



Traci Connell

UNDERSTAND AND LEVERAGE WHOLESALE FURNISHINGS

THE BEST WAY TO SCALE YOUR INTERIOR DESIGN BUSINESS:
FOLLOW TRACI'S FIVE STEP PROVEN FORMULA TO INCREASE
YOUR REVENUE EXPONENTIALLY BY BECOMING A FURNITURE
RESELLER



@jointhegloss

www.jointhegloss.com





ABOUT TRACI CONNELL

Nationally Published Interior Designer and
Business Coach
CEO, Traci Connell Interiors

THE GLOSS

The Ultimate Glossary of Business
Resources for Interior Designers

THE CONFIDENTIAL

A Private Interior Design Society &
Business Mentorship to Elevate Your
Design Firm's Prestige & Scale to Millions

www.jointhegloss.com



Modules

Module 1: Pivoting Your Business Mindset

Module 2: Transitioning from Buying Retail to Wholesale

Module 3: Outreach to Vendors/Manufacturers

Module 4: Pricing your Furnishings and Design Fees

Module 5: Processes and Systems for Expansion

Module 6: Wrap Up: Summarizing for Success



MODULE 1

Pivoting Your Business Mindset



A. MINDSET

Sometimes it
takes an
overwhelming
breakdown to
have an
undeniable
breakthrough.

A. MINDSET

GO FROM SMALL BUSINESS TO BIG BUSINESS

Forget the “*Build it and they will come*” mentality.

Think bigger. Think visionary.



B. DIFFERENCE BETWEEN CONSULTANCY & FURNITURE BUSINESS MODELS



B. DIFFERENCE BETWEEN CONSULTANCY & FURNITURE BUSINESS MODELS

Consultancy Only - Path to 6 Figures						
Hourly Rate	Goal	# of hours/yr	# of Hours/month	(No Vacation) # of Hours/week	2 Weeks Vacation # of Hours/Week	4 Weeks Vacation # of Hours/week
\$ 125.00	\$ 100,000.00	800	67	15	16	17
\$ 150.00	\$ 100,000.00	667	56	13	13	14
\$ 175.00	\$ 100,000.00	571	48	11	11	12
Hourly Rate	Goal	# of hours/yr	# of Hours/month	(No Vacation) # of Hours/week	2 Weeks Vacation # of Hours/Week	4 Weeks Vacation # of Hours/week
\$ 125.00	\$ 150,000.00	1200	100	23	24	25
\$ 150.00	\$ 150,000.00	1000	83	19	20	21
\$ 175.00	\$ 150,000.00	857	71	16	17	18
Hourly Rate	Goal	# of hours/yr	# of Hours/month	(No Vacation) # of Hours/week	2 Weeks Vacation # of Hours/Week	4 Weeks Vacation # of Hours/week
\$ 125.00	\$ 200,000.00	1600	133	31	32	33
\$ 150.00	\$ 200,000.00	1333	111	26	27	28
\$ 175.00	\$ 200,000.00	1143	95	22	23	24

Revenue Goals vs Time



B. DIFFERENCE BETWEEN CONSULTANCY & FURNITURE BUSINESS MODELS

next step: Add the mark up
20% on RETAIL furniture pieces



Retail Furniture Purchasing versus Wholesale Furniture Purchasing

Example 1: Purchasing a \$4000 Sofa Retail +Markup					
Retail Price	Designer Price (10% Discount)	Mark-up	Client Price	Actual Profit	Client Savings
S 4,000.00	S 3,600.00	S 400.00	S 4,000.00	S 400.00	\$0.00
Versus					
Purchasing a \$4000 Sofa Wholesale Stocking Dealer + 56% Markup					
Retail Price	Designer Price (60% Discount)	Mark-up	Client Price	Actual Profit	Client Savings
S 4,000.00	S 1,600.00	S 896.00	S 2,496.00	S 896.00	S 1,504.00
Example 2: Furnishing a full living room at Retail + Markup					
Retail Price	Designer Price (10% Discount)	Mark-up	Client Price	Actual Profit	Client Savings
S 25,000.00	S 22,500.00	S 2,500.00	S 25,000.00	S 2,500.00	\$0.00
Versus					
Purchasing at Wholesale Stocking Dealer + 56% Markup					
Retail Price	Designer Price (60% Discount)	Mark-up	Client Price	Actual Profit	Client Savings
S 25,000.00	S 10,000.00	S 5,600.00	S 15,600.00	S 5,600.00	S 9,400.00



