

North America Bathroom News

May 2009



International Market Strategy

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Mexico (& World): 2009 Bathroom Market Information NOW Available

15 April 2009: BRG has just published its updated preliminary bathroom report on the 2008 Mexican bathroom market (as well as on the US, Canadian and 14 European countries), after several months of in-depth data gathering of market information in early 2009.

As a result, the following 'products summaries and forecasts' (covering 1997 to 2007 historical trends, base-year 2008 market shares, 2009 year-to-date developments and forecasts to 2013) are available immediately for the following markets:

- o **Bathtubs**
- o **Showers**
- o **Ceramic Sanitary Ware**
- o **Faucets/Taps/Mixers**
- o **Shower Wall Products**
- o **Hydrotherapy Products** (whirlpools, hydrotherapy cubicles, shower panels)

in the following countries:

- o Mexico
- o USA
- o Canada
- o 13 European countries.

These 2009 preliminary reports give information on the market size in \$ and units, a ten-year market history, five-year product forecast, product segmentation, manufacturers market shares and end use analysis.

For more information on these reports, please contact Victor Post (vpost@brgggroup.com). The full bathroom industry reports including background information with details on the country's economy, the construction market, the distribution sector, detailed market data, as well as the profiles of suppliers and distributors will be published later this year.

Source: BRG CONSULT NORTH AMERICA



USA: No End Yet for Downturn in Housing, New Data Suggest

16 April 2009 -- In twin signals that the housing market continues to stumble lower, construction of new homes fell sharply last month, and foreclosures surged in the first quarter, according to reports released on Thursday.

The government reported that new home starts fell 10.8 percent in March from February, just a month after a sharp spike in new-home construction warmed hopes among some economists and investors that the country's foundering housing market was beginning to make a comeback as credit conditions eased.

Home construction in March fell to an annual pace of 510,000 units, the Commerce Department reported, less than economists' expectations of 540,000 units. It was the second-lowest level on record, and 48.4 percent lower than housing starts a year ago.

"There's still no clear indication that the construction market is coming back," said Mike Larson, a housing analyst at WEISS RESEARCH. "Even if companies want to start projects, they're having a harder time getting the money to do so. We're being overwhelmed by distressed inventory as well as regular sellers trying to get out of their homes. There's not a heck of a lot of incentive for builders to ramp up construction."

The data firm REALTYTRAC reported that foreclosure filings surged 9 percent, to 803,489 properties, in the first quarter of 2009. REALTYTRAC said that foreclosure notices increased 17 percent in March from February.

"We saw a record level of foreclosure activity," James J. Saccacio, chief executive of REALTYTRAC, said in a statement. He added that foreclosures would probably increase over the next months as temporary halts to foreclosures expired at banks and agencies like FREDDIE MAC and FANNIE MAE.

The flood of cheap foreclosed homes and distressed properties has helped push home prices lower across the country, especially in areas hit hardest by the housing bust, like Southern California, Phoenix and Florida. In some cities, as many as 70 or 80 percent of home sales are now foreclosures, real estate agents have said.

The lure of cheap, plentiful houses and lower mortgage rates has drawn buyers back to the market, and an industry group says homes are more affordable than ever before. Interest rates on 30-year mortgage rates fell slightly to a nationwide average 4.82 percent last week, according to data released Thursday by FREDDIE MAC.

The Federal Reserve and the Obama administration have deployed a barrage of assistance programs and fiscal policies to lower mortgage rates, hoping to ease borrowing and make monthly house payments more affordable for homeowners. But headwinds in the housing market, including a glut of unsold properties, are keeping builders at bay. In March, single-family housing starts were unchanged at an annual rate of 358,000.

Building permits, an indicator of future construction, fell 9 percent from February, to an annual pace of 513,000. Permits were issued at an annual rate of 932,000 in March 2008.



Despite the monthly drops in permits and new construction, some economists said they sensed that these indicators of the housing market were no longer tumbling sharply lower. The numbers have been volatile in recent months, and can bounce higher and lower depending on factors like weather.

“It does look to me like we’re hitting a bottom,” said Ian Shepherdson, chief United States economist at HIGH FREQUENCY ECONOMICS, about building permits. “We’re now seeing a restabilization at a much lower level. It doesn’t mean they’re about to rebound.”

