

Rain Soft

Excellence in
Customer
Experience

Platinum Level
Dealer

Environmental
Water
Systems, Inc.

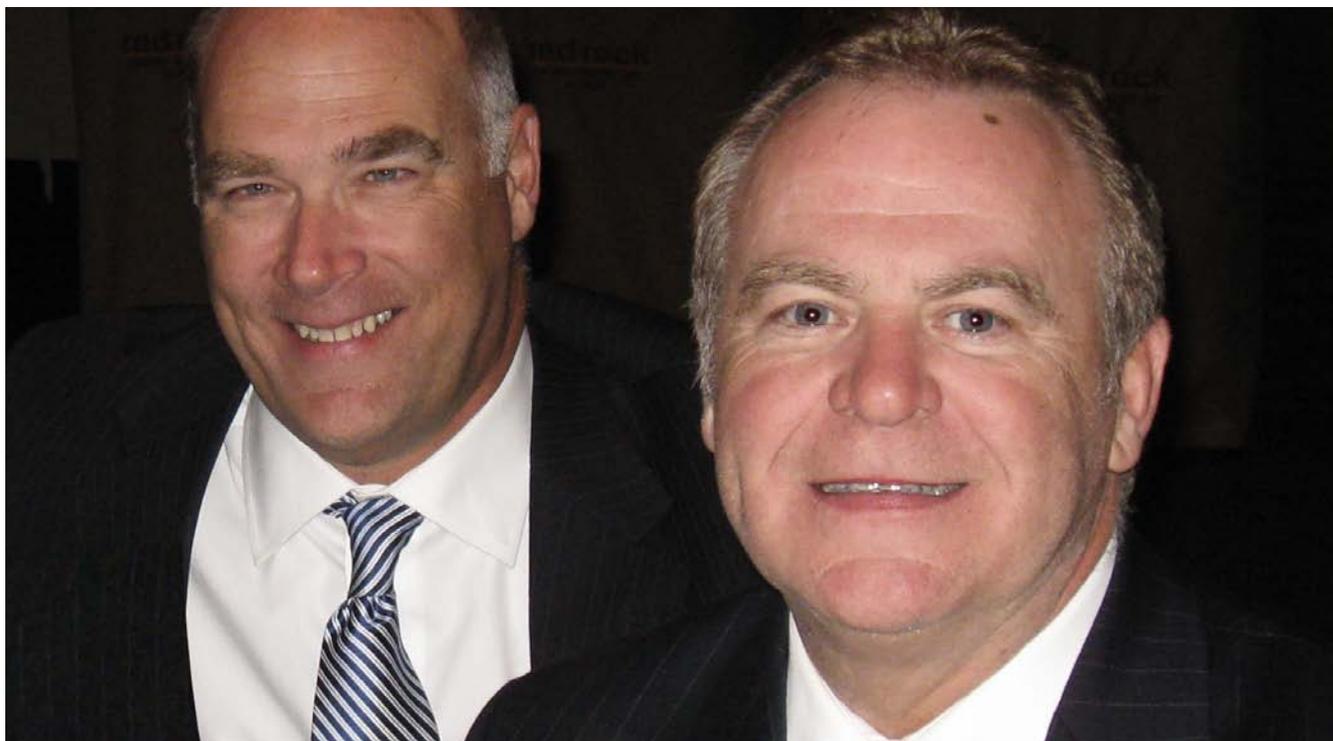
2011

Rain Soft[®]
PURELY BETTER BUSINESS ...SINCE 1953

**DEALER
PROFILE**

DEALER PROFILE:

MARKET-SMART PARTNERS CITE HOME IMPROVEMENT VALUE TO GROW NASHVILLE AREA ENVIRONMENTAL WATER SYSTEMS



Greg Bunn (left) and Eric Swenson, Vice President and President, respectively, turned sales experience into business ownership, opening Environmental Water Systems, Inc., Madison, TN, in 1993. The suburban Nashville operation (www.rainsoftofmadison.com) serves homeowners in a 14-county area.