B. DIFFERENCE BETWEEN CONSULTANCY & FURNITURE BUSINESS MODELS



Retail Furniture Purchasing vs Trade vs Wholesale Furniture Purchasing					
TRACI CONNELL - BUYING WHOLESALE FOR PROFIT					
MODULE 1 - RETAIL VS TRADE VS WHOLESALE CHEATSHEET					
Example 1: Purchasing a \$4000 Sofa Retail +20% Markup					
Retail Price	Designer Price (10% Discount)	Mark-up	Client Price	Actual Profit	Client Savings
\$ 4,000.00	\$ 3,600.00	\$ 400.00	\$ 4,000.00	\$ 400.00	\$0.00
Versus					
Purchasing a \$4000 Sofa Trade Discount + 40% Markup				Maximum Profit = \$1,600.00	
Retail Price	Designer Price (40% Discount)	Mark-up	Client Price	Actual Profit	Potential Profit
\$ 4,000.00	\$ 2,400.00	\$ 960.00	\$ 3,360.00	\$ 960.00	\$ 640.00
Versus					
Purchasing a \$4000 Sofa Stocking Dealer + 56% Markup				Maximum Profit = \$2,400.00	
Retail Price	Designer Price (60% Discount)	Mark-up	Client Price	Actual Profit	Potential Profit
\$ 4,000.00	\$ 1,600.00	\$ 896.00	\$ 2,496.00	\$ 896.00	\$ 1,504.00



B. DIFFERENCE BETWEEN CONSULTANCY & FURNITURE BUSINESS MODELS

Furniture Revenue Forecasting

Example 1				
# of Jobs	x	Size of Jobs	=	Revenue
10	x	S 10,000.00	=	S 100,000.00
Revenue	-	COGS	=	Net Profit B4 Operating
S 100,000.00	-	S 55,000.00	=	S 45,000.00
Net Profit B4 Operating	-	Operating Expense	=	Net Profit/Income
S 45,000.00	-	S 36,000.00	=	S 9,000.00

Example 2				
# of Jobs	x	Size of Jobs	=	Revenue
20	x	S 10,000.00	=	S 200,000.00
Revenue	-	COGS	=	Net Profit B4 Operating
S 200,000.00	-	S 110,000.00	=	S 90,000.00
Net Profit B4 Operating	-	Operating Expense	=	Net Profit/Income
S 90,000.00	-	S 36,000.00	=	S 54,000.00



B. DIFFERENCE BETWEEN CONSULTANCY & FURNITURE BUSINESS MODELS

Furniture Revenue Forecasting

Example 3				
# of Jobs	x	Size of Jobs	=	Revenue
10	x	S 25,000.00	=	S 250,000.00
Revenue	-	COGS	=	Net Profit B4 Operating
S 250,000.00	-	S 137,500.00	=	S 112,500.00
Net Profit B4 Operating	-	Operating Expense	=	Net Profit/Income
S 112,500.00	-	S 36,000.00	=	S 76,500.00

Example 4				
# of Jobs	x	Size of Jobs	=	Revenue
20	x	S 25,000.00	=	S 500,000.00
Revenue	-	COGS	=	Net Profit B4 Operating
S 500,000.00	-	S 275,000.00	=	S 225,000.00
Net Profit B4 Operating	-	Operating Expense	=	Net Profit/Income
S 225,000.00	-	S 36,000.00	=	S 189,000.00



B. DIFFERENCE BETWEEN CONSULTANCY & FURNITURE BUSINESS MODELS

Furniture Revenue Forecasting

Example 5				
# of Jobs	x	Size of Jobs	=	Revenue
10	x	S 50,000.00	=	S 500,000.00
Revenue	-	COGS	=	Net Profit B4 Operating
S 500,000.00	-	S 275,000.00	=	S 225,000.00
Net Profit B4 Operating	-	Operating Expense	=	Net Profit/Income
S 225,000.00	-	S 36,000.00	=	S 189,000.00

Example 6				
# of Jobs	x	Size of Jobs	=	Revenue
20	x	S 50,000.00	=	S 1,000,000.00
Revenue	-	COGS	=	Net Profit B4 Operating
S 1,000,000.00	-	S 550,000.00	=	S 450,000.00
Net Profit B4 Operating	-	Operating Expense	=	Net Profit/Income
S 450,000.00	-	S 36,000.00	=	S 414,000.00

