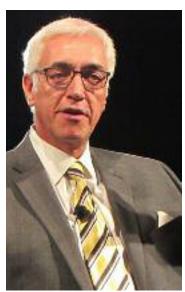
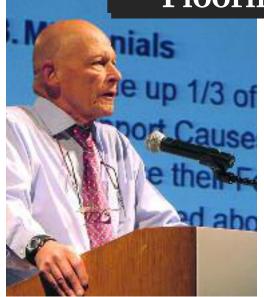
# floor covering mews













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Congratulations on your 20th anniversary

# Thank you for 20 years of success

On behalf of our entire Alliance Flooring team, as well as the CarpetsPlus Color Tile, Carpetland Color Tile and Floorco members, we would like to heartily thank each of our suppliers who have built strong relationships, provided great support and worked with us to bring results-driven programs and initiatives over the past 20 years.

We would also like to thank everyone who is taking the time to read through this special issue and celebrate with us.

There are so many great moments, unimaginable accomplishments and memorable milestones to be thankful for, but none exceeding the many strong relationships that have been established through these 20 years.

We salute our members for their vision, passion, resilience, commitment to networking and the inspiring successes we have seen them achieve over the past two decades.

We have all experienced ups and downs in the market and in consumer confidence, but our confidence in the entrepreneurial drive of our

At Surfaces '97 we launched as CarpetsPlus of America. Roughly 40 retailers embraced the plans and vision, joining as charter members. Within two years we had more than 200 stores; today we have over 400 member locations throughout the U.S. from Hawaii to Maine-all backed by over 80 carefully selected suppliers.

Without question, the core strength of our group is the willingness of our members to work together to increase the success of each individual store and the strong sense of family throughout our group.

A big thank you goes out to the national account teams—the individuals connected with each of our suppliers who prove over and over again that this is a relationship-driven industry in which people make a difference. We greatly appreciate your innovative support, involvement and

This 20th anniversary and everything aforementioned is a catalyst and foundation for continued growth and opportunity through the next 20 years to come and beyond.

Let's continue to grow together as the passion for our industry continues.

### fcnews

## alliance flooring at 20

# Getting stronger every day

By K.J. Quinn

hen you speak with Alliance Flooring members, it is not uncommon to hear the word "family" used to describe the dynamic of the Atlanta-based retail group. As the parent company of Carpets-Plus Color Tile, Carpetland USA Color Tile, Floorco and Clean Touch Pro celebrates its 20th anniversary, the founders have proven that people and healthy relationships are the strongest assets behind a successful business.

"We love being a part of CarpetsPlus," said Dan Smiddy, vice president, Smiddy's CarpetsPlus, Terre Haute, Ind. "It truly feels like a family to us. Ron and Jon are brilliant, accomplished guys who I feel really care about the success of each and every dealer in their program."

CarpetsPlus of America was established in January 1997 by co-CEOs Ron Dunn and Jon Logue with a philosophy emphasizing independent store ownership backed by the buying power of a national chain. The founders sought to fill a void in the retail

## milestones





landscape with a group focused on helping independent retailers compete and thrive through networking and sharing best practices, product strategy and professional showroom presentation.

"CarpetsPlus Color Tile is a top-notch buying group, from the very highest officers to the individual store owners and everyone in the corporate offices in Atlanta and Chattanooga," said Robin Osterhus, owner, Flooring Frenzy & More, Owatonna, Minn. "It is very obvious this is a group designed for its members."

The founders have forged strong relationships with retailers and suppliers from working together in executive positions at Mohawk. This was a major factor in launching CarpetsPlus fairly quickly and systematically. "Ron and Jon had negotiated across the desk from the other buying groups when they worked for Mohawk, and they wanted to work with their suppliers in a non-adversarial manner," Gerald Butler, owner, Fred's CarpetsPlus, Torrance, Calif., explained. "They also wanted to treat their members fairly and consider their needs first before negotiating any agreements with the mills."

The formation of the group came during a time when independent retailers were seeking ways to increase buying power, enhance business operations and competitive positioning against big box and other retail group stores. Heading into the launch, Dunn

and Logue spoke with independent dealers to learn why they had not yet joined a group, what they were hoping to gain from membership and retailer needs. "The answers were revealing and helped set our priorities," Dunn recalled.

Once the blueprint was finalized, the founders began recruiting members as well as flooring manufacturers to gain their trust and support. CarpetsPlus debuted at Surfaces '97 with a  $10 \times 10$  booth. According to Dunn, retailers and suppliers embraced the concept early on. "We were fortunate we caught some wind in our sails and some big retailers joined us on the front end. Thankfully, we had a compelling vision of what this could develop into and are forever grateful to our charter members and suppliers for buying into the concept."

Membership ranks quickly ramped up, growing to more than 200 stores within the first 20 months. Core principles were established, providing dealers with choices of professional tools to help them grow a successful floor covering business without any mandates that would force participation in specific displays or programs. "People bought into the vision of how this could be cultured," Dunn explained. "It took time to build the internal support necessary to match all these things. At the same time, while most key suppliers got behind us there were a couple who didn't; without them it would have been dif-

ficult to move forward."

Enter CarpetMax, a rival group that inquired about the possibility of a merger, a marriage created to further develop Carpets-Plus' infrastructure, enable access to key suppliers and provide stock value growth to CarpetMax. The two groups agreed to merge in 1999 in an agreement that included a buyout clause for CarpetsPlus. "Sadly, within a year, the SEC formed an investigation into CarpetMax and everything went into chaos," Dunn recalled, noting CarpetMax eventually filed for bankruptcy. "When it became evident CarpetMax would not be able to get back on its feet and all divisions would be sold off, our members sent a letter to the bankruptcy court judge-unbeknownst to us-stating that unless Jon and I bought the company back, they would disband."

Dunn and Logue eventually reacquired CarpetsPlus and purchased the Carpetland USA group in 2000.

In 2002 the group launched the Floorco direct-to-the-trade division, a business model focusing on builders, realtors and designers with a showroom that never closes and re-



- **01** The opportunity to network and learn from other retailers is a key aspect of membership.
- O2 CarpetsPlus
  management strives
  to help members
  become the fashion
  destination for
  flooring in their
  local markets.

quires a membership.

As Alliance Flooring enters its 20<sup>th</sup> year, management plans to continue striving to keep members ahead of the curve in terms of product mix, which helps differentiate themselves from competitors. Specifically, Kevin Logue said the group will concentrate on broadening its hard surface assortment in LVF, WPC and rigid core products, with the

goal of helping members become the fashion destination for carpet and flooring in their local markets. "The best part of my job is getting people to believe in themselves and having fun while doing it. My focus has been to make sure all members, suppliers and our staff know they are part of a company that continues to strive to make it worthwhile for all parties."

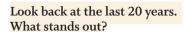


## A&D

## A look to the past, present, future

NETWORKING OPPORTUNITIES, FAMILY FEEL, INDEPENDENCE AT THE CORE OF VALUE PROPOSITION

CarpetsPlus has been providing tools to help flooring retailers become more professional and profitable for two decades. Former Mohawk executives Ron Dunn and Jon Logue had a vision and executed it to perfection with some key decisions along the way, not the least of which was the Color Tile purchase in 2002. Dunn and Logue, along with their sons Ryan and Kevin, recently sat down with *FCNews* publisher Steven Feldman to take a look at the past and define the value the group provides its members with an eye toward the future.



Ron Dunn: The people and the networking is the common thread woven through the group. It's people investing in each other, caring about each other and willing to share everything. It's beyond what I had hoped for.

Jon Logue: We wanted to be a family; we didn't want rules and regulations that would prevent people from doing business. This was the easiest way to do business. If a member doesn't like us or we don't like them, it's easy to end the relationship. We don't tie anyone down.

Ron Dunn: We wanted to do something different. We wanted to make this a winwin. In the old days you could be a franchise, co-op or licensing group. We are a licensing group where we license the rights and names, logos, etc. We wanted to form a group we would want to join ourselves. We asked prospective members three questions:

1) Why haven't you joined a group yet?;

2) If you were to join one, what would you want it to do for you?; and 3) What would you not want it to do for you? They did not want someone telling them what to do—mandatory stuff—or locking them in. So licensing was a way to achieve that.



**Kevin Logue:** They maintain their independence while we provide them with advantages, strategies and resources to help them succeed and grow their businesses.

**Ryan Dunn:** We are different than other groups in that Ron and Jon were on the other side working for manufacturers. They have sat on the other side of the table. From a supplier standpoint, we knew what they were up against.

Ron Dunn: What's been a real reward over these 20 years is the encouragement we get from suppliers. They tell us our model is right. They like the culture we established. It has allowed us to stay the course. We want the members to win, the supplier to win and the consumer to win. If that all happens, we win, too.

**Ryan Dunn:** We have proved to members if we can help them buy 2%-3% better, sell 2%-3% higher, save 2%-3% in operations through best practices (networking) and increase sales 2%-3%, then those four things together will significantly improve their bottom line.

### Give me some defining moments.

Ron Dunn: One was when our members.

unbeknownst to us, came together coming out of the CarpetMax deal and told the judge that unless the Logues and Dunns were buying the group they would all disband. So any other potential buyer would be getting nothing.

Jon Logue: There are two others: When Ron called to talk about this concept, and when our sons decided they wanted to join the company. I pitched Ron on his son and he pitched me on mine.

Ron Dunn: Another important moment was renting the last available 10 x 10 space at Surfaces; it was by the men's room in the basement in the Sands because we only decided 30 days before the show that we would exhibit. The first signups were a group of people from New York on their way to the men's room.

Jon Logue: At about the same time Ron was signing our first member, I was getting Congoleum to be the first vendor to sign up. So Ron and I were running up and down the stairs at the same time to tell each other the good news.

