

Gorell WINDOW & DOOR Perspectives

GORELL WINDOWS & DOORS, LLC SEPTEMBER 2008

BETTER DAYS AHEAD



By Wayne Gorell,
Gorell President and CEO

I can't wait to get the election over with. It doesn't matter who wins, but we need the candidates and the media to stop telling everyone how terrible everything is. Having any new leader will be enough to get things started. When the banks finally pull their heads out of the sand and start lending like they're supposed to, we may actually start to see a recovery in our businesses during the first half of 2009.

This has been the worst period for retrofit that I can remember. The only comparable period was 1981, when the banks stopped lending for home improvements, even though interest rates were above 20 percent. When banks stop lending and stop trusting each other, a good chunk of our industry shuts down. The silver lining is that when things start to improve, they will come back really strong—so 2009 could be a record year for home improvements.

The biggest challenge businesses face when revenues decline is that expenses don't come down proportionately with revenues. If this situation is happening to you, don't feel bad—many customers have called me and told me their sales are off. If your cash flow starts to dry up and you begin falling behind on payments, you must decide how to cut your expenses to a level equal to the reduced revenue you are generating, plus a little extra. My rule of thumb is—if the top line goes down 10 percent, you need to reduce expenses by about 12 percent, just to stay flat.

These are tough decisions, but they are decisions that must be made for the good of your company and

your employees. Sometimes you have to lay off a few people to sustain the company and protect the rest of the employees. If you aren't willing to make these tough moves, then you're risking everyone's job—including your own. Cut anything that doesn't contribute to top-line sales, or that you question in terms of its value. You need to keep the top line as large as possible and reduce expenses that don't support that top line. People are the most obvious cuts, but questionable marketing practices, unnecessary expenses, travel and extra perks should all be targets during tough times.

The last couple years have been tough—very tough—but the bright spot is that it will get better. When banks start lending again, 2009 could be the best year this industry has ever seen because of pent-up demand.

There are two types of bubbles out there. The first we saw with the Internet boom. Many of the "dot.com" bubbles burst because they didn't have good business models. However, most of us in the retrofit market have strong business models, and the "downturn" bubble is going to burst, too.

We are in a pretty terrific industry that experiences significant downturns only every 25 to 30 years. Retrofit is recession-proof in my opinion, and I've been through a few. But when the banks stop lending, that's when we're hit right where it hurts. Luckily that doesn't happen very often. The downturn bubble will burst!

Chin up, control your expenses and prepare for the surge to come.

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INCLUDED WITH THIS NEWSLETTER:

- "ENERGY STAR" and Green" CD
- 3000 Series Brochure
- 7000 Series Brochure
- Awards Brochure
- Evolution Brochure
- Armor Glass Flyer
- Hurricane Product Catalog

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Out with the Old, In with the New!



By Brian Zimmerman,
Gorell Executive Vice President

PAINT LINE A SUCCESS

Earlier this year, we installed a substantial paint line due to increasing demand for exterior color-coated products.

Bringing this procedure in-house has been a huge success. We're able to better control the lead times and the quality of this offering.

We recently added Almond paint to our color offering. This will allow you to create a two-tone window with White on the inside and Almond on the exterior. With the introduction of Almond exterior painted finishes, we will be phasing out our Almond Opalwood offering. This color option will be eliminated by the end of October.

We will also transition our Tudor Brown finish to a painted finish. This will be much more attractive because it carries a nicer, more consistent gloss. The painted Tudor Brown finish also has better heat-reflectance properties. The co-extruded Tudor Brown finish will likely be phased out of the 3000 Series in early September. Tudor Brown 5300 Series windows will be transitioned to paint toward the end of October.

The specific dates for the Almond Opalwood and Tudor Brown transitions will be determined by inventory levels. We'll keep you posted on *e-Central*, or you can call your customer service representative with any questions.

6300 SERIES PATIO DOORS

Although 6300 Series sliding patio doors have only been available for a

few months, we've seen widespread acceptance of this product. From the beautiful hardware and color options to the significant performance improvements, homeowners agree—this door is an exceptional, solid product that's here to stay!