The Labor Department also reported that first-time claims for unemployment insurance fell 53,000, to a seasonally adjusted 610,000 last week. The large decline caught economists by surprise, but they pointed out that weekly jobless numbers are extremely volatile, and said that they still expected unemployment to rise sharply in the months ahead.

Continuing jobless claims rose to 6 million for the week ending April 4, an increase of more than 100 percent from the same time last year.

Source: New York Times



USA: As Economy Slows, Americans Are Moving Less

22 April 2009 -- Fewer Americans moved in 2008 than in any year since 1962, according to census data released Wednesday, and immigration from overseas was the lowest in more than a decade.

The Census Bureau reported that the annual rate at which people moved dipped last year to 11.9 percent, compared with 13.2% in 2007 and a recent high of 20.2% in 1984-85. It was the lowest rate since the bureau began measuring mobility six decades ago.

The declines appeared to be directly related to the housing slump and the recession.

“It represents a perfect storm halting migration at all levels, since it involves deterrents in local housing-related moves and longer distance employment-related moves,” said William H. Frey, a demographer with the Brookings Institution.

Moves from one state to another plunged the most, to half the rate recorded at the beginning of the decade. There were fewer total moves than in any year since 1949-50, when returning veterans and others streamed to the suburbs and the nation’s population was about half of what it is today.

“It does show that the U.S. population, often thought of as the most mobile in the developed world, seems to have been stopped dead in its tracks due to a confluence of constraints posed by a tough economic spell,” Dr. Frey said.

He predicted that the foreclosure crisis might spur more local mobility, within or between counties, as families are forced to rent or move in with relatives.

In 2008, the bureau said, 35.2 million people changed residences, compared with 38.7 million the year before.

People who moved were more likely to be unemployed, renters, poor and black. Those surveyed listed their reasons for moving as housing, family and job, in that order.

In all, 2.2 million people moved to the suburbs last year, while the major cities lost 2 million people.

The South recorded the largest net gain of people moving in, including a large influx of blacks. While the South also drew more children than any other region, it also lost more.

The Northeast lost the most residents of any region, as it has for years, but the West also registered a decline.

Source: New York Times



Canada: Canadian Consumer Confidence Higher than U.S.

Apr 20, 2009 - Canadian consumers remain much more confident in their economy than their U.S. counterparts and their intention to shop remains much steadier, according to data from The NPD Group.

According to the company's Economy Tracker, Canadians rank their confidence in the economy at a level of approximately 44 on a scale of zero to 100 (with zero indicating they are very concerned and 100 indicating they are very confident). On the same scale, Canadians ranked their own personal financial situation at approximately 50, indicating they are more concerned with the overall economy rather than their own personal financial situation. A similar scale on retail intentions shows Canadians are as likely to spend less as they are to spend more.

Using the same scale, U.S. consumers' confidence in the economy dropped slightly from 37.4 to 35.9 since December of last year, while their confidence in personal situation dropped from 39.8 to 37.2. While their intent to spend remains steady at approximately 36, this relatively low score indicates U.S. consumers are more inclined to suggest they plan to spend less. In general, Canadian markers are significantly higher across the board for the three indicators – general economic perception, personal economic perception and retail response — signaling a much higher consumer confidence in Canada.

NPD said the data can be attributed to the lesser impact the global economic downturn has had on the Canadian economy relative to the U.S. The larger gap between the Personal and General Economic Indicators in Canada compared to the U.S. can be attributed to fewer industries/sectors having been directly affected by the recession in Canada and therefore touching fewer Canadian consumers than American, according to the report.

Source: www.appliancemagazine.com



Canada: Over 300 Exhibitors, 20 Seminars, 80 New Products and 8,200 Visitors at MCEE 2009

24 April 2009 -- The current wave of new products, technologies, codes and standards affecting HVAC, plumbing, hydronics, electrical, lighting and alternate energy made the MCEE tradeshow and conference held at the Place Bonaventure on April 8 & 9, one of the best tradeshows for the Eastern Region.

Produced by CIPH, CMMTQ, CETAF, CMEQ and supported by IES Montréal and EFC Québec Region, the tradeshow marked the first time that Electrical and Lighting products were exhibited. Over 325 exhibitors showcased products involved in heating (forced air and hydronic), plumbing, ventilation, air conditioning, refrigeration, kitchen & bath, pipes valves & fittings, tools, equipment, electrical, and lighting.

