

Ten Good Minutes With Tim Murphy



Tim Murphy

Why do people go to Klaff's?

TM: Klaff's is not a fly-by-night company. We have been around since 1921. We are well known for having an extremely knowledgeable and friendly sales staff. We are fortunate enough to have a loyal hardworking group, which equates to a small amount of turnover. This enables our front-line professionals to develop long-term relationships with our customers, both trade and retail. These relationships are a huge part of the foundation of our business.

In addition to our top-flight sales staff, our merchandising is second to none.

Westchester magazine wrote: "Klaff's is a unique, nationally-renowned home design store, featuring lighting, kitchens, bath, tile and stone and decorative hardware showrooms. Klaff's offers the widest selection of the world's finest products with unmatched expertise and service...all under one roof." I think that sums up a large part of Joe Passero's business philosophy, which he puts into practice every day. He always has a new display in progress and many more planned for the future. I am fortunate to have Joe as a mentor.

We have carefully selected a broad range of high-end products. Even in this economy, we have not compromised our position in the marketplace by bringing in lower cost, lower quality products. That would not fit the

image that Klaff's has worked decades to build.

High-end designers and builders want to bring clients to a store that reflects the quality

of their business, and we are that store.

Our customers realize that the combination of product knowledge and beautiful merchandise offers the best value. This value is apparent when our trade customers trust us to specify products for their clients and investment properties. This trust sometimes becomes very apparent when a builder drops off a set of plans with a budget and says, "I need the roughs next week," with total confidence my staff will provide the best quality products at a competitive price.

In fact, yesterday three salespeople were troubleshooting a problem. They represented more than 100 years of DPH experience. Klaff's was here when decorative plumbing and hardware first appeared in North America. We have helped pioneer the industry. From the beginning to the present, our goal has always been the same. We listen to our customers and then use our skill, experience and expertise to find the right products best suited for the project.

Finally, building the Klaff's brand has been a lifetime job for Joe, myself and every Klaff's employee. Klaff's is our brand, something we take very seriously. We rarely advertise any other. The Klaff's brand stands for quality, service and an improved lifestyle.

What's your secret to keeping good people?

TM: Klaff's is a family-owned business, and the family has always treated its employees as family. If an employee is in trouble, the company is there. If an employee needs time and support, Klaff's helps out. The loyalty Klaff's shows its employees comes back in employee loyalty. Our workplace culture is also a huge priority. Let's face it: we spend almost as much time with our associates at work as we do with our families. When someone strays



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from our culture, we do our best to coach them back. When I am interviewing a perspective addition to our staff, sensing the fit in our culture is of huge importance. If I see they won't fit, there is no room for consideration.

What is the secret to building a knowledgeable staff?

It's a combination of continuous training and promoting from within. Our best salespeople started in the warehouse, moved to the parts counter, to our bath accessories department and then the bath showroom. By the time they are on the showroom sales floor, they can find anything in the warehouse, have handled most product problems and learned to sell. They are ready for anything a customer can throw at them. We continue to train our salespeople no matter how long they have been selling. We also believe that there is always something new to learn every day. The order takers of the last decade either stepped up or found a different profession. Fortunately for Klaff's most stepped up. A good salesperson knows more than just product. They also know some of the psychology of selling and understand the difference between needs vs. wants, and the reasons people buy.

How does Klaff's handle customer problems?

TM: When a customer comes to us with a problem, we handle it. If we need to send out a plumber, we do it immediately. Our focus is solving the problem – not determining who is at fault. Fingerpointing only exacerbates problems. My team takes ownership and follows through to the end. This approach to problem solving is paramount in building the Klaff's brand.

What advice would you give to Forte Shareholders that want to get into lighting?

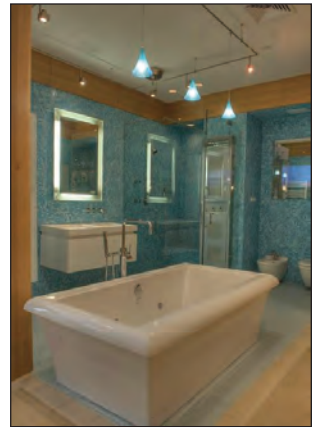
TM: Both plumbing and lighting can be as

simple or as complicated as you make it. If your ambition is to become the "go-to" establishment for lighting, you will need to offer everything from an everyday wall sconce to a whole home lighting system. It can be a tremendous investment in people, training and real estate. I think most Forte Shareholders that want to expand into lighting can make good money by focusing exclusively on what's needed in the bath. It is very profitable and not that complicated. The parallel is comparable to adding wall accessories that coordinate with the client's plumbing package. The question that Forte Shareholders need to answer is do you want to become a lighting showroom in addition to a plumbing and hardware showroom or do you simply want to add light fixtures that complement your plumbing and hardware merchandise?

What do you do to relax?

TM: Are you kidding me? Our customers have my cell number and my home email. My title might say general manager but, that's not all that I do. I am a relationship person. I need to make sure our relationships remain strong with good clients, key vendors and sales representatives, not to mention my valued staff. To be consistently successful, we need to have strong relationships with all our key players. I view my role as a full-time ambassador for Klaff's, and it is 24-7.

I am blessed with a wonderful wife and loving children who provide the tranquility I need to relax and be centered.



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Where does Forte fit in?

TM: I see Forte as an opportunity for start-up manufacturers with good products to reach the crème de la crème of the DPH industry. Without Forte, it could take years, and they might not succeed.

The programs that Forte has negotiated also are a colossal help. It saves us time and energy, and let us focus more time on our customers. My hat is off to the volunteers who handle their own businesses and look beyond their own interests.

What is the biggest change you have seen during this tough economy?



TM: Business is not what it was prior to 2008 and probably never will be the same. The

high-end, luxury product model is being reset and is continually transforming. Everything is different. What has not changed, however, is the need to listen. No matter the position you have in your company, you need to spend time on the sales floor and listen to what your customers are saying.

This reset in business has brought a great deal of humility to my professional life. I look at myself more as a student of my trade. My eyes are wide open, learning something new every day.

There is and must be optimism. Being pessimistic just reduces the fuel needed to help the economy recover. We have good clients that have solid business models that are doing well and others that are nimble enough to have tweaked their models and are on their way back. The rest, the stubborn, are in trouble or gone.

I will remain a student, listening. I mean really listening to the needs of our customers and industry alike.

Staff's Blog: Create Your Own Magic

Dennis Snow spent more than 20 years at Walt Disney World. He recounted the lessons he learned there in his book, *Lessons From the Mouse: A Guide for Applying Disney's World Secrets to Your Organization, Your Career and Your Life*.

Snow began his career serving as Captain Nemo, operating the 20,000 Leagues Under the Sea ride. Similar to many Disney cast members (employees), Snow worked his way through the ranks to become a senior executive. The "Disney way" became part of his professional fabric.

Disney's goal, Snow said, is to generate loyal customers who return to Disney World every year. The objective of customer loyalty does

not differ regardless of your business. Forte Shareholders want to generate more traffic, sell more products, expand their referrals and retain more good customers. Forte Preferred Vendors want to sell more products and retain more showroom customers.

When you think about Disney World, what comes to mind? The most common answers are the park's cleanliness, friendly staff, and the efficient ways in which Disney moves people through rides. The rides are rarely mentioned. Yet, rides are what Disney World is all about.

"Disney does not sell rides," Snow explained. "Disney sells experiences." He believes that

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