

## **Tips for Moving Forward in Challenging Times, by Tim Vanderwall**

Today's market includes multiple challenges: high unemployment, a rise in foreclosures of homes, a decrease in broken ground for residential and commercial construction, fluctuating American stock markets as well as collapsing European economies. All of this is triggering a worldwide crisis. Many of these outside factors which usually build consumer confidence and encourage people to upgrade their dwellings are now working against us in the decorative plumbing, tile and hardware field. Some of us have chosen to get out of the business while the rest of us are somewhat sustaining what we currently have, and our great challenge is to move forward.

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In doing so, we are challenged by the fact that ultimately, the consumer will personally determine the final decisions in the selection of decorative materials for their home. It's out of our reach and control.

During these challenging economic times, everybody is looking for a deal and shopping at multiple places to find it. The deal they want is the bottom dollar. And it's taking much longer to make a decision. Most of the time, monetary concerns are the biggest factor in their decisions. The end user has become more and more involved with the process.

This consumer behavior affects all levels in our industry – manufacturers, dealers and distributors, representatives and contractors. All of us have seen a substantial decrease in the volume of business along with margins that have been sacrificed with the fear of losing the sale. This obviously has made our lives more difficult. It's very hard to remain positive, given the pressures.

Moving forward, for the lines we represent, we need to recognize and champion the manufacturers' designs, passion for their products, production of quality merchandise, integrity of the wares as well as their viewpoints on the competition and strategic geographic and demographic markets. For me – personally and for my business organization – I find that when this is communicated, it instills the same passion in us.

I recently spoke with a buyer about the various aspects of her project. She has a substantial piece of land, an architect, a designer and a general contractor. She has plenty of free time in her life and is active in shopping with/for her designer, much to the designer's dismay. She specifically questioned me about a sink in the powder room to compare the different prices and

designs. Since the beginning of her product discovery, through showroom and Website shopping, she was set on one style of sink, but it had the higher price than other options. She sought my opinion because, as we've come to understand, price is a major deciding factor in today's marketplace. I asked her if I can ask some personal questions, and the answers revealed that this is their dream home, and they are planning on living in it for 25 years. It was also valued at more than 5 million dollars. At that point, she knew what decision to make.

We continued to have several different conversations, and I also discovered that this piece of land has been in her family for four generations. After it passed to her family, they decided to build. It took several interviews with architects until they found one to fit their criteria. This architect and the firm then created many different designs (about which she vocalized, "Can you believe that every time we changed something, major or minor, he sent us a bill?").

Going through the selection of building materials for the windows, roofs, decks, siding, etc. was exhausting, she said.

She explained that the reason she kept seeking my advice was that I had an absolute passion and understanding of the products, interior design and the scope of her project. I considered this quite a compliment.

### **COMMUNICATING VALUE**

One thing that we all have is a portfolio of products that evoke emotion in people. We also have many new, environmentally friendly products along with new value-driven price points. Thus, we should consider our strongest asset is our ability to communicate our passions, our designs and the experiences of our manufacturers to the showroom and design communities. We need to communicate the value of what we are offering.

There's no doubt about it, those of us who have survived during this downturn will have to work harder and smarter to increase revenues and margins. Now is the time to take a hard look at the way companies are going about doing business.

Moving forward, I intend to spend every waking moment during the work day becoming a company that aggressively markets and communicates to the architectural and design communities, as well as to the kitchen and bath dealers.

We need to educate them about the new designs, changes in manufacturing with technologies that make the products greener and longevity and quality of our products. We need to provide information about the production process, warranties and care and maintenance instructions.

The stronger organizations that can effectively disseminate this information are going to be the businesses that will continue to exist. Now, more than ever, we must have a positive attitude about increasing our time and devotion. As entrepreneurs, we not only have to wake up each morning to the reality of the situation of doing more with less, but we need to optimistically commit, focus and take our clients by surprise.

For our representative agency, our methods of communication involves email blasts of new products pictured and hyperlinked, bi-annual open houses at our office to showcase new products, Website updates of new products and personal visits to design firms and showrooms with printed catalog updates. The important core of this is educating our market with solutions for their clients.

Our business office is based in Denver, CO, and the territory covered includes the Rocky Mountain states of Colorado, Utah, New Mexico, Wyoming and Idaho. Though over several states, this area accounts for around four percent of the nation's population. This territory has always been a little different from the mainstream economy due to the remote western locations and regions of secondary luxury vacation homes.

We have more time today to turn over every stone and look into every nook and cranny for that person who is building a luxurious home or commercial space. And, the products and applications I represent are a must for these stylish, quality and relevant projects.

*Tim Vanderwall is the owner and operator of InterArchitectural Products (IAP). IAP operates a working studio in the Santa Fe Arts District in Denver, Colo., and has been in business since 2003. IAP represents plumbing, tile and hardware products that are for the luxury and sustainable markets for the residential, commercial and hospitality fields. IAP is active in a number of associations including ASID, NEWH, Design Council at the Denver Art Museum and DPHA, which named Vander Wall Representative Agency Professional of the Year in 2008.*

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