**Kevin Logue:** For me it was when we acquired Color Tile in 2002 and made the decision to co-brand CarpetsPlus and

Color Tile. It put us on the map as a retailer. We became more than a group. Color Tile is such a powerful tool and name. It paved the way for everything we have done in terms of expanding into hard surface. It also helped us expand; it got us 50 more stores.

## How has the retail landscape changed since you launched CarpetsPlus?

**Ron Dunn:** I can think of five ways right off the bat:

- 1. The shift in the product mix has been huge.
- A retailer has to be much more skilled at drawing customers in or he is not going to win. There was a time when all you had to do was put up a sign. Today it's all about marketing and great customer service.
- 3. Diversification. Retailers are expanding what they do—Main Street commercial, builder, countertops—it's selling more to that same customer.
- 4. Consumer credit. Twenty years ago people paid cash or wrote a check. The industry was way behind in credit.
- 5. Advertising. It used to be television, radio and print. Now those aren't in the top three.

Ryan Dunn: The retail owners have changed. I used to find 50% of owners started as installers or were second or third generation. A lot of those didn't make it through the recession. The customer has also changed. It used to be they would come back every seven years for new carpet. Now 70% of the house is hard surface. So you need to protect your profit margins because the customer is not coming into the store as frequently.

Kevin Logue: The industry has become more of a fashion-oriented business. It's not just a carpet store anymore. It's about making beautiful rooms and homes. A retailer today has to offer design solutions. That's important in getting people into the showroom. That's how our dealers have been able to differentiate themselves in their local markets.

## Can a retailer still be successful today as an independent?

**Ron Dunn:** Yes, but the fact they wouldn't align suggests they don't understand what



- **01** CarpetsPlus was founded by co-CEOs Ron Dunn, left, and Jon Logue, right. Their sons, Ryan Dunn, second from left, and Kevin Logue, second from right, represent the next generation of management.
- **02** Management consistently goes above and beyond to ensure the success of its retail members such as CarpetsPlus working closely with SP Floors on its redesign.

alignment means. Am I better off having our 30 employees working for me, never telling me what to do but giving me ideas on how to improve my business? Or am I better off having 400 other members I can talk to if I have a problem they may have experienced?

# How many members/storefronts are there today? What's the combined buying power?

**Ron Dunn:** We have about 375 members representing about 423 storefronts and about \$800 million in sales, all groups combined.

## Describe the prototypical CarpetsPlus member.

Ron Dunn: For the most part, he is a one-store shop doing about \$1.8 million. Typically he will have a 3,000–3,500-square-foot showroom and a 1,500–2,000-square-foot warehouse.

### How much has the average CarpetsPlus member's business increased in the first year?

Ron Dunn: I would say a retailer doing about \$2 million sees a 20% increase in sales the first year. That translates to a 5%

increase in profitability. For a smaller retailer that may be doing \$800,000, that profitability could increase 8% because he probably has a lot of waste.

### What differentiates CarpetsPlus from the other groups out there? Carpet One, Flooring America, Abbey?

Ron Dunn: For starters, Ryan and Kevin. No other group's members know who will be leading them into the next generation. We will have this in place for the next 40 years. Also, we are more agile because we are smaller; we can adapt to the demands of the market more quickly. Also, there are no layers here. You are always talking to one of us. Finally, we are closer to Dalton than any of the other groups so we can meet with manufacturers much more quickly.

### What about specifics. Carpet One?

Jon Logue: Autonomy. With us nothing is mandated or force fed. That's good for suppliers and retailers. We both believe in training, but we go about it differently. We take dealers to one of our members' stores. Our training program is member to member. Also, we are a licensing group, the Continued on page 8

fcnews

Continued from page 7 benefit of which is easy in and easy out.

### Flooring America?

**Kevin Logue:** Branding. Color Tile. That brand has been out there for 60 years and is well known. Consumers assume we manufacture our tile.

### Abbey?

Ryan Dunn: Merchandising and marketing. We have been told by our suppliers we have the best displays in the marketplace. Our members like being together. There is lots of energy at our events. It's less of a business convention and more of a family feel. I get more hugs than handshakes.

## Give me one example of how you went above and beyond for a member.

Ryan Dunn: Stacy Pape, SP Floors & Design Center in Pittsburgh. That was a family business that split. She was on the outside looking in. We helped her immediately establish her new business. We looked at storefronts with her, shipped things out of our warehouse so she immediately had samples and displays to sell off of, helped her get credit lines, helped her get suppliers. We walked her through the steps of reestablishing herself. That was four years ago. She is doing \$6 million today.

**Ryan Dunn:** I immediately jumped on a plane because we had to meet with the family. We pulled the license from other family members because our relationship had always been with Stacy.

Ron Dunn: Another one was Mark Strauch of Floorcraft in Colorado Springs. Mark bought the business from his father, but it had plateaued at \$2 million. Mark wanted to take it to the next level. So he bought a lumberyard that became available. He needed help designing the showroom. Our team, led by Ryan, spent 10 months from January through October taking down walls, turning the building into a design center that is now a full-service operation with cabinets and everything. The business grew to \$8 million.

What's the biggest challenge facing your members today, and how are you



### helping them?

Ryan Dunn: Understanding social media. Understanding the millennial generation and how to draw them in. The importance of holding their margins on hard surface business. We have a team of three people completely dedicated to web and social media. We will customize a unique website for each of our members with their own look and detail their story. It is definitely not cookie cutter. We will also encourage and facilitate our members to talk to each other about what's working for them in social media.

**Kevin Logue:** A lot of drawing in millennials is cause marketing because that's what resonates. We help our members with that.

# Mills can sometimes be anti-retail group. Have you seen this? Which suppliers have stepped up for the group and how?

Ron Dunn: All our core suppliers have stepped up. There is no animosity. They tell us they like our model. There are reps on the street from major mills giving us leads. Back in the early days, the question the mills asked was why? Why is the industry needing another group? The answer was we were going to do things a little differently. We are a licensing group. Members will have freedom within a fence. The fence is they are going to take care of our core suppliers, they are going to pay their bills and they are going to service the customer.

**Ryan Dunn:** We told the mills we would bring them a better customer. Our goal is to outpace the average industry price on carpet sold.

**Ron Dunn:** They bought the vision. Once the first few pieces fell into place, others

O3 CarpetsPlus employs a team dedicated specifically to assisting members with their web and social media initiatives.

quickly followed. Congoleum was the first. Queen was the first carpet mill, Carpenter was the first pad supplier. Mannington was also quick to jump on board.

Shaw was coming out of retail and called us. Monsanto, too.

## What do Ryan and Kevin bring beyond what Ron and Jon have brought?

Ron Dunn: Fresh ideas and energy. A cando attitude. A connection to that next generation. We get credit for being ahead of the curve on a bunch of things. If it was up to Jon and me, our members would not have their own websites. They also brought a more relaxed feel to our conventions.

Jon Logue: A broader background. They have helped us get involved in social media, more modern ideas. The way they have grown the buying committee, changing the format of meetings—they brought life to it.

### Look into your crystal ball. What will the next 10 years bring for the group? What are some goals and objectives?

**Ryan Dunn:** One goal is to develop the next group of retail industry leaders.

Ron Dunn: We don't know if the pie is going to get bigger, smaller or stay the same, but the goal is to help our stores take more market share. Outpace the industry in growth. Something that is hitting our industry is where do online sales go? Hard surface is more likely than carpet; there are rumors of Wayfair getting into our industry. What does that mean for our members? What tools can we provide them? We are currently working on that now. Diversification. Sell that customer as much as we can. Once backsplashes were scary. Cabinets? Countertops? Which pieces make sense? Maximize the relationships that are already there. Cleaning. If the carpet you sell has to be

Cleaning. If the carpet you sell has to be cleaned once a year to maintain the warranty, why don't you do that?





# Family of brands provides total solution

By Ken Ryan

ong before it emphasized independent store ownership backed by the buying power of a national chain, and many years before it would become the fastest growing flooring resource group in America boasting a membership of more than 450 stores, co-CEOs Ron Dunn and Jon Logue were faced with these fundamental questions:

### What do we call ourselves?

The executives tossed around various ideas and options relating to a name that would best define the group. Dunn said while the industry was carpet-dominant in 1997, "It was clear that product offerings and forward-thinking store owners were diversifying and exploring more ways of selling the consumer." He said their goal was to establish a name that sent a message to the consumer that there was more going on inside this retail business than just carpet. "A friend of mine suggested CarpetsPlus. It immediately resonated and we added the 'of America' tag-line to help portray a national identity."

When the well known, 50-year-old Color Tile brand became available in 2002, CarpetsPlus aggressively sought it. As Dunn explained, "The industry was on the front end of a movement toward hard surface and we had been strategizing regarding a private-label umbrella for marketing hard surface offerings. This natural evolution, which was also aesthetically appealing in our logo, was to replace 'of America' with Color Tile. This immediately helped drive traffic to our member's stores."

In 1960 Carpetland USA was founded in Munster, Ind., by Rick Meyer. The company grew into a 100-store franchise with a strong business culture that included a template for assistant store managers to become managers and eventually own their own franchise and building. Carpetland was sold to Shaw Industries in 1996 and Carpets-Plus was able to acquire the brand in 2000. In 2002 Color Tile was also offered to Carpetland members as an added value to growing their hard surface business, Dunn said.

Floorco was founded in 2002 as a division whose mission was to penetrate the direct-to-the-trade business.

