



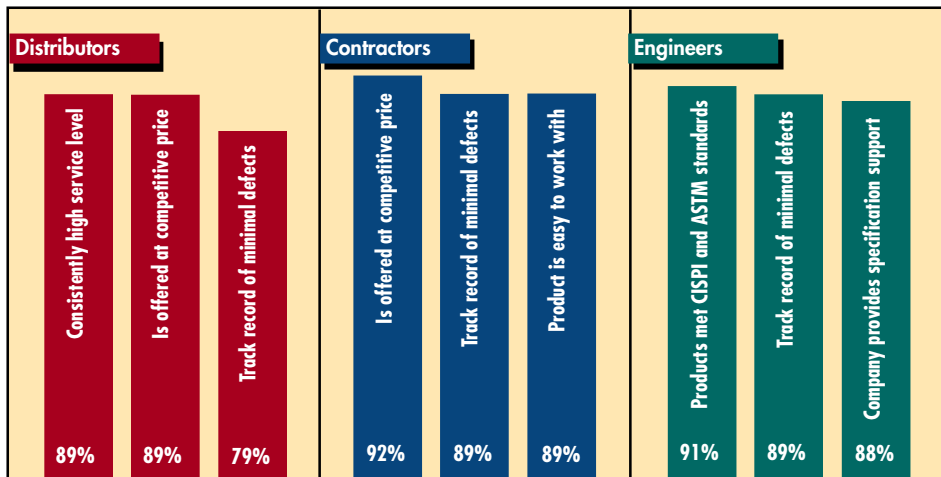
ITEMS

NEWSLETTER

June 2008

Marketing update...

Survey Reveals Different Priorities for Various Industry Decision-Makers



Distributors, contractors, and specifying engineers have different, though overlapping, priorities when it comes to choosing a brand of cast iron soil pipe and fittings. Graph above depicts Top 3 preferences for each category.

A recent industry survey uncovered several interesting facts relating to what motivates distributors, contractors, and engineers to choose one brand of cast iron soil pipe over another.

Distributors, for example, rated customer service, price, and minimal defects as their top three priorities when choosing a pipe supplier. Other things these distributors look for when choosing to stock a given brand are breadth of product line, product compliance with standards, and manufacturers' record of resolving claims in a timely manner.

Contractors shared these top three priorities, though placing a slightly higher priority on price. Contractors were also concerned with product quality, and the manufacturer's commitment to standing behind their products in the event of a problem or claim.

Specifying engineers, on the other hand, have a considerably different set of priorities when it comes to choosing cast iron DWV. Standards compliance, not surprisingly, was their top priority, with a product record of minimal defects coming in a close second. Interestingly, a manufacturers ability to provide them with product specification

support was also very important, emphasizing the need to provide a higher level of technical service to the engineering community. Also important to engineers was the products' ability to meet safety and environmental standards, and that the product was made in the USA. This latter preference indicates a high level of awareness on the part of engineers of the poor record of performance and standards compliance of much DWV product not produced in America.

"This survey has helped us focus on what's important to our various customer segments," said AB&I's Gary Wickham, "and should help us communicate better to our markets."

"I was pleased to see how well our company policies and priorities meet our customers' preferences," said Kip Wixson. "We're on the right track, generally, but this information will help us become even better."

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Perspective

“The fault, dear Brutus, is not in our stars, but in ourselves.” Why do we keep looking to people who can’t swim to save us from drowning?

When William Shakespeare first wrote these words, AB&I was just a young company in the backyard of its founder, Joseph Boscacci. No, wait. I’m confusing Shakespeare with Norman Mailer. No, that’s not right, either. Anyway, he wrote those words a long time ago, but they have never been truer than today. Maybe our political “leaders” would do well to consider their meaning before plunging ahead with new policies that only throw us into deeper water.

Take the oil “crisis,” for example. As I write this, some politicians are screaming for an “obscene profits tax” on the oil companies. Though that satisfies some people’s vindictive needs, guess who will ultimately end up paying that tax? That’s right, you and I will dig deeper into our pockets if these politicians have their way. After all, what do businesses do with increased costs? They pass them on, that’s what. Consumers will pay more, and wonder why prices just went up again.

The only measurable impact our political leaders have had on the energy problem is to make it worse. They agree we need to do something, but they turn down every solution before it even gets a fair hearing. Drill for more oil? Hell, no! Build nuclear power plants? No way! Develop windfarms? Not in my backyard! Convert coal to liquid fuel? What-are-you-crazy?

