

curtain world



CURTAIN WORLD

a retail revolution

CURTAIN WORLD HAS CONTINUED TO ADAPT TO CHANGING
TIMES DURING ALMOST FOUR DECADES IN BUSINESS.

DAWN ADAMS REPORTS.

FINDING OUT HOW to drive customers into a store was among the first and most valuable lessons learnt when Curtain World began operating in 1975. Bruce Woolf tells how he saw events unfold as a 19-year-old assisting his father Dennis who first established the business in Piccadilly Arcade in Perth. He describes the first couple of years as very tough.

"Lots of people walked past the shop but rarely came inside," he says. "One day, a person from the local newspaper asked us to place an ad and we thought we'd give it a go. On the afternoon after that ad appeared, the phones started ringing and the next day, people walked into the shop."

For the young Woolf, that experience provided a valuable insight. "I realised advertising was far more important than location and I still

subscribe to that today," he says. And it also triggered a new idea. "One day, I thought I'd advertise that people could go into our factory for a limited time, one week only, and get their curtains factory direct," he says.

At that stage, the factory was staffed by two women in premises with a low rent and 'rickety stairs' leading to their workspace. The positive consumer response to that advertisement convinced Woolf that the business should be moved from its high rental shopfront at Piccadilly to a more modest factory like setting in the city. He found an old upstairs premises in a building where the escalator had been turned off for some time. He arranged for the escalator to start working again and set up the factory there.



FACTORY DIRECT

"The business model changed to provide a factory direct operation in the heart of the city," he says. "It had bare wooden floorboards and wasn't anything flash but we did it up a bit." Some six people were now employed to make curtains for the business, whose strategy was snow supported by significant advertising.

"We had rapid growth and started to choke," Woolf says. In the mid-1980s, the firm's practice of purchasing cut lengths from a huge range became challenging, with supply issues arising. In response Woolf decided to standardise the way the business sold curtains. "Instead of thousands of samples of fabric, we cut our range by 80 per cent," he says. "We worked on the 80-20 principle, that 80 per cent of sales would come from 20 per cent of the range. We bought fabric by the roll and held stock." The decision to purchase rolls also enabled the firm to buy at a lower cost rather than the more expensive cut lengths. "And we simplified the sales calculation for sales reps so it was easier for them to sell," he says.

At the same time, vertical blinds emerged as increasingly popular and presented a threat to the firm.

BLIND MANUFACTURE

Woolf responded by becoming a blind manufacturer and producing vertical blinds. "It was challenging because we had no experience in vertical blinds," he says. "But at the peak in popularity of vertical blinds, our business was bigger in vertical blinds than in curtains."

That factory was soon outgrown and the firm moved to Claremont for a time before re-locating to its current purpose built facility in Malaga in 1991, a facility 10 times the size of the company's previous premises. An additional factory opposite the new premises was incorporated into the operation in 2006. A smaller showroom continues to provide a service in Applecross.

Malaga was centrally located just 20 minutes from Perth city in a light industrial area that bordered on new areas of residential growth. "We could service the north and the south from here and the set up was no longer basic," he says. "It was a purpose built 3000 square metre block of land, not a flash premises but modern and well-constructed."



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RECESSION HITS

"Malaga happened in the 1991 recession and business was very tough," Woolf says. "I wondered, at that point, whether I had done the wrong thing. The day the building was finished, it was valued at 50 per cent less than when we started the project because commercial buildings were valued on the rent they could attract. It was a bit of a disappointment but we weren't selling so it didn't matter, it was a balance sheet loss."

But times changed and by the late 1990s, Perth was enjoying a boom beyond Woolf's wildest dreams.

The firm started producing timber blinds as they gained popularity. "They were more challenging than the vertical blinds had been but we had to become a more serious blind manufacturer," he says. And the firm also started manufacturing roman and roller blinds. "We still do all of them," he says. "As one product fell away, they never reached a stage where they were not viable, they were still big enough to keep making here. It means we run lots of departments and the business is more complicated than in the early days."

OFFSHORE MIX

During the boom when the unemployment rate was below three per cent, sales came easily. "I started to fear for the future of the business in terms of getting staff to manufacture our products so we introduced some manufacture offshore to mitigate that risk," he says. Despite more difficult economic conditions since the global financial crisis (GFC) struck, the firm has continued to manufacture all of its timber blinds offshore as well as some roller blinds. "I'm of the view that conditions will change again and the labour market become tightened," he says. "Unemployment is dropping again and, in certain areas, labour is becoming scarce so I believe I made the right decision."

He describes how the GFC changed conditions overnight. "We went from a situation where we couldn't get staff to sales becoming a lot harder and the market dropping sharply," he says. "All our emphasis went into sales generation. We rebranded the company five years ago, introduced a multi-dimensional marketing program that has paid dividends, upgraded sales training programs in the product knowledge area and upgraded our after-sales service department involving installation, making sure it is geared towards keeping customers happy."

REBRANDING

The rebranding included a new logo and a changed image. "The DIY market had grown substantially particularly in the past 10 years," he says. "We needed to offer a difference based on expertise, that our sales people can give a service that they can't get in a hardware store. And our advertising had to reflect that."

A new website was designed to place a greater emphasis on the services provided rather than the actual products. Efforts have also started in social networking forums such as Facebook and Twitter.

General manager Chris Thompson was appointed some time ago as key staff began to retire, while Amanda Symes is a new sales manager

With projections that new building projects will rise in Western Australia by four per cent a year over the next five years and Woolf commenting that conditions in Europe may be easing, he is optimistic signs of improvement are imminent. "But definitely, this year will not be any easier," he says. "With new housing starts, homes have to be built before we get involved so the first signs of improvement will be in 2013."

STAFF DEVELOPMENT PRIORITY

In the meantime, the firm is working on a couple of product developments and is making staff training a priority. "We've upped our marketing spend and improved it," he says. The firm is focusing its advertising on magazines and newspapers with some radio.

"We've started wholesaling curtaining to the eastern states in a small way," he says. "It's not a big part of our plans but it is a nice sideline."

Woolf is keen to credit his parents Dennis and Pearl for their contribution to establishing the business, as well as his wife Marlene who continues to be its financial controller.

Many of the staff have been involved with the company for the long term, even up to 20 years. "They give us stability," he says. "A business is its people and a brand. If I could only have one of those two things, I would take people first."