

Summary from Managers Meeting May 2013

Underlay – New product code for Luxury PU quality

As I have explained we need to make some savings on costs and for this reason we have recently changed our PU underlay supplier however the quality and thickness has not been consistent and we need to review our underlay offer.

Our sales of PU foam have increased over the last 4 years from 22% of our total underlay sales to 75% of total underlay sold. The switch from 42oz felt to PU has reduced the margin on underlay sales and if we cannot increase our felt sales we need to offer 2 qualities of PU foam underlay.

We will change the description on our estimates to

“Homemaker PU foam underlay” and this will retail at £6.25m2. We will offer for this price 8mm cosi underlay made by Ball & Young.

We will also stock Cosi 10 underlay and this will be sold as

“Homemaker LUXURY PU foam underlay” and will retail at £7.50m2.

Estimate Template

We have also agreed that we will change our standard estimate template so we all follow the same format as detailed below.

Normal retail price	£2231.00
Less promotional discount	-£131.00
Discount Price (Valid until end of current month)	£2100.00

Our standard estimate, included in the normal retail price will be for 42oz felt @ £5.25m2

We will then show a separate option for alternative underlay's

Change underlay to PU foam underlay	£88.50
Change underlay to luxury PU foam underlay	£199.10

Showing the costs in this way will make our basic estimate price more competitive and may encourage more sales of 42oz felt. It also gives the customer the option of selecting the quality of PU underlay to match their budget or requirements.

Please ensure all estimates are sent out in this format from 1st June without exception. If a customer discusses the underlay choice in detail in the showroom and you feel it is necessary to quote for a dearer underlay then offer the 42oz felt underlay as a cost saving as example below.

Change underlay to 42oz felt	-£88.50
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Revision of carpet ranges

I have negotiated some better prices on a selection of synthetic ranges (see PDF of managers meeting sent separately) that combined with a revised marketing strategy will make us very competitive. If we can increase the amount of stock we sell, by selecting

more ranges where we stock the better selling colours, as a percentage of our total sales this will improve our overall margin while we remain competitive when compared with other retailers estimates. The colours from each range we hold in stock we will sell at 25% of the cut length ticket price, This will then enable us to advertise different ranges each month with 25% discount on a window poster as per the current format.

We will alternate the ranges we offer maximum discount to each month and may only offer 20% discount on stock ranges not in this months promotion. The spread of margin will help finance selecting a few de branded cut length ranges to offer a 15% discount for a limited period. **I cannot stress enough if I do increase some discounts then the ranges not on offer at the maximum discount that month MUST be sold at the ticket price less the standard 10% bespoke or 20% stock discount this will give us a mix of margin and maintain our overall margin.**

Sample boxes

I have been to see a box manufacturer to get a price to produce a generic sample box that can accommodate a variety of sample sizes and numbers. (See PDF of managers meeting sent separately for details).

These can be customised for the purpose. A label listing the ranges and colours can be stuck to the inside of the top of the box for sample ordering for replacement cuttings.

Lamett wood flooring

I have prepared samples (1 of each engineered range and 1 of all the laminate colours) for wall/stand display. The samples are the same size as the standard carpet display boards and these will be available by the second week in June.

Sample stand

I also showed a display stand that can hold a selection of carpets on the top in 3 rows of samples 220mm x 450mm and an open bay for swatches underneath. We will use these to show a collection of similar quality/price point of products on one display. I.e a stain free collection, wool natural or twist collection etc.

