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Power of partnership

Retailers reveal how CarpetsPlus impacts their businesses and lives





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Getting better together

We all know the only constant we can depend on is change. Our industry continues to evolve and change at every level, and those who are most successful don't trench down but instead adjust, accept, move with and even welcome innovation.

Retail businesses that survived and thrived through the last recession all have a story to tell, but the common thread is they are better run and more diversified businesses today than before the recession.

There are a whole lot of subjective assets that a service company like ours must bring to the table to provide added benefits to suppliers, our members and their customers. Things such as improved merchandising, promotions, marketing, consumer credit, pricing advantages, product diversification and training. But, the greatest benefit by far and the thing that Jon Logue and I were most committed to when we started the company 22 years ago, was to be a conduit for the effective networking of proven ways and best practices.

On the subject of networking, it's hard to quantify this tremendous benefit on paper. Everybody is really, really good at something. Our goal was, and remains, to identify what that is and then continually share these things throughout the group. The idea is that no matter what decision one of our members is facing, no matter what their current challenge or goal involves, someone in our group has already been there and done that. If we connect them to the right person, they cross that bridge quicker and more efficiently than they ever could accomplish on their own.

We are blessed to have an outstanding group of upbeat, positive, professional, tenacious, successful and fun-loving members from across the country who absolutely love getting together and are all about helping each other in any way they can. This special edition is filled with stories on how our members have impacted each other's businesses and lives.

There is much to look forward to in the years ahead. One thing we know is we will adjust, embrace and tackle the changes much better as a group than we could ever do individually.

Thank you, members, for who you are and all that you have meant to each other. And, to anyone who is interested in learning more about how to be part of all these dynamics, please give us a call at 800.261.6456.

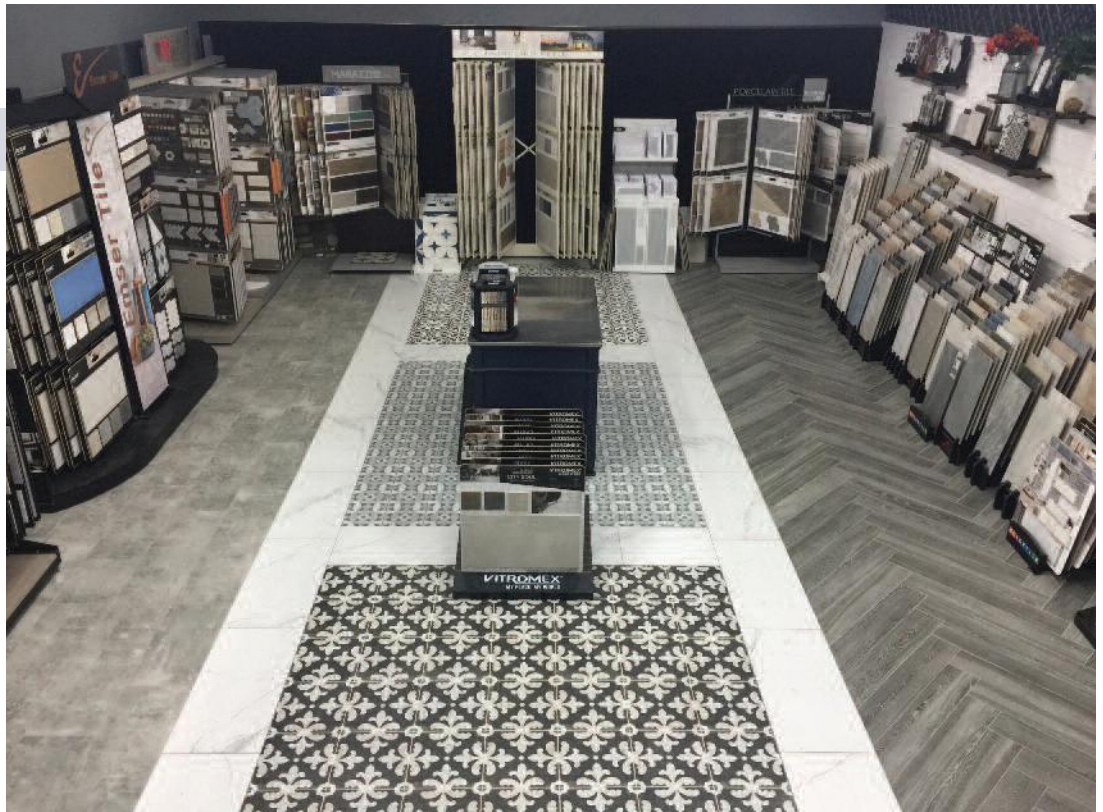
Best of success!

Ron Dunn

3 KINGS FLOORING

Fort Wayne, Ind.

Buying power is one of the biggest benefits 3 Kings Flooring enjoys as an Alliance Flooring member.



Believing in the power of the group

By Ken Ryan

The business is housed in a building more than 100 years old with plenty of warts, but lack of curb appeal hasn't deterred the denizens of Fort Wayne from supporting this flooring dealer.

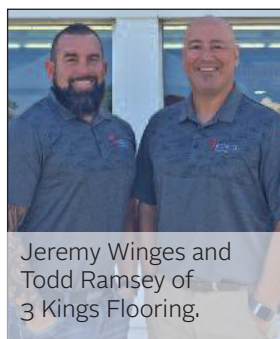
"Our business has been crazy good—I hope it continues," said co-owner Todd Ramsey, noting that commercial has been the catalyst. 3 Kings Flooring generated \$5.5 million in 2018, an especially impressive feat when considering the business employs just six people.

"We open our doors in the morning every day and ask that you work your ass off," Ramsey said. "Everyone in the building has the same goal in mind, which is to focus on the end user and hopefully—at the end of day—the customer will say they had a great experience and will refer others to our store."

Ramsey added, "I'm not the smartest guy out there. I just try to outwork

everybody else and make a living." However, he is pretty smart for having joined Alliance Flooring over 20 years ago. Today he and his nephew, Jeremy Wings, operate the business.

Ramsey said they were not looking to join a buying group when they actually decided to do so. As he explained, "The salesman who came around was a great salesperson, and he was related to the Dunns. Once we started talking to him and he mentioned Ron Dunn—who we knew from his Mohawk days—our ears perked up."



Jeremy Wings and Todd Ramsey of 3 Kings Flooring.

From that point forward, Ramsey said they never questioned their decision to join the group. When asked to name one or two of Alliance's best attributes, he rattled off several: "The power of the networking; the resourcefulness of the group; the cumulative intelligence of

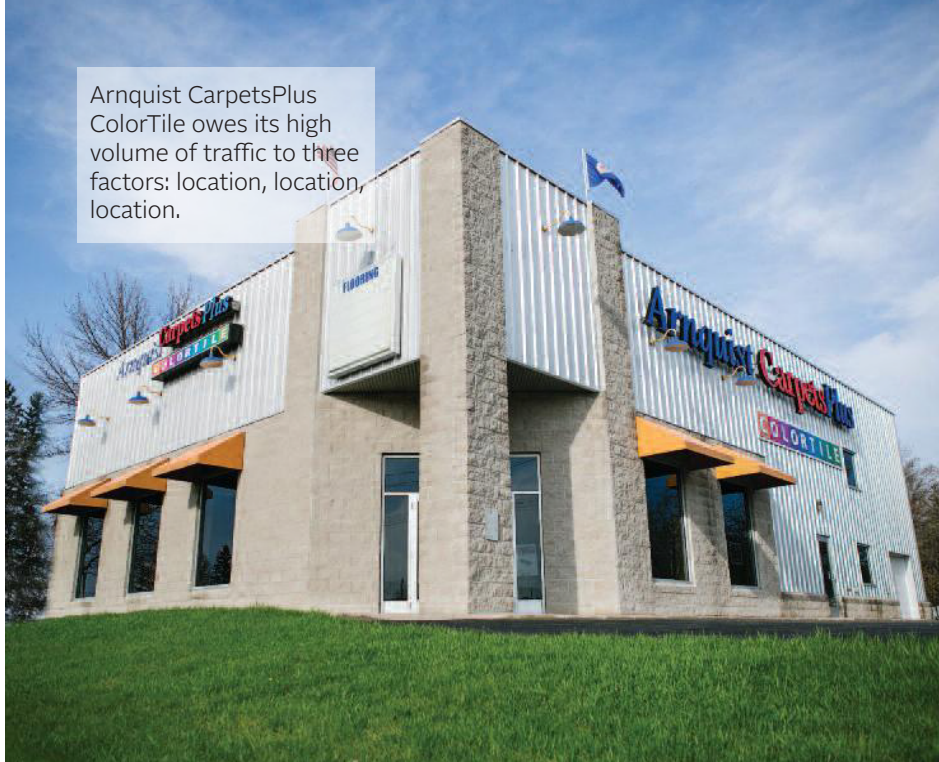
the group; and our buying power, which carries a lot of weight with the mills."

Both Ramsey and Wings sit on the buying committee of Alliance Flooring, so they are acutely aware of the power of the group when it comes to pricing, which benefits all. "The one thing we hear constantly from members—especially those who haven't been with the group as long—is this is such a welcoming group and a family atmosphere."

One common thread that binds Alliance Flooring dealers is how they value and embrace both the annual conference and the biennial summits. Ramsey said the value of the summits, in which a selected dealer opens his store to fellow members, is not something you can easily replicate anywhere else. "The discussions are an open book and extremely valuable. We have taken away from the summits more so than the conventions in some cases. There is always one or two things learned from the summits that we have implemented as a company."

"There is always one or two things learned from the summits that we have implemented as a company."
-Todd Ramsey

Arnquist CarpetsPlus ColorTile owes its high volume of traffic to three factors: location, location, location.



ARNQUIST CarpetsPlus ColorTile

Alexandria, Minn.

major developers of flooring software. As a result, they implemented Measure Square, a software that can scan blueprints and send the data needed to create proposals, and QFloors, which is an accounting software specifically geared for flooring companies.

"We had always known about them but CarpetsPlus ColorTile gave us the opportunity to work one-on-one with these vendors to learn about their products," he explained. "It is one thing to read about these products online, but it is another to talk one-on-one with the people who made them. Before we switched over, we were not nearly as effective and CarpetsPlus connected us to the right people to make that happen."

Ten years into their membership, Arnquist added CarpetsPlus ColorTile to the store name. "I know my store is still independent, but being associated with the brand is very powerful and I believe in it so much that I decided I was going to attach my name to CarpetsPlus."

Arnquist was able to upgrade to a larger and highly visible location, which exposed more people to their store signage—including the familiar CarpetsPlus ColorTile logo. "Ron [Dunn]

has instilled in us that store location is so important to a company's success," Arnquist said. "The better locations may cost more, but that exposure is important."

As Arnquist's business grew, they experienced billing issues because of the increasing volume of work. CarpetsPlus ColorTile gave him contacts to other dealers that were similar in size and doing the same level of business so they could learn how to fix those issues.

"They were able to offer advice on how we can make our billing department operate much smoother," Arnquist said. "We were able to learn from people who had experienced a substantial increase in workload but were still able to figure out a system that worked."

Streamlined merchandising delivers positive results

By Nicole Murray

Once Arnquist CarpetsPlus ColorTile joined the buying group, their first goal was to consolidate their inventory so they could more easily merchandise and market without having to meet with 25 different sales reps throughout the year.

"We are not located in a metropolitan area, so we have limited access to certain vendors and products," said Tom Arnquist, vice president of Arnquist CarpetsPlus ColorTile, Alexandria, Minn. "CarpetsPlus helped us make the connections to gain access to the exclusive products the customers wanted and the displays that made our showroom much more uniform and professional."

A common issue Arnquist had seen within the industry is consumers would rely on independent retailers for product education but then go online to purchase at a cheaper price. To that end, Arnquist focused on stocking private-labeled products which occupy a majority of his showroom floor. The exclusive collec-

tions offer aesthetically pleasing vignettes with headings that help consumers navigate their showroom floor as opposed to their previous set-up, which crammed various products with no rhyme or reason.

