has introduced new, hosted cloud solutions for 2014. This allows businesses to simplify their IT and achieve tangible cost savings, according to RNH. Rather than buying and installing software upfront, RNH's hosted solutions allow you to rent their business management systems on a flexible, per-user basis. Instead of purchasing and maintaining expensive servers on your own premises, your local system connects to a state-of-the-art data centre by means of a robust, enterprise-grade network. And, because all the

processing is done off-site using powerful virtual servers, you could even continue to use your existing workstation hardware. RNH has also developed a new app, called SalesRep, a feature-rich tablet app that empowers field-based sales representatives to strengthen customer relationships and improve productivity. It communicates directly with the retailer's RNH business management solution via wi-fi or 3G, enabling staff to access account information, customer notes and transaction history. They can check pricing, view stock availability and raise orders directly from the app. The app also allows staff to conduct consignment or managed stock checks, and creates replenishment orders. Details of visits and calls can be logged on the app and synced instantly with a

branch or head office. RNH says that its Warehouse Management Software (WMS) facilitates improvements in stock flow and inventory management in warehouses of all sizes. The system manages all warehouse activities, from goods receipt to picking and shipment, optimising processes and maintaining accurate, up-to-date stock records. Integrated fully with the Merchant business management system, WMS seamlessly updates records and optimises the flow of goods through the warehouse. The system simplifies the management of all warehouse activities. A hand-held PDA and scanner are used for all data input, continuously updating your central software system via a wireless connection. A user-friendly dashboard provides up-to-the-minute status and audit reports.





# Kilsaran

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*Diarmuid Gavin*

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**NEW  
for 2014!**



Our gardening correspondent, Joseph Blair reports on the latest developments in the sector, including news from Glas 2014, the growing popularity of garden visits and a man who's looking for a helicopter (engine optional) for his garden...



Rentes Plants was the winner of the Best New Plant Award at Glas 2014. Carol Marks of Bord Bia (right) presents the award to Wiet and Roy Rentes of Rentes Plants, for *Hydrangea macrophylla* 'Dark Angel Purple'. Pictured also are judges Anne Higgins, senior buyer at Woodie's, and Gerry Daly, editor, The Irish Garden.



At the opening of Glas 2014: Aidan Cotter, CEO, Bord Bia, and Carol Marks, development/marketing specialist, Bord Bia, greet Tom Hayes, Minister of State at the Department of Agriculture, Food and the Marine (centre).

## BEST OF GLAS WINNERS

The following businesses excelled at Glas 2014.

- Winner of the Trade Supplier 'Best in Show' – **Bord na Mona**
- Winner of the Horticulture 'Best in Show' – **Schram Plants**
- Winner of the 'Best New Plant' – **Rentes Plants, for *Hydrangea macrophylla* 'Dark Angel Purple'**
- Winners of the 'Best New Product 2014' – **Soil Renew Ireland**



Bord na Mona was the winner of the Trade Supplier Best in Show award at Glas 2014. Carol Marks of Bord Bia (left) presents the award to Brendan Howell and Anna Kavanagh of Bord na Mona. Pictured also are judges Anne Higgins, senior buyer at Woodie's (centre), and Gerry Daly, editor, The Irish Garden (right).



## FLANNERY'S BOWLED OVER BY REACTION TO NEW HIBISCUS

Flannery's Nurseries presented a new variety, the Hibiscus syriacus Purple Pillar 'Gandini Santiago', to prospective buyers at Glas 2014. It is just one of an expanding range of new plants from one of Ireland's longest established nurseries. The upright pillar tree has double purple-blue flowers which bloom from July to October.

I'm told that there was significant interest in the plant from garden retailers at Glas, as it ticks all the boxes, being winter hardy, suitable for full sun or part shade which makes it ideal for small gardens or perfect as a pot plant. Martina Wyse, general manager at the nursery, also tells us that "it also has great potential for online or mail order sales."

A rebranding of the company logo is currently underway that is aimed at communicating Flannery's broadening range to their traditional client base alongside the expanding numbers of garden centre customers they now supply.