We've had quite a few requests to add the Walnut Woodgrain option to our



6300 Series. As a result, we are adding Walnut on White to our product offering. It will take a little time for the entire inventory to be in place, but we expect this to be available for orders in mid-October. We'll keep you posted on the specific date.

Because this new door series has been such a success, we will not accept orders for the old 6000 Series sliding patio door after September 12.

5400 SERIES GLASS OFFERING EXPANDED

The 5400 Series is the premier hurricane impact-rated window series that was designed to meet coastal requirements. This product line offers tremendous

wind and water performance characteristics and can stand up to the harshest of elements. Until now, this series was only offered with Armor Max Plus™ impact glass. Due to numerous requests, all 5400 products are now available with most of our standard high-performance glass options. This will allow you to offer these tremendously strong windows in areas that require high wind or water performance numbers, but don't require costly impact glass. See the enclosed Hurricane Product Catalog for details.

JAMB JACKS BACK

A few months ago, we introduced new locking pivot bars on all hung products. These pivot bars lock into the balance system to ensure proper sash-to-frame alignment. With the introduction of this feature, we eliminated the jamb-jack screws on all double-hungs.



We've spoken with quite a few installers, and they agree that the new pivot bars make installation easier. A few installers pointed out that it would still be nice to have the jamb-jack screws on the inside track, so that if the house settles over time, adjustments can be made with minimal disruption to the trim. If you haven't noticed already, we've resumed including the inside row of adjustment screws on all double-hungs.

Thanks to all of you who gave us this feedback. We hope this quick reaction shows you how much your opinion matters. Keep the feedback coming!

Networking and Events



By Tyson Schwartz,
Gorell Vice President of Sales & Marketing

We all know that leads are at a premium—now more so than ever. From speaking with many of you, none of us see this changing anytime soon. In fact, it appears leads are just going to become more expensive as time goes by.

With increasing costs for leads and much tougher financing criteria, many dealers are having a pretty tough year. However, there are some dealers experiencing a pretty good year. What are they doing differently? The answer is: They are generating inexpensive, quality leads. These companies have implemented many lead-generation programs, and networking leads seems to be an up-and-coming lead-generation movement.

I'll illustrate some examples of network lead-generation. There are many different ways to acquire this type of lead. One is by canvassing, which now seems to be a stronger part of many businesses. Another

method is to post videos, TV commercials, etc. on YouTube. This idea is starting to catch on, and it can put you on an even playing field with even your larger competitors. It's also FREE to post videos on YouTube—so you can't beat the cost!

These represent new ways of thinking and marketing, but they work. In fact, "social marketing"—which includes web sites like YouTube—is growing at a remarkably fast rate. Social marketing is widely accepted today as a mainstream way to get your name out there. Web sites such as Facebook, MySpace and YouTube are ways that companies (including Fortune 100 companies) are promoting themselves.

You might also consider developing a blog for your company. Gorell just started one on www.gorell.com. Just click on the "Perspectives Blog" icon on the home page to check it out.

However, lead generation isn't just about social media. More and more companies from many different industries realize the typical "show" (in our case, home shows) isn't the only place to get qualified leads—

so "event marketing" is becoming more the norm. Event marketing is just what the name implies—making a presence at many types of events.

As remodelers, we can show our products at boat shows, wine tasting events, festivals and fairs, to name just a few possibilities. You will likely see less competition and, as a result, your lead quality typically becomes better. You might not get lead quantity, but you will probably get higher lead quality, this according to remodeling companies that have been using these tactics with great success.

Great Selling!

You Tube



Are You Blogging Yet?



By Scott Williams,
Web Design Associate

If you go to Google or Yahoo and do a search on an industry news topic, "how to" question or subject of personal interest, chances are one of the results you'll receive will be from a blog. Some of you are probably asking, what is a "blog?" A blog is a personal or corporate web site in the form of an on-line journal—with entries appearing

in the sequence in which they were written—designed to address particular topics or interests. Blog entries, or "posts," can be broad or very specific, depending on the level of complexity the author chooses to address.

