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JULY/AUGUST 2016

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## Q & A with WFCA Chairman Elect Nick Freadreacea

### Poorly Trained Installers Affect Everyone's Income

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# PREMIER FLOORING RETAILER

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## Q&A with WFCAs Chairman Elect Nick Freadreacea

# 10

PFR editor/co-publisher Jeff Golden speaks with WFCAs Chairman Elect Nick Freadreacea of The Flooring Gallery, Louisville about the new programs being introduced in the coming months, one-year goals for the association and exclusive benefits for members.

### Keep Leadership Simple 6

Scott Humphrey, WFCAs CEO, says the greatest leaders understand that to have a lasting impact and to leave a legacy, they must possess these four basic traits. Find out what they are.

### New Hires...New Approach 8

The most important task for management when training a new hire is to make sure the employee understands the organization and his/her role within it. The WFCAs Tom Jennings, VP of Professional Development, offers his advice.

### The Importance of Properly Qualifying Customers 14

David Romano, Founder and Owner, Benchmarkinc, says listening, asking questions, and providing solutions for your flooring customers can be the difference between barely breaking even and building wealth.

### Design Trends: Creative Product Development Equals Artistic LVT Choice 16

Annette M. Callari, Allied ASID; CMG, says from a design standpoint, identifies the new influencers on the horizon for LVT.

### Do You Pay Your Managers Overtime? 22

New regulations set by the Fair Labor Standards Act are set to take place December 2016. Jeffrey King, Outside General Counsel for the WFCAs, examines and explains what they mean to your business.

### Latest Market Trend Study Confirms LVT Reigns 28

Results of the Q1 2016 Members Market Trend Survey are in, and they confirm LVT reigns, flooring retailer opportunities, and more. PFR's associate editor Arpi Nalbandian breaks down the findings.

### What Do You Mean By B2B? 31

Phil Zolan, fcB2B Executive Director, sheds light on three major categories in which electronic business is being conducted in the flooring industry.

### How a Buying Guide Can Separate You from the Competition 32

Josh McGinnis, Owner, Unlock Your Biz, explores how a buying guide can help your store stand out from the flooring retailer crowd – and win the minds of consumers.

### Poorly Trained Installers Affect

### Everyone's Income 34

When the installer is capable of producing a more confident and competent installation, all involved benefit, says Tom Jennings. Here's how to get started.

## ON THE COVER

Featured is Nick Freadreacea, WFCAs Chairman Elect of The Flooring Gallery, Louisville, Ky. See Q & A beginning on page 10 for a glimpse of the new programs being introduced in the coming months and more.

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# Keep Leadership Simple

By Scott Humphrey, CEO, World Floor Covering Association

Our tendency to complicate the simple is amazing to me. There are thousands of books on leadership seeking to get you to buy into their techniques and beliefs about the Art of Leadership. In reality, leadership is common sense. It is just not common practice. Here are four basic traits I have found in all true leaders:

**The greatest leaders understand that to have a lasting impact and to leave a legacy of influence, they must be Doers, Noticers, Influencers, and Visionaries.**

**1. Leaders Are Doers** – At a recent WFCOA Board meeting, I shared a story that emphasizes my belief in this premise. In the mid 1800s a chess grandmaster by the name of Paul Morphy encountered a reprint of a painting titled “Checkmate” at a dinner party. The original hangs at the Louvre in France. The painting portrays a visible example of the Faust legend. In the painting, the devil is playing a young man for his soul as an angel is looking on in dismay. The title of the painting says it all. The devil has checkmated the man in a battle for his soul – or has he? Morphy analyzes the painting and cannot believe what he sees. When the host asks about his curiosity over the painting Morphy replies, “I believe the young man has one more move.” So they set a chess board up with the pieces exactly as they were in the painting. He challenges five respected chess players to sit across from him and play the role of the devil. The story, recounted in the *Columbia Chess Chronicle* on August 18, 1888 states that Morphy went on to defeat all five. He found that there was one more move and several others that allowed him to, in effect, checkmate the devil.

Leaders are always looking for the next move and are willing to act on it. Sometimes the move is to realize this game is over and move onto the next focus. Leaders never live long in the static position of simply analyzing where they are.

**2. Leaders are Noticers** – Leaders are highly aware of what is going on around them. They extend their ability to know those things that are impacting their

organization by surrounding themselves with a strong team of managers who are also Noticers. In best-selling author Andy Andrews’ book, *The Noticer*, he helps us visualize the importance of the Noticer in addressing negative behavior and rewarding a job well done. Ultimately, the Noticer realizes relationships are the key to success and spends his days noticing things that impact individuals he encounters in work and daily life, both positively and negatively.

**3. Leaders are Influencers** – A true leader realizes the power of the position he or she holds. They understand they are being watched and likely molding the next generation through their influence. Holding the title of leader, does not make one a leader, but it does create a greater focus on one’s actions. My favorite book states that there is much required of those to whom much has been given. If one is blessed with the title of leader then they must understand that their actions will automatically influence behavior – good and bad – in those who look to them for guidance.

**4. Leaders are Visionaries** – Without a vision, people perish. Truer words have never been spoken. Leaders are not about defending the status quo. Instead, they are about questioning the status quo and becoming a catalyst for much needed change. They do not spurn historical data, but aren’t bound to it either. They understand the past is a great place to learn but a horrible place to live. It is their responsibility to cast a vision for their people. Because of this, they have developed in their nature the ability to look beyond the current norm, to dampen the voices of critics, and to forge forward based on their sound belief.

Leadership can be complicated – if we make it so, but the greatest leaders speak and act with a sense of confidence reinforced with simplicity. The greatest leaders understand that to have a lasting impact and to leave a legacy of influence, they must be Doers, Noticers, Influencers, and Visionaries. Here is hoping that is the type of leader you desire to be. ○



*Scott Humphrey*  
**Scott Humphrey**  
CEO, WFCOA

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## New Hires...New Approach

By Tom Jennings, World Floor Covering Association, VP of Professional Development

**N**ow that most flooring retailers have accomplished the task of reawakening their businesses from the economically induced coma of recent times, many have found the need to add new hires to blend into their staff. My experience tells me that too many managers treat new staff members as a necessary evil. When a rookie (new hire) first walks in the door, too often all the manager sees is the amount of time required to get them *up to speed*. When faced with what are perceived as more important daily tasks, management too often will pass these duties to another more senior salesperson. The conversation usually goes something like: “Just shadow Susie for a few days. She’s been in the business for over 20 years and has seen it all.”

There are several problems with this scenario. Often, Susie is a commissioned salesperson who understandably has her own agenda. How long do you think it will take for Susie to begin to influence the new hire with her prejudices? Does Susie have any expertise in sales training, or was she largely self-taught when she began? Remember that too often, 20 years’ experience is just one ineffective year repeated 20 times!

Then, predictably, management will complain when this recent hire begins to flounder. They will question the rookie’s efforts. Perhaps they will place blame on Susie, who was given a task she was likely neither properly prepared nor well-suited to do. Next begins a round of staff turnover followed by your manager complaining that you can’t find good people to hire today. Then, the process is repeated. Why? Albert Einstein was right – this is insane!



The most important first task for management is making sure the new employee understands the organization and his/her role within it.