CarpetsPlus management also helped Arnquist revamp his online and social media presence by consistently publishing visually appealing posts of their exclusive inventory and showroom.

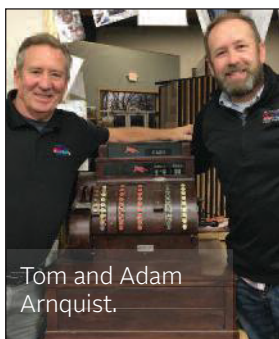
"I no longer had a bunch of mismatched displays crammed into one area," Arnquist said. "Instead, we now had a uniform floor with a consistent

design trend, and I wanted to show that off. When people saw us on Instagram or Facebook, they would think 'Wow, that is a nice store and they clearly know what they are doing.'"

The benefits of membership don't end there. At convention, Arnquist was able to connect with two

"CarpetsPlus helped us make the connections to gain access to exclusive products."

-Tom Arnquist



Tom and Adam Arnquist.

AT HOME FLOORS

Largo, Fla.

At Home Floors feel like family with other the CarpetsPlus ColorTile members.



A camaraderie like no other

By Lindsay Gonzalez

At Home Floors spent its first five years in business as a member of a manufacturer's group. Mark Stiegman, co-owner, said the decision was based on the desire to look like a big store, right away. However, five years later the partnership had run its course.

"The first group started getting a little heavy handed. They wanted us to make a bigger commitment, to dedicate more of the showroom to their products," Stiegman explained. "We just were not comfortable with that. We shopped around and found ColorTile, and we just fell in love with them."

What attracted At Home Floors to ColorTile was its a la carte-type structure when it came to products and programs. "That seemed to fit our model of operation because we had already been dealing with some small niche items that really were productive for us, and we wanted to hold on to them," Stiegman said. "ColorTile let us do that."

The group, he added, provided At Home Floors with the resources to look

like a bigger, organized store. "It has given us the most professional-looking showroom in our area. It has also helped us operate more professionally. We have done so many things that we have put in place because of what we have learned from ColorTile and the networking we have done. It has just given us a lot of great ideas, a lot of great input. And at the same time, we have been able to pass on some of our ideas to other CarpetsPlus ColorTile members."

According to Stiegman, another great benefit to joining ColorTile is the group has made At Home Floors feel like family, especially while attending the winter conven-

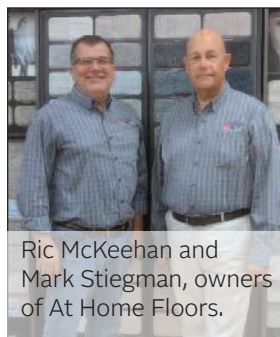
tions and fall summits. "We have made some very good connections and some very good relationships with other dealers across the country—it's instant camaraderie. We are with people who are living the same life we live. You do not get to share the good and bad too often in

your own neighborhood because you are afraid to pass on good information with a competitor that is too close. Other people in the group are not competitors and it is a very open forum, not only in some of the training sessions at convention but also every meal and every break you take."

One of Stiegman's rules while at convention is to never sit next to the same person during the event. "I never eat meals with the same people twice; this way I get to meet more people at the convention."

Along with the networking and educational opportunities available at winter convention, the fall summit provides members with the chance to learn about another member's business in great detail. "Unlike the conventions, the summits are hosted by one of the companies in our group. And those companies open up their doors like you would not believe to give their history. They basically show everything in their operation, and it is quite an eye-opening experience seeing how some of these other companies do all their paperwork."

"We have made some very good connections and relationships with other dealers across the country."
-Mark Stiegman



Ric McKeehan and Mark Stiegman, owners of At Home Floors.

It's all about the branding

As a CarpetsPlus dealer, Bob & Pete's enjoys the flexibility to choose the products and programs that suit the store's specific needs.



By Irene Ross

A strong retail brand image and consumer awareness is critical to the success of a business—especially a flooring business. So says Bob Pireu, owner of Bob and Pete's Floors in Canton, Ohio.

"We have been a CarpetsPlus member for more than 12 years," he recalled, noting the store itself opened more than 25 years ago. "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 all this still holds true today. The Carpets Plus program has definitely revolutionized our business and allowed us to stay profitable and grow."

At every message point Bob and Pete's provides a glimpse of the company's culture and emphasizes its promises to the consumer. This is all because of the marketing tools provided by CarpetsPlus ColorTile, which include customized websites complete with blogs, informational brochures and inspirational galleries—as well as ideas for promotions. There are also

videos, professionally produced jingles for radio and television spots.

Social media also plays a key role. Bob and Pete's Floors' Facebook page is peppered with motivational posts about happiness, life, nature, animals, children and back to school, with even a joke thrown in here and there. And its Instagram page shows photos for upcoming promotions.

"Social media gives us a platform to touch millennials and other demographics that our traditional advertising doesn't reach," Pireu said.

"One of our taglines is, 'Bring it home.' Our posts always touch on something about lifestyle and home."

Merchandised to sell

Shopping for flooring can be pretty overwhelming, he says, and CarpetsPlus ColorTile offers suggestions on keeping displays well organized and attractive to maximize space. One of the CarpetsPlus ColorTile product strategies is to make sure members have the best mix of carpet and

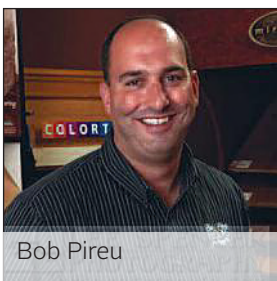
hard surface flooring. When properly organized, it saves both time and money.

"I actually have five separate rooms within one big area to highlight a specific product," Pireu explained. "This way someone who comes in specifically for one thing won't have to waste time looking at other flooring types."

From the merchandising displays to the annual advertising calendar, Bob and Pete's has utilized 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 maximize our floor space and needs," Pireu said. "Not all groups give you this luxury. We make our own decisions. If a program, no matter how good, isn't aligned with our company's business model and image, we can always decline. I feel secure knowing CarpetsPlus will lead us into the future and maintain our competitive edge."

CarpetsPlus dealers have the backing of a national firm, giving dealers like Pireu the ability to negotiate much better rates than he could on his own. Rebates are also better, he said, because of the number of member manufacturers that participate in the programs.

"I feel secure knowing that CarpetsPlus will lead us into the future maintain our competitive edge."
-Bob Pireu



Bob Pireu

THE CARPET COLLECTION

Lockport, N.Y.

The Carpet Collection sees value in leveraging the CarpetsPlus ColorTile name.



A wealth of support at every turn

By Irene Ross

Ask Ben Case of The Carpet Collection of Lockport, N.Y., what he loves most about CarpetsPlus ColorTile and, without hesitation he will say the networking aspect. "It's like one big family where everyone shares and learns from each other. I can't tell you the number of things I've picked up, whether it's about showroom displays, brochures or business practices."

The Carpet Collection, founded by Gary Case almost 35 years ago, was one of the first companies to join CarpetsPlus when it began in 1997. Ben, who came on board upon completing college, currently sits on the advisory board, which keeps an ear to the ground for product analysis, trends, tips and suggestions.

One of the best things about the networking aspect, Case notes, is learning how others run their businesses. The primary vehicle for this is the group's biennial summits, whereby a particular CarpetsPlus retailer opens up his or her store for others to visit for the purpose of picking up

pointers. On top of that, there's the annual group convention where members meet with industry leaders, view new products and receive trainings on business, financial and product.

The tools CarpetsPlus management provides is priceless. "If we have any questions at all, it's most likely covered in 'Proven Ways,'" Case said, referring to a two-volume book set where members share their secrets to success.

Another plus for Case is the fact that the CarpetsPlus ColorTile brand is well known among consumers. A nationally recognized brand name, he notes, strengthens consumer recognition and trust. It generates loyalty, which in turn creates repeat and referral business.

That's not the only draw for Alliance members. "Membership in CarpetsPlus also gives us the opportunity to negotiate better prices than we ever could as an independent," Case noted. "Our rebates and discounts are also bet-

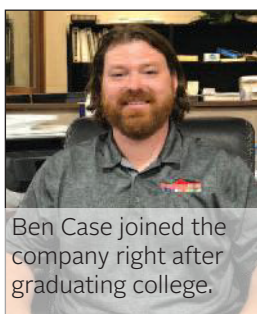
ter, because member manufacturers all participate in a promotion."

Along with that privilege comes the benefit of private-label programs. "There are deals worked out with member manufacturers so our displays just say CarpetsPlus Color Tile—and that stops people from shopping around," Case explained. "That offers us a lot of protection."

CarpetsPlus members also have access to assistance and advice on a host of issues, including merchandising, product knowledge and training. "Keeping members on the forefront of product advancements gives us a competitive advantage, and we even get suggestions on maximizing space," Case stated.

But more importantly, membership in the CarpetsPlus group doesn't mean one size fits all. In fact, it's quite the contrary. "No matter what, we're still considered independent and we call our own shots when it comes to running our business," Case stated. "At the same time, the help is there if we want it. One of the organization's core values is to help businesses succeed—and they do."

It's like one big family where everyone shares and learns from each other.
-Ben Case



Ben Case joined the company right after graduating college.



The first CarpetsPlus Summit was hosted by Carpet Town in Milwaukee.

CARPET TOWN

West Allis, Wis.

Lester and Charlotte Dubrin, recalled. "It was a better turnout than we anticipated, and the energy was incredible."

Werner shared some insight into what made her business successful during the two-day event. "You were really sharing everything you felt was a part of your everyday business," she said. "We also benefited so much from the input and networking that took place, which helped us improve our own procedures."

Since that time, Werner has taken an active role in contributing ideas and observations to the group by serving on the advisory board. "What I appreciate the most is their openness to hearing the members' concerns," Werner said. "They care about each and every member, and they realize our success together counts."

For example, Werner cited an advisory meeting many years ago where the group designed a new rack system. "A couple of us expressed our disappointment, and they went back to the drawing board and designed a new system."

Indeed, the group is flexible enough to allow members to pick and choose which elements of its merchandising program work best.

These elements were critical in 2004, when Carpet Town transitioned from a warehouse business model to a design center, Werner said. Today, Carpet Town is one of the largest retail flooring stores in the greater Milwaukee area, having won design awards from the Metropolitan Builders Association.

"CarpetsPlus was so supportive of us since part of the remodel was to also become a Stainmaster Flooring Center," Werner recalled. "They were excellent in realizing that those selling systems could cohabitate successfully. It shows how flexible CarpetsPlus is and how much they care about the success of their members."

They had me at 'hello'

By K.J. Quinn

Wendy Werner is a charter member of CarpetsPlus, as Carpet Town joined the group in 1997. "As soon as I heard about Ron Dunn and Jon Logue joining forces to create a buying group, I was extremely interested," she recalled. "After speaking with them at Surfaces, I immediately knew it would be a great fit, which it has been for over 22 years."

The marriage got off to a good start as the group provided a sanctuary against big box stores that entered her selling territory. Werner found differentiation in the product mix and private-label lines. "We get the opportunity to have racks that give us the best selection of what is offered," Werner said. "They have an up-to-date look, which is highly styled and versatile." The retail store sells everything from ceramic tile/stone, resilient and hardwood to laminate flooring, carpet and area rugs.

A major benefit cited by CarpetsPlus members is the opportunity to networking, especially during the Summits. "It gives you an entirely different perspective on other methods, systems and day-to-day business ideas," Werner said. "I could sit inside the walls of an office and think I am doing a great job as a businessperson, but there is always a lot more I could learn."

Biennially, Alliance Flooring holds a Summit hosted by a leading dealer. This up-close-and-personal look at a business has become

very popular among members. The first, held in 1999, was hosted by Carpet Town in Milwaukee at the suggestion of Werner, who saw it as an opportunity for members to learn from one another.

"It was an amazing experience," Werner, the daughter of founders

"What I appreciate the most is their openness to hearing the members' concerns."
-Wendy Werner



Carpet Town shifted from a warehouse business model to a design center.

