

Furniture purveyor relies on his taste

By Janet Forgive, Rocky Mountain News
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Partners Ron Werner and Jim Hering moved to Boulder seven years ago to open a small furniture and home décor shop. Today, the pair is poised to launch the fourth Colorado HW Home store, this one at The Landmark, a new luxury condominium project going up in Greenwood Village.

Recently, Werner sat down at his Clayton Lane store in Denver and talked to the News about the company and his business philosophies.

How did you come to start the company?

In January of '98, my partner Jim and I were visiting my sister in Boulder. She was in the process of renovating a home. She was ready, she needed some design help, and she needed furniture. As good brothers, we came to visit. The mission was to help her finish her house and take her shopping. At the time, I was a senior vice president with Smith Barney in Chicago, and Jim was running Holly Hunt Limited in Chicago.

Within a few hours of touring around Boulder and Denver, I quickly saw that there really was nowhere to shop, and I was confused. I said, "Denver's hip, Denver has arrived, there's 2 million-plus people, there's an urban demographic, it's cosmopolitan. Why isn't there a chic, hip and trendy place to shop?"

So, I looked at Jim in the back seat, and I know he was kind of tired of running Holly's business. After 12 years of being a broker, the compensation was great, but I was pretty tired, too. I said hey, let's move to Boulder and open up a cute little shop.

We thought we were opening one cute store in Boulder. Today, we're three, going on four, stores, but the vision of it is the same: having design-center style and quality merchandise available in a retail setting and be able to compete against the big-box chains and be an alternative to the design center. You could buy this chair or that table in the design center. The difference is, they'll cost you more money there, and you'll wait 12 to 16 weeks.



David M. Barreda © News
Ron Werner president and co-founder of HW Home, says, "If you like our tastes, this is a great place to shop." Werner and his partner Jim Hering will open a fourth location soon in Greenwood Village.

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With me, you could conceivably have these delivered to your home today because, coming from the brokerage business, I understood the value of committing capital. If we actually had in a warehouse what we show on the floor - we knew that our customer wanted instant gratification.

Was it tough to know how much to stock in your warehouse?

We made educated guesses. We had to make decisions: Will people like things? How much will they want? And we had no history, we didn't know. One rule that we've stuck to hard and fast, from day one is: We only buy merchandise that we like. And I tell people all the time, if you like our tastes, this is a great place to shop.

In Clayton Lane, the furniture business is all around. Has that worked for you in this location?

I think it's worked really well. You really have to focus on doing what you do and doing it well. I am a competitive guy. I was a very successful stockbroker because I'm competitive. And I'm competitive here, and I'm very driven and I call that my genetic defect.

Competition means doing what we do better. Keeping our stores looking great, keeping things properly in place, being fresh with merchandise, being fresh with marketing.

I love having competitors around me. For years it has worked for the auto dealers. They've grouped together. And every day I'm here, I see people coming in with a DWR catalog, a Room & Board catalog, and Arhaus and Crate & Barrel. And if you cross the street and go up to the mall, you've got the real national chains: PB (Pottery Barn), Restoration Hardware and Z Gallerie. I love being near them. Now, I happen to believe that my store looks better. I think that we deliver dramatically better value. I think we have a more unique selection, and, of course, we can really provide great design services, and we can do the custom things you can't do at the other stores. But even if we didn't have all that, we have traffic. People are coming to Cherry Creek North now as a pure furniture destination.

I'm also smart enough to know that, probably for each person who knows HW Home in the Denver market, 25 know Crate & Barrel, and that number could be 1 to 100. So, how fabulous for me that I can be down the street from Crate & Barrel because that works really well.

How big do you plan to grow?

I never planned on opening more than one. I really like being Colorado-based. So, I should never say never to anything, but we really do want to focus on doing the right thing for our market. The addition of our store at the Landmark in Greenwood Village is going to take us to a fabulous critical mass that we can still support out of our Boulder warehouse and distribution center.

I could see, at some point, it might make sense to do something in the mountains. We do a lot of business in the mountains now. There are people who come down from Vail and Aspen, and then we generally do whole house. We specialize in whole house. We have people who come down, they bring us their



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plans, they bring us their pictures, sometimes a video. Most of our staff are trained designers, so we sit down, and we'll do color consultations. We've got a specialty rug program here; we can design a carpet.

I think that gives us really great edge. I'm not ready to make that move because I want to make sure this runs really well.

How much did you invest in the business?

Initially, we put \$500,000 into the business. The investment has grown since then. We have a lot of inventory that we own. We have no bank debt. We are self-funded and funded from internal growth.

Banks don't really like funding retail. Banks like to bet on things that aren't bets. I'm sure we could fund ourselves with banks at this point, but we've been doing it on our own this far. Now we don't need them.

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