

CULTURED STONE NEWS

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Jim's Gone Fishing...or Maybe Hunting?

Well, it's one of those two for sure! After years of speculation as to when it would happen, my father Jim Novak, owner and cofounder of ACS has decided to more fully enjoy recreational life and make the move into retirement—we wish him the best!



Greg Novak (left) and Jim Novak (right)

Jim began producing cultured marble in the 70's at his first cultured marble factory in the upper peninsula of Michigan. Later he moved into consulting for cultured marble companies across the US and then began managing several larger cultured marble companies such as Excel Industries of Phoenix and Permabuilt Industries of Torrance, CA. Having such a rounded background in the industry paved the way to make a success of ACS from the very beginning. Starting with just three employees, ACS had grown to over 55 employees last year. Jim has certainly earned the time off and his great sense of humor and keen understanding of the cultured marble business will certainly be missed.

I have been with ACS since its inception, back in the late 1980's as its Vice President. Having worked in almost every department in the company over the past 18 years enables me to have a total understanding of all aspects of ACS. The main focus of ACS will not change. We will continue to focus on total customer satisfaction, the highest quality products and the development of innovative new products to keep our customers on the cutting edge of technology in this industry. With a cast polymer market that faces serious competition from natural stone, tile, and imported low cost materials, more than ever it is the time to be creative and innovative in both new product development, and effective marketing tools for our customers to utilize in order to excel. This is ACS's commitment to our industry and all of its customers.

I am very enthusiastic about the future of ACS and our industry as a whole. Feel free to contact me any time with questions or comments. If you'd like drop Jim note, his e-mail is Jim@acstone.com.

Greg Novak, President
greg@acstone.com

New Faces to Go With the New Voices



Don Hay, Technical Support (front); Jean Alvarado, Lab Tech (back left); Leo Huizar, Lab Tech (back right).

Many of our customers might have noticed a few new voices when calling ACS International during the last few months. The following will give you an idea of who everyone is and how they can help you in meeting your needs.

First, the ACS color laboratory. Long time ACS employee Don Hay has shifted from his primary sales position into that of the laboratory manager and technical support representative. His expertise can now be utilized by many more of ACS's customers. Along with Don are Jean Alvarado and Leonard Huizar. Many of you have likely spoken with Jean over the last

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Nicole Zayas, Customer Service

year. Jean has a strong background in working with colors as well as being a laboratory technician for over 20 years in various industries. The newest addition to the ACS lab team is Leo Huizar. Leo comes to us from the University of Arizona with a chemistry degree. He is eager to learn more about the industry and apply his technical knowledge.

Our Customer Support staff has also received a new addition— Nicole

Zayas. Our customers are sure to find Nicole's professional, friendly manner welcoming and helpful. More of our customers are likely to start seeing and hearing more from Julie Henniges. Julie is a unique employee in that her responsibilities take her across many different departments within the company—including sales, marketing and purchasing.



Julie Henniges, Business Coordinator

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could be overcome if he chose to look at optimizing his total system. The savings amounted to \$23,000/month. When builders demand price concessions do you want to be the manufacturer that has cut his costs or the one that stayed with the same system for 20 years? Only one of the companies will get the business. All these issues and more will be subjects for discussion at your friendly multi-regional meetings—like the one coming up in June, hosted by ACS International. *I hope to see you there.*

Jack Simmons
VP of Sales
jack@acstone.com

Q & A

Q: Where do I find the recommended backfill colors?

A: If you haven't had the opportunity to browse our web site, please do so. ACS has gathered a great deal of product information and put it at your disposal. For Poly Stone backfill pigment recommendations, go to the following link: www.acstone.com/products/polystone/polystone.html.

Q: What's up with the gossip in the industry about patent infringement?

A: Many customers have asked ACS about patent infringement between ACS and another supplier. Let's set the record straight.

The patent that ACS holds does NOT infringe upon any patent held by any other company. Unfortunately, this is a nasty rumor spread by our competition. It's unfortunate that our competitors resort to such mud-slinging tactics to sell against our product line. *What can we say?* We offer an excellent products with great people backing them up!

Your Market in an Uncertain Economy



Jack Simmons, VP of

I have been on the road much of the last year. I have heard it all from "we're just too busy" to "business has dropped off the cliff." Perhaps we are in the *pause that refreshes period* of the business cycle. The one message that needs to be conveyed to our industry is that **slow economies require quick steps.**

There is much to do in (what I hope will be) a short period of low housing starts. What is at stake is the future of the industry and your businesses. When we look at the world around us we all see strong competition and huge challenges.

Let me digress to another time and industry as a point of illustration. In graduate school I became a "leading expert" on meat packaging. The title was conferred on me by the meat packing and supermarket

trade association when they found out that somebody (maybe for the first time) was actually studying the industry. I was invited to give a presentation to the annual convention in Chicago. After my performance they tried to turn me into a vegetarian. Here is what happened.