More at [www.flannerysnurseries.com](http://www.flannerysnurseries.com)

## ARE YOU GRABBING THE OPPORTUNITY IN THE GROWING 'GARDEN VISIT' SECTOR?

A 'garden visit' is given as the second most popular reason for an internal trip in Ireland, according to a recent survey and also continues to be popular with tourists coming in from abroad. The ideal 'garden visit' usually consists of beautiful gardens, great food and a plant retail offering. If you only have one or two of these, i.e. you are lacking the beautiful gardens or a food offering, why not link up with a local garden of note and cafe to do a joint promotion? Many of these gardens are not plant retailers and one idea is to stock a range of plants that are available to see in all their glory at your 'garden visit' partner's garden offering.

## NO MORE HEAVY LIFTING

The new Flogas Gaslight cylinders are designed to eliminate the 'heavy lifting'. According to Flogas, the new Gaslight cylinder is about half the weight of the traditional steel cylinder and its semi-translucent exterior



The 10kg Flogas Gaslight cylinder.

allows you to see exactly how much gas is left.

Lightweight, portable and rustproof, Flogas says its new Gaslight cylinders are as safe as steel and won't leave rust marks on your patio or deck. They fit all leading brands of LPG appliances, making it ideal for caravans, campervans, motor homes, barbeques and patio heaters. The new Flogas Gaslight cylinders are available in 5kg and 10kg sizes in selected outlets nationwide.

## IT'S AN EXPERIENCE, NOT JUST A PLANT

During frequent sales visits to plant retailers the team at Tully Nurseries noticed that a gap in the market existed for what the team calls a 'Gift That Grows' range. Targeting peak gift times and aimed at female gift buyers in the 35-50 range, it's suitable for multiple locations including the patio, window sill or the garden.

Criteria for choosing plants for the 'Gift that Grows' range was that at its centre is a classy single plant and it had to be different to what was normally available. They also carried out extensive testing and market research for the new range. Among those viewing this offering on the day at Glas was the Woodie's buying team including new CEO Declan Ronayne.

## HOW SOCIAL IS YOUR SOCIAL MEDIA?

One recurring issue that we always come across when I am working with companies on social media campaigns or providing relevant content, is that they only want to talk about themselves. It's not called social media for nothing. That means that apart from talking about your products, you should also share general gardening information. More important is to talk to and about the community that you serve. Does that include your garden retail competitors? Yes, if they are doing something that is newsworthy and beneficial to the community. Your social media community will thank you for sharing this useful information and reward you by becoming even more engaged with your brand.

Why not set up a benchmark 'Top 10' list of competitors and businesses from other relevant retail sectors. It not only helps you to keep up with or stay ahead of the competition but it will also provide you with interesting insights and data for what type of post or interaction is working best for them, while also allowing you to avoid the ones that don't work.

## GARDEN WORLD NURSERIES INTRODUCES RANGE OF SPECIMEN PLANTS

Garden World Nurseries, which now has three production sites, has just introduced a new range of Irish specimen shrubs and perennials. They have been in production over the last four years and the team were kept busy at Glas showcasing the new range to their customers.

The market for specimen-size plants has been slowly improving and the opportunity to offer your customers a 'grown in Ireland' selection has dual benefits – these plants are acclimatised to Irish weather conditions and the customer can feel good about buying Irish.

Also complementing its own range of garden perennials, shrubs and alpine at the show, was a large selection of premium specimen trees and shrubs from their partner growers across mainland Europe.

## WANTED: HELICOPTER FOR A GARDEN

Peter Donegan of Donegan Landscaping is looking for a helicopter for a garden. He explains: "I'm looking for a helicopter for a show garden." In the past, Peter has found a very large boat for a show garden in 2008, which now 'lives' in Electric Picnic. Prior to that, he found a Morris Minor for a show garden at Bloom. He adds: "My priority is the outside and inside of the 'copter. It doesn't need an engine." If you have a helicopter parked about the place or if you would like to sponsor Peter's show garden, you can get in touch with him at <http://doneganlandscaping.com>

## DON'T MISS...

Glee and the Four Oaks show will both take place in September. Glee is a more sundries focused trade show while the Four Oaks is the major showcase event for nurseries. Both can be 'done' in a day with the Four Oaks running from the September 2 to September 4 and easily accessible from Manchester airport as the organisers have shuttle buses laid on directly to the show and back.