REVENUE GOAL SETTING



MODULE 2

Transitioning From Buying Retail to Wholesale

A. CUT OUT THE MIDDLE MAN



DESIGNER



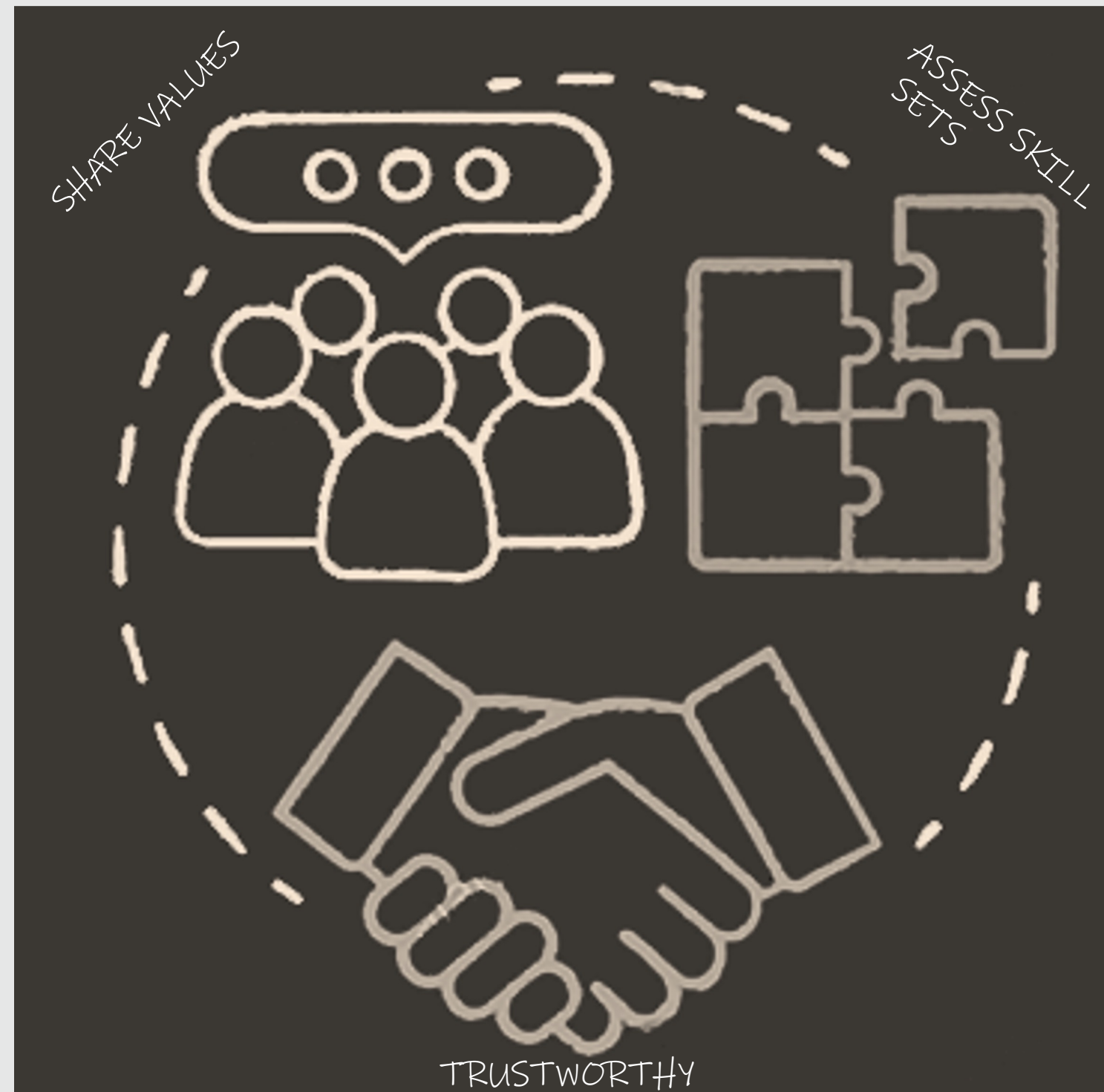
TRADE ONLY SHOWROOMS



STOCKING DEALER /
WHOLESALE

B. WHO DO YOU SET UP A CO-OP WITH?

STRENGTHS OF A SUCCESSFUL PARTNERSHIP +
POTENTIAL RED FLAGS



B. WHO DO YOU SET UP A CO-OP WITH?

STRENGTHS OF A SUCCESSFUL PARTNERSHIP + POTENTIAL RED FLAGS

Developing a Co-op

Strengths of a successful partnership checklist:

