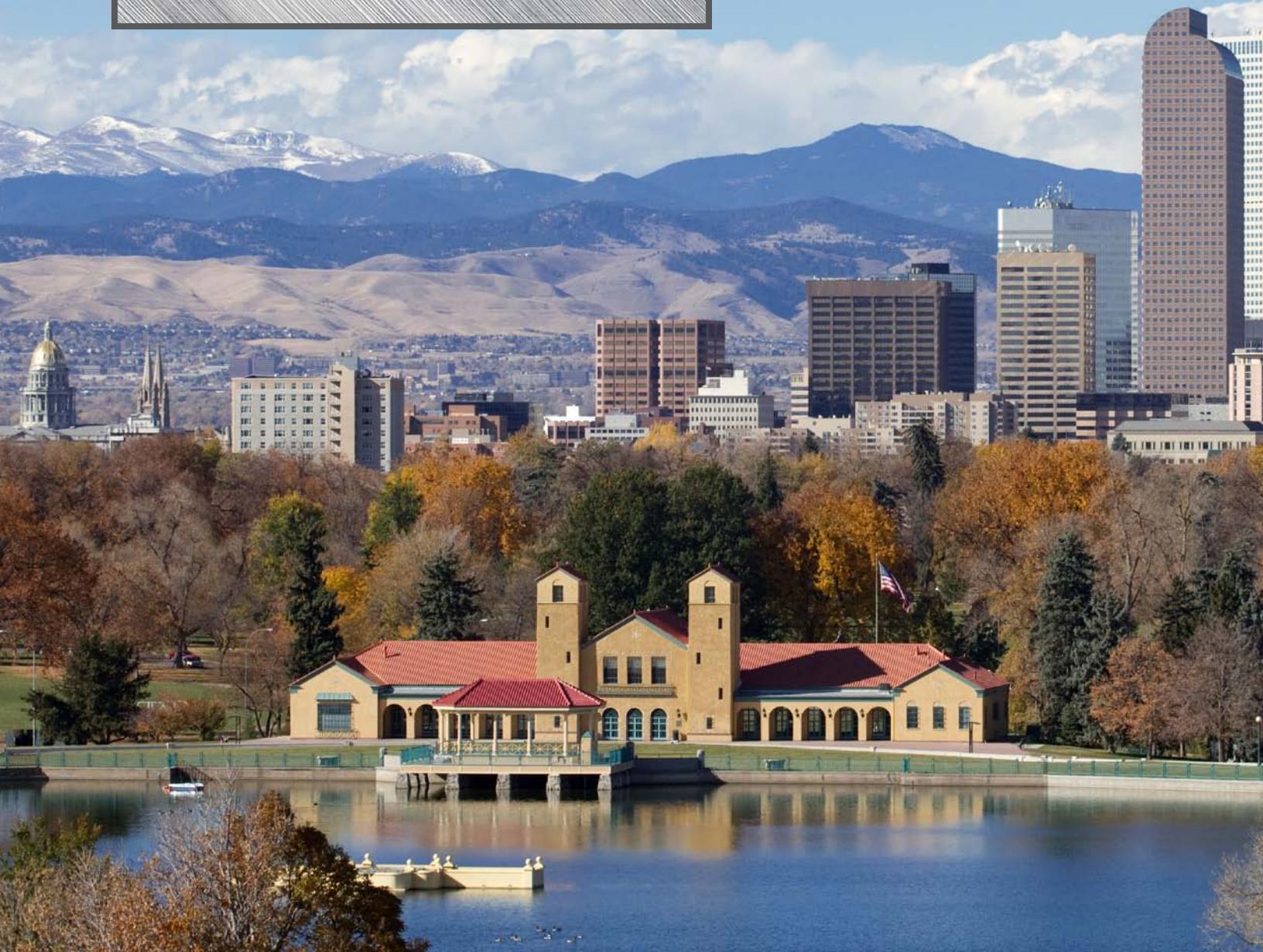




DEALER PROFILE



DEALER PROFILE:

ROCK 'N RAINSOFT: DENVER WATER TREATMENT DEALERSHIP THRIVES ON AWARD WINNING ATTITUDES AND ACTIONS



For three years in a row, this service group has installed more "Smart Money Upgrades" than any RainSoft dealership in the world. From left to right: Dave Hoffmann, Peter Waelti, RainSoft of Denver owner and President, Larry Savage, Chad Gould, and Lanney Ogletree.

It's been said that smart people know a good thing when they see it and also that they learn from their mistakes – sometimes more than if all had gone smoothly. Thus is the case with Peter Waelti (pronounced "Well'tee"), President of Thornton, Colorado-based RainSoft of Denver (www.rainsoftdenver.com).