Glee is taking place at the NEC Birmingham which is linked to the airport and is on from September 14 to 16. Allowing key staff to attend these shows will assist them to keep abreast of ongoing/upcoming trends and help them to forge profitable links with new suppliers.



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When it comes to inheritance planning for builder's merchants/hardware retail businesses - what should an owner be prioritising? How soon should she/he look at the issue? Oliver O'Connor, Head of Construction, Grant Thornton explores the key areas to be addressed

# SUCCEEDING AT SUCCESSION

Oliver O'Connor, Head of Construction, Grant Thornton, advises that adequate consideration be given to the next stage of the business now.



**Given the seemingly never-ending crisis that the broader construction industry has encountered in recent years in Ireland, the first thing you need to do on reading this article is clap yourself on the back! If you have managed to sustain your business through this period it is testament to your business acumen and abilities and you deserve to take time to acknowledge that achievement. Money never sleeps however and planning for the future must start immediately.**

Do you have a plan for the business? Does it involve family taking over when you 'take a step back'? This article will highlight some items that should be considered in order to pass on the business as seamlessly as possible in the future. This strategic planning is best done when you are not operating from crisis to crisis and, therefore, it often is best to consider it while away from the business.

There are three areas to address when considering a succession plan: the business; the family; and financial aspects, primarily tax. Statistics for family business succession show that very few pass successfully through the generations. This is because the weighting of importance given to the three items above is either incorrect or not sufficiently thought through.

## THE BUSINESS:

Without a successful business there is nothing to pass to the next generation or to sell to a third party. Therefore, the business piece is the most important element to get right. If you have identified a family member as being the heir apparent, it is important to gain an understanding of how good they are at dealing with your customers and suppliers. If they are currently in the business, are you allowing them to take part in decision making already? Is it a situation where you don't want anyone to make any decisions as this is your role? A broad plan on the business transition is outlined below. While this is not exhaustive it does bring in to focus the main points that you need to consider.

### 1. What do you want to do with your company?

You are not compelled to keep it in the family. Consider the options of a trade sale or indeed a management buyout which does not involve family.

### 2. Plan now

A minimum five year plan should be prepared and this should include both family and other board members or senior management. Professional assistance in this step should be considered, if only for a new perspective.

### 3. Make sure you can walk away

Build a financial framework from which you can walk away. You have to get away from the mentality of 'the business is mine and I am the business'.

### 4. Don't spoon-feed your family

If family members want to join the business then encourage them to get extensive work experience in another organisation first.



## 5. Choose a successor

Do this as early as possible and begin to transfer leadership and control of the business step-by-step so that new roles and responsibilities can be adopted with the minimum of pain and disruption.

## 6. Pick a date to leave – and stick to it

This is self-explanatory but many a business has been hampered by the former owner staying involved longer than is healthy.

Once you have clarified the business's future, you can then consider the other two primary items.

## FAMILY

Bringing family members into the business may be a source of hope, a threat or an agonising frustration for family members in power. As family controlled companies move into their second or subsequent generation, most recognise the dangers of indiscriminately promising employment to family members.

Concerns include:

1. the business may be overburdened with family members;
2. family conflicts are more likely if clear standards are not communicated concerning acceptable behaviour, employment and career progression;
3. motivation of non-family employees will suffer if family are awarded promotions without application of appropriate standards; and,
4. family members may not develop themselves fully, if family business jobs are too readily available.

Families should address these concerns by the development of specific employment policies for family and non-family.

## FINANCIAL / TAX

While the matters of family and the business itself are, or can be, quite subjective, the financial implications of succession are much more readily

understandable and, therefore, excessive emphasis is typically placed on this aspect. There are a number of possible tax reliefs available that can be utilised to minimise the tax cost of passing the business on. Some are to the benefit of the seller and some benefit the buyer/successor.