Some blame speculators. Others say OPEC is squeezing too hard, demanding \$140 for a barrel of oil when it costs them \$2 to produce. Whatever the case, at the bottom of all this balderdash is the cold, hard truth that there is an imbalance at present between supply and demand. China and India are bidding the price of oil up because they need it, and can pay for it, since we’ve filled their banks with money from buying cheap shoes and big-screen TVs.

We can solve our energy problems. We’ve got companies all around the country screaming, “Put me in, Coach!” Take the shackles off, create the right incentives, and watch us become energy independent in fifteen years. After all, when we really put our mind to it, how long did it take us to get to the moon? Electric or hybrid cars will take care of much of our daily driving, leaving us to use our “real cars” for longer trips. But we need electricity to fuel those cars, especially the plug-ins, and that has to come from nuclear or some other non-polluting source. We could be using oil for only those things oil is good for within five or ten years, and we could develop most of that oil right here, in and around the USA.

But what are our politicians doing? Nothing. No, worse than nothing; they’re saying “no” to every solution, waiting for some Greenie to invent a way to turn raw sewage into motor fuel. Well, guys, I’ve got news for you: It ain’t gonna happen. Instead of waiting for a magic pill to take the pain away, I suggest we get going on what can do right now. Conserve where we can. Let genuine market forces do their thing, but kick out the market disrupters who may be contributing to a bubble, like the speculators forming mutual funds to invest in worldwide commodities.

And solving the energy problem isn’t the only place politicians have let us down. Failing public schools, gang violence, spiraling healthcare costs – all these and more are areas of American life where the politicians have meddled and made things worse.

Some say we’re just living in unlucky times, that the stars have lined up against us. If only we elect Good Ol’ What’s His Name; he’ll find a way out of this mess. But Cassius was right, over four hundred years ago, when he told Brutus that the problem was not in the stars, but in ourselves. It’s the same today.

I travel a lot in this business. Most airports and cities are pretty much the same. The service at hotels and restaurants in San Diego is pretty much like the service at hotels and restaurants in Des Moines. Many of the services consumed by travelers have become commodities, with very little differentiation. Sometimes, however, I get surprised. Like at my favorite parking lot at SFO.

I used to park in the airport parking lot. It’s closer to the terminal than off-airport lots, so it stands to reason it would be more convenient to travelers always racing to catch a plane.

Then, one day, I was forced to park in one of those off-airport parking lots. Ugh. I dreaded the thought. When I pulled up to the gate, the guy greeted me with a smile and asked, “Would you prefer covered or uncovered parking?” Taken aback a bit, I said, “Eh, covered, I guess.” “Great,” he said, “just pull over there and we’ll grab your bags.”

You’ll what?

During the next two minutes, my bags were loaded on the shuttle bus, I was directed to a customer lounge where I had my choice of free fruit, coffee and donuts (I, of course, chose the donuts). The attendant then asked if I would like my car washed and oil changed while I was gone. I said, “Sure,” wondering if I’d stepped through a space portal into an alternate universe. Was this a parking lot? A couple of minutes later, my shuttle delivered me to my airline, unloaded my bags, and thanked me. The driver actually thanked me.

I’ve been spoiled by free enterprise. Imagine that.

If you had asked me two years ago if airport parking was a commodity service, I would have said yes. One lot is the same as another. Shame on me. There is no such thing as a commodity unless you, as the provider, make it so. Value is in the added service we get (or give). I was reminded of that by a parking lot attendant, to whom I say “thanks.”

Doing the Math...**Do Hybrid Cars Make Sense For You Yet?**

With gas prices edging upward toward \$5 per gallon, it's not surprising that people are looking for ways to cut fuel consumption. Hybrid cars have become very popular, and most people have at least thought about them while filling up at the corner station. But do they really make sense? There really is an answer to this question, or, actually three answers.

1) If you want to do your bit to cut gasoline consumption from some sense of responsibility toward the planet, then the answer is "yes."

2) If you want to reduce your overall environmental footprint and adopt a "greener" lifestyle, the answer is "maybe."

3) If you want to save money, the answer is "no."

Most people consider buying a hybrid car to cut their overall costs of transportation. At 45+ mpg or better, some of the hybrids available today are gas misers (watch out, some save hardly anything over their pure-gas cousins).



If saving money is your main goal, then the hybrid choice is probably not for you.

