

TREAT YOUR DISPLAYS LIKE PAYING CUSTOMERS-

6 Steps to a Profitable Showroom

BY KENNETH WALKER



The Hidden Costs of Crummy Showrooms

As an independent sales representative who covers nine states, I've had the privilege of seeing many different showrooms. Each showroom is unique in its own way. Some companies specialize in certain types of luxury installations, while others focus on more moderately priced projects.

Yet one thing I consistently see—regardless of any company's specialty—is incomplete displays. In fact, it seems like I see unfinished displays or discontinued models everywhere I go.

Now, before you start making excuses or getting ticked off at me, you need to know I used to be that guy. I managed a hearth store, and we had unfinished displays and discontinued models on the floor. So I speak from a place of experience, not accusation.

That said, let me pose a question: Would you ever fail to finish the installation of a paying customer? Of course not! That would be absolutely ridiculous. So why would you leave an incomplete or discontinued unit on the floor when the whole point

of installing it was to show it to a customer and sell it?

When I managed that hearth store, the real reason my displays weren't complete was because I didn't make it a priority—plain and simple. I let the business run me instead of me running the business.

If you're a hearth retailer who wants better results than I used to get from my showroom displays, then I've got great news: The solution isn't complicated; it just requires a systematic approach.

More specifically, I've learned over the years that successful display management comes down to six essential steps: recognizing that every display is either making or losing money, planning the right display for your space, scheduling the installation like you would any paying customer, involving your personnel in the process, taking action to remove dead inventory, and marketing what you're replacing after it's out. When you treat your display installations with the same intentionality you give a paying customer, your

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Step 1: Recognize That Every Display Is Making or Losing Money

If you're a hearth retailer, the first step to adding a new display to your showroom is finding the motivation to get it done, especially given how busy you are and how many hats you wear. You can get that motivation by facing a hard truth: Your old, outdated, and ugly displays are costing you money you can't afford to lose.

Let's talk numbers, since that's ultimately what this whole process is about. Now, I'm no math major (I'm from Alabama, after all), but I can do simple math. Take your yearly rent or mortgage payment. Now divide that by the square footage of your showroom. That's the square foot value of your showroom per year. Notice I said your showroom square footage and not your building square footage? That's because the showroom generates the business that covers the cost of your entire building. Here's an example:

- 5,000 square foot showroom (not total building)
- Rent or mortgage payment of \$15,000 / month
- $\$15,000 \times 12 \text{ months} = \$180,000 \text{ per year}$
- $\$180,000 \text{ per year} / 5,000 \text{ sq ft} = \$36 / \text{sq ft} / \text{year}$
- If a discontinued fireplace takes up 2 ft X 4 ft of floor space, that's 8 sq ft
- $8 \text{ sq ft} \times \$36 / \text{sq foot} = \288 per year



If the discontinued fireplace has been sitting there for 20 years—and sadly, I've actually seen this—that's \$5,760 of lost potential. That easily pays for a new display, not to mention the lost opportunity cost that a new, fresh model would provide.

These numbers might be way high or way low for your situation, but the result is the same: Discontinued products are dead products, and they're costing you money. And even if you totally disagree with me on this method of valuation, these old displays just look bad. Which means they're making your store look bad. Which means you look bad.

And nobody wants that.

Step 2: Plan the Fireplace and Facade

Now that you understand what's at stake financially, let's talk about how to fix it systematically.

Before you tear anything out or schedule any installations, you need a solid plan. And that starts with making some hard decisions about what stays and what goes.

If you have an old, discontinued fireplace display on your floor, it needs to go. I mean it. It's taking up valuable real estate on your floor. And as I just explained, every square inch of your floor is worth money. If the fireplace is discontinued, you are literally throwing away money. So instead of throwing away money, throw away the fireplace.

Don't give me excuses on this one. Trust me, I've heard them all: "I need to sell it before I rip it out." "It's going to cost so much money to remove it." "I don't have anything to replace it with." "Do you know how much that thing costs?"

These are all poor excuses. If it's a good model, it should have already paid for itself by now. If it isn't a good model, then it's not going to start doing anything for you now. Besides, you probably

already wrote it off on your taxes 10 years ago, so trash it. You already told the IRS it's no good, so you should probably keep your word.

Now that you've committed to removing the dead weight, you need to choose what's going in its place. If you have a discontinued fireplace with a big fancy facade that's not discontinued and actually sells, then consider a new display fireplace that can be installed through the opening. There's a select group of fireplaces that are capable of this amazing feat. If you're not familiar with them, I suggest doing some homework. This approach can save you significant time and money while preserving an investment that's still working for you.

Of course, you will need to replace the facade in many cases, and that's where a lot of companies get worried. If you start feeling that way, just remember that the facade isn't worth stressing over, even though it's important. Simply put, all you need to do is play to your strengths when choosing facade materials. If you sell tile, stone, or metal panels, use those. If not, keep it simple with sheetrock or James Hardie non-combustible panels, which are available at most home improvement stores.

The point is to figure it out and keep it simple. Having a beautiful, fancy facade around your display is great—if it makes sense for you. But remember one thing: The customer is there to buy a fireplace, so make sure the fireplace is the highlight of your showroom. The facade is secondary.

■ **Step 3: Schedule an Installation Date and Stick to It**

Now that you've got your plan, you need to schedule the installation of your display like you would a paying customer. Put the display install on your installation calendar and stick with it. Don't reschedule it. Don't use it as a catch-up day. Get it done!