### I. Retirement Relief

Where the builder's merchants business is being passed under a will there is no charge to Capital Gains Tax (CGT). However, where business assets pass during the lifetime of the owner there will be a charge to tax. Although the business may be transferred by way of gift and the donor may receive no consideration for the transfer, a charge to CGT may still arise as the donor will be deemed to receive proceeds equal to the market value of the business. The current rate of CGT is 33 %.

Retirement relief is available to reduce any gains on the disposal of a business where an individual has attained the age of 55. Where the disposal is to a child, there is no limit on the value of the disposal if the disposer is over 55 and under 66 years of age. Where over 66 years of age, there is a lifetime limit of €3m. However, the child in question must retain the asset for a period of six years to avoid a claw-back of the relief. Where the disposal is to a third party, there is a limit of €750,000, if over 55 and under 66 years of age, on the value transferred for the purposes of the relief. Where the individual is over 66, the relief is restricted to €500,000. Where the consideration is more than the limit, there is marginal relief which restricts the tax payable to one half of the difference between the consideration and the limit.

To qualify for the relief the business owner must have owned the land/building for a minimum period of 10 years ending with

the disposal. The land/building must also have been used for the purpose of the builder's merchants business throughout this 10-year period. Where the land/building has been let prior to the transfer, relief may still be available as the conditions are relaxed in certain circumstances.

### II. Capital Acquisitions Tax (CAT)

Whether the builder's merchants is received under a will or as a gift, CAT may be payable by the children or other beneficiaries on the receipt of a gift or inheritance. The current rate of CAT is 33 %. The tax payable by the beneficiary is charged on the value of the gift/inheritance that exceeds the relevant tax free threshold. The tax free threshold depends on the relationship between the donor and the beneficiary. The current threshold from parent to child is €225,000. There are a number of reliefs/exemptions from CAT. The principal relief for the purposes of this article is business asset relief.

### III. Business Asset Relief

Business relief reduces the value of 'relevant business property' received by a person as a gift or inheritance by 90 % for the purposes of calculating the donee's CAT liability. For the relief to be available, the business property, i.e., the builder's merchants lands/buildings must have been owned by the owner for at least five years in the case of a gift, and two years in the case of an inheritance for the purpose of their business.

## CONCLUSION

The above is a high level outline of possible items for consideration. There are many other factors to be considered particularly on the business and financial side. Make sure to give adequate consideration to the next stage of the business now.

Gina Schaefer.



A leading ACE hardware retailer in the US, Gina Schaefer, has grown her company from one to nine units in a nine-year period. She now leads a multi-million dollar small business that employs 175 people in communities in Washington D.C. and Baltimore. Here she provides some insights into running and growing a hardware business in the US

## GROWING A HARDWARE BUSINESS – THE AMERICAN WAY

**My business started with one location and fairly quickly grew to nine. We managed that growth by playing on the strengths of our culture. By promoting from within and promoting people who best exemplified the values we wanted to portray, we have been able to grow the company while growing the culture in multiple locations.**

Those values couldn't just come from the very top though - as with many of

our programmes, procedures, etc, we gathered our managers and assistant managers and back office team and asked them what THEY thought we exemplified. We hired a business coach to take us through exercises that helped us discuss and ultimately decide on nine core values we live by. Those values are –

- be helpful;
- be a good neighbour;
- create raving fans (customers who

absolutely LOVE us, who shout to the internet world how great we are, write us wonderful compliments in emails, shop continuously with us and/or bring out-of-town friends in to meet us)

- be vibrant and enthusiastic;
- be an awesome team member;
- communicate respectfully;
- always grow and share;
- embrace and drive change; and,
- be nice.

Gina and her team have been creative in choosing locations and making a distinctive 'space' for each store.







## BEING A GOOD NEIGHBOUR...

When you treat your customers like neighbours, they aren't afraid to ask you for advice or take your suggestions, or buy the items you say they need to get their project done. We find that the more we invest in our surrounding blocks, the more the community calls us "their hardware store" and the more likely they are to support us. Now we have infused those values into our everyday business life. We use them in our interviewing process, in our evaluations and coaching processes, to terminate underperforming team members and to give out rewards. Just like common sense however (which is NOT so common!) we have to teach our associates what these values mean to us. How they impact their work and our customers – and how they can help the associate move up within our company or on to better things somewhere else.