*Insanity: doing the same thing over and over again and expecting different results. – Albert Einstein*

It doesn't have to be like this! Too often, the primary initial emphasis of training is placed upon product knowledge. When responsibility for training new staff members is delegated to a fellow salesperson, or a vendor's field sales representative, you can almost be certain of this approach. While expertise in this area is required, I feel it has taken a secondary position.

The most important first task for management is making sure the new employee understands the organization and his/her role within it. They must know the firms' mission and develop a belief in it. It is imperative they be able to connect what they do with why they do it. Without a doubt, customers will sense the difference in a salesperson's attitude quickly.

Remember that we all had a first day on the job – just as we had a first baseball game or piano lesson when we were young. Many of us had a teacher, or a coach, who believed in us and encouraged us to practice and improve. If you didn't, then you most likely lost interest and gave up. The same is true when building sales knowledge and ability. Successful sales trainees have a mentor who monitors their progress, offers encouragement and celebrates their victories as their careers grow. All too often, novice salespeople are shoved into the deep end of the pool and told to swim. Most drown. It is simply unfair to expect people to self-train in any industry.

As Mary Kay Cosmetics founder Mary Kay Ash famously stated, “Praise people to success.” She realized she wasn't merely selling lipstick– she was selling her associates on the concepts of beauty and self confidence. Once her staff believed in their mission, the cosmetics sales would follow. Selling beautiful flooring is no different. With each new associate come fresh ideas and a new avenue of growth. Having the opportunity to build a better staff is exciting! Don't waste the opportunity. ○



### ABOUT THE AUTHOR

Tom Jennings is a lifelong member of the flooring business. Since selling his family's retail business in 2006, he has served the industry as an educator and speaker. He is a past-board chairman of the WFCA and is currently the board chairman of WFCA Services, Inc. and WFCA vice president of professional development. He may be reached at [tjennings@wfca.org](mailto:tjennings@wfca.org).



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## Q & A: Nicholas L. Freadreacea – President, The Flooring Gallery, Louisville, KY

By Jeff Golden, Editor/Co-Publisher



The Flooring Gallery, Louisville, Kentucky

**World Flooring Covering Association Chairman Elect Nicholas Freadreacea has held every position from installation to running a multi-store multi-state operation. President and owner of The Flooring Gallery since 2000, Nicholas is a member of FloorExpo focusing on the builder and multi-family segments since 2000. He started in the industry with Kinnard and Francke in Kentucky and Indiana as a retail and new construction buyer and advanced to sales manager.**

**The Flooring Gallery currently has five locations – The corporate office in Louisville KY, and distribution centers in Lexington, KY and Madison, IN. Services are offered approximately 60 miles from each distribution center.**

**Beginning in January 2017, Nick will serve his second term as association chairman of the board. He is committed to the betterment of the industry and has been on the Board of Directors for approximately 15 years and has served on the Membership, Nominating, Finance (chairman), Compensation, Executive Search (chairman), Investment, Visioning and Executive committees and the Past President's Council.**

### What do you hope to accomplish as chairman of the WFCAs this term?

This will be my second time being the Chairman and I could not be more excited. We have a huge agenda and a large number of working initiatives within the WFCAs right now and I would

like to ensure that these continue to move forward and become successful. The past three years, we have grown and taken on more than anyone would have imagined. Now is the time to grow these initiatives and make them a viable part of the WFCAs and show their advantages to the entire industry. My hope is now that we have taken on some of the largest areas of concern for the entire industry; it will make it clear that the WFCAs is truly the unified voice for independent retailers.


### What program are you most excited about that the WFCAs is involved and why?

This is a tough question because there is so much going on and it is hard not to be excited about a dozen or so big initiatives. I will narrow it to two programs; one for today and one for the near future. The WFCAs committed to take on the biggest current problem the industry faces – the shortage of qualified installers. Robert Varden has stepped up to the plate as the head of the CFI division and is preparing a plan to recruit and train installers across the country. It is a herculean task, but he has the passion and energy to make it happen.

The other initiative is for the advancement of technology and the future of our industry. The WFCAs has taken ownership of fcB2B and hired Phil Zolan as executive director to help spread the understanding of the benefits for the average dealer. This is an area where the industry needs to catch up, and is an important step for independent flooring retailers to compete against the Big Boxes.

*Continued*



A vintage silver and black camera with a lens cap removed, resting in a brown leather carrying case on a wooden surface. The camera is positioned diagonally, and the lens cap is lying on the wood in front of it.

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Explain the exclusive benefits of belonging to the World Floor Covering Association as a member?

There are certainly many benefits of being an association member, such as the trade scholarship program that actually pays you to join, but I think there are many more reasons to be a part of the association. The WFCA is the one place that focuses on the success of the independent retailer. By being the unified voice of all flooring dealers, the WFCA is able to magnify our needs in a larger way than any of us could do alone. We all face big issues that affect our businesses, such as The Marketplace Fairness Act, the IRS and Independent Contractors, Workman's Comp, new overtime and DOL regulations, and many more.

Jeff King, the outside legal counsel for the WFCA and Scott Humphrey, WFCA's CEO, work together to make sure the needs of the industry's retailers are considered and heard before new laws are enacted. This is something that no individual or company could undertake on their own.

Where do you see the WFCA in five years?

I see them being very busy! With the rapid changes going on in the flooring industry, I foresee the WFCA being the central hub for how to handle that change. We will need to grow and be the place that stays ahead of the curve so that the entrepreneur retailer will survive. I have seen many industries go by the wayside because there was not someone willing to take a stand and help the industry survive and thrive.

What would you say to non-member retailers/contractors is the most important reason to join the WFCA?

I would tell them the WFCA is a great association, and by joining you are actually a part of the organization. The association listens to the membership and your opinions and voice are part of what makes it all work. It does not matter if you are a single store or a large multi-state operation; every voice is important and needed. You can be a part of any group and also be a member of the WFCA. We have great members from all divisions of CCA Global, Starnet, Abby, Big Bob's, and the NFA. It is the strength of these people and their knowledge base that allows the WFCA to unify their voice and take our concerns to a national level.

As individual entrepreneurs, we run our business and the daily challenges that are part of all of our lives; it is nice to have an association that can respond to the larger concerns. ●





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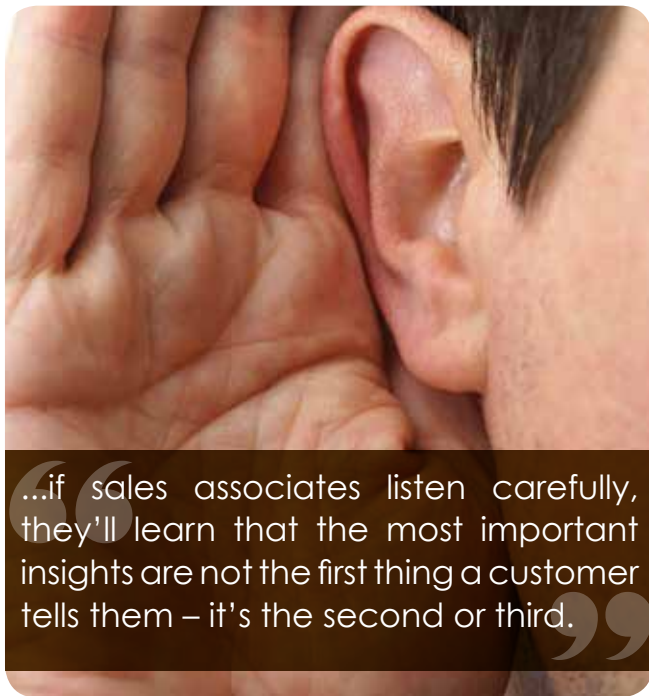
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# The Importance of Properly Qualifying Customers

By David Romano, Founder and Owner, Benchmarkinc

Consider these facts before reading this article: **67% of sales are lost due to poor qualifying techniques used by sales associates.** That's right, just over two-thirds of customers decide not to buy because they were not properly qualified. To add more insult to injury, in a recent study conducted by the World Floor Covering Association and Benchmarkinc where 108 shoppers rated their experience when shopping at independent flooring retailers and Big Box stores, it was reported that **less than 3% of all sales associates properly qualified their customers.** What these shoppers encountered was a bunch of sales clerks and very few sales consultants.