CARPET WORLD

Bismarck, N.D.

Carpet World Bismarck boasts a 17,000-square-foot showroom with a staff that combines 130 years of experience.



Sharing information— that's power

By Irene Ross

If you talk to Jon Dauenhauer—who, along with his brother, Brian, co-manages Carpet World in Bismarck, N.D.—you'll keep hearing the word "family." It's literal, because the company was started over 30 years ago by his parents, Bob and Helen, who partnered with Jerry Kautzman, founder of Carpet World Fargo.

"As a CarpetsPlus ColorTile family member, we have easy access to industry professionals who share product knowledge and marketing expertise, all knowing they have our best interests at heart," Dauenhauer said. "Retail flooring is fast changing. Being able to rely on a network family of dealers for advice and direction when faced with a problem is a huge advantage."

Carpet World Bismarck joined CarpetsPlus ColorTile in the first 20 months of existence, making the company a charter member of the group.

"CarpetsPlus ColorTile is a business network with flooring dealers who go through the same daily battles of running a retail

flooring business as we do," Dauenhauer stated. "The common thread when talking to the network family is success for everyone. We share ideas or, as we like to call them, 'best practices,' within our family network to help each business grow."

Some of those best practices are shared during the group's Summits and annual convention. "It's great to see how others conduct business, and I always walk away with some fresh ideas," Dauenhauer stated. "We have used several ideas from showroom displays to marketing ideas."

Take the company's revamped showroom layout, for example. "I attribute our

showroom display floor concept to hearing about it at the national convention," Dauenhauer recalled. "We are a large stocking dealer and have learned the best way to sell stock is to show it so customers can actually walk on the floor before it's purchased."

Of course, it doesn't hurt that the sales team employed at Carpet World Bismarck is well trained. "We know customers can walk through our doors and feel comfortable that we will provide an educated and knowledgeable product recommendation customized to their individual situation," Dauenhauer said.

Another plus for him is the flexibility he enjoys as a CarpetsPlus ColorTile member. One of the things

he continually emphasized is the fact that every retailer in the group is considered an independent dealer and is allowed to operate their business accordingly.

"We are not required to take on a program or display that we are not comfortable with," he explained, noting that each region has its own trends. "For example, out here in the Midwest, people tend to be more conservative and are attracted to the more neutral, earthy colors such as beige. Some regions want more vibrant, bold colors."

Whatever the specific needs or market trends, Dauenhauer feels management puts him as well as other members in the best possible position to succeed today and in the future.

"It's great to see how others conduct business; I always walk away with fresh ideas."
-Jon Dauenhauer



Jon Dauenhauer

CARPET WORLD

Fargo, N.D.

History rooted in service, selection



Carpet World Fargo was one of the first companies to join when CarpetsPlus opened membership in 1997.

By Irene Ross

Bruce Kautzman, owner of Carpet World Fargo, N.D., points to one of the company's driving philosophies when he's asked to identify the reasons for its success. "All of us are smarter than any one of us."

When the company, founded by Bruce's father, Jerry, opened its doors in 1968, the concept of selling only flooring product and installation services was still relatively new. At that time, the firm had a modest 1,250-square-foot showroom, which was located in an old industrial building.

Throughout the years, the company kept doubling space. Today, it is located in a fully stocked, 22,000-square-foot showroom with 20-foot high ceilings. It services the Fargo-Moorhead area region as well as areas in both North and South Dakota and the Lake Country in Minnesota.

Carpet World Fargo was one of the first companies to join when CarpetsPlus was created in 1997. Over the next 20 months, membership grew to 200 member firms. Fast forward to today, and there are more than 400 independently owned CarpetsPlus ColorTile flooring retailers.

While the network

has grown, it's still a close-knit community, Kautzman said. "Many times you think you're the only one experiencing a certain problem or challenge, but chances are someone has found the solution to your problem. You can learn just as much from a failure as a success."

That's where the CarpetsPlus ColorTile Summits come in. Here, members completely open up their stores for other members to visit. It's all about sharing best practices—and even some failures. "I don't know anyone else in the flooring industry who does this," Kautzman said. "The organization is all about learning, and that gets filtered down to the consumer. That's added value, and it's what keeps the customer coming back and recommending us to others."

But perhaps the biggest advantage to membership is having the backing of a strong national brand like CarpetsPlus ColorTile. "It allows us to negotiate prices better than we could on our own, and members can offer better discounts and rebates because many of the

member manufacturers participate," Kautzman stated.

CarpetsPlus ColorTile members also enjoy the support they receive in the way of merchandising assistance. The merchandising team at headquarters analyzes trends and product advances and offers suggestions on making the space organized, comfortable and attractive. Programs include information about product innovations, technological advances, carpet construction and fibers and more. Members even get information on the best ways to organize and streamline their showrooms to improve the consumer shopping experience.

"Consumers base their purchases on brand recognition, so a strong presence is vital in this competitive market," Kautzman stated.

Then there's the marketing programs, which include both print and video; professionally produced jingles for radio and television spots; websites, social media programs, promotion ideas and point-of-purchase kits.

While it's all designed to help members drive traffic and sales, nothing is mandatory. "It's all here for us to utilize, but only if it fits in with our business model and plans," Kautzman said.

"We are all about learning, and that gets filtered down to the consumer."
-Bruce Kautzman



From left: Bruce Kautzman, owner; Jerry Kautzman, founder; and Terry Meyer, former manager.



Members say there's a lot of equity in the CarpetsPlus ColorTile name.

Turning risk into a big reward

By Ken Ryan

It's never easy being a retail start-up, even during the best of times. But for Jim Brown, getting started was made all the more challenging when a would-be competitor tried to keep then-Warehouse Carpet from getting started.

As Brown recalled, "When we first decided to open a store, one of the local reps said, 'I will not open you up because one of my accounts was up there in the same market.'" Fortunately, one of the other reps told Brown that if he could get into a buying group, "then no one can deny you."

When asking for a recommendation, the rep told Brown that CarpetsPlus was "by far the best group" to join. "It was the only buying group we looked at," Brown said. "The rep made quite a recommendation."

The former Warehouse Carpet, now CarpetsPlus ColorTile of Bloomington, Ill., joined the group in 2005. Brown and his brother John started out

in a 5,000-square-foot location, of which perhaps 1,200 square feet was showroom space. A year later they expanded. That was followed a few years later by a move to a new spot. "We moved from our location off the beaten path to a 3,000-square-foot space in a more prominent location," Brown said. Then, in October 2015, the owners moved to yet another space with a 5,000-square-foot showroom and 7,000-square-foot warehouse, and success followed. "There's been a lot more traffic retail-wise," he said.

Brown said the business has greatly benefited by being part of the Alliance Flooring family in terms of price negotiation and better branding. "The branding is huge with the CarpetsPlus displays. Shopability is harder to do if you don't have that [branding] behind you, because people know the CarpetsPlus name."

"CarpetsPlus ColorTile was the only buying group we looked at."
-Jim Brown

Like so many other Alliance Flooring members, CarpetsPlus ColorTile of Bloomington has taken full advantage of the knowledge and guidance of the leadership group (Ron and Ryan Dunn and Jon and Kevin Logue) and friendships with fellow members. "I am comfortable calling and reaching out to everyone with suggestions. We go to the summits and conventions. This is the only group we even considered. We talked to Ron about it and that was it. We were sold from the time we talked with him."

Many Alliance Flooring dealers appreciate the autonomy to pick and choose which displays they want, a luxury not available with other groups. "They don't force us to take on any displays if we don't want," Brown said. That said, his store is a Destination showroom dealer. As such, it takes on many or all of the new displays that are intended to elevate the professionalism of the showroom. It is one reason today that CarpetsPlus ColorTile of Bloomington is one of the group's elite flooring dealers.



John (left) and Jim Brown



CarpetsPlus ColorTile of New York benefited immensely when it changed its name to reflect the affiliation with the group.

CarpetsPlus ColorTile of NY

Congers, N.Y.

What's in a name? Pretty much everything

By Irene Ross

Bob Cowart found out early on that a name can have quite a lot of power. When he, together with Ray Alter and Ron LaGuardia opened their Congers, N.Y.-based flooring company in 1993, they were known as County Carpet. They joined CarpetsPlus in the early 2000s and one of the first pieces of advice they got from other members was to change the name of their company to incorporate the CarpetsPlus ColorTile brand.

"Were they ever right," Cowart recalled. "It automatically adds the power of a recognizable, nationally known name, which makes our sales increase. Customers keep coming back. Our business model is based on repeat, referral and recommendation, so that's important to us. Even when people see the name on our truck they take note."

There's another ad-

vantage to having the backing of a national brand—the ability to negotiate better advertising rates. "We'd never be able to do this ourselves," he said.

When the consumer sees a specific brand name many will travel all over to get the best price, he noted. "We have agreements with various manufacturers to just display some product as CarpetsPlus ColorTile. That keeps people from comparing and going elsewhere to shop."

At the same time, Cowart enjoys the fact that

he can remain somewhat independent despite being aligned with a group. "We make our own decisions and do what's best for our business," he said.

Competitive advantages

One way CarpetsPlus ColorTile of New York differentiates itself from com-

petitors, including big box stores, is through the expertise of its sales reps. "Consumers have a major advantage when they come into our showroom," Cowart said. "They always get an owner, someone with over 30 years experience. We know the flooring industry."

To help consumers make educated choices, Cowart's team makes sure it gets to the root of the shopper's needs. "We ask a lot of questions about their priorities, challenges and lifestyle," he explained. "Every situation is different, so we guide the clients so that they can make the decisions that are right for their projects."

Some situations entail educating consumers on new product trends and developments. "Congers is a river town, and up until fairly recently, moisture and carpet was a big challenge," Cowart explained. "We keep updated through the organization, learning about the technological advances with which others may not be familiar."

CarpetsPlus ColorTile of New York also keeps customers in the loop by providing additional services—something its big-box competitors can't do,

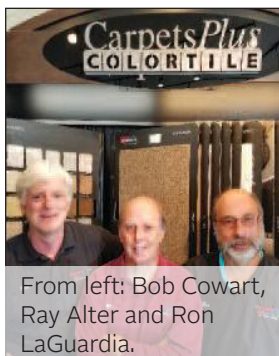
Cowart noted. Several years ago the retailers added carpet cleaning to its list of services. "While we're a flooring company, not a carpet cleaning one, we are carpet experts who not only sell it but help you keeping it looking great," he said.

The company uses hot water extraction so it breaks up dirt, but not the fibers. Cowart says that's important because those detergents found in supermarkets aren't a one-size-fits-all; in fact, some soaps can actually harm some fibers, and some stains will respond better to some soaps than others.

"At the end of the day, customer satisfaction is our main priority," Cowart explained.

"When people see the CarpetsPlus ColorTile name on our truck they take note."

-Bob Cowart



From left: Bob Cowart, Ray Alter and Ron LaGuardia.

CarpetsPlus of WINNSBORO

Winnsboro, Texas

Tony Fry learned helpful tips in putting on a successful private sale.



Everything we wanted—and more

By K.J. Quinn

When Tony Fry joined CarpetsPlus ColorTile in 2005, he went in with eyes wide open. After all, he operated a flooring dealership and worked at the retail group for several years before opening the store with his daughter.

"We had a chance to join any buying group," Fry recalled. "I chose to go with CarpetsPlus ColorTile because they're an independent group, didn't have a lot of requirements and had all the bells and whistles to be successful."

Indeed, retail groups provide members with the support necessary to compete in their local markets, a major reason why CarpetsPlus ColorTile of Winnsboro joined. "You need something to set yourself apart from the rest of the competition," Fry said. "CarpetsPlus ColorTile provides all of the resources for private labeling, displays, samples and all the technology resources."

The Winnsboro, Texas-based store is positioned as one of the top destinations for specialty flooring in Eastern Texas, providing a vast product selection

and information buyers need to make wise choices. It is also considered a model for retail branding and private-label merchandising amongst the membership.