## GINA'S 'AH-HAH' MOMENT...

I was working at a technology start up in 2002 and was about to get laid off. It would be my second lay-off in a couple of years and I didn't want to go through that again. I came home from work one day and told my husband that I was going to open a hardware store! Why couldn't I? We were living in a neighborhood in Washington, DC called Logan Circle which was full of big, old beautiful houses that were being purchased and renovated and we ourselves lived

Pet food is a popular line.



in a condo that needed some love. We used to joke that "our toilet was always running, we lived in the dark, and our artwork was all on the floor" because we were too lazy to drive out of town to the closest hardware store for a flapper, light bulbs and picture hangers. It was our 'ah hah' moment. Logan Circle had been a scary neighbourhood since 1969. When Martin Luther King was assassinated riots started in a neighbourhood north of Logan Circle and swept south – decimating storefronts along the way. People left in droves and it took a long, long time for anyone other than drug dealers or similar to come back. We bought in that neighbourhood because we were young and we

could afford it – and because we really believed the community could turn around. Today it's one of the most popular places to live in Washington (and too expensive to move to!)

## FINDING 'THE SPACE'

We have over 190 employees now. We grew organically, expanding as soon as we could afford to and when we found the right space to open in. Space for us was the community, not technically 'the space'. We have been very creative in our space making - multi-level buildings, underground in a parking garage (great rent!) and in an old warehouse. We aren't looking for four walls that all look the same.



We are looking for character - that has been lacking for a long time in American retail.

When I decided to open our first location many people thought I was crazy. Logan Hardware is 20 feet wide, 100 feet deep, and has three levels! Why on earth would anyone open in that location? And did I mention no parking?

I was in love, however, with the neighbourhood and the potential it had. Beautiful old houses ready for renovation, a strong sense of community support, and a severe lack of shopping opportunities for the urban dweller. What grew out of that was our philosophy for choosing new locations. We pick urban neighbourhoods with a strong identity – a sense of ‘shop local’ with organisations like business or community associations, etc. Factors like parking aren’t as important when your customers would prefer to shop in their immediate neighbourhood or while on their afternoon dog walk. In the US, there are pockets where the ‘return to Main Street’ sentiment is really strong. It’s not always in the biggest cities although I like to think the neighbourhoods in DC have led the charge. Small towns and rural areas have the bug too. Gas prices are expensive and everyone has a shortage of time. Wouldn’t it make more sense to spend time with your family versus driving all over to shop? I think main streets will be more mainstream when consumers realise there is nothing personal about Walmart or Amazon.



Key cutting is the type of convenient service that typifies Gina's philosophy that her stores are ‘good neighbours’ in their communities.

## GINA'S GEMS

### Three tips from Gina based on her experiences in building the business over nine years

- I often speak to small business groups and particularly to women's groups. I always stress that fear can be a powerful motivator but can also stop us from acting on our entrepreneurial dreams. There is no harm in trying, no shame in failing, and no ‘I wish I had’s’ if you at least try.
- I was once accused of being a ‘shameless self-promoter’ but my husband says our business continues to grow because I am not afraid to constantly find ways to talk about our business to the public. While I might have once said ‘oh, I just run a little hardware store,’ I now talk about urban retailing, customer service, our company culture, and a whole host of other topics that bring attention to the business.
- Think about the lifetime value of your customers. Historically we learned that if you upset a customer she will tell 15 people. With the advent of programmes like Yelp and Google Plus no one is just telling 15 people – they are potentially telling millions. Make sure the experience is a good one. A customer spending \$5 one day may spend thousands over their lifetime with you – make every interaction count as if the \$1000 is being spent that day.

Stanley's not going to make Employee of the Month with that attitude...

