



PSA News

The Association for Service Professionals

PSA ELECTION RESULTS ANNOUNCED

By Randy Carney- PSA Executive Director

PSA has completed the election of officers for 2016, and we thank all of those that submitted ballots.

Phil Whitehead outpolled incumbent Don Holman to become President of PSA. Holman had spent the previous 6 years as president. Carmine D'Alessandro was unopposed and was reelected as Vice President, while Linda Knudsen was reelected Administrative Vice President, also being unopposed. Hans Hansen and Jim Campbell were reelected to 2 year terms as members of the Board of Directors. There were scattered write in votes for the director positions, but Hansen and Campbell, as the only announced candidates, easily won election.

Whitehead is looking forward to beginning his term as president. "As president of PSA, I want to begin working with manufacturers to bring more information through training to the independent servicers across the country, as well as increasing the offerings to our membership", said Phil.

He also noted that "PSA is in the process of strengthening the training offerings through our BAT training sessions and will start offering more advanced training options to round out the available training to the major appliance industry."

The entire PSA Board has deep roots in the appliance service industry, with decades of involvement and support to the business. In addition, all of the board members have served with PSA for at least several years, and, in some cases, back to the founding of the association, so they are vested in the success of appliance service professionals throughout North America. All board members head of various committees within the organization, spearheading programs such as Training, Industry Relations, Membership Support, and the annual convention work. These folks are there to help support our members and the entire industry at large, and are always interested in hearing from you. They can be reached through our web site at psaworld.com.

It also needs to be noted that these board members and officers are all volunteers, giving of their time and talents to better serve our industry. We hope that you will give them your support and assistance as they work to continue PSA's work on behalf of the appliance service industry, and we invite all of our members to take part in that effort.



Phil Whitehead



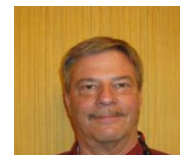
Carmine D'Alessandro



Linda Knudsen



Hans Hansen



Jim Campbell

Congratulations to all of the PSA officers for 2016

What Customers Miss...

By Don Pierson- CSC President

“One customer well taken care of could be more valuable than \$10,000 worth of advertising.”
-Jim Rohn

It's that time of year again when we all give thanks for the great country in which we live and all the things we often appreciate, but sometimes take for granted. When our power is off, it's a major inconvenience. If our vehicles are stranded we lose our mobility. If our refrigerator is broken, we scramble for a way to keep our food from spoiling. And, heaven forbid, if our cell phones go out of service many of us can be totally lost.

Have you ever asked what practices your customers miss the most?

The first thing that customers miss the most is not being greeted by a friendly, concerned and knowledgeable person when they make contact with a business. That first contact many times helps the customer make their purchasing decision. Can I reach a human being and can they help me with my problem? If you are like me, you have names of specific people at many of your business partners who take the time and have the knowledge necessary to help you solve your product or service issue. If they can't help you they will get someone who can. I am very thankful for these important customer service people and really miss them when they disappear for one reason or another.

I also miss it when the proactive communications that it takes to do relatively simple things, like calling me back when necessary, keeping me posted on any updates, sending me confirmations on appointments or agreements, keeping me updated on repair status, and thanking me for my business seem to vanish. With the existence of the Internet, voicemail, and cell phones we are available 24/7 and it is now much easier to keep a customer notified. These communication efforts take time but are truly appreciated by customers. Companies with strong communication skills are truly appreciated and recognized for this very basic discipline that is many times ignored in lieu of getting on to the next piece of business.

And doesn't everyone miss sales or service personnel who really know their stuff? Is the technician up to speed on what they are doing? Can the technician or salesperson get support on the spot if needed? Once again, in this time of smart phones and instant communications the sales, service, and support people should admit that they need some help and then know where to get it. It's great to have product skills and knowledge but we can't know it all. I appreciate the person who does everything possible to honor my time and get the job done right now, if at all possible.

Last, but certainly not least, I miss the individuals who can help me with a post-sale or service issue. Are they available, are they knowledgeable, can they make a decision, and will they call me back?

Some feel that once the work is done it is "on to the next job or sale". Post-sale treatment is one of the big customer concerns that leave a lasting positive or negative image of your company. Caring as much about your satisfaction after the sale as they did before the sale is the kind of company that many others, and I, are always trying to find.

Thank you to all of the companies that pay attention to the customer before, during, and after the sale. These may seem like small things to a business but they are big things to your customers. You may sell many products or services in a week's time - but please remember that your customer is judging you on the ONE transaction you have with them. May we all be thankful for our customers' business and the goodwill that they can spread on our behalf.