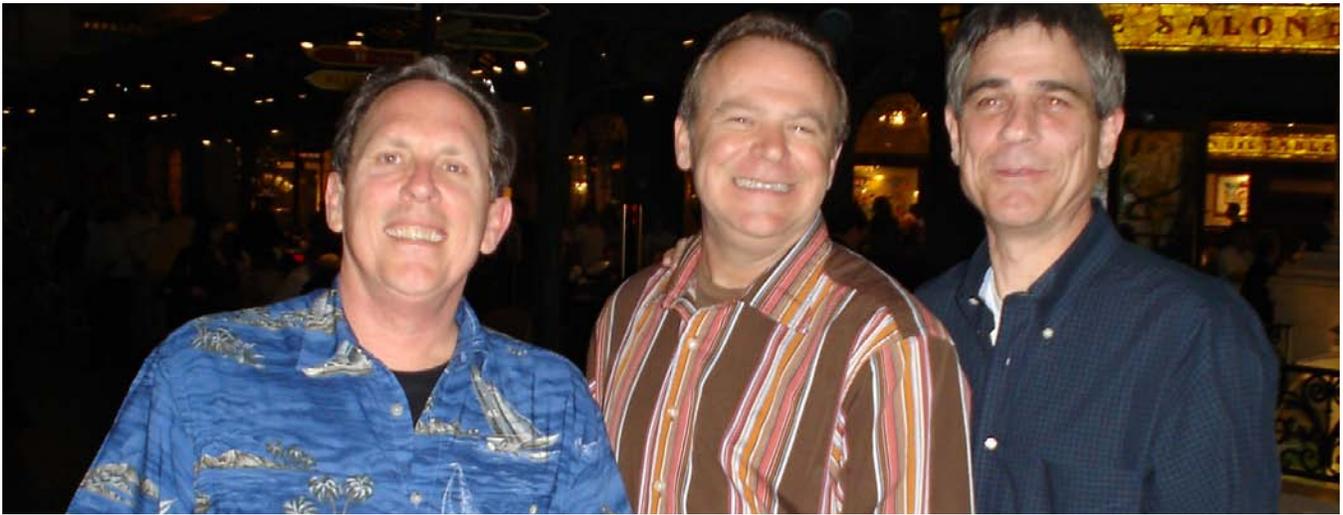
The road to entrepreneurship often starts in sales, and Eric Swenson along with Greg Bunn are no exception. What is exceptional was the fast start in their very first year at Environmental Water Systems, Inc. (EWS) in Madison, Tennessee (www.rainsoftofmadison.com) and how they've stayed the course for over two decades.

Geographically, their road led from Hot Springs, Arkansas to Nashville. Both men sold for Arkansas Water Systems in the early 1990s, where they also learned that it takes more than selling to build a sustained business. They decided to team up and give it a go, honed in on a RainSoft dealer

***On the Cover**—Platinum Level Dealer award for 'Excellence in Customer Experience' recognizes collective contributions by EWS' entire staff – administration and sales as well as service and installation personnel.*

opportunity around America's country music capital, and opened EWS in 1993.

"Our first year – actually nine months – we earned RainSoft's Gold Circle Tiger award," reveals Swenson, EWS President and head of sales and marketing. "It's the highest award a dealer can receive based on points from sales. We've earned that award for 21 consecutive years and we are planning to make it 22."



Sales veterans Steve Keating (left) and Jim Alfonso (right) flank Environmental Water Systems President Eric Swenson at an international RainSoft convention in Las Vegas. Both reps are now in their 20th year with EWS, starting in 1995.

Sizable market and the right product to address homeowner concerns

EWS' market area encompasses 14 counties surrounding Nashville: 12 in Tennessee, plus Bowling Green and Christian County, Kentucky. "Almost 100% of our customers use city water," Swenson points out. "In many communities, it comes from the Cumberland River and we're dealing with moderately hard water (6 to 9 grains) and high levels of chlorine.

"People today are more aware of poor quality water coming into their homes. They don't trust the water coming out of their faucets. They want to take water quality into their own hands and RainSoft systems let them do that."