A bit of good news coming out of the consumer study is **when the customers felt the sales associate was “friendly and helpful” over 92% said they would buy from that retailer and refer the store to their friends.** That means if sales associates take a consultative approach customers are highly likely to buy. They must find out what the customers pain points are. Why are they talking to them? What solutions are they looking for? Highlight their pain, dream, and make the connection.

So, what do I mean by taking a consultative approach? Well, a consultant is someone who exhibits these three qualities at all times:

- Has expertise in the relevant subject matters.
- Fully understands the customer's values and needs – especially as it relates to the circumstances they are

being asked to consult on.

- Always maintains an approach in giving advice that puts the customer's interests first.

To be qualified as a consultant, a sales approach should follow a simple four-step process:

**1. Discovery** – Ask a logical progression of questions that delve deeply into the customer's situation in order to uncover their desires, their needs, and their values and to understand the influencing factors involved in their decision-making.

**2. Deliberation** – Take time to ponder what you found out in discovery so you can formulate a series of helpful solutions in achieving the customers' goals, fulfilling their needs, and benefiting them in the most holistic manner possible.

**3. Discussion** – Once you have used your expertise to come up with appropriate and beneficial solutions, you need to discuss things with your customer so they clearly understand your intended advice.

**4. Determination** – Together, you and your customer determine the exact course of action that needs to be taken – regardless of any other factors except what is in their best interest. Act as a consultant and have a process, and you'll soon find that your customer relationships are unbreakable.

Be sure to listen for what customers tell you and listen for what they don't tell you. Ask them to expand on certain answers, and ask about the past, present and future. Don't ask leading questions; listen to where they lead their answer. Find out about their challenges and goals...if sales associates listen carefully, they'll learn that the most important insights are not the first thing a customer tells them – it's the second or third. If customers aren't talking 80% of the time at the beginning, then sales associates are doing it wrong. Just think, does a doctor prescribe medicine before they have fully listened to your story and symptoms? Of course not because that could lead to the death of a patient much like solutions without qualification can kill the deal for a sales associate.

Customers' distinct personalities require some flexibility and creative thinking by a sales consultant. While some customers are happy to sit down and discuss their needs, many are too busy or not interested in spending any more time than absolutely necessary when purchasing a good or service. However, if a sales associate wants to reach their true potential they must figure out a way to make a connection, determine needs, and give suitable options.

One great strategy is to develop a set of questions, by product type, that should be asked prior to presenting solutions. Practice how you are going to ask these questions to the various personality styles: those who love to talk, those who are too busy to talk, those that are not interested in talking at all, and those that only talk about themselves. Figure out a way to complete this discovery in three minutes or less. It is best to use a qualifying form and sit down with customers at a “relationship table” to ask the right questions. Cover things such as style, durability, current likes and dislikes, pets, children, and length of time they plan on living in the house.

Sales associates tend to forget they're in the people business. Many get caught up in what they are selling. The best sales professionals don't sell; they help their customers buy. Often times, salespeople jump into a sales cycle and focus on a need they think is important to their prospect and that their product or service could easily solve. By failing to understand the most urgent challenges their customer needs solved, they risk pitching customers a service or product that they don't see enough value behind. As a result, customers won't buy and the sales associate ends up wasting precious time and energy pitching the wrong service or product.

Think about how simple this is. All a sales associate needs to do is to start acting like a sales consultant and stop acting like a clerk. If they were to just spend a few minutes before showing products to absorb what customers are saying by asking probing questions and building rapport, then everybody wins. Listen, ask questions, then provide a solution. For a flooring store owner, those three simple things can be the difference between barely breaking even and building wealth. I don't know about you, but the second option sounds a heck of a lot better and more fun to me. ○



#### ABOUT THE AUTHOR

David Romano is founder and owner of Benchmarking and its predecessor, Romano Consulting Group. David's professional career spans nearly 20 years of management

experience in the retail, restaurant and consulting industries. His companies have been providing consulting, benchmarking, and recruiting services for nearly a decade exclusively for the flooring and restoration industries.

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## Creative Product Development Equals Artistic LVT Choices

By Annette M. Callari, Allied ASID; Chair Holder Color Marketing Group

The resilient flooring category is, of course, multi-faceted. Included in this category are luxury vinyl tiles and planks, sheet vinyl, vinyl composite tile, rubber flooring and linoleum. No wonder resilient flooring commands such an impressive segment of the floor covering market.

According to a recent report by Business Wire Research (a Berkshire Hathaway company), "...The global resilient flooring market size is projected to reach \$92.47 billion by 2022." Luxury vinyl tile and planks account for nearly 50% of the resilient category, so for the focus of this article, let's take a closer look at LVT and how it is evolving.

Historically, luxury vinyl styles have replicated natural materials. Advances in high resolution films, combined with register-embossed surfaces have taken the authenticity of LV planks and tiles to a new level. The aesthetic, embraced early by the residential market, has now earned a significant percentage of the commercial market. Because of the ease of maintenance, durability in commercial settings, resistance to liquid or chemical spills, and cost efficiency, the health sector in particular has embraced LVT. Also growing steadily in the use of LVT are the education, corporate, retail, senior living, multi-family, and hospitality sectors.

From a design standpoint, there are some new influencers on the horizon for LVT. Natural materials are still a mainstay in product development. But add to that, unique shapes, contemporary elements, larger profile widths and lengths, and you have the building blocks for exceptional flooring designs.

As more manufacturers have become LVT suppliers, the creativity in product development has skyrocketed, out of necessity to differentiate. The benefits of LVT are now well established, so the next important frontier is unique product design. Here are some great examples:

### **Amtico/Mannington ([www.ManningtonCommercial.com](http://www.ManningtonCommercial.com))**

Amtico has been leading the way in LVT for almost half a century. With so many newcomers to this flooring genre, experience and longevity have its advantages. Authentic look vinyl-wood planks equal nature's very best. In the unique category, the Abstract collection impresses. Take a look at these styles: Alchemy Storm, Fiber Carbon, Infinity Flair, and Equator Wave.

### **Armstrong ([www.Armstrong.com](http://www.Armstrong.com))**

Armstrong's Alterna LVT collection hones in on replicating natural stones to perfection: travertine, Carrera Marble and

slate are just a few of the magnificent 16" x 16" vinyl stone-look tiles that are available. The colors are outstanding, and again, Armstrong captured nature's own palette.

