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### **SPOTLIGHT**



## **Top intros of 2018**

FCNews takes a look back at the product rollouts that turned heads—and even some profits—last year.

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# MADE IN THE

## DOMESTIC FIRMS TOUT HOMEGROWN ADVANTAGES

By Ken Ryan

merican manufacturing isn't just sought after because of the quality and patriotic value, but also because of the delivery time frames. When companies don't source from overseas, pricing and response time benefit. To that end, the Made in USA movement continues to be important to the flooring industry as major manufacturers move more production to the U.S. or expand existing operations, while dealers actively display their American-made products or promote their many benefits. Coverage starts on page 12.

## Reviews are mixed on the true impact of tax law changes

By Ken Ryan

he Tax Cuts and Jobs Act (TCJA) that became law in 2018 was intended to benefit corporations as well as small business, including many specialty floor covering dealers. However, year one pro-

However, year one produced a decidedly mixed bag for retailers. Some dealers who spoke to *FCNews* said they were unsure as to what extent the tax changes had on their businesses, citing mass confusion in the new law. A few said the tax cut they received was offset by external impacts such as supplier price increases or having to pay more in accounting fees because of the level of complexity created by the tax law.

The IRS estimated that nearly 8 million LLCs requested extensions this year along with a record 14.6 million individuals.

According to dealers, the TCJA was anything but simplified even if some of them ultimately did benefit.

"I do know that businesses making less than \$157,000 qualify for a 20% deduction if filing as single, but I don't think it's clear



who qualifies for that break," said Olga Robertson, president of FCA Network, which oversees dozens of independent retailers.

Continued on page 25

First-quarter report

## Consumer, government spending propel growth

**By Reginald Tucker** 

newly released report from the U.S. Department of Commerce's Bureau of Economic Analysis shows real gross domestic product (GDP) increased at an annual rate of 3.2% in the first quarter of 2019, surpassing many economists'

expectations. To put things in perspective, GDP grew 2.2% in the fourth quarter of 2018.

The increase in real GDP in the first quarter reflected positive contributions from personal consumption expenditures, private inventory investment, exports, state and local government spending, and nonresidential fixed investment. However, imports—which are a subtraction in the

calculation of GDP—decreased. These contributions were partly offset by a decrease in residential investment.

"Usually when you look at

the GDP performance of any year, the first quarter is typically



Shoppers played a big role in the performance of America's economy during the first three months of the year.

the weakest," said Alison Kosik, business anchor and correspondent at CNN. "But this happens to be the strongest first quarter that we've seen in six years." Following is a closer look at specific elements of the report.

Current dollar GDP increased 3.8%, or \$197.6 billion, in the first quarter to \$21.06 trillion. In the fourth quarter, current-dollar GDP increased 4.1%, or \$206.9 billion.

The price index for gross domestic purchases increased 0.8% in the first quarter compared with an increase of 1.7% in the fourth quarter. The personal consumption expenditures price index increased 0.6% compared

with an increase of 1.5%. Excluding food and energy prices, the personal consumption expenditures price index

Continued on page 10



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## IN THE NEWS

## New members take their place on 2019 WFCA board of directors

Dalton—The World Floor Covering Association (WFCA) has announced four new board mem-

bers for 2019. Joining the board are Cheryl Acierno, owner, Acierno &



Co., Denver; Kelly Cosgrove, flooring buyer, HOM Furniture, Coon Rapids, Minn.; Mike James, COO and general manager, Metro Carpets, Smyrna, Tenn.; and Patrick Warren, senior vice president of sales, Emser Tile.

"All four of our newest board members embody the spirit of community and bring talent, expertise and energy to the table," said Scott Humphrey, CEO, WFCA. "We are very fortunate to have them by our side as we continue to strengthen the floor covering industry by utilizing the most influential and active board in the industry."

The WFCA board of directors now contains 23 flooring professionals. For more information, visit wfca.org or call 855.330.1183.

## Myers unveils Nashville store

Nashville, Tenn.—Myers Flooring recently held the grand opening of a completely renovated, 60,000-square-foot new location here. Ray and Rick Myers, co-owners of Myers Carpet Co., said the acquisition was the result of months of



negotiations and due diligence with R. J. Young Co., the building's previous owners.

The renovated building has a new roof, heating and air, LED lighting and offices as well as a 25,000-square-foot showroom. The warehouse now has a state-of-the-art workroom for custom-rug production and is racked and full of carpet and area rug inventory.

Myers Carpet Co. consists of Myers Flooring Dalton, Myers Flooring Atlanta and Myers Flooring Nashville.

## NTCA recognizes Kempster as its Person of the Year

FLOWOOD, MISS.— The National Tile Contractors Association (NTCA) has recognized Dale Kempster of Schlüter Systems as the NTCA Tile Person of The Year. This award is given annually to a member who has demonstrated a strong commitment to the tile industry and has supported the mission and goals of the NTCA

"In addition to being a member of the NTCA technical committee for many years,

Dale has worked closely with NTCA executive committee members in our efforts to communicate with international tile contractor associations," said Bart Bettiga, executive director, NTCA.



Kempster has also been instrumental in bringing NTCA and the Terrazzo, Tile, Marble Association of Canada representatives together to collaborate on the development of a Canadian version of the NTCA Reference Manual.

## RFMS conference helps users dive deeper

### **By Lindsay Baillie**

DALLAS—RFMS recently welcomed many of its top retail partners here for its 2019 Owner & Education Conference. The three-day event provided something for virtually every attendee with eight owner- and management-specific workshops that provided a macro view of the industry as well as 64 hands-on workshops to help users dive deeper into the software and its apps.

"Our goal is to help owners understand where technology is going as well as what we feel we can do to provide those resources to them," Terry Wheat, president of RFMS, told *FCNews*. "We want them to be able to get a higher-level view of what they need to be thinking about as they plan the next three, five, 10 years in their businesses because things have changed unbelievably in the last five to 10 years."

Part of that higher-level view consisted of owner workshops focusing on several topics such as exit strategies, the state of the industry, areas of RFMS that produce the most profit and hitting targets with business intelligence and

benchmarking.

At the micro level, flooring store estimators, RSAs, designers, office managers, accountants, project managers, warehouse employees and owners all had the opportunity to get a better idea how the RFMS software works. Hands-on workshops included advanced order entry, strategies for sales reports, understanding RFMS Mobile and Measure Mobile apps, Measure for Windows and going paperless—to name a few.

"We have about 250 attendees who will get train-

ing in very specific areas of the software," Wheat explained. "We have really tried to build specific curriculums that will help users who are actually pushing buttons every day to know better how to do it."

RFMS users, such as Sha Reason, owner/president, After Five Floors, Powder Springs, Ga., enjoyed the conference's format. "I've used RFMS software



for about 20 years, but we just doubled down over the past couple of months and bought into more of the modules, more of the processes they have available," he explained. "I want to get my team trained on those modules and learn more about the Business Insights [platform] as well as all the technology that's coming out and the new apps they have

Continued on page 11

## Domotex asia/ChinaFloor draws visitors in droves

Shanghai—More than 66,800 attendees made the trek here last month to attend Domotex asia/ChinaFloor. The event, now in its 21st year, reached new milestones in

terms of both visitors and exhibiting companies. The show drew more than 1,560 exhibitors from around the world, with more than 22% of visitors hailing from outside of China. Show organizers say this represents the event's global flair.

"This Domotex asia/ChinaFloor show was again very international," said Sonia Wedell-Castellano, global director, Domotex Worldwide. "This makes the Shanghai-based show a global marketplace that brings together the international carpet and flooring industry. The many design events, such as the Chinese Original Carpet Design Show, provided inspi-

ration and new ideas, as well as initiating new business. All the exhibitors I talked to were very satisfied with both the quality and quantity of visitors to their booths."

The day before the start of the show, Domotex asia/ChinaFloor hosted the World Flooring Forum in collaboration with China National Forest Products. A



Domotex asia/ChinaFloor once again posted strong attendance numbers for this year's event.

highlight of the conference was a global market overview presented by eight keynote speakers from Europe, USA, Australia and China. They shared their perspectives on the current status and future market trends of the flooring industry in China, Europe and North America. The conference also included four consecutive panel discussions. More than 400 top leaders from the biggest Chinese manufacturers and global distributors were there to

> discuss market trends, technology innovations, material applications, distribution channels and branding.

Following are additional highlights from the event:

Wood & Bamboo Flooring Buyers Program. Wood and bamboo flooring experts from Australia, Italy, Malaysia, Hong Kong, New Zealand, Spain and the United States had the opportunity to attend B2B meetings with exhibiting manufacturers. The goal of this program was to increase business collaboration between international buyers and domestic wood and bamboo flooring suppliers.

"I had the gratifying experience of being part of the Wood & Bamboo Flooring Hosted Buyers Program," said Gloria Sierra Male of Distiplas, Spain. "It is a very useful

Continued on page 25

## **SNAPSHOT**

## **Armstrong Flooring takes part in 'Day of Caring'**

LANCASTER, PA.—Armstrong Flooring employees and their families volunteered at nonprofit organizations around Lancaster as part of a recent Day of Caring. They cleaned up local parks and a children's museum and volunteered at the Boys & Girls Club, the Humane League and Habitat for Humanity ReStore.

"Our employees regularly participate in United Way's Day of Caring in September, and this year we decided to add a volunteer event in the spring," said Crystal Shaw, talent acquisition manager and chair of the company's United Way Committee.



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## my take

## What you need to know about Generation Z

verybody is talking about millennials. That's your customer of ■ tomorrow. But for the longest time I've been advising against losing sight of your customer of today—the baby boomer, who still controls the lion's share (roughly 70%) of all the disposable income in this country.

But since so many of us like to look ahead, while you are doing all that research on millennials and their shopping habits, you may want to get yourself acquainted with another important demographic: Generation Z.

This is the year Generation Z becomes the biggest consumer cohort globally, displacing millennials as a top obsession for people trying to figure out how to cash in on their unique shopping, eating and media habits. They make up 26% of the population. Nearly 50% identify themselves as non-white compared to 28% of boomers. While they might still be in school, they have spending power to the tune of \$143 billion in the

Generation Z, roughly between the ages of 8 and 22, were born after the Internet went mainstream and occupy a world where marijuana is going legal in several states. Anything and everything can be delivered to their front door with a swipe of a finger, and they grew up on platforms like Snapchat and Instagram, where the influencer culture has taken hold. Fifty percent say they are connected online at least 10 hours a day, and

70% say they watch more than two hours of YouTube each day.

Here are some broad trends you may want to consider when targeting the Generation Z shopper in the years ahead:

**1. They can be influenced.** While older millennials graduated college before the rise of Facebook, or even mobile phones, these new consumers live on Instagram and other platforms. In fact, 52% said they primarily find out about new products from social media, a jump of 10 percentage points from millennials and double the rate for their Generation X parents, according to a recent survey by Bloomberg News and Morning Consult.

That means influencers—celebrities or everyday people with big social media followings who are paid to promote products—can have an outsized impact with this group where nearly six out of 10 self-diagnose spending too much time on their phones.

2. They have different vices.

Younger consumers are wary of nasty hangovers and eager to wake up on the weekends feeling fresh so they can get outdoors and capture selfies. Beer in particular is going through a slump as Americans cut back on alcohol. Marijuana, meanwhile, is going mainstream. It's perceived as healthier than alcohol by many Gen Z consumers and is now legal for adult use in 10 U.S. states. Gen Z consumers are coming of age in a

time when the decades of stigma around weed are fading away as more states legalize marijuana. Gen Z in the U.S. is twice as likely to use cannabis than the national average.

3. They don't have to go to stores. Gen Z could be the first generation to truly embrace online grocery shoppingthough maybe not yet. Just 83% of them said they primarily purchase groceries at a physical store compared to 95% of baby boomers. Surveys have also indicated that Amazon is one of the favorite brands of Gen Z consumers, who've never lived in a time without the e-commerce giant.

4. They choose their brand loyalties carefully. The rise of Gen Z could be bad news for traditional clothing retailers like The Gap and Macy's, already battered by the shift to buying clothing online. The next generation is also embracing second-hand apparel, which will be bigger than fast fashion within the decade, according to Thredup's 2019 Resale Report. Thredup, a fashion resale website, says more than one in three Gen Z shoppers will buy used clothing this year vs. less than one in five boomers or Gen X consumers.

