Happy New Year to all of you.
I wish you good health.
Happiness deep down within.
Serenity with each sunrise.
Success in each facet of your life.
Family beside you.
Close and caring friends.

Challenges of 2008 have not vanished with the passage into a new year and, in my opinion; the difficult times are going to be here for awhile. The commercial market is seeing a slow down right now with less work in the pipeline for 2009, from the latest figures on average 15 to 20%. With projects put on hold due to fear of releasing funds or tight credit, falling tax revenues and an overall slow down in business, everyone is affected. Even if a project is funded it may be shelved because of the psychological effects the economic conditions have on entities and individuals. The guilt factor of spending while so many are pulling in their claws may be enough to halt a project. Though the slowing of projects will effect short term business it also means that there will be pent up demand when things do pick up, as they will. Not spending while still earning means the money goes into savings. With the build up of funds, extending schedules to service facilities that continue to undergo use and abuse and the need to expand, update or renew, the demand quietly grows as does the ability to fund the projects. You can only put so much water in a balloon before it bursts and it’s only a matter of time before that happens with business. Nature’s law of the survival of the fittest is being imposed. The fittest are those that know what business they’re in and who their customer is. They are also the ones who can adjust to market and economic conditions best now because they weren’t overextended in the first place. Now is the time to keep the overhead low and re-evaluate the business.

Take a look at what you do, where your opportunities lie within your core competencies and exploit them. This is also a time to develop unique services or aspects of your business you may have overlooked or had on the back burner. Look at the market, see and hear what it’s telling you and then
give it what it wants and needs back. Get back to basics and ask everyone on your team to come up with three ideas that can help the business. Often we are oblivious to the obvious and the answers to most things are more often than not, staring us in the face. As the old saying goes, “We can’t see the forest for the trees.” I’m neither an economist nor a soothsayer but I have been in business for 38 years and started during a recession when people said you couldn’t make it. I’ve been through several economic slowdowns. Life and business ebbs and flows and you have to adjust to it. Flexibility, adaptability and seeing opportunities are paramount. I also learned from many wise people over the years to keep the overhead low. We’re ebbing right now but we’ll flow again and with more rational and reasonable expectations the market will be stronger. Find something you do that no one else does or that you do better and improve upon it. Or look at the market, see where the pain exists and provide a service that relieves it. Keep things in perspective, as hard as that may be at times. Everyday I come into the office I view as a new day; like starting fresh. I never look at it as a continuation of the day before. This keeps you hungry, dangles the carrot in front of you and keeps you passionate about what you do. And if you don’t love what you do and aren’t passionate about it you now have a perfect opportunity to do something else – make room for someone else on the ladder who is passionate. The giant that is our economy may have dozed off but be certain that it will awaken again, be ready for it.

EVERYONE WANTS A PIECE OF THE PIE

The commercial market may have slowed but it is still alive and it’s attracting the attention of flooring dealers who are hungry and looking for work. Many of them are residential dealers who also service the Main Street commercial market and might do some larger projects. Others may have little or no experience at all in the commercial market. Beware of this situation. These guys are swelling the ranks of bidders or suitors for commercial work and they may do so with lower prices, less experienced or lower paid labor. These dealers are also being told to actively seek this work as the residential market slows. Their gain may be your loss. The commercial market is the big league of the industry. Minor leaguers may be able to play the game but not at the level the pros can and do. What may sound too good to be true on a project probably is. In a discussion we had yesterday in the office it was mentioned that a retail dealer bid and got a commercial job for a library carpet replacement and

<table>
<thead>
<tr>
<th>Top Problems</th>
<th>2008</th>
<th>2007</th>
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</thead>
<tbody>
<tr>
<td>1. Improper Installation</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>2. Poor Maintenance</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>3. Product Quality Problems</td>
<td>15%</td>
<td>9%</td>
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<tr>
<td>4. Moisture</td>
<td>7%</td>
<td>4%</td>
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<tr>
<td>5. Inconsistent Pricing</td>
<td>7%</td>
<td>10%</td>
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<tr>
<td>6. Slow Delivery</td>
<td>3%</td>
<td>12%</td>
</tr>
<tr>
<td>7. Poor Project Management</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>8. Bad Product Advice</td>
<td>0%</td>
<td>3%</td>
</tr>
</tbody>
</table>
put in his price $700.00 for moving book racks. He panicked when he found out he had to remove all the books, keep them in order, move the shelving and then replace all the books as he found them. Someone on this project should have caught this and realized that this part of the job couldn’t possibly be done for this price. How do you think the rest of the job would turn out? Stick with the professional commercial flooring contractors who are the major leaguers. If you must and feel comfortable, you can give some small jobs to the minor leagues but be sure to have an installation spec that is detailed, asks for references, demands experience in the type of work being bid and has a stipulation for a warranty on the work performed.

