VOLUME 141 NO. 3 MAY/ JUNE 2011

# TABLE TO THE FURNITURE INDUSTRY

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## IN THIS ISSUE

The Business Solutions Magazine For Furniture Retailers FOUNDED 1870 - Visit www.furninfo.com The Industry's Most Extensive Furniture Site

**Cover:** Featured on this month's cover is the 7700 home office from Huppe, the Canadian manufacturer of bedroom and home office furniture. Huppe manufactures a large selection of office furniture designed to give consumers maximum layout flexibility. All the furniture is made domestically of birch veneer, available in nineteen finishes. Items in their home office collections are interchangeable. Read more about Huppe on Cover 2 and page 1 of this issue, or visit www.huppe.net.

#### 06 New Media Marketing: Host Your Own Web TV Show

A regularly scheduled Web TV show will make it easy for you to communicate decorating tips, introductions, new service offerings, and best sellers. Mike Root provides step-by-step instructions on how to get started.

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Why is everything you ever thought about commissions, and the things that motivate salespeople to perform, probably wrong? Poor performing salespeople don't need disciplinary actions or warnings, they need help, and they need coaching. To coach you have to have a game plan, a strategy, a plan, just like sports teams have.

#### 40 Recursive Nature Of Furniture Sales

Although some furniture salespeople insist on going sequentially through the five steps of the sales process mechanically, the most effective salespeople know when to retreat to an earlier stage in the process.

#### 42 Think Like A Retailer... Not Like A Furniture Guy!

Retail furniture stores are different than other retail formats, but we can and should learn from the best practices of good retailers in other industries. Gordon Hecht identifies mindsets about credit, consumer buying behavior, inventory management and recruiting that furniture retailers should be thinking about. This article includes three addenda that give specific, actionable advice on recruiting, moving inventory, and employing private label credit.

#### **Think You Know Futons?**

Turn to page 23 for details or scan this code.





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### Retail Furniture Store **NEW MEDIA MARKETING** Part 2: Explode Your Sales Easily With A Furniture TV Show on the Internet.

Furniture Marketing by Mike Root

here is a new media solution that home furnishings retailers can use to tell their story to a buying public hungry for information. It addresses the needs of the furniture industry, by allowing stores to effectively show off the beauty, elegance and value of furniture like no other media tool.

What I am referring to is the use of online video in the form of a Web TV show. Throughout this article I will give you examples of shows, and additional resources if you want to explore this topic further. Specifically I will share with you the following:

- What is a Web TV show?
- Web TV show trends.
- Can You Create a Web TV show?

- Reasons why you should consider a Web TV show.
- 8 Steps to Launch Your Own Web TV show.

#### WHAT IS A WEB TV SHOW?

A Web TV show is a video show that has a serial storyline and appears only on the Internet. A Web TV show is a lot like a TV sitcom or regular series where viewers get in a pattern of watching at a specific time.

#### WEB TV SHOW TRENDS

Streaming video sites such as Hulu and Netflix already host existing content that allows viewers to watch movies and TV shows created by mainstream content providers. But there is a new big com-



IKEA's WebTV show doesn't provide any information on furnishing rooms or homes. It has no call to action, offers, deadlines or featured products. Professionally written scripts feature actors (called co-workers) such as Illeana Doualas, Justine Bateman, Jeff Goldblum and Tim Meadows in vellow IKEA shirts. It is a web sitcom that encourages viewer participation by asking consumers to vote for their favorite "coworkers" and buy items such as muas, shirts and intimate apparel. This is not the kind of show that most furniture retailers can or should produce. See it at www.easytoassembleseries.com.

petitor looming on the horizon that could make it possible for independent furniture stores to get their message out via video much easier.

The April 7, 2011 Wall Street Journal edition reported that, "Google's You Tube website is working on a major site overhaul to organize its content around

"Most retailers first experiment with inexpensively produced shows, learn as they go, and add to the budget and production value as viewership increases."

'channels' as it positions itself for the rise of Internet-connected televisions." You Tube will in effect become a competitor for traditional broadcast and cable TV. These new channels will be designed around categories such as sports, fashion, home, etc. The channels will carry professionally produced content to combine with content people upload on their own.

These new Web TV networks will be organized portals attracting the millions of people who currently watch online

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"Check out Gary Vaynerchuk's Wine Library TV. Gary has grown his family retail business, made himself a celebrity, bestselling author and speaker."

video. According to the Journal, "You Tube executives say they want people to 'watch YouTube' the same way they 'watch TV'". As the sites grow in influence they hope to attract more of the approximately 70 billion dollars of US advertising spent on traditional broadcast TV.

In the not too distant future furniture retailers will be able to buy ad space on a Google home decorating channel instead of a spot on the 5 o'clock news. And more powerful options will emerge, such as the opportunity to produce and air more in-depth video Web TV shows as the new online-only networks look for good local content.

#### CAN YOU CREATE A WEB TV SHOW?

Back in the early 1990's as a retailer, I spent a majority of my advertising dollars on television advertising. A buddy of mine who worked at a production house visited the store twice each month to cut TV spots. We did traditional sales events, but it was exceptionally difficult to get the message across in a 30 second spot.

At one point, we experimented with broadcasting a deal a day that featured just one item. We quickly found out that this concept was not cost effective from a production or audience response point of view. The problem was that by the time potential customers saw our spot and responded, the special for the day was over.

Oh how times have changed! New equipment makes it incredibly inexpensive to shoot video. Web TV shows are easy to produce and free to host on Google's YouTube. If you want to do a "deal of the day" video you can get it done at virtually no cost other than the time spent to plan, create and post the video. Yes, you can use high production values to start, but most retailers first experiment with inexpensively produced shows, learn as they go, and add to the budget and production value as viewership increases.

Check out Gary Vaynerchuk's Wine Library TV. Gary has grown his family's New Jersey based retail wine business by millions of dollars, made himself a celebrity, bestselling author and speaker, all because of his Web TV show. He started Wine Library TV five years ago and recently eclipsed the 1,000 show mark. You can watch his show at www.WineLibrary.tv.

Gary is a vibrant personality who is passionate about his product – wine. He built his business using new age media streams and in the process changed the way the wine industry operates. He's constantly using Twitter, Facebook and of course, Wine Library TV which really paved the way for him. Each installment of WineLibrary.tv features a couple of wines. Gary tests them and gives his audience an honest review, rating each one and telling his viewers if he likes it, and (more importantly) if it is a good value and worth purchasing.

When you go to his site, take a look at his first shows and compare them to later ones. You will see he has really grown the quality from the early days, but he didn't wait to get it all figured out, he just got started. Now Gary has launched a daily show called Daily Grape at www.dailygrape.com. He's outgrown the Wine Library TV, but I think that it is instructive to see how this wine guru started his journey.

Our industry is ripe for a Gary Vaynerchuk of the furniture industry. Will it be you?

### THREE REASONS WHY YOU SHOULD CONSIDER A SHOW

A Web TV show will give customers real reasons to buy from you: A regularly scheduled Web TV show will make it easy for you to communicate decorating tips, introductions, new service offerings, and best sellers. Just by showing new products in an informative or entertaining fashion, retail consumers will get ideas for rooms they should be updating with new home furnishings. After seeing your show, your store will be the place they think to go with their home furnishings needs.

It will help you to build relationships and retain customers: People buy from people they know, like, and trust. Every time you launch a new episode of your Web TV show you cultivate and strengthen relationships with customers and prospects.

You can become a leading authority or celebrity in the furniture world: Gary Vaynerchuk is a perfect example of a celebrity in his niche. Gary's show is effective because it is unscripted so the viewer gets to really know him and his personality. He also comes across as knowledgeable and honest. These features instill the know, like and trust factor

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Charlie McDermott of StandOut TV (www.Standout.TV) is in the business of putting people into WebTV Shows. Also check out... Mike Capuzzi - http://www.mikecapuzzi.tv – who gives three valuable resource tips in three minutes. Bite size marketing tips Andrew Locke – www.helpmybusiness.com another resource for small business marketing and video training advice.

Adam Witty – www.authoradvantage.tv – this is not as visually interesting as others because it is mainly a talking head. However, it would be a good model for someone to take a look at to see how to start a show. Keep in mind he is talking to a very specific niche (authors) and is more B2B.

"Charlie has an excellent course. He agreed to make this available to anyone reading this article. You can get the details at FurnitureMarketing.TV."

which ultimately leads to credibility. Credibility is what distinguishes one retail store from another. Gary sells wine to people who could easily purchase the same wine from a local store. I'm sure



many still do. And even though his sales have increased from \$4 million to \$60 million in 5 years, his Web TV show is about more than just grabbing immediate sales. It builds his credibility and brand.