#### What they represent



CarpetsPlus Color Tile is the largest division with members spread throughout the U.S. It represents full-service flooring retailers with a full spectrum of products, value and price points. The overarching emphasis is on middle to upper end retail replacement, but there are also specific focuses on Main Street commercial, builders, remodelers, rental market, do it yourself, shop at home and floor maintenance.

Color Tile is a brand used by both CarpetsPlus and Carpetland dealers.

**Carpetland** is typically a large store in a midsize market (with a large concentration in the Midwest and mid-Atlantic), with an average footprint size of 15,000 square feet. These stocking and special order stores are very promotionally minded; they consistently advertise and are adept at using consumer financing to increase sales. Main Street commercial, commercial, builder and remodeler and do it yourself customers are significant bases for Carpetland.





**Floorco** is the direct-to-thetrade division with a concentration on builders, remodelers, apartment owners, designers, real estate agents and commercial.

Clean Touch Pro is the floor maintenance division launched in 2012. It is a comprehensive and proven turnkey system that offers CarpetsPlus members another avenue to increase revenues (average 20% net profit) while meeting a need in their community to stay in contact with customers. Future plans include expanding this offering beyond the current membership base through franchise shows.





Today, CarpetsPlus and its sister companies and brands are positioned as the one-stop-shop for all flooring. "Quality, service, honesty and integrity are our guiding principles," Dunn said.



Shaw Floors congratulates our friends at CarpetsPlus on 20 years of industry leadership and excellence. We value our partnership and proudly look forward to many more successful years together.











# **Alliance Flooring: Membership**

By K.J. Quinn

lliance Flooring places the highest value on listening, learning, improving communications and helping dealers become better businesspeople. That's according to many of the group's longtime members who say the group's foundation was built on three pillars: relationships, reputation and operational excellence.

"Alliance Flooring is an organization that truly focuses on its members," said Robin Osterhus, owner, Flooring Frenzy & More, Owatonna, Minn., who joined CarpetsPlus in 1998. "From training classes and seminars to display offerings, they are keeping us at the forefront of the industry."

One of the biggest reasons members joined the group—which consists of Carpets-Plus Color Tile, Carpetland USA Color Tile, Floorco and Clean Touch Pro—is it allows dealers to retain their independence. "I greatly appreciated the fact we are 100% allowed to run our business as we see fit, yet we still receive all the tools we need," Osterhus explained.

Flexibility is also a key aspect of membership. For example, an Alliance Flooring member can choose to leverage everything the company offers or go it alone, noted Tony Fry, owner of Texas-based CarpetsPlus Color Tile of Winnsboro, who became a member 12 years ago after working at the group for several years. "That being said, it really is a no-brainer when it comes time to take advantage of the offerings," he said. "The advisory council and CarpetsPlus Color Tile are intimately involved with making every program fit the needs of the membership."

One reason Smiddy's CarpetsPlus, Terre Haute, Ind., joined CarpetsPlus in 2000 was his belief the group wanted to be partners in his company's success. "We could decide the scope of our participation," said Dan Smiddy, vice president. "We could use it to cater to our special niche."

Members value their freedom as well as opportunities to cherry pick products from the group. "The biggest reason we joined CarpetsPlus over the other groups was its flexibility," said Josh Elder, co-owner, Gainesville CarpetsPlus Color Tile, Gainesville, Fla., which signed up in 2005. "Management un-

derstands that sometimes I have to go outside the group, and it doesn't penalize me for that."

CarpetsPlus Color Tile, Bloomington, Ill., became a member in 2005, the same year co-owner Jim Brown opened his store after a recommendation from a Beaulieu representative. "He stated CarpetsPlus was by far the best group to belong to and he was 100% correct."

Bob Pireu, owner, Bob & Pete's Floors, Canton, Ohio, cited the family atmosphere, strength of leadership, individuality and growth potential as main reasons he joined CarpetsPlus 10 years ago. "And this all still holds true today."

Smiddy concurred. "It truly feels like a family to us," he said. "Ron (Dunn) and Jon (Logue) are brilliant, accomplished guys who really care about the success of each and every dealer in the program."

Indeed, the relationships the founders formed over the years with various members was invaluable in their recruitment efforts. "Ron had a long history with my family business through many years, and I have great respect for him," said Wendy Werner, owner, Carpet Town, Milwaukee, a charter member. "I had also met Jon Logue and knew of his great reputation."

Other charter members recalled how the founders clearly communicated their vision for CarpetsPlus and liked what they heard. "Ron came to our store, described his new group and listed key points on a napkin," said Gerald Butler, owner, Fred's CarpetsPlus, Torrance, Calif. "There were no glossy brochures or hard-sell tactics. What did impress me was Ron's honesty and frankness."

- **01** Dan Smiddy, vice president of Smiddy's CarpetsPlus, Terre Haute, Ind., joined CarpetsPlus in 2000 based on the flexibility afforded to members.
- **02** Tony Fry, owner of Texas-based CarpetsPlus Color Tile of Winnsboro, applauds management for ensuring all programs fit the needs of membership.
- **03** John, left, and Jim Brown, co-owners of CarpetsPlus Color Tile in Bloomington, Ill., joined the group upon the recommendation of a Beaulieu representative.



# has its privileges

Other members attest to the camaraderie. "The relationship has been remarkable," said Vern Montgomery, president of Venice, Fla.-based Montgomery's Carpets-Plus, a member since 1998. "We have always been a very active member, attending every convention and several summits—even hosting one ourselves."

### **Apart from the pack**

The differences between Alliance Flooring and other buying groups are many, members say. One major benefit is the opportunity to network. "We all have access to hundreds of store owners and their knowledge," Brown pointed out. "Everyone in the group is more than willing to share experiences and help other members."

Members take advantage of open discussions to share best practices and ideas while serving as a sounding board for one another. "With a text, email or a phone call, we have access to many decades of experiences in the flooring industry," Brown added.

Butler cited another example. "When we needed advice on the growing assisted-living industry, a great dealer in Florida was very helpful in teaching us how to get our foot in the door. CarpetsPlus helped us expand our business and introduced us to many great friends—something for which we will always be grateful."

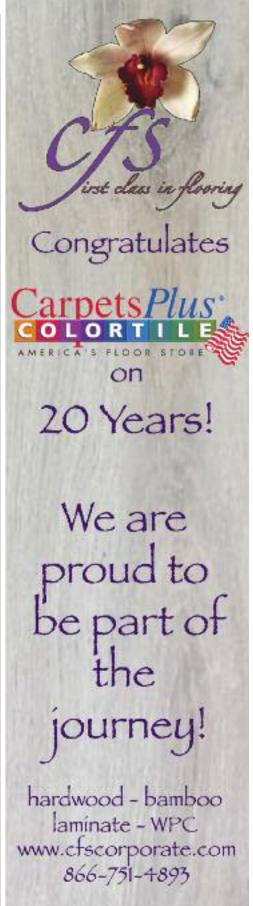
This legacy of support starts with Dunn and Logue and their sons, Ryan Dunn and Kevin Logue, who stay in close contact with members and solicit feedback to help grow their business. The leadership team—which includes the second generation—and Al-

liance Flooring employees are extremely helpful when called upon to provide opinions and perspectives surrounding any number of business issues, members say. "The personal relationship I feel with everyone, from leadership to member services, makes this group unique," Pireu said. "I feel like any question or problem we have will be dealt with in a quick and personal way."

Growing business and providing added value is a common goal for group members and suppliers. "We're a licensing group," co-CEO Jon Logue pointed out. "If we don't grow your business, it's not good for you or for us."

To that end, Alliance Flooring employees work hand-in-hand with suppliers and members to help members increase sales and profits at retail. "The Alliance Flooring program has been most beneficial to us mainly because we have taken advantage of nearly everything it offers," Montgomery said. "Over the nearly 19 years we have belonged, CarpetsPlus and now Color Tile have grown with us by adding programs and information to benefit us, such as our cleaning division, computer systems, financing options for our customers, negotiated pricing, informative teaching seminars and online programs."

For some dealers, membership in the CarpetsPlus group has paved the way for future growth. "Since we joined the group, we've doubled our sales," Smiddy reports, noting annual sales increased to more than \$2 million last year. "We went from an 80% soft surface store with a little vinyl offering to 75% of sales coming by way of wood, LVT and ceramic tile. The average ticket price has doubled and the margins have increased, too."



# Variety, operational flexibility give members invaluable support

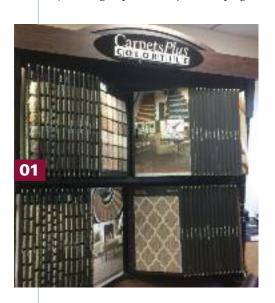
By Reginald Tucker

The advantages of membership in the Alliance Flooring group are many, CarpetsPlus ColorTile retailers say. From invaluable support in the way of merchandising and inventory management, to guidance in the emerging fields and social media marketing and outreach, dealers have a variety of proven tools and programs at their disposal.

Following are some key aspects of membership.

## **Buying power**

A major business function for any retail group is providing support services, access to private-label products and national buying power. In CarpetsPlus' case, the formation of the group came during a time when independent retailers were seeking ways to increase their buying power, enhance business operations and competitive positioning against big box and other retail group stores. Heading into the launch, Dunn and Logue spoke with independent dealers to learn why they had not yet joined a group, what they were hoping to



gain from membership and retailer needs. The buying committee was created three years ago as a result of members seeing the value in buying together as a group. Josh Elder, co-owner of Gainesville CarpetsPlus Color Tile, a member of the committee and advisory board, can attest. "We go to Dalton with the CarpetsPlus team to look at product offerings, help design displays and then get to help present them to the group at convention," he explained. "This is the biggest change to our group and it has been well received by all our members." Since the retailer joined CarpetsPlus in 2005, Elder reports the business grew by 110%.

