

HotTimes

A NEWSLETTER ON WHAT'S HOT AND WHAT'S NOT

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Resist the Temptation: Think Before Cutting Prices

(adapted from an article by Coleman Management Services)

We all like to make Sales. We all like to move product through our showrooms and keep our installers busy. More importantly, we all like to maintain cash flow.

Sometimes, cutting your price seems like the best solution to making the sale. But who wins, and who loses?

Before you give in and agree to a price reduction, think about it. How will you replace the lost margins?

How to read this Table:

If you have a Normal Gross Margin of 40%, and you cut your asking price by 20%, you will need to increase sales by 60% just to make the same profit.

Normal Gross Margin	Percent Price Cut	% Increase in Sales to Make the Same \$ Profit
30%	5%	14%
	10%	35%
	15%	70%
	20%	140%
	25%	350%
40%	5%	8%
	10%	19%
	15%	35%
	20%	60%
	25%	100%
	30%	179%
	35%	419%

According to an HPBA Study in 1997, the average dealers Gross Margin was 38-39%. How do you compare?

Now, what can you do to save those valuable margins?

BE PREPARED:

Be ready when the customer tries to negotiate a reduction in price. Don't get into an argument. Use two words that will never get you in trouble with a customer:

"I understand." Then add, "You are trying to get the best value for

your money, right?

Well you have found it with this ABC Model. You can find cheaper units, but they will not perform as well, or last as long, that's why we ask you to pay a bit more now, because as you know, you pay for quality. This unit will serve you for many years. Over the long run, this is the "less expensive" model." Then, reinforce your

service policy with the customer. "We've been here for 15 years and will continue to be here to answer any of your questions. We're professionals, and we are here to help you when you need it."

Then finally, use the customer's name, and add. "John, this is one of our best selling models, and our customers have been very happy with it. This

is the unit that best suits you, and it will serve you well. Can we go ahead and set up your install?"

Some customers are looking for the best deal, and will shop around for the cheapest solution. Will you let them rob you of your hard-earned profits? **Only you can decide!**

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Formglas Fire

Electric Fireplaces Designed Like No Other

Quick Facts

Town & Country Brochures:

Please note that there are now separate brochures for the TC42 and TC36 models. With the introduction of the 2nd generation of TC42s, the original brochures are now out of date. Please contact Northwest Stoves if you need new brochures.

Order Add-Ons:

Please Note: Order add-ons may have to be handled as new orders during the busy fall season. Every addition to an existing order may push your order further back in the line.

Plan for Delivery Time:

We always strive to deliver your orders on time, however, we are unable to guarantee when the trucks will arrive. Please take this into consideration when planning your installation schedule.

Formglas Fire has transformed the electric fireplace into an attractive, affordable and functional furnishing accessory. They offer a mix of wall-hung and floor standing models featuring both classic and contemporary design details. Rich stone textures and unusual metallic finishes are shaped with lightweight and non-combustible materials that complement virtually any décor. The safe and highly realistic

'cool flame' allows these electric fireplaces to be used in any living space including living rooms, bedrooms, dens, kitchens, and lofts.

Each electric fireplace is packaged fully assembled, which means that they are easily installed, usually, in about 10 minutes. A full function remote operates the thermostatically controlled heat function, and adjusts the flame inten-

sity and ember bed glow. The fireplace can function with the 5100 BTU heater on or off, and operates for only pennies an hour.

The combination of their high aesthetic appeal, ease of installation, and streamlined design make Formglas Fire electric fireplaces a unique solution for applications where traditional hearth products are not practical or allowed. Use them where an exciting new

look is desired.

Northwest Stoves now has a number of the Formglas Fire models in our Langley warehouse. Give your rep a call to find out information on pricing, availability, and whether a dealership is available in your area.

For more on Formglas, check their website: www.formglasfire.com



FORMGLAS FIREPLACES ARE LIGHT-WEIGHT AND EASY TO INSTALL

"I find it rather easy to portray a businessman. Being bland, rather cruel and incompetent comes naturally to me.

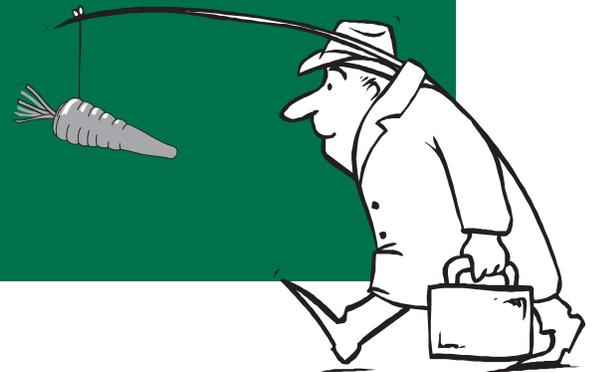
- John Cleese

Quick Tip: Maximize Employee Productivity:

Use a "Carrot," Not a "Stick"

- Robert Half International Inc.

