

CarpetsPlus Summit: Dealers gain key insights with in-store visit

By Ken Ryan

GAINESVILLE, FLA — Flooring retailers often talk about the value of networking and benchmarking when they attend conventions. Alliance Flooring takes it one step further with its biennial CarpetsPlus Color Tile Summit, which provides a behind-the-scenes close-up of a fellow retailer's business.

Gainesville CarpetsPlus Color Tile hosted the 2018 event. Following an introductory business breakdown session, retailers were bussed over to the store where, over a five-hour period, retailers were able to look under the hood for a close examination of Josh and Stephen Elder's store.

"There were many takeaways," said Mark Strauch, owner of Floor Craft, Colorado Springs, Colo., who hosted the CarpetsPlus Summit in 2008. "It hit us head on when we walked into their store how much sprucing up we need to do at our store. My daughter Kelli was like, 'We need to start painting when we get back.' It was all very impressive. I realized we as a business need to be getting ready for the future instead of getting bogged down in the day to day fighting fires. You gain so much from these summits."

Eric Buehler traveled from Thayne, Wyo., to Florida and was not disappointed. "The summit gives you an inside look at a business that can't be replicated by just talking about it," said the owner of a CarpetsPlus Color Tile store.

The Gainesville store is up 14.6% in 2018, according to Josh Elder, and is forecast to do a record \$6 million this year. As of Oct. 23, they were at \$5.2 million, he said.

Many dealers said they were impressed with the "culture" at the Gainesville store, which they believe stems from the example set by the owners, which then trickles down to its employees. Four of the five sales professionals at the store are commission-based, for example, save for a weekly \$150 salary for spending 20 hours in the showroom. Each sales pro works with the customer from the moment she walks into the store through completion of the installation. Along the way, the sales staff measures, does quotes, orders materials, communicates with the installation crew, conducts walk-throughs and collects the final payment.

Gainesville CarpetsPlus operates at margins that are typically above 30% (sometimes quite a bit higher; cabinets are at 40%, for example). "We treat them almost as



Summit hosts Stephen and Josh Elder welcomed other retailers for an up-close look at their business operation in Gainesville, Fla.

if they were contractors," Josh Elder said. "There is open communication between me and the retail sales guys. My guys know my costs. If I paid \$2 for it, they know I paid \$2 for it."

While a commissioned sales environment could devolve into selfish, greedy behavior, that is not the case here, Elder said. Instead, through teamwork and collaboration, the sales pros work together despite the fact that there is no "up" system in place.

"We defer to each other a lot," said Dennie Shepherd, a veteran salesman. "We're usually busy with a customer, so even if I was technically next up, in that situation you're likely to hear me say to a colleague, 'Hey, can you handle this customer?' We aren't greedy."

Ed Varnedoe, another long-time sales pro, said the team's success comes more naturally when you truly believe in the products you sell, and have the product in stock that the customer wants. "We get a lot of sales that we wouldn't have gotten because we have it in stock, which is a credit to Josh who is a tremendous negotiator. The key to stocking is to have product that your sales people want to sell; and we're not talking about the cheap stuff you'll see at Home Depot; it's product with real value here. We stock what is really hot, and it has to be something the woman wants on her floor," Varnedoe said.

For Ben Case, owner of The Carpet Collection, Lockport, N.Y., the selection of goods on the showroom floor was impressive. "There was nothing that seemed dead on the floor. From what I can tell, there is a conscious effort to put out what is new and exciting. Sometimes in my store I see something out there and say, 'what is this out here for?' There was nothing stale here."

Cabinets

Selling the project as opposed to the product is a strategy that many flooring dealers have embraced in recent years. To that end, many dealers have expanded into non-flooring categories.

The Gainesville store moved into cabinets a few years ago, seizing an opportunity after many cabinet shops went out of business during the recession. Josh Elder spearheads and manages all designs and measurements related to the cabinets. The installation component is contracted out to an independent. "Cabinets are not easy," he told members. "I lost a lot of money in the beginning. You can be 1/16 of an inch off on a flooring measurement and get away with it; but with cabinets, if you're off by 1/16 of an inch, it ruins your whole kitchen job."

If done correctly, however, cabinets can be an excellent revenue source and added value to the overall flooring business, he added.

Installation

At first glance, the installation story at the Gainesville store isn't much different than anywhere else in the industry: they use subcontractors, and their staff is getting older. But while recruiting the next generation is a concern here—as it is elsewhere—retention is not. "Our installers really don't want to work anywhere else," Josh Elder said.

His dad, Stephen, added, "We don't treat installers like second-class citizens. Without them we have no business. If the installer doesn't do well, all the work the salesman does is a waste of time. Plus, we pay our installers better than anyone else."



Members spent one-on-one time with suppliers during the Supplier Roundtable.