Technician Evaluation

Here's a Great Hiring Tool!

When preparing to hire new appliance technicians for your business, it's important to make use of all the tools that are available to you in order to make the best choice.

The PSA Technician Evaluation program evaluates the skill level of your prospective employee by testing them in 8 key categories- Customer Relations, Core Knowledge, Cleaning Products, Convenience Products, Cooling Products, Gas Cooking, Electric Cooking, and Microwave Cooking. The material will help you gauge the fundamental knowledge level of your candidate, while also identifying areas where additional time may need to be spent in training.

This is also a great tool to use in order to test your existing technician workforce in identifying areas where training or mentoring may be required.

Thoughts from the Executive Director

By Randy Carney, PSA Executive Director

Well, with my usual speed and attention to dates, you will be reading this after 2015 passes into history and we welcome 2016 in. I hope that all of our members and readers had a great holiday season and are ready to tackle the coming year- as always, it arrives with a lot of promise and a lot of challenges. Here's hoping that you have great success and are happy and healthy in 2016!



And, we'll forget about all the Rose Bowl stuff... baseball is coming

- Hope you read the cover article about the election of PSA officers, and in particular, Phil Whitehead as our new president. Phil brings a long and varied career in the appliance service industry to his new position, and I am looking forward to working with him and the other board members as we move PSA into 2016 and beyond. There are opportunities for PSA to grow and provide new resources and support to our industry, so keep an eye on this newsletter and psaworld.com as we begin that process. It will be a lot of work, but also should be a lot of fun as we take it to the next level! As always, we are happy to have you take an active role, so please let us know what you'd like to see out of your association.
- Even as we welcome Phil to the leadership of PSA, I want to say a few words about the man who held that position for the past several years. Don Holman is a man that is dedicated to PSA and its members, and who led the organization in a highly ethical and honest manner., working very hard in support of PSA and its various initiatives and projects, in addition to running his own service business in Chattanooga, TN. Don provided me with a ton of support and assistance as I took over the position of Executive Director, and we have worked closely since that time. Don now assumes a position on the PSA Board of Directors, and I look forward to many more years of working with him. Thank you, Don, for your support and work as president, and we all look forward to many more years with you!
- Even as the early bird registration period for NASC 2016 in Dallas comes to an end, keep your eye out for additional opportunities to save even if you register later! Details will be coming in later editions of PSA news, and will also be posted on PSANet and psaworld.com. We're looking forward to great turnout in our first fall convention in Dallas, and look forward to seeing you there!
- Be sure to take a peek at the interesting article in this issue about what is next for GE (and Electrolux) after the GE Appliance sale was called off. While it is written from more of a stockholder perspective, it has a lot of various points as to what the failure of the deal means going forward. This is going to continue to bear watching for some time, and whatever happens, it's going to have heavy impacts on the industry.

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With the General Electric - Electrolux Deal Dead on Arrival, ... is There a Plan B?



Is the failure of this appliances deal a temporary setback or a permanent headache for General Electric?

Well, that didn't happen.

General Electric announced on Dec. 7 that it was terminating its \$3.3 billion agreement to sell its consumer appliances business to Sweden's Electrolux. The deal would have turned Electrolux into the largest consumer-appliance company in the world. Current market leader Whirlpool can breathe a sigh of relief. But what does this mean for GE's ongoing quest to shed its non-industrial assets?

The demise of the deal was a direct result of U.S. government objections. In July, the Department of Justice filed an antitrust lawsuit to block the deal. Deputy Assistant Attorney General Leslie C. Overton of the Justice Department's Antitrust Division put it succinctly:

"Electrolux's proposed acquisition of General Electric's appliance business would leave millions of Americans vulnerable to price increases for ranges, cooktops, and wall ovens. ... This lawsuit also seeks to prevent a duopoly in the sale of these major cooking appliances to builders and other commercial purchasers, who often pass on price increases to home buyers or renters."

It's hard to argue with the Justice Department's point of view. Whirlpool, GE, and Electrolux own most major U.S. appliance brands:

The government cited the fact that these brands represent more than 90% of the appliances sold to U.S. homebuilders. But that's not all: As of 2013, the last year for which data is available, GE, Whirlpool, and Electrolux's brands represented 52.1% of the total U.S. market for major appliances. The next-largest manufacturer, **LG**, commanded only a 6.9% share.