Show Committee Chairman Robert Brown (CMMTQ) reported, "MCEE is the best possible example of the industry coming together to create one complete and central meeting of all its members. Exhibitors were provided an excellent environment to deliver their message to the industry's key players, visitors gained access to the most current products, innovations, trends, and technical information, and all participants had the opportunity to make new contacts. This joint venture is an unquestionably successful formula for the industry."

Special thanks to the MCEE Tradeshow Committee: Chantal Demers (CETAF); Jeff Clarke (ENVIROAIR INDUSTRIES INC.); Guy Pilon Jr. (LES INDUSTRIES PERFORM-AIR INC.); Hélène Rioux (CMEQ); Jean-Luc Comtois (CMEQ); Gilles Meunier (IES Montréal); Jacques Tanguay (CMMTQ); Peter Shishakly (RODWICK INC.); Ivan Roy (Electro-Federation Québec Region); Mario Lachapelle (ABB INC.); Martin Deschênes (GROUPE DESCHÊNES INC.); Pierre Houle (J.U. HOULE LTÉE); Pierre Dandurand (VICTAULIC LTD.); Martin Savignac (MAAX BATH INC.); Claude Robitaille, Canadian Institute of Plumbing & Heating – Quebec Region.

Show Highlights

New Product Contest Winners

The showcase featured 84 new products which were narrowed down by a panel of industry professionals who served as judges. Congratulations to the following winners whose product exemplified the best in innovative design: Air Conditioning & Refrigeration - MITSAIR (Through-the-Wall Air Conditioner); Kitchen and Bath - ZURN INDUSTRIES (Z-5708 NanoPint); Piping & Accessories - VICTAULIC (Style 177 QuickVic); Tools & Equipment - DYN AIR (DIVISION CARLISLE CANADA) (Spray Seal); Ventilation - NAD KLIMA (Diffuseur RRA 387); Controls - UPONOR (Climate Control Zoning Thermostat CC-Z); Energy Efficiency - MC2 ÉNERGIE INC. (ESolair 2.0 – Solar Heating); Electrical - PANDUIT CANADA (PanelMax Din Rail Wiring Duct); Lighting - LUMEC INC. (Life LED).

The "MCEE People's Choice Award"

Visitors at the show also voted for MC2 ÉNERGIE INC. as their choice to be recognized as an innovative product with their solar heating system.

Workshops & Seminars

MCEE Workshops provided excellent sessions on Hydronic Radiant Floor Heating; LEED and Water Management; Future Code Developments on Energy Efficiency; Heat Pump Sizing; Understanding



the Impact of Counterfeit Product; Trouble Shooting Refrigerant 410; Variable Frequency Drive & Energy Savings Systems; Tools of Information Technology, and Compressor Diagnostics. These seminars provided an excellent opportunity to learn what is new and innovative in the industry.

Other Winners!

Laurent St-Martin of PLOMBERIE EXPRESS was the winner of the \$2,000 “Grand Prize Travel Voucher” and Eric Dussault of CSSS Montmagny L’Islet was the winner of the draw for the \$200 “Gas Gift Certificate” for voting on the People’s Choice Award.

MCEE continues to be Eastern Canada’s largest mechanical and electrical trade show. The next show is scheduled for April 20 & 21, 2011 in Montreal.

Source: MCEE

USA: Stainless Production Falls Second Year In A Row

1 April 2009 - Global stainless steel production reached 25.9 million metric tons (mmt) in 2008, according to preliminary figures released by the International Stainless Steel Forum (ISSF). The total is 6.9% lower than the 2007 level. After a decrease of 2% in 2007, this is the second year in a row that world stainless steel production has decreased.

Beyond normal seasonal factors, 2007 as well as 2008 turned out to have the same pattern: excellent first half, extremely depressed second half. The external raw materials price volatility and the overall worldwide economic situation added to the turmoil.

The first half of 2008 was quite positive, but by the third quarter, the financial and economic crisis, combined with a massive drop in raw material prices (including nickel), struck all cyclical industries. Due to overstocks, reduction of excess inventories bought at inflated prices, and the complete stop of purchases from distributors and some end users, the industry moved from a bright future to a gloomy environment in just a few weeks, reported ISSF.

Source: Supply House Times



USA: David Kohler Elected President of KOHLER COMPANY

27 April 2009 -- At its annual meeting, the KOHLER CO. Board of Directors elected David Kohler President and Chief Operating Officer of KOHLER CO. He will be responsible for leading the Company's Kitchen & Bath Group, Global Power Group, Interiors Group and Technical Services, reporting to Herbert V. Kohler, Jr., the Company's Chairman and Chief Executive Officer.

