



Hearthstone Representative Program

Customer Profile

- 1. The Hearthstone Customer is interested in building something different and of the utmost quality. The home or commercial structure they want appeals to their sense of aesthetics first and foremost. They are willing to pay a premium for top quality materials and service, but will not do so wastefully. They want a structure that leaves an impression for generations. Oftentimes the home they build is intended to be their final retirement home.**

Distributor Profile

- 2. The Hearthstone Distributor is a self employed, independent representative and not an employee or agent of the manufacturer. They have a passion for heavy timber construction and provide services to complement the package sale.**

Management Team

- 3. Distributors report to the Vice President of Sales but are expected to also communicate directly with support staff of Hearthstone, Inc. in Dandridge, TN.**

Territory Agreement

- 4. Hearthstone maintains and supports a Distributor network to sell and service our clients worldwide. We establish a marketing boundary in exchange for minimum annual sales volume. The Distributor is responsible for sales and marketing within his assigned territory. The Distributor purchases materials from Hearthstone, Inc. and combines his services and expertise, and resells this package to the Customer.**
- 5. In areas where we have no active Distributor, Hearthstone, Inc. sells and services their customer's factory direct.**
- 6. In no case is a Distributor restricted from selling and servicing a client in other areas of the country. The only restrictions that require written approval are related to marketing and promotional activity.**



Distributor Responsibilities

As an independent representative, you will be purchasing materials at wholesale cost and reselling to your client at suggested retail. You will comply with terms and policies practiced by Hearthstone, Inc., which are outlined in the Distributor Agreement and the Distributor Purchase Agreement. You must also be versed with your state sales/use tax laws and the local/state building codes.

To be successful, you must strive to meet the following goals:

- ◆ **Maintain or have access to a commercial sales model or residence within 12 months of signing a Distributor Agreement. You will sell what you show!**
- ◆ **Must be able to provide the three B's of our business:**
 1. ***Builders*** - you should have a working relationship with a number of competent builders who are willing, ready, and able to bid and/or build Hearthstone homes for a reasonable fee.
 2. ***Bankers*** - you should know where to direct clients for local/regional banking resources that will provide construction and permanent financing according to Hearthstone's payment terms and at reasonable, prevailing rates.
 3. ***Buyers*** - through your own marketing efforts (advertising, open houses, home shows, seminars, word of mouth, etc.), you are expected to attract and service clients from initial contact and through delivery and construction.
- ◆ **Commitment to training and knowledge of the Hearthstone products, services, policies, and procedures. This will require occasional visits to East Tennessee and attendance at annual and regional distributor meetings.**
- ◆ **Access to a personal computer for E-mail and Internet communication, log and timber frame home estimating and sales/marketing needs.**
- ◆ **Financial resources to carry out and maintain an annual marketing plan within your local service area.**
- ◆ **Ability to architecturally design or modify designs within a pre-engineered heavy timber system or have access to a local professional who can provide this service.**



Hearthstone Responsibilities

As a manufacturer, our main focus is to provide you with the highest quality materials at the lowest possible cost. The following are the features highlighted in our services and responsibilities.

- ◆ **Aggressive commercial model home program.**
- ◆ **Professional marketing literature including the catalogue, electronic CD, plan books, newsletters, handouts, etc. that is available for purchase at nominal cost.**
- ◆ **Other marketing tools available to modify such as; advertising slicks, home show displays and professional photography.**
- ◆ **Physical and financial assistance with local promotional events.**
- ◆ **Corporate website support to direct consumers to your business.**
- ◆ **Distributor website design and maintenance.**
- ◆ **Architectural design and engineering support.**
- ◆ **Detailed estimating service and support.**
- ◆ **Delivery of materials direct to jobsite with experienced employee drivers.**
- ◆ **On-site log and timber frame structural shell erection.**
- ◆ **Sales and marketing training regionally and in East Tennessee.**
- ◆ **Provide necessary paperwork to carry out a typical transaction.**
- ◆ **A start up kit of promotional materials and product samples are available for you to purchase once you are approved.**



Eight Basic Qualifications Hearthstone Representatives

- 1. *Must* have passion for the product!!**
- 2. *Must* understand the home building process.**
- 3. *Must* be personally known by a network of appropriate authorities in building and banking who are willing to engage in business with Hearthstone customers.**
- 4. *Must* be proactive and available to respond to clients promptly.**
- 5. *Must* have Hearthstone products to show a customer.**
- 6. *Must* understand and know how to create visibility of product through advertising and promotion.**
- 7. *Must* have financial credibility.**
- 8. *Must* have the burning desire to be successful and to perform customer service beyond client and manufacturer expectation.**