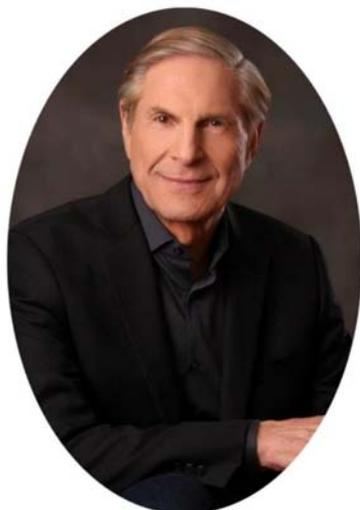


Scale, Resources and Innovation for Entrepreneurs And Independent Business Owners



Howard Brodsky - CEO

Since our founding over two decades ago, CCA Global Partners® has developed our corporate culture and daily activities around a single, unified mission: to empower entrepreneurs and independent business owners by providing the scale, resources and innovation that create sustainability, growth and effective competition in today's evolving marketplace.

Interview conducted by: Lynn Fosse, Senior Editor, CEOCFO Magazine

CEOCFO: Mr. Brodsky, what was the vision way back when the CCA Global Partners started?

Mr. Brodsky: The idea was to consolidate independent retailers to give them the strength and the power to make a level playing field against major national chains like Home Depot and Lowes as well as Wal-Mart. We took all the functions that independent retailers normally do such as the buying, merchandising, and marketing to give them the same scale that national players have.

CEOCFO: Today, would you say that the vision is the same?

Mr. Brodsky: The vision is the same, which is to give individual family businesses the opportunity to not just survive but to thrive; and to do that, they need the same resources as national companies to have the same buying prices, marketing technology, insurance and real estate. The only difference is that we originally started out being focused on the flooring industry, and we realized it really applied to any industry.

CEOCFO: Are there particular industries of focus today and what might be an area where you see potential?

Mr. Brodsky: We are heavily focused in the home sector of floor covering, lighting and cabinets. The other major sector that we are heavily involved with is also the sports sector such as bicycle stores, ski stores and fitness stores. The other sector we have gone into we call CCA for Social Good. We have built a platform for nonprofits and childcare centers across the country. We currently have almost four thousand child care centers that are part of the platform.

CEOCFO: Given pricing is somewhat the same, do you feel people would prefer to deal with a local business rather than a chain and is that why you have looked at these areas?

Mr. Brodsky: Coming out of the recession, I think that people do not look at big as necessarily good. I think there is definitely a movement towards going back to being local sourcing goods and services. There is no question someone would rather deal with somebody they know that is servicing them whether it be in a product or a service category but they do not want to pay a premium for that and I do not blame that. We make it so they do not have to pay a premium for that.

CEOCFO: What are some of the common areas that you are able to aggregate for your companies and what might be some of the areas that people would be surprised are subject to an aggregation?

Mr. Brodsky: The most common thing that everybody understands is sourcing product and that is probably the easiest part. The parts that become more valuable are the marketing because marketing expertise especially with social media today is so important and so complex that it is very difficult for an individual company to keep up with everything including marketing, buying, insurance, credit card processing rates, real estate negotiation. Last year, our on-line training courses had over 300,000 users. One part that we have a big focus on is succession planning - that is when the independent family business at some point says that it is time to turn this over to a member of the family or to sell because there is not a member of the family. That whole process they only do once in their life; and therefore, they do not have the expertise. For many entrepreneurs, their business is their biggest asset and the biggest decision they will ever make.

CEOCFO: Does a business sign up with CCA and have access to all of your services?

Mr. Brodsky: When they sign up, they become a member of one of our companies and most of them are cooperatives. It is like a great buffet; we source all the different categories for them whether it is marketing product, merchandising, store

design and it is like ala carte - they take what they want. We say that if you are a vegan, we source the best vegan food; and if you are a meat eater, we understand what the best meat is that is going to keep you healthy. You pick from the choices that fit what you would want in your particular market.

CEOCFO: Are people paying one fee and then they get to choose or do they pay as they go along?

Mr. Brodsky: Mostly it is one fee and then ala carte for some of the services.

CEOCFO: What areas do you find that businesses do not take advantage of that you see there is a need?

Mr. Brodsky: Entrepreneurs need to spend a higher percentage of their budget on marketing to compete with the national chains. During the recession, the larger companies maintained their marketing budget while many of the smaller companies cut back. Now that business is better, it is very important to reinstate their marketing budget back to the pre-recession levels.

CEOCFO: Do companies come to you for advice as well or does that come through the various services?

Mr. Brodsky: They come to us for advice in many aspects of their business, including financial planning, hiring, human resources management and general business consulting.

CEOCFO: Do you have a customer service line where someone can call in and ask a question? How do you engage with the companies you represent?

Mr. Brodsky: We have member service representatives that are in daily contact with our stores. We have presence in all our divisions. We also have conventions twice a year and regional meetings as well. It is very important we understand our members and their business, and we are there for them in any way the need us.

“There are over 25 million independent businesses in the US. We have the resources and scale to continue consolidation in this market, and we are just in the beginning of reaching the great potential that we have.” - Howard Brodsky

CEOCFO: What is the key to managing a company of this size where you have so many divisions and so many people? How do you ensure that down the line people are performing at the quality level you want for CCA?

Mr. Brodsky: I think it is all about hiring great people. The one thing we pride ourselves on is that we have outstanding associates. When you have truly great people, you can give them a lot of independence and they do not need to be micromanaged. Our associates understand our visions and are very committed to making the life of our family owned businesses better.