They may not be your customer just yet, but they are coming in the next five



## floorcoveringnews



michael blick president/ceo mike@fcnews.net



steven feldman publisher/editorial director steve@fcnews.net



dustin aaronson associate publisher/ advertising director dustin@fcnews.net

### editorial



reginald tucker managing editor reggie@fcnews.net



ken ryan senior editor ken@fcnews.net



lindsay baillie associate editor/ digital media coordinator lindsay@fcnews.net



megan salzano senior associate editor megan@fcnews.net

### art/production



frank notarbartolo art/production director frank@fcnews.net

## sales associate



nadia ramlakhan nadia@fcnews.net

founder albert wahnon 1920-2011



correspondents

leah gross k.j. quinn nicole murray

## columns

jim augustus armstrong marketing mastery lisbeth calandrino scott perron roman basi

lisbiz strategies retailer2retailer financial installments lessons learned tom jennings for employees only brad cotlar

## headquarters

33 walt whitman road, suite 302E huntington station, ny 11746 tel: 516.932.7860 fax: 516.932.7639 fcnews.net, website: fcnews.net

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## Mohawk sustainability report reflects eco-friendly values

Calhoun, Ga.—Mohawk Industries has released its 2018 Sustainability Report, a document that illustrates—through innovative product design and manufacturing—how a growing commitment to sustainability is shaping business decisions that positively impact the company, its customers, employees and communities.

"Mohawk is committed to investing in processes, products and, most importantly, people to do the right thing for our customers and communities," said Jeff Lorberbaum, chairman and CEO. "The philosophy of sustainability informs everything we do and is embedded deeply in our culture. We are a global leader in recycling and offer hundreds of products with repurposed content that also provide differentiated features with broad appeal."

The 2018 Sustainability Report reinforces Mohawk's continued progress in doing more with less and its intent on growing its global business while reducing its environmental footprint. Across Mohawk, the company is closing in on its 2020 goals (set in 2010) to decrease energy, GHG, water and wasteto-landfill intensity by 25%. In 2018 alone, the company recycled 6.6 billion plastic bottles into yarn fiber, 136 million pounds of foam trim and yarn waste into carpet cushion and almost 42 million pounds of rubber tires into welcome mats.

"As part of our commitment to reducing our environmental footprint we continuously decrease our consumption of natural resources and create our own energy from wind, solar and manufacturing waste," Lorberbaum said.

The report notes that in 2018 Mohawk saved \$4.3 million on landfill and haul-away costs as well as the costs of treating and discharging water to public sewer systems. To achieve this, it certified two new zero waste to landfill (ZLF) sites in Mexico and Alabama, bringing its total number of sites to 48 around the world. ZLF certification requires facilities to recycle or reuse 90% or more of their manufacturing process waste, which not only helps Mohawk build a resourceresponsible culture site by site but also reduces the company's capital and maintenance costs of equipment.

"As we continue to shrink our footprint while expanding our handprint, there is so much excitement around the Mohawk organization," said George Bandy Jr., chief sustainability officer. "Sustainability is not only about believing in better for the communities where we live, work and play, but it is also about believing in beautiful products that are manufactured in a responsible manner. At every juncture, we place humankind at the center of the product development and design process for our residential and commercial solutions."

These solutions, as highlighted in the report, help customers live sustainably in every area of the home and workplace.

Sustainable choices for homeowners range from soft, stainresistant SmartStrand, which is made with renewably sourced polymers that require less energy to manufacture than other fibers, to EverStrand, a fiber made with up to 100% recycled content featuring Mohawk's Continuum process to recycle plastic bottles into strong and beautiful yarns, to rugs and mats made of recycled rubber tires.

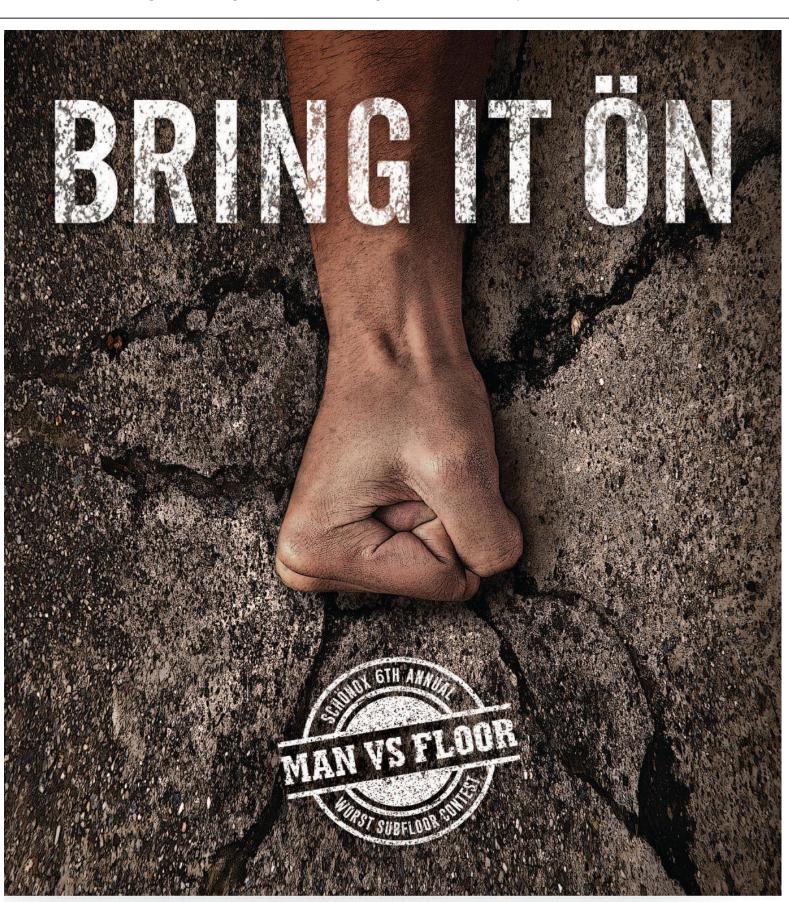
Commercial solutions include Mohawk's Living Products. The International Living Future Institute's Living

Product Challenge is a broad certification program that requires manufacturers to consider the full life span of their products and challenges them to think beyond the products themselves and find ways to give back. In 2018, Mohawk expanded its portfolio with the debut of carbon-neutral Living Products Nutopia and Nutopia Matrix carpet plank, Sunweave broadloom and area rugs, and Pivot Point, the first Red List-free enhanced resilient tile.

View the complete report at mohawksustainability.com



content.



The Schönox 6th Annual Worst Subfloor Contest is back! For entry form and details, visit the Schönox app or hpsubfloors.com/worstsubfloor. Enter before Dec. 15, 2019 for a chance to win.





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## educating the industry

## **Clarity on** real estate deductions



BY ROMAN BASI

t's been over a year since the Tax Cuts and Jobs Act (TCJA) passed, and the IRS is providing the final pieces of clarity for the infamous section 199A deduction, which allows owners to avoid paying tax on 20% of the qualified business income. This article addresses another component of the 199A deductionrental real estate enterprises.

The IRS in Notice 2019-7 states a rental real estate enterprise—whose primary form of income based on rental properties—will be treated as a trade or business solely for purposes of section 199A. The courts have often found there is a simple test whether a taxpayer's activity qualifies to meet the level that constitutes a trade or business, the test

being: regular and continuous conduct of the activity, which depends on the extent of the taxpayer's activities; and a primary pur-

pose to earn profit, which depends on the taxpayer's state of mind and good faith intention to make a profit from the activity. By meeting these requirements with your rental property, you should be in line for the 20% qualified business deduction.

Additionally, it will be imperative the taxpayer meet the IRS's definition of rental real estate enterprise in order to qualify for the safe harbor. Per the IRS, the definition is, "an interest in real property held for the production of rents and may consist of an interest in multiple properties." For consistency sake, the IRS has decreed taxpayers must either treat each individual rental property as a separate enterprise, or treat all of them as a single enterprise. However, commercial and residential real estate may not be part of the same enterprise. Finally, taxpayers may not pick and choose enterprise variations year by year unless there is a drastic change in facts surrounding the properties.

For the sole purpose of section 199A, a rental real estate enterprise will qualify for the

20% qualified business deduction if the following are met within that taxable year:

- 1. Separate books and records are maintained to reflect income and expenses for each rental real estate enterprise;
- 2. For taxable years beginning prior to January 1, 2023, 250 or more hours of rental services are performed per year with respect to the rental enterprise. For taxable years beginning after December 31, 2022, in any three of the five consecutive taxable years that end with the taxable year (or in each year for an enterprise held for less than five years), 250 or more hours of rental services are performed per year with respect to the rental real estate enterprise; 3. The tax-

payer maintains contemporaneous records, including time reports, logs or similar documents, regarding the following: hours of all services

L'S COLUMN

performed; description of all services performed; dates on which such services were performed; and who performed the services. Such records are to be made available for inspection at the request of the IRS. The contemporaneous records requirement will not apply to taxable years beginning prior to January

If you have questions about what qualifies as a rental service, following is a list of services the IRS has deemed as rental services: advertising to rent or lease the real estate; negotiation and executing leases; verifying information contained in prospective tenant applications; collection of rent; daily operation, maintenance and repair of the property; management of the real estate; purchase of materials; and supervision of employees and independent contractors.

But there are some exclusions. Real estate used by the taxpayer (including owner or beneficiary) as a residence is not eligible for the 199A deduction. Neither is real estate rented or leased under a triple net lease.

**RETAILERS REACT** 

## Are you finding pentup demand being unleashed in your market



Some dealers report their customers are willing to spend more on household projects.

We are seeing flat traffic but an increase in our average ticket, which is contributing to some incremental growth. We are optimistic about our performance in the second quarter.

> —Palmer Johnson, Johnson Carpet One Floor & Home Tulsa, Okla.

We're seeing fluctuations in terms of what homeowners are needing. It's still early in the year so it's hard to define a market pattern yet. We must remain flexible with helping meet our customers' needs.

—Brittaney Geskey, Floor Covering Associates Shorewood, Ill.

We are very strong in retail, so we don't see the seasonal up or down ticks. I can definitely sense a better buying mood much better—but I attribute that to the Minnesota winter being over more than anything.

> -Rob Elder, Hiller's Flooring America Rochester, Minn.

March finished with a fury, but we were still a little behind for QI. April has had good store traffic as of late. We are quoting larger hard surface jobs more frequently than this time last year so we have hope that everything will even out.

> —Ben Case, The Carpet Collection Lockport, N.Y.

We are up against the major Hurricane Harvey numbers from 2018. We do not see pent-up demand being unleashed right now in the Houston market. We certainly wish that was the case. First-quarter business has been somewhat sluggish, unfortunately. We will keep being aggressive and try to finish the remainder of 2019 strong.

> —Gary Touchton Venetian Blind Carpet One, Houston

## **CALENDAR**

### May 15-17 **HD Expo**

May 14-16

Annual trade show and conference for hospitality design industry, Mandalay Bay Convention Center, Las Vegas. Contact: 770.291.5433; hdexpo.com

**NWFA** Intermediate Sand & Finish + CP Testing Three-day course, Chesterfield, Mo. Contact: 800.422.4556; education@nwfa.org

May 16-17 **CFI Resilient Installation Training & Certification** 

Entry and advanced levels offered, Forney, Texas.

Contact: John McHale; jmchale@cfiinstallers.org; 816.231.4646; cfiinstsllers.org

May 29-30 **CFI Ceramic Installation Training & Certification** 

CFI certification received upon passing test, Forney, Texas. Contact: John McHale, jmchale@cfiinstallers.org; 816.231.4646; cfiinstsllers.org

June 4-5 **NWFA Basic Sand and Finish** 

Three-day introductory level course for anyone new to the wood flooring industry, New York, N.Y. Contact: education@nwfa.org; 800.422.4556

June 4-6 **NWFA Intermediate** Installation + CP Testing

Three-day course includes in-depth training on jobsite preparation, layout, understanding the science of wood, Marietta, Ga.

Contact: education@nwfa.org; 800.422.4556

June 10-12

NeoCon

Industry's largest commercial interiors show, The Merchandise Mart,

Contact: 312.527.7055; neocon.com/register

## **POINTS OF INTEREST**

➤ Builder confidence in the market ➤ Home projects are often more for newly built single-family homes rose one point to 63 in April, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index. These levels have held in the low 60s for the past three months.

