



Stay Connected to Succeed

By Rebecca Wilhelm

By now, statistics of the downturn in the economy need no repeating. Effects are hitting consumers from every angle—the cost of food and gasoline continues to climb while the housing market falls lower and lower. Water dealers, particularly independent ones, may find this environment a daunting one in which to do business.

Rather than dreading the economic storm headed their way, however, dealers can take proactive steps to make sure their business stands strong in the midst of it. The first step for many dealers may be to acknowledge the fact that “business as usual” might no longer be an option.

“The water treatment market in 2008 will be one of the most challenging I’ve ever seen in over 20 years in this industry,” said Tom Leunig, marketing programs manager for GE Water & Process Technologies. “Water treatment dealers need to adjust their business model to survive. Many dealers operating on an antiquated business model won’t survive this downturn.”

New Options

When individual dealers feel like they have tried everything in their toolbox of ideas, networking can be a lifesaver. It can provide support and serve as an idea generator as dealers learn from each other’s successes and struggles. It can also provide access to the benefits of proven, professional marketing and sales strategies. Many networks also provide financing assistance, taking the burden of consumers’ credit problems off the shoulders of dealers.

GE’s Platinum Dealer Network and the Aqua Finance, Inc., Dealer Network are two options that provide resources to help dealers of all sizes stay on top of the market. Dealers may want to explore many dealer network options to find one that best suits their individual business needs.

In GE’s Platinum Dealer Network, dealers “purchase products from their OEM supplier, but get

marketing support from GE,” Leunig said. “GE and the leading OEM suppliers support this program, which provides a winning combination for the dealer. They get access to the best technology and programs in the industry, yet are able to maintain their independence.”

The Aqua Finance Dealer Network consists of “both independent and franchises and manufacturer dealerships all over the country,” said Andrea Swiney, assistant vice president of sales and marketing for Aqua Finance, Inc. “We do business in all 50 states and we work with a couple thousand dealers on a regular basis—they are all types, from dealerships that sell one unit a month to ones who sell hundreds a month.”

Security Through Financing

One consequence of the weakened economy is weakened credit. “We are seeing weaker credit than we have in past years, and we think it’s due to a combination of the troubles with the housing market and higher gas prices,” Swiney said.

Although offering financing incentives will enable more customers to purchase systems, dealers may worry about the increasing number of customers with lower credit scores. One approach is to offer consumers more creative financing options than the popular same-as-cash, deferred payment promotions, Swiney said.

“With the economy going the way it is, customers might not want to do those types of promotions, because they won’t have the money in six months or 90 days,” Swiney said. “The dealers might want to look to use more reduced interest

rate promotions for the life of the loan. So rather than saying, ‘In six months you can pay this off,’—they might not have the money in six months—if we can give them a lower interest rate for the life of the loan, they can make those lower payments and hopefully keep themselves out of trouble.”

Aqua Finance’s dealer network offers financing, providing dealers with the security to be able to confidently offer financing promotions to customers. When dealers make informal arrangements with customers or use their own in-house financing programs, they are taking on all the risk, Swiney said. “When the economy goes bad and customers have trouble paying, it’s the dealership that is hurting because their cash is tied up in that loan to the customer.”

Instead, the majority of finance companies are nonrecourse, according to Swiney, which means that once they buy contracts from a dealer, if the customer defaults, it is the finance company’s problem and the cost does not fall back on the dealer. “By selling their contracts to a finance company rather than keeping them in-house, they reduce that risk of having their cash flow tied up in those contracts when customers might not be able to pay,” Swiney said.

GE’s Platinum Dealer Network also offers dealers consumer financing through GE Money. “Dealers can get access to the GE AquaVantage consumer financing program, which will help them close more sales, pump up profitability and improve cash flow,” Leunig said.

Success Through Support

Dealer networks can also provide information and strategies to help dealers counteract other difficulties in the marketplace.

“We launched four sales forums in North America to help dealers survive the present environment,” Leunig said. “These sales forums are a full day of training in programs proven successful by winning dealers.”

*How dealer networks
can provide security
and growth despite
economic setbacks*

Dealers in the GE Platinum Dealer Network also have access to additional programs, sales support materials and GE branding, Leunig said. "In a down economy, dealers that sell a well-known, quality brand will have a huge advantage in the marketplace. Associating with a top brand can really help an independent dealer survive."