Get your show going before the competition does: There is a market out there for any niche—whether it be wine, home furnishings or anything else that people are passionate about and are willing to spend some money on. You can use your web TV show to suc-

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#### PLAN THE STRUCTURE OF YOUR WEB TV SHOW

My good friend Charlie McDermott of StandOut TV (www.Standout.tv) is in the business of putting people into WebTV Shows. I turned to him when I started my own Web TV show. Charlie gave me permission to share the following tips with you on how to structure a TV show:

**Step #1 - Your Show's Concept:** In order to develop a successful show you want to ask yourself a number of questions:

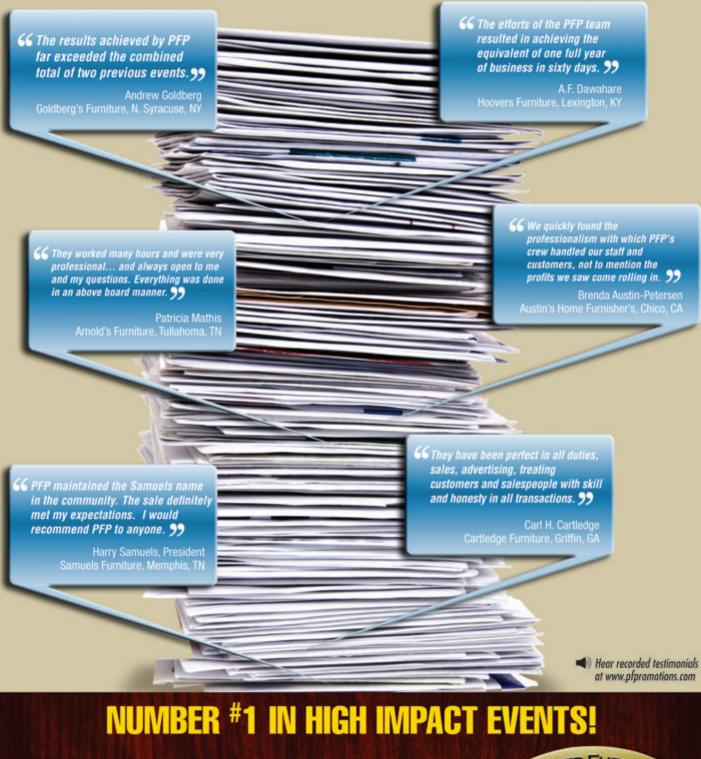
- What is the purpose of the show?
- Who is the target audience?
- How can you help your audience?
- How will you keep them coming back for future episodes

**Step #2 - Your Show's Name:** Depending on the direction of your show will determine how you name it.

You can use your brand if you have a well known name. A perfect example of this is the excellent work Jack Wells is doing for this magazine at www.FurnitureWorldTV. He has taken the Furniture World Magazine brand and extended it online. That's a very smart strategy for both the magazine and for the video production talents of Jack Wells.

Most of us do not have a domain

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### WEB TV MARKETING

name that is keyword based for Google search engines. You might, however, consider incorporating some keywords into your show name so customers doing internet searches will find you. Though these are not TV shows, think along the lines of www.furnituresales.tv and www.furnituresale.tv. It is a sure way to get found by prospects on the Internet when they are looking for furniture purchases.

A third way to name your show is by making it "action based". This is a name that tells the prospective customers what to expect. My son Jay and I have a show that helps retailers with marketing ideas. We call it, "Get Customers TV" (www.GetCustomers.TV). We hope that our site's name tells prospects that we can help retailers "get customers", without any further explanation.

"A web TV show should reside on its own website for several reasons."

Step 3 - Purchase the Show's URL/ Domain Name: Do this like you would any other furniture domain through an internet provider such as Network Solutions (www.networksolutions.com). **Step 4 - Have a Branded Opening:** This is a graphic start that helps tell your story in the first 10-15 seconds. It should be consistent from week to week and distinguish your program as a Web TV show versus just another web video.

**Step 5 - TV Show Website Design:** A web TV show should reside on its own website for several reasons. First, you want to make a point of your entertaining and informative show from your commercial website that is all about selling products. Customers will be more receptive if they don't think they are going to get sold.

Second, Google loves video on websites and this is an additional way to get a site ranked high in search engines. Then you just provide links back and forth



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Lyndon Johns, CFO Jennifer Tolman, Systems Administrator Commercial Home Furnishings









between the two sites and you have extra listings on Google to capture customers' attention when they search. I recommend that you set your site in Wordpress (www.wordpress.org), an open source software product that creates search engine friendly websites. WordPress started as just a blogging system, but has evolved to be used as a full content management system with thousands of plugins, widgets, and themes.

Step 6 - Creating Content: There are all kinds of things you can talk about on your show depending on your target audience and what you want to be known for. Here are some ideas to get started:

- Keep it short and sweet. YouTube videos are between 2-3 minutes. If you must go longer, break your show up into segments and try not to exceed 2-3 minutes per segment.
- Show as much product as you can, but present it in a way that you are not selling it. Viewers will get turned off if they think see one big pitch fest.
- Talk about decorating tips to help the prospect visualize the better life they will have with new home furnishings.
- Avoid talking heads if possible. People will be turned off if they just see you on camera reading a script.

- Invite quest experts to appear on your show. When the factory rep shows up have him give a short sales presentation of his product and incorporate it into the show. That could be a weekly feature with different reps each show.
- Do a Question and Answer format to answer the most frequently asked questions. By peeling away the curtain you can become the trusted expert.

### "A Web TV show is a video show that has a serial storyline and appears only on the Internet."

Step 7 - Filming and Editing: This can vary widely with regard to cost and complexity. I will tell you that our show "Get Customers TV" is shot with a \$129 Kodak zi8 video camera and is edited on a Mac computer. Furniture World TV is done by a professional videographer, Jack Wells. Depending on your circumstances, you will probably fall somewhere in

between. Here are a couple of brief tips to help make your show successful in the early production days (in other words, you can learn from my mistakes).

- Keep it entertaining. They won't come back if they are bored or you are too long winded.
- The sound quality of the video is more important than the visual.
- Use a teleprompter (free software for your computer can be found online at www.movieclip.biz/prompt.html).

#### Step 8: Launch Your Show:

- Upload your show to YouTube and Embed the code onto your website.
- Send out an email to your list announcing your latest show.
- Let your social media tribe know about it through Twitter, Facebook et al.
- Watch your show go viral.
- Encourage viewers to leave comments.

To briefly summarize, Web TV is a growing phenomenon. It allows customers and prospects to watch what they want when they want, and where they want to watch it. You will be able to use it to build a community of followers and ultimately, if done right, become an authority in your niche.

Offer: If you would like more specific information on how to use the power of Web TV shows to grow your business, Charlie McDermott of Standout TV has an excellent course. Charlie agreed to make his course available to anyone reading this article. You can get the details at www.FurnitureMarketing.TV.

### WEB TV MARKETING

I would love to hear from you if you decide to start your own Web TV show or know of some really good examples we can feature in future Furniture World articles. Drop me an email at mroot@furninfo.com.

Mike Root is Founder of Get Customers Right Now, a marketing company that provides online marketing systems, promotional campaigns, and premium incentive ideas. His techniques are designed to help retailers build sales through the use of low cost and no cost direct response marketing strategies. Visit his website GetCustomersRightNow.com to get a free resource for furniture retailers entitled "7 Little Known Customer Acquisition Strategies You Can Quickly Implement To Get New Customers And Explode Your Income That Your Competition Hopes You Never Discover."

Mike and his son, Jay along with Huey the Marketing Dog also host a free WebTV show called Get Customers TV (www.GetCustomers.TV) that spotlights the best of the best customer acquisition strategies for retailers. The show features helpful tips and tricks furniture retailers can use to spend less money on marketing while attracting more new prospects.

Mike also is President of Furniture Sales of Mid-America, a furniture wholesale and rep company in the Midwest and Rocky Mountain states. He serves on the Executive Committee of the IHFRA and is a third generation furniture guy with experience in retail, wholesale and rental. He was recognized by the SBA as an Entrepreneur of the Year, and his furniture retail stores were honored by the Omaha Chamber of Commerce as one of the Top 25 Fastest Growing Enterprises three years in a row. He has been recognized by national furniture factories for sales excellence more than 15 times.

Free articles, blogs and instructional videos can be found at www.MikeRoot.com. Questions about this article or any advertising or marketing topic can be directed to him care of Furniture World at mroot@furninfo.com.

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### **RETAIL FURNITURE HERITAGE** 1800 - 2010

### **Retail Furniture Stories - Part 7**

by Janet Holt-Johnstone

#### ARTE DE MEXICO

estiny caught up with many of us in the '60s. The Kennedys and Camelot, Martin Luther King and "I have a dream", the Vietnam War, the moon landing, the Beatles and "the British invasion" followed by the phenomenon of Woodstock. And the vibrations of this tumultuous decade were right on the mark for Arte de Mexico and its intenselv entrepreneurial founder, Jerry Stoffers.