"Builders report solid demand for new single-family homes, but they are also grappling with affordability concerns stemming from a chronic shortage of construction workers and buildable lots," said NAHB chairman Greg Ugalde, a home builder and developer from Torrington, Conn.

The forecast ahead is mixed, according to Robert Dietz, NAHB chief economist, who noted economic conditions are ripe but affordability remains a concern.

expensive than consumers think,

according to findings from a recent survey from Discover Home Equity Loans. The survey found that while the majority of consumers want to make home improvements with-

in the next year or sooner, many may find they're short on funds to complete the job. Kitchen and bath remodels top the list of planned projects with 37% of respondents saying they are planning for each of those home improvements. Meanwhile, 52% of respondents plan to make home improvements in the next year or sooner, with 25% planning a project within the next three months. Forty percent of people said they are planning a home improvement project to increase the value of their home.



➤ New single-family home sales rose 4.5% in March to a seasonally adjusted annual rate of 692,000, according to the latest report from the

Commerce Department. The revised February rate was 662,000 with the latest number also being 3% above the March 2018 estimate of 672,000. The median sales price of new houses sold in March was \$302,700. The average sales price was \$376,000. Regionally, new single-family home sales increased 17.6% in the Midwest, 6.7% in the West and 3.6% in the South. Sales declined 22.2% in the Northeast.



Roman Basi is an attorney and CPA with the firm Basi, Basi & Associates at The Center for Financial, Legal & Tax Planning. He writes frequently on issues facing business

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## Cork, bamboo intros sport new looks, sizes

Cork and bamboo flooring options are the go-to eco-friendly options for consumers who deem sustainability an important part of their buying decision. Both categories fit well into the overall green story, and manufacturers agree they should be marketed as such. However, the product categories have also undergone a recent evolution with new technologies allowing for on-trend visuals and sizes sure to captivate consumers.

Following are recent product introductions that boast trending design features.

### By Megan Salzano

### **Amorim**

Amorim's Wise marks the first generation of flooring with an Amorim identity. Wise features a rigid core made of cork and recycled materials. The product was launched in a collection of 62 cork and wood visuals. It is PVC-free with all the benefits of a low thickness waterproof solution. The reinforced dimensional stability means it requires minimum subfloor preparation. Wise can be installed in both residential and commercial spaces alike.



## Bamboo Hardwoods

The Symphony collection is a rigid core SPC with a strand-woven bamboo wear layer. It measures 5 inches wide, 72 inches long and 1/4 of an inch thick



and features a 1.2mm wear layer. It can be glued down or installed as a floating floor. It is water resistant and withstands up to 72 hours of topical water spills.



## Cali Bamboo

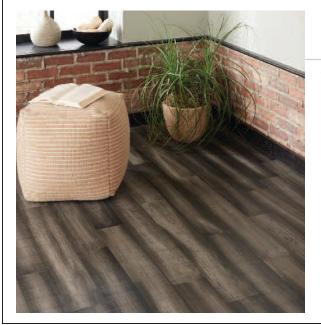
Nine new floors are now available in the company's Eco-Engineered bamboo flooring collection. The new floors are the company's first wide-plank engineered flooring styles with click-lock milling, ideal for gluedown or floating installations. Planks measure 72 ½ inches long, 5 ½ inches wide and ½ of an inch thick. The new styles feature an extra thick wear layer of fossilized

bamboo over a sustainable core of cross-constructed eucalyptus. Planks are protected by a 13 coat durability sealing system, shielding them from pet claws, high heels and other forms of wear and tear.



### **Torlys**

CorkWood Designer is designed to emphasize the true essence and beauty of hardwood. The line, which is FSC certified, features extra-long and wide planks in contemporary, on-trend colors. It includes a 3mm top layer, a polyurethane finish said to be equivalent to top-rated AC4 laminate, sealed edges for increased water resistance and CorkPlus attached underlayment with Microban antimicrobial protection.



## Wellmade Performance Flooring

Wellmade HDPC waterproof bamboo couples the performance virtues of rigid core flooring technology with real bamboo wear layer veneers. The product features Wellmade's HDPC waterproof technology, a moisture protection system that seals out both topical and sub-surface moisture while boasting a 100% waterproof HDPC core. With attached pad, the bamboo flooring is 8.3mm thick x 7.48 inches wide x 72.83 inches long and features the Uniclic locking system. Colors range from traditional carbonized to multicolor and character-driven glazing options.

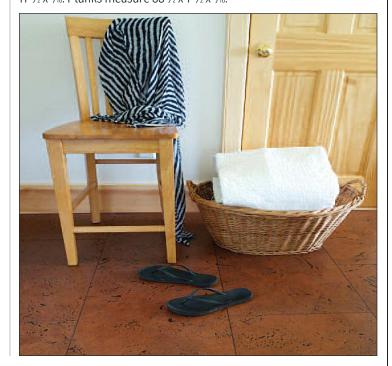
### **USFloors**

Natural Bamboo's Muse Strand is ideal for homes located in a wide range of climates. The engineered locking construction provides extreme dimensional stability. Muse Strand's design features distressed and chiseled surhand-sculpted faces, scraping and wirebrushed enhanced grains fashion-forward stains and washes. The 5inch and 5 ½-inch planks are designed to add taisophistication while the 2 ½-inch strip conveys a retro look.



## **WE Cork**

The Timeless collection is a glueless floating floor system with traditional and unique shades and patterns. It is available in tiles or planks with a micro-bevel profile and comes with Unilin locking system. Timeless tiles and planks are finished with Greenshield and are suitable for light commercial or residential use. Tiles measure  $24 \times 17 \frac{1}{2} \times \frac{7}{16}$ . Planks measure  $35 \frac{1}{2} \times 7 \frac{7}{2} \times \frac{7}{16}$ .





Homes are meant to be lived in. That's why we're using our innovative technologies, like PureColor®, to create carpets that can stand up to everyday life.

And we're doing it right here in North Georgia.

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Made in the U.S.A.













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## Q1 report

### Continued from page 1

increased 1.3% compared with an increase of 1.8%.

Current-dollar personal income increased \$147.2 billion in the first quarter compared with an increase of \$229 billion in the fourth quarter of 2018. Meanwhile, disposable personal income increased \$116 billion, or 3% compared with an increase of \$222.9 billion, or 5.8%, in the fourth quarter of 2018. By comparison, real dispersonal income posable increased 2.4%.

Personal savings reached \$1.11 trillion in the first quarter compared with \$1.07 trillion in the fourth quarter of 2018. Furthermore, the personal saving rate, which represents personal savings as a percentage of disposable personal income, was 7% in the first quarter compared to 6.8% in the fourth quarter.

## Role of housing in GDP

Housing's share of GDP continued a downward trend-more evidence of the lack of housing supply caused and affected by ongoing housing affordability issues, noted Robert Dietz, chief economist with the National Association of Home Builders (NAHB).

Research shows housing's share of GDP fell to 14.7%. The home building and remodeling component (residential fixed investment) made a fifth consecutive negative contribution to GDP growth and declined to just under 3.2% of GDP.

According to Dietz, housing-related activities contribute to GDP in two basic ways. The first is through residential fixed investment (RFI), which essentially is the measure of the home building, multifamily development and remodeling contributions to GDP. It includes construction of new single-family and multifamily structures, residential remodeling, production of manufactured homes and brokers' fees.

The second impact of housing on GDP is the measure of housing services, which includes gross rents (including utilities) paid by renters and owners' imputed rent—an estimate of how much it would cost to rent owner-occupied unitsand utility payments. The inclusion of owners' imputed rent is necessary from a national income accounting approach,

because without this measure, increases in homeownership would result in declines for

For the first quarter, housing services was 11.5% of the economy or \$2.18 trillion on seasonally adjusted annual basis. Taken together, housing's share of GDP was 14.7% for the quarter, Dietz noted.

Historically, RFI has averaged roughly 5% of GDP while housing services have averaged between 12% and 13%, for a combined 17% to 18% of GDP. These shares tend to vary over the business cycle, Dietz noted.

Regarding the flooring space, the consensus among many dealers polled by FCNews indeed showed a measurable uptick in purchasing activity late in the first quarter after somewhat of a slow start to the

"After record sales year last year, I was planning on low, single-digit growth in 2019," said Craig Phillips, president, Barrington Carpet, Akron, Ohio. "But we will end the quarter up about 9%. Thus, the year so far has exceeded my expectations. Our growth is being driven by commercial and multifamily segments."

## lessons learned

## No place for class divisions in your store

eaders of a certain age will remember the popular '70s television show "WKRP in Cincinnati." One of the recurring gags in this sitcom was the imaginary door and walls around news director Les Nessman's office. Upon approaching his desk, he would pause and turn the knob to his pretend door before entering his fantasy of a private office. He felt he was too important to be sitting with the commoners. The joke was that he was mystified why no one else was impressed. It was funny when it was fictional.

The sad reality is I see similar behavior and attitudes acted out constantly in everyday life. On a recent trip I found myself boarding four flights at multiple airports. The airline I was booked on uses a boarding system that



## **JENNINGS**

ing their boarding procedures."

My rant has nothing to do with having a class system. These were hardly invented by the airlines. They existed on the Titanic over a 100 years ago when Wilber and Orville Wright were still flying their plane on the beach. Those who spend more typically expect to receive more in return. The problem I have is in constantly reminding customers with less sizable purchases that they are somehow less impor-

tant. This couldn't happen in my store, you say? My bet would be it occurs more than you realize.

Recently, while being shown around a

dealer's store, I was advised of a "huge contract job" they were in the process of installing. The RSA was obviously proud of performing this job, and I admired his enthusiasm.

The problem arose when I overheard staff members tell other customers twice that morning their jobs would have to wait until our "big job" was finished. One customer was told they could "possibly work her in," while another was actually advised, "we simply don't have time to do a two room job anymore this month." This poor lady actually apologized for "bothering them" with a job this size. Can you believe that? She should have kicked the clod in the shins for being made to feel her business was trivial to any other.

The moral of this story is to train your staff that there is no respect.

ANY CLASS BARRIERS THAT MAY **CURRENTLY EXIST IN YOUR STORE.** 

REMOVE THE PERCEPTION OF

must have been designed by Les Nessman himself. They had an assortment of aluminum poles, nylon straps and lanes marked on the floor at the entry gate designed purely to "keep the classes" in their proper position.

If you are among the privileged, you are allowed to walk on the designated side of these straps across a specially printed mat to enter the jet way. However, if you are among the lowly majority, you must wait to enter 3 feet over on the opposite side of the barrier without enjoying the pleasure of walking on a special mat. While boarding one flight, I counted seven verbal reminders that some customers

been those who got on the plane first were not necessarily impressed based on which side of the lane markings they entered. However, the reactions of those who were told they weren't worthy ranged from amused to annoyed. What a waste of time and money. I overheard a fellow traveler state, "Southwest would have the plane in the air while these folks are still busy explain-

were greater than others. My observation has always

such thing as a small sale. More importantly, there is never a less important customer. Remove the perception of any class barriers that may currently exist in your store. As customers, most of us will be reasonable in our requests when treated with

Tom Jennings is vice president of professional development for the World Floor Covering Association (WFCA). Jennings, a retail sales training guru, has served in various capacities within the WFCA.





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- Isolates Old Cutback Adhesive Residue
- Saves Time and Labor

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## **RFMS**

## Continued from page 3

available."

Wheat explained how RFMS is focused on building more mobile apps in 2019. "Over the next five years you're not going to see very many people wanting to sit at a desktop and working," he said. "They're going to want to be able to work from a mobile position and particularly those of us whose businesses require going into the home to close the deal. Statistics show that if you leave the home without closing the deal your opportunity to close it goes down 50% the minute you walk out of the home. We're trying to build more mobile applications that will let our database be much more efficient with a mobile device."

Keith Urbom, sales consultant, Ernie's in Ceresco, Ceresco, Neb., is excited to incorporate the new mobile apps into his day-to-day operations. "I will be managing our [flooring] department in our store in a few months, and there are some things on the agenda that I want to get our store up to speed on when I take over that transition," he explained. "I've



been familiar with RFMS for two years, and what I'm really excited about are all the mobile apps they're talking about and how everything's going in that direction."

