

All signs point to prosperity for group's members

By Ken Ryan

SAN ANTONIO — Alliance Flooring's annual convention, held here March 9-12, once again proved that flooring retail can be fun, and that the mantra: "work hard, play hard" best suits these members.

Alliance's CarpetsPlus Color Tile and Carpetland members are coming off a 2018 in which overall revenue was up about 9% collectively, membership is up—with 16 dealers added just since January and greater numbers are buying into the Destination showroom effort. In addition, new private label programs as well as new and eager suppliers are positioning Alliance members for even greater success in 2019 and beyond.

Of course, no CarpetsPlus convention would be complete without some fun. At its opening reception, for example, members and suppliers took turns riding a mechanical bull, took selfies with a live 2,000-pound Longhorn steer and danced on stage with the band. Then there was the general session where Ryan Dunn, co-COO and vice president of sales; his son RJ, and Jon Logue, co-CEO, took turns firing rolled up T-shirts through a slingshot at audience members. "This group likes to have fun," Ryan Dunn said.

The slingshot was a prop used in co-CEO Ron Dunn's address: "The Principle of the Slingshot." The point being that there are times in life and in business where you will be stretched by a particular challenge or adversity. However, the energy that will launch you forward is activated when you're drawn back.

In his recent RV trip through Big Sky country Dunn visited with several Alliance dealers, some of whom shared their stories of struggle, doubt, adversity and ultimately breakthrough and success they never could have envisioned.

For example, Eric Buehler, owner of CarpetsPlus Color Tile in Thayne, Wyo., had no flooring experience when he left his career as a golf pro to become a store owner. The previous owners had promised to train him for 30 days during the transition period but never did. He had to learn on the fly. "I had a customer come into my store one day and ask for travertine. I didn't even know what travertine was," he shared with members.

Undaunted, his business has surged in recent years. He has gained a following in Thayne via a "Find the Rock" contest run through his Facebook page. He offers clues, providing a little more information with each posting. The winner receives a cash prize. The contest has run multiple times and helped him connect with the community and increase business.

As Ron Dunn explained to members, "You all have cultures that are unique and inspiring. You are all successful, but as good as you are doing, maybe you could do something a little better or pick up something new. My advice is to build a bigger slingshot."



Alliance Flooring co-COOs Kevin Logue, VP of marketing, and Ryan Dunn, VP of sales, during the group's annual convention.

New suppliers/programs

Alliance Flooring welcomed several new full-fledged members to the group, among them Provenza, DuChâteau, Metroflor, Schönox and Engineered Floors—which is offering residential carpet under Dream Weaver.

Will Young, director of national accounts for Engineered Floors, was impressed with the response from members who crowded his booth. "The energy here is great. People are welcoming, and they were ready to buy, which is encouraging. Since we are at the end of the buying season, you're not buying inventory unless you are optimistic, and I sensed a lot of optimism here."

Doug Young, executive vice president for Schönox, felt the same vibe. "From being on the outside my impression was there was a family-like quality to their group. Now that I am here this group strikes me as one that enjoys being connected with each other; they are close-knit. That is a good sign because if they don't have the enthusiasm for each other how are they going to be enthusiastic about buying from a supplier."

As with other buying groups, Alliance is heavily pushing private label programs with their suppliers as a means for differentiation in the market. At convention there were more private programs coming online including the first one for this group from USFloors' COREtec, which introduced Elite Performance waterproof SPC. Dealers were impressed. "I love how all the information on the display is available for the consumer," said Todd Ramsey, co-owner of 3Kings CarpetsPlus Color Tile in Fort Wayne, Ind. "So many customers want to be left alone when they are shopping. They don't want to be hounded. In this case, when they come into the store they've already heard about COREtec, so they can learn a lot just by reading what is on here. These bullet points—'won't expand or contract under normal conditions,' 'dense, strong core resists scratches and dents'

and so on—are all questions people would ask. This is almost a self-service kiosk."

Shaw Floors showcased a waterproof hardwood line for Alliance Destination members that features an SPC core and wood veneer. "It's radically different," said Adam Arnquist, coowner of Arnquist CarpetsPlus Color Tile, Alexandria, Minn., who literally did a tap dance on one of the boards.

Shaw Floors is positioning the private label line against premium hardwood offerings—as opposed to other SPC products—and believes consumers will be drawn to waterproof and hardwood in one product. "It's everything a consumer wants without having to compromise," said Jared Kerstiens, regional vice president hard surfaces retail.

"Private labeling has become so important in hard surfaces because it can't be shopped online. It's more important than even soft surface," Kevin Logue, co-COO and vice president of marketing, told FCNews. He relayed that when Karndean first joined the group it didn't want its brand to be private. "But eventually they agreed, and our group has since quadrupled our business with Karndean. The program works. Vendors see a lot of value in it."

Mini Summit

Biennially Alliance Flooring holds a Summit hosted by one of its leading dealers. This up-close-and-personal look at a business has become very popular among members. At convention, a mini summit was held featuring Tom and Adam Arnquist—its 2017 CarpetsPlus Color Tile retailer of the year.

Arnquist practices what it terms "intrapreneurship." Each employee is entrusted to make decisions for the company, to take ownership and act as if they had skin in the game. The Arnquists set a revenue target each month for the team. If the target is reached—as it has been 15 consecutive months—all employees receive a bonus of an equal amount. If the target is not reached, no one gets a bonus.

Another interesting approach is how they hire people. Their top salesperson had no previous flooring experience when he joined Arnquist. In fact, the only thing he ever sold was a used pickup truck on Craigslist. "He was hired because he was a good person who was motivated and had a smile on his face," Tom Arnquist said. "We believe in hiring the right people, no experience necessary. If you asked what our unique point of difference is, I would say we are educators. We are one of the best." Arnquist invests in the latest technology to improve efficiencies, uses social media effectively and spends little on traditional advertising. "We rely on referrals and word of mouth advertising," Tom Arnquist said. "We ask for those referrals. We want those positive experiences to be heard out there in the market."