In announcing David Kohler's promotion, Herb Kohler said, "As President of KOHLER CO., David will have operating responsibility for driving the global manufacturing organization towards our strategic objectives by using our guiding principles and core competencies and his leadership."

"He will represent KOHLER within the global and local community by participating actively with business leaders, customers, vendors and listening to many consumers."

In his expanded role, "David Kohler will assure we are all operating at the leading edge of product and process development maintaining a single level of quality across the product categories."

David Kohler began his work in the company on summer jobs in 1983 and 1985 as a Stable Helper and as a Caster of Wellworth bowls, graduating from Duke in 1988, coming back to the Company for two years as Planning Analyst and a stint as a Foreman in the Iron Foundry. This was followed by the Kellogg School of Management and an MBA in 1992, then a management development program as a buyer of fine china at Dayton Hudson in Minneapolis.

When KOHLER CO. called in 1993, he accepted the offer of Director - Fixtures Marketing for Plumbing and Specialty Products. This led to VP - Sales in 1995, Sector VP of Plumbing North America in 1996, Group President of Kitchen and Bath in 1999, and Executive Vice President in 2007.

David Kohler was elected to the Kohler Co. Board of Directors in 1999 and its Executive Committee in 2007. He is a past Chairman of the National Kitchen and Bath Association's Board of Governors of Manufacturing. He also serves on the boards of both INTERFACE INC., headquartered in Atlanta, Georgia, and INTERNATIONAL DE CERAMICA S.A.B. de C.V., headquartered in Chihuahua, Mexico.

Jim Westdorp has been elected Group President - Kitchen & Bath. The KOHLER CO. Board of Directors elected Jim Westdorp to the role of Group President - Kitchen & Bath succeeding David Kohler. Prior to his election, Westdorp served in the role of President - Global Faucets and Kitchen & Bath Europe. In his new role, Westdorp is charged with providing leadership at both the operational and strategic levels for the worldwide kitchen and bath business, driving growth of market share and profitability. Jim is a member of the Company's Corporate Operating Committee.

Westdorp joined KOHLER in 1981 as an Accounting Analyst and within five years, managed the Corporate Planning function in Finance and eventually Business Development within Plumbing North America Marketing. In 1995, he became Director - Faucet Marketing and then Vice President & Business Manager - KOHLER Faucets in 1996.

He is a past Chairman of the National Kitchen and Bath Association's Board of Governors of Manufacturers and past President of the Plumbing Manufacturers Institute. Westdorp earned a Bachelor's degree in Business Administration with an emphasis in finance from the University of Wisconsin Milwaukee and a Master's in Business Administration from Marquette University.



Jeffrey Mueller has been elected President - Global Faucets. Replacing Jim Westdorp, Jeff Mueller will move from the Managing Director of KOHLER MIRA showers in the United Kingdom where it has become the market share leader, to a broader responsibility for Global Faucets, headquartered in Wisconsin.

Mueller began his career at KOHLER CO. in 1991 as a Foreman in KOHLER Faucets and progressed through several positions within that business from Manufacturing Engineer, Mechanical Project Engineer, Supervisor - New Product Introductions to Director of Faucet Development Engineering.

From 2006-2007, Mueller served as General Manager - KALLISTA, a boutique plumbing brand of KOHLER, and from September 2007 as the Managing Director of KOHLER MIRA. Before joining KOHLER, Mueller spent more than a decade working for his family's plumbing and heating business and showroom.

Mueller holds a Bachelor's degree in mechanical engineering and a Master's degree in business administration, both from Marquette University in Milwaukee, Wisconsin.

Source: BusinessWire



USA: Grand Opening For VIEGA Manufacturing Center

28 April 2009 -- Nearly 1,000 industry partners, government officials and VIEGA personnel gathered in McPherson, Kan., Tuesday, April 21, for the official grand opening of VIEGA's 439,000-square-foot manufacturing and distribution center.

VIEGA CEO Dan Schmierer kicked off the event early by welcoming guests. "This facility represents VIEGA's commitment to the plumbing and heating industry," he told visitors. Joining Schmierer on stage were owners Heinz-Bernd Viegener, Walter Viegener, and newly-elected McPherson Mayor Tom Brown.

"We have three reasons to celebrate. Our 110-year global presence in Germany, our 10-years in North America and today's grand opening," said VIEGA co-owner Heinz-Bernd Viegener.