Leigh Bakhtiari, president, City Carpet Carpet One, San Rafael, Calif., is hoping RFMS' new tools will help her attract millennial employees. "RFMS is such an intense program and every owner uses it differently through different modules," she said. "I'm always looking for best practices. It's great for us to

share ideas with other dealers from other areas who use the same software."

### **Business Insights**

One of RFMS' more recent projects is Business Insights, which is a platform for RFMS users to benchmark their store's metrics against others in the industry. In order to gain access to this data, an RFMS user must agree to anonymously share his or her store's metrics with the software company. The tool is meant to provide flooring deal-

ers with accurate and specific benchmarking data.

"We presently have 10% of our client base that are sharing their data which represents about 675 profit centers or stores," Wheat explained. "We have \$1.5 billion worth of annual revenue that's being reported on, and it's amazing what the [research] is saying. The information we're getting and what we're going to be able to show our client base as a benchmark is going to be just unbelievably valuable to them over the next

few years. We're able to drill down into product categories and things of that nature."

Dealers such as Reason see value in the new tool. "We set up Business Insights a couple of months ago, but we're working on moving our data around so it is comparable to other users," he explained. "Consulting firms we've used in the past want us to be able to have the data because you want to compare yourself to another flooring company, not just the Ace Hardware down the road."



## **E**FFECTS OF POLICIES ON RESHORING ACTIVITY

**By Reginald Tucker** 

ome of the key economic policies instituted by the Trump Administration were designed to reduce the tax and regulatory burden on U.S. corporations to create an environment that would attract (or retain) investment in domestic manufacturing.

This change would improve the absolute ROI on U.S. investment, motivating and enabling all U.S. companies to grow faster by investing at home. At the same time, the U.S. ROI would be improved vs. offshore investments, leveling the playing field with some of our primary trading partners—namely China-by encouraging U.S. manufacturers to take advantage of lower taxes by reinvesting in their stateside operations. The changes would also encourage those companies who already produce outside the U.S. (or are planning to do so) to "reshore" those operations and bolster their domestic capacity and, by extension, American jobs.

FCNews recently caught up with Harry Moser, founder and president of the Reshoring Initiative, and an authority on all things concerning domestic manufacturing, to discuss these issues. More importantly, to find out if the stated objectives are meeting the intended goals.

Following are excerpts of that conversation:

Is there a direct correlation to the number of manufacturing jobs coming back to the **U.S.** and the Trump Administration's policies on taxation, trade and tariffs?

There's a direct correlation between these government actions and the reshoring trends. The lower tax rate—specifically taking it down from 35% to 21%makes the return on investment in a U.S. facility much more competitive than it was before. Also, the immediate expensing of capital equipment helps companies finance the investments. In the past, suppliers had to depreciate any new equipment they purchased over the course of seven years, basically for tax purposes. Now, they can

write off the equipment in the same year in which they made the investment. This includes a factory, machine tools, a steel mill-whatever. This helps reduce their tax in the current year because they have all that depreciation. However, it hurts suppliers in the second year/third year because they don't have those years of depreciation. It shifts those write-offs forward to the year in which those expenditures are made. This definitely motivates business owners to invest in capital now.

## Research shows the U.S. economy saw a bump in 2017 as a result of the tax cuts. Has that spilled over into 2018?

In 2017 we had 170,000 (announced) manufacturing jobs come back to the U.S. But in 2018 the responding number was 145,000—down 14.7% from the year before. However, it's still the second highest number of manufacturing jobs reshored, and it's two or three



times the average of the last 10 years, excluding 2017.

## compared to 2017?

We believe it's because of the uncertainty caused by the trade war with China and all the issues with the tariffs. It's a lot of back and forth. Companies don't know what's going to happen with the supply chain or the market. Therefore, the easiest thing for them to do is stay in a holding pattern. But it's all relative; if we didn't have such a huge year in 2017, we would be bragging about 2018, because it's up a lot from 2016.

## **Looking at the various** manufacturing sectors, what industry was most impacted in 2018?

Most of the falloff in the reshoring numbers—specifically two-thirds—was in the automotive category. So if you look at the number of companies

To what do you attribute the lower number in 2018

We saw a decent rise in capital expenditures, but now it's tailing off a little bit. Again, that's due to all the uncertainty surrounding the China tariffsthe aluminum and steel tariffs and the threat of automotive tariffs.

announcing reshoring jobs

and/or foreign direct invest-

ment (FDI)—they're up

35% from 2017 to 2018. But

we didn't have as many of

the big gains when, for

example, Nissan or Toyota

puts in a whole new assem-

bly plant. Announcements

such as these typically result

in the reshoring of 3,000-

5,000 positions, not includ-

ing the smaller, local suppli-

ers who add anywhere

between 500 and 1,000 jobs

to support the additional

capacity. Most industries

were OK, but the transporta-

tion equipment number was

Do you expect to see compa-

nies continuing to reinvest?

off substantially.

## Is this strategy sustainable?

President Trump keeps bringing up new stuff-I think he has too many balls in the air. If he had just stuck to, 'Hey, we're going to fix the trade deficit' and maybe left all our trading parts alone and just focused on China—and perhaps gotten all of the other countries to help him—I think he'd be in a much better position today than having put aluminum and steel tariffs on our allies and threatening them with various actions. I think the reshoring numbers

and FDI numbers would be much better if he had done

## Where do we stand today on trade with China?

The Chinese trade surplus with the U.S. is about \$400 billion a year in their favor in terms of goods. By comparison, the Chinese trade surplus with the world is about the same number. So when you boil it down, China is "trade-neutral" (or trade balanced) in aggregate with the rest of the world, but it has a \$400 billion a year trade surplus with the U.S. That represents about half of our total goods trade deficit.

When you look at the numbers, you might say, "Damn, it looks like China is intentionally beating up the U.S., shipping us its exports (toys, clothing, refrigerators, electronics, TVs, cell phones, etc.). Either they have focused on the U.S. or we've been totally negligent in not producing the things we should have been making but did not.

## Why has there been this imbalance for so long?

Economics. Fifteen years ago, Chinese wages were about 3% of the U.S. level. Which means it costs substantially less to produce there. Also the Chinese government was very flexible to support investment by domestic and foreign firms. At the same time, the U.S. has set itself up as the dumping ground for imports by having a currency that is 20% overvalued and no value added tax.

## ANDERSON TUFTEX"

Anderson Tuftex's quality hardwoods and carpets represent what the brand stands for--history, stability, legacy, craftsmanshin and timeless heauty. Hand crafting products in the U.S. from the East Coast to the West Coast—is part of this vision.

A/T's American-made hardwoods have been brought to life in South Carolina since 1946. Every board is hand scraped and hand stained by skilled craftsmen. Since 1969, the brand's carpets have been made in Southern California and stood out for color and design. The company understands how important it is to provide good jobs to local communities in the United States.

The results are seen in every board of hardwood MADE IN and every cone of yarn. USA Anderson Tuftex recognizes that choosing a floor is a tough decision. To that end, it begins with the best materials to create floors that its customers can be confident about purchasing.

In addition, by manufacturing in the United States, Anderson Tuftex can uphold the highest quality standards and be better stewards of the planet by focus-

ing on sustainability. Its products are Cradle to Cradle certified, which verifies safe, recyclable or reusable ingredients across material health, material reutilization, renewable energy,

water stewardship and social fairness. In addition, Greenguard certification ensures A/T products meet design specifications for indoor air quality.

Anderson Tuftex does more than just create timeless, beautiful floors. It is committed to being transparent about the products are sourced, designed, manufactured and verified responsibly to better serve customers, the community and our planet.



Owned and operated in the U.S., DriTac Flooring Products has exhibited more than 60 years of American craftsmanship and leadership. DriTac manufactures premium-grade adhesives, underlayment and installation solutions for the wood MADE IN and resilient floor covering industries in commercial and residential construction. The company remains committed to providing its valued customer base with dependable, innovative and eco-friendly flooring products, and it takes great pride in stating that its flooring installation solutions are Made in the USA.

DriTac understands that America's communal and economic well-being sustains the company, its customers and the overall business environment. DriTac strives to make a difference in America and throughout the world. Its commitment and appreciation are evident in its work with groups such as Homes

> for our Troops, for which DriTac is honored to provide materials for specially adapted homes built for American veterans.

Ensuring DriTac's flooring installation solutions are manufactured entirely in the U.S., and helping to create strong, safe foundations for American homes and businesses will always be a driving force in DriTac's mission.



## We seem to be at a standstill in terms of a long-term resolution.

Trump is looking at that same data and has every right to bitch and say, 'This isn't fair and we have to fix this.' I support his efforts in this regard, but I would have been much more focused on getting the allies on board; I would have negotiated with China in private beforehand and given them a chance to agree "voluntarily" instead of beating them up in public, because if they agree to anything now they're losing face and the Chinese don't like to lose face.

Some of the companies that import from China began stockpiling inventories in advance of the tariffs with the fear a second round of tariffs would be forthcoming. This goes against the grain of the flooring industry model,

## which primarily functions on a "just-in-time inventory system." What happens if there are no additional tariffs?

If it goes to 25%, you will have the inventory. But if it doesn't you'll want to get rid of it as fast as you can. Sounds like a good time for me to negotiate for flooring for my condo.

In the flooring industry, many companies that were primarily sourcing from China have partnered with manufacturers in other Asian countries in the wake of the tariffs. Are you seeing this across other sectors?

There has been a series of articles about work flooding out of China, with most of it going to Southeast Asia to places like Vietnam, Cambodia, Indonesia, Malaysia, India.

## Is it just a matter of time, then, before Vietnam becomes the new China and we're dealing with the same issues?

That's unlikely. Vietnam has about 96 million people compared to China's population of 1.3 billion. Also, Chinese wages were rising 10-15% a year for the last 15-20 years. There are different dynamics in other parts of Southeast Asia. You don't have to move too much work out of China to flood Vietnam with business. There are simply not enough workers in Vietnam to take the flood of work and not see the same wage growth patterns we're seeing in China. So, five years from now, you might have to leave Vietnam. And by that time maybe Cambodia has gotten too

expensive to produce. So now where do you go when that happens? India? (Has significant issues.) Africa? (I don't see that.) Why go through a cycle like that every five years? Instead, we suggest U.S. companies do the math and find out the savings they will realize by coming back to the U.S.

## But with high wages in the U.S., it's not really cheaper to make products in the States.

It's not that the U.S. is the best place in general to produce, but it is, in many cases, the best place to make products that are going to be sold here in the U.S. market. For example, U.S. companies are much more competitive selling flooring in the U.S. than they would be exporting to China, Germany, etc., because they don't have to deal with duties, freight charges, inventory and so forth. U.S. manufacturing can be 15% more expensive than Chinese and still be the better choice for supplying the U.S. market.

## Part of the challenge for companies that import is the high value of the U.S. dollar compared to other currencies. How do we address this issue?

We calculate that for every 1% improvement in U.S. suppliers' costs vs. manufacturing offshore, about 150,000 manufacturing jobs come back to the U.S. One of the simplest ways of achieving that is to bring down the value of the dollar. There's a program called the Market Access Charge, which would charge anyone who wants to store money here—not to buy companies or hire people—a quarter percent to move the money into the U.S. That would motivate companies to move their money to Germany, Switzerland or maybe China, for example, which would lower the value of the dollar and raise the value of those other currencies. That, in turn, would make us more competitive. It would also make the U.S. a better place to build a factory-even if it doesn't make us as good a place to be a bank. But the fact is, we need factories more than we need additional banks.

## Interest rates play a role in that equation as well.

Lower interest rates are good for investment, and they're also good for keeping the value of the dollar down. With a higher dollar value, U.S. bonds pay a higher amount and people think the dollar is going to keep going higher and higher. Then, billions of offshore dollars flood into the U.S. to get the higher interest rate and appreciation, and that keeps the cost of manufacturing in the U.S. uncompetitive vs. the rest of the world. One way to get the dollar down is to get the interest rates down again.

## **COREtec** corner

According to Brittaney Geskey, vice president of marketing at

CORETIP OF THE WEEK

range to meet your

customer's needs.

