

Why Am I Losing Salespeople to a Company Called Restoration Hardware?!

Dear Stephen:

I have a question that bridges the talent and business divide, which I'm hoping you can answer. My company has its own internal recruiting department that does a great job. Candidates like our well-established brand, so we tend to find and hire great outside sales people. I am one of several regional sales managers that participates in the hiring process for my region.

Lately, I have noticed we've been losing some of our own salespeople, as well as candidates in our pipeline, to Restoration Hardware's Contract Division (sometimes called Commercial). It's not just RH, either. It seems like a lot of these retail brands like DWR have started getting into outsides sales in both contract

and hospitality. Even IKEA has a contract division. There are also newer hybrids manufacturers, like Uhuru, Buzz-iSpace and Poppin, which are taking some of our talent. We used to only have to compete for sales talent with these companies that thought it was best to hire baristas and train them to sell furniture. Now, I am competing for the same employees and the same business and losing more often than I care to admit.

All of these companies are successfully growing brand visibility with the A&D community, and corporate end users already know the brand as consumers. They all seem to pay competitively, but it is not just the money that draws talent and clients. There is an



You can send your workplace questions to Stephen at: StephenSays@bellow.press

Questions selected to be answered, will appear in this column. Please use the Subject: Stephen Says for all emails. Stephen Viscusi is a bestselling author, television personality, and CEO of The Viscusi Group, global executive recruiters located in New York. Follow Stephen on Twitter @stephenviscusi, Like Stephen on Facebook; and follow him on LinkedIn.

air on newness and disruption (whatever that means). It's working, though. They're drawing real, mature talent and real clients, and I'm getting worried. Not all of these companies have totally figured the system out yet — at least not as well as HR — but I'm worried they will. Then I'll have more problems keeping my people and competing for new ones. How do I compete, and what do you think the future is of this model? Is it just a fad?

Signed,

Old Name in a New Game

The truth is in today's world — and in the furniture industry — cool beats iconic 10 times out of 10.

Dear Old Name in a New Game,

Whoa, someone has been content to live in a contract furniture bubble. Here's the issue with being too comfortable and too confident: You miss trends staring you right in the face. Most of us who have our ears to the ground could have told you three years ago you'd be in trouble today unless you changed. You've been spoiled by not having any real competitors. These companies are spending millions of dollars on print ads, which contract dealers and manufacturers shun, as well as digital marketing and social media. Conventional contract manufacturers barely use social media. The RH catalog I got in the mail must have devoured an entire tree, but the multimedia blitz is clearly working. When the RH catalog arrived in the mail, I was so impressed by how cool it was. But I'm sure the

vast majority of conventional manufacturers did not even see it. That is why they still pay to go to NeoCon while Knoll Office is smart enough to move out of the Mart.

The next generation of specifiers is from a younger generation. The younger customer demographic is open to less expensive products made overseas, so long as they have a fresh look. Your company is too focused on maintaining its iconic status to have any sense of what is cool.

The truth is in today's world — and in the furniture industry — cool beats iconic 10 times out of 10. And that's why strong brand retail companies like Design Within Reach, The Rug Company, Natuzzi and, as you point out, even IKEA have developed and grown large outside sales teams and have been successful doing it. They will steal your top sales people before me or any other head-

hunter has a chance to.

You thought prestige was enough and didn't recognize cool is a prestige of its own. Your company was resting on its laurels and trying to sell an iconic brand when it should've been courting talent from different angles. And if you can't turn cool, you can buy cool like Knoll and Herman Miller are doing by acquiring some of these hip brands.

So yes, what you are seeing is real, and it isn't going anywhere. Accept it, and deal with it. You need to invest in advertising and marketing and revamp your old ideas. Right now, they will continue to attract your salespeople, unless you stop them by getting with the times. And as the salespeople go, so go the clients. Figure out a solution before it is too late, and your iconic brand becomes obsolete.

Stephen