For Alison Dennis, vice president of Colorado-based CarpetsPlus of Steamboat Springs, the benefits achieved through scale are numerous. "Being part of a larger buying group certainly increases our buying power in terms of negotiated price. However, it is far more than that. CarpetsPlus selects ranges, designs displays, sets up advertising and promotions, negotiates consumer financing options and provides proven ways to run a successful business. These things combined have helped in creating a profitable business. CarpetsPlus has helped us by providing support in all aspects of our business."

As a co-owner, Dennis—who runs the business alongside her husband, Lee—said it is comforting to know there is a team at CarpetsPlus that has researched the market and forward trends before selecting the best products, pricing and systems. "CarpetsPlus does not dictate what we should have in our store," she said. "They just present the best of the best for the individual owners to adapt to their market area."

## Web 3.0

Alliance Flooring is continually tinkering with its marketing and advertising solutions to ensure members keep up with the times. The group recently quadrupled its efforts in digital marketing and relaunched its website in the last six months. The improvements didn't end there. "We redid the whole infrastructure of the web page, added resources and are calling it Web 3.0," said John Logue. Web Pro 3.0 is the group's newly updated online digital marketing program that offers search engine optimization, a monthly Google Analytics report, videos and other content, along with tools that can be customized for members.

"Web programs were built to enhance member exposure through search engines and tell a compelling story, so online searchers are drawn to the showrooms," he added. "Social media is a perpetual work in progress."

During the 2016 Summit, members got a sneak peek at Web Pro 3.0. Management reports genuine interest and enthusiasm for the initiative. "We've gotten nothing but positive reviews," said David Ellis, advertising and public relations manager for CarpetsPlus Color Tile. "They really love the update; they think it's fantastic."



## **Education**

With all the various new initiatives and program updates available through CarpetsPlus, it has become increasingly critical that members share their knowledge and experiences at various conferences and networking events held over the course of the year.

The sharing of best practices and establishing consistent, effective communications with members remains high on Alliance Flooring's priority list. "All the members are very supportive of each other and are willing to share ideas and give advice if necessary," Dennis said. "The annual conference is a great time to share experiences and get to know other owners while seeing new product ranges and hearing updates about the flooring industry."

Claire McCoy, owner of Rugs, Rolls & More, Plaistow, N.H., agrees wholeheartedly. "Their conventions are educational and well worth the time and cost to go. It is also nice to see the other members. From multi-million dollar operations to small, one-store locations, everyone is willing to share ideas and best practices."

The regional summits—which are typically hosted by a Carpets-Plus Color Tile member who opens up the business for the benefit of the group—are especially worthwhile, members say.

"The Summits are a unique and very enlightening way of seeing other dealers' operations," said Gerald Butler, owner of Fred's Carpet Plus, Torrance, Calif. "I have never attended one where I didn't come home with a number of ideas to apply to my business."

03

- **01** Alison Dennis, vice president of CarpetsPlus of Steamboat Springs, believes private-label programs along with knowledgeable salespeople and great service sets CarpetsPlus above the competition.
- **02** Private-label programs negotiated through vendor partners prevent customers from shopping around solely based on price. Shown is a tile display from Bob & Pete's CarpetsPlus Color Tile store in Canton, Ohio.
- O3 For retailers like Eric Langan, president and owner, Carpetland USA (The Langan Group), Davenport, lowa, offering credit helps move customers up to bigger-ticket times, thereby increasing gross profit margins.

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fcnews

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## Social media

One of the many ways CarpetsPlus is helping members drive awareness, manage reviews and generate leads is by encouraging interaction with consumers on the social media front. It's a relatively new realm for most dealers—particularly those who have been in business for a long time—but it's one they are increasingly embracing.

"CarpetsPlus has provided insight to all the social media venues, and it has helped us look at what might work for us," said Annette Aumsbaugh, co-owner of Aumsbaugh Flooring, Columbia City, Ind. "My husband and I are not very savvy when it comes to social media. So our social media of choice is Facebook. The information CarpetsPlus provides to us for sale ads, etc., through Web Pro was helpful to me because all I had to do was go in and choose what I wanted to highlight in Facebook. CarpetsPlus has always been available to answer any questions I have."

Aumsbaugh admits it's still a work in progress. Knowing the importance of using social media, she and her husband hired a company that specializes in all things social. "When we first started working with them it was to work on our SEO status/ranking," she explained. "Now they are posting on a regular basis on our Facebook page, and they also take videos and post those for us."

## **Credit**

It's no secret financing programs allow retailers to more easily trade up consumers to bigger-ticket itemsproviding shoppers maintain good standing with respect to their credit histories. But in order to be really successful in leveraging the full benefits of offering credit, you must make it an intrinsic part of the way you sell. It's an area where CarpetsPlus members truly excel.

"Having the ability to offer credit, and especially the special finance terms CarpetsPlus gives us, has really allowed us to stay competitive," said Bob Pireu, president of Bob & Pete's Floors, Canton, Ohio. "When you have customers who are potentially shopping other retailers, other buying groups and their programs on top of the big boxes, this allows us to stay in lockstep with them. Offering credit lets our customers know they can get the flooring they want on good terms, which really opens the door to other parts of our business. Customers know they are getting a competitive price, plus they can be comfortable with the quality of our service and installation."

Pireu makes it a point to inform shoppers of the store's credit terms long before they come through the door. Bob & Pete's advertises financing options on its website, and RSAs are trained to properly qualify customers when the opportunity arises. Professional-looking ad slicks, POP materials and brochures further give consumers the opportunity to review their options.

"It's not the first thing we want to hit customers with when they walk through the door, but we definitely bring it up

when we begin qualifying the customer," Pireu explained. "If they're shopping around for flooring at the big boxes and they pick up a brochure that reads, '12 months, no interest on flooring,' I want them to know they can do that at our store as well. Thanks to Wells Fargo and our buying group we can promote credit through the website."

Pireu is not alone. Dealers like Eric Langan, president and owner, Carpetland USA (The Langan Group), Davenport, Iowa, also leverages credit effectively. "Our organization has always been a huge proponent of consumer credit financing and the benefits that come along with using it. Those benefits include: larger average tickets, reduced accounts receivables (increased cash flow) and differentiation among competitors. We have worked closely with Ron Dunn and Jon Logue throughout the years in designing and implementing the best consumer credit financing plans for ourselves as well as other CarpetsPlus members. CarpetsPlus does an excellent job of negotiating rates, introducing specials and creating new plans within the program."



### Marketing Having a broad selection, modern research online, via social media and displays, robust credit programs and professional services such as Angie's List, HomeAdvisor, etc. It's this area in particular that retailers often rely on

selling tools won't go far without the requisite marketing and advertising mechanisms in place. This is especially critical in this modern retail shopping era where so many consumersparticularly those in the market for big-ticket items and durable goods purchases—conduct the bulk of their

CarpetsPlus' expertise. It's an overarching marketing strategy that entails digital, social media, print and television. "This gives our dealers the

tools they need to drive store traffic and create brand awareness in their local

co-CEO. "We have elevated our retail sales training program to coincide with upgraded in-store merchandising, branding and product warranties to make the flooring selection process as simple as possible for today's consumer."

A case in point is the ongoing investment Alliance Flooring has made to

## Merchandising

Over the years, Alliance Flooring developed and executed its retail merchandising systems, showroom designs and product displays. The group invests time and resources to refine marketing strategies centering on building brand awareness, educating flooring

05

consumers and promoting key products to drive sales and achieve retail pull-through, according to Kevin Logue, co-COO and vice president of marketing. "The best part of this job is being able to help

our members become better businesspeople and more successful retailers."

For dealers like Ben Case, store manager of The Carpet Collection, Lockport, N.Y., proper merchandising is the key to drawing consumer interest in differentiated products. This is particularly true when it comes to displaying and promoting brands that can't be shopped around. For him, it's one of the many benefits of being a CarpetsPlus member. "One of the biggest benefits we get from merchandising as a member of CarpetsPlus is we're afforded some protections in terms of private labels."

Another plus is members have input on the merchandising systems that management negotiates in conjunction with suppliers. Case likes the fact it's not a force-fed "top-down" approach. "We've started to change the way our cabinets look by going to more

of a darker wood finish, which has more of a dynamic appearance." Some manufacturers completely miss the mark in terms of the way their products are merchandised, but CarpetsPlus has done a tremendous job in getting racks and allowing us to provide input on how we want to display samples."

That customized approach to merchandising is also a big draw for dealers like McCoy. "Being part of the Carpets-Plus group keeps us competitive with pricing and allows us to get upscale, fashionable displays at great prices." "The displays are so much nicer than the standard mill [racks]."

By being allowed to operate freely in terms of products members choose to emphasize enables CarpetsPlus dealers to position themselves as experts in certain categories or brands. Case in point is Idaho Falls-based Red Mountain Carpet & Tile. The retailer was initially exposed to the Karndean DesignFlooring brand by virtue of the supplier's affiliation with CarpetsPlus. But Red Mountain further developed its relationship with the supplier over time—a partnership that would pay dividends down the road.

"We were looking for a product line that would set us apart," recalled Jody Robinson, owner. "Karndean offered us that opportunity."

Eventually, Red Mountain would become a Karndean platinum dealer, which offers benefits in terms of exclusive product offerings. In addition, Robinson's two sons were invited to install the flooring at Karndean's Surfaces booth the past few years. "That would not have happened if we had not been with CarpetsPlus," Robinson recalled.

build the Color Tile hard surface brand, which was acquired in 2002. The purchase was made during a time when broadloom represented approximately 80% of a retailer's product mix. "The product mix has gone so much toward hard surfaces," Logue said. "This provided us with a well-known brand name umbrella for private-label merchandising and marketing."