Think of COREtec as the

Cadillac of the waterproof

flooring category—where

you'll always find the best

Floor Covering Associates, when the COREtec line was first unveiled at Surfaces, she and FCA founder Bob Hill were confused by the product. "A sandwich materials

claiming to be waterproof? Huh?" she recalled. "However, at FCA, we always respect new technology and innovation and decided to bring the displays into all five of our stores."

The response was immediate—customers drove 40-plus miles to visit the showroom and purchase COREtec. "It didn't take long to realize how powerful the COREtec brand was," Geskey said. "It not only stood up to every moisture challenge a home could face, but it looked great, too. We often joke that our sales team drinks the COREtec Kool-Aid as many of our designers gravitate

> directly to the COREtec displays when selecting products for their clients."

Geskey said quality and looks in the price COREtec has become a household name as consumers often visit

their showrooms looking for waterproof flooring and then promptly ask for COREtec specifically. "We are currently designing our very own waterproof flooring gallery in each of our showroom locations, which will showcase large surfboard samples of the COREtec products hung on the walls surrounding the gallery. Our newest showroom in the greater Kankakee, Ill., area even exhibits a COREtec water feature, which includes a 15-foot waterfall."

The entire team at Floor



**USFloors** president Piet Dossche, right, joins FCA's Bob Hill, president; Michelle Allott, VP of sales; and Brittaney Geskey, VP of marketing.

Covering Associates is excited for the arrival of COREtec Stone. As Geskey explained, "The ingenious technology that Piet (Dossche. president of USFloors) and his team have immersed into this will undoubtedly change the flooring industry—again. We anticipate this will be another apex product and we are proud to continue our trusted partnership with Piet and his amazing team at USFloors."

## Engineered FLOORS.

Made in America isn't just a marketing phrase to Engineered Floors, it's a commitment to Dalton—the community that THE REAL PROPERTY. has given so much to EF. In MADE IN 2013, Engineered Floors USA broke ground on the first phase of the "SAM" plant; since then the facility has gone through multiple stages of growth. Today the plant is on its seventh phase of expansion.

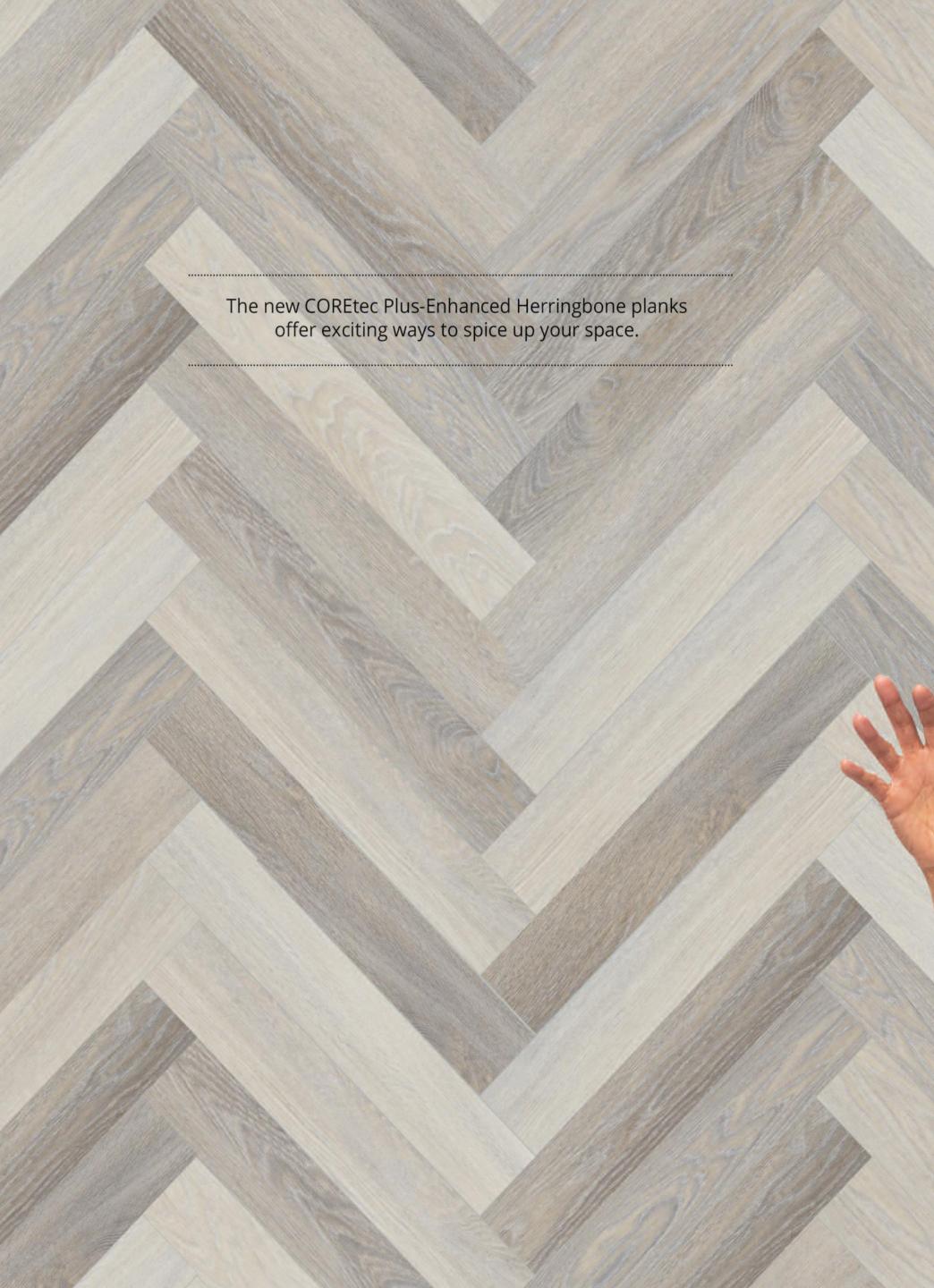
"We are currently expanding to make room for new twisting and heat-setting machines," said Rob Neal, plant manager. "We are also adding space for yarn warehousing. The facility's walls, on the west side, are made to be moved easily for further growth. The expansion is expected to increase SAM's workforce by approximately 20%."

Additionally, EF's new modular plant, which began production in early 2018, covers

535,000 square feet. However, the plant can easily double its square footage. "We believe it will

have one of the largest capacities in the U.S.," said James Lesslie, president of commercial.

Engineered Floors builds facilities with expansion and growth as a priority. That's not just growth for EF, but for the surrounding communities as well. As Bob Shaw, founder and CEO stated, "We have serious capital dollars in Dalton. We're prepared and ready to take on projects that are worthwhile."





## IT'S YOUR STYLE

SHOW IT OFF.

COREtec is 100% waterproof, kidproof, petproof *AND* low maintenance. So you can spend less time cleaning and more time enjoying.

WHAT'S IN YOUR CORE?



## FLOORING DEALERS WEIGH IN ON MADE IN USA ADVANTAGE

I believe Made in the USA is important, but when it comes to cost and value, the majority of consumers will sacrifice where it was made in order to get a better value and save money. In many cases, the cost savings is significant. We rarely have to deal with finding Made in America products for people as it simply does not become a factor. Even the tariffs have not affected the sales of our imported products.

—John Taylor, Taylor Carpet One Fort Myers, Fla.

The majority of customers prefer Made in USA, but few customers are willing to pay extra. I personally think it is very important to buy U.S.-made products and I am also willing to pay extra for those quality products. I believe our standards and quality controls are much higher and therefore you are receiving a higher level of product that will perform better.

—Kevin Rose, Carpetland USA Rockford, Ill.

Overall, I feel our consumers would prefer to purchase Made in the USA products over imported products. However, in most cases they're not going to pay a premium in order to do so. Recently, the sale of Made in the USA products has been much easier with the imposed tariffs late last year. As long as Made in the USA products can be competitive against similar imported products in regards to price, I do believe the consumer would prefer to purchase Made in the USA products when given the choice.

—Eric Langan, Carpetland USA Davenport, Iowa

Where applicable, we make it a point to promote Made in USA products. In fact, we give preference to those products produced by and made in the USA. However, clients are still strongly driven by product and value, and if an American-made product is well styled and reasonably priced, the Made in USA label resonates. But a Made in USA label won't carry any weight if the product is poorly styled and overpriced.

—Bobby Merideth, Flooring America OKC Oklahoma City, Okla.



Founded in 1952, Foss Floors is a leading, American textile manufacturer producing some of the most versatile product offerings for the flooring industry. Foss products range from area rugs, broadloom carpet and modular options such as carpet tiles and planks in a wide range of styles and colors that are built for enduring performance—indoors and out.

Foss Floors has invested heavily in some of the most modern manufacturing facilities in the world and produces flooring in three plants located in North Georgia. State-of-theart equipment enables Foss to provide patterns that were

previously impossible for non-tufted carpet products. Exclusive Duralock technology eliminates the need for secondary backing and will never fray or unravel.

All of Foss Floors carpet tiles and planks feature the company's exclusive self-stick technology. These products can be installed over virtually any surface, includ-

Foss Floors' DuraKnit technology provides unmatched performance characteristics for tra-

ing carpet.

ditional install over pad and will never wrinkle or "zipper." The recently launched line of Grizzly Grass products is revolutionizing the synthetic grass market with

exclusive constructions that dry fast and are weather-proof.

All Foss Floors products now feature the Foss Lifetime Warranty, and all Foss Floors carpet collections are made in the U.S. from 100% PET fiber made from recycled post-consumer plastic bottles. From the homeowner to the business owner and do-it-yourselfer, Foss Floors offers some of most versatile flooring collections available today.

A survey by Reuters and Ipsos found that seven in 10 Americans polled thought it was "very important" or "somewhat important" to buy U.S.-made products. However, 37% of respondents said they would not pay any more for U.S. goods, while 26% said they would only pay up to 5% more for such goods and 21% would fork over no more than 10%.

FCNews asked some retailers about their experiences:

Our customer base epitomizes the national trend: most every one of our customers thinks and feels it is important to buy U.S.-made products. But, truthfully, very few of them are actually willing to pay more for those products. So, if the prices on two comparable products are the same, and one is made in the USA and one is made in China, then Made in the USA wins every time. That's because in that specific scenario, the home-grown message resonates in a powerful and value-adding manner. However, if the foreign-made product is comparable in specs, quality and visuals, but 15% cheaper, then cheaper wins almost every time.

—Kevin Frazier, Frazier Carpet One Floor & Home Knoxville, Tenn.

Made in USA is important to our company and our community. Our community grew tremendously during World War II due to the only mining of bauxite [the main source of aluminum] for the war; many of our elder customers want to buy American and are proud to see our stickers, decals, flags, etc., designating Made in USA on our merchandise. However, we have found our younger clients want to buy Made in USA, but do not want to pay premium over a similar product.

—Carlton Billingsley, Floors and More Benton, Ark.



As the world's largest flooring and manufacturer, Mohawk brings sum quality flooring to families around the globe, but its roots are solidly planted in America. This is where it got its start more than 140 years ago, and this is where it continues to get its inspiration, ingenuity and drive.

Mohawk's real competitive edge comes down to the quality of its people. Mohawk employs more than 20,000 U.S. employees who come to work every day determined to create the best American-made products with persistence, innovation, cutting-edge technology and good old-fashioned hard work. From South Carolina to Washington, Mohawk operates manufacturing facilities representing every category of product, including carpet, hardwood, vinyl, ceramic and resilient.

In each of these communities, Mohawk makes an impact on a daily basis. It is dedicated to innovation, which ensures employees and retailers that they are making and selling products that consumers want. Mohawk, its employees and its retailers support

the American economy, local businesses and worthwhile organizations and causes such as joining Susan G. Komen in

the fight against breast cancer. Mohawk is committed to making communities around the nation a better place in which to live by making its products and processes more sustainable.

Mohawk invests in communities like Melbourne, Ark., where it has expanded its plant to be the only one in the country capable of producing both solid and engineered prefinished hardwood flooring with larger dimensions and more characteristic styling.

Mohawk and its employees are proof that the American spirit of the entrepreneur and the generosity of the American heart are alive and well. At Mohawk, "Made in the USA" is more than a slogan. It's a proud way of life.



## MILLS STEP UP DOMESTIC EFFORTS

By Ken Ryan

n 2018, 264,000 new manufacturing jobs were added in the U.S., representing the highest number of new workers since 1988. As a percent of the total workforce, manufacturing rose for the first time since 1984.