The explosion of social media and the availability of free blogging tools have made it possible for everyone to publish and share their thoughts with others on an ongoing basis via their blog. In most cases, readers can respond to blog posts by leaving comments, which allows for two-way communication between the blog author and readers. This collection of thoughts and opinions becomes a valuable resource to people doing research or people with similar interests. Blogs are starting to gain favor with search engines, due to the consumer-generated, non-marketing-biased content they provide. In addition, they are frequently updated with fresh content.

In an effort to help educate consumers and address various topics on window

replacement, Gorell has launched its own corporate blog called "Window & Door Perspectives." Gorell's blog is accessible on www.gorell.com by clicking on the "Perspectives Blog" link located in the lower left-hand column of the site's navigation. There you will find a collection of posts designed to address various window topics like energy efficiency, window replacement, general window knowledge and more. The next time you are on-line, drop by and read some of our posts. To leave comments, simply complete the short registration process and begin participating. If you find a blog post to be particularly helpful, we encourage you to share it with others by forwarding a link. This, in turn, will help Gorell's search engine marketing efforts, which then helps you—because we forward leads generated from our web sites back to you.

With your help and participation, we hope to make Gorell's blog into one of the best on-line replacement window resources for consumers.

The screenshot shows the website's navigation bar with 'Home', 'Login', and 'Register' links. Below is the 'Window & Door Perspectives' section, dated '14 August 2008'. The main article is titled 'Selecting Windows for Security' and includes a search bar, RSS feeds, a calendar for August 2008, and a list of categories such as 'Energy Efficiency, Green', 'RSS', 'Gorell Product Updates', 'Replacement Window Benefits', 'Understand Windows', and 'Window Costs'.

Dealing with a Difficult Person



By Ellen Starry,
Human Resources Manager

I doubt there's anyone in business who hasn't had to deal with a difficult person—either an irate customer, a stubborn vendor or an angry employee. It's easy to get caught up in the emotion of the situation and react without thinking about the consequences of your response. Below are some tips for handling difficult people and emotionally charged situations.

- **View the situation as an opportunity.** If you can solve a customer's complaint, he or she may give you repeat business. If you help resolve an angry employee's issue, you'll be viewed as a problem solver—or better yet, a leader who listens to what your employees have to say.
- **Remain calm.** Losing your self-control will most likely only make the situation worse. Instead, model the behavior you're trying to elicit. Lower your voice and speak slowly and clearly—without sounding condescending.
- **Let the person “get it off of their chest.”** Don't interrupt because it may only make the person you're speaking with angrier. Wait calmly until the person finishes. Sometimes

simply letting someone speak his or her piece helps to calm the person.

- **Acknowledge the other person's feelings with respect.** Let the person know you understand that he or she is upset, and you want to help find a resolution to the problem.
- **Don't argue.** Fighting back only complicates matters. Keep an open mind, and try to see the situation from the other person's perspective.
- **Determine the true cause of the issue.** Ask questions in a non-threatening manner if you aren't sure what the complaint or concern really is. Show genuine concern for the issue and a desire to help. Also, avoid assigning blame.
- **Find a resolution together.** Understand that what you think will “fix” the problem might not be what the person is looking for at all.
- **If you make a commitment, follow through.** If you don't follow through, not only will you set yourself up for “round two” of discontentment, you will also lose credibility.

Two more points I want to make are related to safety. It's hard to pick up a newspaper and not read about workplace violence. If you know in advance that you will be dealing

with a person who has a quick temper—or who is dealing with a lot of personal issues—and feel this situation might set the person off, here are a couple of tips to help prepare:

- Hold the meeting when other people are around, or at least let someone else know about the meeting. Perhaps have someone walk by or call after an agreed-upon amount of time, and set up a code word in case you need help.
- Position yourself so that you can exit the area if the situation gets out of control. Don't get backed into a corner.

There are several great books on the subject—but these are some items that I personally have found helpful. Dealing with difficult people can truly be an opportunity for you both—the “difficult” person gets an acceptable resolution to his or her problem and, by helping, you develop your communication and leadership skills.



Stimulate your September sales with our special GE Money promotion!