- O4 CarpetPlus Color Tile members point to the many advantages of belonging to a group that provides so much in the way of support, benefits and proven programs.
- 05 The Carpet Connection in Lockport, N.Y., enjoys the fact it has flexibility in how products are merchandised on the showroom floor.





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## Membership makes a world of difference

By Lindsay Baillie

Dealers belonging to reputable buying groups will tell you the most effective programs are designed specifically with the needs of members in mind. Alliance Flooring is one such group. CarpetsPlus/ColorTile dealers cite plusses such as management's focus on building relationships that encourage networking, sharing best practices while providing quality products from proven vendors, to name a few.

Several Alliance Flooring dealers shared how they have grown and succeeded by virtue of their membership.



**Wendy Werner** president, Carpet Town, Milwaukee

"The best description of the CarpetsPlus/Alliance Flooring group is 'family.' They have been able to create an

atmosphere throughout 20 years of warmth and caring. There are great business friendships—which often turn into personal friendships—that develop into the best sources for networking. There exists a great feeling of belonging and supporting each other. I can always pick up the phone, email or Facebook another member to ask their input or to gain information. This networking aspect has been a huge benefit for my business all these years.

"Also, [management] allows each retailer to be who they need to be in their market. They accept our uniqueness and support us by offering an excellent program of products and services."



Scott Melkonian vice president, Karen's Advance Floors, Clarkston, Mich.

'CarpetsPlus has made a tremendous impact on our business. Their leadership,

along with the involvement of the buying committee, has gone to great lengths to be sure all members have a complete offering of privatelabel products to give us a real advantage in the retail environment. In partnership with the top vendors in the industry, members share aggressive pricing in all product categories to help us maintain the right margins to be profitable, no matter the size of our business.

"Equally as impactful is the networking power of the group. I have attended over 20 events and I continue to gain valuable information at every one. Every member is more than willing to share best practices, mistakes made, successful marketing campaigns, etc., that you can take back to your own business. The unique ability to discuss your business with someone who completely understands what you do is an invaluable asset of the group."



**Bob Pireu** owner, Bob & Pete's Floors, Canton, Ohio

"We have been a Carpets-Plus member for 10 years. We looked at several buying groups before joining but

our decision was very easy and clear. The family atmosphere, strength of leadership, individuality and growth potential were the main reasons we joined, and this all still holds true today. The CarpetsPlus program has definitely revolutionized our business and allowed us to stay profitable and grow. From the merchandising displays to the annual advertising calendar, we have utilized so many of the programs the group offers. The ability to pick and choose what works for us is the luxury we have in our group to keep us profitable and maximize our floor space and needs. Not all groups give you this luxury. I feel very secure in knowing that CarpetsPlus will lead us into the future and maintain our competitive advantage.

"The educational aspect of the group is the most important benefit. Of course the pricing, private labeling and merchandising systems are great, but the ability to communicate and meet together through the conventions and summits are priceless. To share best practices at these events and get questions that affect your business daily answered in minutes through the member and manager website and Facebook page is priceless. In a competitive industry, knowing you have

all aspects of the group behind and supporting you is unbelievable."



**Bob Cowart** co-owner, CarpetsPlus Color Tile of NY, Congers, N.Y.

"I've been a member for 15-16 years [out of the 20 years CarpetsPlus has been in ex-

istence]. When we first decided to become a member there were two thoughts as to why [we should join]. No. 1 was rebates from manufacturers and No. 2 was private labeling. Another reason is this particular buying group did not tell us what to do. As a member you have the opportunity to do things but you are not told what to do. Since then, those reasons are still good but they are no longer the main reason.

"During the recession of 2007/08 to about 2013 the flooring industry took a major hit and I possibly could have been one of those casualties if we weren't members of Carpets-Plus. When business got really tight we cut back on things like doing our own investigations and going to Surfaces. We would only go to the CarpetsPlus convention and they did all the research for us. We were able to concentrate on bringing more business through the door than concentrate on the product aspect of it. The marketing of CarpetsPlus Color Tile has kept us in the loop with the website, the community. With all these things we now have the whole package."



Wendy MacCheyne president, MacCheyne's CarpetsPlus, Fairbanks, Ark.

"We joined CarpetsPlus in 1997 as we were just starting a retail flooring store.

John MacCheyne had installed floors for about 15 years by that time and decided to go into the retail business. We knew we would need an alliance with a buying group so [we] attended Surfaces for the first time that year. We met with a few groups, but really liked what we saw and heard when we met with Ron (Dunn) and Jon (Logue). We signed up as one of the first members and have never looked back. We became MacCheyne's CarpetsPlus right away, taking on the CarpetsPlus name.

"The timing was perfect for us as we needed everything from product availability and pricing, display options, advertising promotional ideas and eventually consumer financing and website hosting. Networking with other members proved to be a huge asset to us as we worked at building a business

from the ground up. Products and services provided by CarpetsPlus have increased and improved over the years in perfect timing with the growth of our business. With the help of CarpetsPlus we were a successful start-up business, going head to head with a well-established Carpet One store in our area.

"CarpetsPlus was there with us all along the way from a brand new mom-and-pop store to the established business we are today meeting the flooring needs with a beautiful full-service retail showroom and a capable commercial department."



**Dan Smiddy** vice president, Smiddy's CarpetsPlus, Terre Haute, Ind.

"We joined CarpetsPlus in 2000. We were looking for a competitive edge in our

marketplace that was manageable for our small business. We needed to find a buying group we could afford to join and not be forced to invest heavily in new marketing every year. CarpetsPlus offered that opportunity. We felt they wanted to be partners in our success without mandating selling sys-

tems. We could decide the scope of our participation. We could use it to cater to our special niche and we did-starting small at first and growing with the group. In recent years we have bought into all the new selling systems because they are so well thought out and artfully designed.

"We love being a part of CarpetsPlus. Ron and Jon really care about the success of each and every dealer in their program. I am particularly fond of the second generation of leadership at CarpetsPlus. They drive us to be fashion forward, innovative and their energy is infectious. CarpetsPlus feels like family; the members interact and share with one another. I can't count the ways I've improved my business practices and techniques based solely on what I've learned from the advice of other members. I think that sets Carpets-Plus apart from other buying groups."



Rick Shervey, president, Color Tile of Portland, Portland, Ore.

"The CarpetsPlus Color Tile affiliation supports a nationwide representation to a consumer. It solidifies

the fact this is a store with industry knowledge and the latest trends in design. As a group we hold annual conventions both East and West coasts to discuss market changes and new vendor products. The group really emphasizes the commitment to attend but does not force anyone. At the meeting we see new styles in carpet, tile and LVT which are the biggest emphasis in most markets right now. The CarpetsPlus group is able to negotiate national account prices from vendors on a multi-store chain commitment. With the backing of great priced products come attractive and modern displays of the vendors' products. Most come with customization for the CarpetsPlus line and private labels to protect dealer margins. Also setting the products apart so the consumer does not drive from flooring store to flooring store and look at the same old vendor racks.

"A lot of people would come in if this was 'Ricks Flooring store,' but with that said, a lot more come in to CarpetsPlus Color Tile because of a market precedent past of a flooring retailer-it's not just Rick and staff who know their store's products. The CarpetsPlus group really steps up a small mom-n-pop in Continued on page 20



# Congratulations ON YOUR 20TH ANNIVERSARY.

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### **fcnews**

## membership

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the game to what I'd call a player in their market. The corporate image really gives consumer confidence—all the way from product selection and the quality of the flooring to the professional installation."



Eric Langan owner, Carpetland USA (The Langan Group), Davenport, Iowa

"CarpetsPlus has been a good partner of ours for many years. CarpetsPlus al-

lows us, as business owners, the freedom to make the decisions we feel are right for our businesses. They understand we all have unique situations within our marketplaces and therefore do not implement cookie-cutter or a one-size-fits-all approach to our business. CarpetsPlus does a good job of partnering with select suppliers and creating programs and merchandising vehicles that assist the members. CarpetsPlus believes in the power of relationships and networking. They encourage members to get together to dis-

cuss challenges and opportunities while also sharing best practices with one another. CarpetsPlus also looks at and recognizes changes in the industry before they happen and works on and presents ideas and solutions to those changes for the membership to consider. All of these resources have helped benefit our business."



### Mike Montgomery, owner, Montgomery's CarpetsPlus, Venice, Fla.

"The relationship has been remarkable. We have always been very active members, attending every convention

and several summits, as well as hosting one ourselves. The biggest difference between CarpetsPlus and other buying groups are many. Mainly the closeness of the members themselves and the fact other groups dictate their programs and displays where CarpetsPlus is totally a la carte—you choose the ones you judge best for your business.

"To us the most important qualities of belonging are knowing you have access to any product or information needed through other members or Alliance staff. The camaraderie

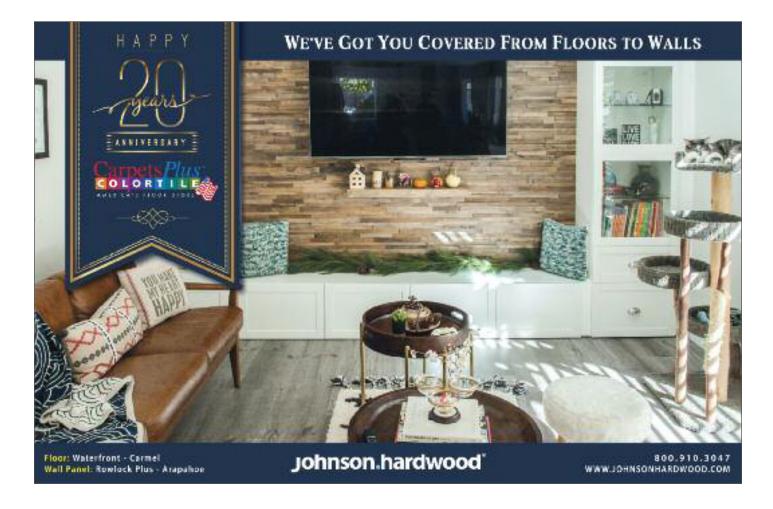
of members and staff is unquestionably the highest in our industry. Over the nearly 19 years we have belonged, CarpetsPlus and now Color Tile have grown with us by adding programs and information to benefit us—such as our cleaning division, computer systems, financing options for our customers, negotiated pricing, informative teaching seminars and online programs. The list goes on and on. The Alliance Flooring program has been most beneficial to us mainly because we have taken advantage of nearly every one it offers. We know the Alliance team has done its homework so we don't have to."

