

'07

Progress Report

*The lighting industry looks
to ALA for leadership on
major issues.*

Throughout 2007, ALA met and often exceeded organization goals as well as industry challenges, and maximized opportunities to the benefit of the membership. Given ALA's successes in 2007 and previous years, the association looks forward to the new year with confidence and continuing enthusiasm.



Fred C. Fennell, CLMR
Chair, 2007
Owner, Fennell Marketing & Sales, Ltd.
Barrie, Ont., Canada



Richard D. Upton, CCE
President/Chief Executive Officer
American Lighting Association
Dallas, Texas

Communications

Effective communication is essential in keeping members informed and involved. ALA's low member loss rate is a clear measure of the association's success in this area.

Web site

Significant resources have been given to expanding and enhancing the ALA Web site for members and consumers. Many favorable comments about its user-friendly structure have been received. Utilization of the site has grown more than 400 percent during 2007. The site is designed to ultimately direct consumers to their nearest ALA showroom.

Newsletter

ALA's newsletter, *Lightrays*, continued to improve the quality of its content and layout under the direction of a new full-time manager of communications.

BiNational Advertising and Public Relations Program

The BiNational Advertising and PR Program continued to offer a larger array of programs to promote the showroom channel of distribution and broaden the consumers' awareness of lighting and its importance to their home and quality of life.

Growth and awareness

- ▲ The BiNational Program achieved 185 million consumer impressions in 2007 in Canada and the United States.
- ▲ Lighting, ceiling fan and control stories went to 4,000 editors and to ALA showrooms every other month.
 - ◆ Showroom owners and managers are able to tie their showroom name to those stories in their local markets.
- ▲ The 2007 budget grew to \$530,000, a 5-percent increase from 2006. That is positive and important because it shows that members recognize the value of the programs.



The ALA honored Michael O'Boyle (left) of Lightolier, a Genlyte Company, Monty Gilbertson, CLC (center) of Lighting Design byWettsteins, and Lars Bostrom, CLMR of Bostrom Lighting Sales, as the 2007 ALA Pillar of the Industry award recipients during the Annual Conference in San Antonio.

Initiatives and successes

Program initiatives and successes include:

- ▶ Developing and delivering free to members:
 - ◆ New TV ads (5)
 - ◆ New radio ads (3)
 - ◆ New print ads (15)
 - ◆ New articles for local markets (6)
- ▶ *Better Homes & Gardens* 2008 (Spring) *Lighting* magazine
 - ◆ Advertising requirement \$500,000
 - ◆ Commitments as of Dec. 31, 2007, total \$525,000
- ▶ Secured a lighting Web site from *Better Homes & Gardens* that will tie directly to ALA members:
 - ◆ Estimated use 1.5 million consumers
- ▶ Television
 - ◆ ALA's new partnership with the National Association of the Remodeling Industry (NARI), enabled the production of a lighting program for WE tv (Women's Entertainment Network).

Performance and Value

The BiNational Program continued to move to a higher level of performance and value for ALA members and the industry.

Engineering

Continuing activities of the Engineering Committee are vital to the well-being of association member companies. Importantly, becoming proactive on a number of issues has gained ALA a "seat at the table" as rules and standards are being written.

Effective interface

ALA's effectiveness in interfacing with UL, CSA, the U.S. Department of Energy (DOE), the Consumer Product Safety Commission (CPSC) and others continued to grow in 2007. Action by ALA, working on behalf of the industry, can help member manufacturers by saving money, achieving standards they can live with versus complying with difficult and expensive mandates, and providing direction on industry issues.

- ▶ ALA's involvement with the CPSC helped ensure their study of "Deaths Related to Lighting Fires" was not a negative indictment of the lighting fixture industry.
- ▶ The effective working relationship between ALA and UL and CSA served to help:
 - ◆ Get standards for 190-watt limited torchieres expedited to meet market needs.

- ◆ Close debate on revisions to the (CSA/UL) harmonized lighting standard that is needed.

Member communication and support

- ▶ Continued to research and post alerts and notices for members on issues of importance.
- ▶ Conducted the fifth *Lighting for Tomorrow* design competition in partnership with the DOE and Consortium for Energy Efficiency (CEE). This program has played a key role in ALA's energy-efficiency initiative to encourage the production of more and better energy-efficient fixtures.
- ▶ Integrated the work of ALA's engineering and government affairs programs to be mutually supportive for the benefit of members.