All store branding matches, even logos on invoices, yard signs and delivery vehicles. "You have to distinguish yourself, and the way to do that is promoting your brand inside and outside the store," Fry explained.

The merchandising displays bear the CarpetsPlus ColorTile private-label, which the membership played a role in their design. "The group advisory council spent a lot of time calling us and asking what types of displays and ad campaigns we

need, and actually asking us for information they can pass on to the corporate office," Fry noted. "This helps them understand what is best for the membership as a whole."

Fry has also taken advantage of the networking opportunities available to help improve the business.

That willingness to share best practices, to help each other in need, is one hallmark of the Alliance Flooring group that stands out for store owners such as Fry. "We can discuss challenges we're facing with other dealers and talk about how they're overcoming those challenges—and vice versa," he explained. "If you learn what everyone else is doing, you may be able to implement some of those ideas into your store."

Case in point: Fry recalled advice he received from members on how to operate the warehouse most efficiently and cost effectively. "We were able to eliminate one position just because we streamlined our warehouses operations," he stated.

Another lesson learned was how to organize a private sale successfully. "There's a right way to do a large, in-store-only type sale, specific to a certain clientele or zip code in your area," he said. "You could spend a lot of dollars on invitations and maybe 10 people show up. But if you do it right, you could have 100 people show up—which sets up your business for the next six months."

"I chose to go with CarpetsPlus ColorTile because they had all the bells and whistles."
-Tony Fry



CarpetsPlus of Winnsboro promotes its brand inside and outside the store.

New name spells fresh opportunities

By Nicole Murray

Timing, as it turns out, is everything.

CarpetsPlus of Wisconsin store took on the CarpetsPlus ColorTile name shortly after becoming a member, a move that coincided with the growth in popularity of hard surface flooring. (At that time, they had just started selling hard surface products.) Management believes the name change could not have come at a more perfect time. Their new store name promoted their diverse inventory, which was pivotal to their success.

"I knew the value of the CarpetsPlus ColorTile name more so than others because when I originally operated as a carpet store, I had experienced how powerful a store name can be when it reflects the products we carry," said Michael Peters, CEO of CarpetsPlus of Wisconsin, headquartered in Madison. "We were, however, lacking meaningful experience in hard surface product marketing, and Ron Dunn and his team provided the much-needed expertise that helped us reach a very competitive standard."

Peters explains that their store layout is one of the biggest changes they have made since joining CarpetsPlus ColorTile. Years ago, the typical showroom floor functioned as a warehouse. Today, there is a need for distinct product categories and eye-catching displays.

"We increased our warehouse size so we



Michael Peters encourages his team members to share best practices with one another.

can put our best foot forward with our showroom floor," Peters said. "Now sample sizes are smaller, and everything is more organized. It has proven to work because sales will grow in the categories we showcase more prominently on the floor."

It did not take long for CarpetsPlus ColorTile, the nationally recognized name with product consistency across the United States, to bring in customers outside their area. Peters met a couple that had relocated to Chicago who had gone to a CarpetsPlus dealer in Buffalo, N.Y., prior to moving. They browsed the available product collections, made their purchases and then came to Peters' store for the installations because he carried the same collections.

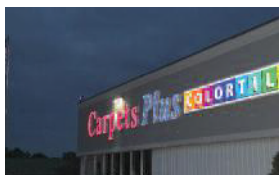
"We increased our warehouse size so we can put our best foot forward with our showroom floor."
-Michael Peters

group's biennial summits.

Peters recalls hosting one of the first summits in the early 2000s, because he felt his staff was experienced enough to share the company's best practices with others who could benefit. He has since made a point to attend other conferences and summits hosted throughout the country because they have proven to be a good opportunity to network face-to-face.

"It is another opportunity to run new ideas I had by these other industry professionals for feedback, and I would offer mine in return," he explained. "Over time, we were able to learn everyone's best practices and how they handle common situations that arise in the flooring industry. We have developed very strong relationships with about a half dozen other vendors who I could now call and ask for advice without a problem."

Sharing experiences with other CarpetsPlus dealers has benefited Peters in other ways. Through talking with other members of the group, Peters also changed his sales reps' commission structure, so they are paid whenever the company receives the money from the customer. "I discovered that I was in the minority of paying ahead of the client," he said.



CarpetsPlus of Wisconsin has reaped the benefits of aligning with a well-known group.

Building alliances

Talk to virtually any CarpetsPlus ColorTile dealer, and they will tell you how open other members are about sharing their success stories (and, yes, some failures) with other member dealers. Much of these invaluable exchanges occur at the



CLEVELAND CARPETS & FLOORS

Griffin, Ga.

ColorTile gave Cleveland Carpets & Floors the freedom to choose what it wanted to display in its showroom.

Free to make our own decisions

By Lindsay Gonzalez

Prior to joining ColorTile, Cleveland Carpets & Floors was a member of a different group, which, according to co-owner Jenny Mitchell, was not a good fit. When the store accepted ColorTile's offer eight years ago, however, the husband and wife duo instantly saw a difference.

"For us, it was a good fit because we are a small dealer and there is no pressure to buy certain samples or products," she said. "Each ColorTile store is able to purchase the products that fit for their area. Our showroom may look completely different than a ColorTile store on the West Coast. In the other buying group, the samples were required."

In addition to the freedom of choosing what to showcase, ColorTile has helped Cleveland Carpets & Floors resolve issues with vendors. "We had one situation with a manufacturer where they had discontinued a certain product because it was failing," Mitchell explained. "We

went around and around with them because we had five jobs of this product and every single one had the same issue. We had a hard time, being a small dealer, getting any results from the claims we filed. Ron Dunn and ColorTile got involved for us and went to bat with the manufacturer. The claims were handled right away. That's a big benefit for us—just having a bigger voice."

Mitchell explained that this kind of support is found not only from the Alliance executives, but the other members as well. "All the other stores are willing to help us with recommendations or needs," she said. "We had one store from Illinois help us set up our computer program so it would flow more efficiently. Everyone is always so willing to just share what works for them. That's the biggest encouragement, knowing there are people who may have small or huge stores or

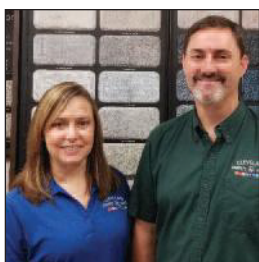
even multiple stores, but they'll always take the time to help in any way and share what's working for them."

One of the best places to network and share these ideas is at the group's winter convention, Mitchell said. "When you go to register at convention, they know your name without even asking. Immediately, you feel like you are part of the family because they recognize you."

What's more, the members are encouraged to bring family as well as other store associates to the event. "We have taken our children to convention many times. A couple of years ago we took the entire staff to convention just because we wanted them to get the experience of going and being more excited about what was going on with the group."

Another benefit to membership is the name recognition, Mitchell said. "We've had people who come in because of the ColorTile name. They may have just moved to the area, but they remember when they were younger ColorTile being the place to go."

"We've had people come in [the store] because of the ColorTile name."
-Jenny Mitchell



Jenny and Mark Mitchell realized the benefits early on.



ColorTile of Wyoming serves the Star Valley and Jackson area with quality flooring, installation and design services.

ColorTile OF WYOMING

Thayne, Wy.

Trial by fire made easier through networking

By K.J. Quinn

The route to purchasing a flooring dealership was not traditional for Eric Buehler, owner of CarpetsPlus ColorTile of Wyoming in Thayne, Wyo. He had no experience in the industry when he switched careers as a golf pro to store owner. "I was a golf pro running a golf course for 15 years prior to purchasing the store," he recalled.

The previous owners promised to train Buehler for 30 days during the transition period, but never did. So he learned on the fly. "I had a customer come into my store one day and ask for travertine," he recalled. "I didn't even know what travertine was."

But Buehler required little time recognizing the value of the group the store was aligned with. "The most important quality is the family atmosphere and networking," he said. "If I have a question about anything, I

have numerous friends who are more than willing to help me or share similar experiences they already had."

As a newcomer, the store owner had many questions, and he seized the opportunity to quickly boost his knowledge through the buying group's networking forums. "I started attending conventions and Summits about four years ago," Buehler said. "I especially like the Summits because I can see another successful store in operation."

The Summits are held in different cities and include a tour of a successful member store, group analysis of key business functions, discussions of daily challenges and finding solutions through open discussions. The information gathered from discussions with members was invaluable in helping Buehler grow

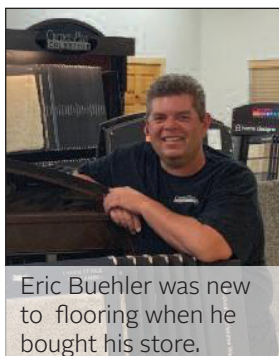
the business. "I got to see the ins and outs of their entire operations," he said. "I have learned at least one thing from each Summit that I have incorporated into my own business. Our sales have nearly tripled in the last four years."

One business operation that benefitted from the knowledge Buehler gained is marketing. The store owner utilizes a creative promotional program to boost awareness and drive more foot traffic. This includes gaining a following in Thayne via a "Find the Rock" contest run through the dealer's Facebook page.

The contest, held three times during the summer, helped Buehler connect with the local community and increase business. "I hide a rock somewhere in the area and then release clues every day on my Facebook page," he explained. "Whoever finds the rock will win \$500 cash or \$1,000 toward the purchase of new flooring."

The store, which advertises on a local radio station, leverages this media outlet so a daily clue is announced throughout the day. "It has been great publicity for us," Buehler explained. "People recognize me and do double-takes wherever I go. I even had a man recognize me and call me the 'clue guy.' The promotion has contributed to the number of Facebook likes for the store tripling since we started the rock hunts."

"The most important quality is the family atmosphere and networking"
-Eric Buehler



Eric Buehler was new to flooring when he bought his store.

CarpetsPlus of Wyoming is also the replay sponsor of every sporting event at the local high school, which provides further marketing opportunities. "During a video broadcast of, for instance, a football game—every time they have a play worthy of a replay, my logo flashes on the screen before and after the replay," Buehler said. This represents a huge number of impressions, especially for football, as the team won the state championship three of the last four years.

FLOOR COVERINGS OF WINONA

Winona, Minn.

Floor Coverings of Winona stocks a variety of flooring materials, such as carpet, vinyl tile and planks, waterproof and engineered hardwood and tile and stone.



Finding the perfect fit

By Megan Salzano

Sam Quandahl opened Floor Coverings of Winona in Winona, Minn., in 1991. After a short time, Quandahl turned to buying groups in hopes of assuaging some of the difficulties typical to flooring retail. However, six year later, he had found little success. That was when he turned to CarpetsPlus ColorTile.

"The biggest reason for the change at the time was frustrations with another group," Quandahl explained. "The attraction to CarpetsPlus ColorTile was that, even though they were the new group on the block, it just felt like they understood our business and could help us get to where we wanted to go."

The concept of being able to lean on CarpetsPlus ColorTile for specific needs, in an a la carte sense vs. taking on an entire program, was appealing, Quandahl added. "Some of the programs can be regional and might not be of interest or applicable to the group as a whole."

Today, he runs a successful store, stocking a variety of flooring materials to meet his customers'

needs. The biggest change in the business since the switch, Quandahl said, is the store is now ahead of the curve when it comes to products, pricing and merchandising. "We can set the tone vs. having to be in chase mode, which would lead to low margins and minimal loyalty type of sales."

Floor Coverings of Winona takes advantage of a number of CarpetsPlus ColorTile programs in order to continue growing. The most influential to the business, according to Quandahl, include private labeling, financing programs, website and online presence management, along with being able to negotiate unique individual product pricing.

"Not to mention just being able to get on the phone and get specific situations handled in a timely manner," he added.