VIEGA is a family-owned business employing 500 employees in North America and approximately 2,800 people world-wide. Approximately 210 of VIEGA's North American employees work at the new facility in McPherson.

Presentations concluded with a ribbon-cutting ceremony, plant tours and a Kansas-style BBQ lunch complete with 12 oz. ribeye steaks and a cake spanning 3 feet by 5 feet, which resembled the enormous facility. The \$40 million Manufacturing and Distribution Center spans 11-acres, equating to nearly 10 football fields under one roof, the company says.

The new facility is equipped with extrusion and injection molding machines, logistics and office space. The new state-of-the art equipment it employs will help streamline operations, improve efficiency and provide VIEGA employees the space to start developing new products. According to VIEGA, 22 states throughout the Midwest will receive all VIEGA products from this location.

When Viegener was asked if he would have invested such a large facility had he known the housing industry was about to collapse, he quickly responded, "Yes. VIEGA has remained a family owned company for 110-years. Long-term thinking and employee interests have always been more important than short termed financial figures. The money earned during the good times is to remain in the company and be used for future oriented investments."

When the housing market turns around, which VIEGA is confident will happen, this new facility will enable the company to easily meet the demands of the rebounding housing industry, the company said.

Source: Plumbing & Mechanical



USA: PULTE To Buy CENTEX In Blockbuster Builder Deal

8 April 2009 -- PULTE HOMES INC. on Wednesday said it is buying CENTEX CORP. in an all-stock transaction that will create the largest U.S. home builder as the beleaguered industry tries to ride out the housing slump.

The companies have agreed to merge in a \$3.1 billion deal, including \$1.8 billion of debt. CENTEX shareholders will receive 0.975 share of PULTE common stock for each CENTEX share they own. The deal has a value of \$10.50 per CENTEX share, based on the \$10.77 closing price of PULTE shares on Tuesday.

CENTEX shares surged nearly 30% in early trading Wednesday, while PULTE traded to the downside.

"Combining PULTE and CENTEX will create America's largest and best-positioned homebuilder," said PULTE Chief Executive Officer Richard Dugas during a conference call Wednesday.

CENTEX's significant presence in the entry-level and move-up categories is complemented by PULTE's strength in both the move-up and active adult segments, he said.

The firms envision \$350 million a year in savings, including \$250 million from overhead and \$100 million in debt expenses.

The combined firm will be based in Bloomfield Hills, Mich., but will maintain a significant presence in Dallas, which is where CENTEX is now based.

PULTE shareholders will own about 68% of the combined company, and CENTEX shareholders will own about 32%.

"PULTE and CENTEX's merger strikes us as a good way to better leverage expenses during a falling revenue environment, although the premium CENTEX's shareholders are receiving seems small given the persistent valuation gap CENTEX has had with its peers," wrote DEUTSCHE BANK analyst Nishu Sood in a research note Wednesday morning.

He said the main benefits of the deal will be cost savings and the acceleration of debt repayment.

'Unrivaled firepower'

Dugas will be chairman and chief executive of the combined firm. CENTEX Chief Executive Officer Timothy Eller will be vice chairman.

The deal will allow the companies to combine their land holdings, Dugas said.

"It's no secret that we are navigating through one of the toughest market environments any of us has ever experienced. We are seeing unprecedented volatility in the stock market, limited mortgage availability and rising unemployment throughout the country," Dugas said. "These factors have placed tremendous downward pressure on consumer confidence. The impact on the housing market has been no less dramatic."



By merging with CENTEX, the company thinks it can return to profitability faster when the market finally turns.

"The combination of CENTEX and PULTE will create a company that has unrivaled firepower to capitalize on future opportunities in home building," added CENTEX's Eller. "This combination is a game changer, pure and simple."

In calendar 2008, the two companies combined delivered more than 39,000 homes. The largest U.S. builder, D.R. HORTON INC., delivered more than 26,000 homes in its fiscal year ended Sept. 30, 2008.

CITI acted as lead financial advisor, and BANK OF AMERICA SECURITIES, MERRILL LYNCH and J.P. MORGAN SECURITIES INC. acted as financial advisors to PULTE.

GOLDMAN SACHS acted as financial advisor to CENTEX.

Home-builder stocks have been battered during the housing correction, and the industry has seen profits evaporate on declining house prices and sales. The firms have also been saddled with billions of dollars of write-downs on land and inventory.