Promoting the value of better quality water is the core of the EWS product story. One caution from Swenson: "The idea is to grow business without getting ahead of yourself. Some people grow themselves out of business. We grew from the day we opened, and we keep doing the same things that work in our market."

Although EWS offers air purification as well as water treatment, Swenson notes that "many people would like an air purification system, but few want to pay for it. They find water issues easier to understand - including water problem costs - and homeowner savings with properly treated water."

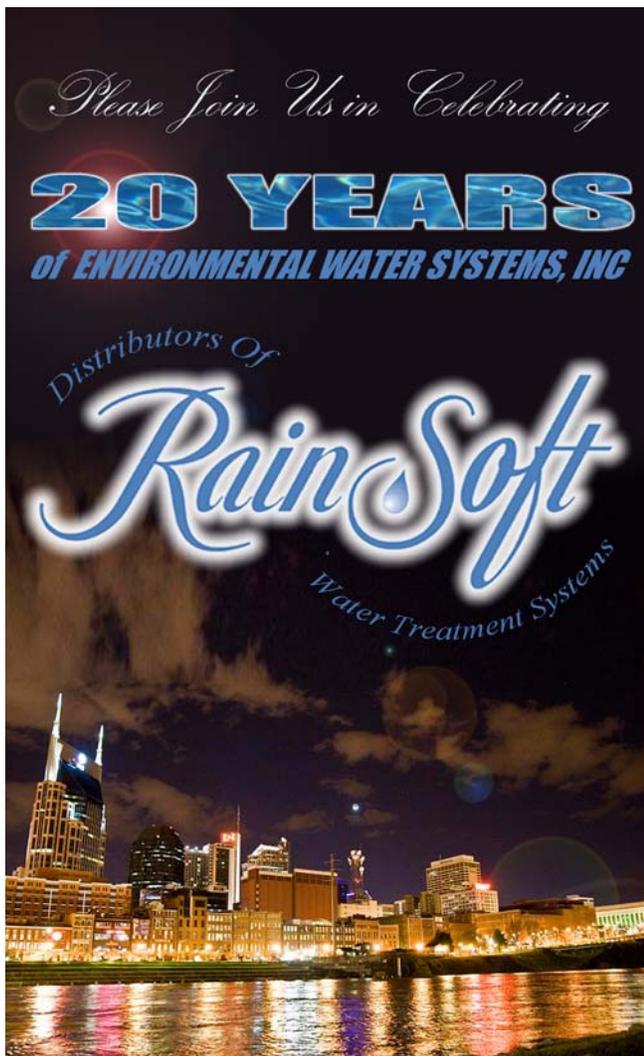
"THEY DON'T TRUST THE WATER COMING OUT OF THEIR FAUCETS. THEY WANT TO TAKE WATER QUALITY INTO THEIR OWN HANDS AND RAINSOFT SYSTEMS LET THEM DO THAT."

Eric Swenson, President of Environmental Water Systems

Another aspect is price, EWS Vice President Bunn points out. "We keep pricing to where any homeowner can afford a package we have available. Buyers may go for a combination in some wealthier neighborhoods, but our core market is middle-income. Affordable water treatment packages are part of our success."

EWS success also involves a two-step process: "You have to install what you sell; service what you sell," Swenson emphasizes, with a back-end operation that leaves nothing to chance.

Bunn runs the installation and service side and points to the "last things first" approach that marked their enterprise from the beginning. "In 1993, we were able to hit the ground running with a service technician and installer ready to go. Eric, two reps and I did the selling. No department outdid or overburdened the other."



Downtown Nashville and the iconic Silver Dollar Saloon (the original was designed in 1893) provided a suitable, lively setting for Environmental Water Systems' 20th Anniversary celebration. RainSoft execs joined EWS employees to mark two decades of growth at the December, 2012, event.

That's still the case today. EWS now employs 21 people including Swenson and Bunn, who pride themselves in "hands-on" daily involvement and eschewing management layers. Nine sales people keep the pipeline full for three installers and two service technicians who operate out of Madison.

Another mark of a well-run operation is employee longevity. "We have installation and service technicians with us for going on two decades," Swenson says. "Two installers have probably put in over 5,000 units each."