Quandahl is also an avid supporter of attending the group's annual convention and summits. "Conventions and summits have always been a

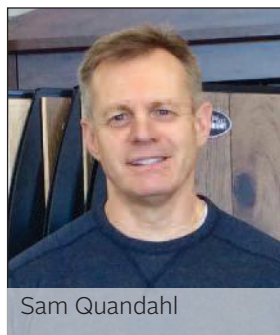
great return on investment," he said. "There is always someone doing things better or in ways not even thought about. Fellow group members are always willing to help and share their own experiences."

For the newer dealers, he added, there is a lot of low-hanging fruit such as warehouse layout, staging installers, employee retention and commercial vs. residential sales. "As a more seasoned dealer, we have evolved to the point of integrating and fine tuning our own system from the best practices of the group," he noted. "I think the group is always looking for constant improvement to all aspects of their business."

In addition to networking at industry events, Quandahl said the camaraderie of the group may be its biggest asset, as members can always pick up the phone and inquire with other members about new products, troubleshooting, promotions, installation, inventory, etc. "It is nice to be able to talk with other dealers in a similar size and geographic market as your own," he noted.

Conventions and summits have always been a great return on investment.

-Sam Quandahl



Sam Quandahl

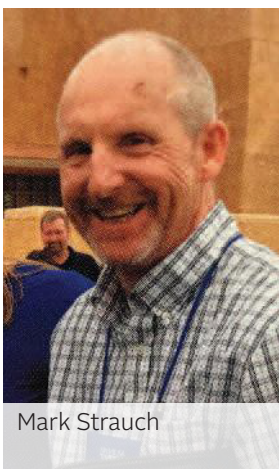
A true two-way commitment

By Reginald Tucker

Dating back to the time when FloorCraft first opened its doors in 1942, a recognizable brand name and—more importantly—a solid reputation was everything. So when it came time for third-generation family ownership to bring the business to the proverbial next level by possibly aligning with a well-known buying group, store owners were relieved to find they could keep their name (as well as their independence) by signing up with CarpetsPlus ColorTile.

"When we joined CarpetsPlus about 22 years ago, we were one of the charter members," said Mark Strauch, the present owner. "At that time my parents owned the store, and we were independent. They had been working toward the goal of succession planning, which entailed me buying them out. One of their hopes was to align with a buying group, but they were adamant about remaining independent and retaining the identity they built over the years."

Much like his grandfather, Strauch did not want the terms of his business to be dictated by someone else. That's why CarpetsPlus was a good fit for him. "Aligning with CarpetsPlus gives us the benefits of being part of a buying group but still having the independence of our company and the reputation we established in the community



Mark Strauch



CarpetsPlus has provided FloorCraft with invaluable guidance in its succession plan to the fourth generation of ownership. Pictured are Mark Strauch, left, current owner of FloorCraft, with his daughter Kelli Kadlec, center, and son, Ethan Strauch.

for so long. We researched what the benefits were for us and how we could benefit from aligning with the buying group."

The benefits come in many forms. As part of the CarpetsPlus ColorTile group, FloorCraft enjoys several key advantages, including: ready access to management; the ability to network with (and learn tips from) members near and far; and assistance in the form of product sourcing, marketing and merchandising.

Membership has paid particularly big dividends on that last point.

"Some of the more positive factors was making our company a little more professional looking in terms of the way we display our products," Strauch explained. "With the help of CarpetsPlus, we have more of a structured, uniform look; there's no hodgepodge."

FloorCraft has also benefited from the scale that CarpetsPlus brings in terms of buying power

and product sourcing. "The way management is able to meet with the mills and cherry pick some products they feel are a good benefit to the group as a whole is a huge plus for us," Strauch stated.

But for Strauch the best part of being a CarpetsPlus member is, hands down, the networking aspect. Strauch cited a recent example when he was contemplating whether he should install a new software system to better manage different aspects of the business.

"I know about three other stores that have made the change," he said. "Because of that, I know I can pick up the phone and call one of the other CarpetsPlus members to ask them if it has been beneficial to make the change, what were some of the obstacles, etc. On top of that, if I want to see how the flooring software actually works for them on a daily basis, I know any member would literally let me fly two of my people to their store and interact with them for two days—just as I would. In fact, I've had members send people up to my store just to see how we run our operation in our warehouse."

"With the help of CarpetsPlus we have more of a structured, uniform look; there's no hodgepodge."
-Mark Strauch



FRED'S CarpetsPlus ColorTile

Torrance, Calif.

Fred's CarpetsPlus ColorTile store in south Torrance spans 16,000 square feet.

A model for other members to follow

By Reginald Tucker

If there's one CarpetsPlus Color Tile retailer that embodies the buying group's signature spirit of entrepreneurship, creativity and ingenuity, Fred's CarpetsPlus ColorTile, headquartered in Torrance, Calif., would be high on the list.

Founded by former owner Fred Butler in 1946, and now managed by his son Jerry since 1969, Fred's CarpetsPlus Color Tile represents a legacy of vision, innovation and growth. The company evolved from a tiny, 800-square-foot store in Wilmington, Calif., to a two-store operation that continues to grow and prosper. Since its inception, Fred's has increased its total retail footprint and purchased adjoining properties—all prior to joining CarpetsPlus.

When Fred's Rug Service became a CarpetsPlus member in 1997—changing its name to reflect the group affiliation—it was considered a coup for the buying group. "When Jerry signed with us, another group was going after him big time," recalled Ron Dunn, co-CEO of Alliance Flooring, which encompasses CarpetsPlus ColorTile, Carpetland ColorTile and Floorco stores. "He was in the process of de-

ciding between the two groups, but thankfully he came our way; he just liked our philosophy better. Fred's was a high-volume, high-profile dealer, so it was a big feather in our cap."

The fact that Fred's joined the group in its first year was an early affirmation of the potential CarpetsPlus represented.

"When larger members are thinking about joining our group, I almost always have them talk to Jerry," Dunn said. "Jerry is able to confirm that we're not going to mandate how a dealer runs his business and that they're not going to lose any negotiating power with the suppliers. What Jerry has meant to us has been priceless."

What Butler brought to the table, according to Dunn, are ideas that he employed in his own business to ensure success. No surprise, then, that Butler was asked to join the CarpetsPlus advisor board as well as the group's board of directors. "He's a great strategic thinker who has had tremendous input all along the way in terms of supplier additions, member benefits, most of our display racks,

product sourcing, etc.," Dunn said of Butler. "Jerry is really highly respected out there on the West Coast, and everybody seems to know him. He has been a great advocate."

Of course, that works both ways. Since joining, Fred's

CarpetsPlus has taken a page or two out of other members' playbooks to improve certain aspects of his own business—namely inefficiencies in his warehousing operation. (Facing California's notoriously tight building restrictions, Butler was limited in

terms of how he could build out his warehouse.) So in 2001 the company went up—literally—by building a new, 4,000-square-foot pad loft and installation room. The new facility essentially tripled storage capacity and made room for an on-site clearance outlet offering discounts on a variety of flooring products and rugs.

The inspiration for the project came from a summit Butler attended at a CarpetsPlus member's store in Madison, Wis. "At that time, Jerry literally had to take product out of the warehouse into the back parking lot and move the merchandise in and out

"Fred's was a high-volume, high-profile dealer, so it was a big feather in our cap."

-Ron Dunn

Fred's CarpetsPlus has expanded several times over the years.

every day," Dunn noted. "So when he saw Mike Peters' operation, he said, 'Man, I could do it like this.' He went back to his business, designed a warehouse and built it higher. A year later we asked Jerry to hold a summit to show everyone what he did."

The expansion didn't end there. Back in 2012, Butler opened a second location, Fred's CarpetsPlus South. Three years later, he moved from that location into a state-of-the-art showroom on Hawthorne Blvd. "Butler purchased the store from a competitor in town whose owner was looking to retire," Dunn said. "The former owner wanted Jerry to own the business. Now he has two stores in Torrance—on both the east side and the west side—that do a high volume of business."



Fred's CarpetsPlus ColorTile's history is peppered with milestones. Past honors have included selection as Southern California Flooring Retailer of the Year by the World Floor Covering Association and National Retailer of the Year by CarpetsPlus of America. The business was also voted "Best Carpet Store in the South Bay" three consecutive years by the readers of the *Daily Breeze*. The company also inducted 10 staff members to its "20

Year Employee" club.

"Our sales, operations, installation and management team is among the most experienced, innovative and respected in the industry," Butler said. "Our core values are founded in integrity, teamwork through trust, respect and accountability at all levels with a commitment to continuous improvement, providing community service with customer enthusiasm and an insatiable appetite to winning."



Karndean Designflooring is a proud Alliance Group supplier

At Karndean, we see flooring differently. Our Alliance Group retailers are more than customers - they're family. We provide a way to increase margin, gain repeat customers and have a protected way to grow your business. Thank you for joining us in Seeing Flooring Differently.



Salvaged Barnwood SM-RKP8209

Not just a group, but a true business partner, too

By Lindsay Gonzalez

Gainesville CarpetsPlus ColorTile became a member back in 2005, after 27 years of operating as an independent business. At the time, the store's owners Josh Elder and his father felt—with all the changes going on with the economy—it was time to join a group.

"We met with the different groups, and we just felt Alliance Flooring was a really good fit for our business and the direction our business was going," Elder explained. "They let you run your business. They don't limit what you do or what you sell. They're more of a business partner. We wanted to keep running our business the way it was but have some help, and that's what they offered us."

Three years after joining the group, the flooring retailer built a new building. Its original showroom was a small, renovated building that was previously a gas station. "We traveled around to a bunch of CarpetsPlus stores and looked at what they were doing and came up with some ideas that we thought made sense and would work for what we wanted," Elder added. "The new building has given us a bigger presence in town. Our old store was 2,500 square feet. We went to 7,000 square



Gainesville CarpetsPlus ColorTile hosted one of the fall summits, inviting other members to see the inner workings of its day-to-day operations.

feet, so we had more product to offer customers and a nicer, newer showroom for shoppers."

With this new showroom, Elder said the store was able to capture high-end customers, which it wasn't able to do in the smaller location. "It also created a lot of consumer confidence," he said. "A lot of our customers were shocked when I started building in late 2007-2008. My dad even told me we were crazy, but through the recession our business grew every year. I never went down."

In addition to being a member of CarpetsPlus ColorTile, Elder is also on the advisory board, which he said has been a great experience for him.

"In October, the advisory board goes to Chattanooga, [Tenn.] with corporate. We go to the mills and look at samples, displays, programs and offerings. We help design displays; we help select products we think will be a good fit for our group.

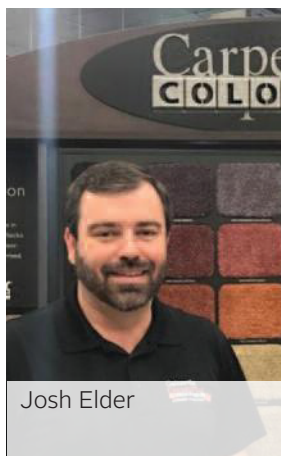
Our advisory board is very diverse. We're from all different parts of the country—some big stores and some smaller stores."

Gainesville CarpetsPlus ColorTile has also hosted one of the group's fall summits, inviting all the other members to see the inner workings of its day-to-day operations. "We got a lot of positive feedback," Elder said. "We also got some great constructive criticism—things that people saw when they were looking at our store and our business model. It's just a really cool experience in that regard."

Elder described the group's conventions and summits as family get-togethers. "Every year we have a family reunion and we all get together and hang out. We all have a great time together and learn a lot and then go back to our businesses energized and recharged."

What's more, Elder explained that he is constantly looking to connection with other members while traveling in the U.S. "Anytime I travel somewhere I look and see if there's a CarpetsPlus dealer in that town. If so, I'll stop by and see the owners."

"They let you run your business. They don't limit what you do or what you sell."
-Josh Elder



HOOSIER FLOOR COVERING

Bloomington, Ind.



In 2008, the Doughertys doubled the size of their showroom to 20,000 sq. ft., with the an additional 10,000 sq. ft. dedicated to warehouse space.