We have it on good authority that Jerry came into this ever-changing world a few years before in a small town in lowa, "America's Heartland". He left home at 15, did his tour of duty in Vietnam on the other side of the planet, then settled in

California. He loved the ocean, sun, sand and most especially surfina. It was surfing's magic that led him to his next love affair, Mexico, its beautiful beaches and creative people

But reality struck! Jerry realized he needed a job. Fortunately his inherent imagination and passion for everything beautiful, permitted him to envision the enormous potential of Mexico's history and art. And its enthusiastic acceptance by discerning North American consumers. With a rented U-Haul truck and \$200 in his pocket, Jerry made tracks to Tijuana and Ensenada in search of treasure and a golden future. What he found as he explored studios and workshops was treasure indeed, the wealth of tradition and talent of Mexico's artisans.

Back home in Los Angeles, Jerry con-

"A client will tell us the actual size of their room. We then template that size in our parking lot, we scale it with blue tape. We then place the furniture the client chooses within the defined area and the client can see precisely how it will look."

- David Stoffers, Arte de Mexico



Pictured is Jerry Stoffers discovering one of his many "treasures" on a buying trip in the early '70s. Also shown is a "Blue Tape Set-Up" session in front of the store, one of their out-of-thebox closing techniques.

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Bob Mills President Bob Mills Furniture



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Pictured is Arte de Mexico's showroom taken in the early 1970s (left) and how it looks today.

"Jerry has been asked, 'Don't you feel bad, buying from such poor people?' His response, 'Are you kidding me? We are saving a culture and creating jobs. Hell, I'm Robin Hood!'..."

- David Stoffers, Arte de Mexico

every Saturday and Sunday, unloaded his week's cache to an appreciative and ever-growing audience of west coast decorators, designers, Hollywood celebrities and perceptive ordinary folk who zeroed in on his alfresco makeshift showroom.

There's no doubt Jerry has an astute eye. From the beginning the items he brought across the border were unique and desirable. His collections represent-





ed centuries of culture, a real reflection of the history, ethnic mix and evolving perceptions of the Mexican scene. A pioneer, Jerry introduced the "maestro" to North America, those artists and craftspeople endowed with "hereditary traits", passed from generation to generation. "Their vision encompassed qualities and techniques that should not be altered." The maestros created intricate and detailed wrought iron, custom woodwork, silver objects and jewellery, exquisite pottery and hand carved and hand painted furniture and accessories.

As time passed, demands for the work of the maestros increased, so Jerry and some of their leaders organized and financed cottage industries. Under Jerry's direction, the designers fabricated their

> Arte de Mexico was featured in the Business Section of the "Daily News", a local newspaper in the LA area. "We had a tremendous response from the article and are often approached by the media for related stories," says David Stoffers.

pieces to more functional contemporary standards while still maintaining their integrity and beauty.

David Stoffers, Jerry's eldest son, said, "Jerry admits that when he was younger he sometimes tried to persuade the maestros to create things outside their natural talents. He soon realized that you have to work with people innately good at what they were born to do. He still seeks those honest 'hereditary traits' on his travels today."

With his vision and hard work beginning to pay off, Jerry set his sights on other parts of the world. David continues the story, "His first journey took him to India, where Dad enthused, 'I thought I'd died and gone to heaven seeing all those beautiful temples of the Maharajas!' He discovered centuries old light fixtures, ancient carved wood doors, intricately carved fasciae and antique columns, all weathered by Mother Nature. He was like a kid in a candy store. He began immediately to negotiate the purchase of as many of these truly unique finds as possible, even visiting salvage yards. With a few years' experience now under his belt, he began setting the stage for reproduction, keeping in mind still the importance of maintaining those very important hereditary talents.

"Soon Jerry developed exclusive relationships with families and craftspeople in Morocco, Indonesia, Egypt, China, Italy, France, Spain, Argentina and Brazil. Making friends along the way with some of the most artistic and dedicated people in the world, Jerry had now become an international importer of custom furniture, amazing iron sculptures, carved wooden pieces, pottery, original painted artwork and silver objects of art, all unique, never before seen in the United States.

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"We are happy to go to a client's home with truckloads of furniture they're considering and our guys will place the pieces in their space. No cost, of course. This has been very successful."

Jerry made individual trips throughout Europe and Asia, looking for unusual one-of-a-kind pieces which, because of their antique state, had to be converted to more functional and contemporary standards. He brought them back to craftspeople with the talent to perform the required transformations.

"He has always been driven by his confidence, courage and fearless determination. He has created jobs for people in villages that had no other source of income; there are still cottage industries that he initiated in many parts of the world. He has come up with uncounted ideas and designs. He used these cottage industries and the extended families who supported them to work in a specific discipline or trade, and began adapting those all important hereditary skills or talents in carving wood, stone or the hand forging of wrought iron, turning them into designs that would work for consumers in our marketplace. We would take a pair of old doors and turn them into a headboard or maybe an armoire, thus adapting old world craftsmanship to our modern times.

"Jerry has been asked, 'Don't you feel bad, buying from such poor people?' His response, 'Are you kidding me? We are saving a culture and creating jobs. Hell, I'm Robin Hood!' He was exactly that and he still is. He jumps on a plane and within an hour of landing he'll be buying, In the streets of Morocco, on a camel, and two days later he'll be on another plane to India, buying accessories.

"Above all, he is humble about his gifts. He is driven by long hard hours; it's about the journey more than the destination. He knows there is a price to be paid to live a life filled with adventure, and the excitement of taking a bad situation and turning it into a profitable and exciting company is both the challenge and the reward.

"He has included me on quite a few of his travels that, in return, gave me experiences few boys ever have. As I travelled with him I truly saw the real world, and what it took to build a company to the present level of success. Few could do what he has done."

Retail clients fly from all over the world to visit the Stoffers at their North Hollywood compound. The 150,000 square foot site that is still the cornerstone of Jerry's now annual \$50 million empire is supervised by David, and the Irvine showroom is managed by nephew, Jeff. Arte de Mexico is also present in High Point, North Caroling, a wholesale buyers' showroom. After more than four decades, Arte de Mexico is renowned as a prominent retail supplier of eclectic furniture, architectural appointments and accessories. Clients include restaurants. hotels, movie and television studios, celebrities, noted architects, interior designers and affluent homeowners.

Said David, "When you enter our showrooms, they offer a visual extravaganza of old world craftsmanship, antiques, eclectic furnishings and rare artifacts that all work together in a masterfully harmonious mix. The international flair of the warehouse interior is further complemented by a continuous, contagious medley of music that adds to the

### Shown is Jerry on a buying trip to India.

exotic mood.

"Some of the unique services we offer currently include our 'Blue Tape Set-Up'. A client will tell us the actual size of their room. We then template that size in our parking lot, we scale it with blue tape. We then place the furniture the client chooses within the defined area and the client can see precisely how it will look.

"Within our showrooms we don't hesitate to turn off the lights in the entire area so a client can appreciate the ambience of a candlelit table. And we are happy to go to a client's home with truckloads of furniture they're considering and our guys will place the pieces in their space. No cost, of course. This has been very successful. The clients actually see the furniture/accessories in their home, resulting in a very high closing ratio!"

An interesting evolution: "As our retail business grew, we were sometimes asked to produce custom pieces based on existing pieces in our showrooms. For instance, taking a dining table and making it longer, or perhaps a buffet needed to be smaller and in a unique colour. There began the birth of our custom department! Clients tell us they appreciate the fact that we not only have a multi-million dollar inventory for them to select from, but we also can make anything to their liking."

Arte de Mexico employs approximately 140 people in the United States, and supports the livelihood of more than 50 families representing now three generations of craftspeople from around the World.

"Today, something that was once a dream is now an enterprise. And Arte de Mexico's tireless effort to fulfill our clients' dreams will always be our foremost priority."

The future, in Jerry's own words, "My work is my hobby. I have yet to begin! I





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### A Conversation with President Bill Clinton

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Las Vegas Market August 1-5



Conway Staff Front Row: Penny (Dekker) Evans, Julie McKertcher, Julie Rozendal. Back Row: Paul Dekker, Derrick Givens, Chad Gross, Gannon Harron, Maurice (Moe) Beirnes, Al Mitchell, Justin Russell, Matt George, Bob Boertien, Mitchell Dekker. Missing From Picture: Jim Wareham, Patrick Madge, Alan McArthur & Harrison Dekker. Penny, Al and Moe are all 30 plus year people.

do it because I want to do it. I love to see pieces I have found turned into something others can enjoy. You have got to have passion for it. I have, and I always will!"

