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## Bob Shaw's legendary career

[DALTON] Bob Shaw, the only CEO Shaw Industries has ever known, will be step down on Sept. 1, ending an amazing 48-year run as one of the most important leaders and executives in the flooring industry.

Following are some of the major milestones Mr. Shaw — and his company — established before and during his career:

**1946** — Clarence Shaw, father of chairman and CEO Robert (Bob) Shaw and former chairman J.C. (Bud) Shaw, co-purchase Star Dye Co., a company to dye rugs, spreads and robes.

**1958** — Bob Shaw becomes CEO of Star Dye, now jointly owned by Bob and J.C. He quickly decided to start dyeing carpet.

**1967** — J.C. Shaw organizes a holding company to acquire

Philadelphia Carpet Co. The holding company goes public as Shaw Industries in 1971.

**1972** — Shaw takes the first step toward vertical integration by acquiring New Found Industries to generate its own yarn supply.

**1973** — Realizing the potential of continuous dyeing processes, Shaw acquires Elite Processing, a state-of-the-art continuous dye plant.

**1982** — Shaw expands direct sales to small, independent retailers and creates its own trucking subsidiary, dramatically improving the quality and speed of shipments to retailers nationwide.



Bob Shaw

**1983** — Shaw establishes regional distribution centers. By the end of 1983, Shaw maintains six regional distribution centers. Shaw would open 16 more in the next 20 years.

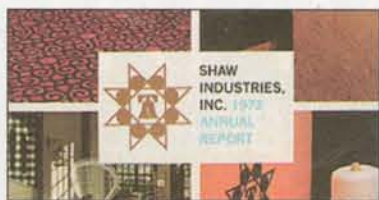
**1984** — Shaw launches PRIDE, its internal quality process. The training, tracking and goal-setting helps Shaw manufacture products to the highest quality standards.

**1992** — Shaw acquires Amoco's polypropylene fiber production facilities, becoming the largest producer of polypropylene fiber in the world. The move helps Shaw customers capitalize on the growth of berber styles.

**1993** — As area rugs grow in both use and popularity, Shaw forms the Shaw Rug division.

**1997** — In association with SI Corp., Shaw begins a

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### cca global summit

## Carpet One stresses brand identity

By Maya Avrasin

[DENVER] CCA Global Partners is thinking big and hoping that its future goals will carry its members into a new stratosphere for the flooring industry. During its first Global Summit last week, the multi-faceted networking group stressed the power of branding for all of its divisions.

The theme of the Summit was "The Power of All of Us" and gathered CCA's 14 divisions together at the Colorado Convention Center (see sidebar on page 20).

"CCA's success has more to do with the people in this room than it does with either of us," said Howard Brodsky, co-CEO and co-chairman, CCA Global.

During the week, CCA's divisions met separately to discuss their strategies for the coming year, but one topic kept repeating itself throughout all of the groups: branding. "It really is what's going to drive our success," said

Deb Binder, vice president of marketing for Flooring America.

Evan Hackel, president, Carpet One Floor and Home, echoed Binder's assertion. "We concern ourselves with creating a brand with the consumer," he said.

How each division will connect with the customer ranges from overhauled websites and new product launches to ambitious goals, such as launching an e-commerce website, announced at Carpet One's general session.

Carpet One is investing millions of dollars in its marketing strategy, which includes a restructured private-label product line. "We're trying to create a brand for our members," Hackel reiterated to FCW at the Summit. Long term, Hackel hopes Carpet One's members will think of the Internet as just another component of their store. "[In the future], retailers aren't going to view their business as retail and Internet — the two are go-

ing to be intertwined."

After extensive market testing, Carpet One senior management discovered an untapped audience online who visit competitors' websites such as empiretoday.com and lumberliquidators.com before making their flooring purchases. Accessing these consumers prior to their contact or purchase from competitors would be one way to divert this potential cash flow into Carpet One's coffers, Hackel said. "The website develops relationships with

CONTINUED ON PAGE 20



Carpet One members at the Mountain Madness vendor show in Colorado.

## Judge clears path for Armstrong emergence

By Ken Ryan

[LANCASTER, Pa.] Armstrong World Industries, constrained by six years of bankruptcy, expects to emerge from Chapter 11 in the fourth quarter of 2006, albeit with a "substantial net operating loss," the company said.

Armstrong's announcement on Aug. 23 about the impending loss did not divulge why it will occur, but it could lead to a tax refund. It did not estimate the size of the losses or refund.

The release followed the announcement that Armstrong World Industries' plan to set up a \$1.8-billion trust for resolving asbestos liability claims was approved by U.S. District Judge Eduardo Robreno. Judge Robreno's decision in bankruptcy court cleared the way for Armstrong World Industries to emerge from Chapter 11.

According to the plan, Armstrong Holdings' ownership of Armstrong World Industries will end after

the subsidiary emerges from Chapter 11. Armstrong Holdings, which will also incur a "substantial loss," may decide to dissolve after it reviews the tax implications of Armstrong World's bankruptcy exit and after the U.S. Bankruptcy Court in Delaware reviews its claims over intercompany accounts.

In the Aug. 23 release, Armstrong Holdings said it expects to receive no more than a "few million dollars" in cash and stock from the intercompany accounts, which are used for transactions between Armstrong and the holding company. Armstrong Holdings would receive nothing for its stake in Armstrong World Industries under the latter's reorganization plan.

Separately, Armstrong World Industries on Aug. 21 asked the U.S. Bankruptcy Court to again extend the company's protection from any rival reorganization plans. The protection, called the "exclusive period," expires Sept. 6. Armstrong asked the court to extend this "exclusive period" by six months to March 6.