From humble beginnings to multi-faceted retailer

By Ken Ryan

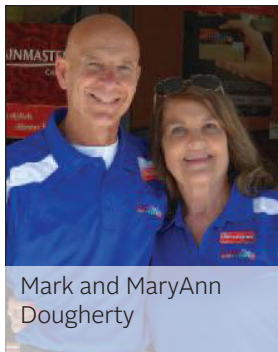
In 1994, MaryAnn and Mark Dougherty started their flooring retail business in a small room that was a side entrance to a warehouse. "It was probably only a 12 x 12 room," Mark Dougherty recalled. "We used an old door spread across a couple filing cabinets as our desk."

From humble beginnings came great things as the Doughertys slowly built their business before reaching a critical juncture in their history—i.e., whether to join a buying group or not?

Hoosier Floor Covering was fiercely independent, which was one reason it was initially reluctant to join any group. And there were several interested in engaging the Doughertys as far back as 2001. "We didn't want to belong to a group that tried to tell us how to run our business or set up our showroom," MaryAnn said. "Alliance Flooring had the least amount of restrictions on

how we could run our business."

At the time, Hoosier Floor Covering was predominantly in the commercial and builder business. However, they were interested in expanding more into the retail side. The turning point for them was attending a summit in Wisconsin, hosted by Mike Peters. "Once we attended that summit, we felt it was the right fit," MaryAnn said. "The retailers who were there—and the Alliance team—were great, very honest and forthcoming with how their business operated."



Mark and MaryAnn Dougherty

When the business moved to a larger location in 2003, it decided to use the CarpetsPlus ColorTile name for its storefront. "We were known before as Hoosier Floor Covering, which is our incorporated name," MaryAnn said. "We felt the name recognition of a nationally known

brand would help with our retail business. We also opened a satellite location in 2006 on the south side of town, and in 2007 we opened another location in Martinsville."

The Doughertys didn't stop there. In 2008 they doubled the size of their showroom to 20,000 square feet with an additional 10,000 square feet dedicated to the warehouse. "Unfortunately, in 2008, we lost our Martinsville store to a flood and we did not reopen that location," MaryAnn said. "We eventually closed the smaller location in Bloomington, mainly because everyone wanted to go to our big location."

What makes their showroom stand out, according to Mark Dougherty, is the great selection they offer and the customized CarpetsPlus ColorTile racks. "The racks are attractive, and we are able to offer great pricing due to Alliance's negotiations with top vendors."

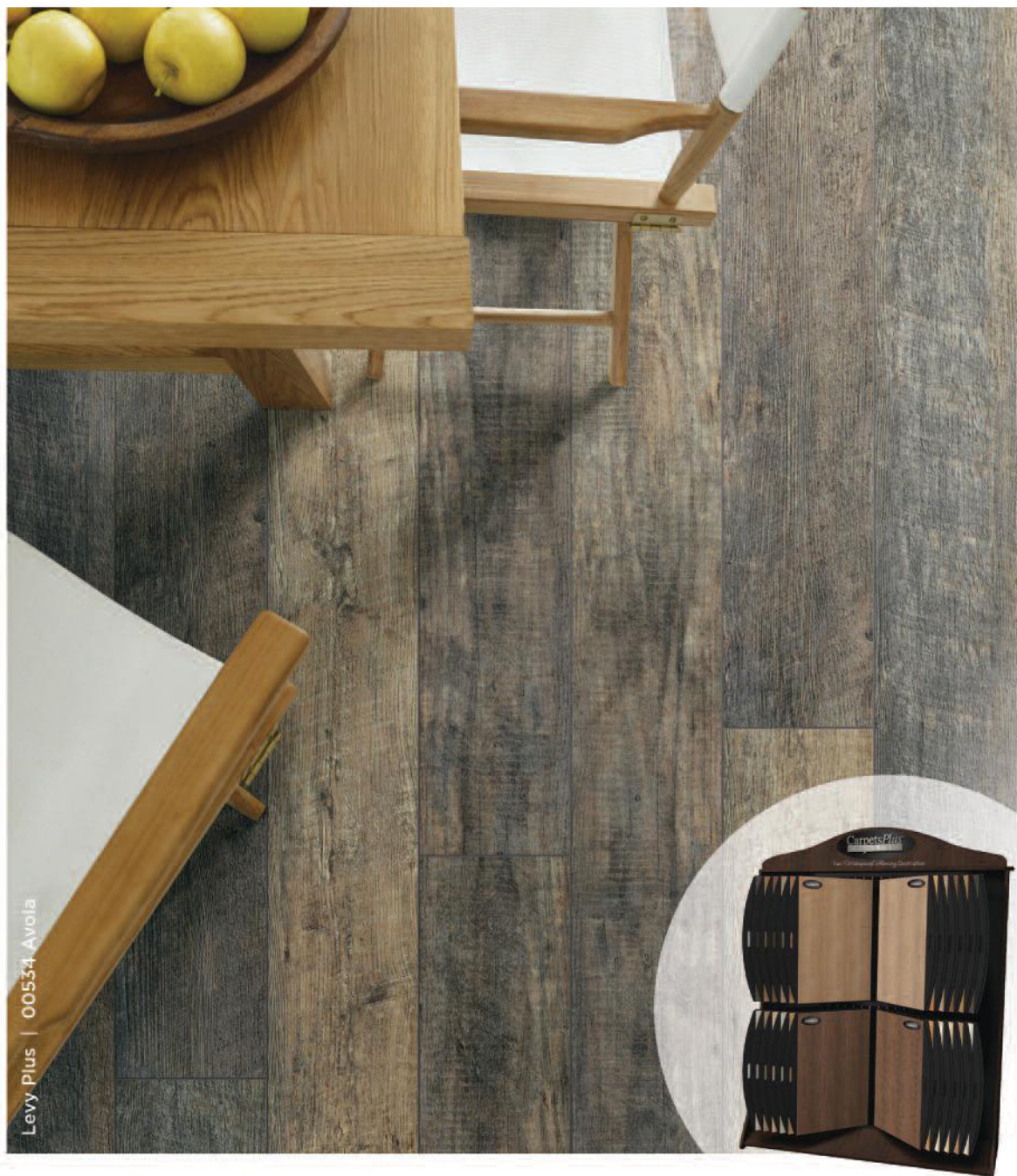
For any small business, attending a convention means either closing up shop for a few days or taking key personnel away. The Doughertys believe it is important to have their best people network with other stores' staff/owners. "We all have many of the same issues and it's great for them to have other stores' input and to see how other stores are run," Mark said. "At convention, they get to hear motivational speakers, meet vendors and learn more about the new products."

Nearly 20 years after joining forces with Alliance Flooring, the Doughertys say there is no doubt they are a better business because of it. "We have a network of peers we can reach out to for any reason," MaryAnn said. "Our showroom is more organized and polished looking with the updated displays, we get great rates on financing that we can offer our customers and each year at convention they bring us the latest news of the current trends."

"We have a network of peers we can reach out to for any reason."
-MaryAnn Dougherty



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COLOR DESTINATION

JAMES FLOORING

Springfield, Ohio

James Flooring boasts a large variety of flooring in stock and ready to install.



A business partner that's fair and square

By K.J. Quinn

Brandon James, owner of James Flooring, joined CarpetsPlus ColorTile 13 years ago after evaluating the pros and cons of competitive groups. "One of the biggest benefits is CarpetsPlus is constantly looking for new ways to increase their value to their members, and they are always fair," he stated. "CarpetsPlus doesn't force you to take on new displays, sign up for new fees or automatic updates."

James Flooring positions itself as more than just the average retail flooring dealer, with a sales staff and installation professionals who make the purchasing cycle a breeze for consumers from start to finish.

The store, which operates locations in Springfield and Lima, Ohio, benefits from the many perks available from the CarpetsPlus group, including access to exclusive products at competitive pricing. "We thought their across-the-board pricing

is fair," James said. "We also needed someone who could make our showroom more unified and coordinated, with vendor displays looking different from one another."

To that end, the store bought into CarpetsPlus' Destination Showroom concept, which enabled it to accomplish its merchandising goals and much more. Dealers have the option of taking on any of the elements they choose. The 7,000-square-foot showroom displays everything from bamboo and glass tile to hardwood, car-

pet, resilient and laminate flooring. James Flooring claims to be among the largest stocking dealers in the Clark and Champaign county area.

"We are really like a unified showroom, and CarpetsPlus makes it easy to do that," James said. "We have new, adjustable

private-label displays."

The merchandising system enables the retailer to show a wide variety of soft and hard surfaces from multiple vendors while maintaining a coordinated look. "We have everything from brand names to special deals,"

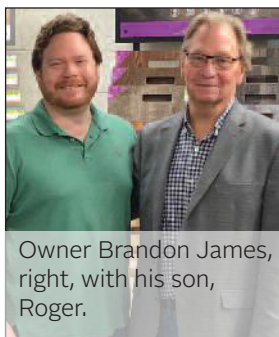
James said. "You will also see various products we have installed in the showroom. All of the labeling and point-of-purchase displays go together very well, and everything looks very professional."

According to James, the core product strategy of CarpetsPlus is continuous development to ensure members always have the best of the best product mix in carpet and hard surfaces. This includes assistance in identifying the right styles for a member's selling territory that will help the store succeed.

"You really only have to focus on the select styles you want to run with in your store," James observed. "You're also getting very aggressive pricing on certain styles."

"We are really like a unified showroom, and CarpetsPlus makes it easy to do that."

-Brandon James



Owner Brandon James, right, with his son, Roger.

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Inaugural CarpetsPlus member passes the torch



MacCheyne's CarpetsPlus grew sales from \$60,000 when it joined the group in 1997 to \$6.5 million when it sold the business last year.

By Reginald Tucker

It's not every day that a flooring retailer makes such a smooth transition from independent dealer to member of a buying group. It's even rarer when that retailer gets in on the ground floor as the very first member of said buying group.

Such was the case with MacCheyne's CarpetsPlus, based in Fairbanks, Alaska. In 1997, the retailer—then an independent—was seeking opportunities to grow the business at a time when consolidation across the industry was taking hold. "This was member No. 1," recalled Ron Dunn, co-CEO of Alliance Flooring, which encompasses Carpets Plus ColorTile, Carpetland ColorTile and Floorco stores. "This was a dealer who was doing \$60,000 a year when it joined the group and ultimately grew that business to \$6.5 million."

While Dunn would like to take credit for the dealer's dramatic increase in sales since it joined the group, he attributes much of the retailer's good fortunes over the past 20-plus years to the vision and forti-

tude of the original owners, John and Wendy MacCheyne. "John was able to grow the business because he networks so well and really learned a lot from the other members and what they were doing. He then applied those lessons to his store up in Fairbanks."

Dunn also believes the MacCheyne's early successes encouraged the dealer to take more risks. "I believe it emboldened John a little bit just by being around other suc-

cessful retailers," Dunn recalled. "He stepped out and did some things that were outside his comfort level initially."

One of those risks entailed going after government work, which can be tricky to navigate. But the MacCheynes were not deterred. "There's a military base up there, so John decided to give it a try with some encouragement from other members," Dunn stated. "Now he's doing all their work."

Wendy MacCheyne, who served as president of the company before its eventual sale of the business late last year, recalled the early days. "John had installed flooring for about 15

years by the time we joined 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, co-CEO. 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."

For the MacCheyne's the timing to join the group was fortuitous, as the new owners needed assistance in a variety of areas to grow the business. This included everything from access to new products, more aggressive pricing, better display options, advertising and promotional vehicles and, eventually, consumer financing and website hosting services. But that wasn't all. "Networking with other members proved to be a huge asset to us as we worked at building a business from the ground up," Wendy MacCheyne noted. "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."

Now, in an ironic twist, the new husband and wife team that pur-

"We signed up as one of the first members and have never looked back."
-Wendy MacCheyne

John and Wendy MacCheyne were the first CarpetsPlus members.

chased the business from the MacCheynes last year also specialized in installation services. "The new owners [Sharon Cherneva and her husband] owned an installation house; they were handling some of their installations so they were familiar with the MacCheynes," Dunn said. "She's now running the business and he's managing the installation crews."