GE Money

There's just one month left to take advantage of Gorell's special GE Money promotion. The Project Line “No Payment/Deferred Interest for 9 Months” promotion always gets the phones ringing. This promotion removes homeowners' concerns about “money being tight right now.”

Customers who take advantage of this promotion won't have to make any payments for 9 months from the funding date. On top of that, if the purchase is paid off in full before the 9 months are up, all of the interest is waived!

Normally this promotion would cost you a fee of 4.35%. We've worked with GE Money to bring down that rate for you, so it will now only cost you 3.00%! That's about what you would be charged for a credit card purchase.

This promotional offer is available on qualifying purchases that are funded by September 30, 2008. To take advantage of this promotion, include “Plan Number 119” on your application.

If you haven't signed up to be a part of the Gorell/GE Money program, ask your regional sales manager or customer service representative for an application today.



Are You Listening?



By Michael Rempel,
Executive Vice President

I'm sure you are just like us. We're constantly looking for new ideas, innovations, improved efficiencies and upcoming trends that can help us grow our business. We read magazines, receive various electronic publications, go to trade shows, maybe even involve ourselves in industry blogs to see what ideas we can adopt or adapt to improve our business. The resources available are endless.

Often in our search for the next great idea—the winner, the homerun—we overlook an alternative that, at the end of the day, may be more beneficial to our company than all the research and reading we do. It's the knowledge stored in the bountiful database called our "workforce." Homeruns are great, but teams can be very successful playing "small ball" and rack up a lot of wins in very unique ways.

Consider this—every employee has several tasks that he or she performs daily. Who knows better than that employee not only how to do that task, but also how to improve on it? You might wonder—if they know how to do their jobs more efficiently, why don't they just do it? The answers could be numerous—"This is the way I was taught." "My supervisor told me to do it this way." "No one ever asked me for my opinion."

What if you encouraged your employees to come up with just one or two simple ideas that they could implement themselves each month to make their jobs easier? By the end of the year, you might have 20, 50 or even hundreds of little ideas—and the benefits could very well go straight to your bottom line, both financially and through improved morale.

The whole concept is based on communication! Ask each employee how he or she can make his or her job faster, easier or more

efficient, listen to the answers, and empower employees to improve what they do and how they do it. It's a simple concept, but it's one I'm convinced will work in any organization.

I suggest two books on this topic: "The Idea Generator" by Norman Bodek and Bunji Tozawa and "Ideas Are Free" by Alan Robinson and Dean Schroeder.

Maybe you have read some other books on similar topics that you found beneficial. If so, please email me the titles at mrempe1@gorell.com. I'm always listening!



Krypton Pricing Skyrockets



By Rick Robson,
Vice President of Materials Management

If you think oil and gasoline are out of control when it comes to pricing, wait until you hear about krypton! Krypton, as I'm sure you already know, greatly improves the thermal performance of an insulating-glass unit when it is used to fill small air spaces. For this very reason, krypton gas is used in Gorell's



top-of-the-line Thermal Master III® and Ultra Master III™ insulating units to push window performance to the maximum values possible. However, with krypton, like premium gasoline, that extra performance carries a more-than-premium cost.

While krypton has always been more expensive than the more commonly used argon, the past couple of years have seen astronomical increases. Since the beginning of 2007, krypton pricing has risen some 500 percent to date. It has risen 44 percent just since June of this year. It's simply the old rules of supply and demand hard at work here. The use

of krypton has exploded in the high-performance lighting industry, as well as in the upper-end fenestration market for insulating-glass applications. Global supply simply has not been able to keep up with this skyrocketing demand. To make things a little worse, there have also been some supply disruptions from two different plants that produce this gas.

To address this shortage, a number of new air-separation plants that can produce krypton and other rare gases (such as neon and xenon) are currently under construction throughout the world. We will, however, have to wait a while for that extra gas to show up in the supply line. It will be, at best, the end of 2009—or more probably, sometime in 2010—before this additional supply begins to catch up with demand.

Gorell Products Get a Facelift



By Volker Valentin,
Vice President of Operations

The time had come to give some of the products that established Gorell in the marketplace a facelift—specifically, the 5100 family of windows, along with our sliding patio doors.

