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F L O O R C O V E R I N G W E E K L Y



The Alliance Flooring leadership, (l-r) Kevin and Jon Logue and Ron and Ryan Dunn, live the group's advice of sharing solutions and networking.

Alliance Flooring walks a different walk

By Janet Herlihy

[Orlando, Fla.] After a year and a half of show and convention disruptions due to COVID-19, Alliance Flooring gathered for an in-person Family Reunion Oct. 8-10 at the Rosen Shingle Creek Hotel here.

Kicking off the meeting with a speech that was equal parts enthusiasm and optimism, Ryan Dunn, Alliance executive vice president of sales, stated, "We see a lot of growth and opportunity coming for the next six to 36 months. Everything you have done up until now has prepared you for today. Each of you has a story to tell and each of you is a fighter. We will work out challenges with togetherness because we are a family."

Ron Dunn, co-founder and co-CEO of Alliance, took over the stage to review the past 20 months. "Things looked good," he remembered, adding, "Except for the possibilities of COVID-19. We all heard the news and immediately thought, 'What should we do?' The answer was to reach out to our members, find out what they were doing and how we could help."

Alliance and its members weathered the last 20 months and are well into recovery but are now dealing with some challenges — especially delays of product shipments and increased prices that are part of the greater economy. "Leadership is still important and how we treat each other is also important," Ron Dunn stressed.

WHAT'S NEW IN PRODUCTS

While most products and merchandising had been introduced at the March 2021 virtual convention, Kevin Logue, executive vice president of marketing at Alliance, reviewed the latest for the duration of 2021 and into 2022. "There will be a trend to merchandise two or more brands on the same display and sometimes, two categories of product on a single display," he said. "There will be more exclusive branding of products from various suppliers such as Sidewinder, a waterproof vinyl flooring with striking wood visuals by Happy Feet that has been in the line since 2019."

Referring to delays in shipments, especially from overseas, he reported that Alliance also plans to focus on products made in the U.S.A., such as American Pride, a new SPC product from Happy Feet that is made domestically.

New supplier partners included Interceramic, based in Mexico with U.S. headquarters in Carrollton, Texas, and Decorative Concepts, which offers wool and wool blends as well as a woven vinyl product with a natural grass look.

LAPE SHARES INSIGHTS

Having been an executive with Mohawk Industries for 22 years, Tom Lape has a good view of the flooring industry. Now a strategic advisor at Mohawk, Lape shared some thoughts at the Alliance convention. He reported mixed signals. While he expressed confidence that flooring is a good business, he warned to watch out for labor shortages and other cost increases.

"The GDP was negative in 2020 and flooring was up. Inflation was 1 percent in 2020 and is up 5 percent so far in 2021. Existing home sales are 5 million this year, the same as 2005. New home construction is 1 million, also the same as 2005 — the challenge is margin," he stressed. Lape expects demand to taper off in 2022, while costs will continue to rise. "The biggest challenges in 2022 will be labor stability and how to stimulate demand," he said, advising, "Take business from someone else."

THE LOGUE VIEW: RENEW, RECHARGE, REFRESH

Jon Logue, co-CEO of Alliance, spoke on the state of Alliance, the flooring industry and the greater economy.

Here's a summary:

- Unemployment continues to get lower
- Consumer confidence is strong
- Stronger income and wage growth
- Gas and energy prices are rising
- Interest rates continue to be low
- Housing growth continues
- Shortage will continue to impact prices
- COVID virus impact will continue in waves

While finding reliable sources for product can be managed with more reliable suppliers, the industry should look to the source of raw materials to avoid supply disruptions, Lape advised, adding, "Keep in mind that currently the cost of bringing in a container can be more expensive than the value of its contents, so importing low end LVT may not be profitable."

THE ALLIANCE DIFFERENCE

One of the unique aspects of Alliance and its members is that they do more than talk the talk about networking and helping members. FCW was able to sit down with Ron Dunn and Jon Logue and later, with Ryan Dunn and Kevin Logue to talk about what makes Alliance and its members a different kind of buying group.

"When we started the group in 1997, we knew we wanted to be a network, but we didn't foresee the level of business sharing," said Ron Dunn. "Sharing best practices has grown," agreed Jon Logue. "None of our members are cookie cutter retailers. We put out a weekly hot sheet that is shared online that includes the latest from the members."

Both Dunn and Logue spent their early careers on the supplier side of flooring, ending up at Mohawk before starting CarpetsPlus in 1996. "Supplier relationships started the group," stated Ron Dunn. "It became a threelegged stool—the group, the members and suppliers."

Ron Dunn shared that for members, the biggest challenges are installation and supply chain management.

SECOND GEN VIEW

It's a rare company that starts with equal partners, survives for 25 years and passes on leadership to the next generation, also equal partners, who seem to be ready for the next 25 years. Ron Dunn and Jon Logue are both stepping back a bit to allow their sons Ryan Dunn and Kevin Logue to assume leadership.

There is a division of labor and responsibility that works. "My primary focus is buying product, marketing and merchandising," Kevin Logue said. "I put together programs that help out members close more sales, be more competitive with programs and displays that will work for them."

Meanwhile, Ryan Dunn focuses on sales and operations and the networking piece with the members. "I analyze the numbers and when I see a sharp increase from someone, I get on the phone and then go to visit to see what is changing. We have 24 volumes of The Proven Way that we add to when we find a member doing something new or in a new way that works," he said.

Both Ryan Dunn and Kevin Logue visit stores and see suppliers, but Ryan Dunn makes about 85 percent of the retailer trips while Kevin Logue handles about 85 percent of the supplier meetings. If it seems important, both go. "Kevin and I talk almost every day and have three conversations scheduled every week to update each other on what's going on," said Ryan Dunn.

Going forward, both said it is important to get exclusive products, like the collection from Happy Feet that launched in 2020. It's also important to let members know that leadership believes in their autonomy. "When we go to trade shows like Surfaces, we go together and invite members to join us in supplier meetings," Ryan Dunn reported. "Alliance encourages members to take our products and programs, but they can put whatever they want in their stores."

Ryan Dunn added that growth is the major goal, and sees a huge opportunity for it. "We also see huge opportunity with second and third generation family-owned businesses," Kevin Logue underscored, adding, "We are getting a lot of calls from unaffiliated stores in midst of transition, who need the camaraderie and networking we can offer."

Combining strengths is key. "All of us together is bigger than anyone of us alone," Ryan Dunn said. "As things continue to change, we want to keep the group we have. We will also continue to drive business with our core suppliers while our members have the freedom to choose what they want."

EXHIBIT HALL HIGHLIGHTS

A variety of large and small as well as specialized hard and soft surface suppliers came to offer products.

In soft flooring, carpets touting performance characteristics like cleanability and durability were center stage, including Happy Pets Carpet from both Shaw and Phenix. Mohawk was also on the scene showcasing its private label program. Style Destination features a variety of Mohawk's different carpet offerings, including nylon, polyester and SmartStrand products. Hard surface, whether LVT, SPC, hardwood or tile, dominated with striking visuals, tending toward lighter tones and warmer shades of beige and brown.

Daltile showcased its RevoTile product, a true floating floor featuring ClicFit Technology. The porcelain line features wood, stone, marble and concrete visuals.