Telemarketing and direct mail: primary lead-gen tools

While some dealers draw from numerous lead sources - EWS regularly tests options - this operation's mainstay is telemarketing and direct mail, focused on new homeowners.

"People who have recently purchased a home are most interested in adding to its value," reasons Swenson. "We install a home improvement product. Owners are increasingly aware of water quality issues, and new homeowners are most qualified to buy our systems."

EWS' seven-person marketing department was relocated from Madison to Clarksville, Tennessee, near the Ft. Campbell Army Air Station, in 1996. "It's easier to find part-time telemarketers in that area," Swenson explains. "Most work 25-30 hours a week and keep leads coming."

Employee consistency marks EWS' outside sales force, too. "Our nine reps have well in excess of 100 years' RainSoft sales experience." That's triple the number of reps from when they first opened, reflecting steady growth Swenson and Bunn have achieved. "We don't hire new people often; we're keeping those we had two years ago busy."

Sales veterans adopt iPad and boost close rates



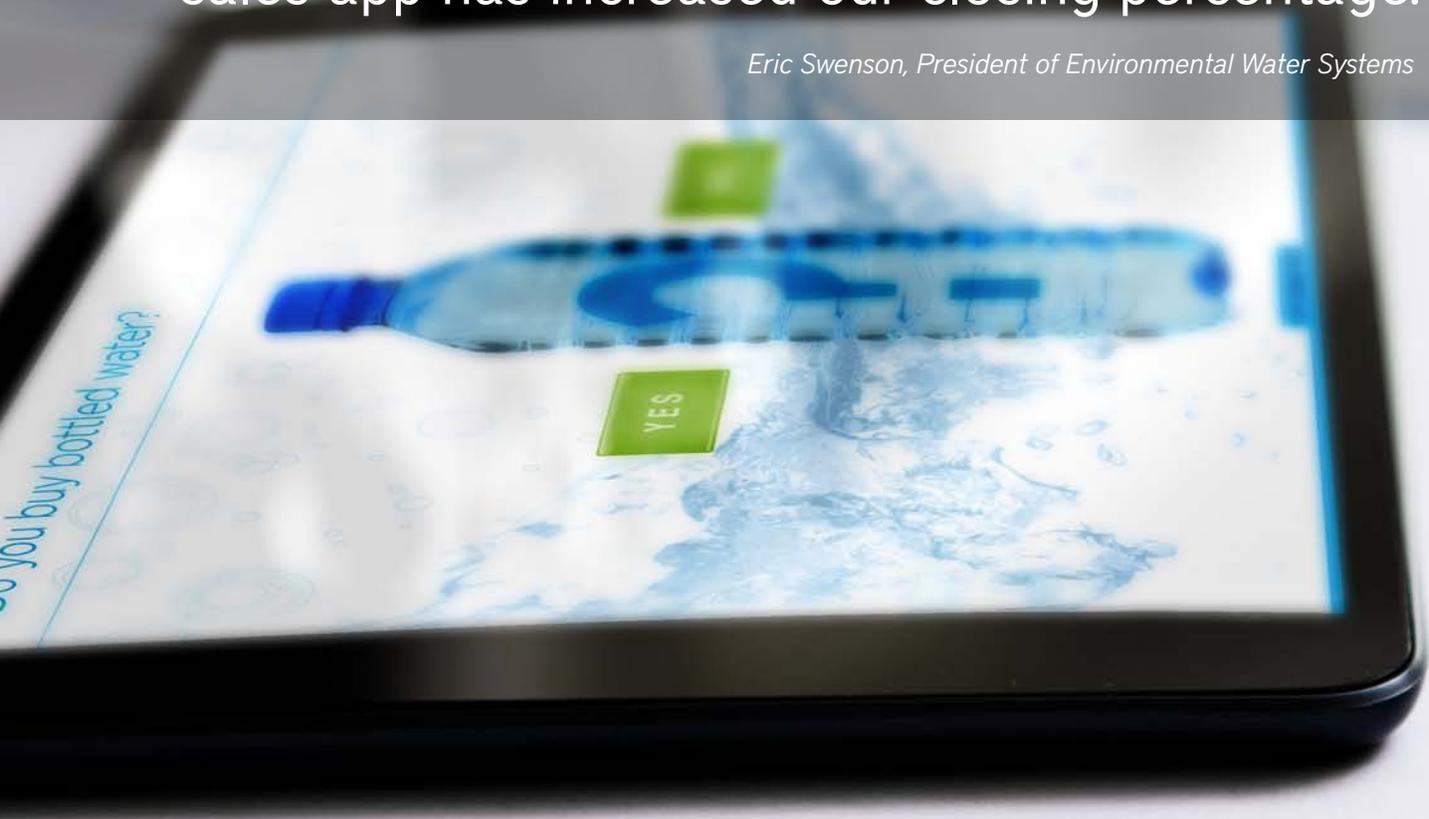
Shortly after RainSoft introduced its iPad sales app, EWS reps switched and haven't looked back. "There's no way they would use the old pitch book again," asserts Swenson.