5100 Series products received several enhancements. One of the biggest changes was the sill design on the double-hung models. It was "beefed up" and the sill height was increased in order to improve the design pressure ratings. The enhancements to the sill also allowed the sill extension to be "tucked" into the jamb. This created a complicated welding process that required several new pieces of equipment. There is a custom sill fabrication center that notches the sill, as well as a new jamb-fabricating center that notches the jamb. An additional workstation routes the jamb for the sill leg.

The sash on 5100 Series products was also enhanced. You'll find an extended lift rail for an easier grip and a beautiful new recessed lock in the product. A special new fabrication center automatically routes the recessed lock in the correct position once the sash has been welded.

New 6300 Series sliding patio doors feature a completely new design that's much improved over the 6000 Series products. The new doors include a basic mechanical frame that achieves a DP35 rating (6300 Series). With the addition of an aluminum threshold and some special reinforcements, it can achieve a DP50 (6350 Series). This new door product line will also be available in a full hurricane/severe weather version, the 6400 Series.

The mechanical frame design allows you to have different extrusions for the head, jamb and sill to give you the best performance. The all-new sash design overlaps the frame and incorporates sturdy reinforcements.



This overlap design eliminates the occasional complaint about seeing weather stripping on the 6000 Series sash. It's also designed to accept the beautiful new multi-point locking hardware.

All-new processing tooling has been incorporated into this product line to give you the best door possible. Additionally, we've begun installing some of the tracks and frame adapters at the factory so that your installation process is simplified.

These product enhancements will bring a smile of satisfaction to your customers' faces—and hopefully to yours, too!



Customer Care Corner

E-mail your questions to your Gorell customer service representative or mthomas@gorell.com. One of our customer service representatives will provide an answer to you by e-mail, and we'll publish some of your questions in future issues of *Perspectives*.



By Tamara Simon
Gorell Customer Service Representative

Q: What is the best way to register a warranty?

A: Once you've completed a Gorell window job, just follow these few easy steps to help ensure that your customers get their Gorell warranty.

1. On a Gorell warranty card, fill in your company name, Gorell account number, Gorell order number and the date the windows were installed. On the replacement window warranty card, you will write this information in the blue-shaded box in the bottom left corner; on the new-construction card, use the pink-shaded box in the upper right corner.
2. Give the completed warranty card to the homeowners. They must complete several questions, provide their names and mailing address, then mail the card to Gorell.
3. Once Gorell receives the completed card, we send out an official Gorell Warranty—including all the pertinent information—for their files. This makes it convenient and easy for your company and homeowners when calling Gorell about a specific job.

Q: What do I do if an item needs to be returned to Gorell?

A: If an item needs to be returned, you must contact your customer service representative and have her issue a Return Authorization form (RA). The RA will include your dealer information, the original order number, your purchase order and a detailed description of the product and the problem. This form will be faxed to you when the item is ready for return. Your customer service representative will arrange for the item to be picked up and notify the driver.

We recommend that you make an additional copy of the RA for your records. Have the driver sign both copies upon pick-up. One copy will be attached to the product. The other copy is for your records.

If an item needs to be returned at the time of delivery, we ask that you contact customer service immediately, so that we can verify if that truck is coming back to Gorell or if the item needs to be picked up at a later date. No item should be returned without a Return Authorization. This is for your benefit, because we want to ensure that you get the proper credit or a replacement for the item.

Once we receive the product back at our facility, the Customer Service Manager and the VP of Operations will inspect the product and determine if any credits are due.

What's New at Gorell?

NEW!! ENERGY STAR® and Green Marketing Toolkit CD

Now—just in time for the fall and winter seasons—Gorell has a new “ENERGY STAR and Green” Marketing Toolkit CD. This CD will allow you to access unique marketing and sales tools—including literature, ad slicks, logos, training programs, signage and banners and much more—to help you sell energy-efficient windows and doors! These items will help you promote the “green” aspects of Gorell products and the benefits these energy-efficient products provide—an important consideration,



with the rising costs of heating and cooling homes. A copy of your toolkit CD is included with this newsletter mailing. If you need additional CDs, please contact your customer service representative.



