

## Dealer Profile:



### spaces incorporated

An unfortunate business decision created problems for this Knoll dealership a few years back, but they've recovered nicely since then and are back on a fast-growth track.

"In my 15 years as the owner of this company, it was without a doubt the single biggest mistake I have ever made and it could have cost us dearly."

That's Chris McCormack talking, about a decision he made back in 2005 for his dealership, Lenexa, Kansas-based Spaces, Inc., to abandon TeamDesign, the system he had used for close to ten years, in favor of new software that came loaded with lofty claims and promises of greater efficiency and ease of use.

"We found out very quickly just what all those promises were really worth," he recalls ruefully. "Within a matter of months, I was back in the TeamDesign family and have slept very well ever since!"

McCormack is no stranger to the office furniture industry. He started straight out of college over 30 years ago, as operations manager for the Wichita branch of Kansas's leading Steelcase dealer.

After eight years there and another eight

years in Kansas City with what was then the city's leading Haworth dealership, he decided to step out on his own and with a grand total of just two staff members working out of a 5,000 sq. ft. showroom in Lenexa, Spaces opened for business.

Fifteen fast and furious years later, the dealership has grown to a staff of over 50 and operates today out of four separate locations—Wichita, Kansas and Lincoln and Omaha, Nebraska, in addition to its Lenexa headquarters.

The dealership's brief flirtation with an alternative business system may have rocked the Spaces boat three years ago, but McCormack and his team have recovered nicely since then. Sales were up 20% last year, he reports, and the first six months of 2008 were the best in the company's history.

What's behind Spaces' success story? Not surprisingly, McCormack gives plenty of kudos to the business system he uses to run the business.

"TeamDesign is so specific to our industry and that's a huge plus," he says. "It's a terrific management tool that covers virtually every aspect of the dealership and it's very intuitive to use. And TeamDesign's technical support and training are outstanding."

*continued on page 3*

### ■ IN THIS ISSUE:

- ECi's 'One Stop Shop' | 2
- Dealer Advisory Committees | 2
- Economic Stimulus Plan | 4
- Upcoming Events | 4

## COVER: Dealer Profile

CONTINUED FROM PAGE 1



We talked to McCormack after he had recently finished converting his latest branch in Omaha over to the TeamDesign system and he couldn't say enough about the help he'd received.

"Tammy Byrum at TeamDesign really went the extra mile to make sure everything went as it should," he told us. "She was very accessible

and did a great job of helping us avoid potential problems and insure a smooth transition."

McCormack is equally generous in his praise for Knoll, the dealer's primary manufacturer partner.

"The markets we serve may be in America's heartland but they're also markets where the A&D community plays a key role," he explains. "Architects and designers respond very positively to the design ethic and values that Knoll brings to the table and their local support makes our own job a whole lot easier."

But while TeamDesign and Knoll are important, McCormack says the lion's share of the credit for the dealership's success belongs to his people.

"We stress to our team that we have to spend our clients' money like it was our own, and they've responded magnificently to that message," he says proudly.

"Our goal is to be known as a dealership that provides outstanding value and service and that consistently exceeds customer expectations," he continues. "It's a goal that we all share as an organization and as long as we continue to meet that goal, we'll continue to grow."

Taking lofty company goals and translating

them into day-to-day reality, however, is no easy task and McCormack works long and hard to make it happen.

"Open communication, employee involvement and team building are all critical," he contends, and that belief serves as the foundation for the way he runs his dealership.

Every month, McCormack sits down with a continuous improvement team drawn from all aspects of the company—designers, project managers, account executives and other top management—to review current processes and discuss ways to make them better.

It's an opportunity for team members throughout the organization to provide input on its future growth and direction and to make sure that opportunity reaches as many as possible, staff members rotate in and out of the team every six months.

To further encourage a true team approach, Spaces' 11 salespeople are supported by their own staff designer and project manager. "It's a system that not only gives our sales team expert valuable resources they can draw on to better serve customers, but it also allows them to spend more time in the field selling and prospecting, instead of having to take care of administrative issues," he points out.

And to recognize the contribution support staff make to overall sales growth at the dealership, McCormack takes 5% of the gross profit dollars each team generates and shares it with the team's designer and project manager every quarter.

How has the Spaces staff responded to the teamwork message?

"We're at the point now where our own account executives are voluntarily sharing spiff money with their designer and project manager because they recognize their own success is the result of a true team effort," McCormack says proudly.

As Chris McCormack looks to the future, his confidence in his team's ability to keep the sales momentum

going—regardless of what may be happening in the economy overall—comes through loud and clear.

"Our opportunities as a dealership are practically unlimited," he says happily. The recent addition of the DIRRT floor-to-ceiling solution to the dealership's product portfolio holds the potential for major new project work in this year's fourth quarter and beyond, McCormack reports. And government sales, while currently less than 15% of total volume, have been growing steadily in recent years and promise to accelerate nicely in 2009.

McCormack is also excited about *evologic*, the dealership's separate services organization, that provides project management, installation, storage, move management and more to a growing customer base.

"Services are an important part of what we do," McCormack explains. "And if we can't provide a specific service ourselves—phone systems or computer networks, for example—we have the partnerships in place to provide it for our customers."

Ask McCormack about those few short months back in 2005 when he tried to run his business without the help of TeamDesign and he still winces just a little. But those bad memories are fading and most of his focus is very much on the future and the opportunities it holds.

"We've got a great team here," he says. "Everyone's rowing in the same direction, they recognize their responsibilities to the rest of the team and they work hard to make sure they don't let the team down."

By any measure, that's a pretty good formula for success, regardless of the business you're in!