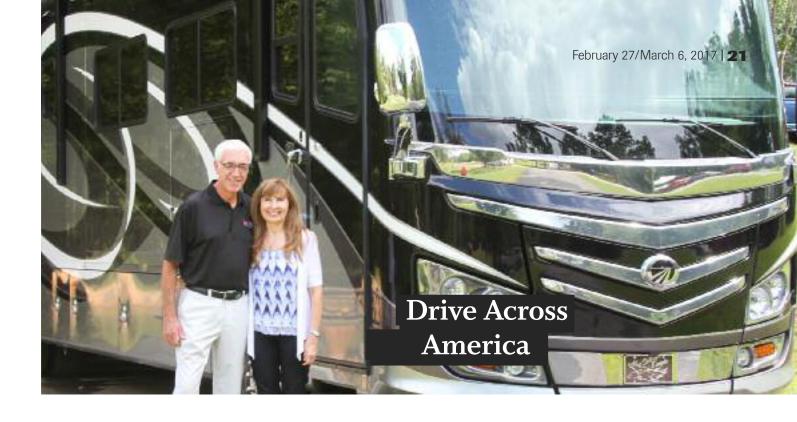


### **Duke Karns,** owner, Carpetland USA, Lafayette, Ind.

"The relationships are far different than they used to be—for the better. [Initially] in the flooring busi-

ness you didn't talk to anyone. But that's different with CarpetsPlus. Collectively as a group we're able to cover everything—issues, strategies, etc. The strength of the buying group is also better than you could get on your own."





# Dunn takes the show on the road

By Steven Feldman

he fact that CarpetsPlus co-CEO Ron Dunn has been in just about every member's store may not be so unique. But how he arrives is. Dunn has to be the only head of a retail group who pulls up in his own RV, visiting anywhere from 5% to 10% of membership on a given trip. He and his wife, Sandy, pack their bags three times a year, fire up the engines and go. He says it is one of the most important things he can do.

"The idea came when I was at convention six years ago," Dunn recalled. "At one time I knew every member. I could picture them, know what city they were from, etc. Then I looked out and realized as the group had grown, there was about a third of the members I didn't really know. So I suggested to my wife we get an RV and visit retailers. The goal was to visit every single member."

In the last six years, Dunn told *FCNews* he has visited all but 54, and he is hoping to rectify that as soon as this year. "Depending on the trip, we will see between 18 and 35 members. And we will do these trips on average three times a year."

Initially, the mission was to go out and hear their stories, see what they were doing. "Everyone is really good at something," he said. "My goal was to figure out what each

was really good at and tell their story so all members could benefit." From that evolved *Proven Ways*, a booklet of success stories that was put together for members. Every member has four or five pages written about them.

A secondary goal that spawned out of the program was members would ask for feedback. "We provide fresh eyes for their stores," Dunn said. "The first thing we do when we walk into the store is answer the question, 'Would we buy here based on first impressions?"

Dunn recalled the first trip he and Sandy ever made, which was to South and North Carolina. "We rolled into Greenville, S.C., on a Sunday night and passed the store. There were 20 people there cleaning up—windows, floors, etc."

One of the things Dunn does on these visits is film the members. "We ask specific questions. 'Your floor looks spotless. Does it always look like that?' By announcing we are coming people do things for their stores they should always be doing."

Dealers Dunn has visited attest to the value of the Drive Across America initiative. "Ron and Sandy visited us at our largest volume store (Davenport, Iowa); we were able to show them the recent investments in the store and our vision going forward," said Doug Bertrand, executive vice president,

Ron Dunn made a pit-stop at Fred's CarpetsPlus, Torrance, Calif., during one of his Drive Across America campaigns.

Carpetland USA (The Langan Group). "The biggest things I took away from the meeting were the questions he asked during our interview. It was gratifying to know how much he knew about my position in the company and our nine stores. I have been reflecting on his questions and comments daily, which pushes me to look for ways to improve and motivate our team."

Ron and Sandy also paid a visit to Torrance, Calif.-based Fred's CarpetsPlus South, which was in the midst of a wholesale redesign and revitalization. Jerry Butler, coowner, looked back on the visit. "My wife, Mary, and I took Ron to our second store's new location. There were a number of issues we had to work through and resolve during the process. We are really proud of the design of the new store, and Ron seemed to be equally impressed as well."

Aside from visiting the various stores to identify best practices, there is a social aspect to these trips. "We take them to dinner, ballgames, go to their house, etc.," Dunn said. "We also do a feature story on each member for our online weekly newsletter."

The result: Enhanced closeness of the group. "Members who we lost touch with have come back to convention. We have drawn the fringe people back in. They can't wait to see themselves on screen."



# CarpetsPlus: Suppliers are family, too

By Ken Ryan

The supplier-retailer dynamic is rarely smooth and seamless. As flooring dealers and vendors can attest, achieving and maintaining a successful relationship can be much more challenging in practice. And yet, when the flooring industry's leading suppliers talk about their two decades-long relationship with CarpetsPlus management and retail members, they regularly use descriptions such as "trusting," "caring" and "like family."

To hear vendor partners tell it, the special relationship with Carpets-Plus comes down to people wanting to do business with people they like.

### **Randy Merritt** president, Shaw Floors

"CarpetsPlus leadership listens carefully to retail members and works closely with suppliers to bring value to the group's programs. We have built strong relationships through the years



"Jon and Ron both worked in the carpet manufacturing industry prior to starting CarpetsPlus. Because of that background, they have always had a comprehensive understanding of the challenges manufacturers face. Clearly their programs are designed to help CarpetsPlus members grow and be profitable, but they also have the unique understanding that it has to work for everyone."

### **Jay Kopelson** VP, corporate accounts Mannington

"CarpetsPlus members are quality independent retailers backed by a caring management group that always puts retailers first. They are always coming to us to put

special programs together for them. Management is very supportive of their dealers and vendors—they see both sides, which is key. They were once on the vendor side, so they know. As a result, CarpetsPlus wants to create a win-win for the vendor and the retailer."



"CarpetsPlus brings together a unique membership with strong retailers throughout the country. Our relation-

> ship with the group has always been successful, and we remain committed to those who support us. CarpetsPlus has a select group of aligned vendors they have worked with for many years. and they continue to support and grow with them. The loyalty to their vendors is one of the reasons they remain so successful as a



"With CarpetsPlus you don't feel like a suppler—you feel like a member of their family. They're a class act. In addition, they are very aggressive with promotions and selling tools.

"CarpetsPlus retailers are open to learning more about the tile industry. They are humble people, not know-it-alls."





### Jay John Callahan national accounts manager, Karndean

"We have been working with CarpetsPlus for six years and have developed a working relationship that has a family feel. Karndean relies on close relationships like these for our continued success and seeks partners that are as passionate about the industry as we are. In working with CarpetsPlus, it is evident that each level of the organization has a voice, from top to bottom, and employees at all levels are invested in the organization's success."



### **Scott Ervin** VP, business development manager, Wells Fargo **Retail Services**

"CarpetsPlus and Wells Fargo Retail Services have shared a great business relationship for more than a decade, and for seven of those

years I've had the great fortune of managing the relationship. From the beginning, CarpetsPlus welcomed me into their business family and I've enjoyed the personal relationships that have developed through the process of working with their teams. It feels like I'm part of the family. They have created a culture where members share best practices and have a genuine interest in helping each other succeed."





**Ann McDermott** VP, national accounts, Shaw Floors

"Doing business is about building trusting relationships with people, and it's easy to do with CarpetsPlus. They make you feel part of their family from day one and really care about you as an individual, not only as a business partner. This is a very unique group of people that makes working with them seem fun instead of work."

Strong relations exist between suppliers and CarpetsPlus management as Ryan Dunn, left, and Kevin Logue discuss the Destination Store concept with suppliers and retailers.



# Wisdom of the generations

FOR MANY FAMILY-RUN CARPETSPLUS STORES, LEARNING IS A TWO-WAY STREET

By Lindsay Baillie

The flooring retail industry is rife with multi-generational family businesses, each with their own unique dynamics and challenging situations. But those who have achieved consistent success over the years share this belief: Passing along the business to the next generation not only entails the exchange of power, but also the transfer of knowledge.

The multi-generational family businesses of CarpetsPlus members are built on the lessons younger generations have learned from their mothers and fathers as well as trust from the older generations to allow their children to carve out their own paths by implementing new business strategies.

Following are some of their stories.

### **Ben Case and Gary Case**

The Carpet Collection, Lockport, N.Y.

## How has your son helped grow the business?

GARY: After college Ben came to us with a lot of enthusiasm and focus on improvement. By inspiring others to do the same, he raises overall performance.

Together we took a couple of great courses at University of Buffalo on the dynamics of a family business and succession planning. This led to current, on-time evaluation of our financial performance.

