



The Source

The Newsletter of the Water Quality Association of Wisconsin

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President's Column

Cordial greetings from the WQA of our great Badger state!

Boy, what a “NEW YEAR” this has been in many, many ways! A year of change. As we all know, we are creatures of habit and find comfort in our habits- whether they have a positive or negative effect on us. When change is in the air, it's easy to focus on the stress of feeling as though we aren't in control of the changes as well as our natural resistance to changing our own habits and behaviors- even if or when we know the change may be for the better.

One really, really great part about change from a business perspective is that it virtually always presents new and profitable opportunities! Based on what has happened thus far this year, I believe there is reason to be “bullish” about business activity this year.

I know I'm “preaching to the choir”, but I hope that all of you embrace this year and make it a successful one!

Please read over this entire newsletter for information about all of the activities going on with our organization. Some of our new opportunities may be helpful for your organization to get your personnel licensed and/or trained in ways never previously available.

I would like to publicly and very appreciatively congratulate Michelle Kussow, The Capitol Group, on her recognition and award from the national Water Quality Association. It has been such a rewarding and impressive experience to work with someone so attentive to our issues and struggles. Thank you for being you, Michelle! (Read more about her award on page 7 in this newsletter)

As always, best and profitable wishes from the WQAW and myself to each and every one of you!

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State Budget Review

By Michelle Kussow, The Capitol Group, LLC

Governor Walker introduced the 2017-2019 State Budget mid-February, providing a substantial boost in education funding and \$592 million in tax and fee cuts. The Governor's budget was met with uncertainty by most, with a few groups applauding the \$649 million dedicated to K-12 and income tax cuts. Included in the nearly 1,000 page bill were numerous policy and spending provisions including:

- A \$204 million income tax reduction that would benefit those now in the lowest two brackets. The plan would reduce the current brackets of 4.6 percent and 6.15 percent to 3.9 percent and 5.74 percent, respectively. He also would expand the second bracket, which now covers those making up to \$29,960 to \$37,450.
- Additional spending to keep four major highway project developments on track, including 18/151 in Madison and state Highway 15 in Outagamie County.
- Allowing for \$500 million in bonding to fund transportation spending.
- Eliminating the state's portion of the property tax, which currently goes to support forestry programs. This would instead be covered through a state appropriation, saving homeowners about \$27 a year.
- The "REINS Act" that seeks to require any agency rules that costs more than \$10 million in compliance or other costs to first be approved by the Legislature. Additionally, the Governor's budget defines "guidance" documents, which will help make sure agencies only regulate by rule and that the administrative procedures process is followed. The Governor's budget also proposes an expedited process for repealing unauthorized rules, and would sunset regulatory authority where agencies who have not promulgated a rule in 10 years or longer.
- Eliminating the prevailing wage on state projects. Last session, prevailing wage was eliminated on public, local projects and this extends to state projects as well.
- Prohibiting local governments from requiring project labor agreements (standards such as wages, benefits and safety guidelines) on public projects.
- A DNR reorganization plan, which also gives the agency the authority to increase admission and campsite fees in state parks.
- Freezing technical college tuition.
- Repealing exemption for energy efficiency projects in school revenue limits.
- Restoring and strengthening the Homestead Credit to its original intent by providing support to seniors and disabled Wisconsinites. For those age 62 or older who are disabled, the Homestead Credit's parameters would be indexed to inflation in tax year 2018.

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Governor Walker Appoints Laura Gutierrez as Department of Safety & Professional Services Secretary



Governor Scott Walker recently announced **Laura Gutierrez** to serve as the secretary of the Wisconsin Department of Safety and Professional Services (DPS).

Ms. Gutierrez most recently served as Vice President of Academic Affairs at St. Anthony School in Milwaukee. She previously served as Assistant Principal and Director of Instruction at Bruce Guadalupe Community School in Milwaukee.

Ms. Gutierrez also served as an Elementary and Middle Instructor in various capacities since 1998, including 6th – 10th Grade Spanish Instructor at Grand Avenue Middle School, Middle School Science Instructor at Grand Avenue Middle School, Middle School Science Instructor at Bruce Guadalupe Community School, and Elementary School Science Consultant at Bruce Guadalupe Community School. From 2008-2009,

Ms. Gutierrez worked as a Clinical and Microbiology Laboratory Assistant at Waukesha Memorial Hospital.

Ms. Gutierrez received her Bachelor of Science degree from Carroll College and her Master of Arts in Leadership and Policy from Marquette University.

