



TREND REPORT

Build a brand, fulfill the promise

A brand is often the most under-appreciated part of a company's portfolio. It can be one of its most valuable assets for driving sales, building loyalty, and making people care. Think of Apple, Harley Davidson, and The Ritz Carlton. Or it can be a company's biggest threat, if the brand doesn't mean anything in the marketplace. For the past year, Henkel has undertaken a rigorous and introspective development of our power brands, Loctite® and OSI™. Here are our key takeaways:

A brand is a process of self-discovery

It's not just a new logo or slogan that is created out of thin air. Brand development begins from within - tapping the heart of a company's reason for being. It's about who you are and what you stand for. Establishing a meaningful brand requires discipline and is driven by all members of an organization, starting with the top. While marketing tactics are important, they must be built upon something authentic for the brand's promise to be believed and embraced.

A brand is a promise that must be fulfilled

A successful brand is a unique claim of distinction that must be delivered upon day after day, with every transaction and every touch point with customers. A company must not just claim it has or is a brand, it must live and breathe the promise of the brand, and establish it as an organizational initiative both internally and externally.

At Henkel, a brand is a 360-degree effort

We have extended branding beyond sales and marketing to encompass everyone from product developers to the people who answer the phones. Each day, everyone at Henkel strives to match and exceed our customers' and end-users' high expectations with high performing products and solutions, supported by professional, highly trained and caring people.

Trusted Performance. Proven Results.™ New Loctite® branding in national spotlight



For over 50 years, everyone from aerospace engineers to simple fixers have relied upon Loctite® to provide advanced adhesive and sealing solutions.

This summer, Loctite is sharing that brand message of "real technology for real life" with millions of Americans via an aggressive national advertising campaign. The ads show that the world's most challenging jobs rely upon the proven performance of Loctite adhesives, and the same specially-formulated products can be trusted both at your jobsite and home as well.

"At the end of the day, it's about pride in a job well done," said Tim Ferguson, Director of Loctite Products for Henkel Corporation. "We talked with thousands of end-users. They told us that if Loctite works on the space shuttle or is used by pit crews, then it must be the best choice for them, too."

The result is a new branding effort that builds upon the solid foundation of trust in Loctite, yet modernizes it to better communicate to end-user's needs. The national campaign includes TV spots on cable and network channels, print advertising in end-user publications, digital banner ads online, outdoor billboard advertising, new color-coded packaging, in-store promotions and training, and an all-new website at loctiteproducts.com.

Loctite representatives are available at the Henkel Contractor Help Line (800-624-7767), ready to answer questions from the field about applications and performance.

The Loctite® Brand

- Full range of premium-grade adhesives, trusted for quality and exceptional customer support.
- Breakthrough specialty product formulations and frustration-free dispensing systems.
- Backed by solid numbers:
Over 5,000 patents, 230 R&D specialists, 100 chemists and engineers.



Which epoxies and silicones are appropriate for my remodeling projects?

Dear Billy,

We read your newsletter and learn from each issue. I have two questions, not on behalf of our clients but in reference to remodeling my own home.

We will be lining the walls of a bathtub and shower stall with 3/8" thick cast resin cultured marble. I expect the joints between the panels and the tub/shower base will be sealed with clear, mildew-resistant silicone. How should we go about creating the most durable and mildew-resistant seal? Which is better for this application, high or low modulus silicone?

Also, I plan on having my home's aluminum siding and storm windows re-caulked. Should I buy high modulus silicone for the bulk of the job and low modulus in the few places where sealing to existing masonry? Or should I use low modulus throughout?

Thanks to you and Henkel for your great support.

*Cordially,
Burt Siegel
Budd Engineering*

Dear Burt,

Many thanks to you for being an avid reader and for your great questions.

For your bathroom application, I suggest using a colored

epoxy to fill the joints. Epoxy is a more permanent solution, whereas silicone would need to be replaced over time. You will need to ask the manufacturer of the cultured marble panels if they require expansion joints to allow for movement. If so, you may not have an option other than silicone.

When using silicone, your minimum gap size should be 1/8", otherwise it may be very difficult to fill the joint. It is important to fill the full depth of the joint with the sealant. Your question about which type of silicone to use is an excellent one, because most people think all silicones are alike. Low modulus silicone (oxime cure) is the correct sealant to use for this job - it will adhere to most surfaces, including cultured marble and porous substrates.