In much the same way that the MacCheynes were able to quickly prosper early on, the new owners are in a similarly well-placed position. "Throughout the years the MacCheyne's enjoyed a steady growth of business, and when it was time for them to retire we helped them sell the business," Dunn said. "We talked to the new owners about the support



that would be there, and John MacCheyne was able to help the new owners secure financing."

If that wasn't enough, the new owners also have long-term employees on board, some of whom have

been with MacCheynes for more than 20 years. So a lot of continuity of the business remains—just new ownership. "They have the support system of a national group, so that bodes well for them," Dunn said.



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MONTGOMERY'S CarpetsPlus ColorTile

Venice, Fla.

A family affair. From left (back row): Vern, Mike and Missy Montgomery. Front row, from left: Courtney, Beverly and Mark Montgomery.

A leap of faith—and a solid business plan

By Reginald Tucker

There are not many success stories that begin with a business plan drawn up on a napkin at a diner. But then again, Montgomery's CarpetsPlus ColorTile is not your average retail story.

To hear Mike Montgomery, owner and vice president of the Venice, Fla.-based retailer tell it, it sounds like the makings of a traditional succession-plan story: Dad owned several flooring businesses to support his family, which included two young boys. But when the family moved to a new city, dad sold the businesses and earned a living managing other people's flooring stores—one of which was an Abbey dealer; the other a Carpet One store.

As the boys grew into men, Mike Montgomery started a career in the retirement center business and became an executive director of a leading firm at the age of 29. But it was neither fulfilling nor rewarding. "I wasn't being paid what I deserved or treat-

ed like I deserved to be treated," Montgomery recalled. "So I suggested to my dad that we needed to start our own business. My dad, who was running someone else's stores, dealing with all the headaches but not making the money, actually advised against opening a flooring store."

Mike Montgomery persuaded his father, Vern, along with his brother, Mark, to reconsider. Dad agreed but added a caveat: "You can't be a mom-and-pop store," he said. "You need to belong to a buying group because the groups have more power."

At the same time, Vern didn't want to be a part of a buying group that force-fed the dealers products and programs and discouraged independence. So he did his research and made a phone call to a guy he knew in Cincinnati. "His name was Ron Dunn," Mike Montgomery recalled. "Ron said the group was going to basically let us run our own thing, run own business, pick and choose our own flooring products and programs."

Excited by the prospect, Vern and

Mike hit the road to meet with Dunn over a meal. "We drove down that night, spent the night in the parking lot and met Ron the next afternoon," Mike recalled. "We essentially drew up a business plan on a napkin during lunch. Based on what we heard, we said we're in and we'll figure out the details later."

That was 1998, a time when CarpetsPlus was in its infancy. "They hadn't even opened an office at that time," Mike Montgomery said. In September the following year Montgomery's CarpetsPlus ColorTile officially opened its doors. Over time, the company moved into a larger facility across the street, purchased its own building and built a business that does about \$6.5 million in sales.

Recession proof?

While many flooring stores focus most of their attention on the see-saw residential replacement market—with perhaps a little builder/new home construction business sprinkled in—Montgomery's CarpetsPlus ColorTile takes a different approach. Utilizing skills he learned as an executive director of a retirement center operation, Mike

"You need to belong to a good buying group because the groups have more power."
-Vern Montgomery

Retirement centers account for the bulk of Montgomery's business today.

Montgomery has built a business anchored on retirement communities and homes in the Florida area—considered by many to be a retirement mecca.

"I took what I knew from the retirement center side of the business and applied it to our flooring business," Montgomery said. In fact, he has penned numerous articles instructing his CarpetsPlus compatriots on how to get a piece of that business as well. "You make great money and it's repeat business. You have to basically renovate the rooms anytime one of the tenants passes on. I wouldn't say that it's completely recession proof, but it's pretty close."

When Montgomery's CarpetsPlus ColorTile first opened, 70% of its business was retail residential with the re-



mainder being commercial. And despite all the new home construction activity taking place in the region, Montgomery doesn't chase any of it. "We don't get into the builder business," he said. "There are probably about 5,000 homes going up around me as we speak, but I don't want it. I

don't like the margin pressures in the builder business coupled with the fact that they hold your money until they sell the house to pay for the next one. And they want everything cheap and free. My guys are busy working making 40% to 50% margins, I don't need to work for 18%."



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ROCKY MOUNTAIN FLOORING

Twin Falls, Idaho



Rocky Mountain Flooring is expanding into a bigger building.

A group that has your back

By Lindsay Gonzalez

Before owning Rocky Mountain Flooring, Brent Compton was with a different company for 27 years. When he left to start his own store, Compton walked away without a dime in his pocket to get the business going. Compton's store has been a CarpetsPlus Color Tile member since 2015.

"Ron Dunn, [CEO, CarpetsPlus ColorTile], actually called me, and I had no clue who he was," Compton recalled. "The day he called I was sitting in my office—at the time we couldn't even afford office furniture—so I was sitting on a 5-gallon bucket that I got out of the dumpster. Ron was asking me questions and I thought he was just a sales rep for CarpetsPlus. I told him, 'Oh yeah, I'll get back to you, no big deal.' And when I finally did a week or two later, I realized who he was."

Prior to joining the

group, the retailer was a member of a different buying group—one that Compton explained was very different from CarpetsPlus. "I didn't really have the relationships like I have with the CarpetsPlus members," he said. "Any time they need something they call. Anytime I need something, we get together and everyone is out to help each other. If you're not in a buying group, I think you just get lost in your day-to-day business and don't realize what you need to change and what you need to do."



Rhonda and Brent Compton

One of the biggest values of partnering with CarpetsPlus is the networking opportunities. "When you go to the conventions and talk to the other members, or when you go on our CarpetsPlus website, you can see the ideas that everyone else is throwing out there in their

communities," Compton explained. "For instance, there is a member who does a rock hunt. I was always trying to figure out different ideas of what to do and then I'd get busy and forget. When I saw what he was doing we put together a rock hunt and it really brought the community together. It's amazing how many followers we have when we do the 'Rocky Mountain Flooring Rock Rescue.' It's also amazing how many people respond, come to see us and get excited."

In addition to sharing ideas, Rocky Mountain Flooring is sharing services with another CarpetsPlus member. "We have a CarpetsPlus member in eastern Idaho that does excellent design work when it comes to Karndean Designflooring and their glue-down flooring," Compton said. "They do designs and border work; it's amazing what these guys can do. They've teamed up with us because no one offers that in our area. They're going to work with us to really make some of these homes look unique."

Rocky Mountain Flooring is also in the process of building a new showroom—right across the street from a Home Depot. Is Compton worried about competing against the big box? Not at all. "We want to help the customers who go in Home Depot who don't get the service the help they really deserve," he said.

Compton has big plans for growth. "My goal is to never be the biggest, but I just want to be the best in town. We're building a 10,000-square-foot building with our showroom and warehouse attached. Hopefully, we can service a lot more people compared to where we're at now. Our current showroom space is about 1,800 square feet, and we're going to have about 5,000 square feet of showroom in the new place."

"If you're not in a buying group, I think you just get lost in your day-to-day business."
-Brent Compton

SMIDDY'S CarpetsPlus ColorTile

Terre Haute, Ind.

Smiddy's CarpetsPlus has been able to thrive thanks to the support and guidance from Alliance Flooring.



In Alliance Flooring they trust

By Ken Ryan

To say Dan Smiddy was reluctant to enter the hard surface arena back in 2000 would be an understatement. His 5,000-square-foot showroom in Terre Haute, Ind., featured a single 10 x 10-foot area for hard surface products. "Obviously, we were not hard surface oriented at all," Smiddy said.

That all changed when Dan and his father, Bill (who retired last year) joined forces with Alliance Flooring. As Dan explained, "As soon as we joined, there was such a push toward hard surface. They were bringing racks in along with new suppliers all the time. It was fortuitous for us as it turned out. We just rode the wave."

Today, Smiddy's CarpetsPlus Color Tile is two-thirds hard surface. While the showroom was transforming, so was the business, which has doubled in revenue since 2000. Much of that success is owed to being with Alliance Flooring, Smiddy said. "We

were fiercely independent before we came in. I would say we were reluctantly pushed to join the group. We are from a small town in Indiana and are not that forward thinking. We have one store and eight employees."

When asked to name one or two standout benefits Alliance Flooring provides, Smiddy said there is so much he values in this buying group that it can't be limited so easily. "They help us keep our finger on the pulse of the industry. There was something about [co-founders] Ron [Dunn] and Jon

[Logue] when they came in and gave us the pitch that convinced us. I don't think we would still be in business if it weren't for them."

In Terre Haute, two flooring stores in the past five years have gone out of business. Smiddy believes they could have been a

victim as well were it not for the guidance and resources of Alliance Flooring, which has allowed his business to not only survive but thrive over these years.

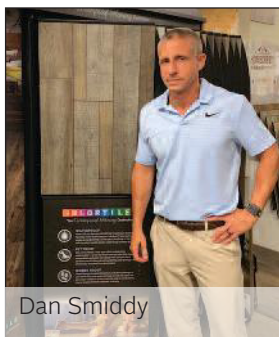
Succession planning

For 40 years, Bill Smiddy ran the shop. Dan got his feet wet in the business by sweeping floors from the time he was nine or 10. Now he runs the business. Dan said the sessions Alliance offers on finances and succession planning during conventions proved beneficial in 2018, when he succeeded his dad. "The great thing about

Alliance is how the company is structured," Smiddy said. "You have Ron Dunn and Jon Logue and their sons, Ryan Dunn and Kevin Logue, as the executive team. So, we know succession planning because they know."

Smiddy said the financial planning he received also helped as he tried to get his business affairs in order. "As a result of the sessions our margins are much higher than they used to be."

"They help us keep our finger on the pulse of the industry."
-Dan Smiddy



Dan Smiddy

Coming through when members need it most



Stacey Pape flanked by Ryan Dunn and Kevin Logue.

By K.J. Quinn

During the 2016 CarpetsPlus ColorTile summit in Pittsburgh, Stacey Pape, owner of SP Floors & Design Center, shared her perspective on why she joined the group. "You can only fly by the seat of your pants for so long, but there comes a time when you want to deal in volume and you really have to understand how one thing affects another—and that's what I think these summits are all about."

That's essentially why she joined CarpetsPlus. "They give us the tools to succeed as a large or a small store," Pape recalled.

According to Ron Dunn, co-CEO of the group, Pape initially joined CarpetsPlus during its launch at Surfaces in 1997. "She then rejoined our group immediately after leaving the family business and starting her own venture in 2010," Dunn recalled. "When Stacey decided to launch SP Floors, CarpetsPlus immediately engaged to help in the decision process for the best site and then set up a complete private-label showroom the same week the lease was signed."

That year, Pape opened SP Floors inside a building near Pitts-

burgh that formerly housed a Ford dealership. In a short period of time—and in the depths of the recession when major flooring dealers in the area were shutting down—Pape transformed the inside into a design center with a separate contractor's showroom. The store later purchased and moved into a former Ethan Allen Furniture Store in McMurray, Pa., which more than doubled the showroom size, making it one of the largest flooring dealerships in the area.

The 12,000-square-foot store includes a builder selection center specifically for new construction and a division for various ranges of commercial work. "What's really nice about it is we're able to help the homeowner pull it all together in just one place," Pape told FC-News at the time. While the initial set-up for the builder selection center took some time, she said it all works seamlessly in the end.

SP Floors unveiled the group's first fully furnished Destination showroom in 2015, which Pape was involved in de-

signing, starting as a carpet boutique within the showroom and expanding to include hard surfaces and displays that emphasize fashion and color. "What they were able to accomplish in transitioning that store with a three-

month deadline is one of the hall-of-fame moments in CarpetsPlus history," Dunn stated.

"It turned out so incredibly well and makes such a strong statement."