The RainSoft sales app provides their staff with a wealth of water quality data, videos and more and enables interactive customer involvement. Water test info can be shown. Home-specific water usage and related costs can be input. Savings from a new water treatment installation can be calculated and displayed with projected system payback.

What's more, Swenson contends, "The technology we're using increases the value of what we're selling. People trust what they see and accept the iPad as an information tool. It adds value to our products and this sales app has increased our closing percentage."

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Eric Swenson, President of Environmental Water Systems



Local financing key to culminating sales, fast cash turn

Cash flow is a critical consideration for any business, even more so when launching a new enterprise. Apparent sales quickly disappear if would-be buyers can't finance their purchase.

While RainSoft partnerships with a number of financial institutions and low-interest credit options enable dealers to offer consumers multiple alternatives, "we developed our own relationship with a local finance company back in 1993," Swenson says.

"Even though (like many institutions) they've changed their name countless times over the years, we do business with them today. We believe in using local sources whenever possible. This long-term relationship still works for us. Buyers get good rates and we get paid in a timely manner."

Noting that RainSoft provides excellent business operation systems that are especially helpful to dealers getting off the ground, EWS makes the most of updates and training, including service sessions Bunn has attended.

"One asset of being a RainSoft dealer," says Bunn, "is good factory support. We have service technicians around for a long time, but occasionally questions arise. RainSoft technical support has always been there, even after-hours when we call."

EWS also is part of the industry's most prolific idea-exchange dealer network. With exclusive territories, non-competing RainSoft dealers readily share promo approaches, staffing tips, even help in complying with water-related regulations.

"We learn from others and vice versa, especially new dealers," says Swenson.

As for anyone looking to "give it a go" like they did, Swenson and Bunn concur: "Keep it simple, stay focused and promote the home improvement value of quality water. And have your back end buttoned down before you start to sell up-front."

CHECKLIST

Things to look for when Evaluating Home Service Product Line Manufacturers

YES NO

- Exclusive territory
- Sales leads: portfolio of proven low-cost (and low cost-per-lead) lead-gen materials
- Public venue lead-gen (home shows, etc.)
- Phone room lead-gen – scripts & tips
- Appointment setting & follow-up ideas
- Sales presentation: methods, training
- Sales closing: consumer-friendly techniques
- Consumer credit: any additional options?
- Cash turn – payment period
- Recurring revenue stream (service, etc.)
- Product warranty
- New products (frequency and significance)
- Business management and financial assistance
- Startup help/dealer-experienced specialists
- Dealer network activity, assistance
- Startup cost
- Franchise fee
- Royalties



About RainSoft

Headquartered in Elk Grove Village, Illinois, RainSoft, a division of Aquion, Inc., is an international company with over 150 authorized and independently owned dealerships in the U.S. and 20 other countries. The company is dedicated to producing the world's finest water treatment systems, all of them manufactured in the U.S.A. and backed with the industry's strongest lifetime warranties. For more information, visit RainSoftDealer.com or call 1-866-4RAINSOFT (866) 472-4676.