

FIRESIDE

UPDATE

A member benefit of MidStates HPBA FEBRUARY, 2003 • VOL. 4, NO. 1

Legislative Tracking and Political Advocacy for HPBA Members



Elizabeth McRoberts, HPBA Government Affairs Specialist

As 2003 begins, HPBA members will have a greater capacity to monitor government affairs and respond to legislation and policies that affect the industry, both in the affiliates and nationwide. With the help of online tools and state code and legislative coordinators, members will have access to the most up-to-date developments in the states and federal government. Forty-five states have already begun their 2003 legislative sessions and most of them had been filing various bills and measures since last year.

The internet is the fastest, most effective way of keeping tabs of fast-changing events. This is particularly true for legislative and regulatory developments that have a way of creeping up, almost unnoticed, especially when members are preparing for the annual EXPO. Thus, HPBA and the affiliates decided to harvest the power of the internet to serve our industry in a legislative and regulatory capacity.

First, HPBA is using an online service for legislative and regulatory tracking (called LegAlert/RegAlert) that provides nightly searches on key topics and allows targeted searching on bills and regulatory measures across the 50 states and the federal government. The service scans state legislatures for proposals, bills, and regulations and then sends an email alert to HPBA. HPBA then works with affiliate staff and coordinators to determine what further action is needed. This is extremely useful in the months leading up to EXPO as this is the prime time for bills to be introduced that could easily be overlooked when everyone is very busy.



Next, if a bill requires special action on a state, or even regional level, HPBA offers an online advocacy service (available on the web at www.hpba.org/govrelations - "Take Action" icon). For example, a scenario of how

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Turbo-Charging Referral Marketing Ruth P. Stevens

This article excerpted from the Dec. 17, 2002 edition of "Family Business Strategies," an e-mail newsletter supplied from IBIZ.com.

A trend has emerged recently in business marketing. You might call it referral marketing on steroids. It involves a deliberate, structured program of soliciting and rewarding referrals from current customers.

Referral marketing has long been a mainstay of business marketing. Who is a better source of new prospects than satisfied current customers? As a prospect, a referral is likely to be highly qualified, predisposed to appreciate your product or service and thus easy to convert. The result is an enviably low acquisition cost and a high ROI.

The only problem with referrals has been: how to get more of them? Referrals are so profitable, companies will pounce on any chance to increase their volume.

So along comes the Internet, which, with its viral ability to enable pass-along messaging, has been a boon

to referral generation. Business marketers were quick to see the benefit of adding a pass-along request at the bottom of their current-customer e-mails, and of building forms to their Web sites asking for e-mail addresses of "who else should get this white paper."

Day-to-day referral management can be a pain, so the Internet also has been harnessed to ease the burden of tracking, analysis and follow-up of referral solicitation. A few companies, like Takira and Kefta, arose to help with software tools.

But referral marketing has risen to a new level. Some companies are applying the power of points-based loyalty programs to the task of persuading customers to take an active role in introductions to new prospective buyers.

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Pete Anderson, MS Distributors

I'm writing this column sitting beside my fireplace enjoying the warm flames. It almost makes the bitter cold of the past two weeks here in Michigan bearable. At the same time I'm looking forward to two things.

The first being the 2003 HPBA Expo in Nashville. This is the closest our trade show will be to our members in the foreseeable future. If you don't have plans to attend, I urge you to reconsider. Be sure to put the Mid-States reception on your calendar — Friday, right after the show. Our committee has planned an extra special event. Look me up while in Nashville. I hope to meet as many of our members as possible.

The second thing I'm looking forward to is the start of barbecue grill season. The Wall Street Journal recently featured an article on year-round grillers, cooking outside in the cold. It's great to know there are more and more hardy fools like myself. We do know that once spring like weather hits is when most of the population will be thinking about grilling and possibly upgrading the old model.

The HPBA will be working to drive consumers into the marketplace primarily through media and public relations. We can help make sure specialty retailers get a good share of the business by the way we sell our grills. The big box and discount retailers will sell the appliance; we can win by selling the event. Make sure your displays include other patio elements and lots of accessories so the consumer can envision the great barbecue event at their home.

See you in Nashville!

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This newsletter is published by MSHPBA.
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CALLING ALL SPONSORS...

The MidStates HPBA Sponsorship Program is in full swing. The Board has done a major revamp of the program to respond to our members' and sponsors' desires to make the Annual Meeting and sponsorships more appealing and a better value.