State Budget Review—Continued

Of specific interest to the water quality industry:

- Removing DPS auditing responsibilities for credential holders—instead require holders to provide proof they have met continuing education requirements if asked by DPS.
- Changing from paper to email the sending of notifications for credential renewals.
- Repealing the Rental Unit Energy Efficiency Program.
- Discontinuing the POWTS Grant Program after the 2017-19 biennium. After that, counties would be able to participate in a loan program, instead of the current grant program.
- Creating an Occupational Licensing Review Council, which would exist for two years, and make recommendations relative to credential programs at DPS, including the continuing education aspects of such programs. The Governor has proposed that council recommendations must become the subject of a bill, without change, that must then be taken up by the legislature with final action required by June 30, 2019.
- Eliminating five boards and councils related to the Safety and Buildings programs of the DPS, including the proposed elimination of the Plumbers Council and the Automatic Fire Sprinkler System Contractors and Journeymen Council.
- Repealing meeting requirements for various boards and councils associated with the DPS.
- Expanding DPS authority for administrative forfeitures.
- Eliminating the requirement for plumber and electrician apprentices to take and pass a DPS licensing examination to qualify to be licensed as a journeyman plumber or electrician. *This does not apply to Journeyman Plumber-Restricted Appliance. This only applies to journeyman plumber's required to serve a state-approved plumbing apprenticeship.

The Capitol Group closely monitors all legislative and regulatory activity and will provide updated information on these issues and new issues as it happens. As always, please let Michelle Kussow or Brandon Scholz know if you have any questions or would like to provide feedback on any issue.

What is customer value & how do you deliver it?

Reprinted with permission: Shanker, A. 2012. Q&A. What Is Customer Value and How Do You Deliver It? Technology Innovation Management Review, 2(2): 32-33. <http://timreview.ca/article/525>

Q. What is customer value and how do you deliver it?

A. Delivering value to customers is important to managers, leaders, and entrepreneurs alike. To be willing to pay, a customer must derive value from a market offer. However, what is customer value? How does a supplier deliver customer value?

What is customer value?

There are various interpretations of what is meant by customer value. The term may mean low price, receiving what is desired, receiving quality for what is paid, or receiving something in return for what is given (Zeithaml, 1988). Woodruff's (1997) definition of customer value is widely cited and encompasses most interpretations of customer value. Woodruff defines customer value as: "a customer perceived preference for and evaluation of those products attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations".

The definition above suggests that there are two aspects to customer value: desired value and perceived value. Desired value refers to what customers desire in a product or service. Perceived value is the benefit that a customer believes he or she received from a product after it was purchased.

Customer value can be examined at different levels. At a low level, customer value can be viewed as the attributes of a product that a customer perceives to receive value from. At a higher level, customer value can be viewed as the emotional payoff and achievement of a goal or desire. When customers derive value from a product, they derive value from the attributes of the product as well as from the attribute performance and the consequence of achieving desired goals from the use of the product (Woodruff, 1997).

How does a supplier deliver customer value?

An entrepreneurial firm must deliver value along the dimensions that matter most to its customers. For example, from a customer's perspective, the value of a cup of coffee enjoyed with a friend at a coffee shop might be greater than the value of a take-out cup of coffee. While the monetary cost of the cup of coffee in both cases might be the same, the value the customer extracts is different.

To develop compelling customer value propositions, a supplier needs to keep in mind the following:

1. There are two stages at which customers assess value: before and after they purchase a product or service.
2. Value is perceived at various levels; therefore, value needs to be delivered at various levels.
3. Understanding what customer value is the first step in delivering customer value.

For a complete view on the customer value creation strategies that managers, entrepreneurs, and leaders can implement to help distinguish themselves from competitors, Smith and Colgate (2007) provide a comprehensive framework. However, the challenge for suppliers is not just recognizing what value to create or what the benefits are, but to operationalize customer-facing processes to deliver value to customers. Table 1 synthesizes views from the extant literature pool on customer value creation and delivery; it shows how entrepreneurs can use their understanding of customer value to their advantage. Status: Failed, no action taken.

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What is customer value - continued

Table 1

Understanding of customer value concept	Actions that entrepreneurs can take	The entrepreneur's advantage
Points of value that matter to customers (Anderson et al., 2006)	Develop market offer based on points of value that matter to customers	Create customer value proposition with a resonating focus (Anderson et al., 2006)
Dimensions along which value is perceived (Woodruff, 1997)	Identify opportunities for new value creation propositions (Smith and Colgate, 2007)	Compete based on points of value other than just cost
Customer's desired needs change over time (Flint et al., 2002)	Observe customer environment to better understand changes in customer requirements	Deliver value proactively by anticipating changes in customer's desired needs (Flint et al., 2002)
Customer feedback (Woodruff, 1997)	Combine existing organizational capabilities (market orientation, knowledge management, customer relationship management) (Landroguéz et al., 2011)	Improve value proposition of existing products and services

As an example application of the concepts in Table 1, consider an entrepreneur that has developed a new user interface for a point-of-sales system that can be used in a coffee shop. Although the entrepreneur might think that the software solution provides value to the customer (i.e., the coffee shop owner) in terms of cost or ease of use, the customer might consider the greatest point of value to be 24/7 technical support because the coffee shop is open overnight during examination periods on a university campus. In this particular case, processes relating to the first and second row of Table 1 could be implemented by an entrepreneur and they could showcase the technical support plan as a point of value that would resonate with the customer; instead of focusing on advantages that other competitors could also potentially deliver. Similarly, the third and fourth row of Table 1 could be used by entrepreneurs as a guideline to process customer value knowledge and anticipate changes in customer needs and improve existing value propositions.