Builder shares have been in a steady decline along with the housing market for more than three years. The iShares Dow Jones U.S. Home Construction Index Fund, an exchange-traded fund, was off about 9% so far in 2009 through Tuesday's close.

Source: MarketWatch



USA & Canada: PMI Signs Memorandum with CIPH To Forge Closer Relations with Canadian Trade Group

21 April 2009 -- Barbara C. Higgs, Executive Director of the Plumbing Manufacturers Institute (PMI) and Ralph Suppa, President and General Manager of the Canadian Institute of Plumbing and Heating (CIPH), signed a Memorandum of Understanding (MOU) at PMI's Spring Meeting on April 1, in Newport Beach, California. The document is intended to establish a framework for cooperation between the two not-for-profit trade groups, thus formalizing an already productive 10-year relationship.

Based in Toronto, CIPH includes manufacturers, wholesaler distributors, master distributors, manufacturers' agents and allied companies that manufacture and distribute plumbing, hydronic heating, industrial, waterworks and other mechanical products.

"The MOU expresses our mutual commitment to create an organized and systematic approach for voluntarily exchanging information and materials on common educational, technical, scientific, legislative and regulatory matters that affect the plumbing industry worldwide," said Higgs. "We will do this through publications, reports, association conferences and industry meetings."

Higgs also noted that PMI and CIPH will continue to exchange invitations to their respective annual conferences, and bring together in-kind and additional resources as required to facilitate communications between the two associations. The two associations expect to develop a work plan to identify specific events and activities to achieve the purposes of this MOU.

PMI has forged similar agreements with two other associations outside the United States:

-- in October 2007, with the Plumbing Products Industry Group, a Melbourne-based trade organization of plumbing manufacturers and importers from Australia and New Zealand, represented by Tim Fisher, Vice President;

-- in 2006, with the Bathroom Manufacturers Association of the United Kingdom, led by Chief Executive Yvonne Orgill.

PMI also participates in The European Committee of the Valve Industry, or CEIR, a federation of national manufacturer associations, representing virtually the entire valve and fitting production in Europe.

"The world marketplace has changed dramatically since the 1970s, when PMI emerged from the old Plumbing Brass Institute," Higgs remarked. "That is why PMI revised its bylaws several years ago to attract non-U.S.-based companies to our ranks and to begin an ongoing dialogue with our counterparts around the globe. By working together, we hope to assure the growth and expansion of the plumbing industry worldwide."

Source: PMI



USA: CECO Capitalizes on High-Quality Production to Grow Business

16 April 2009 - Now in its fourth generation of Hurray family ownership, CECO has been producing high-quality porcelain enameled cast iron plumbing fixtures since 1928. Originally known as the Commercial Enameling Company, CECO was founded by Michael Hurray in Los Angeles, Calif.. Upon his death in the late 1940s, his son Edward took over. CECO was passed on to Edward's son Michael Hurray in the early 1990s and then to Michael's sons Mark and Matthew Hurray in 2003.

In its early years, CECO produced plumbing fixtures, and during World War II they also produced bomb casings for the U.S. Military. Today, CECO's core competencies include an established, high-quality manufacturing process, the ability to quickly deliver product to its customers and an established distribution network on the wholesale level.

Thanks to its extensive experience and desire to remain a privately owned operation, CECO has developed a reputation for its ability to efficiently produce and deliver high-quality plumbing fixtures. Over the years, CECO has produced products for a large number of American plumbing fixture manufacturers.

The company's headquarters and main distribution center are in Huntington Park, Calif. They also have regional distribution centers scattered around the country in Northern California, Arizona, Colorado, Texas, Missouri, Oklahoma, Georgia, Florida, North Carolina, Maryland and New Jersey.

In addition to the Hurray brothers, CECO is fortunate to have the talents of several other key executives:

- Chief financial officer Bob Colclough, who is assisted by Shana Leang
- Miguel Cervantes is coordinator of inside sales and customer service
- Tim Cencak is national sales director
- Victor Corro is the warehouse and logistics coordinator.

Recently, Matthew Hurray talked with editorial director Mary Jo Martin about their plans for continuing CECO's great tradition in the marketplace.

MJM: You are now in the fourth generation of your family to own this business. Why has it been so important to maintain CECO as a family business, and how has that direct owner involvement shaped the way you do business?