For openers, he came into the business with decidedly non-water treatment industry credentials. He managed 13 rock bands in Switzerland, including Rumpelstilz – the first Swiss rockers to earn a Gold

Record – plus Platinum award-winning Krokus in North America since 2005. In-between, he became a Swiss banker. Waelti holds a degree in International Banking, has dealt with 120 different currencies, speaks five languages and immigrated to America in 1980 when his Swiss employer opened a Denver office.

In 1983, seeking potentially more rewarding career challenges, he signed up for a training program and joined nine-year-old RainSoft of Denver, in a commission-based sales position.

"I DIDN'T SELL ONE SYSTEM FOR FIVE WEEKS, DESPITE TAKING EVERY APPOINTMENT. I THOUGHT I WAS SO SMART, I COULD REINVENT THE WHEEL MYSELF, RATHER THAN FOLLOW THE TRAINING PROGRAM GUIDELINES."

From zero sales in five weeks, to 10 in one day

Then came a rude awakening: "I didn't sell one system for five weeks, despite taking every appointment," Waelti reveals. "I thought I was so smart, I could reinvent the wheel myself, rather than follow the training program guidelines."

Once he got with the program, things started to click and two years later, Waelti logged the third highest number of RainSoft sales in the world. In August of 1987 he sold 10 water treatment systems on a single Saturday – a company record that still stands. He has earned numerous dealership and RainSoft sales awards over the years, including "dealer category" recognition since taking over the enterprise in 1998.

"You lead by example," he asserts, emphasizing to staff that "you work with me, not for me." While awards themselves add nothing, Waelti contends "they can be a confidence-builder, a reminder that I've done this before and can do it again."

Positive attitudes and hard work have helped the Denver group earn numerous awards, too, while becoming the state's largest water treatment firm. Its 20 employees serve more than 32,000 customers throughout the greater Denver area, northern Colorado, Laramie County and Cheyenne, Wyoming.

Selling soft, smooth skin in the Mile High City

Territory water treatment challenges vary widely. "In some communities, water is only 2 to 3 grains hard," Waelti reports. "In others, it's 5 grains. Denver city



RainSoft of Denver's Platinum Level Dealer
"Excellence in Customer Experience" award requires virtually all customers to give Very Satisfied ratings on all facets of their dealership experience.