#### CONWAY FURNITURE

Forty-three years ago, the small town of Listowel, Ontario experienced a sea change occasioned by the arrival of two young and energetic entrepreneurs, Peter Dekker and Jim Mulholland. They were there to install carpets, and happened by chance to spot an empty store front downtown at the corner of Main and Wallace Streets. In a surge of optimism, they set up shop as Conway Furniture, retailing and installing carpets, then added home furnishings to fill up floor space. Conway was Jim's mother's maiden name, a good choice they decided, for its lack of ethnicity.

IF ARE YOU A RETAILER WITH A GREAT HISTORY fumiture WORLD WANTS TO TELL YOUR STORY

Our editors are looking for more furniture retail histories to feature in future issues. Call 914-235-3095 or email russ@furninfo.com. Within three years, they had opened two more stores, one in nearby Kincardine, the second in Hanover. But the following year, Peter bought Jim out. He'd conceptualized a major strategy change that involved closing the branch stores and erecting a brand new building on Conway's present site, Highway 86, east of Listowel.

The town, according to Canada's 2001 Census, has a population of 5,905, with "lots of subdivisions". Back in January, 1857, John Binning, an earlier entrepreneur, bought wilderness land rights from a squatter named Henry for a "good rifle", and kicked off the chain of events that shaped the now bustling Perth County community. Originally designated as Mapleton, the new name was chosen by a government official and refers to the town of Listowel in Ireland, most likely because the majority of the early settlers were of Protestant Irish origin or Ulster Scots. Ten years after Binning's shrewd "trade", Listowel was incorporated as a village and, eight years later, a town.

Peter's new location gave him space to expand his product mix; he added appliances to his existing inventory of carpeting, flooring and furniture. He rented nearby warehouse space. Over the next 15 years, he built two other major additions, on-site warehousing and increased showroom area.

Paul, Peter's teenage son, became part of the action as a part-time summer employee, and he continued to work part-time while completing his formal education. He studied physics at the University of Waterloo but, after three years, switched to business courses after he realized the potential of the solid family business his father had created.

In 1985, Paul's first task was to open a Factory Clearance Centre. Eighteen months later when construction was completed on "The Gallery", a new retail space focusing on vignette merchandising and decorating, the Centre closed. Peter made the decision to turn over Conway's day-to-day operations to Paul in the late '90s.

"The Gallery" was converted to a La-Z-Boy Gallery in 1994 and is still in place as a "Comfort Studio" and is "going strong". A few years earlier, electronics became part of Conway's product mix, while appliances were dropped. But by 2004, Paul negated electronics to again refocus. "Our key strengths are in furniture, upholstery and flooring at midprice point. Appliances and electronics are fields of their own. Let's leave them to the Future Shops of the world!"

"Our key strengths are in furniture, upholstery and flooring at mid-price point. Appliances and electronics are fields of their own. Let's leave them to the Future Shops of the world!"

- Paul Dekker, Conway Furniture

### IF YOU THINK YOU KNOW FUTONS, THEN YOU DON'T KNOW **JACK.**

Panama Jack® and Hickory at Home have introduced a new branded line of high-quality futons and frames for retail stores.

There are four tropical-themed futon/ frame combinations constructed from materials including Hickory Springs' bio-based Preserve® foam, natural cotton felt, recycled steel coils, and recycled fiber. Each futon frame and mattress is sold as a set.

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### **Retail Furniture Stories - Part 7**

Conway's vibrant character is a reflection of Paul's personality and that of his sister, Penny Evans. She's the force behind store and room design, and they're a happy team. It just so happens that Paul has a fortunate knack for communications that serves Conway's visibility in the area. "In our geographic area there are 20 different small newspapers, increasingly expensive with less return and certainly bad from the environmental point of view. Print, we decided, is not as successful for us as investing in effective radio. Flyers, too, are a tough nut, although we still do them. There is so much competition. Television is an occasional medium, generally in the spring and fall. But radio is another matter. We did a remote a few years ago at the store using an announcer from the station. Some of our customers said, 'I heard your ad and I hated it!' Of course I answered, 'Well, you heard it at least!' But this reaction did make me think and reconstruct."

For more than a dozen years now, Paul has voiced his own radio commercials. "We've made them light and entertaining, a dialogue between me and the host of the morning show, ad libbing at the studio. We began with one station but now we run with seven stations in the region. It works really well in a rural area like this. We can get our messages across." And isn't it lucky that Paul has a really excellent radio voice!

Here's a quote from one of Paul's Listowel customers: "On a rotten, cold morning driving to work, snow flying, horrible slippery conditions and a thousand things on your mind, Paul actually makes me smile!"

Conway also communicates through area projects. "This year we made major donations to our local hospital, to an arena renovation project in a neighbouring town, gave a \$5,000 furniture voucher for our Kinsmen Club to raffle, and another \$1,000 to our local Agricultural Society." He's played keyboard and was soundman for a church cantata and, with his band, he's involved in Listowel's popular Irish "Paddyfest" held annually over the two weeks surrounding St. Patrick's Day, sponsored by the Kinsmen and Kinettes of the town. "Two local volunteer firefighters, one of them a Kinsman, were killed this year in the middle of Paddyfest. We had 15,000 service men and women in town for a memorial service. It's always tough to lose good people."

Paul has been in the midst of renovations again, "an ongoing part of staying in front of the pack". Offices and accessible washrooms were involved, "and a shower for staff who choose to bike to work. Part of the renovation provided us with a large white wall in the warehouse so we can photograph items as they go to the showroom for use on our website and Facebook. We will tweet the new arrivals as they hit the floor".

Paul's two sons, Mitchell, aged 20, and Harrison, two years younger, have just joined Conway's staff. "Mitchell has completed his college and is working in the warehouse and on deliveries, starting at the bottom as we all should. Harrison is working part time after high school. I'm not sure if the future of Conway lies in them, but this is a good way to find out! My nephew Patrick (my sister Penny's youngest), after being a ski bum for a winter at Revelstoke, is also returning for the summer before going into a business programme. And I'm really excited about the team we have assembled at Conway. There's some fresh blood in the office and on the sales floor with positive attitudes and an ability to learn.

"We have moved our product mix a little bit more contemporary, but have stayed the course with mostly North American made furniture. We recently set up a Simmons Bed Gallery placing us ahead of our local bedding competition and allowing us to go head to head against Sleep Country about a half hour away.

"Environmentally we've made progress. I converted 90 per cent of my lighting to LED over the last two years and shaved \$8,000 off my utilities, about 25 percent while prices increased. Even with adding more fixtures to compensate for some reduction in bright-



"Environmentally we've made progress. I converted 90 per cent of my lighting to LED over the last two years and shaved \$8,000 off my utilities, about 25 percent while prices increased." - Paul Dekker, Conway Furniture





As an independent, medium-sized store at 30,000 square feet, Conway has large enough volume to competitively deal with the larger chain stores.

ness. We've experienced substantial savings in air conditioning due to the reduction in heat produced by lighting."

As an independent, medium-sized store at 30,000 square feet, Conway has "large enough volume to competitively deal with the larger chain stores, our reach from the city of Kitchener towards Lake Huron and from Mount Forest towards Mitchell, then up as far as Goderich and Port Elgin. Our strength is the Highway 8 and Highway 9 corridor, the shoreline of Lake Huron. Our demographic targeting is more to the second

"Sam and Rich's 'quieter, easier life' has evolved into an empire of 328 locations in 14 states."





time or more mature buyers, the average income consumer from 35 to seniors. Conway is a fashion store. Our slogan is 'Today's home trends embraced under one roof".

We asked Paul's opinion about the decade to come. "I think the greed and gluttony of the last 20 years needs to slow up. The quest for efficiency and price without thought for the workers or the environment has to stop. Cheaper and cheaper has led consumers to think they are entitled to every new item, and that retail businesses offer nothing but unwanted markup. We need to slow down and regain our lives. (Well, not me personally as I got 26 ski days in the west this year!) Thank goodness the cost of importing is rising and as such I think we will see less import product, better domestic products with durability. As always, the strong will survive and the weak will move on."

#### **MATTRESS GIANT**

It took the force of Hurricane Andrew to propel Mattress Giant all the way from the Florida Coast to the Town of Addison, a northern suburb of Dallas, Texas. Addison's Airport is the third largest in the nation and home base for Martinaire Aviation. Nearby thrive many large corporations including Mary Kay Cosmetics, Dresser, Compuware, HP Enterprise Services and Jani-King. At night, when the corporate lights dim, Addison reverts to its core population of 14,166. During the day it's over 100,000.

