

## **Climb Higher to Gather the Fruit, by Jeff Valles**

This is a time for savvy, proactive kitchen/bath retailers to position themselves for success.

Kitchen/bath design and retail professionals have some difficult choices to make as 2008 draws to a close and a new year opens amid forecasts of continued weakness in the residential construction sector.

Perhaps the most critical choice is this: Business owners can tuck their tails between their legs and play the role of victim, lamenting the economic downturn and simply waiting for market conditions to improve. Or they can position themselves for success, even in the sluggish market, by identifying a core competency, differentiating their company on the basis of that strength, and seizing sales that remain ripe for the taking.

The choice is clear-cut. The results of each decision should be equally clear.

A message about the need to take a positive, proactive business approach was delivered recently to two disparate groups of industry professionals – both serving the high-end consumer, and both facing similar challenges in a hard-hit market.

In Boston, John Celoni, executive V.P. for MasterBrand Cabinets, told attendees at the annual Fall Conference of the Bath & Kitchen Buying Group that it was critical they execute a “strategic discipline” – or core competency – if they want to flourish in today’s housing and remodeling market.

Among the strategic disciplines to be considered, Celoni asserted, are product leadership, operational excellence and customer intimacy.

In other words, he suggested, dealers and designers can outshine the competition either by carrying the right products, offering unmatched ease of doing business or providing valued expertise and custom-tailored solutions.

Excel at one of those disciplines while offering no less than competitive parity at the other two – and the market will reward you, Celoni told BKBG members. Trying to be all things to all people, he added, just won’t work.

A similar message was echoed in Phoenix, where Gerry Layo with Sales Coach International told attendees at the Decorative Plumbing & Hardware Association’s 7th Annual Conference that, during economic downturns, there’s a tendency to become “transaction-oriented” – offering concessions and cutting prices simply to get jobs.

That’s a mistake, Layo said, reminding DPHA members that compromising margins to generate cash flow succeeds only at dampening profitability and setting the stage for customers to expect a “deal.”

Instead, Layo said, success requires a concerted effort to recognize customer needs, add value to a project and help customers buy.

More than ever, Layo observed, design and showroom professionals also need to follow the “Refuse Philosophy”: Refuse to look the same as your competitors. Refuse to put inferior products on the showroom floor. Refuse to tie your fate to salespeople who lose their focus and drive. Refuse not to examine every aspect of your business. Refuse to do things the same old way. Refuse to be victims.

Yes, this is a time when the market is soft and business is down – a time that demands more from dealers, designers, showroom personnel, distributors, reps and manufacturers. But it’s also a time of opportunity. A time to examine your business and make it more competitive. A time for well-run businesses to take advantage of existing conditions to position themselves as destinations of choice.

The fruit is no longer hanging as low on the tree, but it’s still there. You just need to work a bit harder, and climb a bit higher, in order to gather it.

Here’s wishing everyone in our industry all the best for the holidays – and a healthy and prosperous 2009.

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