

January 2012

## Members' Online Forum Launched

Having updated the Irish Hardware & Building Materials Association's website, [www.ihbma.ie](http://www.ihbma.ie), in late 2011, there is now an exciting opportunity for members to interact with each other online to give and get advice. This has to be a welcome addition for Irish Hardware & Building Materials Association's members, as the forum will provide members from around the country with a communication platform to exchange ideas and techniques for managing their businesses.

The idea is that it will provide real world practical advice from your fellow hardware/building material merchant colleagues, and where appropriate, advice will be available from experts.

You are invited to join today a growing community of your fellow colleagues, share your experience and learn from your peers. Topics you post on the online forum will be available to hundreds of your fellow members, so please make sure your messages are –

- Relevant to our Hardware, DIY, Building Materials sector.
- Written in a manner which others will not find objectionable, ie, no personal attacks or profanities.

Advertising specific products or services is not allowed.

Some examples of issues that have occurred during the past few months and that could be posted are –



IHBMA MEMBERS FORUM  
JOIN THE DISCUSSION

1. I have an employee who regularly provides me with sick certs, even though he can be seen out and about during the day, and frequenting pubs in the evening. How can I address this situation?
2. I have in the past, and am continuing, to open credit accounts for my non trade customers, due to the fact that I have supplied products to their extended family previously. Am I covered by the account forms that I use for trade customers?
3. We are considering carrying stock of 20lt drums filled with kerosene. Speaking to some oil suppliers who supply me, there is confusion over the licensing involved. Can you advise me in this regard?
4. I had a call from an inspector from the Forestry Department regarding my stock of mouse glue traps and battery operated rat traps. He informed me that they were illegal to sell in Ireland because they do not cause instantaneous death. I now have a court appearance. Can you advise if anyone else has had a call from the Forestry Department or another department? I am wondering what the situation is.
5. Some members of my staff take and make personal phone calls on their mobile phones during work hours. How have other merchants handled this inappropriate use of personal mobile phones?
6. During 2011, we started a Christmas club mid year so that people could save money each week and have a fund to spend at Christmas time. This was something we had done previously, but in the boom years had not been happening. Has anyone else had experience on how new Christmas savings clubs now operate, when is the best time to start them and how much ideally should you encourage your customer to put away?

The above questions are all real life examples that the Association office has encountered over the past couple of months. While we endeavour, and usually get to a resolution, the idea of the members forum is to use the network and community of fellow members to assist.

President of the IHBMA Brendan Maher says, "we have created the IHBMA online forum as a way for fellow members to swap tips about the nitty gritty of running their hardware or builders merchants outlet. Hopefully it will grow into a community of hundreds who will share their experience and advice. I hope you will join today and start sharing with your fellow colleagues".

The IHBMA members forum is totally independent and powered entirely by members comments. It is 100% free and will be a resource for members into the future.

Members can sign up here <http://www.ihbma.ie/member-registration>

For more information visit [www.ihbma.ie](http://www.ihbma.ie) or email [info@ihbma.ie](mailto:info@ihbma.ie)

# Your Virtual Credit Manager



As a member you will have received a hard copy of the Credit Management Guide for the Irish Hardware & Building Materials Association in late 2011. A soft copy is also available at [www.ihbma.ie](http://www.ihbma.ie). The Guide was designed to be a book of reference for all those involved in offering credit, and also a step by step guide for those who wished to develop best practice in the area.

Now for 2012, author of the Guide, Declan Flood, aka the Credit Coach, [www.icmt.ie](http://www.icmt.ie) and the IHBMA have come up with an innovative way to use the vast experience of Declan to revolutionise your credit control function and save you money. By employing and using the skills of Declan as your virtual credit manager, for a fee based on a percentage of what you will save, you will have access to a host of services designed to speed up your cash flow and streamline your process from start to finish.

Declan Flood will work with your existing credit team, if appropriate, or he will become your virtual credit team. You decide what works best for you in your business. You agree a credit policy, timeframe, and Declan will deliver the best practice in every area.