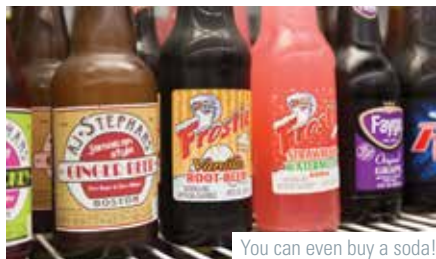


## ON INNOVATION...

I know I drive my leadership team crazy at times but I think if we aren't changing and innovating all of the time, we won't grow. The nine-year old daughter of a friend of mine came to my house with a bucket of cookies one day. She said her dad asked her if she wanted cookies and she said ‘why not!’ When you say ‘why not’ instead of ‘why’ you never know what you'll end up with. I think that's great advice from a child! 12 years ago when no one thought a woman could successfully run a hardware store in an urban area, I said ‘why not’!

## BEING A WOMAN IN THE BUSINESS...

I've read that 70% of home improvement decisions are made by women – why shouldn't a woman sell them what they need? The hardlines industry does seem to be the quintessential 'male dominated' industry. There are actually many female Ace Hardware store owners but you'd be surprised by how often we are overlooked for our contribution to the industry. Walk a trade show floor with a group of women sometime and pay attention to the vendors who acknowledge the group. My buyer is a woman and we now laugh at how often we are ignored – makes it easier to stay away from pushy sales people!



You can even buy a soda!



## GINA MEANS BUSINESS

Gina's hardware retailing excellence has been recognised by the industry in the US on numerous occasions. Her awards include:

- Women Who Mean Business award from the Washington Business Journal of 2009;
- recognition as an industry Top Gun in 2011 from the National Retail Hardware Association;
- featured as a 2014 Truly Amazing Woman on Inkcadenscent TV - <http://www.youtube.com/watch?v=JqYGdVUJA0>

I don't think there are male-specific traits that makes one gender better at hardware retailing than the other. Women may not traditionally be plumbers, but selling to plumbers is a completely different animal. There is also a great deal of creativity in modern hardware retailing. We have to be unique to compete in today's marketplace by diversifying our product offerings and I think a lot of the female store owners excel at this kind of outside of the box thinking.

## SHOP LOCAL INITIATIVES – DO THEY WORK?

We created a 'made in DC' programme and a 'made in Maryland' programme last year to help promote hyper-locally made products. Many Americans want to promote 'Made in the USA' and support stores that sell American-made items. By hyper-local, we mean the promotion of an even smaller subset of 'Made in the USA' – we are promoting a very small geographical area of the United States. The verdict is still out on its success but I think our customers like to know where things come from and to know that a few of them come from a neighbour is really cool. Despite what some people might think, cities are very personable places - we want to know our neighbours and local business owners.

There have been many studies done and polls taken, to determine if shoppers are willing to buy more locally-sourced products. The responses always vary but the fact is, most consumers continue to believe that anything 'local' automatically means more expensive whether it is or not. In my business, we try to combat that thinking with an amazing customer experience.

Governments seem to support both sides of the 'local' argument when it suits their needs. They need and want the support of the biggest retailers because of the tax revenue and jobs they generate. But, ultimately, they know that small businesses really drive the US economy.

## GINA'S BUSINESS – BY THE NUMBERS

Some key statistics on the network of hardware stores



Projected sales for 2014 **€20m**

Biggest departments are paint and lawn & garden, and biggest selling items include the Sodastream and lightbulbs



# ANOTHER SIDE OF... Derek Byrne

BW's Derek shows mettle on the pitch and in the merchant's yard

**Derek Byrne is Sales Director at BW Hardware, one of Ireland's leading distributors for the supply of architectural ironmongery and associated products to builder providers. By day this challenging role takes him all over the roads of Leinster, meeting and talking to people, but Derek's other passion in life presents a challenge in a different form. This takes place on the football pitch when the time for talking is over....**

Derek was 25 when he started working in BW Hardware as a sales representative in 2003. But he has been playing Gaelic football since the tender age of six, starting his career with local team, Round Towers in Clondalkin.

