

To increase business by 140% in a year is unusual. To do it with ten well known brands is extraordinary. Alan Chandler takes Furnishing....

# Beyond the Vale

WHEN ALAN Chandler of Vale Furnishers hosted a celebratory lunch at his showrooms earlier this year, the occasion turned into something of a "who's who in furniture". Or as he puts it, "If somebody had dropped a bomb on us that day you could have decimated the entire furniture industry in one hit."

The cause for celebration was the successful inauguration of Chandler's new premises in Ash Vale near Aldershot on December 27 last year - a move which took their business from around £24,000 per week, to reaping £182,000 in the first seven days of trading. The new store is a mere stone's throw from the site he vacated, but in the last 12 months Chandler has totally transformed the company, with a £2million budget and a simple maxim - 'think brands, and think big'.

Vale Furnishers was established as an independent family firm some 30 years ago, with a 2,000sq ft showroom on the original site in the centre of Ash Vale. Alan joined the trade at the age of 17 and pretty soon had taken over from his parents as the head of the business.

Across the road from the showroom in those days stood a few innocuous buildings - a pub, a garage. But Chandler was less interested in these constructions than the value of the site itself. For years he tried to purchase the land, until the authorities finally gave him the go-ahead last year - on the condition that whatever he built on it "looked nice". The new store, designed inside and out by Alan himself is ten times the size of the shop the Chandlers ran opposite, with a clean and modern facade. And with a circular tower which now rises above Ash Vale so that you simply can't miss it.

Despite the size of the showroom however, the number of suppliers Chandler has chosen to deal with can still be counted on two hands. Moreover all ten of these names will be instantly recognisable by the furniture buying public. Alan explains the rationale behind this. "The bulk of our business is done with ten main suppliers and they are all major brands in the middle to upper market. There are three reasons for this.

"The first reason is that we now draw a customer base

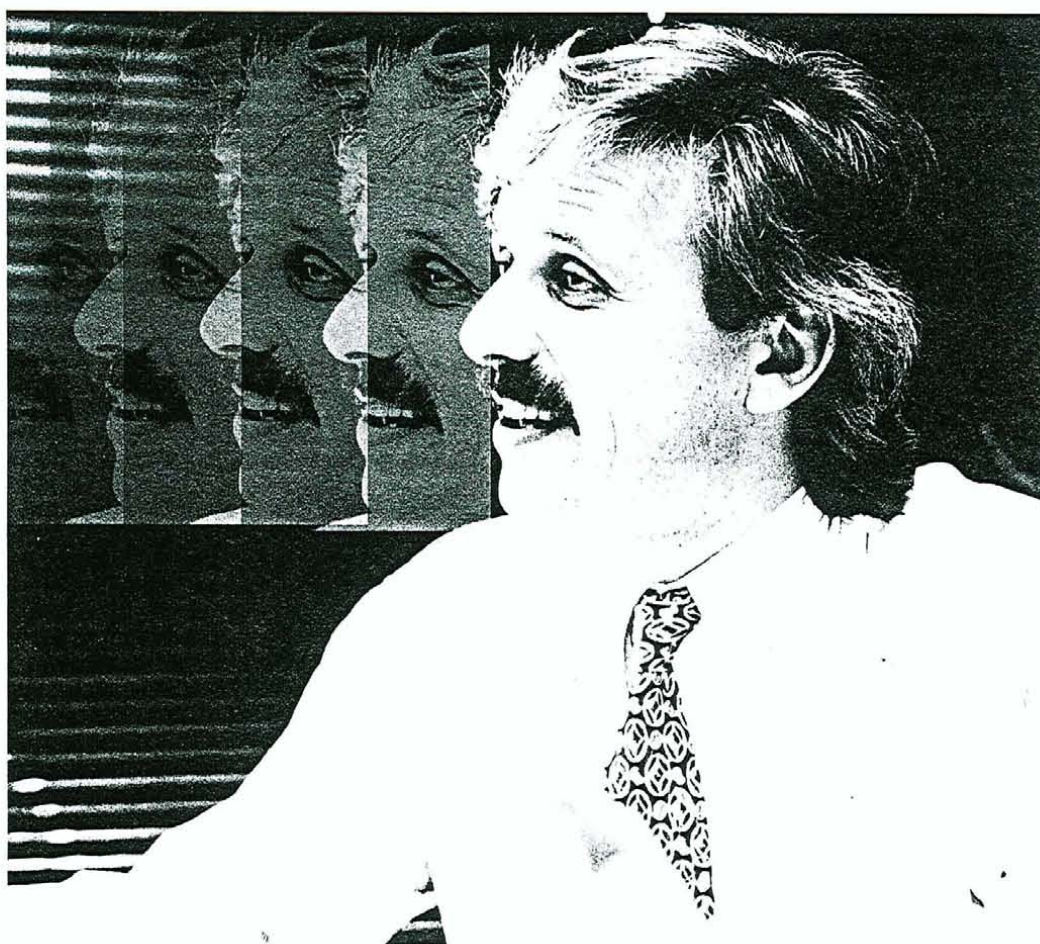
from roughly a 30 mile radius, and we can do that because with such large displays from each range we can make it worth people's while to come and visit us. The second reason is that because manufacturers have to support their brand image we get an enormous amount of backing in terms of marketing, brochures, ads in glossy magazines and catalogues, which all helps build a strong product following and encourages collectability. Finally, because we are doing greater volume with a smaller number of manufacturers this gives us a great advantage because it gives us buying power and means that we can retain our margins."

