

Continued

ALFRESCO HOME

COMPLEMENTARY CASUAL PRODUCTS

JOSEPH CILIO

PRESIDENT

What does this industry-wide recognition mean for your company?

It's really quite an honor to have Alfresco Home validated by our peers within the industry. I look at the other manufacturers and the products – the beautiful, detailed, high-end, fabulous designed products they put out – and I said, 'Wow, I wish our company could even be a little bit like some of those in the sense of the quality, the design and beautiful fluidity that they put these programs and products together.' And really that gives us something to strive toward as we grow our company one step at a time. Obviously, in the complementary casual products category, we've worked quite hard at building that segment of our business, and I guess it's been recognized. We're very appreciative.

How would you describe your employees' response to the news?

Our staff was thrilled and surprised. A lot of our general team around the office didn't realize there was an actual product category for this leadership award, but our product development team was thrilled. It really gave them more fuel, another reason to go back to the drawing board and keep working at bringing some different things to the marketplace in this category, amongst the others of course. So it was a nice energizer.

We've definitely got to continue to work on that niche



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category. There are only so many functional things that actually work on the patio, so you have some boundaries and we continually try to push them with some more unique and creative ideas that work within the patio.

What are some of the best practices your company has adapted that helped it rise to the top of your category despite the tough economic climate?

We really stand behind what we do. We work hard at doing it right the first time, and I think that is really appreciated by retailers. They are in a very, very challenging time themselves in terms of figuring out how to compete in the marketplace against the general economy, against the mass merchants and against the Internet. We work hard to establish some real good basic services and communication with our customers that al-

lows us to be important to them. That's one of our core practices. If they succeed then we succeed, and if they don't we're not going to. We have to develop products, concepts, ideas and materials that basically help them be really important to the consumer.

How important is inventory tracking, on-time shipping and quick turnaround to your customers today? How does that differ from earlier years?

Even two years ago, the quick turnaround times were important, of course, but not maybe as critical. Today, when you have a consumer who is ready to purchase, a retailer being able to say 'I can get that to you in a week or two' really makes a big difference in closing the sale for them. We really try to produce our products more on the front end. We have to keep in mind

obviously our inventory mix and we've tried to concentrate our mix on-hand during the spring and summer seasons, especially to be really what we think or know to be what our customers are going to want right away and soon enough. And we've worked in terms of producing things like our cushions quicker and dropping the turnaround times to get much tighter. We keep a 60,000-sq.-ft. warehouse of products on-hand at all times as we're trying to figure out what our customers need. They have constant access to an availability list of what's available today and what's available in three weeks. We've tried to give them some tools that help us be better at basically fulfilling that special order and inventory management module.

What other challenges has your company addressed and resolved in creative ways?

Probably the most significant piece has been our ability to carry our own paper and help our customers at the right time with the credit challenges that they might face, not getting it from the bank. It's not easy for us by any stretch of the imagination, but we've done some good things that have allowed us to help our customers with their needs in that respect, which ties right into the whole inventory management piece of the puzzle. We've actually changed the way we produce our inventory. Up until two years ago we would produce our inventory ahead of the retailer purchases; now we have more of an in-time production, which allows us to produce more of the right inventory at the right time. ☐