We are pleased to announce that Hearth Products Controls Co. is the first to join at the Silver Level. We invite you to become a sponsor of our affiliate as well.

Sponsorship Levels:

- **Platinum** – This is an all year program with a limit of 1 sponsor and includes three 1/2 page newsletter ads, an 8' x 10' booth at the MSHPBA Annual Meeting and 2 free registrations to the Annual Meeting.
- **Gold** – This is an all year program with a limit of 2 sponsors and includes three 1/4 page newsletter ads, an 8' x 10' booth at the MSHPBA Annual Meeting and 2 free registrations to the Annual Meeting.
- **Silver** – This is an all year program which includes three 1/8 page newsletter ads, an 8' x 10' booth at the MSHPBA Annual Meeting and 1 free registration to the Annual Meeting.
- **Bronze** – This program includes one listing in the newsletter, 8' x 10' booth at the MSHPBA Annual Meeting and 1 free registration to the Annual Meeting.

If you need sponsorship materials or have a question about the program, please contact our affiliate office at 314-576-5333 or the sponsorship chair, Dan Maddox at 937-433-7000.

2•0•0•3

ANNUAL MEETING

...

JUNE 1-2

Covington, KY
(Cincinnati area)

...

REGISTRATION
MATERIALS
WILL BE
MAILED SOON!

We've read the evaluations and listened to your suggestions. This year's Annual Meeting will offer Hearth, Patio and Barbecue professionals from the MidStates region more industry related presentations, more product displays and more activities!

Don't Miss...

- 2nd Annual Barbecue Cook-off — (leading manufacturers prepare your meal on the finest equipment available)
- More Inside News from Industry Leaders

Back by Demand...

- Guest speaker, Tim Dimhoff from Sac's Consulting
- NFI Certification Class

Fun Stuff...

- Golf Scramble
- Casino Outing



Why should you attend?

1. Get involved with the MidStates HPBA and help build a valuable resource for Hearth, Patio and Barbecue professionals in our region!
2. Meet and network with other Hearth, Patio and Barbecue professionals!
3. Improve your business plan and profits!

Members Respond to Training & Education Needs Survey

by Rick Dungey, MSHPBA Executive Director

In the Fall of last year, the HEARTH Education Foundation surveyed HPBA members concerning the types of training programs needed. It is important to learn what the members' needs are, so that education and training programs can be designed specifically to meet those needs.

The surveys were also coded so that the responses of MidStates members could be compared to the overall responses nationally. I thought it would be interesting to compare and contrast what is going on in our members' minds with what is going on nationally.

Below are some of my observations. For a complete copy of the survey results, contact our office (contact info is on page 2).

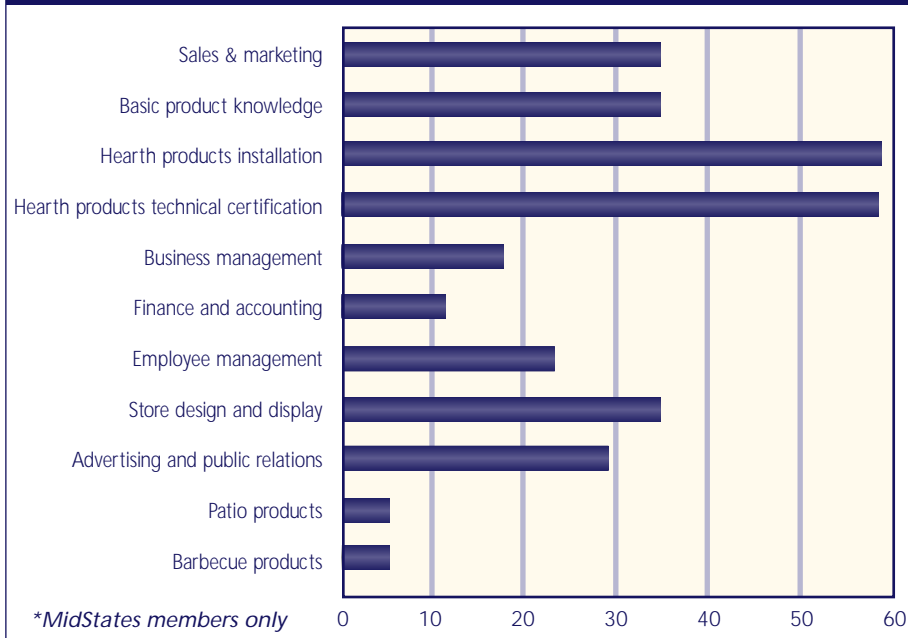
On the issue of types of training programs needed, respondents ranked in value from "None" to "High" different subject areas. "Sales and Marketing" was ranked as high interest by 47.4% of respondents nationally, but only by 35.3% of MidStates members. I wonder if that means our retail members are better at sales and marketing than the average retailer nationally?