“New” Customer Service Representative



Renee Jones

Renee Jones is Gorell’s “newest” customer service representative. Renee has more than five years experience in the customer service field. She most recently worked in our Grand Additions sunroom division, so many of you may already know Renee. We’ve received countless compliments about the great job Renee has done for our sunroom dealers, so we know she will be an excellent addition to our window and door team.

Two New Gorell Videos Available.

Gorell now offers two new videos for you to use with consumers. An updated version of our 10-minute “Gorell—The Name Means Quality” video is an excellent tool to use with potential customers. It introduces consumers to Gorell products and to the company itself—and enhances the credibility of your manufacturer by promoting Gorell’s numerous awards and honors.

Our new “Armor Max Plus™ vs. Ice Bears” video is a three-minute piece in which a professional hockey player shoots pucks at a Gorell AMP hurricane window. It demonstrates the extreme strength and weather protection provided by these products. To order these two new videos, contact your customer service representative. Special thanks to **American Home Improvements** for providing the excellent footage for this video!



NEW LITERATURE AVAILABLE

Gorell’s newly updated 3000 Series Casement and Awning window brochure, 7000 Series Bow and Bay window brochure, Armor Glass flyer, Awards brochure and Evolution brochure are now available. You can order printed items through customer service or download the new literature from *e-Central* as PDF files to email or print. If you don’t have *e-Central* access, you don’t know what you’re missing! Contact your customer service representative for quick and easy access.



Gorell 2008 Window Sweepstakes Winners Named.



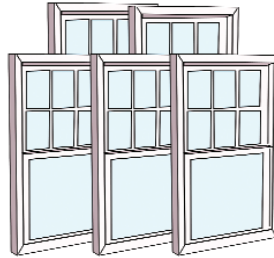
Be sure to promote Gorell's new "Go Green with ENERGY STAR" sweepstakes in your marketing efforts. The new sweepstakes will run through December 30, 2009.

The 2008 winners—pulled from 6,030 entries (excellent odds!)—are:

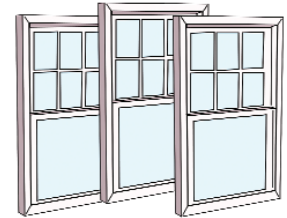
Grand prizewinner Jackie Jenkins, Silver Spring, MD, won a houseful of Gorell ENERGY STAR® qualified windows, which will be installed by Rockville Window & Door.



First-place winner Angela Cartounis, Windsor Locks, CT, won five Gorell ENERGY STAR qualified windows, which will be installed by Peter L. Brown Co.



Second-place winner George McGilton, Kansas City, MO, won three Gorell ENERGY STAR qualified windows, which will be installed by Energy Smart.



THE WINNER!

Congratulations to Mike Harper of Midwest Window and Building Supply. He correctly solved the word search from the June issue of *Perspectives*. Thank you to everyone who entered the contest.

Complete the word search puzzle in this issue for your chance to win. Words can be found in the diagram reading forward, backward, up, down and diagonally. Circle the words you find, then mail us your entry for a chance to win a special prize. Send it to the attention of Debbie Fleming, Gorell Windows & Doors, 1380 Wayne Ave., Indiana, PA 15701. The deadline for entries is October 13, 2008. One winner will be determined by a random drawing from the correct entries.

CONTACT INFORMATION

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Newsletter Contact Info:

If you have questions or suggestions for future issues of *Perspectives*, contact Editor Melanie Thomas at 800-946-7355 or email her at mthomas@gorell.com.

NAME: _____ PHONE: _____

COMPANY NAME: _____

S H J Q C D S B F G R N W I U F E O U N
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C A N V A S S I N G B K Z O T N E S R K

ARGUE	EMOTION	KRYPTON	RESOLUTION
BLOG	ENERGY	LISTEN	RETROFIT
BROCHURE	ENHANCEMENT	MEDIA	REVENUE
BUSINESS	GLASS	NETWORKING	SERIES
CANVASSING	GREEN	PAINT	SOCIAL
COMMUNICATION	IDEAS	PERSPECTIVES	VIDEOS