CEOCFO: CCA was recognized recently as one of the top five to work for in New Hampshire. What is it like working at CCA?

Mr. Brodsky: It is a place where we show great respect for the individual. We integrate their home life and the business life because in today's world, there is not a great separation between home life and business life. We created an environment that is kid-friendly and dog friendly. We know that it is very important to have personal growth and we do a great deal of leadership development. We have yoga every Thursday in our offices, massage rooms, as well as a Toast Master Club. We try to make it so it is an environment where they can enjoy and grow. Most people are at work more time than they are at home and it is very important that work is a place where they can grow personally and professionally.

CEOCFO: Was that a concept from the beginning or did that develop over time?

Mr. Brodsky: We have always treated our associates as the #1 most valuable asset, and we are continuously trying to find ways to recognize them and develop their potential.

CEOCFO: How is business these days?

Mr. Brodsky: The economy and the building market have been very good. The winter has added a little challenge for most retailers, but that is seasonal, and we see business for the remainder of 2014 to be very strong.

CEOCFO: Would you tell us about giving back since that is clearly important to CCA?

Mr. Brodsky: We do that in many ways. We have many charities that have been very important to us over the years. We have given almost a million dollars to the breast cancer research. We were recognized by USA today for the Make A Difference Day Award – in recognition of our commitment to making a difference in the lives of others. This is America's largest day of doing good. One of the projects we are really proud and excited about is America's Bravest. In the Iraq and Afghanistan war, we are now seeing for the first time veteran hero's that come home and have lost three or four limbs. In previous wars, no one has ever survived any of these tragedies. This foundation is building beautiful custom homes to accommodate these great veterans. We are so very proud to be partnering with Mohawk Industries; and together we are supplying all the flooring as a donation for every single home built all around the country.

CEOCFO: *How do you decide where to focus your efforts?*

Mr. Brodsky: My focus is to always find and develop great people, and then to be clear about the visions and to communicate it properly to everyone.

CEOCFO: *How do you reach potential companies to bring into the fold or does everyone know about CCA?*

Mr. Brodsky: Certainly, many individual entrepreneurs know something about our individual divisions and some do know about CCA Global Partners. In many cases, we do search to see if we can find exceptional entrepreneurs; and when we do, we reach out to them.

CEOCFO: *Do you see a growing membership?*

Mr. Brodsky: Yes. The need for entrepreneurs to be able to compete at scale and have the necessary services to compete is only going to grow.

CEOCFO: *Is that through your better efforts or because companies are realizing the need more help?*

Mr. Brodsky: I think it is both. Coming out of the recession people realize it is tough to be alone out there. It is tough to do all the functions as an individual owner that you really have to do to succeed.

CEOCFO: *If I were looking at a business, would I see or feel a difference working with CCA as a customer?*

Mr. Brodsky: You would see a level of savings and unique products not found in other stores. But more importantly, you would see pricing that is competitive with national chains because of our buying power.

CEOCFO: *In what way would I see a difference?*

Mr. Brodsky: You would see a level of professionalism and training not normally found in independent stores.

CEOCFO: *How do you help a company?*

Mr. Brodsky: We make a large commitment to training and marketing as well as product. I think it is taking all those considerations. We try to be holistic to really help a business and it is not just buying better but it is buying better, marketing better and having better management tools.

CEOCFO: *On a personal note, why do you perform weddings?*

Mr. Brodsky: I love to be intimately involved in people's lives and I have done twenty-eight weddings and no divorces so I have a good record.

CEOCFO: *How did you get into that?*

Mr. Brodsky: I had an employee once that came to me and asked me if I would perform his wedding. So I had to become a justice of the peace. That was my first wedding. I performed many employee weddings and performed my brothers', nephews' and niece's.

CEOCFO: *As CEO what is your daily focus?*

Mr. Brodsky: It is finding great people and a long-term strategy for the company.

CEOCFO: *Speaking of strategy how might the company be different a year or two down the road?*

Mr. Brodsky: We are constantly evolving, our market is expanding, and our individual businesses are growing.

CEOCFO: *What are you adding?*

Mr. Brodsky: We are adding a couple of new divisions in 2014. Innovia is a Community Management Cooperative for condo and homeowner associations. We are in the very early stages but we already have over 300,000 units in management. We are also starting Lions Bridge, which is a general contractor cooperative that specializes in the insurance industry.

CEOCFO: *How did you decide on those two particular areas?*

Mr. Brodsky: They have synergies with our existing business. They are associated with the home sector, and we have a lot of existing services and resources.

CEOCFO: *Why pay attention to CCA Global?*

Mr. Brodsky: We are a unique business model. There are not many companies that do consolidation of independent businesses, which is still one of the big categories of business in the country. There are over 25 million independent businesses in the US. We have the resources and scale to continue consolidation in this market, and we are just in the beginning of reaching the great potential that we have.

CEOCFO: *Final thoughts?*

Mr. Brodsky: Never underestimate the power of the individual business if given the right tools.

BIO: Howard Brodsky is Co-Founder, Chairman, and Co-Chief Executive Officer of CCA Global Partners, one of the largest privately held companies in the United States with sales of over 10 billion dollars; and the second largest private company in the state of New Hampshire. Brodsky, along with the founding team, is responsible for creating a cooperative retail powerhouse in the marketplace that spans four countries. CCA is comprised of 13 affiliated companies



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CCA Global Partners

4301 Earth City Expressway

St. Louis, MO 63045

800.466.6984

www.ccaglobal.com