## FOOTBALL HIGHLIGHTS

Currently Derek plays with Ballymun Kickhams and he has amassed an impressive portfolio of footballing highlights, victories and personal achievements over the past 20 years. He represented Dublin at minor level in 1996 and under-21 in 1997 and 1998, and senior level in 2005 and 2006. "It was an honour and childhood dream to play at county level," says Derek.

But the dream didn't end there. "In 2012 we achieved both the Dublin senior club title, and Leinster senior title. This was the first Leinster title for Ballymun Kickhams, and the end of a long 27 years' wait for a Dublin senior title," he says. "It was a justified reward for the hard work and dedication given by every member of the team."

## CAN-DO ATTITUDE

This can-do attitude and desire to succeed helps Derek both on and off the pitch.

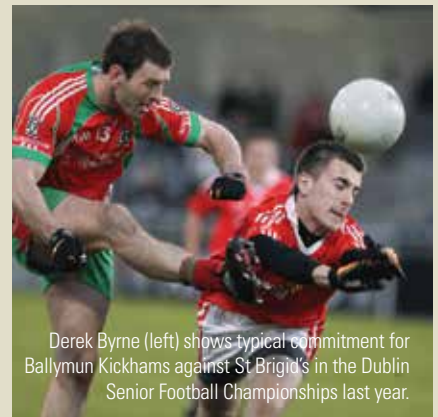
"In both work and sport, I would class myself as an extremely driven individual who loves working with a team ethos, with similar-minded, motivated people, all pulling in the same direction to achieve similar goals," he explains.

Juggling busy work and sporting lives is made possible by being 'very well organised' according to Derek. That is the easiest part: "The most challenging aspect I would have to say is the level of dedication, and standard of fitness and strength and conditioning needed to play at senior club level," he says.

It makes total sense then that Derek's sporting idol is one of Ireland's, and the world's, greatest sporting figures. "My sporting idol is Brian O'Driscoll. What he has achieved on and off the pitch is quite remarkable. His dedication, leadership, and longevity

in the sport, cannot be rivalled."

While BOD may be a sporting GOD for Derek, he also says he has been very lucky to have been mentored and guided in beating the heavy challenges of the hardware business by Jack White, founder of BW Hardware, who, he says, has helped him 'develop both professionally and personally'.



Derek Byrne (left) shows typical commitment for Ballymun Kickhams against St Brigid's in the Dublin Senior Football Championships last year.



Two driven performers: Derek with the legendary Sir Alex Ferguson.





# HAIGS CAPTAIN'S PRIZE

The captain's prize is always a highpoint of the year for the Hardware Association Ireland Golfing Society (HAIGS)

## HAIGS Captain Jim Copeland's Prize Sponsored by Irish Abrasives

The competition for HAIGS Captain Jim Copeland's Prize took place in Lucan Golf Club on Friday, June 27, 2014.



Captain's First Prize winner: Eddie Kelly receives his first place prize from Captain Jim Copeland.



Lady Captain of the HAIGS, Barbara O'Connell, presenting Marian Kelly with her first place prize.



### Results

	Overall	Points	Handicap
1st	Eddie Kelly	36	13
2nd	Jim Copeland	(Capt.)	15
3rd	John Phelan	36	10 (B9)

### Class 1

1st	Liam Barrett	36	12
2nd	Joe Wallace	31	13

### Class 2

1st	Paddy Kelly	31	16
2nd	P J Gunn	29	15

### Class 3

1st	Martin Hennessy	29	20
2nd	Joe Nolan	26	23

### Ladies

1st	Marian Kelly	29	30
2nd	Barbara O'Connell	27	21
3rd	Joan Wallace	26	18

### Front Nine

	Jim Cuddy	15	12
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### Back Nine

	Tim Lodge	17	13
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### Visitors

1st	John O'Rourke	33	8
2nd	Miguel Gallagher	32	22

### Past Captain's Prize

	Eddie Kelly	36	13
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## JOE NOLAN ANNOUNCES RETIREMENT FROM HAIGS

Past President of the HAI, Joe Nolan announced his intention to retire from the Golfing Society and was presented with a memento of the occasion by HAIGS PRO, Gus Mullarkey. Joe was also a former President and Captain of the HAIGS and a former President and Captain of Kilkenny Golf Club. He will be missed on HAIGS occasions by his many friends and colleagues. We wish him well and many more happy rounds of golf at his home club of Kilkenny.