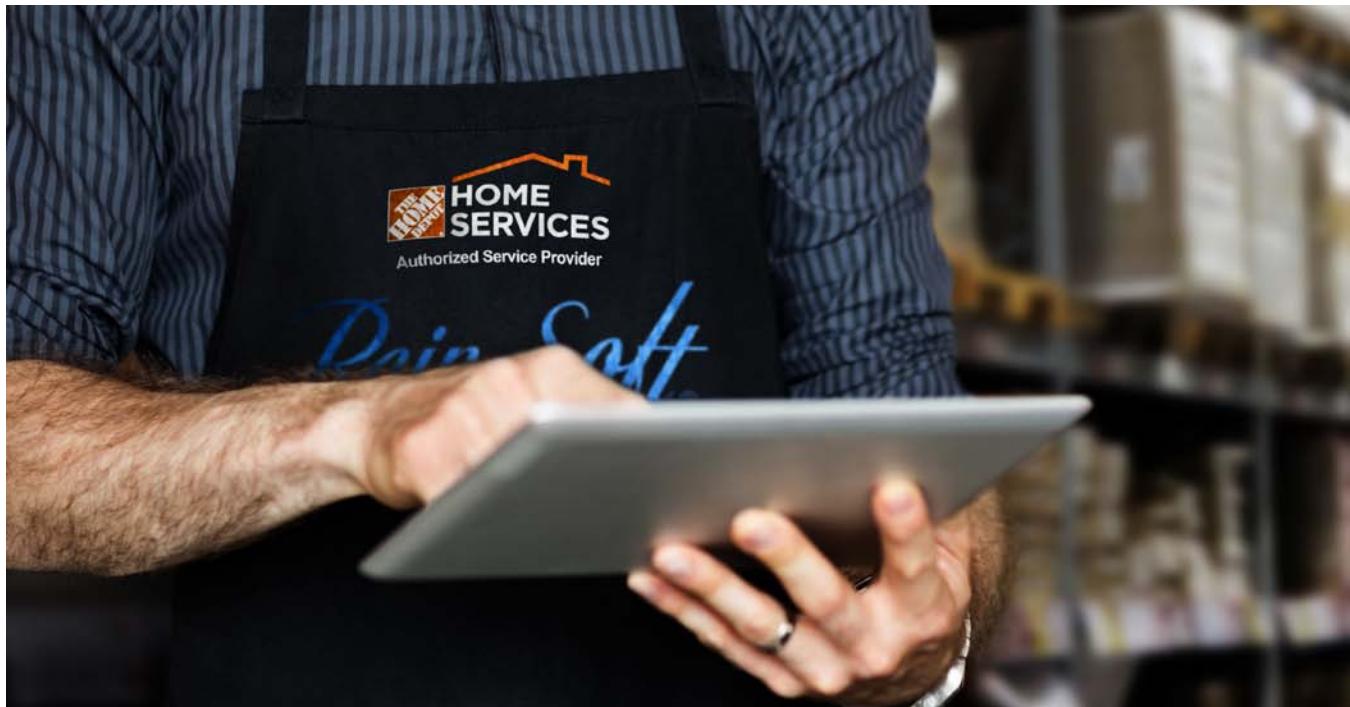


From rock'n roll to RainSoft, Peter Waelti has won numerous awards.

water is a moderate-to-low 7. Some dealers wonder how we can sell with numbers like these; when we get 12 grains, we're painting the ceiling black!"

Another factor comes into play: Altitude. With its official elevation at 5,280 feet above sea level, dry skin is a problem for many people in Denver.

Minerals and chemicals – including chlorine from municipal systems – also contribute to dry skin while causing problems with pipes, fixtures and water-using appliances. Consumer awareness of such issues has grown; Waelti and his cohorts educate them further:



"Your body absorbs more chlorine in one 10-minute shower than by drinking 8 glasses of tap water."

A fourth dry skin contributor, Waelti says, is the soap products most people use. "While we can't do anything about the altitude, we take care of minerals and chemicals with our conditioning systems. And we give biodegradable soaps to customers who buy, thus addressing three of the four dry skin contributors."

The soaps "bonus" helped the dealership earn local-area recognition a couple of years ago as the "Best Green Business" in the City of Thornton.

Mother Nature can further heighten consumer concerns. Last year's disastrous rains and flooding along Colorado's Front Range contaminated supplies and in some communities, stores sold out of bottled water. Even without such problems, U.S. consumer consumption has made bottled water a \$32 billion annual dollar-volume industry. Bottled water savings, Waelti notes, are an eye-opener for many families considering purchase of a water treatment system.

RainSoft of Denver also offers an Environmental Package that includes air purification. "According to the EPA, the quality of air inside a home can be up to 40 times dirtier than outside," Waelti says. About 60%-65% of their customers opt for both.