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Synergy strand bamboo  
U.S. Patent 5,543,197  
China Patent ZL 991178092  
Mexico Patent 204281

# New features add substance to cork flooring

By Ken Ryan

Philippe Erramuzpe, who founded Natural Cork in 2004 with the promise of innovative product development, has tried to keep to that vow with new features and enhancements across the company's entire portfolio.

This year, Natural Cork partnered with Microban to license its antimicrobial technology. Cork already has antimicrobial attributes, but Microban's technology adds further resistance to mold and mildew. "All the underlayment is treated with the Microban," Erramuzpe said. "The Microban product protects the environment and the flooring. It is an insurance policy for the flooring industry."

Natural Cork has recently added an anti-scratch protection to its finish that has greatly improved the longevity of the finish. "The product is really catching on," Erramuzpe said.

Natural Cork is responding to the trend toward larger tile sizes by



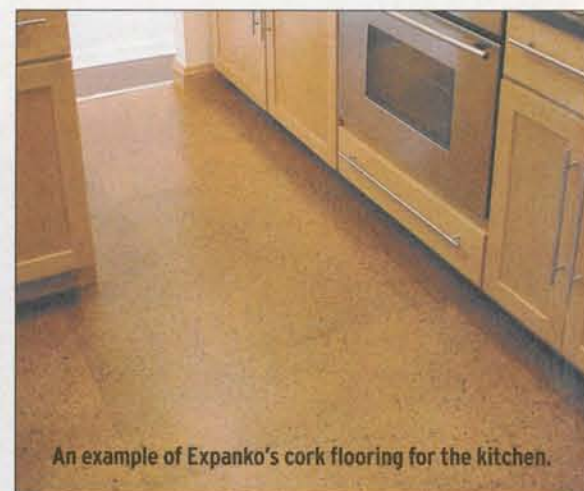
Cork flooring blends nicely with an office environment.

coming out with a line of 12 x 12-inch floating floors. "Our intention for next year is to introduce larger 24 x 24-inch tile," he said.

At APC Cork, interest in the company's floating floors has risen tremendously in the last few years, said Peter Pino, operational manager. "We used to tell people about cork floors and get a smirk," he said. "Today's cork floors are very DIY

friendly."

APC's floating floors feature a high-density, 6mm center layer sandwiched by cork on both the top and bottom, and sport a thickness of 7/16-inch. Both formats feature a three-coat flexible acrylic-matte varnish. Newer patterns and colors have been introduced to APC's line. Hot sellers have been those with very dark blue that highlight the



An example of Expanko's cork flooring for the kitchen.

cork, Pino said. APC's newest cork floors will be modular and offer longer guarantees than previous products.

Other cork companies are enhancing their offerings as well. Here is a sampling:

Amorim has introduced a new high-wear resistance varnish called Xtreme WRT, which the company said is the strongest varnish it has ever produced. Xtreme WRT, which is based on a ceramic compound, is also environmentally friendly, the company said.

BHK of America's Moderna Toledo Cork is a 100-percent cork surface layer that is UV-acrylic finished. Toledo can be installed over most other flooring materials and offers a 5-year warranty.

Expanko, known for its floating floor, recycled rubber and cork/rubber flooring, has a new collection called Vallanex that is offered in nine

12 x 36 inch patterns. The Amber and Cordovan patterns have stained color applied with the water-based matte polyurethane; all other patterns are natural cork shades finished with the same polyurethane. Vallanex can be installed over many hard surfaces including concrete, plywood, vinyl and hardwood floors. Expanko also offers the Traditional and XCR<sup>3</sup> (cork/rubber) collections.

WE Cork's GL Collection of glueless floating floors are available in various patterns and stains and include a hard-wearing finish. Planks are available in a 11 7/8 x 35 9/16-inch format, and can be installed virtually anywhere without intensive labor required, the company said.

Quickstyle Industries' NaturLock cork flooring features comfort, high thermal value, shock absorbency and ease of installation, the company said. **FCW**

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## Teragren secures exclusive rights

[BAINBRIDGE ISLAND, Wash.] Teragren, manufacturer of bamboo flooring, panels and veneer, recently announced it has secured exclusive rights to two patents for popular strand bamboo products. As a result of the new licensing agreement, all strand bamboo sales in the U.S. and Mexico, including flooring, flooring accessories and panels, will now be subject to Teragren's rights in the patents.

"All Teragren bamboo products, including flooring, panels and veneer, meet stringent quality standards," said David Knight, Teragren's president and CEO. "However, the increasing supply of sub-quality bamboo products is damaging to consumers and the industry. Acquiring exclusive rights to these patents allows us to control the quality of all strand bamboo products, including strand bamboo flooring."

Teragren's strand bamboo factory partner in China owns a similar non-U.S. patent. Consequently, the manufacturing and sales of all Teragren's strand bamboo products will be covered by patents in the U.S., China and Mexico. All strand bamboo products sold through alternate sources, such as discounters, importers or Asian trading houses, are covered by Teragren's patents.

"We intend to enforce our patent rights and are currently working out the details," Knight said. "Ultimately, strand bamboo flooring will only be sold under Teragren's Synergy brand through our top tier network of retail floor covering dealers and wholesale distributors."

Teragren will also use its patents to develop and sell a number of new products, such as outdoor decking, structural bamboo (trusses and joists) and other building products. "As more and more consumers, and the industry, look for environmentally friendly products, we expect the demand for bamboo building products to continue to grow," Knight said. **FCW**



Teragren's Synergy prefinished strand bamboo flooring in wheat is 18 percent harder than Santos mahogany and 100 percent harder than red oak.

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