Government/Regulatory Affairs

ALA's proactive stance on issues of interest to members and the industry met with success. The association has now gained a "seat at the table" on key priorities including energy efficiency.

Prompt action

Importantly, ALA acted promptly on issues gaining member involvement and victories:

- ▶ In California, ALA was an important player on the "Ban the Incandescent Lamp" issue, and the association's position has been the direction for that state's legislation.
 - ◆ ALA's message: "Ban no technology, but gain an improvement in lumens-per-watts over time."
 - ◆ ALA called for a marketing program for consumers and students to gain a successful market transition.



Dick Upton, ALA President; Tom Early, ALA chair-elect, Burgess Lighting; Clark Linstone, ALA Government Affairs Committee chair, Lamps Plus; and Ronald Milam, Lighting Emporium, pose on the steps to the Capital.

- ◆ ALA was involved in this issue in 18 states.
- ▶ ALA was also active in Canada.
 - ◆ Chairman, Fred Fennell, hosted successful workshops on energy-efficient lighting for his customers.
 - ◆ Fennell raised his voice on the issue of energy efficiency at the regional and federal level.
 - ◆ Fennell also took an active role in Nova Scotia opposing a CFL marketing program for Big Box stores that bypassed ALA-member showrooms.
- ▶ ALA's Washington, D.C. Mission was successful on several fronts:
 - ◆ The interface with ALA Senate/House Champions was successful in gaining their interest/support on issues/positions important to the lighting industry.
 - ◆ ALA hosted the CEO and key executives of The Alliance to Save Energy. This group has the interest and ear of Congress and it was important that they know who ALA is and represents.
 - ◆ ALA gained a "seat at the table" for negotiations on the incandescent lamp energy-efficiency issue.
 - ▶ Objectives:
 - To keep focus on general service, medium screw-based light bulbs
 - To establish federal preemption
 - To exempt 25-watt to 40-watt incandescent candelabra bulbs
 - To authorize marketing funds to educate the consumer
 - To keep from setting requirements for the year 2020 now

Persistent effort

The decision of the Surface Transportation Board (STB), to terminate the antitrust immunity of the National Classification Committee (NCC), which represents truckers, was an important win for ALA and the industry. The association worked on the issue for more than three years. ALA recruited key support from the Departments of Justice and Transportation plus the association's legislative Champions.

ALA continued to be alert to other issues and help members:

- ▶ The Maryland legislature proposed legislation banning any incandescent lamps, including candelabras in ceiling fans. The testimony and lobbying of ALA members stopped the legislation from becoming law.

Committee dedication

The Government Affairs Committee Chair, Clark Linstone, was and continues to be a great benefit to ALA. ALA is also fortunate to have a committed Chair Elect on the Board, Tom Early, who is willing to attend hearings and meetings in Washington, D.C. Both Linstone and Early are alert to pertinent issues and provide leadership on industry interests in the U.S. and Canada.

Political Action Committee

The ALA Political Action Committee (PAC) remained a key part of a coordinated effort to fight for, defend and advance the association's agenda and the industry's interests.

Champions

The ALA political champions were responsive and helpful.

- ▶ U.S. Congressman Pete Sessions (R-Dallas) and his staff see themselves as having a special responsibility to help the association.
- ▶ The staff for U.S. Senator Mark Pryor (D-Ark.) was instrumental in helping ALA gain a "seat at the table" for negotiations on the federal incandescent lamp issue.
- ▶ Senator Pryor visited ALA and spoke to a group of ALA members and Dallas Market Center representatives about pending legislative issues.

Member support

ALA successfully enhanced member support of the PAC.

- ▶ The president's message at the Annual Conference gained an additional \$13,450 in commitments.
- ▶ Total funds raised are \$33,876, as of year end 2007.

A proactive plan of letter writing and personal calls by the committee and president should allow ALA to meet and exceed the \$40,000 goal for 2008 election campaign contributions.

Annual Conference

The 2007 Annual Conference in San Antonio, Texas, was successful for attendees and the association.

Member response

Seminars and general sessions received very high marks, continuing an eight-year pattern of attendance satisfaction.

- ▶ On a 1-to-5 scale with 4 being "very satisfied" and 5 being "extremely satisfied," the 2007 Conference was given a 4.6 rating versus 4.4 in 2006.
- ▶ The facilities, food and service of the conference venue, the Hyatt Regency Hill Country Resort, ranked very high with members as well.
- ▶ 2007 was the second year of the two-day format, which saves members time and money and has been well received.



