

# **Kbbreview Industry Awards 2007**

## **CATEGORY: Master Retailer Award for Bathrooms**

### **FINALIST: Ripples, Solihull**

#### **Company and director background**

Ripples Solihull is the smallest showroom in the Ripples group and opened 11 years ago. Historically, the business was the worst performing Ripples showroom and had amassed significant losses. Before we acquired the business we had mixed backgrounds. Martin was a qualified chartered accountant and Lisa specialised in media sales and management. We purchased the business in February 2004.

#### **Staff**

We are a small team; Robert our Design Consultant, Deana our part-time bookkeeper and ourselves make four. Having focused job roles and responsibilities enables us to operate in an effective and efficient manner. We are a small enough team to be able to discuss customers and plans on a day-to-day basis so that all members of staff are kept abreast of current issues and developments.

#### **Showroom**

After careful budgeting and planning we have refurbished the entire showroom over the past three years. We take a financial view of what displays are working with regard to sales volume and customer feedback and prioritise their change. We focus on products, which enable us to add value to our designs and increase our gross margins.

We are constantly looking at new display and product ideas. We believe that keeping displays fresh and current is crucial not only for our customers but also to maintain our own excitement and enthusiasm for what we are selling.

We display and sell products from the top manufacturers in the industry; however, we also focus on displaying bespoke items such as hand made furniture, glass, mirrors and stone. We find that having bespoke options enables us to design truly tailored-made solutions for our customer's not limited by range or fashion.

#### **Customers**

We believe our customers should have a fabulous retail experience when they choose Ripples Solihull for their project. From a warm greeting and a good cup of coffee when they first enter the showroom, to a bouquet of flowers when we hand over their completed bathroom we endeavour to give them the best service possible.

For example, with other companies it is quite often the most inexperienced person in the organisation who the customer sees immediately prior to installation, i.e. the delivery driver.

We have improved on this formula by now having Martin deliver all our bathrooms himself. We have found that this has the advantage that he is often at a customer's house when they have last minute questions or worries; it also has the added benefit that he can keep an eye on the installation and make sure that any issues are resolved as efficiently as possible.

## **Finances**

As soon as we took over in 2004 we immediately restructured the company's debts and brought it up to date with all of its suppliers, something that hasn't changed for the past 43 months.

This has had several key benefits: firstly our relationship with our suppliers has dramatically improved which has enabled us to negotiate better sales terms, rebates and display rates, secondly it has had the often overlooked benefit of enabling staff to focus on customer service and their sales figures rather than on fielding calls from credit controllers.

Our first priority was to improve the businesses operating margins. We achieved this through several means:

- Careful specification of products with the most favourable terms.
- Selling higher margin products, which were previously being supplied by the installer eg; lighting, extractors, undertile heating and radiator valves.
- Changing the commission structure from a turnover based system to one based on gross profit.
- Taking advantage of suppliers early settlement discounts.
- Introducing an annual bonus for all staff based on year-end results. By letting staff share in the overall success of the business it keeps them motivated and committed to our overall profitability.
- Financially reviewing each installation on completion to learn from any mistakes and successes.

During 2005 we were asked to present the above points to the whole of the Ripples group. Since that time Ripples Limited have credited us as being instrumental in helping increase gross profit margins across the whole group by over 5%. Since 2004 we have increased our average monthly sales from £33,000 to £68,000.

Ripples Limited (franchisor) ranked us top showroom in the group taking into consideration margin, sales, debtor days, stock turnover and liquidity ratios for both 2006 and 2007. Lisa and Robert have consistently been amongst the top designers in the Ripples group with conversion rates of 85% & 72%.

To increase our efficiency and save administration time we have made an investment in new management software, which processes everything from quotations through to purchasing and invoicing. This has proved to be a massive success in terms of the speed and accuracy of preparing quotations, purchase orders and monitoring of deliveries.

## **The future**

We have many exiting plans for our future including:

The expansion of the business by concentrating more on add-on sales such as taking bespoke furniture from the bathroom through into the bedroom.

Promoting our business further into the West Midlands and Warwickshire through a combination of marketing, advertising and possibly the opening of Satellite showrooms

Spending additional time and attention to build stronger relationships with local interior designers, architects and developers.

## **Summary**

We have found that being a husband and wife team as well as a Ripples franchise gives us the best of both worlds. We are a privately owned business, small enough to care yet large enough to have access to the best manufacturers with group buying power.

We have the ambition and determination required to grow and develop our business and we continue to hone our skills with experience and product training to ensure we give our customers the best possible service.