### **EarthWerks ([www.Earthwerks.com](http://www.Earthwerks.com))**

With over three decades of experience providing excellent style, service and availability, EarthWerks offers a full range of LVT and LVP products. Loose laid vinyl planks offer some unique advantages. Much faster installation time, cost savings in that little or no adhesive is used, less floor prep work, dimensional stability of the product, and ability to remove, replace, or even relocate planks as needed. With that in mind, EarthWerks offers Aurora, a durable LVP available in eight colors with a 20 mil wear layer. The 8" x 39.5" planks make a bold statement and come with a 30-year commercial warranty.



EarthWerks - Stoneridge

### **GerFlor ([www.gerflor.com](http://www.gerflor.com))**

Let's talk about GerFlor's Saga<sup>2</sup> collection. Often, designers specify both carpet tile and LVT for large commercial projects. Enter Saga<sup>2</sup> to the design equation. Saga<sup>2</sup> is a resilient modular tile sized to match the dimensions of carpet tile (19.69" x 19.69") for easy transitions. Saga<sup>2</sup> provides significant noise reduction. Each tile features a decorative film protected by a transparent 0.7mm surface layer with a calendared interlayer, cork underlayer and is 100% recyclable. Tiles can be adapted for raised panels.

### **Inhaus Flooring ([www.inhausurfaces.com](http://www.inhausurfaces.com))**

Inhaus Flooring delivers detail and high quality with their exclusive line of floating LVT planks and tiles. Glueless locking vinyl wood floors and vinyl tiles from Inhaus are the culmination of years of R & D technological advances. They feature embossed surfaces that match with precision the relief and grain of realistic wood and stone patterns. Some styles feature micro-bevel edges for added realism. Water resistance makes this line a good alternative to laminate or wood in high-moisture settings—for both residential and commercial applications.

*Continued*



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### *Creative Product Development, Continued*

#### **IVC (IVCfloors.com)**

Choices are an advantage in the competitive market of LVT. To that end, IVC offers their Moduleo Horizon Collection in both click and glue-down applications. The mix of stones and woods is well-rounded in both color options and exotic wood looks. West African Wenge is a standout and (not by accident) coordinates well with their Tuscan Slate 36970 from the same collection.



*IVC - West African Wenge*

#### **Karndean DesignFloors (www.Karndean.com)**

European as well as North American influences flavor Karndean's product development. Designers are gravitating towards mixing and harmonizing products and sizes. This is an emerging trend that Karndean has focused on in their product development. Among their brand new introductions, the 30 mil DaVinci slender-boards are stunning. Combined with 12 new colors and a 20 mil wear layer, VanGogh's graining variations are authentic and at the same time, dramatic. Look for Karndean's Kaleidoscope collection, a brand new introduction focusing on unique shapes and colors, to create some welcome shockwaves in the world of commercial design.



*Karndean - Iron Ore*

#### **LSI Floors (www.LSIFloors.com)**

Their product line does not disappoint. The Imagination Studio collection is my absolute favorite. To call it unique falls short of capturing the essence of these styles. Pure liquid visuals captured in vinyl bring the movement of water and vivid color to flooring. Autumn leaves, white ice, drifting sand, river rock—each of those natural elements is brought to life in beautiful LVT! Dimensional, realistic, attention-getting, you have not seen anything like these.

#### **Mannington (www.mannington.com)**

Mannington Adura offers the look of real wood or tile in 5" and 6" wide planks or tiles (16" x 16") or rectangles (12" x 24") for a customized layout with grout for a realistic appearance. For no-glue installation, select the company's proprietary LockSolid technology. AduraMax features a HydroLoc waterproof core in 6" x 48" locking planks and Ultra-Quiet attached pad for enhanced sound reduction and comfort underfoot.

#### **Metroflor (www.metroflorusa.com)**

Metroflor has been busy expanding their Genesis line of LVT. The Engage Genesis range has been developed with a new technology called ISOCORE. As an extruded, closed-cell PVC structural core, ISOCORE delivers rigidity and strength to Engage Genesis while making larger formats easier to install through locking technologies. This unique, structural LVT composite results in a floating floor that is waterproof and also provides sound insulating characteristics through its pre-attached acoustical underlayment. Engage Genesis LVT also features Ultra Fresh antimicrobial treatment and 8, 12 and 20 mil wear layers.



*Metroflor - Engage Genesis*

#### **Novalis (www.novafloor.us)**

Novalis is not a newcomer to the LVT industry. Creating quality floors since 1984, this company knows how to do it well. Their NovaCore line is a great problem-solver. These planks are rigid, waterproof, and can install over the most challenging subfloors. The 6" x 48" planks feature a high-performance waterproof core that improves rigidity and overall stability of the product. Weathered Oak Bungalow and Weathered Oak Cabin earn special mention.



*NovaFloor - Aberly*

*Continued*





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### *Creative Product Development, Continued*

#### **Raskin Gorilla Floors ([www.gorillafloors.com](http://www.gorillafloors.com))**

If the company name doesn't grab your attention, well their Elevations InterwovenCollection will definitely draw you in. This is a floating, heavy-duty luxury vinyl tile floor that is a true problem-solver. It can be installed right over many types of sub-floors, including wood, concrete, one layer of existing vinyl, and even uneven sub-floors. The styling is textile-inspired. Raskin Industries recently took home Four Platinum Awards for Design Excellence (ADEX) honors. The company received Three Platinum Awards for products from its domestically produced FloorNation LVT Line – Glory, Pride and Freedom – and one for the R9 LVT Collection geared toward commercial applications.

#### **Shaw ([www.shawfloors.com](http://www.shawfloors.com))**

Introducing Shaw's newest addition to their LVT line, Floorte. There are three levels of products (featuring their precision fold-and-lock installation): Bella and Largo Plank styles feature a 20 mil wear layer with AmourBead protectant on their surface and Casa features a 12 mil wear layer. Mantua Plank features an 8 mil wear layer. Each style comes in beautiful wood looks featuring realistic sawn-face visuals, painted or wire brushed visuals and longer planks, adding to the grandeur of these stunning woods.

#### **Tandus Centiva ([www.tandus-centiva.com](http://www.tandus-centiva.com))**

Front and center as the attention-grabber has to be Centiva's Victory Series. Designers are ecstatic with the colorful building blocks Centiva has introduced for commercial specifiers searching for something they can craft into one-of-a-kind artful floors. Color, shape, and texture are the ingredients Centiva started with, and crafted the collection to include sub-sets to the Victory series. Those include: The Brites, Chroma, Coral Reef, Magics and Mineral Chip ranges. The combinations are infinite and A & D will enjoy exercising their creative prowess using Victory.

#### **USFloors ([www.usfloorsllc.com](http://www.usfloorsllc.com))**

It's all about choices now in this well-saturated market. To that end, US Floors announced a new hybrid LVT product called COREtec earlier this year. They have earned a U.S. patent on their products which feature a waterproof core

structure, impervious to wet conditions. At the just-concluded NEOCON show, USFContract, the commercial division of USFloors, launched two new products: Midtown Revival with 12 hardwood SKUs in 7.5" x 75" x 5/8" planks and Stratum DEFINED!, comprised of wood grain and concrete tiles and planks. Features COREtec technology; planks are 7" x 48" x 8 mm with a 30 mil wear layer and tiles, 18" x 24" x 8 mm with a 20 mil wear layer.