Entrepreneurial firms focus their scarce resources on the dimensions of value (e.g., cost, use value, emotional value, social value) (Smith and Colgate, 2007) that most matter to customers and market their capabilities in terms that their customers can associate with and are known to value. However, delivering customer value is not a one-off event. Firms must continuously strive to better understand and anticipate what their customers will value and then keep delivering it. As Steve Jobs once said: "You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new."

WQA Continuing Education Credits

Did you know that WQA Certified personnel holding WI plumbing licenses can use the continuing education they get for their license to get WQA recertification credit as well?

To get credit toward your WQA certification (Certified Water Specialist, Master Water Specialist, Certified Installer, Certified Water-Treatment Representative), please complete and submit the **Seat Time Form** on WQA's website...or follow this link:

<https://www.wqa.org/Portals/0/Education/Seat%20Time%20Attendance%20application%20form.pdf>

WQAW's Education Program is the Formula of Success

It's been a busy start to 2017 for WQAW! So far this year we've:

- Held our very first WI Journeymen Plumbing Restricted Appliance (JPRA) exam,
- Started the "Installers Course" webinar series,
- Held a Cram Session, for a one day intense training for final prep of the exam.

In 2016, WQA has received approval to provide 3rd party testing for **WI JPRA License** from the WI Dept. of Safety and Professional Services. The first exam was in February and taken by four people.

Also in 2016, the WQAW debuted a new '**Installers Course**', a 7- to 8-week webinar training course to help employees of WQAW members prepare for the JPRA exam. This course work is similar to the Cram Session – but sprinkled over several weeks to help attendees retain the information versus receiving all the information in one day. The second session of this course began in March 2017, and we plan to have a third session start in the Fall of 2017.

WQAW traditionally holds a '**Cram Session**' twice a year to help prepare members for the JPRA exam from the State of Wisconsin. This course is an 8 hour intense training provided by a former plumbing inspector and the attendees receive 6 continuing education credits. The first session was in March and the second session is planned for October 25, 2017.

Words of advice from a WQAW Installer Course student & who just passed the WI JPRA exam:

"Received my results today and while I didn't do as well as I originally thought, I passed! A big thank you to you and Jim for getting us prepped for this test. I thought the class was very helpful for about half the test. The rest is and should be on the students to find the appropriate sections to highlight."

WQAW's Education Program Calendar

Your employees formula of success to pass the WI JPRA Exam is a combination of education and the exam, and WQAW has the key to success!

WI Journeyman Plumbing Restricted Appliance Exam—June 2017

Watch for dates and location to take the exam for WI JPRA license. This is the WQA exam is the equivalent of WI DSPS exam.

WQAW Cram Session—October 25, 2017

One day intense training as a final step prior to taking the WI JPRA exam.

Installers Course—Fall 2017

Watch for more details to come on this 7 to 8 week webinar series.

WQA's MEP Program—on your own training

Study anytime and anywhere with your computer. WQA offers 6 badges

Registration and details can be found on <http://www.wqaw.com/Events/>

Michelle Kussow honored by the national WQA



Michelle Kussow, The Capitol Group, received the national WQA's Honorary Membership Award during the March WQA Convention & Exposition 2017 in Orlando, Fl.

The Honorary Membership Award is given to individuals whose occupation is outside the industry, but whose contributions to mankind through research, dedication and exemplary service in the field of water quality is admirable.

Michelle lead the way for industry changes with Wisconsin's product approval process. Michelle pulled together WQA and WQAW and worked with WI Dept. of Safety & Professional Services, the Office of Business Development and the Small Business Regulatory Review Board. In September, 2014, an emergency rule went into effect that exempted the following from requiring Wisconsin approval:

Water treatment devices that make a contaminant reduction claim or are certified to a standard which covers material safety by a certification body accredited by the American National Standards Institute. In June, 2015, the emergency rule became permanent.

Michelle also spearheaded a lengthy effort to modify Wisconsin's rules allowing a third party to administer the exam for the Journeyman Plumber-Restricted Appliance. Previously, this was a State exam that had a low passage rate and no training. WQA and WQAW are now able to offer coordinated industry-specific training and exam to ensure our industry is well represented.

Michelle Kussow founded The Capitol Group, a lobbying and association management firm, in 2002 with business partner Brandon Scholz. The Water Quality Association of Wisconsin was the firm's first lobbying client and also began providing administrative association services to WQAW in 2006. Since then, The Capitol Group has grown to represent more than 40 past and current clients in various industries and has successfully lobbied on issues ranging from taxation and public finance to environmental and retail. Kussow also serves as the Executive Vice President for the Wisconsin Grocers Association.

Other notables and Wisconsinites who've received this award are: President Ronald Regan (1982), Loretta Trapp (1992), and Lynita Docken (2003).

WQAW Convention 2017 Location Announced



Mark your calendar for **September 15 & 16, 2017** to attend the **WQAW Convention** at **Lake Lawn Resort** in Delavan, WI!

The **WQAW Golf Tournament** will be on Friday, September 15th at **Majestic Oaks**.

The WQAW Convention will offer 3 hours of continuing education credits for the State of WI license and WQA Certifications.

The annual WQAW Membership meeting will be 8:00am on September 16th.

Watch for details and registration information soon!

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