Hurray: The major advantage of being a small family owned business is the ability to make decisions — whether big or small — in a timely fashion. With the speed at which business is conducted today, it is important for companies to make decisions quickly — and Mark, Robert and I can get in touch with each other via phone, e-mail, or in person and make decisions quickly. This is something that larger companies have difficulty with because of a longer chain of command.

MJM: Do you have a factory sales force or use independent reps, and why do you prefer your chosen method of going to market?

Hurray: CECO uses both factory salespeople and manufacturers' reps. Tim Cencak, who has more



than 13 years of experience at CECO, along with Mark and I, spearhead our sales efforts across the U.S. We work closely with our manufacturer's reps throughout the country. This combined effort is essential to our success, in that our wholesale base has many different ways to contact us for product information, inventory updates, technical support and more in a timely fashion.

MJM: What have been the best ways you've found to market your products, build relationships and expand your customer base?

Hurray: The best way we have found to market our products is through various trade shows and buying group exposure.

A lot of our business is based on relationships, and that is where we see the biggest benefit from our manufacturer's reps. Good reps usually have strong relationships with a large customer base in their territories, which opens the door for smaller companies like CECO. We are very fortunate to have a superb group of manufacturer's reps across the country that are able to do exactly that.

Our number one priority every year is to increase our customer base. During economic times like these, this is a major component for success. In the last year, we have had a competitor completely abandon their wholesale distribution. Even though these are trying times for everyone, this is a tremendous opportunity for CECO to help provide quality products to wholesalers that have lost a source for cast iron fixtures. We can help them continue to meet the needs of their customers, while at the same time increasing our customer base.

MJM: Describe the importance of wholesalers to your sales and distribution efforts?

Hurray: CECO has always relied heavily on plumbing wholesalers throughout the country for the distribution and sales of our products. In fact, it is wholesalers that have made our company what it is today — and that is something we recognize and are quite proud of.

Many of our competitors supply products to the Big Box retailers on both commodity and showroom fixtures, whereas we depend on the wholesalers to distribute our products through the supply chain. You will not find our products at THE HOME DEPOT or LOWE'S.

MJM: What are you doing to further solidify your supply chain partnership with your wholesalers and contractor customers?

Hurray: One aspect of our products that has helped solidify our relationship with all of our customers throughout the supply chain is the reality that CECO sinks are Green products. Over 90% of every CECO cast iron fixture is made from recycled material.

MJM: Please describe your manufacturing operations?

Hurray: One of the major decisions that we made as a company going into the last two years was to increase our inventory levels on all the products we manufacture. The reasoning behind a larger investment in inventory was simple: Make sure we have the products when customers call. We feel this has been very advantageous in helping us achieve our goal of increasing our customer base — especially when we get calls from "new" accounts.

This investment has also been very advantageous to our current customer base. Our larger



customers realize that we have the inventory, and this helps them create better turns within their specific systems. The smaller wholesalers realize that they don't necessarily need to tie up their dollars by carrying large quantities of product because we are already doing that for them.

MJM: What have been some of your most recent product launches?

Hurray: Our most recent product launch was the introduction of our new Designer Select kitchen fixture series to the market. There are five new models currently available with two new Farm Sinks on the way. These fixtures have an attractive designer ledge around the top of each bowl, extra deep bowls for superior usability, and have been very well received by the wholesalers, builders and showrooms.

MJM: What products are you best known for?

Hurray: CECO plumbing fixtures are known to our customers as top-quality products, at valued pricing, with many different styles to choose from. We are a company that stands behind those products.

MJM: Are you involved with industry trade associations, buying groups, trade shows, etc., and if so, how does this help your business?

Hurray: CECO has been a participant in the k/bis show for a number of years now and we are looking forward to the show in Atlanta this year. We invite wholesalers to visit us at our Booth, number B3706 (k/b).

The exposure that this show provides not only to our customers, but also to their customers, has been a tremendous aid to the growth of our company.

MJM: What sets you apart from your competition?

Hurray: The main thing that sets us apart from our competition is that we are a small company that is very easy to do business with, and we have genuine interest in the well being of our valued customers throughout the supply chain.

Source: The Wholesaler



USA: DECA Strengthens Sales Force and Adds New Green Products

March 30, 2009 - DECA has made two new additions to the U.S. team, along with a complete new line of products and a catalog that address green design. By adding to the DECA team, the company is better positioned to serve the American market. A division of DURATEX, the company specializes in developing products with water-saving features and this year is launching new products, catalogues and services with a green approach.