Chandler is unphased by the suggestion that brand names are more susceptible to discounting and price wars with nearby competition. His closest geographical neighbours are Allders, Army & Navy and Furniture Village in Guildford. But he says, "If you start discounting you simply can't run an operation like this. Yes, we have a loyal customer base after 30 years, but customers aren't stupid - they do shop around. But you can retain your margins. If you present your product properly you will do the business."

Failure he believes results from not investing in displays and he adds, "Manufacturers need to take a stronger line if they are to control discounting. Some retailers won't put money into displays. They prefer to buy just enough of the product to keep an account open and use the name, and then switch-sell the consumer to an unbranded product. It costs money to display a product well and therefore you should be able to command a better margin for giving the manufacturer that support."

For those who remain cynical, a guided tour around the Vale showroom on the strength of which turnover has climbed by a staggering 140 per cent, should put paid to any doubts about Chandler's theory.

Chandler begins in the carpets and curtains department which accounts for around 10 per cent of turnover. He has designed all his own display units for an overall effect, and says, "We are trying to offer a good selection with good present-



ation, but I have to say that selling carpets and curtains involves a far greater sales effort and more labour than selling furniture."

Moving across the ground floor we pass what Alan describes as, "a reasonable chunk of leather from Frayling", and the new product line from Ekornes - he sold seven chairs within the first week of putting in the display.

Given the branding policy it then comes as no surprise to see G Plan heavily featured. Of the High Wycombe brand he says, "One year ago we had only 2,000sq ft, and the only

having any sort of hard floor walkway because people tend to stick to the path and walk around displays rather than on to them. They build up a self-conscious resistance. So we went for a slightly different shade of carpet instead which helps to break down that resistance." There is also a distinct lack of signage as "point of sale needs to be informative, but we also want customers to ask questions".

Moving on we come to displays of Beaver & Tapley, introducing an element of modern furniture to what is largely a traditional product

affiliation with the AIS. "I joined the AIS in January primarily for the Carpet Collection, but there are numerous benefits. It gives us the buying power to be able to retain our margins on a range which is put together easily. AIS do all the negotiations and research with the suppliers. It also gives us access to marketing materials such as leaflets and catalogues which are useful. And through the AIS we have gone from doing one bed a week to five."

In the pinnacle of the tower, which was originally designed as Chandler's office before he realised that he never used it, there is a Cintique display. There is also a selection of sofas and an area given over to Old Charm furniture. Finally, there is a small home office section.

Last, but by no means least is the perversely titled Dungeon which actually nestles in the caves. The Dungeon is a dark cavern illuminated only by an ultraviolet light, and the glow of a space invaders machine which Alan bought from a pub a couple of years ago. He explains, "It's designed as an area where the kids can go and play on the machine or watch videos while we do business with their parents. The only problem is that we get children coming in here without their mums and dads just because they like it so much."