If you get the feeling that this article has only scratched the surface of what the LVT market has to offer, you are correct. I wanted to approach this article from a designer's standpoint to introduce you to highly creative products that you might otherwise miss. With no slight intended to the great manufacturers not included above, we have to concur that never before has there been a more extensive menu of fresh choices in the world of LVT. Thank you to the creative minds behind these floors. ○



#### **ABOUT THE AUTHOR**

*Annette Callari is an interior design expert with over 20 years of residential and commercial design experience. An allied member of the American Society of Interior Designers and a Chair Holder of the Color Marketing Group International, she is the Commercial Business Manager for Karndean Design Flooring.*





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# Do You Pay Your Managers Overtime? You May Need to Under New Federal Regulation

By Jeffrey W. King, Outside General Counsel for the WFCA

**D**o you keep track of your managers' hours, or pay them overtime? Do you pay them bonuses or commissions? How about your office administrator—does he or she punch a time clock or receive overtime pay? Do you allow comp time off for personal matters or deduct time off from a manager or administrator's vacation time?

As of December 1, 2016, revisions to the federal wage and hour regulations require you to pay these employees overtime and they cannot use comp time unless they make at least \$47,476 a year. The Department of Labor (DOL) has issued a revised Rule governing which employees are exempt from overtime pay that raises the minimum annual salary from \$23,660 to \$47,476. Congress can seek to block the new rule from taking effect, but President Obama is expected to veto any such attempt. Accordingly, the rule is likely to take effect as scheduled.

## The Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) applies to all businesses with annual gross income of \$500,000 or more. The FLSA requires employers to pay their employees minimum wage and overtime pay of not less than one and one-half times the employee's regular rate for hours worked over 40 in a work

week. These protections extend to most workers, but the FLSA does provide a number of exemptions. One of the principle exemptions is for salaried employees whose primary duties are executive, administrative, or professional (EAP or white collar exemption).

Simply paying a fixed salary to EAP employees does not automatically create the exemption. Rather, the FLSA regulations create a three part test for the exemption to apply: (1) The employee must be paid a predetermined and fixed salary that is not subject to reduction because of variations in the amount of work performed (salary basis test); (2) the amount of salary paid must meet a minimum specified amount (salary level test); and (3) the employee's job duties must primarily involve executive, administrative, or professional (EAP) duties as defined by the regulations (duties test). There is also an exemption to overtime pay for the Highly Compensated Employee who are paid substantially above the salary level for white-collar employees.

In July 2015, the DOL proposed to raise the salary level test threshold for overtime pay from \$23,660 annual pay to \$50,400. In addition, the proposal would increase the salary level for highly compensated workers from \$100,000 a year to \$122,148. The proposal also suggested an automatic annual adjustment to the salary levels, and modifying the duties test.

The World Floor Covering Association (WFCA) submitted comments and survey data opposing many of the changes in the proposed. WFCA objected to the amount of the increase in the salary base and any changes to the duties test, proposed including bonuses and commissions in the salary calculation, and opposed any annual increase based on the Consumer Price Index for All Urban Consumers. The final rule especially addressed WFCA's concerns and lowered the minimum salary requirement, allowed some bonuses to be included in salary calculations, and made no changes to the duties test. In addition, the new rule provides for automatic increases every three years and it will be based on weekly earnings of full-time salaried workers in the lowest-wage census region.

## The New White Collar Exemption Rule

Although WFCA and the other commentators obtained major concessions, the new rule still presents a dramatic increase in the salary levels to \$913 a week or \$47,476 a year. Rather than annual increases as originally proposed by DOL, the salary level will remain in effect until January 1, 2020, the date of the first increase. Based on current data, the annual salary basis is expected to rise by around \$3,700 by 2020.

*Continued*



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### *Do You Pay Your Managers Overtime? Continued*

In a major concession, the DOL will for the first time ever allow employers to include non-discretionary bonuses and incentive payments to meet the salary basis test. The inclusion of bonuses effectively reduces the salary level to \$821.70 a week or a \$42,728.40 annual base salary. The bonuses cannot automatically be added on at the end of the year. There are several significant limits.

First, the bonus must be non-discretionary, calculated by a predetermined formula, such as sales commissions or a percentage of a store's sales. Second, the bonus is limited to ten percent of salary. Accordingly, only \$4,747.60 of any bonus or commission can be used to lower the base salary amount. Third, the bonus must be paid to the exempt employee at least every quarter. Significantly, the rule allows employers to make a catch up payment at the end of the quarter if the amount of variable compensation paid to the employee does not equal \$1,186.90 for that quarter.

Notwithstanding these significant compromises, the new rule will require many retail flooring dealers to adjust the pay to their managers and administrators. Moreover, misclassifying employees under any of the FLSA's exemptions can be a very costly mistake for employers. Accordingly, it is suggested that every retailer check to ensure its exempt employees also meet the duties test.

## Preparing For the Changes

As a preliminary step, each retailer should collect and analyze pay data. This analysis should identify all currently exempt employees, their salaries and the hours they work each week. Employers should also review all bonuses and incentive pay to determine whether they meet the requirements to be included in calculating the employee's pay. The data collected will help the retailer calculate the potential impact of the new rule and what, if any, adjustments need to be made.

### **Salary Adjustment**

With the collected data, the first step is to determine if any adjustments need to be made to the salaries of the retailer's current managers and administrators. If their salaries are close to \$47,476, including non-discretionary bonuses and incentive pay, the simplest thing may be to raise their salary to that level. This solution eliminates any need to track hours, adjust schedules, change comp time rules or reassign duties.

Alternatively, the retailer can just absorb the overtime pay. This would require the retailer to calculate the hourly rate of each manager and administrator by taking his or her salary and

dividing it by 40 hours. For every hour over 40, the employee would have to be paid time and a half. To illustrate, consider a current manager who is paid an annual salary of \$37,500. This manager earns \$721.15 a week for an hourly rate of \$18.03 an hour ( $\$721.15 \div 40$  hours). If the employee works five hours of overtime a week, he or she would be entitled an overtime rate of \$27.04 ( $\$18.03 \times 1.5$ ) for the five hours for a total of \$135.22 of overtime pay. If the employee averages five hours of overtime a week for the year, his or her annual salary would increase over \$7,000 under the new rule to \$44,531.25.

To avoid such an increase, the retailer can adjust the employee's salary to take into account the likely payment of overtime. The employer can either convert the employee's pay to an hourly wage or adjust the base salary. To do so, the retailer must first determine the hours each exempt employee works in the average week and determine the appropriate hourly rate. This requires more than taking the total hours and dividing by weekly salary. Rather, the retailer needs to add 1.5 hours for every hour worked over 40 to account for the overtime rate. For example, if a manager averages 45 hours a week, that equates to 47.5 hours ( $40 + (5 \times 1.5)$ ). To determine the hourly rate, divide the calculated hours into the weekly salary. If the employee is to remain a salary employee, then multiply the hourly rate by 40 hours to determine the new base salary.

For example, consider the manager described in the earlier example who is currently paid a base salary of \$37,500 a year or \$721.15 a week. If the employee works an average of 45 hours a week, his or her hourly rate would be \$15.18 ( $\$721.15 \div 47.5$ ). As a result, the manager's weekly salary would be reduced from \$721.15 to \$607.29 a week in order to compensate for the \$113.86 paid for the anticipated five hours of overtime each week.