'Working smart' generates about 50% of dealership leads from The Home Depot

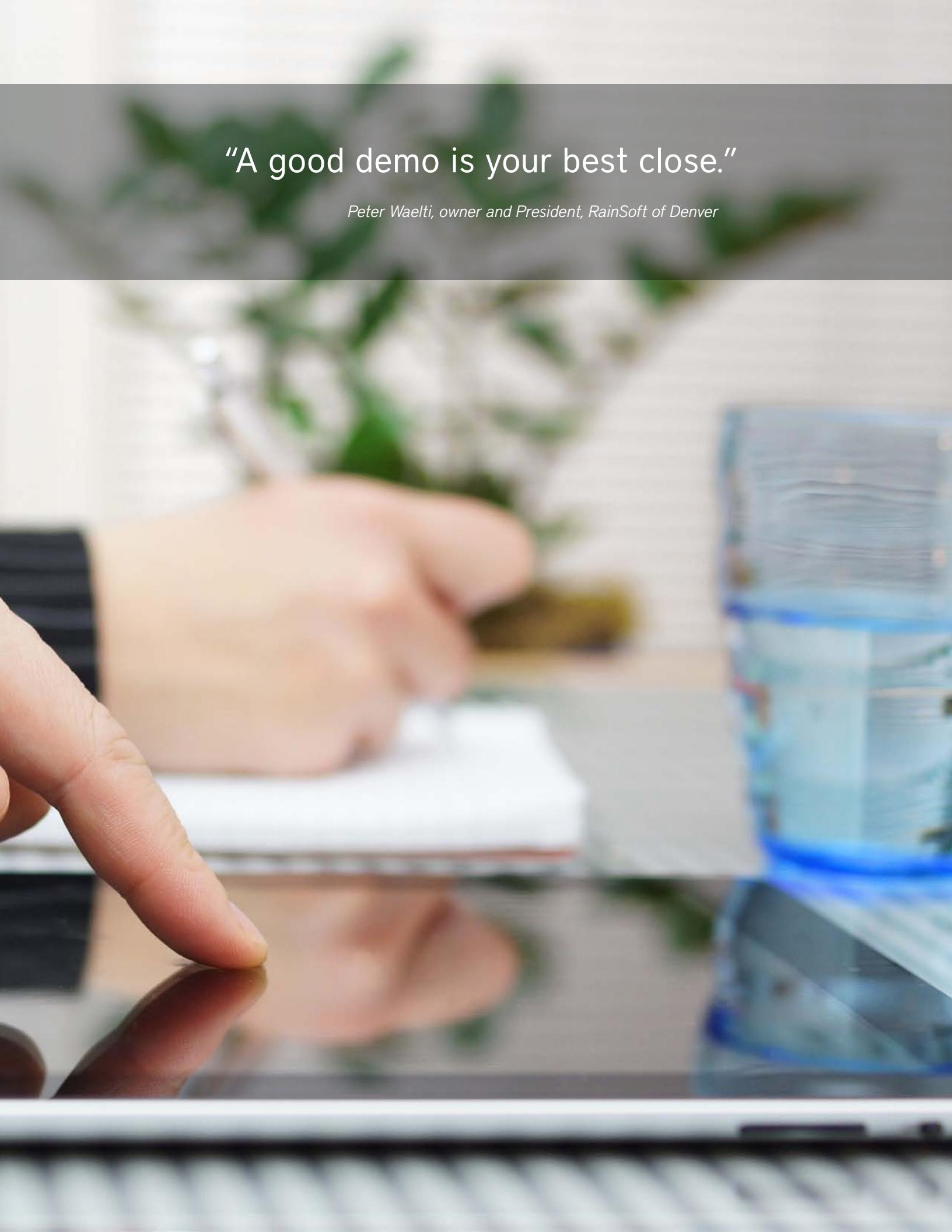
Several years ago a new lead-generation arrangement between RainSoft and The Home Depot gave qualified dealers access to THD stores in their area. Testing different methods while factoring in community demographics and relative "hard water" issues led the dealership to focus primarily on 20 or so of 29 THDs in its territory; the stores now account for about half of their sales leads.



The THD arrangement also helped broaden involvement of the dealership's sales staff.

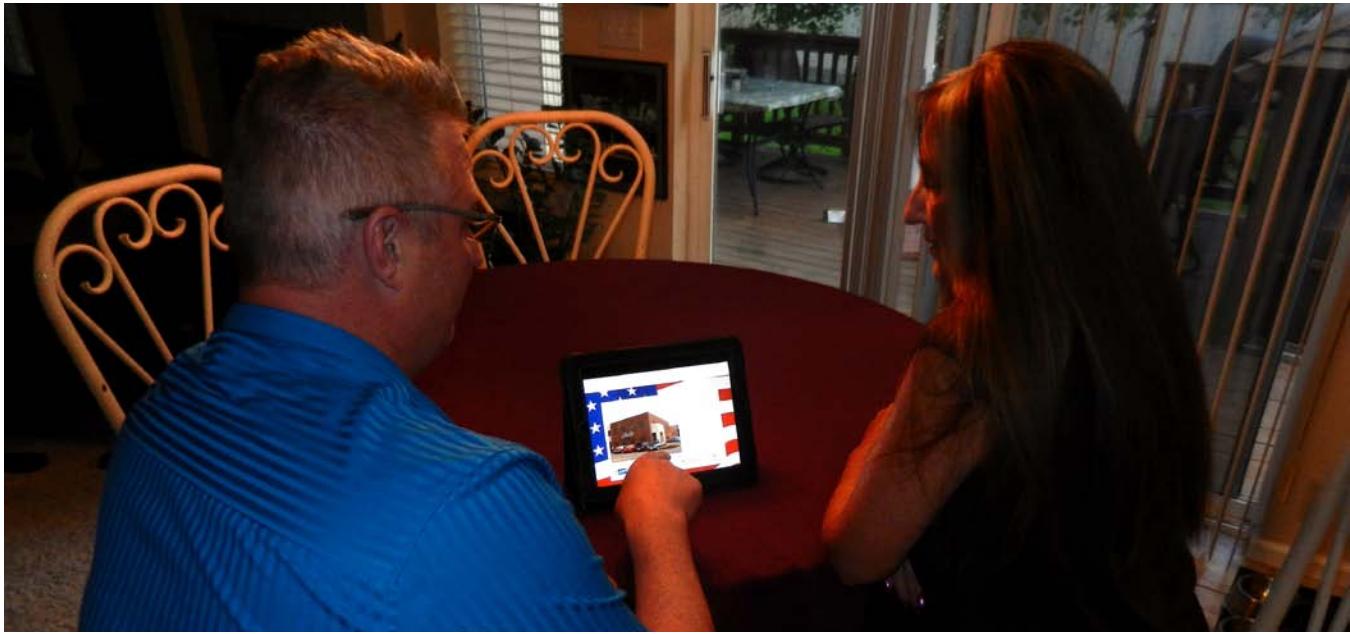
"We have displays in stores offering a free water quality analysis," Waelti explains. "We also conduct consumer surveys among THD shoppers, obtaining information for our marketers to set in-home appointments. Sales people spend roughly 20 hours a week actually making presentations, earning sale commissions. Now we also pay them to spend up to 20 hours a week in THDs doing surveys. This gives them an income base and helps keep leads flowing."

