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OCTOBER 2010

STRATEGY FOR THE FURNITURE RETAILER

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When Ron Werner and Jim Hering started Boulder, Colo.-based retailer HW Home, they were adamant about starting and running a business in which they remained true to certain core values, as well as maintained respect for each other's strengths.

"At the heart of the business plan is a combination of how Jim and I would jointly manage without stepping on one another's toes," Werner said. "We have issues that some businesses don't. We were a couple in life before going into business together. We had to acknowledge that so that we could manage our business effectively without getting angry or having other issues come up."

HW Home, the Western Home Furnishings Association's 2010 Retailer of the Year, is set up as an equal partnership with Werner and Hering each owning 50 percent. No one else is involved.

"We manage and run the business as partners and joint proprietors," Werner said. "I'm responsible for the business management and operations, and I like to refer to Jim as our chief aesthetic officer. Our business is based on style, design and fashion. I would argue that his role is far more important than mine, being that the furniture business is so relevant to looks and appearance."

While they each have areas within HW Home for which they are responsible, that breakdown of roles doesn't mean the other doesn't get an opinion. But, the plan gives them guidelines as to who does what.

In addition to merchandising and store appearance, Hering's responsible for human resources functions. Werner takes a sales management role.

"We're very sensitive to our store layouts and presentation," Werner

said, adding that Hering's natural design talent comes through in product and how the overall feel of the stores comes across. "He can sit down and sketch out anything. I can't. I'm a picker. I know craftsmanship and scale and that type of thing."

The partners have a natural ying-yang that transpires throughout the business, and they are both sensitive to the other's talents and weaknesses.

Werner likes to say he can spot when something's amiss in one of the stores' displays, but he can't necessarily figure out how to make the fix. Instead, he turns to Hering's expertise to dress it up and put it in order.

Hering takes the lead when HW Home makes the Market rounds—which typically last from day one of High Point until the last day in the cycle—and it's a jam-packed, full-on assault from beginning to end.

Prior to heading to the show, Werner and Hering map out a plan as to what they need to add to the merchandising mix. From there, the strategy takes hold.

"When we go through, Jim leads the selection process," Werner said. "I'm more of a picker, but Jim is ultimately putting it together. At the end of a vendor's showroom, we'll jointly review."

During that joint review is when the "double veto" could come into play. The double veto gives either of the partners the power to push something they feel strongly about. For Werner, that could be a particular product seen at Market that he thinks is perfect for one of the stores while Hering doesn't see the fit. For Hering, that could be an differing opinion on an operations vendor for the store.