"We are pleased to announce the addition of Mitchel Magleby and Bill Howarth to the DECA team," said Marcelo Carioni, general manager for DECA/DURATEX NORTH AMERICA, INC. "These two individuals bring us years of experience to help further develop stronger customer relationships and increase sales and profit for both our customers and DECA." Magleby resides in the San Francisco area and will be responsible for the development and growth of the DECA brand in the West Coast region, while Bill Howarth resides in Florida and will be responsible for the development and growth in the East Coast region of the United States.

Source: www.kbbonline.com



USA & Canada: Tech Topic: High Efficiency Toilets

13 April 2009 -- It's change we can all believe in. The era of bad flushing is over. In fact, thanks to advanced hydraulic engineering, we can go even lower than 1.6 gallons per flush. High-efficiency toilets use less than 1.3 GPF for a 20% water savings which could save an average family of four at least 4,000 gallons of water in one year without sacrificing performance or style.

Efficient use of water is important for many communities and absolutely essential for others. According to the U.S. Environmental Protection Agency, 36 states will experience non-drought-related water shortages in the next 10 years. These shortages are related to issues such as population growth, infrastructure repairs, saltwater intrusion in coastal areas and groundwater depletion. Consequently, demand for HETs will continue to grow as local, state and federal entities grapple with ways make sure the U.S. has enough fresh, clean drinking water.

Engineering a Better Toilet

Advanced hydraulic engineering has dramatically changed the new product development process at plumbing manufacturers. Using powerful tools such as Computational Fluid Dynamics and Finite Element Analysis, product designers can see and manage how water flows through each toilet, leading to the following changes that plumbers are seeing in HET models:

--The Tank. Conventional flush toilets use gravity for energy. The water that sits in the tank contains potential energy from the force of gravity pulling down on it. Tank trim has been redesigned on many HETs to harness as much of that potential energy as possible as the water is put into motion, eliminating sharp turns and wasteful turbulence. Some HETs operate on a single flush, while others operate with a dual flush.

--Flush valve/flapper. An extra-large flush valve diameter allows the water to exit the tank with enough velocity to create a strong and effective flush in the bowl. Newly improved flappers stand up to chlorinated water and maintain a reliable, leak-proof seal.

--Toilet bowl rim. The use of CFD during the product design process ensures that exactly the right amount of water is directed to the rim and that the rim holes are sized and located properly to achieve the best scouring action of the bowl.

--Well and water-surface area. The contours of the well and the size of the water spot are important design attributes. The contour of the well will contribute to the generation of a strong siphon. Larger water spots help to keep the bowl cleaner.

--Trapway. The trapway needs to be wide enough to prevent clogs, yet narrow enough to generate a powerful siphon using only 1.28 gallons of water. CFD allows the toilet designers and engineers to determine the perfect shape and size of the trapway. Some HETs are now available with trapway diameters as large as the 3.5 GPF toilets of old. A 2 3/8-inch trapway can move a mass 70 percent larger than a standard two-inch trapway.

Prove It

So, you're a bad flush survivor. Your business has been burned by callbacks and letdowns by 1.6 GPF toilets. Two independent resources can help persuade customers to go HET...and you, too!



The first is the Maximum Performance test developed by independent testing labs, VERITEC CONSULTING INC., of Mississauga, Ontario, Canada, and KOELLER AND COMPANY of Yorba Linda, Calif. VERITEC and KOELLER established testing criteria to ensure all toilets were measured consistently.

Cylinders of miso paste are dropped into the toilet to test waste removal. The highest rating a toilet can get for bulk removal is 1,000 grams, or more than two pounds. MaP test results are usually published one or two times per year. The 13th edition was made available in November, 2008.

The Water Sense label is the other independent resource. The minimum acceptable rating for Water Sense-labeled HETs is the ability to flush 350 grams. HETs approved for Water Sense labeling by the US EPA are subjected to rigorous, independent third party testing according to EPA requirements.

Other Considerations

While a lot of things have changed in the world of toilets, some things never change when it comes to how your customers will make a purchase decision. Style is still one of the top considerations. So is cleanability, easy installation, and for HETs, the possibility of generous rebates. Better-engineered toilets warranty both tank and trim for the lifetime of the toilet.

Ready for the new era? Change is upon us, and for toilets, that's a really good thing.

Source: Reeves Journal