Nor are the parent's creature comforts ignored. First and foremost there is a huge car park which removes that headache. And there is a waitress serving coffee and refreshments all day in the showroom. The only thing which they might find unusual is that the store does not take credit cards. Chandler comments, "They take so much commission. I believe that as much as 30 per cent of our sales would be charged to cards. We have our own finance facility and people tend to use that, even if they don't need it."

He continues, "By not taking cards we may lose business on smaller items when the plastic usually comes out, but there is always the cheque book. It may sound relaxed

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**Alan Chandler**

way to survive was to specialise. We have always run G Plan but we have only been able to do that because we have always had a stockholding facility with 10,000sq ft of storage space off site. Being able to supply straight from stock gave us a margin when everyone else was working to extended lead times."

We move on past the cherry staircase which defies the laws of architecture as it has no visible supports. Again it was built to Chandler's own specification despite the fact that his architect said it couldn't be done. In fact the whole showroom ceiling seems to be self-supporting. He says, "I didn't want any pillars because I wanted the flexibility of being able to move display panels around." There is also a lift connecting all three floors and a disabled toilet. "These facilities are important. I have spent a lot on them. People judge you on your after sales - and by the standard of your loos."

The psychology of the layout also stretches to the subtle use of walkways. Alan explains, "Originally I was against

environment. Alan says, "Tapley works very well for us because we tend to deliberately create the displays in awkward spaces to demonstrate the flexibility of the product." Chandler has also installed Ducal since January. "Pine was a first for us, so we have put in a good selection for the people who come to see it, and to encourage collectability."

On the first floor Chandler shows Nathan and Parker Knoll, which he says have done "tremendously well". There is also an area dedicated to Stag which he believes Spring Ram will now develop "to be a major market force". Ercol is another name which has joined the Vale portfolio since January.

The third floor is essentially an extremely clever use of roof space using natural light through sky lights. This has allowed Alan an additional 5,000sq ft largely dedicated to beds and bedroom furniture. Up to now there has been a focus on the Rest Assured brand but now the 20 beds on the floor include other labels, as a result of Chandler's new

but if you analyse it taking cards would cost us £20-30,000 a year. We may lose the odd coffee table. But at most that means about five orders of around £200."

In fact the atmosphere at Vale Furnishers could hardly be more relaxed. Alan's staff, who work from an open plan office area on the ground floor, range from Ian who he has known since he was 14, to Alex who started as a Saturday boy at the age of 15. "I was writing him a reference for a job at the TSB and when I read it I thought, 'This guy should be working for me'."

He has known Carol in accounts for 24 years; Ron who is in charge of estimates and deliveries joined 15 years ago; and Veronica, who is the company computer buff, is Ian's wife. Unbelievably, they really do have an Alan Partridge in sales and ordering. And that's not counting the off-site team. Alan says, "The success of this company is not just down to me, it's down to a team, a group of people. If there is a customer there to be served, we are all capable of selling and serving."

Being involved with people stretches into the community. From a marketing point of view the Vale name has been broadcast across the airwaves of Radio Mercury for the last seven years. The ad used to feature comedy veterans June Whitfield and Terry Scott. But they have since developed their own jingles which drift across the showroom. Chandler observes, "It's a piece of music that people have really come to recognise."

But they also have non-commercial interests. These include charity work within an organisation which provides pleasure trips for pensioners. Alan is also treasurer of the local Business Association.

On a more personal level his passion for skiing has led to his appointment as chairman of the Ski Club of Great Britain. He says, "It's a non-profit making club with 22,000 members, and I have responsibilities on the policy side. I started skiing at 22 so I was a bit of a late developer, but since then I've probably done about 80 weeks." He has also done a pilot's course. "I thought it would be a useful method of transport, but Ian is now our resident pilot."

Instead Chandler's real indulgence is his cars. He has owned an Aston Martin Volante Vantage from new which has only done 10,000 miles in five years and recently won a concours competition, being in pristine condition. He also has a Porsche and a Mercedes. He says modestly, "The furniture is business is only a small part of my life, there is skiing, sailing..."

So can we expect to see further branches of Vale Furnishers springing up across the country? "No. There will only ever be one outlet. The interest for me is very personal. I would rather do it once and do it properly than set up a whole chain at which point I think you begin to lose control. We are now doing two and a half times the business that we were doing this time last year. And these days you need to progress just to stand still."