In 1982, a decade before, Sam Katz, one of the three founders of Mattress Discounters of Washington, D. C., and Rich Nilsen, a Mattress Discounter employee, after much discussion made the decision to move from Washington to Florida to open a small mattress business. They were looking for a quieter, easier life. And better weather! Originally, the partners called the business Mattress City but later their natural optimism (and huge selection of product lines) called for a real designation change and the enterprise became Mattress Giant. Then came the hurricane, and Addison strongly beckoned as a great place for expansion.

Abe Long and his brother, Phil, still back in Washington and employed by Mattress Discounters, joined Sam and Rich to partner in the burgeoning business. The pace quickened and in 1992 Mattress Giant opened in Dallas. The following year, another expansion, this to Houston. Two years later, the Florida and Texas Giants merged and growth accelerated into markets across the United States.

A Giant celebration in 2008 marked their 25th year in business with internal festivities and special offers and contests for the corporation's customers. It was an excellent year that also produced strategic acquisitions and included yet another expansion into the Atlanta market.

Today, Sam and Rich's "quieter, easier life" has evolved into an empire of 328 locations in 14 states. And there are now 794 employees (sleep advisors!) under the Giant's umbrella! And offerings of more than 40 varieties of mattresses in each store. Key to their marketing philosophy, their customer service training program is "designed to make the mattress buying experience one of ease, putting each customer's individual sleep needs "We were able to uncover, track and benchmark key information that helped our business excel in areas like operations, real estate, training and marketing. There has been a direct correlation with social media engagement and increased sales."

A 22 (1978)

first and designing the experience around them".

We asked The Giant about their eureka moment, a meaninaful step forward, a plan that provided a competitive edge. "Mattress Giant was at the forefront of social media and was one of the first mattress retailers to connect with consumers utilizing social media. This has enabled customers to have an additional avenue to get their questions answered, learn about the products we sell, win prizes (thanks to our great manufacturer partners) and let us be a solution in their lives through providing tips to achieve a better night's sleep. We're proud of our award winning BetterSleep program, now in its third year of providing value to our consumers' lives through social media."

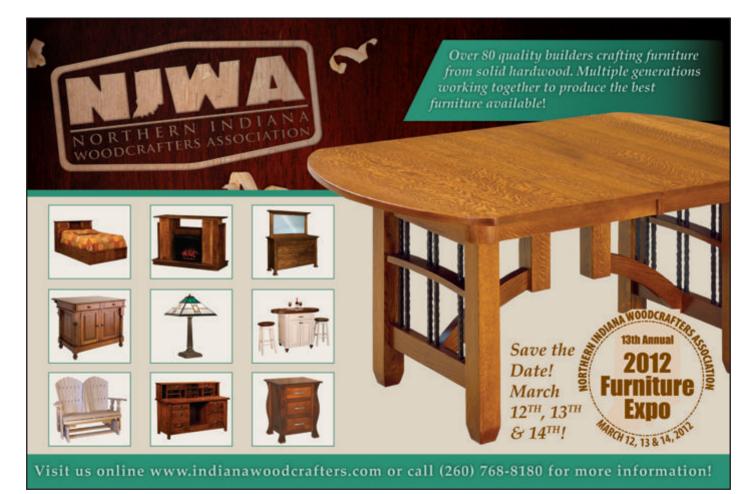
But Mattress Giants' marketing outreach not only provides helpful tips on good sleeping practices, it also offers off-the-wall videos designed to entice consumers into their stores laughing all the way! They invite you to visit their very friendly website, www.mattressaiant.com to view the useful information about locations, warranties, collections, job opportunities, etc., but also to spend some time marveling at Giant's many highly entertaining videos. And you can find them too at twitter.com/ mattress giant and on Facebook, facebook.com/mattressgiant.

We also asked if there had been a really special time in Mattress Giant's history. And there was, just last year. "When we began traffic counting and conversions, we were able to uncover, track and benchmark key information that helped our business excel in areas like operations, real estate, training and marketing. We get reports each week, obviously very helpful indeed! There has been a direct correlation with social media engagement and increased sales." Moving with the times.

#### NEXT ISSUE

Next month we will continue this series that commemorates the 140th anniversary year of FURNITURE WORLD Magazine.

These are your stories, the tales you told us, the dreams that became realities.



### BESTSELLING **DESIGNS** FROM MARKETS



### Four Hands

The Hughes Wine Cabinet holds up to 15 bottles of wine and is part of a collection that is made of 90% reclaimed Pine. Collection features an array of occasional and dining selections in a stripped down raw finish.

Contact information on index page 56.



### Elran

Model H0312 is a 3 position push back recliner featuring a track arm and inside foam back for enhanced comfort. Available in a variety of decorator fabrics.

Contact information on index page 56.

### Wallbeds

This new introduction features a drop down table on the face of a wallbed opening up unlimited space saving possibilities. Now a comfortable extra bed can be used for dining, crafts or office workspace!







### Bühler

The Montréal Fireplace is shown in 51 Mascara finish, one of six maple finishes. Features include 2 adjustable removal glass shelves, 26" self trimmed fireplace insert and tempered 10 mm glass top.

Contact information on index page 56.



### D'oro

The 515 Collection is expertly crafted and richly detailed, featuring an antiqued distressed, premium top grain hand rubbed and hand cut leather, on all seating areas. Leather split match is on outside arms and backs. The plush, eight-way hand tied seating system and high density 2.2 HR foam with Dacron wrap provide excellent comfort.

Contact information on index page 56.

### West Bros

From the Aris collection, this bedroom with leather headboard, is made from solid Cherry and is available in a warm dark finish called "Sumatra" or a lovely mid-tone cherry finish called "Ginger". All finishes are clear and reflect the beauty of the solid Cherry wood used throughout.

### BESTSELLING DESIGNS FROMMARKETS

### Fusion

The new Yorkshire dining collection with glass top and brushed nickel accents creates a trendy look, while still maintaining a warm feel. This set is shown in Maple wood and is available in 40 finishes. Made in America.

Contact information on index page 56.

### Vaughan

Rustic Lodge is a fresh interpretation that began as frontier living and has become a classic fashion icon. This collection offers artful detail, combines masculine and feminine styling, and celebrates the comfort of a cabin retreat or luxury lodge resort.

Contact information on index page 56.

#### Agio

-

-5

Victorian-inspired by Disney's Grand Floridian Resort & Spa, this Disney Resort Collection features a unique mix of all-weather wicker and durable aluminum frames finished to resemble genuine wood.

### Leather Living

The Anderson sofa is contemporary in style. Features include solid wood frame and semi-attached self adjustable back cushions. The seat cushions are removable and adjustable with 1.8 heavy density foam.

Contact information on index page 56.

### Whitecraft

South Terrace is hand crafted with resin over an aluminum frame and woven with Viro fiber. This group is based on styles seen in the Winter Garden of the Biltmore estate.

Contact information on index page 56





### Country View Woodworking

The English Shaker Collection features a 48"x72" solid wood table with two 12" self storing leaves, two arm chairs, and four side chairs. The solid Maple dutch pantry finished in emerald green and china pantry complete this dining group. Made in America.



### BESTSELLING **DESIGNS** FROM MARKETS





### Sligh

Bungalow collection of home office and home entertainment furniture is crafted in Alder wood solids and figured Cherry veneers. This collection features a richly layered Bungalow finish and handcrafted hardware with a hammered antique bronze finish.

Contact information on index page 56.

### Kathy Ireland Home by Omnia

"Cirrus" sofa is part of the "Sleeper Solutions" collection. It is incredibly comfortable and easy to use, featuring the Premier Sleep System.

### F&N Woodworking

The Parkway Collection includes side and arm chair, deacon bench, swivel bar stool, desk chair and rocker. Wood choices include Oak, Cherry, Maple, Brown Maple and 1/4 Sawn White Oak with optional fabric or leather seat. Finish shown is Brown Maple with Brushed Aloe paint. Made in America.

Contact information on index page 56.



### Robin Bruce, a Rowe Brand

Holly is Handcrafted in the USA and is constructed with moisture-free kiln dried and layered hardwoods. Cushion cores are made with eco-friendly, high-resiliency foam and are wrapped with a polyester fiber wrap for surface softness and shape. Add a channel quilted down-blend jacket for feather soft down cushions.

Contact information on index page 56.

### **Tribor International**

The Freeport Sectional in Espresso Bean finish is part of a large collection of seating and dining items. It is made of thick, heavy unpeeled split rattan that is hand woven on wood and rattan frames. Also available in natural finish.

Contact information on index page 56.

### Century Furniture

Console, from the Omni Collection is made of ebonized hardwood veneers over Maple solids. The sweeping lines of this console and remarkable wrapped ebony veneer make it a show stopper.