Personally I have had disabling back issues, which keep me out of the store most of the time. Fortunately Ben was eager to learn, asking questions constantly while he was forming his own opinions. Now his hand is on the rudder, watching out for just about anything that might rock our ship. In a few years, if Ben decides to take over, I will be able to retire with less of my mind still on the business.

Working with your son invariably presents unique communication challenges unlike a typical employee. But the commonality of purpose creates a special bond outside of family that when nourished can be extremely rewarding.

## What have you learned from your parents?

BEN: I have learned everything I know



about the industry from my parents. Years ago I remember sitting in my father's office and watching him handle problems that came across his desk. I would ask questions and stay engaged, but he was making the decisions and guiding the solutions. I thought I was taking a quick break, but I bet he knew what he was doing. He was training me by keeping me involved with these scenarios. experiencing them. Practice makes perfect and I was exposed to some of the most challenging situations before I knew I was even being trained. My work ethic is also something I learned directly from my mother and father. As business owners we all know there is always work to be done. Seeing him work long hours molded me into the worker I am today. In our positions eight hours are rarely enough, but I'm not counting hours. I'm just getting it done because that's how I learned how to work.



**Kelli Kadlec and Mark Strauch** Floor Craft, Colorado Springs, Colo.

## How has your daughter helped the business?

MARK: She's in charge of all the ordering and purchasing, and from the amount of detail and follow-up she does, there has just been tremendous growth in that area. From a bottom-line number she has had a big impact in making sure all the vendors are properly paid and consolidating crate—all those little details. She is taking it to a new level for us. Kelli is fourth generation in our store. She is our go-to for everything, because she has such a handle on all our products. She's also starting to overlap into interior design. She's a huge liaison between our builder accounts and me. She's become my right-hand person.

### What have you learned from your father?

KELLI: I look up to my dad in so many ways. Not only do I think he is the world's most amazing dad, I also think he is the world's greatest businessman.

He is incredibly levelheaded when it comes to making business decisions. He never does anything in haste nor does he let his emotions get the best of him. He is a very genuine and reliable businessman. Floor Craft has its reputation because of the honest way my dad conducts business. He will always stand by his customers and make sure they are happy with the work we have done. For us at Floor Craft it is always about doing the right thing.

Growing up, I remember Dad saying he would metaphorically hang his tool belt on the tree outside of the house before walking through the front door. He never brought any stress or frustrations from the day home. I never understood how difficult that must have been for him until I started working for him. I now see how busy and stressful each day is for him and how well he has always hidden that over the years to be present for our family. To this day we have a rule that there is no Floor Craft talk outside of Floor Craft so we can maintain our relationship as father and daughter.

Carpet Town, West Allis, Wis.

## How has your son contributed to the business?

WENDY: First of all, he has alleviated part of the daily stress of running a business. He has brought so very much to Carpet Town and has taught me many things.

We share the same vision, yet we have unique ways in which we operate the company. His knowledge base is excellent and he has an amazing memory of products. He has developed into an excellent buyer of both carpet and hard surface. I have been able to split areas of responsibility in the company due to our different interests, which leads to a very good balance. Jonathan has a much more casual approach to many aspects of the business, and that really has taught me a great deal. He relates well with all employees, but he really connects with our younger employees. His age is an asset to meeting the needs of clients of his generation.

## What have you learned your mother?

JONATHAN: Although we have



different styles, we tend to both strive toward the same goal, since we have the same vision of an outcome. It also helps to learn a different way of thinking in achieving our goals. The human resource aspect of the business was much more challenging than I had thought, including hiring, firing and dealing with employee issues. I have also learned how to maintain and grow relationships with our sales reps, vendors and manufacturers. She has provided the leadership that has helped me to grow and transform from a salesperson into a managerial role and also to see the big picture of what running a business is all about.



Mark, Michelle, Beverly, Vern and Mike Montgomery

Montgomery's CarpetPlus, Venice, Fla.

## How have your children enhanced the business?

VERN: My oldest son, Mark, manages the cleaning division and does 90% of the measurements for the sales staff plus helps get installations organized in the warehouse each morning. Mike has the real headache job of scheduling installations and supervising the installation crews, plus he handles several of our largest commercial customers and writes more business than anyone. My daughter, Michelle, or Missy as we call her, is responsible for the showroom and the sales staff. She deals with all the reps from our suppliers, getting new displays and area rugs and still waits on customers and does computer duties all while being a single mother with three teenagers and all that entails. Each consistently steps up on a daily basis to help each other when called on to do so.

#### What have you learned from your father?

MIKE: Probably the most important thing I have learned from my father is, "It's nice to be important, but its' more important to be nice." It's simple to say but sometimes hard to do. He has always been the leader of our family and this business. He always has the best interests of the customer in mind—not his or our personal gain. I believe that is why we have been so blessed with great business and a great family. He is a visionary and has taught me to try to look ahead and not in the rear view mirror; [that it's] good to be focused and push to achieve the next goal; learn from mistakes and try to not repeat them. MICHELLE: Everything. I knew nothing about floor covering when I started. On the first day I showed up and he said, "Here is the showroom; it's yours." He kind of threw me to the wolves but it was a great learning experience. For all three of us [children]. We've seen him working all these years. He has taught us the customer is always right; honesty and integrity; and putting your name on a business and standing behind it. Everything from A to Z. MARK: He taught us everything from hard work to what it takes to run a store. Everything from installation to working with installers, inventory, the warehouse, how the customer is always right. Basically he taught us everything there is to know. Continued on page 29

### Josh Elder and Steve Elder

Gainesville CarpetsPlus Color Tile, Gainesville, Fla.

## How has your son enhanced the business?

STEVE: He brings a generational perspective to the business. He doesn't have the fears of past issues that have stopped me from being aggressive with taking on certain types of work. He adds another dimension to the store by having a whole other vision that is similar to mine but different. He has expanded the store into kitchen and bathroom remodeling and cabinetry. He'll take risks that have paid off many times.

## What have you learned from your father?

JOSH: The biggest things I have learned from my dad are how to manage money and then how to take care of your customers. He also made sure I knew the business from the ground up. Growing up in the industry I started working with him when I was 15 in the warehouse part time after



school and in the summers. When I was 17, I would go out with the installers and work in the field. While in college I was a salesman and still installed on the weekends. He really wanted me to be well rounded and know the business and industry from every angle. After college he really focused on the money side of the business and taught me the importance of creating a nest egg so we would never have to worry about how we are going to pay our bills or staff. But the most important thing he taught me was to treat our customers like family and not a number.

# Doing it their way

SUCCESSFUL FEMALE OWNERS MARCH TO THEIR OWN BEAT

By Nicole Murray

uccessful female owners and operators of floor covering stores will tell you the challenges they face in running a business are pretty much the same as those of their male counterparts—from a day-to-day management perspective, anyway. The main difference lies in how many women business owners contend with those challenges. Several prosperous female CarpetsPlus store operators shared the best practices that have served them well over the years.



Successful dealers believe it's important to learn the variety of products available across the industry and understand how they are installed. This will go a long way in establishing your reputation as an expert while building confidence in the process.

"It is all about the way you present yourself; you give respect even if you are not getting respect," said Mary Young, owner of How Young Flooring in Milton, Fla. "I have proven countless times I do know what I am doing and the balance of respect fixes itself."

Missy Bakken, owner of Minnesota-





based CarpetsPlus of Rochester, agreed, adding that having confidence will improve the ability to take care of customers because it will be easier to know exactly what they need. Her advice? "Work hard, learn the products and ultimately gain people's trust. In the end they will come back to you repeatedly because of what you know and how well you previously took care of them."

### ...But know your limitations

As much as customers appreciate having knowledgeable personnel, it is much more effective to admit when you are unsure as opposed to coming up with an answer on the spot. Experts say it will only strengthen the customer's ability to trust you because you can admit when you need help. This also exemplifies that giving the customer the most accurate information possible is at the top of the priority list.

"It is important to be able to step away and say, 'I need to come back to you' if you are not completely sure of an answer at the time," said Alison Dennis, vice president and co-owner of CarpetsPlus, Steamboat Springs, Colo. "Do not be intimidated or pressured into giving answers immediately because there are times it will backfire."

### **Trust your** mentors

One of the best ways to learn, store owners say, is by taking advice from someone who has already been successful at what you are trying to accomplish. Wendy Werner, owner of Carpet Town, West Allis, Wis., is a good example. She explained that her mentors, although many were not female, gave the best advice on how to conduct herself as a woman in a traditionally male-dominated business. "I was very lucky to have

excellent male mentors who were very patient and supportive," she said. "They showed me the ins and the outs of the industry and the most effective ways to carry myself."

### **Defy the** naysayers

Many women in the flooring industry have encountered people who believed they could not succeed. The trick to combatting this misperception, experts say, is turning a negative into a positive and using criticism and motivation. "Having men say to me in the beginning that I would not be successful as a woman made me that much more determined," Dennis said. "I was more than ready to prove them wrong."

In many cases, female owners say, it comes down to picking your battles. For example, learning how to ignore or deflect negative comments. Responding to these situations by engaging the naysayers can sometimes backfire or, worse, reflect poorly on one's professionalism. As Werner explains: "When comments are being made or I was being bypassed by others, I would simply ignore it because there was nothing that addressing the problem would do for me in the situation. Their opinion of me would not change overnight so why would I want to waste my efforts?"

### Try a little tenderness

While some business owners choose to take the confrontational route of operating the business, others advise a softer approach. Bakken, who falls in the latter category, believes female owners should leverage the perception they are more trustworthy. "People feel comfortable with women and we need to capitalize on that advantage," she said. "They feel like they can trust us much easier



because we are able to make the customer feel more comfortable."