The benefits you can enjoy include –

- A professional and very experienced credit control manager at a fraction of what it would cost you to employ one full time.
- Information on the payment performance of your customers with other merchants/retailers (in association with Dun & Bradstreet).
- Outsource collection service at whatever stage you decide.
- Advice on 22 key areas of credit – from credit risk assessment to reports.
- Risk profiling of your key customers.
- Verification of correct legal names for all your customers.
- A monthly assessment report on your progress with suggestions.
- Help with your older debts and advice on when it is best to go legal and when it is best not to.
- Access to the best service providers available at preferential rates.
- Access to all the latest credit management information to give your business the advantage.

## Credit Management Guide for Irish Hardware and Building Materials Association

Prepared by:



In Association with



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To launch this innovative service and with 2012 predicted to be another tough year – the sooner you start to focus on getting your own credit function under control the better. Declan Flood and the IHBMA have developed a three part day programme to help members of the Irish Hardware and Building Materials Association to gain control of this vital area.

Step 1 – Deals with getting paid for what is currently outstanding on your ledger.

- What to do - Who should do it - When to do it

Step 2 – Deals with getting new sales from new and existing customers and granting more credit.

In the current climate you can't continue to give out more and more credit without having some rules, controls and security built in. If you stop giving credit altogether you may be turning away potentially profitable sales.

Step 3 – Optional Ongoing monitoring

Gaining full control of your Credit Control function is a journey and if you need expert help for your existing staff to make the necessary progress, we are available to help in any way we can. Having The Credit Coach as your virtual Credit Manager, keeping an eye on the areas of greatest exposure, advising you of developments in your industry and sharing information and benchmarking on a permission based platform will greatly benefit all who participate.

This day programme represents a brand new concept of combining training, coaching and consultancy all in one place, and has the added benefit that you can choose to take the advice and tools and put it into practice yourself immediately or you can work with us after the session to get the results you require.

Please contact the IHBMA for details of courses in your area 01 2980969. or [j.copeland@ihbma.ie](mailto:j.copeland@ihbma.ie)  
– Join us on the day

# Health Insurance - You're in control

Having recently saved almost €500 on medical insurance, I want to spread the good news and encourage other colleagues within the sector to explore the possibility of doing something similar.



I discovered two health insurance comparison sites which aid greatly in deciphering the very complex area of health cover and insurance. The first is [www.hia.ie](http://www.hia.ie), which is hosted by the Health Insurance Authority, a statutory regulator of private health insurance in Ireland. The Authority provides information to consumers regarding their rights and health insurance plans and benefits. The IHBMA have been offering members a discount scheme for a number of years, however, these corporate schemes are now available to all, and the savings that can be made by comparing comparable plans and other health providers now outweighs all other discounts.

The HIA site is a guide only, and as usual you should always contact your insurer for the full product benefits, terms and conditions. The comparison allows you to choose different plans within a single provider or choose from all providers in the marketplace. It also allows you to consider both increasing the reducing cover as appropriate.

The second comparison site is [www.healthinsurancesavings.ie](http://www.healthinsurancesavings.ie). This is operated by Cornmarket Group Financial Services Limited. This site also reviews all health insurance companies, allowing you to provide basic information and provides options for your consideration.

General advice on saving money on private health cover includes –

- You can downgrade cover, but make sure you feel the cover is adequate to take into account waiting periods, if you want to upgrade again. Consider if your children actually benefit from private cover.
- If the provider you are with announces that they are increasing premiums from a certain date, renew your policy before that happens in order to retain the lower premium rate for a further 12 months. The closer you are to your renewal date, the more sense this makes.
- Switch to a company or corporate plan which tends to be cheaper than other plans, but offer the same level of cover. All policy providers sell company plans but they are only marketed to businesses and are not generally advertised. However, by law they must be available to all.
- Switch to a health cash plan or mix and match between private cover and a cash plan. Cash plans cover day to day out patient expenses rather than private hospital operation costs. You can claim for a cash benefit that may be a flat rate or related to the cost of the service provided. After a consultation or treatment has taken place and the bill has been settled, you can claim back cash for your costs, including dental, optical, physiotherapy and a number of complimentary treatments.