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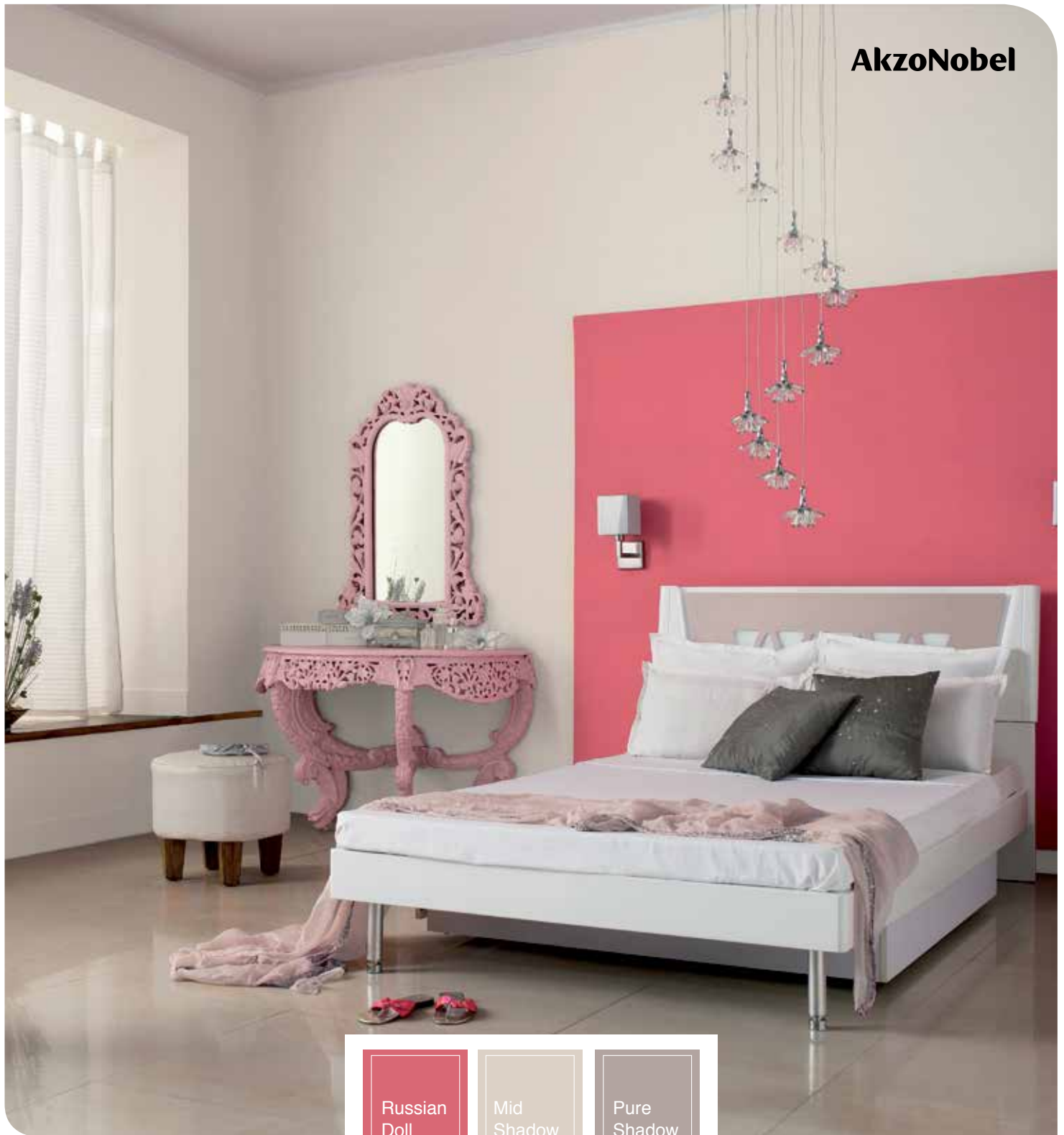
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