Another interesting contrast is in the category of "store design and display." 29.4 % of MidStates members reported they have no interest in that topic for training programs, while only 14% nationally said they had no interest. We have twice the ratio of members who feel they have no need for training in store design and display.

One area where our members reflect a definite national trend is in installation and technical certification needs. Nationally, 57% of the members rank "hearth products installation" as high importance for their company, compared to 58.8% of MidStates members. "Hearth products technical certification" was rated high importance by 64% of members nationally and by 58.8% of MidStates members. I think this sends a pretty clear message to the HEARTH Education Foundation, HPBA and all the affiliates, and the manufacturers.

Providing a vehicle for training and education is a function of member services provided by MidStates HPBA. The results of this survey will help provide some guidance on how to deliver these services to you the membership. If you are interested in providing additional guidance as a member and a hearth professional, respond to the want-ad on this page. 🔥

Rate your or your company's interest in the following types of training programs (Percentage receiving a "high importance" mark)*



EDUCATION COMMITTEE MEMBERS NEEDED

DUTIES

- Determine areas of needed education
- Identify possible sources of education programs
- Work with the Executive Director to establish agreements and contracts with speakers and educators for MSHPBA events
- Work with Annual Meeting Committee to decide educational format of Annual Meeting Program

REQUIREMENTS

Must be current member and willing to spend 10-15 hours per year on committee work

COMPENSATION

Knowing that you helped advance your industry and association

If interested, apply by e-mailing Pete Anderson at peteanderson@twmi.rr.com.

HEARTH and CSIA Sign Agreement for CEU Reciprocity

Arlington, VA - The HEARTH Education Foundation, a provider of educational and certification services to individuals in the hearth industry through its National Fireplace Institute (NFI), and the Chimney Safety Institute of America (CSIA), a provider of the same service for individuals in the chimney sweep industry, have reached an agreement to accept Continuing Education Units (CEUs) from each other's programs. This move acknowledges the common interests between the two organizations to encourage certified industry professionals to keep their technical, safety and business knowledges current.

This is certainly good news for the hundreds of currently CSIA and NFI certified professionals, many of whom prefer to build their industry knowledge on a continuing basis by earning CEUs to renew their certification, rather than take a new exam as their current certification expires. This agreement provides these professionals with a greater number of available CEU designated programs for them to earn their CEUs within their 3-year certification period.

“This is certainly good news for the hundreds of currently CSIA and NFI certified professionals”

"The timing of this announcement of reciprocity is important," says Sue Kalish, Executive Director of HEARTH and NFI, "as certified professionals make their plans for 2003 to participate in or send their certified staff to the many courses and seminars offered by each organization."

NFI CEU-designated programs are offered at the annual HPBA (Hearth, Patio & Barbecue Association) EXPO to be held in March, 2003 in Nashville, and at events held during the rest of the year by HPBA affiliates, manufacturers and distributors. CSIA CEU-designated programs are offered at the annual NSCG (National Chimney Sweep Guild) Convention (February, 2003), and during the remainder of the year at the CSIA Technology Center in Indianapolis, IN and by NSCG State and Regional Guilds.

According to the agreement, each organization will accept up to 25% percent of each other's credits toward certification renewal. Since each organization stipulates the number of CEUs needed to be earned by category (i.e. codes and standards; technical; safety, health and liability), the number of CEUs accepted from the other organization per category is not more than 25%.

Certified individuals from each organization must follow

the requirements for certification renewal stipulated by that organization.

“NFI CEU-designated programs are offered at the annual HPBA EXPO”

CSIA and NFI professionals are responsible for maintaining a copy or record of his or her CEU achievement. Copies of the attendance certificates must be sent to the appropriate organization for certification renewal.