Either one of these adjustments will require the retailer to keep track of the hours worked by its managers and administrators. The retailer needs to ensure these new non-exempt employees record their time to account for overtime hours. Moreover, these reclassified employees may be eligible for travel time pay. This in turn may require changing or creating new timekeeping practices and systems for employees who are reclassified to capture off-site work and travel.

### **Fluctuating Workweek**

The retailer may also consider paying non-exempt employees under the fluctuating workweek (FWW) regulations. The regulation creates an alternative method for calculating overtime that generally results in lower than other methods of calculating overtime pay for non-exempt salaried employees

*Continued*

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*The survey is open for data entry on July 18, 2016 and will close on August 22. Reports will be available for download on September 1, 2016.*



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### *Do You Pay Your Managers Overtime? Continued*

whose hours fluctuate from week-to-week but still have a fixed salary.

Under a FWW plan, an employee's hourly rate is determined by dividing the fixed salary by the total hours worked in a week. This calculated hourly rate is then used to determine if the employee is paid at least minimum wage and to calculate the pay for any overtime hours. While the FWW could save significant money, it creates some accounting problems for payroll; every week a new hourly rate must be calculated and used for any overtime. Moreover, FWW pay calculations are not allowed in every state, including California, New Mexico, and Pennsylvania. Given the complications and legal issues, a retailer would be well advised to consult with legal and accounting professionals before implementing a FWW pay program.

### **No Comp Time Allowed**

The retailer cannot avoid paying non-exempt employees overtime by instituting a comp time policy under which an employee banks hours from one week to be used in the future. The FLSA specifically prohibits such comp time programs for non-exempt employees. If, for example, an employee works 50 hours in one week and 30 hours in the next week, the employer must still pay for the 10 hours of overtime in the first week.

The retailer may be able to institute a flextime program where, for example, an employee works 10 hours one day and gets two hours off later in the week. However, flextime works only within a one-week period. The FLSA still applies, and the total hours in one week cannot add up to more than 40 hours or overtime pay is due for every hour over 40. Moreover, state law may impact such flextime policies. For example, California requires overtime pay for any non-exempt employee that works over eight hours a day. While California allows for alternative work weeks, the requirements for implementing these alternative workweek schedules are stringent and require a predetermined schedule, not a flexible day-to-day adjustment.

## The Duty Test

Although the new rule did not change the duties test to determine whether an employee is exempt, the implementation of the new salary level provides an excellent opportunity to review the requirement and avoid the potential significant liability if an employee is misclassified as exempt from overtime pay.

As applicable to most flooring retailers the primary categories of exempt employees are executive, administrative and employees and highly compensated employee (HCE). The salary

tests for executive and administrative employees are the same - \$47,476 a year. The duties, however, are not identical.

### **Executive Duties**

It is not enough to give an employee the title of "manager" or "executive." For a flooring manager to qualify under the executive employee exemption (in addition to the salary level), all of the following requirements must be met:

- The employee's primary duty must be managing the company, or managing a customarily recognized department or subdivision of the enterprise. Store, warehouse, installation and sales managers can be exempt if they meet all the other requirements.
- The employee must regularly supervise and direct at least two or more other full-time employees or multiple part-time employees whose hours add up to at least two full-time employees.
- The employee must have a say in the hiring, firing, advancement, promotion or any other change of employees.

The DOL often considers the amount of time a manager spends on executive duties as compared with non-management work as a strong indication of whether the employee is exempt or not.

### **Administrative Duties**

To qualify for the administrative employee exemption, all of the following tests must be met:

- The employee's primary duty must be the performance of office or non-manual work directly related to the management or general business operations of the employer or the employer's customers; and
- The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance.

This category is the one that causes the most room for error. Not all office personnel qualify as exempt. Rather, only those with true administrative discretion are likely to be exempt.

### **Highly Compensated Employee**

To qualify as a highly compensated employee, the employer must pay the employee at least \$134,004 a year. Unlike the salary level for executives and administrators, the highly



compensated employee's salary is based on the total annual compensation and may include commissions, nondiscretionary bonuses and other nondiscretionary compensation earned during a 52-week period. Moreover, if the salary falls below the expected amount, such as lower sales commission than expected, the retailer can pay the difference the next month and the highly compensated employee will still be exempt from overtime pay.

While the employee's salary is the primary factor in qualifying as a highly-compensated employee, there is still a duty test that requires that the employee perform office or non-manual work and customarily and regularly performs at least one of the exempt duties or responsibilities of an exempt executive, administrative or professional employee. For example, an employee may qualify as an exempt highly compensated employee if the employee customarily and regularly directs the work of two or more other employees, even though the employee does not meet all of the other requirements in the standard test for exemption as an executive.

## Conclusion

The new white-collar exemption rule presents significant challenges to the flooring retailer. Even if becoming overtime eligible may result in larger paychecks, many exempt employees view conversion to non-exempt status negatively, and may even consider it a demotion. It is therefore essential that retailers begin preparing for the changes without delay. Only by collecting and analyzing salary, hours worked and pay information can retailers make an informed decision on what adjustments are necessary.

**Notice:** *The information contained is abridged from legislation, court decisions, and administrative rulings and should not be construed as legal advice or opinion, and is not a substitute for the advice of counsel.* ○



### ABOUT THE AUTHOR

Jeffrey King has more than 35 years' experience in complex litigation with a focus on contracts, employment, construction, antitrust, intellectual property and health care. He

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# Latest Market Trend Study Confirms LVT Reigns

*Carpet tops margin, online presence & increased retailer opportunities gaining momentum*

By Arpi Nalbandian, Associate Editor



**“Dominating** with the greatest sales volume growth in Q1/2016 is LVT with **52%**”

*LVT: Earthwerks - Holdent Collection*

According to the latest WFCMA Members Market Trend Survey, the Luxury Vinyl Tile (LVT) sector is continuing its upward trajectory among flooring products in sales volume growth. The study also indicated that retailers are focusing on expanding their showrooms and planning to up their marketing and social media efforts. The study also indicated that retailers are committed to hiring and training well-qualified installation crews.

The survey information was compiled from the responses of 114 panelists. Respondents were asked to base all answers on activity during the first quarter (January-March) of 2016.

## Sales & Profits

The survey revealed a healthy increase in the residential segment in Q1 of this year with 69% of respondents realizing growth. Most (29%) had a sales uptick between 1-10% from the same quarter in 2015; 23% saw an increase of between 10-20%; and 17% enjoyed sales growth over 20%. **(See Chart 1 Below)**

1. Q1 Residential Sales in 2016 Compared to Q1 in 2015							
	Same	Down > 20%	Down 10% - 20%	Down 1% - 10%	Up 1% - 10%	Up 10% - 20%	Up > 20%
Q1	14%	0%	4%	13%	29%	23%	17%

The commercial segment was also up in Q1 compared to the same period in 2015 with 29% of the survey group realizing an increase of between 1-10%. An additional 16% of the panel saw their commercial sales rise between 10-20%, and 13% had increased sales of over 20%. Twenty-seven percent said their commercial sales were even with last year. **(See Chart 2 Below)**

2. Q1 Commercial Sales in 2016 Compared to Q1 in 2015							
	Same	Down > 20%	Down 10% - 20%	Down 1% - 10%	Up 1% - 10%	Up 10% - 20%	Up > 20%
Q1	27%	2%	3%	10%	29%	16%	13%

In the builder segment, 49% are seeing an increase in sales with most in the 1-10% range, another 32% saying their sales are comparable to the same period in 2014. Nineteen-percent of respondents report sales are dropping. **(See Chart 3)**

3. Q1 Builder Sales in 2016 Compared to Q1 in 2015							
	Same	Down > 20%	Down 10% - 20%	Down 1% - 10%	Up 1% - 10%	Up 10% - 20%	Up > 20%
Q1	36%	2%	4%	6%	33%	12%	7%

## Flooring Products

Dominating with the greatest sales volume growth in Q1/2016 is LVT with 52%, followed by hardwood (28%), carpet (11%), tile/stone (7%), and 1% each for laminate and resilient.