### Setting Minimum Standards for **\$ALES PERFORMANCE**

Why everything you ever thought about commissions and the things that motivate salespeople to perform is probably wrong.

f the article "The Cost Of Not Managing Sales Performance" in the March/April issue of FURNITURE WORLD Magazine didn't make you think about where the real opportunities for more sales and more profits are, then consider this: Sales managers in furniture stores usually have many different kinds of jobs all at once. There's the "technician" job where they handle all the computer issues, make sure all the orders are written and entered correctly, fix any problems, handle incoming phone calls from customers with service or delivery issues, makes sure all the price tags are prepared and attached to everything, answer endless questions from salespeo-

The thinking that money is a motivator is patently false and wrong at every level.

#### Sales Management by Joe Capillo

ple and others in the company, deal with the warehouse and delivery people, deal with countless manufacturers' reps, and do anything else except the one thing they really should be doing. That is, leading, directing and conducting business on the sales floor where your salespeople meet all your customers and, for traditional furniture stores, generate all their sales revenue.

Make no mistake about my position; sales management is performance management. It's about doing the right things with every customer, every time to ensure that customer problems are solved and every sale that can be closed is closed. Nothing else matters as much to the success of your store, your employees, or your customers. manaaement Performance means coaching in-the-game, and that is the core idea of this article. David McMahon wrote a terrific article in the last issue on how to ensure your break-even point is as low as it can be given your level of sales revenue. Once the cost side of your business is under control, you need to make sure your revenue is as high as it can and should be. The surprising reality is, if you are like most furniture retailers, you don't need any more customers, any more advertising, or any greater selection of products to achieve this. You just need better performance from your salespeople. But you will not achieve it without performance management.

Mediocrity is carefully, if unintentionally, cultivated in many stores. Setting minimum performance standards is one example of a deceptively appealing activity that many stores use to ensure that revenue is at least at break-even levels to ensure that no losses are incurred. The consequence is, of course, that now no profits are generated either. The problem with this is the unproven belief that minimum standards of performance will motivate salespeople to perform better. This is the same thinking that lies behind the belief that commission compensation plans motivate people to perform better. I have seen no evidence that this is true. In fact, the thinking that money is a motivator is patently false and wrong at every level.

Money is not a motivator, but it surely is a de-motivator. Don't believe this? Then think about this: does paying people more make them smarter? When you give someone a raise in pay, do they think you're rewarding them or merely finally paying them what you always should have been paying them? Just watch what happens to attitudes when commissions don't match expectations, when people can't pay their bills, afford vacations, or save money. Watch people's demeanor crash when your minimum performance standards don't come close to getting them to their goals and needs for money. If commissions are a motivator, how come everyone doesn't perform at the level of the best performers? It's because they don't know how. They don't have certain important skills that the top people have. They don't do the right things consistently. One completely ridiculous view of commission compensation programs is that "if they don't sell, it doesn't cost me anything." How does that thinking stack up against the lost opportunity figures we showed



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MicroD is hiring in several positions. Email jobs@microdinc.com for more details. If commissions are a motivator, how come everyone doesn't perform at the level of the best performers?

you in the last article?

You have to control and improve three factors in the selling equation: the number and quality of opportunities (customers), your conversion ratio (close rate), and your average sale. Salespeople and managers should be doing something every day to maximize and improve each of these three factors. Any selling training that doesn't specifically target at least one of these three factors is off base. I exclude

#### One completely ridiculous view of commission compensation programs is that "if they don't sell, it doesn't cost me anything."

product knowledge from this because it is so fundamental to performance as to be a given requirement, and one common characteristic of top performing people is great product knowledge. They know their "stuff."

It's the people part of selling where the weakness lies – in simple human interactions. It's how you approach, greet, and welcome people, how you touch them personally, and how you respond to their natural reticence to interact with salespeople and to intelligent, warm, personal, and customerfocused interactions. You can't close a sale you don't open. I believe we don't lose as many sales because our salespeople can't close, as we do because they can't effectively open the customer and deal with their real issues.

Sales managers should be charged with bringing people to their own goals, leaving "minimums" in the dust. Yes, it's a one-to-one coaching job – just as selling in our business is a oneto-one issue. OK, maybe it's a one-totwo issue when dealing with couples, but the point is that it's personal. But, to be a sales performance coach you have to have all the right measures of success at your fingertips. There is a maxim in scientific study which states that what is not measured, cannot be changed. Then there's this: what's the point of knowing all the metrics if you don't use them to help people do better? Baseball teams do it. Golfers do it. Football teams do it - and they all have managers and coaches to ensure it gets done. How many different spe-



# TPEW MIN



Introducing Rewind, a collection of tables and entertainment consoles featuring various shapes, sizes and functions in a clean contemporary style reminiscent of popular designs from our recent past. This timeless collection consists of pieces that can stand alone or work as a complimentary group in an eclectic setting. Crafted of solid maple, Rewind is available in our primary maple stains and all our Custom Colors stains and paints. Learn more about Rewind at www.aalaun.com



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cialty coaches does the average NFL or MLB team have? What do you think would happen if they fired all the coaches and the head coach or manager spent every game in his office making sure the transportation to the next game was in order, or that all the equipment is where it needs to be? How do you think players improve, or overcome performance issues? They get coaching, that's how.

I've seen too many companies use minimum standards of performance, disciplinary action, and warning notices to, allegedly, drive performance when what's really needed is help. Poor performing salespeople don't need disciplinary actions or warnings, they need help, and they need coaching. To coach you have to have a game plan, a strategy, a plan, just like sports teams have, so people can know what is expected of them in terms of behaviors and actions they need to take to get there. You have to tie it to their compensation - to their personal goals for earnings and achievement. That's how professionals are managed and coached. And if you don't think of your salespeople as professionals, then the way you think about the problem, is the problem.

It's about time coaching became a real imperative in the retail furniture business among owners and managers instead of just among consultants and trainers.

Joe Capillo is a furniture industry veteran with 35 years combined experience as a retail consultant and retail industry executive. He is a contributing editor to FURNITURE WORLD and a frequent speaker at industry functions. Joe makes himself available for private consultations Too many companies use minimum standards of performance, disciplinary action, and warning notices to, drive performance.

on any aspect of retail sales management and sales education.

His recently published book, "Living On The Top Line", available on Amazon.com, helps furniture retailers create and implement customer-centric selling systems. Joe can be reached at joecapillo@furninfo.com. See all of his sales management articles on the information packed FURNITURE WORLD website www.furninfo.com in the sales management article archives section.



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# The Recursive Nature of **FURNITURE SALES**

Sometimes, even the best salespeople need to retreat to an earlier stage in the sales process in order to advance.

riting is a process that has three stages: Planning, drafting, and Revising. It is the third stage of the writing process – revising – that makes it recursive. A recursive process is one that repeats itself, potentially indefinitely.

What is true about writing is also true of selling. The most effective selling often results from the salesperson's retreating to an earlier stage in the selling process. The selling process has five stages:

- The greeting (in retail selling) and the reply to the customer's greeting (welcome) in outside selling.
- The opening.
- The uncovering of a customer's needs through probing, both verbal and nonverbal.
- The supporting of a customer's needs with personalized features and benefits.
- The winning of the customer's buy-in. Woven throughout these five steps are customer objections, whether

Sales Skills by Peter Marino

they come up as concerns or as roadblocks.

Although some furniture salespeople insist on going sequentially through the five steps mechanically, the most effective salespeople know when to retreat to an earlier stage in the process.

In his book, No Bull Selling: Hank Trisler warns against looking at the selling process as if it is etched in stone. Therefore, he advises salespeople not to memorize their lines, since customers have an irritating way of forgetting their own lines. Salespeople should not use a script when selling, something yesteryears' salespeople refered to as "putting on a dog and pony show."

For example, let's say a salesperson arrives at the stage of selling in which she asks for the customer's commitment. The customer fails to cooperate, and suddenly the salesperson realizes that she has failed to come up with a clear and mutual understanding of the customer's needs. The salesperson then goes back to probing for customer needs. How often should the salesperson go back to a prior stage in the selling process? As often as the situation warrants. In her book, The Writer's Life, Annie Dillard, drawing upon the analogy of building a house, states that the writer, if necessary, must knock down the very framework of that house, namely, the writer's thesis. Likewise, home furnishings salespeople should do their best to get every step in the sales process right the first time, but should not hesitate to re-evaluate their understanding of a customer's needs.

Salespeople who are not skilled in applying this rule of recurrence often fail to make the sale. Evidently, the Latin dictum, Non progredi est regredi (Not to go forward is to go backward) is not always valid. In selling, not to go forward can cause the salesperson to go backward.

Corporate trainer, educator and speaker Dr. Peter A. Marino has written extensively on sales training techniques and their furniture retailing applications. Questions on any aspect of sales education can be sent to FURNITURE WORLD at pmarino@furninfo.com.

"Woven throughout those five steps are customer objections, whether they come up as concerns or as roadblocks."