Clearly, manufacturing in the U.S. has seen an uptick, and in its own small way the flooring industry is doing its part. The flooring industry's major manufacturers are investing millions and-in some cases-billions of dollars in new domestic manufacturing to contribute to the onshoring trend.

Some flooring executives said the 10% tariff levied against Chinese imports by the Trump administration had little impact on domestic production—at least so far-because there is little capacity in place. However, others said the tariffs helped the justification for capital and the urgency to manufacture domestically. That has been the case at Mannington, which has invested heavily in domestic manufacturing over the last several years.

"Those investments have worked out well for Mannington and for our customers and are performing very well," said Russell Grizzle, president and CEO, Mannington Mills. "We plan to continue this trend across all products. The most immediate is the startup of the new rigid core LVT plant in the next few months." In the last few years Grizzle said the company added over 400 jobs in the U.S.

In the past four years, Mohawk Industries has invested in eight plants to the tune of at least \$700 million. Just as impressive, 90% of what the company produces is being sold here at home. From South Carolina to Washington, Mohawk operates manufacturing facilities representing every category of product, including carpet, hardwood, vinyl, ceramic and resilient. In all, it employs more than 20,000 U.S. employees.

In recent years, Shaw has invested more than \$1.5 billion in its U.S. operations, including expansion and modernization efforts throughout the Southeast and across a wide variety of floor-

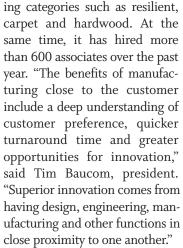
4mm fiberglass sheet that can be loose laid or glued down. All products feature the company's G88 advanced coating system. A FloorNation rigid product is set to launch in the third quarter in the

Raskin said FloorNation proreliable sellers and follow the lat-

> product that works with the interior finishes so the designer can pick up the color of the floor to work with the room."

With a domestically made product, Raskin feels his customers will have faster turns and thus won't have to keep as much inventory. "We do a good job with our imported lines, but no one can say they are 100% certain [it will arrive in time], so this increases the chances of getting more com-

FloorNation has made a huge difference for T&L Distributing in Houston, improving the company's ability to service customers on a timely basis. "The product is being built in Ohio, and they are carrying product in Ohio," a spokesperson said. "I can have the product in one to two weeks as opposed to eight to 10 weeks [if imported]. That is



Baucom said Shaw's agility in the current market has allowed it to increase not only production, but also create increasingly highskilled employment opportunities in local communities.

Domestic manufacturing is nothing new at Armstrong Flooring. As senior vice president Dominic Rice pointed out, U.S. production is part of the company's DNA, which started 150 years ago. In recent years, Armstrong Flooring has emphasized the wide range of resilient flooring that it manufactures domestically through a "Made in USA" initiative with online campaigns and designations on its website, in product literature, and even emblazoned on the floor of its booth at Surfaces. "For the most part, we manufacture product in the same market where it is sold, so most of what we manufacture in North America is sold here," Rice said.

Armstrong Flooring manufactures a wide range of resilient flooring in the U.S., including Vivero and Natural Creations LVT in Lancaster, Pa., American Personality 12 LVT, made in Stillwater, Okla., and Alterna engineered tile in Kankakee, Ill. It also manufactures VCT, its BBT



bio-based flooring and vinyl sheet domestically.

The advantages of domestic manufacturing allow companies like Mannington to control its own destiny. "If we manufacture locally, it is easier to plan and meet the demands of our customers in both service and design," Grizzle said. "We prefer to invest more in state-of-the-art equipment that is flexible to these demands rather than long supply chains and inventory that can quickly become obsolete with changes in the marketplace."

Manufacturing in the U.S. also gives companies greater product control, improved lead times and the ability to rapidly integrate customer feedback into the product design and development cycle. "Domestic manufacturing puts us in close proximity to raw materials, such as the limestone that is a key ingredient in a number of our products," Rice said. "Locating production close to both raw materials and end markets reduces transportation costs and the related environmental impact."

The increase in domestic production among flooring manufacturers comes amidst a shortage in skilled labor that has negatively impacted every industry. To help drive innovation in both product

and processes, Armstrong started an engineering leadership development program that recruits graduates from engineering colleges and gives them an opportunity to work in multiple roles, departments and locations in their first few years. "This provides them with a valuable overview of our company," Rice said. "In the communities where we operate manufacturing facilities, we have a legacy as a longtime employer, offering internal development resources and opportunities for leaders to advance their careers in a global company."

Baucom noted that as technology and manufacturing sophistication continue to evolve, this fast-changing landscape requires innovative workers. To that end, Shaw is taking steps to "ensure the workforce of the future is ready to meet any challenges and create innovative solutions for our company."

As well, Mohawk has been actively hiring skilled individuals for highly automated jobs at its various plants. "The technical expertise required for most of our new plants is at an associate engineer level," said Tom Lape, president of Mohawk Residential. "So, we are expanding the right type of employment."



It has been three years since Raskin Industries launched FloorNation, its first foray into domestic LVT production. And the phthalatefree, virgin vinyl flooring has played to rave reviews from both distributors and retailers.

"Having product made in the USA offers some significant selling points," said Michael Raskin, president. "We have MADE IN the ability to deliver hun-USA dreds of thousands of square feet in less than three weeks without the need to stock in a distributor's warehouse."

In addition, FloorNation is absolved from any tariff or environmental issues that can plague some imported products. "The pricing is more stable," Raskin explained. "Plus, China is cracking down on some factories for environmental issues that do not exist with our domestic product."

FloorNation is offered in three lines, all bearing patriotic themes: Freedom is 2.5mm thick with a 12mil wear layer in a 7 x 48 format with unique embossing; Pride includes two collections that feature 3mm, 20-mil wear layer constructions in a 7 x 48 format, distinguished by varying textures, along with tiles; and Glory is a line's best selling colors.

vides traditional looks that are est color trends with variations of grays and multicolors with gray mixed tones. "It is about having

The domestic production of huge for my business."



As a both a customer- and consumer-centric manufacturer. Shaw Industries seeks to consistently meet and exceed the needs of both those audiences. This means continuously driving innovation forward, focusing on high levels of style and design, quality and efficiency to create the best products for its customers.

Upgrading and expanding its existing facilities to incorporate the latest, state-of-the-art technology and processes allows Shaw to continue growing with consumer trends and manufacturing needs. Over the past few

years, Shaw has invested more than \$1.5 billion in its U.S. operations-including expansion and

modernization efforts throughout the Southeast—and across a wide variety of flooring categories including resilient, MADE IN carpet and hardwood.

Shaw seeks to streamline its domestic manufacturing processes as well. Shaw's combined heat and power (CHP) plant at its fiber production facility in Columbia, S.C., has allowed the company to produce energy equal to taking almost 5,500 passenger vehicles from the road each year while allowing it to operate efficiently and invest resources in innovation to meet customer demands.

At Shaw, people are at the heart of its business and allow the company to continue creating its expansive portfolio of industryleading products. The talented and diverse 22,000 individuals

> working for Shaw are passionate about creating products that are the foundation for consumers'

Shaw understands it has a responsibility to contribute to economic prosperity in the communities in which it operates. Shaw's investments in domestic manufacturing have created hundreds of new jobs. The company will continue to grow, working to ensure its people thrive and its processes evolve.

## SUPPLIERS GAIN GROUND DEVELOPING WPC, SPC IN U.S.

By Lindsay Baillie

ohawk Flooring started producing multilayer flooring products domestically in 2015. A year later, Shaw Floors officially opened its Plant RP in Ringgold, Ga., for the domestic production of rigid products. In June 2019, Lico plans to begin production of its Hydro Fix Comfort Core—a Swiss

quality product—in the U.S.

As WPC and SPC continue to take the flooring industry by storm, more manufacturers are looking into cost-effective ways of bringing their production of rigid products to the U.S. Armstrong Flooring, for example, is currently evaluating the possibility of repurposing an existing domestic facility for the production of rigid core. However, the company does

not have a specific timetable as to when this will be completed.

Armstrong Flooring is not alone. Congoleum is currently reinvesting in its tile plant in Trenton, N.J., to allow for rigid production in the future. While Congoleum does not have a specific date for rigid production, the company stressed that as a domestic

manufacturer for over 130 years its priority is to continue growing its resilient production in the U.S.

While domestic rigid production is certain to grow, suppliers agree there will always be a need for imports—specifically to meet the growing demand for WPC and SPC flooring. In fact, some flooring

suppliers say they will continue to exclusively import rigid products. For example, CFL—which recently established new manufacturing facilities in Taiwan and Vietnam—currently has no immediate plans to bring its rigid production to the U.S.

For more on the Made in the USA series, visit fcnews.net.



Tarkett North America now offers both soft and resilient surfaces for every room of the home, making sure homeowners have healthy, practical and beautiful flooring solutions that coordinate flawlessly from one space to the next.

From weekend DIY projects with easy installation to whole-house carpet replacements, Tarkett offers all the flooring needs for a busy household. Consumers will find waterproof options designed around the

needs of bathrooms, kitchens and laundry rooms as well as soft, lux-

urious carpets that provide cushion and warmth everywhere else.

Tarkett's residential carpets (formerly branded Lexmark) are designed and manufactured in Dalton, Ga., to keep quality high, carbon emissions low and local economies strong. Browse the entire pattern and color offering at lexmarkcarpet.com, or find resilient solutions at tarkettna.com.

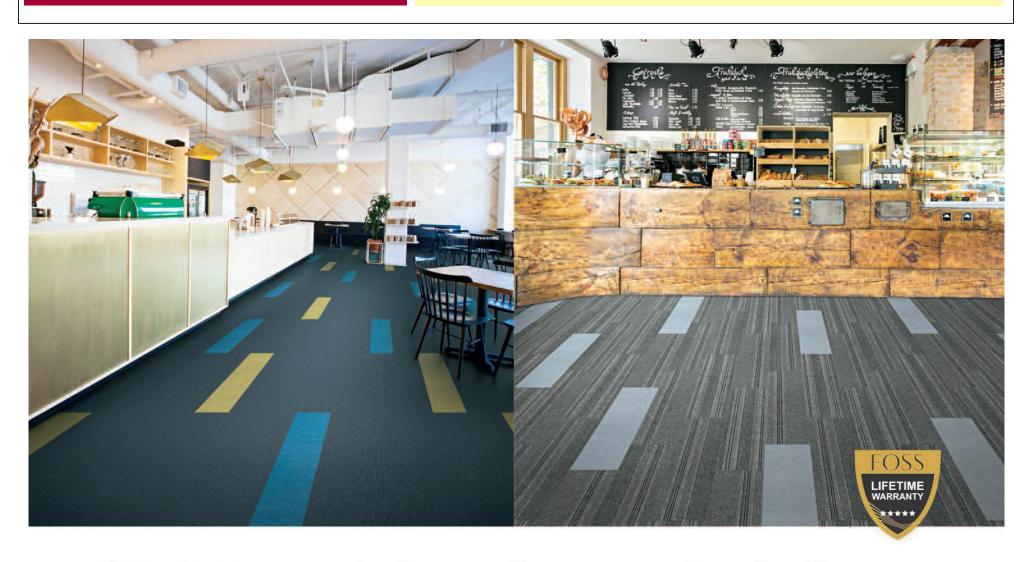
No story about Tarkett is complete without the mention of

its sustainability. Since 2010, Tarkett has been designing its resilient and soft surface products so that they contribute to better indoor air quality, and many of those products now have ratings that are 10 to 100 times below the strictest total volatile

organic compound (TVOC) standards in the world.

In 2001, Tarkett began removing ortho-phthalates from its products—and by 2013, it had eliminated them from all of its purchasing.

By 2020, Tarkett expects 100% of its raw materials to be third-party assessed for health and planet impacts. Today, the company is at 95%.





Shaw Floors' Plant RP in Ringgold, Ga., has the

capability to produce rigid core products.

## A Plethora of Patterns in Planks

Weatherproof. Pet-proof. Party-proof. Zipperproof. Home or Business. Backed by a warranty second to none. Commercial-grade, self-stick, carpet tiles and planks. Carpet. Reinvented.

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## A look back at 2018's top introductions

n a marketplace plagued by "me-too" products, it is up to manufacturers to develop standout flooring. Whether it's carpet, hardwood, laminate, tile or resilient, suppliers have had to step up their game in style, design and performance to excite

flooring dealers and customers alike.