Andrew Schonbek, president and CEO of Schonbek Worldwide Lighting Inc., was inducted into the Lighting Hall of Fame on Sept. 11 at the 2007 ALA Annual Conference in San Antonio, Texas.



Jim Smith, David Robinson and Bob Smith of Southland Lighting Sales pose in front of the 2007 Conference information booth with Eric Jacobson, ALA vice president of membership.

Member support

Member and non-member underwriting provides a high level of funding that is important to the success of the conference.

- ▶ Twenty-eight member sponsorships and two non-member sponsorships totaled \$111,000 in 2007.

Member involvement contributed significantly to the 2007 meeting.

- ▶ The Conference committees worked hard to help build attendance from Texas and were successful with 39 Texas companies attending.
- ▶ The Conference attracted 112 first-time attendees.
- ▶ The Conference achieved the 2007 total attendance goal with 565 attendees (426 delegates and 107 spouse/guests).

Education

Education is a key program ALA provides to benefit members and their employees.

Program enhancements

In 2007, the Board of Governors authorized a special expenditure of \$15,200 to:

- ▶ Upgrade the software that hosts/runs the online courses to make it more user friendly.
- ▶ Place the Residential Lighting Exam online so students can take the exam and immediately learn their score.
- ▶ Develop a customized report for monthly usage reports and targeted marketing information.

The new Certificate Specialist program's first two courses were developed for release in early 2008. Plans are to add an additional course annually for the next five to 10 years. This program will encourage showroom salespeople to continue their lighting training.

Online training

New online courses continued to be developed.

- ▶ A new online course promoting Dark Sky-friendly outdoor lighting will become available in 2008.
- ▶ ALA worked to develop a new online LED course that will become available in 2008.

Course offerings have been well received by members. Additionally, improved marketing by staff has enhanced member interest and utilization.

Certification

ALA certification programs allow the association to provide a way for members to gain and retain knowledgeable sales staff. In 2007, ALA awarded the following certification designations:

- ▶ 22 new Lighting Associates
- ▶ 389 new Lighting Specialists
- ▶ 11 new Certified Lighting Consultants
- ▶ 4 new Certified Lighting Manufacturer Representatives

Membership Growth

ALA enjoyed its 14th consecutive year of growth.

- ▶ For the third year in a row ALA met its membership growth goal of 14 percent and achieved the year-end goal of 1,450 members.
- ▶ 2007 concluded with a very low membership loss of 9 percent.

Finance

For the 14th year, ALA had financial growth and operated in the black.

- ▶ For the 14th year ALA expanded reserves. Current reserves are \$723,936.
- ▶ In 2007, ALA added \$60,000 for total reserves of \$783,936, as of year end.

ALA has a dedicated finance committee headed by Irene Wang of Designers Fountain. Importantly, an annual financial review is conducted by an impartial CPA firm.

2007 Board of Governors



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Board of Governors and Executive Committee

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Ltd.

Certification

Norm R. Brown, CLC
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2007 Conference

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James E. Decker
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Progress Lighting

Engineering

Michael S. O'Boyle
Manager
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Todd L. Langner
Sr. Vice President of
Marketing
Hunter Lighting Group

Finance

Irene L. Wang
President
Designer Fountain, Inc.

Government Affairs

Clark R. Linstone
President
Pacific Coast Lighting

Governors Nominating

Jack C. Goralnik
President
International Lighting Mfg. Co.

Long Range Conference

Susan Solomon-Auerbach
Executive Vice President
Sea Gull Lighting Products

Manufacturers Council

Paul W. Eusterbrock
President
Holtkoetter International, Inc.

Manufacturers' Representative Certification

Tom M. Underwood, IES
President
Sun Country Marketing, Inc.

Manufacturers' Representatives Steering

John E. Deininger
President
Deininger Lighting Group, Ltd.

Membership Development

M. Thomas Early
President
Burgess Lighting and
Distributing

ALA-PAC

Clark R. Linstone
President
Pacific Coast Lighting

Officers Nominating

Patrick S. Dolan
Vice President
Dolan Designs

Public Relations, Communications and BiNational

Bobbie K. Pearsall
Advertising Director
Quoizel, Inc.

Showroom Council

Carolyn G. Overman
Owner
Western Montana Lighting

Strategic Allies

John F. McKiernan
Vice Chairman
Lutron Electronics

Vice Chair: Ray Angelo
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Westinghouse Lighting Corp.



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