I started off my presentation by saying that a dynamic meat packing industry needed to accomplish several key goals in the next five years. I then read a state of goals. I then turned to the audience of about 600 to 800 meat packaging executives and challenged them; "Can you accomplish these goals?" After about a minute of silence the group rumblings were "of course" or "that will be simple" or "no problem". The group kept patting themselves on their collective backs until I announce, "The statement I just read was the opening statement of your convention 15 years ago. It has made me conclude that the meat packing industry has had no significant innovation in the last 15 years." The room went silent. The crowd's silent slowly shifted to grumbling of an unpleasant nature. One man shot to the defense of his industry. "We have plenty of innovation. My company invented the 'Tuny'." (For those that did not get a chance to partake in this delicacy, the Tuny is a tuna fish hot dog.) "I personally went to grocery stores to watch consumers pick up packages of Tuny's and put them back. We aren't responsible if the consumer is too stupid to buy our innovations!" Nothing makes the point better than a man "shooting back" with an unloaded gun. I then went on to tell them about a \$750,000 market research project that the government funded studying the meat packing industry. After the subcommittee got their copies only two had been requested. I had one and my Professor had the other. The meeting did generate a huge demand for government documents.

How does this story apply to your life? Now is the time that each of us has a choice. On the one hand, we can say times are slow and I will just have to cut back. My staff will be smaller and I will not have the time to learn new things. Another way of saying the same thing is "I just do the same things that got me in this position until I either go out of business or the economy let's me survive." This attitude forgets **three very important principles.**

1. The toughest competition you have is using the same technology with lower costs.
2. When times are good you don't have enough time to look at innovation.
3. *True innovation* is not something that is just new, but *something of value* that is new.

The real answer to times are slow, is that now I have time to improve my business and learn as much as I can about new and better systems.

You can not afford to ignore innovation. The business of innovation is for all the times. It needs to be focused on what is most important today. For the past year, my message to my friends in the industry has been very clear. It is not popular with some of my fellow vendors only because it is misunderstood. As manufacturers in today's business environment you must concentrate on reducing your costs. This is because builders sell houses on price and quality and in soft markets—cut prices. **In order to cut prices they need lower costs.** Home buyers reject the idea of paying a significant premium on a house because of loyalty to a builder. The growth of the

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Southwest Regional Meeting in Tucson



This year the Southwest regions of the ICPA/ACMA—GWCMA and GSCMA—will hold a multi-regional meeting in Tucson, Arizona co-hosted by ACS International, Inc. Unlike previous years that ACS has co-hosted the regional meetings, we decided to look outside of Tucson for accommodations. The search took us to a quaint hotel about forty-five minutes South of Tucson in Rio Rico. The Esplendor Resort (seen on left) should meet all the expectations for this event.

Let's face it. We all want innovative information on the industry, however these events have that added perk of enjoyment while doing business! Some key attractions to the area include:

- Robert Trent Jones Sr. golf course at the resort

- Horseback riding in the Santa Cruz River valley
- Tennis courts, pool and exercise facility

Should travelers look outside of the hotel for recreation, Mexico is only a 15 minute drive. Nogales, Mexico offers great shopping and food. It's recommended that travelers park on the U.S. side and walk across in order to avoid the often times long vehicle lines crossing the border. Tumacacori is a historical mission just 9 miles from the hotel. If it's art you're after, Tubac is a small town with lots to offer (example of art gallery on right). Finally, Tomestone is another popular destination in the extreme southwest. If you've never been there, it's worth the drive—especially if you're traveling with the family!



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cultured marble market will come from replacing tile and laminate tops. Both of these are cost sensitive decisions made by the home buyer. Supply and demand economic theories do actually work.

Your vendors should have the same goal. If your sales go down, their sales will also. This must be done while maintaining or improving your basic quality. This does not mean just asking for a lower price, but working closely with vendors to optimize your manufacturing operations. The use of the lowest cost raw materials that make high quality parts is just one aspect. It means understanding and trying new technologies. The best place to discuss and understand these new technologies is at association meetings. The more people the better. The result should be that you have a lower cost of production. This can be achieved with lower raw materials costs, lower scrap rates, lower labor, or some combination.

The second area that you need to concentrate on is product differentiation. You need products that people associate with your company and have loyalty to you because of it. The best place to see this is at association meetings when you can compare all the new things offered and decide which of them will meet your needs.

Let me end by giving you another brief example. I recently met with an old friend that has a large marble shop. He is not a member of the ACMA/ICPA and he is using technology that is 20 years old. While many people compete for his business they compete on the basis of what he is doing today. Innovation is not considered because of objections that have long since been vanquished by modern technology. Not one vendor would challenge his objections. I sat down with this man for quite a long time and went over how each of the problems he saw

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Look Out!

NEW Dura Stone® Colors

There are some exciting things happening in our Dura Stone color line up. All should be revealed within the next month. If you'd like to be on the list of the *first to receive new color samples*, send Angela Kliever an e-mail at angela@acstone.com.

NEW GraniteFX™ Colors

Since its release a year ago, the GraniteFX color line has expanded to 19 standard colors. Coming up at the end of April, yet another standard color will be released.

NEW Product CD's

Ready now, ACS has compiled new, easy-to-navigate product CD. Whether you're a distributor or direct customer, we have a CD tailored for you and your needs. It has all the up-to-date product information—that is available on-line—in a convenient CD. If you haven't received a copy, please let us know!

Please feel free to let us know about any question you might have about our products and services.

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