



### Austin Fine Floors: Building Business One Customer at a Time

By Sam Allman

Nineteen eighty-eight was not a good time to start a flooring business in Austin, Texas. The oil price collapse in July 1986 touched off a statewide recession and significant job losses.

When Dale Miller and his two partners opened **Austin Fine Floors Inc.**, they were told by many they would never survive and the odds were not in their favor. Not only have they survived; they have flourished.

Peter Drucker famously wrote in *The Practice of Management* that the purpose of a business is to create and keep a customer. And that's exactly what Dale and his partners did. They had each learned the business through 13+ years of providing flooring to production home builders.

But instead of trying to sell to all new home buyers, they narrowed their focus to serving those customers who were buying high-end custom homes. Most of us have learned it is difficult to be "all things to all people." We must choose and "narrow our niche." The production home business was not as satisfying because they were unable to meet directly and build personal relationships with the home buyer.

Eventually, because of personal reasons, Dale's two partners left the business. Now Ryan Drouin, who was their #1 salesperson for 16 years, became Dale's partner.

Their business grew slowly at first. They advertised little, but it worked and they continued to work hard at building the business by creating personal relationships. In his book, Drucker said

not only do you have to make a customer; you have to keep a customer. That's a difficult task when flooring is not a frequent purchase.

Seven years ago Ryan and Dale decided that Ryan would focus on a new customer niche, the commercial side of business. Breaking into the segment was difficult because several large commercial groups were already serving that niche in Austin.

*Austin Fine Floors is well known for its wide selection of flooring. However, according to Dale Miller, what really makes the business shine is the philosophy he and his business partner Ryan Drouin share to build relationships with their customers. Next page, inset: Dale Miller (right) and Ryan Drouin. Photos courtesy of [elirodriguezphoto.com](http://elirodriguezphoto.com).*



Dale commented, “We got in under the radar by doing small negotiated projects. One of our first projects was a local hotel. The old saying, ‘ignorance is bliss,’ befitted us. We had no idea what we were getting into. But we learned quickly.”

Eventually, the commercial business grew and they were able to take it on the road. They were also fortunate to have mechanics who didn’t mind traveling two to three weeks at a time.

Today, roughly 70% of their business is on the commercial side and 30% is residential. Dale believes that today Texas does not seem to be suffering as much as other parts of the country, so consequently they are still doing fairly well in these tough economic times.

Austin Fine Floors Inc. is a member of IDG (International Design Guild), a co-op of home décor member showrooms that specialize in the high-end floor covering retail and trade industries. IDG members are required to constantly improve and fine-tune their service and product standards.

IDG members enjoy autonomy, while leveraging the power of the Guild’s strong alliance. Dale felt IDG was a good fit for his company because in the luxury market where quality, style and value are

more important than price points, it’s not about creating demand; it’s about meeting it. Dale currently sits on the IDG board of directors.

“I didn’t know what I didn’t know,” said Dale. “I didn’t know about wool and design. IDG helped me understand my market niche better. I love what I do. I love selling cutting-edge wool products and new unique products. If I thought I was going to have to sell beige after beige carpet forever, I’d go crazy. Too many salespeople talk themselves out of high-end and luxury sales before they even get started.”

Dale believes his success exemplifies Drucker’s statement: “We work hard to create customers by consciously networking and building relationships, and we keep customers for life by taking caring for customers even if they have problems years down the road.”

“Love people - People want to do business with people who care about them. Your business should come second. Take care of people and those people will take care of your business,” Dale noted.

Dale networks continually and suggests others do the same. “When people join networking groups or network with others, they are always trying to sell themselves

and their businesses. Potential customers can see through networkers who give little and are always taking. I get to know people with whom I network. It takes time and patience. I schedule time to get to know them one on one. If I’m going to refer them, I want to make sure they will take care of my friends. I try to find out if they have heart and are ethical.”

“It’s amazing the business you get that you would have known nothing about. You need many people on your team. You may not sell them immediately, but when they need you, they will come,” he added.

Dale said the key is to do everything necessary to take care of the people who are referred from others. Sometimes his customers can’t even remember who it was that referred them.

“I try to network every day – I need breakfast and I need lunch,” Dale noted. “I don’t like wasting time, so I rarely eat alone. I eat to build relationships with people. Cold calling has never worked for me. I’ve made a commitment to shake hands with 13-15 people a day. I want to touch and connect with as many I can. Being recognized as a source of good information, including referrals, is a great way to connect with others.”

Dale and Ryan have crafted a strategy that compels customers and partners to voluntarily participate in their marketing, to create positive buzz about their products and services to friends, neighbors and colleagues.

“If your customers aren’t talking about you, there’s a reason,” Dale added. “The reason is that you’re boring and not memorable. To build a business, territory, or practice based primarily on referrals, you must first discover or create the remarkable thing about you or your products, the thing that gets people talking that almost forces them to tell others about you. Boring people, products, and companies are hard to refer!”

Referability is a long-term game; repetition, consistency, and authenticity build trust and are the foundational tools of the creating relationships. It’s about building a business one customer at a time. That’s what Dale and Ryan have done at Austin Fine Floors Inc. 