

RUG INSIDER

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Finding the right mix.

BY ARIC MORRISON

Furthering RUG INSIDER's thoughts on the state of rug and carpet distribution today, Aric Morrison explains that finding the right balance of product mix and suppliers requires a never-ending effort, but it's critical to moving beyond "business as usual" toward sustainable success.

Whoever coined the phrase, "variety is the spice of life," must certainly have been a forward thinking individual. Reminding us to expand our horizons, to experience unfamiliar things, the proverb's appeal to anyone who has worked in retail or wholesale should be obvious. But I would tweak the notion a bit to suit my own perspective.

Variety for customers can be a "golden key" to viability and long-term survival. But variety for dealers makes sense as well. And critical to

both is the importance of supplier relations and the impact of those on your organization.

Make no mistake about it: a healthy supply chain is the life-blood of a business—a truth proven with every fresh delivery. But the crucial challenge lies in striking a balance between too many trucks pulling up to the loading dock and not enough.

The benefits of maintaining several different suppliers are numerous. One perhaps under appreciated one is in forcing a business to be able to

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clearly articulate and convey its expectations, and another is the ability to stay nimble in the process. With more suppliers better pricing may be negotiated, better payment terms, and critical leverage can be applied to keep them all on their respective toes.

That said, the old adage, “too much of anything is bad,” certainly applies here as well, though thoughts from others such as Mark Twain, “too much good whiskey is barely enough” and Mae West, “too much of a good thing is wonderful” are worth bearing in mind. Indeed, the more products and suppliers you have, the more convoluted your offering can become, and your business runs the risk of morphing into something you never intended it to be. From the consumer point of view, too much variety can also breed brand confusion, as well as

With too few suppliers, a business has reduced leverage and flexibility in terms of product selection. The one business becomes an extension of the other and if that relationship sours, you’re faced with the urgent and potentially even ruinous problem of having to find a good replacement supplier, stat! Finding one who can keep quality, pricing and terms consistent presents a clear challenge.

On the consumer side, a limited supply channel can limit a business’ ability to hold a consumer’s attention with new inventory, pricing and product. In short, consumers are shopping elsewhere, because their needs have evolved even as the business’ haven’t.

So what is the answer to finding a happy middle ground for your supply requirements? The most important step one can take is first to examine

With either of those extremes—too many suppliers or not enough—the solution is to create an effective business case to make minor modifications immediately. Time is your enemy in this regard.

Then, as you modify your supply chain model according to your assessments, continue to examine it and be attentive to what you may find in the process. Be prepared to keep modifying as you go. Once you open everything up to review, you want to get it right. Flexibility during this exciting and ongoing transformation will result in a nimble and successful business. Customer response will also provide a great barometer for gauging your new approaches as well.

While walking this tightrope can certainly be a daunting task, know that it doesn’t have to be as long as you are willing to consider change.

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an unpleasant shopping experience. In that scenario, repeat business suffers, and as a result, some of your vendors may go away, not getting enough out of the relationship.

For those reasons and others, many owners prefer the convenience of dealing with only one or two suppliers. While it’s true in that case that it’s easier to maintain control of inventory range and costs, an extremely limited vendor network can come with its own set of problems. Limited variety for the consumer can also cause a loss of business.

your business in detail in order to determine where you fit on this spectrum. Does your supply chain complement where you want your business to be positioned in both the back-office and storefronts? Do you have enough suppliers to keep customers satisfied with a varied selection without overwhelming them? Is there confusion because you don’t show enough of any one brand to allow thoughtful purchasing decisions—the sense that allows customers to feel they’ve done their “due diligence”?

Without change, your operation will remain static. I can assure you of that.

I can further assure you that “business as usual” is an antiquated notion in 2019, just as it always has been for businesses that stand the test of time.

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IMAGE: A STACK OF FLATWEAVES FROM IRANIAN FIRM EDELGRUND AS SEEN DURING DOMOTEX HANNOVER 2019. RUG INSIDER FILE PHOTO.