I know that some companies have in-house installation crews while others use outside contractors. Either way is fine. You do you. Don't try to be something that you're not. If you have installation crews on staff, then planning and scheduling the installation is much easier. If you use outside installation crews, you just have to work with them and get on their schedule. Summer is a great time to do this, as it's usually the slowest time of the year in our industry.

Regardless of your method of installation, once you put the installation on your calendar, don't push it back—no matter what happens. This is how displays start to become incomplete. Something happens you weren't expecting, and five years later, you still have an incomplete display. The only direction the display install date can move is up—never back.

Remember, you need to consider it the same as a paying customer. After all, this display will be making money for you. A display will pay for itself multiple times over if it's complete, but not before—and that means you're losing money every day it's unfinished.



"THE CUSTOMER IS THERE TO BUY A FIREPLACE, SO MAKE SURE THE FIREPLACE IS THE HIGHLIGHT OF YOUR SHOWROOM."

■ **Step 4: Involve Your Personnel in the Process**

But here's something most retailers miss: The installation itself is a golden opportunity to strengthen your entire team.

Of course, putting in a new display starts with your installation crew, whether that's in-house staff or outside contractors. This isn't just another job for them—it's a chance to showcase their skills and create something that will be selling fireplaces for years to come. Make sure they understand that this display represents your company every single day, and treat the installation with the same care they'd give your best customer.

But the installation is also the perfect chance to get your sales staff involved. They're usually stuck in the showroom or doing site visits, so they don't get to see the installation process up close and personal. Let them help install the fireplace. Better yet, let them help plan the installation. I promise this will make your salespeople better at their jobs. When salespeople get real-life installation experience, it changes their thinking. They start to think about the installation process and not just the product. They become more aware of the potential challenges. It wasn't until I started installing fireplaces that I fully understood how easy it was to have an installation derailed once you're in the field.

And don't stop there. Customer service reps who field installation problem calls, warehouse folks who prep the products, and managers who oversee the entire office—they all benefit from understanding (or remembering) what actually happens once an installation crew hits the field. When your whole team sees how easily installations can go off the rails, they start making better decisions in their own roles.

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■ **Step 5: Take Action and Install the New Display**

With your plan locked down, your installation scheduled, and your team ready to learn, it's time to take action. If you're keeping the facade, here's the fun part: Take a Sawzall, plasma torch, or some other fun destructive power tool to the old fireplace unit and trash it. I mean, absolutely destroy it to pieces. Just don't damage the facade. If you're replacing the whole display, carefully remove the old unit so you can sell it later. Either way, you now have an empty space ready for your new display.

If you're working with outside contractors, make sure they understand this isn't just another job—this display represents your company every day. If you have in-house crews, this is their chance to showcase their skills on something that will be selling fireplaces for years to come.

Slide the new unit in, hook up the gas and venting, and install your selected facade. Don't rush this part. Take the time to do it right. A sloppy installation will undermine all the planning you just did. Make sure all the connections are solid, the clearances are correct, and that everything functions properly before you call it complete. Test everything twice—run through the startup sequence, check the remote, and make sure the flames look right. Your sales team will be demonstrating this display to customers, so it needs to look great and work correctly.

And voila—you have a new display! But before you celebrate, you've got one more step to maximize your return on this investment.

■ **Step 6: Market the Old Display and Sell It Fast**

Now that you've removed your old display, you're ready to sell it. But what's the best way to do that? Put it on Facebook! Someone is looking for a great deal, and that's a great place to advertise it.

When pricing it, remember that you more than likely got a screaming deal on it, so don't be afraid to discount the living daylight out of it. You've already made your money, so the goal is to move it. Price it to sell, not to maximize profit. Take good

photos, be honest about its condition, and don't overthink the listing. Someone out there wants exactly what you're getting rid of.

No matter what, don't let that old display sit around your warehouse or back room for months while you wait for the "perfect buyer" willing to pay top dollar. Every day it sits there, it's costing you storage space and mental energy. Move it fast, even if that means taking less money than you think it's worth. The real value isn't in squeezing every dollar out of the old unit—it's in getting your new display up and running.

The Dead Display Challenge

Simply put, my intention with this article is to light a fire inside you—a fire to move your dead inventory and complete your unfinished displays. It's not about *having* the time; it's about *making* the time. No business owner intentionally ends up with a trashy-looking showroom. It just happens when we aren't intentional with our spaces—so be intentional.

The bottom line is simple: Treat your displays like paying customers because that's exactly what they are—investments that should be generating revenue for your business. Plan each display thoughtfully, considering both the fireplace and

its surroundings. Schedule the installation like any other job and stick to that commitment. Involve your entire team in the process so everyone understands the real challenges of installation work. Take decisive action to remove dead inventory that's costing you money every day it sits there. Market your old displays quickly and efficiently to recoup some value. And always remember that every square foot of your showroom has a dollar value attached to it.

When you follow this systematic approach, something bigger happens: Your showroom stops being a collection of random products and starts becoming a strategic sales tool. Your team starts thinking like installers, which makes them better at every part of their job. Your customers see current, complete displays that help them envision their own installations. And your bottom line grows because you're finally maximizing the return on the square footage you're paying for.

So here's The Dead Display Challenge I want you to take on right now: Walk through your showroom and identify one discontinued or incomplete display. Calculate how much that space is costing you per year. Then put a date on your calendar—within the next 30 days—to rip it out and replace it. Don't make excuses. Don't wait for the perfect time. Just pick a date and commit to it.

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