For your exterior application of sealing aluminum siding to brick, I recommend using OSI® QUAD® Advanced Formula Sealant. QUAD® sealant has many performance features that you cannot get from silicone. It comes in over 350 colors, it doesn't have dirt or dust pick-up like silicone, it is self tooling, and it can be applied in all weather conditions. I think the most important feature to you would be that it's more aesthetically appealing -- over time, silicones tend to attract dirt and turn black from all the airborne dust particles. QUAD® sealant won't.

I hope this information is helpful, Burt, and best of luck with your remodeling projects.

Billy



Bill Longo

is Henkel's go-to guy for

caulks, sealants and

adhesives. Email him at

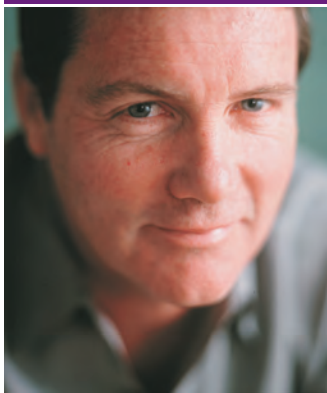
Bill.Longo@us.henkel.com

with your questions - they

just may become the next

"Ask Billy!"

FROM THE DESK OF MARK RICHARDSON



Mark Richardson

is co-chairman of Case

Design/Remodeling and

author of 'How Fit is Your

Business?'

Creating a Sense of Urgency: You are the economic stimulus package

The current economy has resulted in a scarcity of leads, smaller job sizes, and an extended sales process. What I find useful is to compare the client of today with clients of three to five years ago to see what the differences can teach us.

Three to five years ago, clients were confident; today, they are nervous. Back then, they were spending "other people's money"; today, credit is tight. Clients used to "keep up with the Joneses." Today, they take pride in consuming less.

Remodelers need ways to move their prospects from "let me think about it" to "let's do it." These strategies can create a sense of urgency:

Sell Down

Three to five years ago, you would "up sell" and your clients were eager to learn about higher-quality options and would get even more excited about moving forward. Today you need to "sell down," presenting clients with less expensive options.

Focus on the Home

Prioritize the needs of the house instead of the dreams of the client. As you tour the house discussing the intended project, take note of maintenance and repair issues that need to be addressed, such as peeling paint on the front porch that could lead to rot. When you summarize the scope of work, suggest these issues get addressed right away, even if the larger project is still being discussed. It will create work for your team and your clients will become less nervous as they watch their greatest asset improve.

How, not What

Focus on how your client buys, not what they buy. Imagine a restaurant that offered only "all you can eat." While that may be a good value, it may not be what diet-conscious customers want. Most remodelers offer one way of doing business. For example, they work either on a fixed price or a cost-plus agreement. Instead, suggest that there are many ways to work together, depending on their risk tolerance and desire to participate in the process. Some clients today will find this flexibility refreshing.

To contact Mark, visit www.caseinstituteofremodeling.com or call 301-229-9580.

for Tom Kelly



Founded in 1947 by Tom Kelly's father, Neil Kelly Company (www.neilkelly.com) is one of the nation's largest design/build remodeling firms, employing over 130 people and serving Oregon and southwest Washington. Neil Kelly Company was one of the first to embrace design/build in the 1970s and is a frequent award-winner. When we caught up with Tom Kelly recently, he was excited about the company's two newest accolades - it was in the top 10 of the 2010 list of Oregon's Best Green Companies to Work For, plus was just honored as the first contractor to ever receive an Oregon Ethics in Business Award.

1. How has the industry changed since you became president of Neil Kelly Company in 1979?

It's much more complex - more regulations, more products, more choices to make. There is a larger emphasis on design and more attention to historical detail. "Green" building is not new to us - we did our first solar demo house 30 years ago and the Portland market has always been more interested in sustainability than other markets. In 10 years, though, I think many of these practices will be standard, especially with Congress about to pass Home Star, which will legislate the massive retrofiting of the housing stock. If you're a remodeler who is not doing sustainable practices yet, you will be soon.

2. What advice do you give to someone just getting started in the remodeling industry?

Get a really well-rounded education, especially in business. If you run your own company, you have to understand financials, marketing and human resources. You can be a pretty good craftsman, but it's on the business end that most remodeling companies stumble and fail.

3. What's the best advice you've ever received?

I have had all sorts of advisers over the years. Maybe that's the best advice I've gotten: Seek out advisers. We have a board of directors for Neil Kelly Company and they are great business people with incredible knowledge. I'm involved with PRIME, a group of larger remodelers who share best practices. Just avail yourself in any way you can to new ideas and changes in the industry.