Others, including Dennis, agree. Taking on the softer women's approach as a boss, she notes, opens a line of communication that might not exist otherwise. This strategy also helps her to attack issues with the mentality of fixing as opposed to reprimanding. "I make sure I listen to people and get my staff involved with decision making. As a boss, I avoid

the idea of demanding things of my people and simply try to recognize their capabilities so everyone can play on their strengths and set realistic goals."

However, others like Claire McCoy, owner of Rugs, Rolls, 'n' More, Plaistow, N.H., believe there is a time and a place to put your foot down. "Very seldom do I get angry or yell but I do balance this factor with ensuring I am not being walked all over. However, it is also important to know when it is time to be abrasive because then people will pay attention when major errors do happen. Your expectations become well known without you having to verbally demand it on a regular basis."

## Develop good relationships

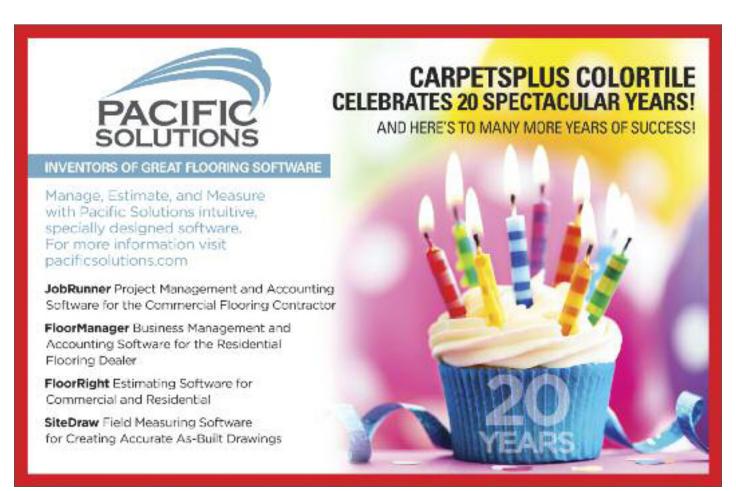
When engaging consumers, especially for the first time, it's always a good practice to conduct yourself in professional manner, successful owners say. "It has really helped to establish a lot of solid relationships," Young stated. "Flooring is not something people will need daily, so it is important for them to see our name and have good memories of interacting with us. This way, when the time

- **01** Claire McCoy, owner of Rugs, Rolls, 'n' More, Plaistow, N.H., believes there is a time and a place to be tough.
- **02** Wendy Werner, owner of Carpet Town, West Allis, Wis., said some of her mentors early on in her career were actually male.
- **03** Robin Osterhus, co-owner of Flooring Frenzy & More, Owatanna, Minn., always looks for opportunities to learn and grow.

comes [when they need flooring services], they will think of us."

Keep learning

Even those dealers who have a long track record of success believe it's important to keep learning in order to continue growing. Robin Osterhus, co-owner of Flooring Frenzy & More, Owatanna, Minn., is a proponent of this philosophy. Osterhus, who Continued on page 29



# floorcovering **news**

CONGRATULATES

# CarpetsPlus Color Tile



YEARS OF MAKING A DIFFERENCE IN RETAILERS' LIVES



## doing it their way

Continued from page 27

also oversees the business side of the company while her husband handles the installing, surrounds yourself with staff that is determined to continue educating themselves. She said this provides a strong support system and great learning environment for everyone involved. "I do my best to stay educated but I am not perfect," she explained. "No one can know everything all of the time."

Bakken, who last year was awarded the Outstanding Performance Award for her continual growth, also stresses the importance of continuous education. "We are continuously learning and have not quit in advancing our growth because the second you become content with your business is when it starts to fade. You have to keep pushing and see what you can make of it."

The same principle applies to McCoy, who regularly attends meetings, seminars and conferences in search of new ways to help her business grow. "You must always listen, watch and learn. I have been doing this for years, but I am always learning new information."

Love what you do

Running a business within the flooring industry is a job that will demand a massive amount of time and energy so it is important to really love what you are

doing. Dealers say a positive attitude makes all the difference. "I love working with people and helping them decorate," McCoy said. "But my passion for my job is what constantly keeps me humble and focused on being better."

Continued from page 25

### **Bill Smiddy and Dan Smiddy**

Smiddy's CarpetsPlus, Terre Haute, Ind.

## How has your son enhanced the business?

BILL: I had Dan start when he was extremely young and learn every facet of the flooring business. By the time he got to the sales floor he understood the business from the ground up and never ran into situations he couldn't answer. He has given me the ability to step away from time to time with complete trust the business is going to be treated in the exact same manner and judicious effort as I put forth.

## What have you learned from your father?

DAN: I started when I was 10 years old sweeping floors in the warehouse. Every day



was a new lesson. He taught me that honesty and hard work are the foundation of a small business and we're not really in the flooring business, but the people business. He made sure I learned both sides of the business. I installed all through high school and worked my way through college installing carpet, because I was not allowed to be on the sales floor until I had a degree, he insisted.





# **Annual summits inspire** dealers to reach their peak

here are your typical annual buying group gatherings where dealer members can network, preview new products and participate in educational seminars. And then there are "summits." These special CarpetsPlus events—which actually take place at a particular retailer's location—bring together members, management and vendors in a unique setting that encourages sharing of best retail practices. They can also be a lot of fun.

"The summits are a unique and very enlightening way of seeing other dealers' operations," said Jerry Butler, owner of Fred's Carpets-Plus in Torrance, Calif. "I have never attended one where I didn't come home with a number of ideas to apply to our business."

Mat Hoffman, owner of Home Interiors Flooring, Green Bay, Wis., agrees. "There is always something you will take away and bring back to your store. Attending the summits gives you the opportunity to look at the 'bigger picture' of things you don't necessarily think about on a day-to-day basis."

The brainchild of co-CEOs Ron Dunn and Jon Logue, the summit is typically hosted by a CarpetsPlus Color Tile member who opens up his business for the benefit of the group. Interestingly, management credits others with providing guidance and advice that helped them enhance business operations and directly impact sales growth. "Everyone is really good at something, and if they can share with the rest of the group it can help all kinds of dealers," Dunn stated. "We are a conduit for doing all of that." Logue added the summit serves as an effective vehicle to obtain ideas from members while getting suppliers involved.

The most recent summit took place in Canonsburg, Pa., (near Pittsburgh) at SP Floors & Design Gallery. For all intents and purposes, it was a milestone event. There, the group unveiled its first fully furnished Destination showroom. Introduced in 2015, Destination started as a carpet boutique within the showroom and expanded to include hard surfaces and displays that emphasize fashion and color. Stacey Pape, owner of SP Floors-formally an Ethan Allen showroom—reflected on the implementation of the Destination format. "We wanted something different, something people would talk about—a showroom that was off the wall and bizarre but when put together it is pretty neat."

SP Floors spans 12,000 square feet, including warehouse space. The Destination portfolio includes 10 displays featuring banners such as Color Destination, Performance Destination, Fashion Destination and Design Destination. "What's really nice about it is we're able to

help the homeowner pull it all together in one place," Pape explained.

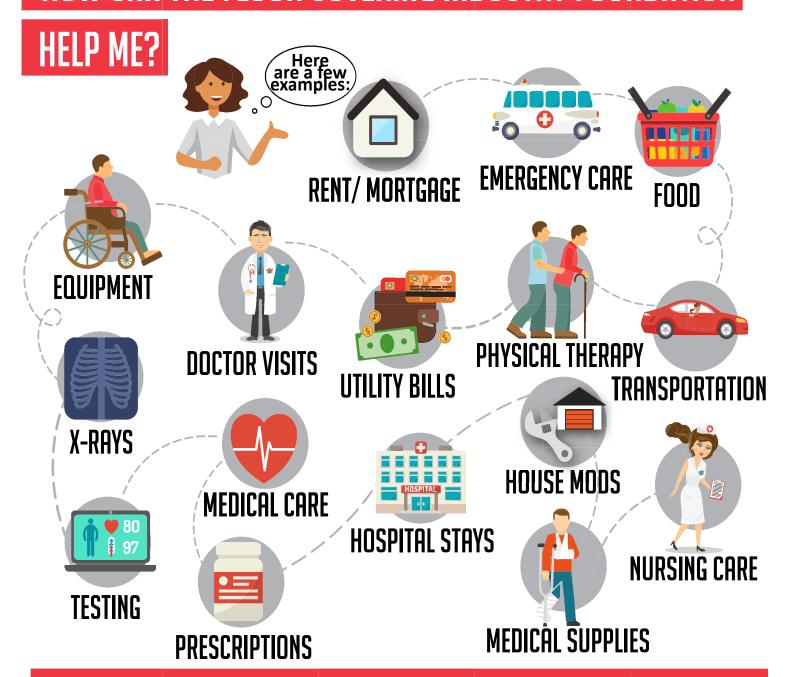
Josh Elder, owner of Gainesville CarpetsPlus Color Tile, who is on the buying committee that helped develop this program, attended the SP Floors summit. He loves

Attending the summits gives you the opportunity to look at the 'bigger picture' of things you don't necessarily think about on la day-to-day basis."

the 56-pin carpet displays because they free up so much room. "It's like I told one of my reps: 'Every inch of my showroom has a cost associated with it, and I want the biggest bang for my buck.' What I am seeing is the manufacturers are also embracing this concept and coming out with new private-labeled products, which is one of the big reasons for being in a group. Plus, it was time for an overhaul of our old displays that are now 10-plus years old."

Don Grubb, co-owner of D&R Floor Covering, Midland, Mich., also embraced the Destination concept. "It gives continuity. I believe this is the right direction for our group."

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