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by Cathy Finney



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# Think Like A Retailer, Not Like A **FURNITURE GUY** We can learn from the best practices of retailers in other industries.

by Gordon Hecht, Ashley Bedding

always thought of myself as a retailer. I've been on the retail side so long I tell people I was born on commission! Probably, you've been around the store side for a long time, and eat, drink, and think RETAIL as well.

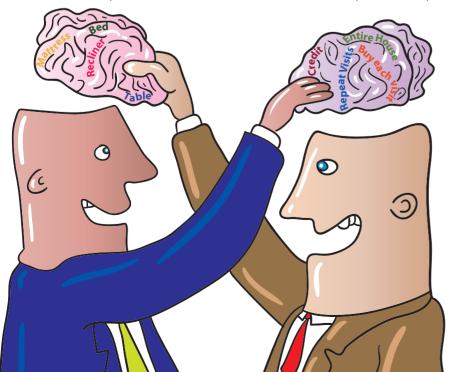
Towards the end of 2010 I had a conversation with someone outside of our business, and she made a comment that has stuck with me since. "Think like a Retailer, not a Furniture Guy", she said.. The more I thought about it, the more I started to understand that while our business is different than other retail stores, we can still watch them and learn from them. Here are five important differences between what many of the best retailers

do and how most furniture retailers conduct their daily business operations.

**RETAILERS** recruit every day, not just for the holidays, not just when they have an opening. Go into any Target, Best Buy, J C Penney, or even the neighborhood convenience store. Chances are they have a recruiting poster, on-line application kiosk, or some other way to let people know they are looking for good people. Those retailers know that sometimes the best employees are people that shop their stores and buy their products. Maybe their turnover is higher than ours, or maybe they monitor productivity a little better. Either way, they understand that they lose money when there are holes in their staff schedule. Take a look at your store. Do your shoppers know that you are looking for GREAT people to represent your products? And if someone wants to join your team, are you prepared to give them an on-the-spot interview? Create a process to interview EVERY candidate the first time they stop in for an interview. Organizations that delay a first interview for 24 or 48 hours lose the best candidates to companies that interview on the spot.

**RETAILERS** expect their customers to visit their store several times per month. No matter the season or the weather I find myself shopping in Wal-Mart 2 or 3 times a week. You probably know someone who shops Kohl's every week for their "Greatest Sale Ever". Just because someone buys at your store doesn't mean they are out of the market for the year. Your customers have multiple rooms and multiple furniture needs. Business goes where it's invited and returns where it's appreciated. Your best prospects are the people that already purchased from you. Keep in touch with them! Start by developing a list of your

"Walk into Men's Wearhouse for a suit, and you'll walk out with a shirt, tie, shoes, and a belt."



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## THINK LIKE A RETAILER

#### Other Things Good Retailers Do

- Ask "Did you find everything you need?" at the cash wrap."
- Ask you to buy a \$49.95 warranty on a \$99 item. Doesn't make sense, but I'll bet they sell a few.
- Send a promotional offer in the same envelope that they use for their credit card bill.
- Know where everything is in their store. Go into Home Depot's Plumbing Department and ask where the nails are. They know or will find someone who does.
- Lead, don't point. That's Nordstrom's rule. If a shopper in the menswear department asks about silverware, they walk them over to that department.
- Have no fear of prices. You can buy Suave for a buck eighty-eight, but go to a hair salon and shampoo can be \$15-20 for a six ounce bottle. Their loyal customers buy it and come back for more.
- Want it all! Carpet One will sell you one room of wall-to-wall, but they want the whole house. Walk into Men's Wearhouse for a suit, and you'll walk out with a shirt, tie, shoes, and a belt. I guarantee it!
- Look the part. Everyone at LensCrafters wears glasses. Everyone at Jared's Galleria wears twice as much bling as the average person (except for Mr. T). Don't even get me started on Macy's Cosmetic Counter. I don't mean wear a sofa, but dress with style, fashion and color.



"Business goes where it's invited and returns where it's appreciated." 50 best customers. Use a personal call from the Store Manager or Store Owner to invite them back for an exclusive offer. Everyone loves receiving a birthday card or anniversary card. Be sure to congratulate your clients on their special days and they will remember to visit you!

**RETAILERS** expect shoppers to buy on every visit. Did you ever wonder what the "close rate" is for Wal-Mart, Macy's, Wendy's, or Lens Crafters? Chances are that it is greater than the 18-28% many of us experience. And don't bring up price, because we have sofas priced less than Lens Crafters eyealasses! The truth is that those stores EXPECT everyone who comes in will buy AT LEAST ONE ITEM. Think of where your sales would be if ONLY 50% of your shoppers walked out of your store with a purchase! The biggest reason shoppers don't become buyers is that nobody asks for the sale. Do you and your team really assume that every up will buy? If not, why not?

Retailers know the value of credit. Okay, right now, things are unusual in the

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## THINK LIKE A RETAILER

credit market, but overall, customers are more likely to shop where they have established credit. Shop most retail

"Smaller retailers can take advantage of umbrella or consortium programs that yield an extra competitive edge through shared promotional financing." stores and the cashier will ask you if you want to put your purchase on the store's charge card. Dare to say you don't have one- and you will be asked once or twice to open an account. JC Penney predicts that every card they issue is worth \$80,000 in retail sales in the holder's lifetime. That's \$2,000 a year for forty years. We can't predict the next forty years, but the idea of having every card we issue bringing in \$2,000 in sales for the next 5 years sounds pretty darn good right now.

Want to cut down on collection costs? When your customer wants to use their Visa or Master Card offer them 90-Day terms. It will save you 1.5 to 2 points, your customer gets 60 more days to pay, and you are on your way to creating a loyal customer.

RETAILERS get rid of slow movers. They all have clearance racks, bargain basements, and sidewalk sales. Once merchandise is out of season, discontinued, under performing or over parked, retailers move it out, and price it to move fast. It can be day old bread, bikinis in Detroit November. or Lions Championship T- shirts; if it didn't sell it gets moved out to create cash and to invest in new items. Kohl's moves it out at 70% off, Wal-mart goes about 40%, and Kroger's goes for pennies on the dollar. Look for discontinued and damaged items on your sales floor and warehouse, old accent items, shopworn items and non-movers. Plan to convert them to cash by pricing them to sell TODAY.



Our retail world has seen a lot of changes in the last couple of years and we are sure to see more. You'll never lose if you see what the winners are doing and adapt it to your operation. In short, think like a Retailer, not like a Furniture Guy!

Gordon Hecht is Director of Sales for Ashley Sleep division of Ashley Furniture Industries. He started his 30+ years experience in the Home Furnishings industry in Las Vegas, NV as a delivery helper and driver. From that ground level start he started his sales career-and passion for our industry-while in college.

He has been recognized for outstanding sales and management achievement with several organizations including Drexel-Heritage, RB Furniture, Reliable Stores, and Sofa Express. He has served as Store Manager, Multi-unit manager and Director of Training. With his firsthand knowledge of our industry's front line Gordon has devoted his career to guiding others to exceed their goals.

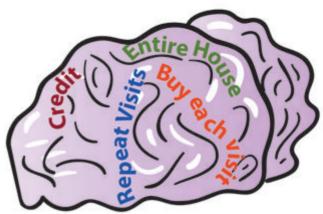
Joining Ashley Furniture HomeStores in 2007, Gordon managed a 44 store district covering 11 states and 4 time zones. He joined the Ashley Sleep team in 2009 and has worked to make it one of the fastest growing bedding lines in the country.

Co-author of the "Better Bedding Selling Tips" featured on Furniture World Online, Gordon has been a frequent contributor to company newsletters, and contributing writer for industry magazines. Gordon is based in Columbus, "Get everybody in the company involved in the recruiting effort with a bounty program to encourage and reward existing staff for ringing in recruits."

OH and is married with one adult son. He can be reached at ghecht@ashleyfurniture.com



"Lead-Don't Point. That's Nordstrom's rule. If a shopper in Menswear asks about silverware, they walk them over."



#### ADDENDUM #1: RECRUITING TIPS

Editor's Note: The following recruiting tips are excerpted from an 8 part series on hiring and recruiting by Sam Leder. The entire series can be found on the furninfo.com website. Request links to this Furniture World series by emailing editor@furninfo.com.

**In-Store Signs:** You need to use every opportunity to tell people that you are looking for new team members who are positive and work well with others. Signs around the store, written in appealing language, should encourage shoppers to apply. But the in-store signs, are just one way of recruiting the people who know and, presumably, like you best – your customers. On the weekends, when the store is absolutely packed with shoppers, set up a recruiting table. What better way to attract great new people than drawing from your client base?

And if somebody does want to talk

about a job opportunity in your company, talk to them immediately; do not let them leave the store without at least thanking them for their interest and setting up an interview. Remember, you are talking not only to a potential employee but a possible customer as well.

