



Solatech Newsletter Dealer Interview: On June 9th, 2011, Ray Soltis spoke with Michelle Wollmann from Affordable Blinds and Shutters in Reno, NV. Below is a transcript of that session in its entirety**

(rs): This is Ray Soltis, CEO Of Solatech and I'm on the line with Michelle Wollmann, of Affordable Blinds and Shutters of Reno, NV.

Tell me, when did you start in the window fashions business?

(mw): October, 2003.

(rs): Can you tell us a little about Affordable Blinds and Shutters? Type of business? Who do you market to?

(mw): We are a shop at home business with a mobile showroom. We bring our business to our clients home. Most of our customers are repeat and referral. We mostly sell hard treatments, blinds, shades and shutters, though we do offer some draperies and top treatments. When we started the business, we have a lower end clientele. We have built up our business over the years, and most of our clients now buy the higher end products.

(rs): Do you do your own installations as well?

(mw): We do.

(rs): Before you entered window covering industry, you were working in another business. Can you tell us a little bit about that job?

(mw): Sure, I was a national sales manager for a wholesale gift and home decor company based in Duluth, MN. I worked in that industry from the time I was 18 yrs old until the day I left. I traveled a lot for a living. I did trade shows all over the country and went to China to work with our designers.

(rs): That was a very different position.

(mw): Yes, I managed a team of 200 sales reps.

(rs): I happen to know there was a defining moment that caused you to change career paths and brought you into the window coverings industry ultimately. Can you tell us about that?

(mw): I was in Boston, MA in Sep 2001 for a trade show and was set to fly home on Sep 11. I had brought a friend to the trade show and she and I were in a hotel the night before the flight. We had a little too much wine. Instead of calling for a wake up call, she set the alarm and when it went off in the morning, she thought she had hit snooze button, but she actually turned it off, so we missed our flight. We were supposed to be on the second flight that hit the World Trade Center. Flight 175 on United. And we drove home across the country, which was a really cool experience. Lot of neat people and a lot of great stories.

(rs): You were probably doing a little reflecting during that time.

(mw): Yes, I have to think back and remember that.

(rs): You must have had some very strong feelings when the Navy Seals did their raid recently and got Bin Laden.



(mw): I was pretty happy. I'm glad that they finally found him and just hope that there's not another team of his people out there.

(rs): So obviously at that point you were looking for something else to do and chose the window coverings industry ultimately. Why was that and what drove you to that decision?

(mw): I tried to travel after that and it just wasn't as enjoyable. I started dating my husband in Dec 2001. In about a year we'd decided that we wanted to start a business together. And we were trying to come up with ideas. And I said "what about window coverings? The guy that came in and did our shutters seems like he did pretty well. With my background in home decor and your in finish carpentry we could do something like this". So we sold everything and moved to Reno, NV and started a window covering business.

(rs): Wow, that's quite a turn around. Your first year in business was pretty good.

(mw): Our first year was very good.

(rs): If you don't mind my asking, what was your first years sales?

(mw): Our first year was about \$750k and we built up to within 3 years, we were up to \$1.15 million. And it was just the two of us doing it.

(rs): Wow that's very impressive. Congratulations. I think there are a lot of folks reading this out there who are striving to get where you've been. I don't think the economy is ideal for it now, but hopefully that will change.

(mw): Well even in spite of a bad economy, we're still over a half million in sales. And I think that pretty good, considering.

(rs): I think that's impressive. Considering the number of folks I've heard of through the grapevine who have closed up shop all together.

In terms of vendors, obviously you came into this business with no experience, and you had to learn the products and vendors which I'm certain you had no issues doing.

(mw): I learned through the school of hard knocks.

(rs): There was probably a couple of dollars that could've been added to that first 750 that ended up in your garage somewhere.

As far as your vendor relationships and the folks that are helping with you currently, can you tell us a little about who you work with or who takes good care of you?

(mw): In the past four years we've built a much stronger relationship with Hunter Douglas. We've been very happy with their customer service, their products, their delivery time and their warranty repairs. And that's part of what's helped us keep our sales volume up, selling a higher end products and understanding that we may not have as many customers to sell to, but we try to sell the nicest products possible to the customers we do have. And they've done a good job in helping us with that.

(rs): Which Hunter Douglas fabricator do you work with?

(mw): Hunter Douglas West.

(rs): What motivates you every day to get up and sell? Obviously with mostly just the two of you you're doing the selling, closing and installations.

(mw): For the most part it's a lot of fun. You get to meet a lot of people and see their homes and help them decorate and come up with ideas. We just like to get out there and enjoy the day.

(rs): I imagine since a lot of your business is repeat and referral, it says a lot about what you deliver to the folks you sell to. There is no higher compliment than to have someone refer you or call you back. In your particular market, I'm sure there are other competitors. What have you done to set yourself apart and stand out to your customer base?

(mw): I'm glad you asked that. Three years ago, we had put some money together to open a store. We were actually going to do a Hunter Douglas Gallery. It was about a 50k investment, plus signing a lease on the store and employees and everything else. We decided to take the money that we had set aside and buy a Mercedes sprinter van and build a mobile showroom, and that's what we did. And that has really separated us in the market. Prior to doing that, we had our Solatech software and that really has helped us with what we do. It makes us look more professional and we can quote jobs on the spot so we took that one step forward and built the mobile showroom. We have a laptop and a printer in there, backlit displays, actual working product samples which are about 24 x 36" in size and we offer a turn key presentation to the customer. They get to come in, see the product and get a quote on the spot that printed professionally, and that's helped set us apart from everyone else and helped us get the majority of jobs that we go out on.