4. How have you weathered the past few years of the downturn?

We pared back overhead, laid people off, marketed very aggressively, and just managed the hell out of the business. We tried to maintain infrastructures, deciding that while we didn't want to lose money, we didn't necessarily have to make money during the toughest times.

5. How do you market aggressively?

We focus on personal marketing, keeping in regular contact with previous clients in a variety of ways - phone calls, mailers, newsletters and so on. We've done 30,000 jobs in the past 63 years, so that's a pretty extensive client list. We hire outside PR and advertising firms, plus we have a full-time person to assist the 25-person sales staff with marketing. Two newsletters go out each year to the entire client list, and each salesperson sends their own regular newsletters to their individual client lists. I expect each person gets six to eight touches per year besides advertising.

OSI
QUAD®

ADVANCED FORMULA SEALANT

Over 350 colors: The Industry's Largest Offering

OSI® QUAD® Window, Door and Siding Sealant is now available in over 350 colors -- and counting -- the industry's widest range of color matches. Unlike other sealants, OSI® QUAD® resists dirt and dust collection, yellowing and water wash-out. It can be applied to wet or dry surfaces, even at freezing temperatures.

For more information and to try the OSI® QUAD® color cross-reference tool, visit osipro.com. Or log on to mobile.osipro.com from your phone to download a mobile-friendly version. (It's also available as an iPhone app.)

Style Crest Siding

QUAD® Color

Adobe Clay	535
Canyon Brown	219
Countryside Green	715
Dove Gray	521
English Walnut	315
Hampton Blue	804
Sunny Maize	445
Timber Wolfe	505
Vintage Sage	796
Warm Sandalwood	405

McElroy Metal Siding

QUAD® Color

Ash Gray	516
Autumn Red	941
Bone White	004
Charcoal	501
Clay	301
Colonial Red	962
Dark Bronze	209
Evergreen	766

American Window & Glass

QUAD® Color

Architectural Bronze	201
Cameo	451
Desert Sand	408
Harbor Gray	512
Sandstone	409
Silver Gray	521
Victorian Gray	541
Wicker	455

For more information, call your Henkel rep or contact
Henkel Contractor Help Line at 800-624-7767.



26235 First Street
Westlake, Ohio 44145



- Loctite®: New branding, national campaign
 - Ask Billy: Selecting silicones & epoxies
 - The Color Leader: Over 350 colors of QUAD®
- Next Issue (Fall): OSI™ on center stage –

FISHING WITH FRANK



Make a fresh start on a favorite lake

People who fish the same lake all the time tend to go the same places to find the fish. But the places you caught bass in the spring are not where you'll catch them this summer. Re-think your favorite fishing hole to increase your success rate - improving both the quantity and quality of your bass catch.

Follow the bluegill. When a bass spawn ends, a bluegill spawn begins, much to the delight of the big female bass that are big enough to eat a spawning bluegill. Find the bluegill and you'll find those big females. Look for bluegill beds in shallow, sandy areas. Also: Near logs or clumps of grass.

Make long casts with top-water baits. Surface lure presentation is critical to fool the bass. Top-water plugs or small prop baits duplicate the sound of bluegill commotion at the surface. Use regular monofilament line (fluorocarbon will sink).

Catch both bluegills and bass. Fish the same spot with two different presentations and you'll catch both. That can make for a great day of fishing with the kids. Let the children use wax worms or maggots to catch bluegills. They will get quick bites and have fun. Meanwhile, the adults can fish for the bass. Next thing you know, you have a full cooler for a fish fry!

Good Fishing! *Frank*

A man with more than a few favorite fishing holes, Frank Scalish competed in the 2010 Bassmaster Classic last February and is now on the 2010 Bassmaster Central Open tour. He's been sponsored by OSI® since 2003.

STAY IN TOUCH



▶ ONLINE

Loctiteproducts.com (now including PL)
osipro.com
polyseamseal.com

▶ HENKEL CONTRACTOR HELP LINE

1-800-624-7767 (9am-4pm EST)

▶ NEW ADDRESS

Henkel Corporation
26235 First Street
Westlake, Ohio 44145

▶ EVENTS

The Remodeler's Show

September 15-17
Baltimore Convention Center
Booth #5004



OSI™ Dealer Summit (Midwest Region)

October 27
Chicago, Illinois

For more information and to read Frank's blog, visit www.osipro.com/spotlight.shtml