# The New York Times

## Related Selling Increases Sales

Affinities in merchandise move more freely when displayed together

Among the most puzzling problems faced by many retail merchants at the present time is how to increase the volume of their business. Two general methods will do it. The first being to get more customers into the store and make them regular patrons. The second is to increase the average amount of merchandise sold to each of them.

The first method of course, is the one tried by most merchants. It is the most productive and easiest, for all that is needed is to sell the right goods at the right prices and advertise them effectively.

The second method however is worthy of the thoughtful consideration of every retailer. For all increases of businesses by that method can be accomplished with no expenditures other than those of time and trouble. Furthermore, it develops the salesmanship of the merchant and of the employees, and so is of very distinct benefit to the store in getting more patronage out of new customers.

In increasing the volume of business by selling greater quantities of goods, on the average, to the store's individual patrons, the best plan to use is that of selling related articles. By "related selling" is meant the selling, for instance, of lotions and face powders to men who buy shaving creams and razor blades. The selling of hair nets to women who buy rouge or cosmetics, the selling of sport shirts to men who buy sport hats and so on.

In some localities the retailers have developed the science of related selling to a very high degree of efficiency and by doing so, have in some cases, doubled or even trebled the average amount of goods sold to individual patrons of their establishments.

In a middle western city, for instance, a clothier who is an analyst of his business, found that the average individual sales made to customers at his collar and neckwear counter were less than 30c each. This meant that the great majority of the patrons of this counter were buying only a single collar, a single collar button and a single cheap tie, or something like that, and were not spending nearly as much money as the merchant felt he had a right to expect from them.

Accordingly, this merchant felt that he must supply some stimulant to buying at this counter. He did so by installing a line of cigarette holders, retailing from 50c to \$1 each and by also installing safety razors and silver and gold plated pencils.

After installing these new lines of goods, the merchant had a heart to heart talk with the salesman in charge of the counter. He told the latter that he now had the equipment for increasing the average sale, and said it was up to him to do so, or try some other kind of job. The salesman saw the point of his employer's remarks with the result that in a very short time the average sale at his counter increased by \$1. It has been increasing ever since.

This feat was accomplished entirely by related selling. When a customer buys a tie at this counter, the salesman suggests that it would be a good thing if a coloured cigarette holder to match the tie. When he makes out his sales slip, he nearly always asks the customer for the use of his pencil. If the customer has no gold and silver plated pencil, the salesman tactfully tries to sell him one, and often succeeds.

Another example of related selling is found in the experience of a middle western drugstore, where rows of talcum powder boxes are always placed on the cigar counter, next to packages of shaving cream and safety razor boxes. The one place in a store where 90% of our men patrons are found is our cigar counter, the owner said recently. I don't believe that 10% of men who come into the store, leave it without coming to this counter. Consequently the cigar counter is a logical place to sell the goods we handle that are of great appeal to men.

Those which appeal to men most, next to cigars and soda fountain dishes, are shaving supplies. We don't have to push the cigar business or soda fountain business very hard, because they take care of themselves. But we do have to push our shaving supplies. We used to have them at a counter at the rear of the store, and they did not sell anywhere near the quantities we wanted them to. Then we conceived a plan of putting them at our tobacco counter.

Now every man who comes to this counter sees these supplies and as a result our sales of shaving supplies have gone up and up until at the present time, they rank near the top of the list of the best selling goods we carry.

Another drugstore has done the unique thing of installing an optometrist in the store on a salary basis. This optometrist is located at the rear of the store next to the tables and racks on which the store carries magazines and books which it handles. In this part of the store is a homemade lens for testing eyes by getting people to see how well they can read a periodical through it. This periodical being attached to the wall a short distance in front of the lens.

The result of this arrangement is that the store does an increased business in magazines because the eye test arouses additional interest in the periodicals and attracts customers to the periodical department. It also results in the store doing an exceedingly good optical business by interesting the periodical buyers in the question of good eye sight.

To cap the climax, on the other side of the magazine rack and magazine tables, the store has a good display of eye washes and eye brow preparations which by reason of these goods being so closely related to the magazines and optical goods displayed, the store does a very nice business.

*The New York Times published 15th October 1922.  
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