

# ROOTNOTES

News, Commentary & Insight from the



worldwide headquarters of

**FURNITURE SALES**

dedicated to helping you sell more furniture



Brought to you by Emmet Root, Mike Root, Chris Martin & Huey

Issue 143 ...December 2007

Subscription price \$10.00

## NOTABLE & QUOTABLE

### *What is Christmas?*

It is tenderness for the past, courage for the present, hope for the future. It is a fervent wish that every cup may overflow with blessings rich and eternal, and that every path may lead to peace.

*Agnes M. Pharo*

## WE WISH YOU A MERRY CHRISTMAS AND A HAPPY NEW YEAR

As we wind down 2007 our first thoughts are of gratitude for all our blessings this year. We'll start with a great big THANK YOU to all who helped us continue to grow our business!! In spite of the difficulties in consumer confidence, sub prime mortgage debacle, really high gas prices and everything else the media can harp on, 2007 was an excellent year for us at Furniture Sales of Mid America. With a terrific retailer base and quality factories providing product that sells everybody wins. If you didn't have as good a year as you would have liked, give us a call and we'll help you sell more product in 2008.

Looking back over 2007, we will miss our good friends Judy and Jim Cooke. After nine great years of helping us grow our business, Judy has relocated to help Jim launch a new career. Chris has done a great job running the Worldwide Headquarters while still managing two teenagers - a son who plays football and a daughter who dances in the Nutcracker Suite and other fun stuff. All very active and yet she keeps us organized as well.

Chuck Meline joined our team in 2007 and has helped service a number of the accounts we could not get to in the Midwest states. He's doing a great job, having fun, and is a joy to work with.

On a personal side, Mike and Nancy are empty nesters this year but found out it's not all that it's cracked up to be. Sure the house is quieter but the trade off is more travel time to see the kids, bigger phone bills, and of course higher tuition. We've never seen money leave the wallet so quickly so please buy more furniture. When it's all said and done, the kids will be home from college at Christmas and spending some quality time with family will be very welcome. Emmet and Fran continue to enjoy a very active lifestyle darting from work to play and city to city. Emmet has survived a rotator cuff repair & is rapidly gaining his mobility so Spring golf is right around the corner.

More importantly, after the tragedy here in Omaha (and another in Colorado) our team is thankful that those negative moments don't destroy the blessings we all have enjoyed. The friendship our customers, our manufacturers, and our colleagues share with us makes ours the best business in the world (and we're the luckiest guys!). Thank you all for your business and most importantly, your friendship. We hope all of you have a very healthy, happy, and holy holiday.

*Mike and Emmet Root*

We decided in the spirit of the holidays to spend time this issue on reflecting over 2007 and look forward to building an excellent 2008. If you would like more newsy type information this month go to [www.furniture-sales.biz](http://www.furniture-sales.biz) for product specials, joke lists, back copies of newsletters & much more.

## What Does Our Crystal Ball Tell Us Will Happen In 2008

As we focus forward on 2008 a lot of ground work for a good year has been put into place in 2007. We know from talking to our major factories, that they anticipate the upcoming year to be very challenging. Our factories made major changes from closing unprofitable factories to resourcing in more competitive countries other than China. Our major retailers continue to stay very aggressive in promoting and merchandising knowing that in tough economic climates such as this, it becomes a great opportunity to gain market share and position the stores for when a turnaround eventually comes. It is because of the tough economic climate that we actually had a good year because our product is used in advertising by major accounts. Our merchandise by and large is an excellent value priced offering that appeals to customers who want a reasonable product at a reasonable price.

### Here are some specifics that should continue to perform well into 2008.

Thanks, especially to the explosive growth of the Mexico plant of Progressive, we had a dramatic rise in the numbers produced for Progressive. In stock and shipping in 10 days compared to 3 months from overseas, Progressive is a natural for retailers to keep their inventory lean in 2008. With two more "killer" bedroom groups hitting floors in the 1<sup>st</sup> quarter this should continue to rise. The in stock occasional program of hot sellers & new offerings will continue to improve sales for all in 2008.

After a challenging year, Ligo has positioned itself for dramatic growth in the coming year. Much of the line was resourced in early 2007 and the results are beginning to show. With great new groups on stream and more coming to Mokena for quick delivery, Ligo should excel. Ligo has taken a new showroom in High Point on the main floor of the National Building (across from Powell). WOW!

One of the oldest lines in our bag continues to be one of our strongest and we look at 2008 as being more of the same. Hughes Furniture is positioned in the super competitive promotional upholstery category as one of the lowest cost providers. Because of that, they will get to their goal of \$100,000,000 in sales. For that to happen, think about how many \$150-\$250 sofas have to be sold & you will realize what a big company this has become. The product is advertised regularly by major merchants, it keeps selling, and the company keeps growing. If you haven't looked at Hughes for a while, you are missing an underrated gem in the business. We had our best year with them in 2007 and expect to exceed that in 2008. If you add one new line in 2008, your price sensitive customer will want it to be Hughes.

Our best kept secret is the Woodcrest line of bunk beds and youth furniture. A combination of imports and domestically made product continue to help Woodcrest take an overlooked category and bring great sales for those who use them. With the explosion of our internet business we saw dramatic growth the last two years. Woodcrest has introduced mattresses and bunkbeds that are all drop shippable so selling a customer and getting them delivered quickly is not a problem. Woodcrest continues to innovate their product offerings with the most recent hit being new domestic made stairway bunk bed.

Finally in the realm of hand painted product Ultimate Accents continues to be the resource of choice for those that want quality product at a price. New introductions such as ornate mirrors have helped them grow.

As you can see from our plans, 2008 will be terrific because the factories we represent as solid financially, customer driven, and have promotional goods that help you, the retailer, compete in a challenging environment. Even more importantly, you don't have to compete with lumber yards, convenience stores, and company owned outlets!! Mike, Emmet, Chris, and now Chuck look forward to partnering up with the nicest folks in the country: our customers. See you next year.

Mike and Emmet Root