Swing through the malls: Visit the malls, especially jewelry, apparel and shoe shops where the salespeople are likely to be on some sort of commission and suffer terrible retail hours. Also, they're in a fashion industry, and if they're any good, they know the transaction is just getting started when the customer asks for a specific product. This job requires an ample supply of business cards as well as a positive and enticing dialog that you've worked out in advance. You want to encourage the people with whom you talk to submit an application without promising them a job. You want them to know that you admire how they approach their work and that your store has opportunities that may prove worthwhile to them.

**Check Out Competitors:** Your managers should also be aware of competitor's salespeople who may be looking for a change. Most retailers already shop their competitors' stores. In addition to checking out the merchandise and the pricing, be on the lookout for good people looking for new horizons.

Look In Your Own Organization: If you are looking to bolster your sales floor, look at some of the people you may have on staff in other departments. Chances are that your sales staff makes more money, and if they seem to understand your products, have a nice way with people and want to accept the challenge of commission sales, let them try. Many of the most exciting success stories involve administrative or operations personnel who changed careers into sales successfully.

**Get Everyone Involved:** Get everybody in the company involved in the recruiting effort with a bounty program to encourage and reward existing staff for



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## THINK LIKE A RETAILER

bringing in recruits. If it's a one-man job, you're going to generate the results that one person can produce. If you have 50 people looking, imagine what could happen. Everybody in the company should be an ambassador for the company.

**Two Part Reward:** Years ago, it was enough to pay a \$50 bonus for bringing in a new employee, but that won't cut it any more. Try a two-part reward that recognizes the new hire's start and then 90 days longevity.

**College Placement Offices:** Get acquainted with the placement offices at your local colleges and universities. These offices have separate departments for alumni placement and for new-graduates so be sure to visit both. Contact the human resources department of any downsizing company in your area, too.

**Use Store Advertising:** Make recruiting part of your regular advertising mix. Promote your exciting job opportunities every chance you get. Talk about

"Visit the malls, especially jewelry, apparel and shoe shops where the salespeople are likely to be on some sort of commission and suffer terrible retail hours." employment opportunities on your website. Dedicate a page on your site to recruiting.

Look For Attitude Over Industry Experience: When you are considering an application, don't be afraid to bring in people who don't have furniture experience. Success in furniture retailing really boils down to attitude, sense of urgency and caring more than anything. Industry and product knowledge come with time and training, but a good attitude always creates a huge headstart in our business.

#### ADDENDUM #2: MORE ON RETAIL CREDIT

*Editor's Note:* This information on private label credit was contributed by Marc Sczesnak is president of TD Retail Card Services. A more expansive article on private label credit will appear in a future issue.

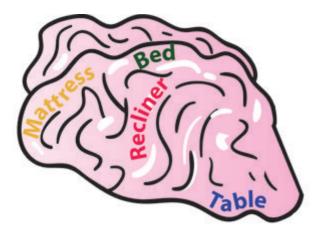
or furniture retailers, private label credit card programs can be an effective way to build sales in a competitive environment in which ease and convenience are paramount.

These programs make it easier for both in-store and online shoppers to buy big-ticket items—all with minimal risk and few, if any, headaches for the furniture retailer. The programs work in a straightforward manner: Customers fill out an application; that data gets electronically submitted to a third-party provider for immediate review and an on-the-spot credit decision; and then the provider gives the retailer an account number and a maximum dollar amount for the purchase. Some providers give retailers special terminals for processing card transactions. Others prefer Webbased or POS-integrated processing. Merchants typically receive funds for private-label card transactions from the provider within 48 hours; remittances cover the cost of the merchandise purchased by the account holder, minus a transaction fee that can range from under 1 percent all the way up to 9 percent. The provider holds all loans, manages all customer accounts, sends monthly statements to cardholders, and assumes the risk if customers fail to pay their bills.

Particularly in today's economy, consumers who want to buy high-ticket items may hesitate to do so with their bankcards because of the high interest rates. Others may have "maxed out" their credit. A private label program gives qualified customers another option. Combined with "zero percent interest" and other special financing deals, this can increase sales and traffic and make it easier to move higher-ticket items out the door. Private label credit programs offer the added benefit of increasing customer loyalty, in part because they give shoppers a more pleasant experience.

Private label credit card programs can be custom-designed to fit the needs of large and small furniture retailers alike. Options geared toward large retailers include loyalty programs tied to spending on the store's card. Meanwhile, smaller retailers can take advantage of umbrella or consortium programs that yield an extra competitive edge against major industry players through shared promotional financing. Such programs also enable smaller retailers to leverage





the aggregate volume of the group to drive competitive pricing on transaction processing.

Yet another advantage comes in the area of consumer marketing. Between "statement stuffers" sent with monthly bills and customized mailings directed to specific customers, private label cards provide a means to regularly communicate with your best consumers—or to turn occasional shoppers into more frequent buyers.

While private label credit programs tend to work the same way, each retailer must weigh the potential pros and cons, "Factors that vary from provider to provider and include things like the cost per transaction, applicant approval rates, credit limits, minimum application and volume requirements..."

particularly when it comes to the offerings of individual providers. Factors that vary from provider to provider and include things like the cost per transaction, applicant approval rates, credit limits, minimum application and volume requirements, the terms and conditions for account holders, and more subjective issues like the quality of customer service to retailers and consumers alike. Clearly, furniture retailers need to do their homework before taking the private label plunge.

Marc Sczesnak is president of TD Retail Card Services, the private label credit card division of TD Bank, N.A. Questions can be addressed to him by emailing editor@furninfo.com or for more information, visit TDRetailCardServices.com.

#### ADDENDUM #3: SLOW MOVING INVENTORY

**Editor's Note:** The following inventory tips are excerpted from a multi- part series on retail inventory management by David McMahon on the furninfo.com website. Request links to this series by emailing russ@furninfo.com.

1. Choose a project lead. This is one



#### "Be creative in your actions so that you can find what works best in your market. Here is an example of a markdown strategy that has worked for many furniture retailers."

of the most important jobs in your company, as it significantly improves merchandise flow. This task should be given to a highly responsible person who has proven that he or she can successfully complete tasks. If your inventory manager/buyer cannot perform in this area, he or she should be replaced.

2. Define your levels. To do this, you need to set inventory aging dates. Typically if you are at a good range of inventory to sales (15% - 20%), setting six levels every 60 days is a great place to start. Many companies however, will be more heavily inventoried due to the absence of a working markdown system. If this is your case, you should set the

periods further out so that no more than 30% of your inventory is marked down at any one time. You will be able to tighten up the levels as you start seeing results and your inventory to sales ratio begins to fall. (This will occur provided you only buy new merchandise when you have a true open to buy).

**3. Define your "Golden Actions".** Now that you have six markdown levels, you need to define what you will do at each level. Your actions should get progressively more aggressive, providing more incentive for customers to buy at each level. Be creative in your actions so that you can find what works best in your market. Here is an example of a mark-



down strategy that has worked for many furniture retailers:

- Level 1: 60 days. Discount up to 10%. This is the last chance for the item. Identify the merchandise. Check where it is displayed. Re-merchandise and move on the floor. Unnail. Educate sales manager and salespeople.
- Level 2: 120 days: Discount 20%. Educate your salespeople.
- Level 3: 180 days: Discount 30%. Use in direct mailer. Spiff.
- Level 4: 240 days: Discount 40%. Move to clearance center or as-is area.
- Level 5: 300 days: Discount 50%. Clearance center. Put on web page in your clearance section. Include in your monthly e-newsletter to your client base.
- Level 6: 360 days: Discount 60%. Put up a below cost sign. Use for a weekend draw prize. Promote old accessories with "free with purchase of" offer.

**4. Perform your monthly duties.** Each month, the above duties must be performed without exception, for all categories and vendors. To skip a month because you are too busy will cause the system to fail. Expect it to take more time at the beginning and expect it to get routine and easier as time goes on.

**5.** Execute, refine, and never stop! Execution is the key to success. About 20% of the people who try to implement this system are successful and 80% fail. If you are confident and committed to improvement you can be in this top 20% and your profit will follow. Refine your "Golden Actions". Become a student of your business and find what works for you. If your periods are longer than 60 days, as your inventory drops, reduce the number of days to get the system moving faster. Make it fun and stay with the system forever.



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Don Olson, Owner

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Wallbeds has slowly and carefully developed a network of retail partners. There are still markets open, so, if you are interested in looking at this high performing category, please give us a call. We would like to share a few more success stories with you, and explore the possibility of your company becoming another one!



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0402-3 Chartwell

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P-0402-3 Chartwell SOFA Available in Eabric or Leath

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35W x 39D x 34 5H Z-419-27

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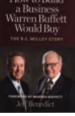
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