In a recent report on Edmunds.com ("Where smart car buyers start®"), numbers for such things as purchase price, depreciation, maintenance costs, fuel cost, insurance, and tax credits were crunched to come up with a total cost of ownership for a car

driven 15,000 miles per year. The results were not great for hybrid enthusiasts.

While payback periods differed between brands, for most cars it would take the hybrid between 3 years and 15 years to begin paying the owner back for the cost difference between a standard car and a hybrid. The average payback time for the cars tested was just over 9 years. If you hold the car less than those 9 years, it's cheaper to buy a standard gasoline-driven economy car.

Those numbers are based on current gas prices. If prices go up in the future, the equations will change somewhat, but it will take a major increase to make the hybrid a "no-brainer."

Leading Construction Magazine Forecasts Slight Drop in Commercial Activity in Second Half

Construction Today magazine has published a report predicting a smaller decline in 2008 commercial construction spending than has been reported by other market watchers, most notably McGraw-Hill.

While Construction Today sees a minor slowdown, they are still predicting growth for 2008, though at a slower rate than in previous years. They cite a decreasing linkage between residential and commercial construction, and surprisingly resilient consumer spending as major factors keeping commercial building relatively strong.

The magazine also cites the instability of consumer confidence, driven largely by increasing costs of fuel for home and car.

**Engineers Urged to Consider Noise When Specifying DWV Pipe**

Those professionals charged with specifying drain, waste and vent materials are reminded that cast iron pipe transports water much more quietly than does plastic or other materials. Even for those projects where plastic is allowed, owners have reported much greater satisfaction with the quieter cast iron material, virtually eliminating any sound of water "swooshing" through in-wall installations.

For more information, contact Gregg Carr at 800-GOT-IRON, or visit us at www.abifoundry.com.

Get Your Items Newsletter by Email!

To start receiving this newsletter by email, please contact AB&I's customer service department at 800-GOT-IRON, or send an email to graphics@spectrix1.com.

Reminder From AB&I

Distributors Requested to Send Web and Email Info for AB&I Website



AB&I is calling on all distributors to provide their contact information for immediate inclusion in the website at www.abifoundry.com.

"We've been working on putting all our distributors on the website," said AB&I's Gary Wickham, "but we still need several distributors to send us their info."

Once complete, the AB&I website will feature telephone, fax, email and web address information for all stocking distributors throughout the AB&I marketing area. A "quick-nav" map will be included to make it easy for website visitors to find the distributors in their town or area.

The success of this program, however, depends on the distributors sending in their contact data. If you're an AB&I stocking distributor, please take a moment to email or fax your telephone, fax, email and web address to our webmaster at:

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Just for Fun...

Part 2 of the AB&I Trivia Quiz...

Last month, we posed ten questions to *ITEMS* readers about AB&I and our products, questions whose answers could be found in various parts of the AB&I website at www.abifoundry.com. Here are ten more questions. Fax your answers to 510/632-8035. The first entry to get them all right will get a free AB&I golf shirt.

1. Where is the AB&I Southern California Service Center?
2. How many 2" Quarter Bend fittings are in a full box?
3. How many times does the AB&I logo appear on a box of fittings?
4. Who is AB&I's Plumbing Division technical expert?
5. What is the minimum weight of a truckload of AB&I pipe/fittings?
6. How many sizes of pipe does AB&I manufacture?
7. What does "EST" stand for?
8. By what percentage has AB&I reduced it's natural gas usage since 2006?



9. What is the name of the trade organization that develops standards for domestic cast iron pipe and fittings?
10. Who is AB&I's "Sheriff," and what is his title?

Why Did the Chicken Cross the Road?

BARACK OBAMA: Because it was time for a *change!* The chicken wanted **change!**

JOHN MC CAIN: Because he recognized the need to engage in cooperation and dialog with all the chickens on the other side of the road.

HILLARY CLINTON: Because I helped that chicken cross the road. But this isn't really about me...

GEORGE BUSH: We don't really care. All we want to know is if the chicken is with us, or against us.

BILL CLINTON: I did not cross the road with that chicken. What is your definition of chicken?

AL GORE: I invented the chicken.

PAT BUCHANAN: To steal the job of a decent, hardworking American.

JERRY FALWELL: Because the chicken was gay. That's why they call it the "other side." That chicken should not be crossing the road, it's as simple as that.

GRANDPA: In my day, we didn't ask why the chicken crossed the road. Somebody told us the chicken crossed the road, and that was good enough for us.

ALBERT EINSTEIN: Did the chicken really cross the road, or did the road pass underneath the chicken?

COLONEL SANDERS: Did I miss one?