CLAIMS THEY ARE A COMIN’
When the economy slows claims filed on flooring materials, installation issues and just plain discontent with flooring products increase. With the increase in claims velocity the entrance they have to pass through becomes more restricted. No one wants to lose money; everyone hates claims and they are more difficult to settle when they do occur at times like this. Manufacturers of flooring materials whose business has slowed don’t want to entertain a complaint and will be far less accommodating. They’re already losing money in sales so they don’t want to give any of what they are now clinging to away if they don’t have to and it won’t be parted with easily. Keeping this in mind you have to determine if the complaint or concern being registered is actually legitimate. If the problem is something that can be easily fixed do it and move on. Now is not the time for standing on principal with complaints. Most of the problems can be resolved with reason and calm and its most often far less expensive than “digging in.” If you want to prevent a legal battle call us and we’ll help keep you out of trouble on the front end and get you out of trouble on the back end before an issue gets legal. We can stop problems dead in their tracks, help mediate a resolution or assist in resolving a complaint, claim or concern. We can determine what’s wrong, who or what is at fault, why, and how to resolve an issue. We can do all this for far less than it would cost otherwise and faster. Even if you only have questions, call us with any flooring or substrate issue, we exist to be of service to any segment of the industry - we can help.
Our expert staff specializes in the practice of consulting on and trouble shooting flooring complaints, problems, claims, and performance issues. LGM also offers related educational services.

The benefits of LGM’s knowledge, unequaled experience, incomparable talents and skill in the industry are readily and eagerly available for service to our clients.

LGM’s goal is to help you and your team understand and avoid complaints and problems common to the flooring industry. Our unrivaled experience in the industry coupled with our ability to tap information from a vast contact network will help you better understand and address the root cause of any problem regardless of whether it is manufacturing, installation, the end user, or some other case.

LGM has a wealth of technical information at its disposal as well as many documents to help explain and describe how and why various problems occur.

For more complex issues we have readily accessible a state of the art certified testing facility.

At LGM and Associates we are supremely confident that no issue in the flooring industry is beyond the ability of Lew or one of his associates to solve. Remember – in the business people will not always give you the full story. The floor, however, will always tell you the complete truth if you know how to listen. At LGM we specialize in listening.

Attitude—The Key to Success

By: Warren Tyler – Motivation Plus

No matter what branch of this industry you may participate in—specifying, technical services, sales, installation or manufacturing, the key to your success rests on your attitude. The more technical you are, the more difficult this fact may be to reconcile.

A Wall Street Journal article recounted a survey of several hundred Ivy League graduates, who when informed that their attitude would be a more important factor in their future success than their Ivy League degrees, 70% of these young people believed that if this were true, it was grossly unfair given their huge investment in time, work and money in acquiring their degrees.

I have been the keynote speaker at several award dinners where the owners reward employees, including installation specialists, for exemplary performance. When it came to presenting the award for most valuable installer, I would ask the winner why he thought he won. Invariably, the answer came back: “Because customers like me.”

Professional salespeople understand the value of attitudes. Having the right attitude means thinking more of other people than yourself, speaking of their interests and making them feel important-- just a few factors in getting people to like you. Customers tell us that the most important factor in purchasing is not lower price or better selection, but whether they like the salesperson or not.

If you are a professional cleaner and own the most expensive equipment available and have earned every certification the industry offers, the job usually goes to the most affable. Your background in specifying various
flooring products may be unsurpassed, but the “specs” accepted may be those of a likable, but less knowledgeable competitor. Your price, applicability and company reputation may be the best, but the purchaser will often award the contract to the more likable contract specialist.

Attitude is even more important when you have to deal with clients or end users. There is an art involved with handling clients, who by the time a problem or issue festers, are probably full of righteous anger, frustration and anxiety. The magic ingredient in settling these issues short of court is the mastery of “human skills”—the art of being liked.

I know this is a difficult obstacle for most of us to hurdle, but if there is one piece of professional advice that will propel your career forward, it is to understand the attitudes of success in order to become more people-oriented. As I have stated many times; “Attitude isn’t everything, it’s the only thing!”

Next time: The Art of Being Liked

How to Find the Right Experts to Guide You Through These Times

By LANCE WALLACH, CLU, CHFC, CIMC

These days, business owners have a lot on their plates. Not only do they have businesses to run, but they need to have the resources to operate, manage, and flourish those businesses in order to stay afloat. Without serious knowledge of things like finances, taxes, tax audits, and retirement plans, it’s hard to keep a shop open for business and to ensure that your future is in good hands. Especially now, as the economy begins to change, it is smart to look into different ways to secure your future and money. Recent well documented events have made it increasingly important to educate yourself on how to handle such endeavors correctly. Thousands of businesses have closed as a result of bankruptcy, corrupt policies, lowered sales, and other factors, often because issues that seemingly, in hindsight, should have been obvious were overlooked. In this environment, more than ever, you simply cannot afford mistakes or omissions with respect to your finances. Such
Some serious action! Take control of your financial future. It's time to address the issues that may be preventing you from achieving your financial goals. The following strategies can help you manage your finances more effectively:

1. Create a budget: Start by listing all your income sources and expenses. This will help you identify areas where you can cut back.
2. Pay off debt: High-interest debt can be a significant burden. Focus on paying off credit card balances and any other high-interest loans.
3. Build an emergency fund: Aim to save at least three to six months' worth of living expenses in a savings account. This will provide a financial safety net in case of unexpected expenses.
4. Reduce expenses: Look for ways to cut unnecessary expenses, such as monthly subscriptions or dining out.
5. Increase your income: Consider taking on a side gig or asking for a raise. Additional income can help you achieve your financial goals.

By implementing these strategies, you'll be better equipped to navigate the challenges of the current financial climate. Remember, taking control of your finances is an ongoing process, and it's okay to seek advice from a finance expert if needed.
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TIME IS MONEY DON’T LET THE DISCOUNT PERIOD SLIP AWAY!

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