Staying up to date on industry news and developments is necessary to stay ahead, and dealer networks often provide this benefit.

The Aqua Finance Dealer Network keeps dealers informed on changes in the industry, Swiney said. "We do a lot of things—we are very active in the industry. We participate with the associations and go to most of the tradeshow, even the regional ones and the manufacturer/vendor fairs, so we have a lot of face-to-face interaction with the dealers."

They also send out e-mails and newsletters to let dealers know about changes that could affect their businesses, Swiney said.

"We really try to get out there and maintain a relationship with them. And we do a lot of dealer calls and visits, so we go see them personally or spend a lot of time on the phone with them trying to help them better manage their businesses."

Next Steps

Despite the tough market out there, both Leunig and Swiney have advice for dealers.

"My advice to dealers in the current economy is to diversify into some new technologies such as ultrafiltration that can be sold to both new and existing customers," Leunig said. "If you are not using financing, get signed up and start offering it to consumers. You do not want to lose any deals because people cannot afford to write a check for the full amount. Focus on existing customers, upgrade them, add new equipment and make service a profit center."

According to Swiney, "[dealers] are going to have to be a little more creative in the types of promotions they offer, and actually offering them to the customers is the start, because some of them haven't had to in the past. The economy has been good, their customers have been able to pay them, so they have gotten used to doing that—but if they start using a finance company, they can really reduce that risk for themselves."

Many of the dealers Swiney interacts with had leads that were tied into the now-declining new home market. To counteract that decline, "a lot of them are having to become

more creative in the ways that they start marketing, buying different types of lists or canvassing different neighborhoods than they normally have," she said.

By providing financial and practical business support, dealer networks are a smart way to stay ahead. Joining is a way to instantly add

security to your business' future—something too valuable to take for granted in today's economy. *wqp*

Rebecca Wilhelm is assistant editor for *Water Quality Products*. Wilhelm can be reached at 847.954.7958 or by e-mail at bwilhelm@sgcmail.com.

LearnMore! For more information related to this article, visit the web at www.wqpmag.com/lm.cfm/wq060801

For more information on this subject, write in 1011 on the reader service card.

iron? — gone.
manganese? — gone.
H₂S odor? — gone.

All gone. For good. Very good.

With WATER D.O.G.'s revolutionary water treatment system.

Based on patented microbubble oxygenation technology, you can promise removal of all iron, manganese, and hydrogen sulfide odor, with . . .

- no pumps, compressors or injectors
- no retention tanks
- environmental compatibility (no chemicals)
- small space footprint requirement
- low operating costs
- easy installation.

WATER D.O.G. WORKS provides you . . .

- product training
- marketing and sales promotional materials
- technical support.

You'll realize . . .

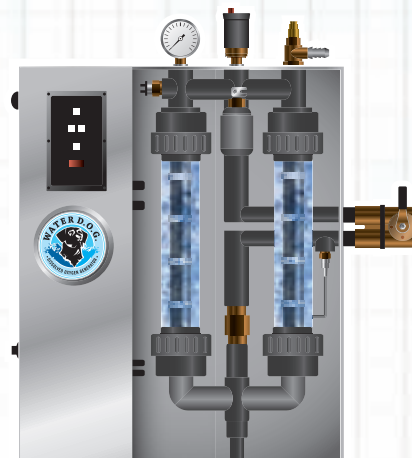
- a more fully satisfied clientele
- and . . . **a return to your bottom line that you control.**

If you like what you're reading . . .

. . . call our Sales Team at 1-800-708-9349.
 And visit us online at waterdogworks.com . . .
 to start making promises you can count on keeping.



Making well water . . . well.



Titanium plates super-saturate water with oxygen by creating pure oxygen bubbles 400 times smaller than ordinary aeration. These hair-thin bubbles more easily attach to iron, creating iron oxide that's easily filterable by virtually any commercially available filtration system.

6101 Baker Rd • Ste 206 • Minnetonka MN 55345 • 800-708-9349 • FAX 952-224-3606

write in 769

JUNE 2008 | 7