**(See Chart 4 Below)**

4. Product Segment Producing the Greatest Sales Volume Growth							
	Other	LVT	Resilient	Hardwood	Laminate	Tile/Stone	Carpet
Q1	0%	52%	1%	28%	1%	7%	11%

Conversely, the laminate category produced the weakest volume growth in the Q1/2016 for 38% of the panel, followed by resilient (23%), tile/stone (13%), carpet (12%), hardwood (6%), and LVT (5%).

Carpet was the product segment producing the highest profit margin for 55% of the respondents. Comparatively, hardwood recorded the next highest profit margin at 15%, followed by LVT (14%), tile/stone (8%), and resilient (5%).

**(See Chart 5 Below)**

5. Product Segment Producing the Highest Profit Margin							
	Other	LVT	Resilient	Hardwood	Laminate	Tile/Stone	Carpet
Q1	3%	14%	5%	15%	0%	8%	55%

Hardwood topped the product segment that produced the lowest profit margin in Q1/2016, according to 28% of the survey's panelists, followed closely by tile/stone (25%), laminate (17%), carpet (13%), resilient (11%), and LVT (4%).

## Domestic vs. International

Made-in-America products have been increasingly promoted as such, according to our survey respondents. Eight-two percent (82%) said they have actively promoted flooring products made in the U.S.A. or Canada, while 43% of our panelists said only 10% of their clients specifically ask for products made in the U.S.A. or Canada. When asked if their customers were willing to pay a premium for these products, a slight majority said no (51%).

When it came to rating flooring product quality, 79% of respondents said U.S.A. and Canadian products are better than those sourced from Asia. Conversely, when asked to compare the quality of American or Canadian flooring products to flooring made in Europe, 56% said product quality was the same, 36% said American and Canadian products were better, and 8% said they were worse.

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Latest Market Trends, Continued

## Social Media/Online Marketing

To stay relevant, all survey participants agreed that social media presence and online marketing efforts were essential to their business plans. Respondents said they use the following platforms and websites for their stores:

- Facebook: 84%
- Google: 68%
- LinkedIn: 47%
- Houzz: 42%
- Angie's List: 36%
- Twitter: 31%
- Pinterest: 26%
- YouTube: 22%
- Instagram: 20%

## Opportunities

With a more-informed customer-base and healthier, realistic budgets allocated towards having a professional experience when it comes to flooring choices (from retailer sales/consultations to installation), retailers are seeing greater opportunities to increase their bottom lines. According to the survey's respondents, some of the greatest opportunities include:

- Custom work
- Provide greater personal service and installation for referrals and repeat business
- Moisture mitigation, subfloor preparation
- Custom work/installation of tile and stone products.
- Providing quality installation beyond that of our competition
- To become more full service. People want us to do more.
- Employing our installers.
- Increased digital/online marketing

## Industry Challenges

When asked what the primary challenge was to their company, 58% answered hiring/using qualified installers and 15% said training and retaining an adequate sales force.

When asked an open-ended question about potential opportunities for growth 10% of respondents said it was competing with Big Box stores; 8% said reliability of manufacturer sales forces; product quality and product knowledge of manufacturer sales forces each received a 3% response; and 2% mentioned a lack of customers overall.

These are just some of the findings from the Q1 2016 Market Trends Survey. A complete report is available to current World Floor Covering Association members. For your report, please email Jeff Golden, *Premier Flooring Retailer* editor, jeff@pfrmagazine.com.

**Editor's Note:** The World Floor Covering Association and *Premier Flooring Retailer* have partnered with BOWE Company, Inc. to deliver the most in-depth market research available in the floor covering industry. Research is conducted at quarterly intervals throughout the year to provide an accurate analysis of the data. ○

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## What Do You Mean By B2B?

By Phil Zolan, Executive Director, fcB2B

In today's *everything done quick* world, we're inundated with acronyms and abbreviations. The people who use them assume that everyone else knows exactly what they mean. Acronyms are everywhere in business, finance, government, science, and the ever popular slang and pop culture (you can even use AFAIK, as far as I know). There are even websites to research what they all mean.

The flooring industry has its own set of acronyms. Start with FLG, throw in some HDWD, CPT, and CT, along with newcomers LVT and LVP, and you're just getting started. One that's gaining popularity in our industry is B2B, which means electronic commerce between two businesses, as opposed to between a business and a consumer (B2C). The key word in that definition is **electronic**.

For the flooring industry, there are three major categories in which electronic business is being conducted:

- **Product Catalogues** (also referred to as an 832) are the electronic files sent by manufacturers or distributors to their dealers showing all the specific information about every product they sell, including style names, style numbers, colors, prices, and units of measure. The Product Catalog serves as the starting point for all transactions.
- **Purchase Orders** (or an 850) are electronic files sent from the retailer to the distributor or manufacturer, listing the exact products, colors, and quantities being ordered. Because these are submitted electronically, you get the benefit of a **Purchase Order Acknowledgement**, which quickly confirms your order has been received and accepted. Some suppliers are able to send these automatically in a matter of seconds, while others manually look at each one before a response is sent.
- **Invoices** (or 810s) are then sent electronically to the dealers, where most use industry-specific software to match the Invoice to their Purchase Order and receipt inspection. This is often referred to as a *three-way match*.



It's the year 2016, and these transactions can all be done without a single piece of paper being created, or a single phone call being made.

It's the year 2016, and these transactions can all be done without a single piece of paper being created, or a single phone call being made. Surprisingly, with all the technology available, most transactions are still being done the old-fashioned and very expensive way. It's no surprise that an increasing amount of flooring manufacturers, distributors, and dealers are realizing that in order to stay competitive, they need to do less things manually and more things electronically. Those businesses are eliminating paper, are avoiding the need to pick up the phone to call in orders, and are conducting business completely electronically. It is not that difficult to do, you don't need to have a computer specialist on staff, and you may already be using the software right now!

Are you ready to get started but not sure what your first step should be? The WFCA is here to help you! Drop me an email at [pzolan@wfca.org](mailto:pzolan@wfca.org) and we'll talk through the process! TTFN (go look it up)! ○



### ABOUT THE AUTHOR

Phil Zolan is Executive Director of the Floor Covering Business to Business Association (fcB2B), a community of business leaders working together on the development of B2B technology designed to benefit all entities in the flooring industry. fcB2B is an advocate for the continual development and adoption of a standard language that allows software management systems (utilized in the flooring industry) to communicate seamlessly with one another.

## How a Buying Guide Can Separate You From the Competition

By Josh McGinnis, Owner, Unlock Your Biz

Lowes and Home Depot have spent millions of dollars trying to solve the installation problem. And both of them believe whoever figures out installation first will squash the independent flooring retailer.