Buyers with a THD credit card can use it for their system purchase. RainSoft partners with financial institutions, and provides low-interest credit options which



“A good demo is your best close.”

Peter Waelti, owner and President, RainSoft of Denver



In-home presentations using the RainSoft iPad sales app actively involve homeowners in the process and have helped increase closing rates.

allow Waelti's people to offer homeowners multiple alternatives while expediting dealership cash flow.

Higher close rates with iPad sales app; customers 'sell themselves'



Turning prospects into buyers got easier when RainSoft introduced its iPad app. "A good demo is your best close," Waelti contends, referencing the in-home water tests reps conduct. "The iPad app works with it, showing costs and instantly calculating home-specific savings with a water treatment system."

The app also puts a wealth of water quality data, videos and more at the sales person's fingertips. Even better, it helps bring to life the adage, "We don't sell – people buy."

"The power of the app," Waelti asserts, "is that the consumer says 'yes' or 'no'; they push the button. It's show-and-tell, and the app adds sizzle to the dollars-and-sense steak we present."

Has the app helped increase closing rates?
"Absolutely! Some reps do 50% or more."

Service goes beyond the ordinary in this dealership, too, including the RainSoft Smart Money Upgrade (SMU) program.

"Many customers don't have the latest, improved equipment," Waelti points out. Also, while most manufacturer warranties are for 5 or 10 years, RainSoft Lifetime Warranties even cover electrical parts. "Owners can upgrade in the SMU program, giving them a full Lifetime Warranty."

The point has been well made by RainSoft of Denver service personnel: "We're been the top RainSoft SMU dealership worldwide for three years," Waelti reports.

Superb support for dealers emphasizes lifetime customer commitment

Lifetime Warranties on equipment also reflect RainSoft's lifetime commitment to dealers as well as customers, according to Waelti. "This company involves and listens to its dealers. Many company improvements stem from the dealer organization."

Dealers get unmatched multifaceted assistance with everything from business operation systems, sales and service training, to lead-gen and other marketing aid. Waelti says networking among dealers provides a constant flow of field proven insights and ideas.

"Each of us has an exclusive territory. We're happy to help each other anytime." When a dealer wants

to retire, he adds, exit strategy help is available if needed. "This ensures smooth, ongoing operation that benefits everyone, including customers."

Meanwhile, RainSoft of Denver continues to thrive and to earn awards for "Excellence in Customer Experience" from RainSoft, based on customer ratings, including the coveted Platinum award. "In the music business, they say 'you're only as good as your last Gold or Platinum award,'" observes Waelti. "Likewise, in the water treatment business, you're only as good as your last sale."

"Except with RainSoft, it's more than sales. To become a Platinum Level Dealer, at least 98 percent of your customers must be Very Satisfied with all facets of their dealership experience," Waelti explains. "That includes sales, installation, and service. As in the past, all of our people have made RainSoft of Denver the award winner we are today – and will be in the future."

Know a Good Thing when you see it: Three simple questions, one big answer

At the start of his RainSoft career, Peter Waelti asked himself three questions relevant today, which he still uses when hiring people:

1. Is water treatment a good business to be in? "Yes," he said then; likewise, now. The potential is huge. Recent studies show that 84% of Americans are concerned about their water, but only 7% of U.S. households (5 million) have treated water.
2. Is consumer awareness of water quality growing? "Yes, more than ever." In a USA Today/CNN/Gallup Poll, nearly half (47%) the respondents said they wouldn't drink water straight from the tap.
3. Is RainSoft the best company? "Yes." Waelti cites the industry's strongest Lifetime Warranties and 30-day assurance guarantee, among other factors. While some may debate #3, there's no questioning results Waelti's RainSoft of Denver dealership has achieved.

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.