The mobile showroom



(rs): Wow that's fantastic. When you pull up to a new customer, what type of reaction do you get to the van? Or are people used to seeing it around town and that helps draws some of your sales calls as well.

(mw): Oh it definitely draws attention and we get calls from people seeing it driving around. As far as new customers, most referrals have been told we have it, but other people when you say "come out to my van" They kinda look at me like "what?" being female definitely helps. I think most people when they come out to the van are impressed. I had a man yesterday though, who will never buy from us because he thinks we're making too much money because we have the van. He just kept repeating that.

(rs): Probably not your target market.

(mw): No, the first thing he did when I walked in was say I'm looking for the cheapest price.

(rs): Think how much overhead Lowes has, cause that's probably where he needs to be.

(mw): Exactly, exactly. That should have been my comeback to him. Ultimately what's kept us successful and in business is having that van. Had we opened that storefront and signed the lease we were going to sign to the tune of about \$3800 per month, I very well may not have been in business today. So that van has helped keep us in business and profitable.

(rs): There's no doubt in the years I've known you you have made smart business decisions and that's definitely one of them.

(mw): And I have to say that Solatech has helped us a lot. I know you didn't prompt me to say this, but as far as having the right products and prices and being able to compare and not make mistakes and being able to be efficient - that has really separated us as well.

(rs): You also say you do a lot of direct mail and internet advertising. Are you still doing that?

(mw): I am. I just started doing the internet advertising and we've done direct mail a while.

(rs): What else has changed in the industry or business in the past several years? And where do you see the industry and specifically your business in the next five years?

(mw): I think what's definitely changed in the time we've been in business is that people are a lot more savvy, they're shopping more than they ever did and they are researching more than they've ever researched. A lot of times you'll walk into an appointment and the customer already knows what products they want to look at. That was not the case before. The customer is more educated. As far as business in the future, I think being professional, having a professional organization and having knowledge and being able to help people is more important than ever. Because they can go online and they can order whatever they want. And so as a retailer, I must bring some kind of value to that customer, give them a reason as to why they're willing to spend more to use us. And I think that's what's changed most about the industry. When the heyday was going on and people were buying things left and right and everybody had excess money to spend they weren't being as careful with every dollar. But now they are, and if they're going to spend any extra money, they're going to expect A service for it.



(rs): Makes perfect sense. I think the businesses that are successful now value service and knowledge and repeat business. And they offer their customers more.

(mw): I want to throw something else out there. I believe as a retailer that it's so important for us to hold our profit margin. Many retailers out there now are lowering their profit margin just to get the business. And that's the people that have dropped out of the business or will in the very near future, because if you don't stay profitable, you won't be around to service the customer. And don't be afraid to tell your customers that. Again I'm going to put in a plug for Solatech because I put a margin in there and aside from offering a 10% discount here and there, I stick to those margins. Not doing it by hand and having it come out from a computer and handing it to the customer and saying "here it is" makes that a lot easier to me. And if they say to me "so and so is less expensive" I tell them, that's great, do they have a mobile showroom, do they come and price everything on a computer and give it to you on the spot? Do they have great customer service and will they be in business five years from now?

(rs): That's a great point Michelle, I've heard that from our customer base many times. Do you use the price compare feature in Solatech? If something is too high, you tell the customer, ok I'll switch you to a different product to keep the margin up as opposed to dropping the profit?

(mw): I absolutely do. That's exactly what I use it for. I start at the top, and show them everything they can do with a high end product. If the price comes up too high, instead of rolling up my bag and leaving, I show them some different options. I use the price compare to see what we can come up with and what those price points are. And a lot of times that alleviates their need to shop.

(rs): So you're able to do some price matching without dropping our margins.

(mw): True. I'm happy to say that last year, 2010, we finished our year with an average gross profit margin of 43%.

(rs): Wow. Do you find people are more inclined to not quibble about the price when it comes out of a computer?

(mw): Absolutely. You still have to be careful and recognize objections. If somebody's standing and they fall over on the floor, you need to realize that, and do the price compare to show them other products.

(rs): Go to plan B

(mw): Exactly, while they're still breathing. And sometimes there are times to walk away.

(rs): That's a tough thing to do. Many times people want to sell for the sake of selling with no profit. And that's why you're still here.

Tell me something about you that people would find interesting or surprising about you that may not be obvious?

(mw): Well as much as we are dedicated to our business, I think something that would surprise people is that our fun and our playtime still comes first. My dedication to exercise and being fit and healthy comes first and I have an appointment every day with myself to either run or go to the gym, and I will put that appointment before a customer if necessary in order to accomplish my goals. I think that surprises a lot of people because we are very dedicated to our business, but I'm also dedicated to being healthy and having fun.

(rs): I wish I could say the same thing. You've inspired me to make an appointment.



(mw): Pretend you're paying yourself if that's what you need to do.

(rs): I appreciate it. Thank you so much for your time today!

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