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**From:** Rod Graham  
**Sent:** Wednesday, 7 March 2018 5:05 PM  
**To:** Macrae, Tess  
**Subject:** RPM submission from Northern abrasives and tools re: tooltechnic systems

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

I make this submission as the owner of Northern Abrasives & Tools. Festool Premium shop dealer.

Northern Abrasives and Tools stocks both Festool and Fein products (half of our store is dedicated to the Festool brand). Northern Abrasives and Tools supports the proposed RPM conduct.

Festool is a unique product that warrants additional service and requires a high level of expertise to best satisfy the customer's needs. There are no products that compete directly on quality and innovation. As a dealer we regularly send staff to Festool's Head office for specialist training at Tooltechnic System's at our shared expense. Festool is strict about who they will allow to distribute their products. The Retail display gondola systems provided by Tooltechnic are also very professional.

Unless a sales person has been trained on all the unique features and can competently educate a customer on all of this, the customer would not understand the value in purchasing this premium product. It is not uncommon to spend some hours with a customer testing and demonstrating. Our significant investment (both financially and in time) in the brand results in a better customer experience. Prior to RPM, often customers from other stores would come in and have received the wrong information and potentially then purchased the wrong product for their requirements from the other store. Under the RPM conduct, we have noticed this issue happening far less. Hence a much better result for the customer.

While we have invested money and time to offer the customer an excellent experience and final outcome, I believe this has enabled us to help the customer navigate through the often useful information available online but more importantly the disinformation that is often there as well.

I believe the RPM conduct enables all parties concerned to concentrate primarily on the product and final positive outcome for the client rather than just on the price. As a Dealer it certainly gives us confidence to continue investing in the Brand training and service and overall positive customer experience.

For Northern Abrasives and Tools the Festool RPM conduct has:

- facilitated increased floor space. Northern Abrasives and Tools' Festool floor space has increased in the past few years by about 20%. There are more and more products in the range and you need more and more space to stock them
- facilitated a larger range of stock
- encouraged Northern Abrasives and Tools to offer additional services, such as offering loan tools (\$10,000+ of loan tools available), a pick-up service for tools that need repair, test facility, on-site demonstrations, knowledgeable staff available for the life of the tool (beyond Festool's 3 year warranty)
- not increased margins for dealers. Margins are the same or have decreased over time – the RRP/MRP and wholesale buy price have become closer together over the years

- not significantly changed Northern Abrasives and Tools' sales. Our Festool sales have grown steadily for 25 years but there has been no particular growth as a result of the RPM conduct.

Yours Sincerely,  
Rod Graham



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