What does that mean to you? Installation can be your secret weapon – but only if used correctly. If you tell consumers your installation is better, they won't believe you. That's because we're skeptical of what we hear. However, something changes when people read your information in a well-researched document. Your credibility goes way up.

Have you ever known someone who researched a medical issue on the internet, then told their doctor what was wrong with them before being examined? If people are willing to believe medical advice they read in an online forum, then they'll certainly believe you when you explain how your installation is different from (and better than) the Big Box stores – but only if you do it correctly.

The written word carries authority. No matter what you're talking about, if you write it persuasively, you'll convince more

people than if you simply gave a sales pitch. That's why you need a flooring installation buying guide. Actually, you need an installation guide for each major flooring category.

### What Is a Buying Guide?

A buying guide can help your store stand out from the flooring retailer crowd – and win the minds of consumers. Customers buy when they feel comfortable. The power of a buying guide, when created correctly, is that it helps the customer feel more comfortable with you and much less comfortable when they talk to any of your competitors.

The buying guide should educate consumers on specific questions commonly asked about the installation process and provide them with a one-page questionnaire that competitors have to sign. Because customers are talking to salespeople who probably don't know about installation, they won't be able to sign off on the installation process.

A buying guide is the way for you to put the Big Box stores on their heels by asking questions their staff can't answer. Your



“Your prospective **customers will inevitably compare prices** with your competitors. When they do, **you want them to be armed with questions** – questions you've already answered for them.”



customers will quickly find that most salespeople can't answer installation questions because they're trained to sell flooring – not installation.

When you position installation as being just as important as the flooring the customer selected, and your customers shop around, their confidence level in other stores will naturally be lower. They'll find that competing retailers don't know about installation like you do, and they'll come back to you. In the consumer's mind, you know more. Therefore, their confidence in you – and in your installers – is high.

The buying guide should include three sections:

### 1. Explain the Buying Guide

This first section will explain what the buying guide is, why it's important to the consumer, and how they should use it. Explain why anyone who's looking for flooring should care about the installation process. Better quality flooring that's installed well will outperform high (Best) quality flooring that's installed poorly. Quality installation is your best weapon against your competitors. Emphasize that installation should be guaranteed, knowing that your competitor's salesperson will probably not offer specific guarantees.

### 2. Ask Real Questions

Your prospective customers will inevitably compare prices with your competitors. When they do, you want them to be armed with questions – questions you've already answered for them. Your goal is to be the benevolent authority, and give your customers reason to question other stores more deeply.

In your buying guide, list the questions they should ask to make sure they're getting good product and excellent installation. Under each question, include space for competitors to write in what their installers would do. Adding a signature line will help to make sure your customers get the truth and increase the discomfort of your competitor's salesperson.

Talk about why that's important – and why competitors won't typically do it. Even if your customer never takes it to any other

store, just looking at it will give them confidence in your store. They won't want to risk their flooring purchase with anybody else, and they'll trust you.

- Example questions from various buying guides: Flooring nails will be spaced every \_\_\_\_ inches apart.
- Do your installers undercut door jambs when installing floor tiles, or do they cut to the jambs and caulk?
- How do your installers seal carpet seams?
- How many pounds of pressure will your installers apply to each section of vinyl flooring in order to properly ensure that the glue transfers to the vinyl?

### 3. Make a Commitment

Don't just say, "We're committed to quality." Provide specifics. Telling your customers what to ask competitors will not work in your favor unless you answer those same questions yourself. How would you approach each aspect of installation? Why? Will you commit to it with a signature? Of course you will. After all, your installers have been doing this for years – and you've trained them to do quality work.

Give your buying guide to every customer that comes into your store and teach your salespeople how to use it. You'll get it into more peoples' hands if you also put it on your website. Offer it as a free resource in exchange for the email address of everyone who downloads it.

Highlight what you do better than your competitors. Then, highlight your store's installation skills and experience to win them as loyal customers.

Every time we write a buying guide for a client, we also create a series of emails that underscore the points made in the guide – and push people to get better installation through our client.

If you create a buying guide and want us to look over it, feel free to get in touch. [O](#)



#### ABOUT THE AUTHOR

Josh McGinnis is in the top 5% of business coaches worldwide. He specializes in fixing marketing, sales, and people problems so his clients can maximize their growth potential. His clients routinely outperform the national average for their individual industries. This is part of the reason he has doubled his own business by word of mouth and referrals each year for the last four years.

## Poorly Trained Installers Affect Everyone's Income

By Tom Jennings, World Floor Covering Association, VP of Professional Development

While conducting on-site training for WFC A member dealers, I often spend a few minutes before class time circulating among the warehouse staff and the installers loading out for the day. I find I can get a better feel for what is happening at a dealer's operation when I enter through the back door rather than the front. A recent session was a beehive of activity. While taking my fact-finding walk, I visited with the installers to find out their individual attitudes and levels of expertise. The carpet installer said: "we don't seal carpet seams – takes too long" and that same individual commented "nobody here uses a power stretcher – we don't get paid for that." I then asked a hardwood installer, who had an entire pallet of product on his trailer, which way wood expanded. His response was: "no clue – they just showed me how to nail it down." Wow!

I then proceeded into the showroom area to find a sizable area devoted to designer type products: woven and patterned carpets, wide-planked hardwood, large format tile, etc. I sensed problems and had barely met anyone yet.

During the day I asked the sales staff some questions: "Have they ever had problems with seams peaking in carpeting? Do you have concerns when selling matched pattern carpet?" You get the picture. The prevailing feeling was that these talented designers had grown frustrated with their past experiences selling unique and profitable products and had become reticent to do so going forward. They were being held hostage to their installation staff's collective ability, forcing all concerned in this particular business to settle for less gross revenue, smaller commission checks and poorer customer satisfaction reviews.

The sad part is that this is all unnecessary. Installer training and certification is readily available from the CFI (International Certified Floorcovering Installers Association) to solve these problems. Also, don't be deterred if your installation team works as independent contractors. Thousands of contractors have been certified. Installers who have been certified in the past few years know the correct processes and procedures to remedy these, and many other problems. Should they encounter an unfamiliar situation, they can access an experienced CFI technician who will walk them through their questions and concerns. They will know the importance of installing in compliance with the latest in industry standards. When the installer is capable of producing a more confident and competent installation all involved benefit.

Store owners will see their callbacks and customer disappointments reduced- resulting in better customer reviews. The sales staff will confidently sell more interesting and profitable products, allowing all concerned to get off the basic boring beige treadmill that inevitably leads to a greater emphasis on price. And most importantly, your customer will be better served and have a more enjoyable purchase experience. While comparable product is available at all stores, when the consumer is spending their paycheck, they will willingly spend more for services when you show them the value of a quality installation compared to substandard offerings. The example of a cheap haircut is usually enough to reinforce this fact for most of us! Subpar installation services cost more profit opportunity at every level than necessary. Don't allow your firm to fall into this trap. The good men and women at CFI stand ready to assist. ○



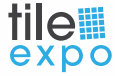
When the installer is capable of producing a more confident, and competent installation, all involved benefit.



### ABOUT THE AUTHOR

Tom Jennings is a lifelong member of the flooring business. Since selling his family's retail business in 2006, he has served the industry as an educator and speaker. He is a past-board chairman of the WFC A and is currently the board chairman of WFC A Services, Inc. and WFC A vice president of professional development. He may be reached at [tjennings@wfca.org](mailto:tjennings@wfca.org).

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