If there are any questions about this reciprocity agreement, or to find the location of events containing CEU designated classes, call (703) 524-8030, or visit www.nfi-certified.org. 🔥

NFI Pellet Certification Available for Hearth Professionals

Arlington, VA - The National Fireplace Institute, a national certification agency, will introduce a Pellet Specialist Certification beginning March, 2003 at the Hearth Patio & Barbecue Association's EXPO in Nashville, Tennessee. This is the third certification specialty in the NFI program, a program which, in 2002, saw over 750 professionals taking exams in the first two, Gas and Woodburning.

There will be two 6-hour review sessions for the Pellet certification as well as for the other two fuel programs at the HPBA EXPO in March. And, there will be opportunities over four days, March 5-8, to take any of the three NFI exams.

Subjects covered in the Pellet exam include standards and instructions, fuel characteristics, combustion, heat transfer, basic construction, safety principles, appliance components and systems, venting and ventilation, installation guidelines, and troubleshooting. Some field experience and basic construction knowledge are recommended as fundamental preparation for success on the exam.

Those earning NFI status will hold certifications valid for three years. NFI certified professionals have a number of marketing advantages, including a wall certificate, wallet picture ID card, window or truck decals, shirt patches, being the subject of local newspaper articles from supplied press releases, and being listed on www.nficertified.org. The NFI logo appears on the HPBA (Hearth, Patio & Barbecue Association) website next to their company's listing indicating that the firm has certified personnel. 🔥

Legislative Tracking and Political Advocacy for HPBA Members

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this system works follows: 1) a legislator in Ohio introduces a bill that would require a ban on woodburning fireplaces throughout the state; 2) HPBA members would be able to identify the bill number, committee reports, and bill history using LegAlert; 3) the affiliate leaders and state coordinator could develop an action stance, e.g., to defeat OH Bill #123; 4) HPBA can send out a targeted email notice to all members in Ohio only and ask them to go to the

“HPBA can send out a targeted e-mail notice to all members”

website and take action on Ohio Bill #123; 5) once on the advocacy site, each member would be able to see a prepared letter targeting the legislator introducing the bill, the committee reviewing it, or even the entire state legislature in Ohio and explain the negative impact on the industry; 6) HPBA members can halt further action on the bill.

The legislative and regulatory monitoring service is separate from the advocacy service, but they work together to give members a voice in government affairs. Since last November, HPBA has been using LegAlert/Reg Alert to identify bills with potential impacts on the industry and so far we've found the following:

- Ohio House Bill #659 - Ohio is revising its entire uniform statewide building code with provisions for municipalities, counties, and townships to adopt additional building regulations or property maintenance regulations that aren't covered by statewide code. This bill also provides for incorporation of local regulations into the statewide code if "necessary for health, safety, or

welfare", which could mean specialty hearth licensing, for instance. Furthermore, this bill removes the authority of a county or municipality to require license fees and exams for certain specialty contractors performing residential work and requires licenses for all residential contractors.

- Michigan House Bills #6539 and #6540 – Michigan is introducing a suite of bills that compliment each other and become effective upon passage of all bills jointly. They are entitled "Home Improvement Finance Act" and it requires adjustments to construction liens and insurance provisions by lenders if faulty or unlicensed building or remodeling is detected. These bills also require that lenders receive "reasonable assurance" via special releases and certifications from all sub-contractors performing work on residences. This could affect hearth installations.
- Michigan House Bill #5741 – This bill, although separate from the Home Improvement Finance Act,

“Appliance manufacturers have been crippled with shortened supplies and higher prices”

also addresses construction (or installation) defects and allows owners of property to sue and have construction liens removed if the work performed was not properly licensed. This bill specifies that contractors seeking recovery from the states Construction Lien Fund would have to establish that he or she has a written contract with the homeowner for the improvement that gave rise to the lien in the

Length of 2003 State Legislature Terms:

OHIO

January 1 –
December 31, 2003

KENTUCKY

January 7 – February 7, 2003

MICHIGAN

January 8 –
December 31, 2003

W. VIRGINIA

January 8 – April 2, 2003

first place. Essentially, the state could determine that an unlicensed hearth installation was not covered under the lien provision and, consequently, the builder may not be able to recover funds if a defect occurs, making it less desirable to install fireplaces.