In 2018, the industry saw a plethora of new products enter the scene. Following is an overview of those products that stood out to flooring retailers.

### By Lindsay Baillie and Ken Ryan



## **Terra Linda by Anderson Tuftex**

**About the product:** Terra Linda is a 100% Stainmaster Luxerell BCF nylon carpet with textured styled. Available in 24 colors the signature product also features A/T's Softbac Platinum Backing.



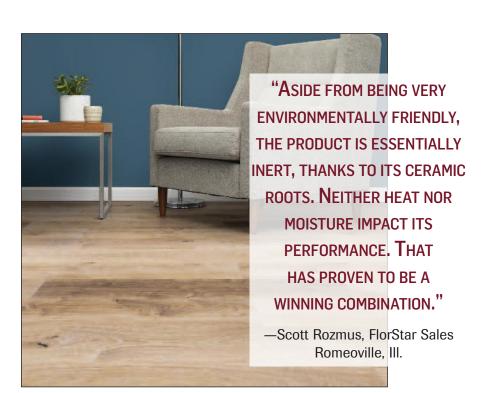
### **Adventure II by Engineered Floors**

**About the product:** EF's Adventure II is a 5.5mm luxury vinyl plank with a 22-mil wear layer and a ceramic bead finish. Available in nine wood-look visuals, the 7 x 48-inch plank can be installed floating and comes with a 10-year commercial warranty and a lifetime residential warranty. What's more, Adventure II is Floorscore certified for indoor air quality.



## Sierra Nevada by Audacity from CFL

**About the product:** Audacity's water-resistant laminate floors are available in five collections—Classic Naturals, Hearthside, Lodge, Monticello and Vintage. In the U.S. and in Canada, Audacity Flooring is sold exclusively through select Armstrong Flooring distributors.



### **Sono by Inhaus**

**About the product:** Sono is a 100% recyclable, PVC-free flooring that is made up of 60% mineral powder and 40% polypropylene. Sono is waterproof, easy to install and highly stable under both humidity and heat. The company continues to invest in its digital printing to ensure quality, on-trend visuals.

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## **RevWood Plus by Mohawk**

**About the product:** RevWood Plus is a revolutionary wood floor destined to make consumers rethink the wood category. RevWood Plus planks offer reliable durability that resist stains, scratches and dents. Thanks to its 100% waterproof flooring system, spills, accidents and tracked-in-stain-makers are kept on the surface for quick, easy cleanup.



"We've done some large projects with the sand castle color from Sweet Memories. The color, texture and their DuraMatt finish—which is a low sheen—makes it look like a very natural floor."

—Karla Wischmeyer, Verhey Carpets Grand Rapids, Mich.

## **Sweet Memories collection by Mirage**

**About the product:** Mirage's Sweet Memories collection features the manufacturer's exclusive staining and brushing processes to create floors with the charm of yesteryear. Variations, knots, cracks and other natural characteristics help to create the collection's authentic appearance.

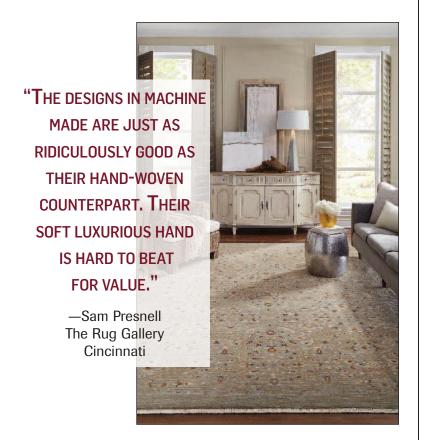


"ACRYLX HAS BEEN A KILLER LINE FOR US AND IT'S ABOUT TO GET EVEN BETTER WITH THE ADDITION OF GENCORE AND BROOKLYN RESERVE. RASKIN IS GREAT ABOUT CREATING THE RIGHT SPEC AT A PRICE POINT WITH SOME OF THE MOST STUNNING DECORS ON THE MARKET."

—Jessica Murphy, Gilford-Johnson Flooring Jeffersonville, Ind.

## **Acrylx by Raskin**

**About the product:** Acrylx is a solid surface waterproof floor available in three collections: Premier Home, Premier XL and Premier G-Core XL. Acrylx's high-density core is made of pure materials and minerals that are tightly bonded with polymers to create a solid core that is more impact resistant and denser than other floors.



## **Titanium by Karastan**

**About the product:** Karastan's Titanium rug collection is grounded by a careful combination of both traditional and transitional patterns. The collection is meant to satisfy a craving for contrast with a fashion-forward fusion of matte and sheen finishes.



## **Great California Oak by Republic Floors**

**About the product:** Great California Oak is an extra-wide, pure SPC floor with beveled edges and realistic grains. The 100% waterproof flooring carries a limited 25-year residential warranty and a limited 10-year commercial warranty. What's more, it features the company's new anti-bacterial EVA underlayment padding.

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## marketing mastery

## How to 'wow' your walk-in customers

(First of two parts) he No. 1 reason customers don't buy is lack of 'wow.' We're not losing customers to competitors, we're losing them to other industries." That's according to Terry Wheat, founder of RFMS, in a recent presentation on selling. I tend to agree with his assessment. When a customer walks out without buying and disappears into the ether, most dealers think they lost her to a competitor. While this is sometimes true, oftentimes the customer decided to buy a TV instead. Why does this happen?

Since I founded Flooring Success Systems in 2007, I've been preaching to dealers that it's essential to impress your customers. But when I walk into most showrooms, I often get the opposite effect. In fact, it's oftentimes downright depressing. Following are some examples from showrooms I've visited in the last year.

One dealer had a massive showroom stacked floor to ceiling with racks holding thousands of samples, with narrow aisles in between. The windows were

## YOU ONLY GET ONE CHANCE TO MAKE A FIRST IMPRESSION. MAKE SURE IT'S A FAVORABLE ONE.

blocked, and you couldn't see more than about 20 feet.

Another showroom was so cold I had to put my jacket on. It also was stacked nearly floor to ceiling with display racks. If I was actually shopping for flooring that day I, might have gone to Best Buy where the showroom is bright, exciting and fun, and blown my flooring budget on a flat screen TV just to cheer myself up.

Following are some of the main commonalities I found in many of the stores I've visited:

Way too many display racks. Sometimes stacked floor-to-ceiling, oftentimes blocking windows and generally creating a claustrophobic effect. Why does anyone think that this is a good idea? You don't need 107 samples of light beige carpet.



JIM AUGUSTUS **ARMSTRONG** 

You need to curate and create open space.

They smelled like chemicals—or worse. At best, new flooring products have a chemical odor—and if they sat in a warehouse, you can add dust to the mix. This is not a smell that inspires people to open their wallets. Bake some cookies or bread and make your showroom smell like home instead of a dusty warehouse. Keep your store cleaned and vacuumed, including your carpet samples.

No music on the PA system. This was one of the most depressing aspects of so many of the stores I visited. Ladies and gentlemen, you've got to start putting yourself into Cathy Consumer's shoes. She's spent hours online looking at flooring. She's excited about finally get-

ting new floors.
Finally, she decides to visit some stores. On the way she stops at Starbucks where the interior is clean, open, cheerful and

happy. She walks inside, smiling a little as she inhales the delicious aroma of fresh ground coffee. There's a hum of pleasant sounds: drinks being made, customers chatting and pleasant background music. She gets her caramel latte to go, climbs into her SUV and heads to the first flooring store on her list. (Maybe yours?) She walks inside, smiling a little in anticipation of finding the floor of her dreams.

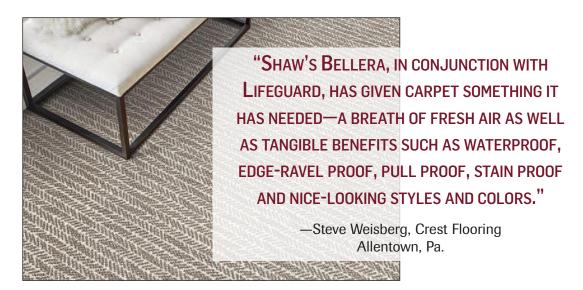
Subconsciously she's expecting an experience on par with her visit to Starbucks. Instead, she experiences the polar opposite. Why not put her at ease by playing some cheerful background music?

Remember: You only get one chance to make a first impression. Make sure it's a favorable

Jim Augustus Armstrong is the founder and president of Flooring Success Systems, a company that provides floor dealers with digital and offline marketing services, and coaching to equip dealers to make more money, work fewer hour, and get their lives back. For information visit FlooringSuccessSystems.com.

## 2018 intros

Continued from page 21



## **Bellera by Shaw Floors**

**About the product:** Created with a holistic approach to meet the design and performance needs of consumers, Bellera is a top-to-bottom innovation known for style and durability. With Bellera, Shaw's new Endurance high-performance fiber is combined with proven technologies such as R2X soil and stain resistance and LifeGuard backing to create a worry-free carpet.



### **Harbor Plank by Southwind**

**About the product:** The Harbor Plank series features planks 6 x 48, with a high-density wood plastic composite core and a Uniclic locking system. Attached to each luxury vinyl plank is the Southwind IXPE underlayment pad, which is impervious to water, hides subfloor imperfections, provides added sound absorption and comfort underfoot.



## **COREtec Pro Plus by USFloors**

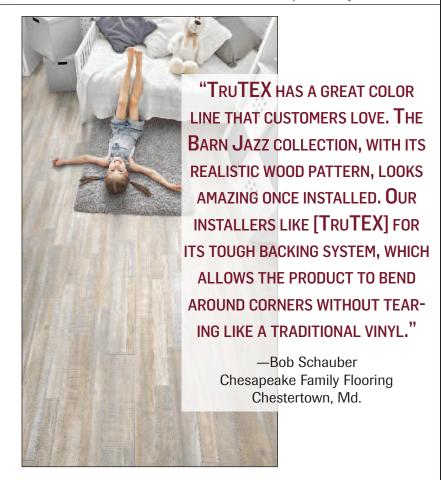
**About the product:** The COREtec Pro Plus Series consists of two collections: COREtec Pro Plus (5mm total thickness) and COREtec Pro Plus Enhanced (7mm total thickness). COREtec Pro Plus Enhanced includes all the features of the Pro Plus collection coupled with a four-sided enhanced bevel for added realism.

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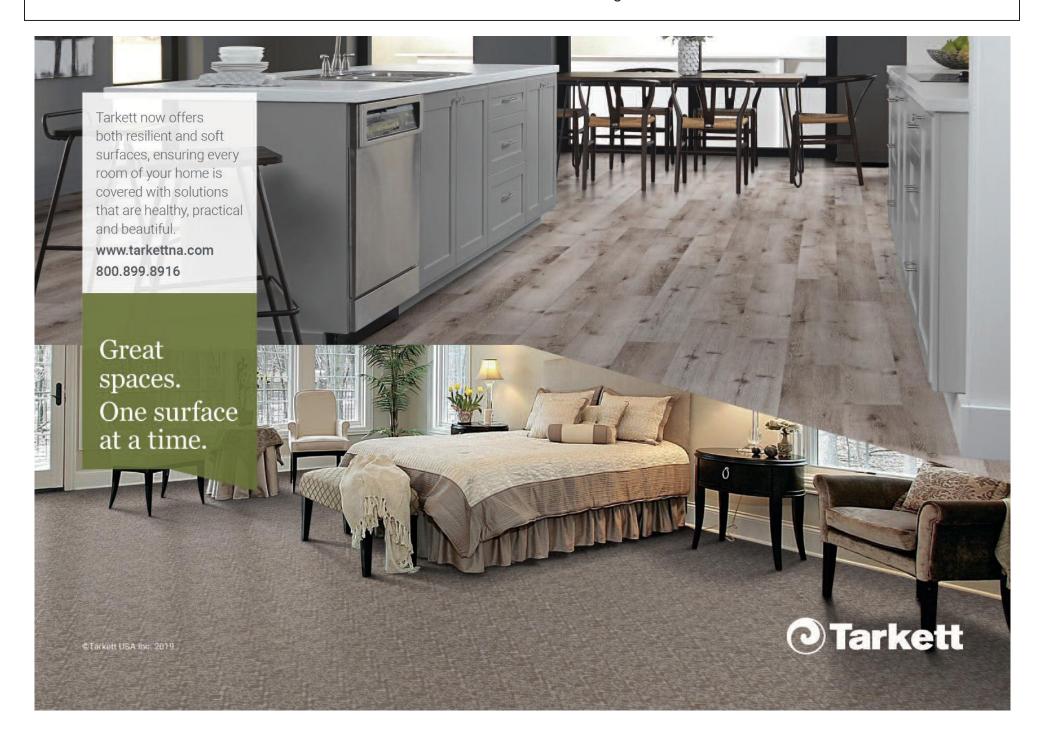
## **Radius by Stanton Carpet**

**About the product:** Stanton's Radius broadloom carpet is available in Stanton Street, the company's Decorative Commercial line. Radius is a cut-pile nylon and is crafted for residential to heavy commercial application.



