

2008/09: Case Study – Design Firm Finds Profitability With Online Supplier Build.com

contributed by Cheryl Cullen [Build.com]

Times may be tough in the housing market, but even so, Exquisite Designs, LLC, a full-service design firm located in Potomac Falls, Virginia, is turning a profit and winning over clients at the same time. Their secret? Using Build.com's virtual showroom, they give clients a break by offering them quality products at prices even below the big box retailers, allowing them to discount the discounters.

Saving Clients Money

Prior to opening their Exquisite Designs, co-founders Paulanne Gregson and Susan Gettler worked together at a design firm. "They charged outrageous hourly rates and marked up products 300 to 400 percent. We don't have a lot of overhead, so we want to be fair," says Gregson of the firm they started three years ago.

"Our customer is the person who just purchased a brand new home and doesn't know where to begin decorating it. We're a one-stop shop. We can give them everything from start to finish," explains Gregson, who says that the key to their success has been their philosophy from day one: Give the customer a break.

"People tend to think that a professional designer is going to charge a fortune. We work off a new approach to business: we can accommodate any budget. We have worked on a \$10 million property and we've also given a kitchen a \$10,000 face lift. We plan to grow an empire based on that."

The first year Gregson and Gettler were in business, neither took a paycheck. What started as a two-person firm now includes a full time bookkeeper and a new part time employee and they are proud to say that they cleared \$500,000 in products alone last year.

Scouring The Internet For Cost-Savings

To get the best buys for their clients, the pair would regularly scour the Internet for good prices on quality products. They would also check out their local showrooms. "But we knew their prices were inflated because we were paying for that beautiful showroom," Gregson notes.

One of the many Internet sites they used was Faucet.com, which subsequently opened Build.com, a sister-site exclusively for professionals. "We had a resale license so we could use the site. Whenever I would search for something for a client, I would find it lower at Build.com. I knew I could already trust Faucet.com, so we used it from the start. Products are shipped in one to two days. That's huge. And for the most part, the shipping is free. That is huge. We don't price shop any more. We know that Build.com is there for us."

Perhaps even more important than the product savings, which Exquisite Designs passes along to its customers, is the fact that Build.com offers its professional customers the convenience of using its virtual showroom and presenting it to customers as their own.

A Virtual Showroom—Free

Exquisite Designs directs its clients to its Web site that has a link to their client showroom, which is powered by Build.com. Clients can shop plumbing fixtures, faucets, lighting—virtually everything—at prices well below even what they would find at their local big box retailer. They click on the items they like, which are sent in an email back to their design team. They review the list and can automatically place an order for the items, which are shipped out that day.

"We encourage our clients to go to our Web site and check out Build.com to find products that are discounted. They are pleasantly surprised to find out how many items are below the prices they saw in their local home center store. We've found items that in some cases were \$100 less at Build.com than elsewhere."

Build.com Does All The Work

Gregson admits that she could have her own virtual showroom, but doesn't see why she would go to the effort when Build.com has done all the work for her. "Our site includes photographs of our work and testimonials. Building a virtual showroom entails having thousands of high-resolution photos added to the site along with product descriptions and pricing. It would not behoove me to do it when Build.com has already done it for me. It has hundreds of thousands of products listed."

Before using Build.com's showroom, "I would have to go to Faucet.com, pick the sink, light and faucet and then cut and paste the photos with the price into an email to my client, which took time. This is so much easier. The time savings is huge. Now, I send clients to our Web site, they log in and they see the price. There is no work involved. I email the client list to Build.com, click on order, it is shipped out, clients pay us and we're done. It saves us hundreds of hours of time."

Time Savings = Expanded Marketing Efforts

Gregson and her partner are using the time they save with Build.com's virtual showroom to grow their business. The pair recently redesigned their Web site and plan to take it, and Build.com, national in their marketing efforts.

They are now targeting realtors who need help staging homes for sale. "We tell them to go to Build.com and check out the faucets, light fixtures, sinks, etc. Whatever it is that their client needs to upgrade to get their home sold. There is no need to pay the designer to go out to that property and suggest things. Realtors can simply have their client visit our site where they can click through to Build.com's showroom. Once there, we can make sales without having to visit the client's property."

The design firm is targeting contractors, too. "Contractors don't want to be traipsing in and out of home center stores to pick up light fixtures and sinks. We tell them that we'll do it for them. Now, they think we're running all over town, when really, we're just clicking and sending an email. When the word gets out, Build.com will be used by every designer and contractor because it is so easy."