Appliance Brands by Owner	
Whirlpool	Whirlpool, Maytag, Amana, KitchenAid, Jenn-Air
General Electric	GE, GE Cafe, GE Monogram, GE Profile, Hotpoint
Electrolux	Electrolux, Frigidaire, Kenmore, Eureka, Westinghouse

Source: Company websites.

Electrolux submitted various settlement proposals to the Department of Justice, but all were rejected. GE pulled the plug on the deal before the case could go to court.

Electrolux is the big loser here. It was hoping to double its U.S. sales through the purchase, a goal that now is all but impossible. Instead, it plans to focus on growing the market share of its existing brands, especially Frigidaire and its namesake Electrolux brand.

There's even insult being added to Electrolux's injury. Even though GE is the one that scuttled the deal, Electrolux will still have to pay GE a \$175 million breakup fee. Unsurprisingly, on the news of the breakup, Electrolux's stock plummeted. GE's, on the other hand, remained relatively unchanged:

GE still wants to rid itself of the low-margin consumer-appliances unit to focus on its core industrial businesses. But there's another aspect to the deal: it was scheduled to provide nearly 10% of the \$35 billion in cash GE has promised to return to shareholders through dividends and buybacks.

General Electric doesn't appear to have another source for the \$3.3 billion this sale would have yielded. Instead, it said it would pursue other buyers.

The company didn't specify who exactly those other buyers might be, GE still has "a bunch of people who are ready to kind of step in and pursue this," according to Chairman and CEO Jeff Immelt at a recent shareholder presentation. "There's significant inbound interest," he said. "I expect it to happen relatively quickly."

Aside from Electrolux, it's unclear where a buyer might be found. If regulators weren't willing to approve a GE-Electrolux deal, there's no way they'll get on board with an even larger GE-Whirlpool merger. And since most of GE's appliances are self-branded, selling brands off piecemeal seems an unlikely proposition. Asian manufacturers with a U.S. market presence such as LG, Samsung, and Haier are likewise self-branded. While an acquisition by one of them would be possible, it also seems like a long shot. We'll have to wait and see if one of these so-called "serious, capable global strategics" steps up. In the meantime, GE will continue to operate its appliances unit, which is not a terrible outcome for shareholders. Although the business has comparatively low margins, it isn't losing money. Revenue is up 8% YTD, and EBITDA is positive. So aside from the loss of the proposed \$3.3 billion sale price, there's not tremendous downside for GE -- and it gets a cool \$175 million payout. While there isn't any particular financial upside for Whirlpool either, it will continue to benefit through its status as market leader.

The thesis for GE-- and Whirlpool, consequently -- remains pretty much unchanged. These new developments shouldn't prompt you to any new action in either stock. For Whirlpool, you'll just want to keep an eye out for holiday sales numbers when they're released in early February. GE seems confident it will sell its Appliances unit in early 2016, and until then, it's not worth worrying about. More important is the progress it's making on its GE Capital asset sales, which represent a much bigger piece of the \$35 billion pie it plans to return to shareholders. And that seems to be going full steam ahead.

BAT's All Over the Country!

PSA's Basic Appliance Training (BAT) initiative is continuing to sweep the country in 2016!

The BAT program focuses on basic principles and repair functions related to electricity, gas and refrigeration, the core basis of a successful appliance service technician. The BAT training provides a solid foundation for new technicians, along with a strong refresher course for more experienced techs that will make the product specific training offered by manufacturers more understandable and also help to make your technicians more efficient and effective.

There are more BAT classes confirmed in early 2016- please keep your eye on PSA News and our web site www.psaworld.com, for the complete 2016 BAT and PSA training schedule...

January 26-28 Century Global Supplies- Van Nuys, CA

February- Pending

March- Pending

April- Atlanta, GA- dates TBD

May- Denver, CO- dates TBD

June- Pending

July- Pending

August- Pending

September 26-29 NASC 2016 in Dallas, TX

October- Nashville, TN- dates TBD

November- New Orleans, LA dates TBD

December- Pending



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Electrical component operation and testing
Use of Test Instruments
Recognizing electrical symbols
Reading electrical schematics and diagrams
Diagnostic routines and troubleshooting

Day 2- Basic: Gas

Gas Basics, Safety, Characteristics
Fuel Gas Code requirements for Gas appliances Gas testing devices
Gas Ranges, operate and test components
Gas Dryers, operate and test components
Gas Water Heaters, operation and testing components

Day 3-Basic: Refrigeration

The Refrigeration system
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Refrigeration system components operation
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