## **TruTEX** by **Tarkett**

**About the product:** With its unique textile backing, TruTEX luxury sheet flooring resists mold and mildew while adding superior strength against rips, tears and gouges. With 20 realistic, high-definition stone and wood designs, TruTEX is easy to install over existing floor coverings, greatly reducing the time spent preparing subfloors.



## **Self-levelers smooth** over rough subfloors

By Lindsay Baillie

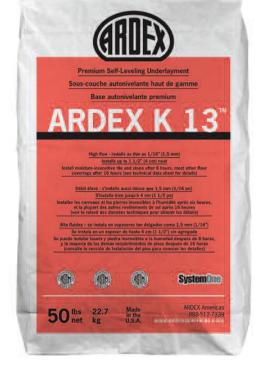
her floor, the product must be installed properly. As retailers, or a consumer to get the most out of installers and contractors know, the success of any installation starts with a properly prepped substrate.

To help installers with this important step, manufacturers are developing new selflevelers to shorten prep time and create better working environments for all on the construction site. Here is an overview of some of the latest products hitting the market.

## Ardex - Ardex K13

Ardex K13 has a dual water ratio, allowing installers to choose a high flow or standard flow option for their installation. When choosing the standard flow option, the product can be installed up to 1 1/2inch without aggregate and tapered to meet existing elevations. The high flow option has outstanding fluidity and coverage. It can be installed as thin as 1/6inch but still maintains ideal selfleveling properties in these thin applications.

The Ardex K13 unique dual water ratio allows installers the flexibility to adjust to the jobsite requirements with a single product. The installation crew can change water ratios from job to job or even bag to bag on any install to



cater to their preference. The product still maintains a 16-hour dry time at both water ratios for most floor coverings. These features are said to provide reduced cost and rapid turn-around fitting any timeline.

## **Custom Building Products -**CustomTech TechLevel WSF

CustomTech TechLevel WSF is a fiber-reinforced, self-leveling underlayment for wood subfloors. Due to its fiber reinforcement, lath is not required for plywood or OSB substrates. What's more, WSF is compatible with radiant heating systems and can be used in place of backerboard over most applications. It can also be used over non-wood floors, providing one product for all types of subfloors.

CustomTech's low-prep technology requires no mechanical prep for suitable substrates. It helps installers save time by eliminating the labor involved in installing a wire lath before leveling. "This is a high-flow formula with excellent handling and exceptional flow retention properties that helps production rates," said Eric Carr, senior director of product and channel management.



## Schönox – Renotex 3D System

Schönox's new Renotex 3D System is designed to exceed the material standards of new and remodfloor renovation system.

substrate. The high density of this underlayment allows for walkability at any time. Any gaps around the perimeter should be closed adhering the RS 50 foam tape to any vertical structure. The Schönox Renotex 3D reinforcement fabric is then cut to shape and flattened lengthwise to overlap approximately 2 inches. Finally, the Schönox AP Rapid Plus self-leveling com-

pound is poured. The system cures in as little as 24 hours to a completely decoupled, floating and selfbearing system.

## eling projects. This versatile and customizable system combines Renotex 3D, a sound and insulation sheet, Schönox RS 50 foam tape and Schönox AP Rapid Plus to provide a fast and cost-effective sub-First, the sound and insulation sheet is cut to size and loosely laid, sheet to sheet, on the wooden

## MAPEI - Polyplan RSL Rapid Self-Leveler

Polyplan RSL is a two-part self-leveling compound. It is provided in a 30 lb. bag of powder and a 1-gallon bag of liquid latex. Due to this configuration, no on-site water is needed other than wash water, and the compound cannot be over or under watered.

Polyplan RSL does not require the use of a primer over non-porous substrates, making it a time saver for installers. It also has a very fast cure time and is ready for the installation of vinyl flooring three hours after application.

"We chose to put Part B of Polyplan RSL in a plastic bag rather than 1-gallon plastic jug," explained Jeff Johnson, FCIS product manager. "The reason being if you are using Polyplan RSL on a job of any size you would have a mountain of gallon jugs to get rid of. By using a plastic bag, you will reduce the volume of waste generated and it is actually less plastic by weight as compared to a plastic jug."



## Sika - Sika Level-425

Sika Level-425 is a dustreduced, high-flow, highstrength self-leveler. Sika Level-425's dust-reduced technology allows for a clean installation in areas such as medical facilities, libraries, domestic properties, industrial environments and cafeterias. It is a very low-shrinkage, smooth self-leveler that allows most floor coverings to be installed in as little as 16 hours. Apply Sika Level-425 from as little as 1/6-inch up to



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## install*ments*



## When you can't wait for concrete to dry

hen installing finished flooring materials over concrete, general contractors on a tight construction schedule often face a catch-22 situation. They know a concrete slab needs to be sufficiently dry before installation, but they also realize the drying process can be a slow-moving affair.

Due to schedule pressures, finished floor surfaces are sometimes installed when concrete is too wet-often resulting in flooring failures, costly repairs and even legal action. Fortunately, several options are available to speed up the drying process.

Use the right mix. The more water you put in a concrete mix, the more must come out. If the mix has a high water-cement ratio, it produces more capillaries for moisture to exit quickly. But since more water must leave, the concrete takes longer to dry.

## THE ONLY ACCURATE WAY TO ASSESS A SLAB'S OVERALL **MOISTURE CONDITION IS TO TEST** BELOW THE SURFACE OF THE SLAB. the condensation process

On the other hand, concrete with a low water-cement ratio has fewer capillaries to transport moisture to the surface. This not only delays drying time but also causes cracks to appear in the floor once the concrete dries. Desiccation agents or synthetic aggregate substitutes may help reduce the initial water content, but each comes with the risk for cracking or shrinking. Other admixtures such as silica fume work well, but their higher cost may outweigh the benefits.

Trowel with care. Avoid slick, hard-troweled finishes as they can actually seal the surface of the concrete and prevent moisture from escaping. Using a high blade angle, high blade speed or attempting to burnish too quickly can also have the same effect. Rushing the troweling will increase drying time.

Manage ambient conditions. Managing the ambient conditions surrounding the concrete slab can also helps speed up the drying process. These conditions include:



**JASON SPANGLER** 

Air temperature—Warmer temperatures hold more moisture vapor than cold air and can speed up drying.

Airflow—Evaporated moisture often resettles on the surface of the slab. Using dehumidification equipment to extract moisture out of the air allows for a continuous drying cycle.

Relative humidity (RH)— When the air outside the slab has a low RH, more moisture can escape to speed up drying. When the RH outside is higher than the internal RH, the concrete may

reabsorb moisture and slow down drying.

Dehumidification. Three dehumidification processes are available to accelerate drying. First,

uses cooling-based dehumidifiers to cool air and drop the dew point so moisture can be collected and drawn away. Second, the heating process raises the dew point of the surrounding air so it can absorb more moisture from the surface and send it through a collection system. Third, desiccant drying involves moving humid air across a desiccant material that binds and holds the moisture before venting it away.

Mitigation system. A lastditch effort to speed up a slab's readiness entails using a mitigation system. These types of products encapsulate the moisture in the slab, allowing amounts of moisture to escape that won't negatively impact the installed flooring finish.

Concrete moisture testing. While these drying measures can help speed up the drying process, at some point you must measure the slab's current moisture condition. The only accurate way to assess a slab's overall moisture condition is to test below the surface of the slab.

Jason Spangler is the flooring division manager for Wagner Meters. He has more than 25 years' experience in sales and sales management across a broad spectrum of industries.

## Domotex asia Continued from page 3

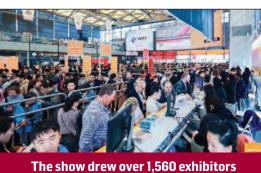
way to meet local companies. One day before the fair I made many good contacts, so I was able to follow up during

the exhibition days at their stands."

Luxury **Brands** Carpet Show. The third edition of the Luxury Brands Carpet Show was a visitor favorite, welcoming both new and returning design companies. Curated by COVER magazine, the pavilion was once again set up as a gallery style viewing area

that naturally led visitors to each company's carpet art. Opening its doors with an exclusive net-

working cocktail, the area became a connecting point of the international high-end luxury rug brands and local interior designers. As part of the Luxury Brands show for 2019, there



were series of talks by exhibitors and COVER magazine, on the

from around the world.

tance for interiors and future rug trends.

Chinese Original Carpet Design Show. More than 50 local designers took part in the online competition and were

> judged on style, pattern and interior matching by three of the industry's leading international media publications: HALI, Carpet XL and Decostyle. Twentyfive selected pieces were shown on site, where the professional jury chose the top 13 carpets. The winners received design awards and were published in INTERNI, the leading Chinese interior

design publication.

For more information, visit: domotexasiachinafloor.com

subject of rugs and their impor-

## Tax relief Continued from page 1

"Accountants are still trying to figure that out, so everyone is in a wait-and-see mode. According to the IRS, they paid out 2% less in refunds (\$5.3 billion) but most people forgot about the money they were able to keep throughout the year—so it's pretty much a wash. Washington did a bad job selling this to the American people. The tax cut created a negative loop for this administration."

Steve Weisberg, president of Crest Flooring in Allentown, Pa., thought the new tax law would free up money for business owners like him to invest in equipment and hire employees. "Almost immediately after that we had three or four price increases on soft surface, two on cushion and the tariff on hard surfaces," Weisberg recalled. "So whatever savings the new tax law gave us was eaten up trying to keep up with all the price increases. Not to forget the nearly 35% increase in gasoline."

How retailers fared had a lot to do with their location. In taxfriendly Florida, retailers found more favorable conditions even though it was difficult to measure in some instances. So said John Taylor, owner of Taylor Carpet One Floor & Home, Fort Myers, Fla. "I believe the tax cuts absolutely spurred people to spend, which in effect has helped business. The savings for many businesspeople I know on their personal taxes was significant and therefore more disposable income out there for all of us to go after. I have also heard numerous people say they were getting refunds, which also adds to the disposable income. Time will tell how it all plays out."

Mike Foulk, owner of Foulk's Flooring America, Meadville, Pa.,

has noticed a definite trend in consumers selecting better products producing higher tickets, but he stopped short of linking it directly to the tax incentive plan. "We have put money directly back into our building and equipment that, without the incentive, might not have been available."

In Oklahoma, the tax break helped Flooring America OKC, according to Bobby Merideth, owner. "If nothing else, it motivated people to spend. That, in turn, starts the engine of our economy. We did see increases in transportation expenses, but that is a result of demand outpacing supply."

If residing in a high-tax state like New York, however, dealers might be singing a different tune. "Honestly, I have noticed a large amount of people-not just customers-who have been surprised by their taxes and who owe this year due to changes in the amount the government was withholding," said Ben Case, owner of The Carpet Collection,

Lockport, N.Y. "I believe this has limited the return of pent-up demand."

Adam Joss, co-owner of the Vertical Connection Carpet One in Columbia, Md., said his business has not benefited from the change in the tax code. "Living in a high-tax state, it seems to have done more harm than good," he said. "We have heard prospects state that they're putting their projects on hold as their refund wasn't what they expected. Business taxes flow through to personal so [the tax law] is complicated."

Carlton Billingsley, co-owner of Floors and More, Benton, Ark., called the corporate tax code "very complicated and cumbersome" for small businesses. However, he applauds the efforts of government leaders to continue to invest in small businesses. That being said, he feels the 2018 tax bill did not provide positive impact to its business. "We continue to see taxes, insurance and other overhead costs grow."



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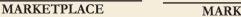


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