



To Nail or Not To Nail... There's NO Question About It!

It takes discipline. Many retailers are afraid of it. Salespeople fight it. So why do it? It's one of the most profitable actions you can take, that's why!

By Larry Stark

Many furniture retailers, especially those located in smaller towns, ask us whether it's really worth the hassles to nail down their best sellers. The answer is very emphatically, "Yes!" We know... we've heard all the arguments against nailing down best sellers... "It's too much work." And, "Our customers won't like it." And don't forget, "Our salespeople hate it." I even raised these objections myself, before I learned how much more profitable business can be with best sellers nailed down, *and* how to manage naildowns properly to avoid *all* these objections and more.

First of all, if you're a PROFIT*windows* user, you can just have the system auto-nail down the floor samples of best sellers, there's no work involved, except for tagging the bestseller floor samples with "sold" tags. That way, your customers don't even know the floor sample is nailed down. As far as they're concerned, it's sold to someone else, and if your stock is down to that last floor sample, they won't ask you to give it to them, because of that. Also, having sold tags on all your best sellers makes them easily identifiable for your salespeople, and you know how seeing lots of sold tags whets customers' appetites! Seeing that "sold" tag on your hot sellers tells your salespeople three things: "(1) I'll go look in the computer to see if we have one in the warehouse, but the Boss is very sharp about reordering best-sellers, and I have a high degree of confidence I'll be able to deliver one from the warehouse whenever she wants it; (2) I make my money on commission, and best-sellers make me a lot of money—I love them; and (3) We don't discuss price on best-sellers. If she wants to pay less, I'll show her a markdown item that the Boss will be happy to get rid of."

If you're not a PROFIT*windows* user, that doesn't change the fact that nailing down your best sellers is one of the most profitable actions you can take. Consequently, you should talk to your system supplier to find out what may be available in his software to enable you to achieve this result. You can turn your salespeople into enthusiastic supporters if you'll tell them about our experience with Pulaski's "Keepsakes" grouping:

Our Salespeople Learned To Love Naildowns...

In April 1977 Pulaski introduced "Keepsakes", the large, open stock collection of turn-of-the-century oak reproductions that started the whole nostalgia craze that lasted for several years. We felt sure it was going to be a hit and ordered a solid carload (something we had never done before on a single, brand new, unproven grouping). Our first shipment came in during September. We brought it to the floor, got it very nicely displayed and it took off like a rocket immediately. Being the Fall of the year, the dining room took off even faster than the bedroom.



September 1977 was the first month that we had automatic naildowns of best sellers implemented in PROFITsystem. As luck would have it, at the end of September, the Keepsakes dining room stock was down to the floor samples only, and PROFITsystem nailed them down. On the first of October, a procession of salespeople started knocking on our office door, saying, “I’ve got these customers that want to buy that new Pulaski dining room, but the computer’s nailed it down. They want it for Holiday entertaining, and we don’t have any more coming in until March. Don’t you think I’d better go ahead and let them have it?” Our answer to one and all that came to us with that question was, “No. It stays nailed. This will be a real good test. That set has been selling so fast that we’ll be able to sell it any time we want to by taking the Sold tags off, but if we find out that customers who are wanting a new dining room set for Holiday entertaining will actually wait ‘til March to get the one they want... won’t that prove that they’ll wait for *anything* they really like?”

From the first of October to the end of December, we sold thirty-nine complete Pulaski Keepsakes dining rooms for delivery in March, and even later, because the March shipment wasn’t big enough to handle all those sales! We had never before sold that many of one dining room grouping in that short a period of time. If we had caved in and let the floor sample set go to that first salesperson that asked, how many would we have sold by the end of December? You’re right... *one!* Did the salespeople like it at the time? No. Did they like it when that March shipment arrived and it was all sold out before it got in and all they had to do was cash the commission checks? You bet they did. That experience taught all of us (including our salespeople) a very valuable lesson:

“The rate of sale of a best seller will continue largely unchanged, as long as you have a floor sample to show, even if you have none to deliver. Let the floor sample off the floor, however, and the rate of sale drops to near zero. If you can’t show it, you probably won’t sell it.”

But How Do You Implement A Naildown System?

It couldn’t be simpler if you’re using PROFITwindows. PROFITwindows will administer the automatic naildown system for you. It’s impossible to maintain your best sellers in stock 100% of the time, and nothing hurts your sales and profitability more than to be out of stock, with no floor sample to show, of any best seller. The better the seller, the more likely it is that you’ll run out occasionally, and the better the seller, the more it hurts you when you do. Nailing down your best sellers solves the whole problem, and nothing will improve your profitability more. If you’re not a PROFITwindows user, you’ll be doing your business a big favor by implementing *some* nail-down system right away.

In addition, when you buy new, untested merchandise (and only buy one, because 4 out of 5 times it will turn out to be a dog), put a sold tag on it, too. If a customer expresses interest, say, “Sorry Ma’am, but that one is sold. I can reserve one for you out of the next incoming shipment”. If that happens within the first week or 10 days, order 2—one for the customer and



one for backup—because the chances are it's a winner. But don't sell it off the floor to the first person who wants it, because then you won't know if it's a winner or a dog, and that's why you bought it in the first place...looking for more new winners!

One final additional benefit: when your customers come in and see approximately 25-30% of your floor samples with "sold" tags on them, they'll conclude that your store must be a great place to shop, because so many people buy from you! And, since customers are afraid of making a mistake when buying furniture, the fact that others found your furniture attractive will instill confidence that you will guide them to a good decision.

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