HPBA will continue to monitor these developments, and others as they emerge. In addition to the states and local districts that directly impact affiliates, HPBA is also monitoring federal issues that will require all HPBA members to take action throughout the course of the year. One issue is the national steel tariffs, affecting all segments of the industries. Rep. Joe Knollenberg (R-MI) is expected to introduce a resolution in late January that will ask the President to require the International Trade Commission to conduct a review of the impacts of the steel tariffs on downstream industries, like ours. Appliance manufacturers have been crippled with shortened supplies and higher prices since the tariffs took effect in March, 2002.

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Turbo-Charging Referral Marketing (continued from page 1)

Consider Stellent, a Minneapolis-based provider of knowledge management software and services. Stellent recently introduced its "Steller Rewards" program, a way for its customers to earn rewards points for testimonials and referrals.

Stellent gives 500 points, for example, if a customer agrees to serve as the subject of an internal case study; 750 points for hosting a site visit by a Stellent prospect to check out how the tools are being used; 1,000 points for participating in a press release; and 2,500 points, plus expenses, for speaking on Stellent's behalf at an industry event.

The points are redeemable, at a value of per point, toward deductions against the customer's Stellent bill. This approach neatly sidesteps the perennial problem of points programs: namely, corporate policies limiting the size of gifts. Here, the benefit accrues directly to the company itself.

The value of referrals is so high, it behooves business marketers to do everything possible to reward customers for introductions. Give referral awards a look. 🔥

Legislative Tracking and Political Advocacy for HPBA Members

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HPBA also continues to watch Association Health Plans legislation that will be re-introduced early in the 108th Congress, most likely by Senator Kit Bond (R-MO) or Rep. Jim Talent (MO). HPBA's affiliates actively supported the AHP bill last year by contacting senators in Illinois, Kentucky, Iowa, Indiana, Ohio, Missouri, Vermont, Rhode Island, New York, New Hampshire, and Oregon. Last year, Democrats were able to stop movement on the bill (S. 858), but a new bill will probably have a better chance of surviving with the Republicans in charge of the Senate agenda and committees.

Lastly, HPBA hopes that a new government affairs newsletter, FireLine, will help expand with more details and information on issues and activities than are currently seen in the short blurbs found in the CEO Report. The FireLine will be available quarterly by email or on HPBA's webpage at www.hpba.org/govrelations. If you wish to subscribe, please contact Elizabeth McRoberts. This will provide you with information on legislative and regulatory issues, codes and standards developments, and any meetings or additional information for the government affairs and technical committees at HPBA. 🔥

Hearth, Patio & Barbecue
EXPO 2003

Under one roof and
right in "your own backyard"

CONTACT INFORMATION:

HPBA: (703) 522-0086; Fax (703) 522-0548 for HPBA membership info and EXPO exhibit and attendee info.

Register On Line: www.hpba.org

Fax On Demand: (877) 730-4802 toll free inside US or (415) 546-3101 outside US to receive registration information and forms, hotel reservation forms, education session descriptions, list of exhibitors and more.

HPBA Housing Bureau: (800) 657-6910 (US); (615) 259-4730/4700 (Intl.); Fax (615) 259-4126

HEARTH Education Foundation & National Fireplace Institute: (703) 524-8030; Fax (703) 522-0548

IMPORTANT DATES:

February 14: Deadline for off-site registration

March 5- 8: EXPO Education & National Fireplace Institute Certification Exams

March 6-8: EXPO Exhibits Open

CONTEST UPDATE!

The 2002 "Member-Get-A-Member" contest is now closed. Winners will be announced during the Midstates EXPO 2003 Welcome Reception Friday, March 7th at 6:00 p.m. on the Delta Lounge Patio at the Gaylord Opryland Hotel — **YOU MUST BE PRESENT DURING THE EVENT TO WIN!**

Once again, we would like to thank our generous sponsors: Grill-N-Chill, The Holland Co., Napoleon Appliance Corp., Broilmaster Premium Gas Grills and Fiesta Gas Grills.



YOU'RE INVITED..



...TO THE MIDSTATES HPBA EXPO WELCOME RECEPTION

**Friday, March 7, 2003
Delta Lounge Patio in the
Gaylord Opryland Resort
5:00 pm – 6:30 pm**

Enjoy a cocktail with hot appetizers.
Meet and network with other Hearth, Patio and
Barbecue Professionals in our affiliate!

Please R.S.V.P to Gina at 800-449-1228



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Serving
HPBA's
Members
in Kentucky,
Ohio,
Michigan &
West Virginia