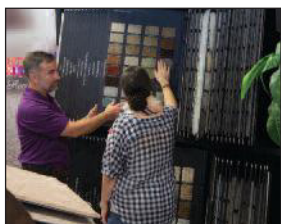
In reflecting on the implementation of the Destination format in October 2016, Pape said she wanted to create an environ-

ment that was more fun and enjoyable for customers. "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 hosted the CarpetsPlus ColorTile summit in 2016, during which time Pape opened her showroom for the benefit of the group. In the opening session, the store owner shared some background on how she got her start.

The following year, the store was recognized for its success when CarpetsPlus ColorTile named Pape its retailer of the year. Today Pape is an active and influential member of the advisory board.

"They give us the tools to succeed as a large or a small store."
-Stacey Pape



Alliance helped Pape redesign her showroom the same week the lease was signed.



THE FLOORING CENTER

Independence, Ky.

While CarpetsPlus does not demand a certain layout, it does offer layout expertise to its members.

expertise. "You tell them what you want, and they have people who can design the showroom and set it up," he explained. "It was a pretty easy transition. I was impressed with that."

In the past two years, Messmer has tapped into the advantages of the group's buying power. "You have products that others don't have—private label," he said. "And you can buy them at a better price. Our prices came down and margins went up."

The products and programs are not the only resources for Messmer. The summits and conventions have also become invaluable. "The summits are always at someone's store or multiple stores," he said. "They share all of their secrets with you."

You can ask questions, walk through the warehouses, see what systems they have in place, what time their installers come in. It might make you think about redesigning your showroom—we changed some of our displays because of it."

That camaraderie among group members is not limited to the summit or annual meetings, Messmer added, and members often speak throughout the year to learn and grow from one another. "We keep in touch," he said. "Everyone gets along. We're not enemies, we're just trying to help each other. Family is the word they use, and it's true."

Messmer said joining CarpetsPlus ColorTile is key to the future of an independent retailer. "I don't feel like we're out on an island by ourselves anymore. I can always walk across a bridge and get help."

Bridging the gap to success

By Megan Salzano

Bob Messmer was an industry veteran when he purchased The Flooring Center in Independence, Ky., in 2011 with his business partner, Tim Strong. The store was one of several locations operated by The Flooring Gallery located in Louisville, Ky. Several decades earlier Messmer had actually helped The Flooring Gallery open the area for business and was fully aware of the store's potential when he made the purchase. Fast forward to 2018—one year after joining CarpetsPlus ColorTile—and the store took home the group's Outstanding Growth award.

Messmer's path to success was anything but simple. "Tim and I were out there by ourselves," Messmer explained. "After we bought the store, most or all of our products went away because they were private labeled. We had to take on products that were just running lines."

In 2017, after years of going it alone and based on experience with other buying groups that didn't

seem to fit the store's needs, Messmer attended a CarpetsPlus ColorTile summit in Oregon to survey members about the group's opportunities. "Everyone seemed to be really happy with the process," he said.

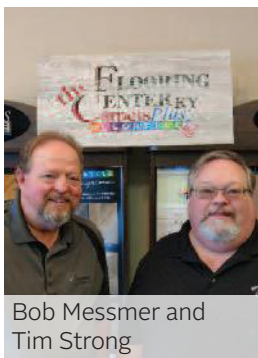
With a thumbs up from its members, Messmer dug deeper into the group's policies and found a solution that fit. "You're not forced to buy all the displays," he said. "And, they will let you leave the group if you want—there's no stipulations on that."

Finally, Messmer was ready to commit. "We now have someone we can go to if we have a problem; someone on our side to get us through a problem with a flooring product or something we feel is wrong."

Initially, Messmer took advantage of the group's skill with showroom design. While CarpetsPlus does not demand a certain layout, it does offer layout

"Members often speak throughout the year to learn and grow from one another."

-Bob Messmer



Bob Messmer and Tim Strong

TOM'S FLOOR STORE

Bozeman, Mont.

The freedom to pick and choose product offerings is a plus for Tom's Floor Store.



Peer support makes all the difference

By Nicole Murray

When Lisa Branch, manager of Tom's Floor Store, Bozeman, Mont., was first contacted by CarpetsPlus ColorTile, the state of their business was, in her words, "in a rut."

At the time, the company was part of a different buying group, and Lisa and her father had continued to run their company the same way they had for years because it was comfortable—but not necessarily successful.

CarpetsPlus ColorTile offered Tom's Floor Store an opportunity to learn and grow via shared best practices. "They expose us to what other successful flooring businesses are doing so we can implement those ideas and continue to grow," Branch said. "We have changed our floors based on what we have seen from other CarpetsPlus members and started carrying new products because we were told they were successful."

With her previous buy-

ing group, Branch said she felt like another number. There was no freedom to make their own buying decisions. CarpetsPlus ColorTile, on the other hand, offered Tom's the freedom to choose what it purchases.

Branch was also thrilled when she discovered CarpetsPlus ColorTile's competitive price points. Before joining, she compared the price of 10 carpet products and 90% of them were up to a dollar cheaper which meant she could offer more affordable pricing.

Branch says the CarpetsPlus

staff and members have offered an infinite amount of support. "Everyone knows us by name to the point that I don't even know our CarpetsPlus ColorTile store number," she explained. "Whenever I attend a convention, it doesn't feel like work but more like a family reunion. That

makes it much easier to share ideas. We joined a family as opposed to simply writing a check for a membership."

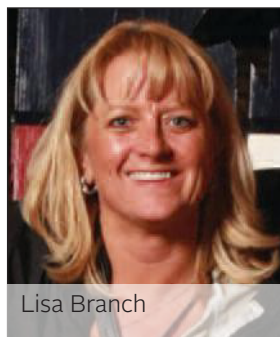
What's more, Branch has reached out to various CarpetsPlus members when she encountered problems with the business and found that the others were eager to help find a resolution. "I have never experienced help like this before," she stated. "They were ready to jump on a plane so they could look over our paperwork to see if there were any changes that needed to be made."

CarpetsPlus also gave

Tom's a more professional website that the group updates as needed. They have also utilized geofencing so they can now track who is on their website and who walks in their door after seeing their ads.

Since joining, Tom's Floor Store has relocated to a new location that is twice the size of their previous building. Branch does not think this big change would have been possible without the encouragement from CarpetsPlus.

"Whenever I attend a convention, it feels more like a family reunion than work."
-Lisa Branch



Lisa Branch

A winning culture that drives results



Private labeling helps Tom's compete against the big boxes.

By Nicole Murray

Tom's Home Furnishings, Harvey, N.D., first joined CarpetsPlus ColorTile in 1998. After a devastating fire forced them to drop out, they rejoined the group in 2013.

Prior to coming on board with CarpetsPlus ColorTile, Rod Marchand, owner and manager, said flooring was the weakest area of his business. He used to hire independent installers for each job, which forced the store to compete for available workers with the surrounding businesses.

Therefore, one of the first changes Marchand made after joining Carpets Plus ColorTile was to recruit installers to work for the company full time. The commercial side of the business flourished because the installation team now only focused on the jobs booked by the store.

"It turned a group of independent installers who had to fight for every job into one, organized team with the same goal," Marchand said. "The attitude improved and business grew, which instilled a new, motivational culture that inspired our team to always want to do better. This change has done wonders for our team's

professionalism and morale."

Marchand also took advantage of the exclusive access to private-label products so he could increase his price margins and avoid competing with the big box stores. In addition, the Carpets-Plus' merchandising provided for these exclusive collections are very sophisticated and cater to the middle and high-end clientele his store typically serves.

"All of the general mill products will be carried in big box stores at a cheaper price and can be ordered online, so I wasn't being given a chance to get in front of the customer," he said. "The consumer's interests pique when they learn that my products are not accessible everywhere, and it is a sigh of relief to know we no longer have the pressure of competing with companies down the street."

Marchand urges any retailers that do plan on joining CarpetsPlus ColorTile to attend as many conferences as possible. After attending his first, Marchand took the information he learned and ended up doubling his sales the following year.

"I left that first year extremely motivated to improve and was given the knowledge on how to do so," he said. "Every year I return from the annual conference with a list of 10 tips that I can implement into my business so we are always improving."

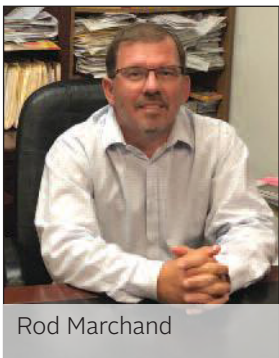
In addition, the conferences also offer an opportunity to network. Marchand has developed relationships with other retailers across the country that he has called upon to exchange ideas or solve problems.

"I now have friends who I can brainstorm new ideas with," he explained. "All of us are facing the same challenges, so when you get that collective group of people together, you can work through a lot of new business concepts."

Marchand also used the business tactics he learned to expand his business into e-commerce platforms. In addition, he is promoting a mattress brand which he has high hopes will soon launch.

"These professionals know what works, and what they teach can apply far beyond the flooring industry," Marchand stated. "There is no chance I would have been exposed to any of this information or support if I never joined CarpetsPlus ColorTile."

"At convention I come away with 10 tips that I can implement into my business."
-Rod Marchand



Rod Marchand



WHOLESALE FLOORING

Fall River, Mass.

CarpetsPlus gives Wholesale Flooring the space to show products it feels will be successful.

Fellowship is the hallmark of a great buying group

By Megan Salzano

Andre Coelho, owner of Wholesale Flooring in Fall River, Mass., opened his store in 1976 well before any buying groups existed. However, in 1997 when CarpetsPlus ColorTile was ready to accept its first members, Coelho was the 20th store to sign up.

Coelho said he knew in the '90s that a buying group would be key to his survival as an independent flooring dealer. So, he began to do his research and even attended The International Surface Event in Las Vegas as a way to meet his future buying group. "I needed the support of better buying power," he said. "I felt like an island, and a buying group would bring me to the continent."

Coelho said CarpetsPlus ColorTile was unique to other groups in that it didn't make a store conform to its own vision. "They don't come in here and dictate to you," he explained. "Other groups come in and say, 'You have to spend \$80K and do this and change that.' Some

products sell well here and not so well on the East Coast and vice versa—they let you make those decisions. Why spend money foolishly? CarpetsPlus ColorTile just enhances you, helps you to become better, they don't dictate like you're working for them. I think that's why most people joined."

The private labeling available to CarpetsPlus members is also a key differentiator for dealers with nearby competition and has been a boon to Coelho's business. To date, Wholesale Flooring has three additional stores in the nearby area—albeit down from 11 in the area's heyday. Advertising

opportunities are also a key component to the store's success.

Another resource provided by CarpetsPlus that Coelho said has always made him better and even helped him weather more than one recession is its member community.

"It's like a fellowship,"

"CarpetsPlus ColorTile just enhances you; helps you to become better."
-Andre Coelho

he said. "People share things with me that normally they couldn't if I was the competition. We talk about problems, like products—if they've failed, how successful they are, what sells and what doesn't. That commonality with different retailers also gives me access to correct information. For example, business was slow in August and I called up a friend in Louisiana and a friend in New York and they said it's slow, too. If it's slow in Louisiana and New York, it means I'm not doing anything wrong. People don't join the group for friends, but over the years you develop solid friendships."

Coelho said he also learns from the experiences of other members during the annual summit and convention. The decision to open his second store, for example—a CarpetsPlus ColorTile design center—was put into motion after he sought the advice of fellow members during an annual meeting. "I ended up picking another member's brain

who had opened two stores with Carpetland," he explained. "It gave me more confidence to do it. I did not want to open up a store and lose \$150K and close in a year or two. I did my homework, I got some advice and I said, 'Okay, it's still a roll of the dice

but I know it's in my favor.' They helped me decide to open, which has been a blessing. It's going really well."

That openness among members is also available among CarpetsPlus ColorTile executives. Coelho said Ron Dunn, or any number of executives, are never more than a call away. And, while he may be poised to retire in 2020, Coelho said he plans to keep those relationships alive.



Andre Coelho and his daughter Katelyn Hansen

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