Fear can help create employee productivity, once or twice. But for most employees, fear is not productive over the long-term. Use it only in special cases, such as when an employee is on the verge of being fired and must be told to reform or else.



Town & Country: Clearly Spectacular

Two-sided, or "see-through" fireplaces have long been considered one of the more luxurious and desirable additions to a home. Until now, two-sided fireplaces have often fallen short of expectations, offering only flimsy flames and poor visibility due to glass glare. Town & Country Fireplaces' new See-Thru fireplace successfully replicates the look of a traditional wood burning fireplace; with big, bold flames and "disappearing" ceramic glass in a flush hearth design. It is the perfect focal point for two adjoining rooms.

The Town & Country See-Thru stands out among other two-sided fireplaces. It features a clean profile with no louvers, so it can fit completely into any homeowners' design. Its ample flame makes a bold statement, even when backlit by the adjacent room.

Some fireplace manufacturers have had to compromise with tiered burners or stepped logsets to achieve the look of a full flame. Town & Country's patent-pending "Decorative Direct Vent" technology has revolutionized the way gas fireplaces are built. The result: a see-through gas fireplace that retains the look of a masonry fireplace. It has a flush hearth, a larger, more spacious view, and more robust



TOWN & COUNTRY'S SEE-THRU FIREPLACE LOOK AND BURN LIKE A REAL WOOD FIRE



DDV TECHNOLOGY DELIVERS MORE ROBUST FLAMES

flames.

"Our new See-Thru produces the finest flames in the industry, (in) a gas see-through fireplace" says Paul Erickson, President, Town & Country Fireplaces. "In fact,

our introduction of the DDV technology has allowed us to create some of the most striking fireplaces in North America. The See-Thru is simply a natural extension of the Town & Country line." Town & Country's

Decorative Direct Vent gas fireplaces not only look and burn like a real wood fire, they also offer unprecedented installation flexibility that goes far beyond simple design aesthetics. Town & Country dealers who have customers looking for a fireplace to serve two rooms, or to create a striking room divider, should not overlook the Town & Country See-Thru. It is setting the standard by which see-through fireplaces are measured. The new Town & Country See-Thru can now be ordered from Northwest Stoves.

"Quality in a service or product is not what you put into it. It is what the customer gets out of it."

-Peter Drucker

Quick Facts

Pacific Energy Wood Inserts:

This is a reminder that the Pacific Wood Insert and the Summit Wood Insert now have the fan and control on the right front panel instead of the left. The brochures still show the fan on the left, so make sure your customers are aware of this change. The new configuration has significantly increased the air flow produced by the fan system.

Oslo Cook Plate:

Jotul's best selling large wood stove has just gotten better. The Oslo now has an optional cast iron cook plate. This retro-fitable cook plate can turn the top of an Oslo into a fully functional cast iron griddle. The smooth milled surface of the cook plate provides for excellent heat transfer to trivets, steamers, or potpourri containers as well. The Oslo cook plate is elegant, but durable, and is easy to install and even easier to maintain.

Part # AJ-155560,
Suggested List \$195.00

New Heartland Classic Burners:

Heartland has sourced, tested, and approved a new burner system for the Classic series ranges. This change was initiated to ensure a higher quality product and a consistent supply. These new burners will have automatic ignition. The oven burner system is not changing.

Pacific Energy Debuts The Broadway

"It is our choices...that show what we truly are, far more than our abilities."

- J. K. Rowling,
British fantasy author



The unique, flush hearth design emulates a masonry fireplace unlike any other insert. You will think that it is a small Town & Country.

Also included with the Broadway are: a programmable thermostatic remote control, adjustable heat and flame height adjustment, 125 CFM variable speed blower, and brick firebox liner.

Check this unit for yourself, and get one burning in your showroom. To date, dealers who have this unit on display have had very positive feedback and have heard customers say: "Wow, that's a large viewing area!" and "Boy, does it ever put out the heat!"

Mark Your Calendars

Vancouver Home &
Interior Design Show
October 14 -17, 2004
BC Place Stadium

Hospitality Trade Expo
November 22 - 23, 2004
Vancouver Trade &
Convention Centre

Northwest Stoves is excited to announce that we have the new Pacific Energy Broadway in stock!

This new Direct Vent insert boasts a large uncluttered portrait view, with **NO LOUVRES!** It offers a huge glass area and makes other inserts glass look small by comparison.



Paul Erickson, Pacific Energy (right), Congratulates Wayne Rourke for Northwest Stoves sales performance

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To leave **Voice Mail** please phone:
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To leave a voice mail, call and enter the extension of the person you are trying to reach and you will be automatically directed to that person's line. We will take your call promptly, or you can leave a voice mail for a quick call-back. **No time to talk? Then just send us an email.**

email: nws@northweststoves.ca
website: www.northweststoves.ca

"If the automobile had followed the same development cycle as the computer, a Rolls-Royce would today cost \$100, get a million miles per gallon, and explode once a year, killing everyone inside."

- Robert X. Cringely,
InfoWorld Magazine