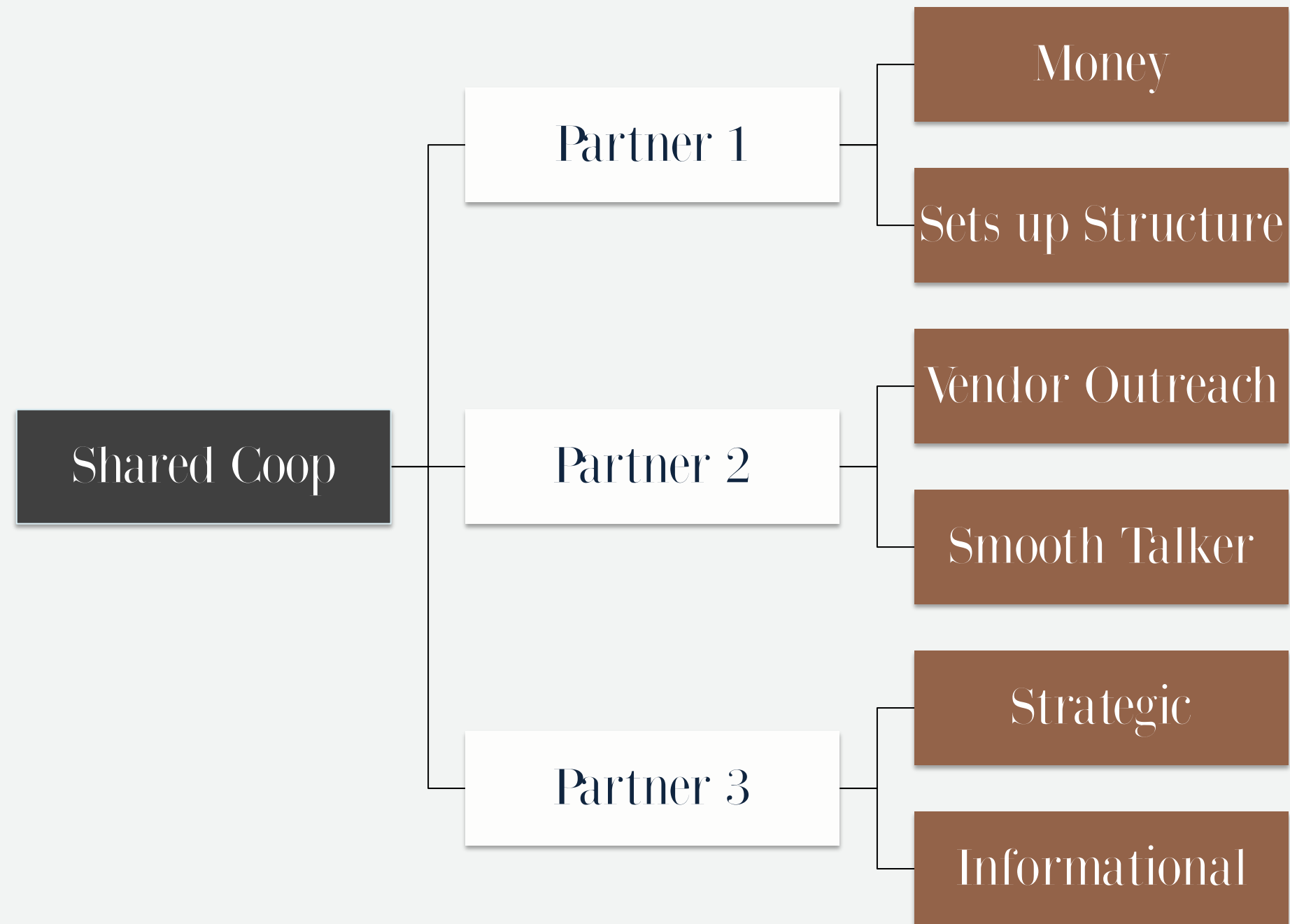
- Shares your entrepreneurial spirit
- Shares your values
- Shares your vision
- Partner has a reliable track record
- Encompasses skill sets different than yours (I.E. business development, money, strategic mindset)
- Experience level at a similar level as yourself
- Process driven and organized
- Partner does not have a competitive spirit to compete within the Co-op
- Balances hard worker with company needs
- Financially stable
- Trustworthy and high level of integrity
- Complimentary personality traits
- Partner would challenge you creatively and professionally

Red flags

- Level of seriousness about the co-op not the same as yours
- Reluctant to sign a partnership agreement
- Negative experience with them in the past
- Focus on the negative generally within business



C. BUILDING THE INFRASTRUCTURE OF THE CO-OP



Organizational Chart

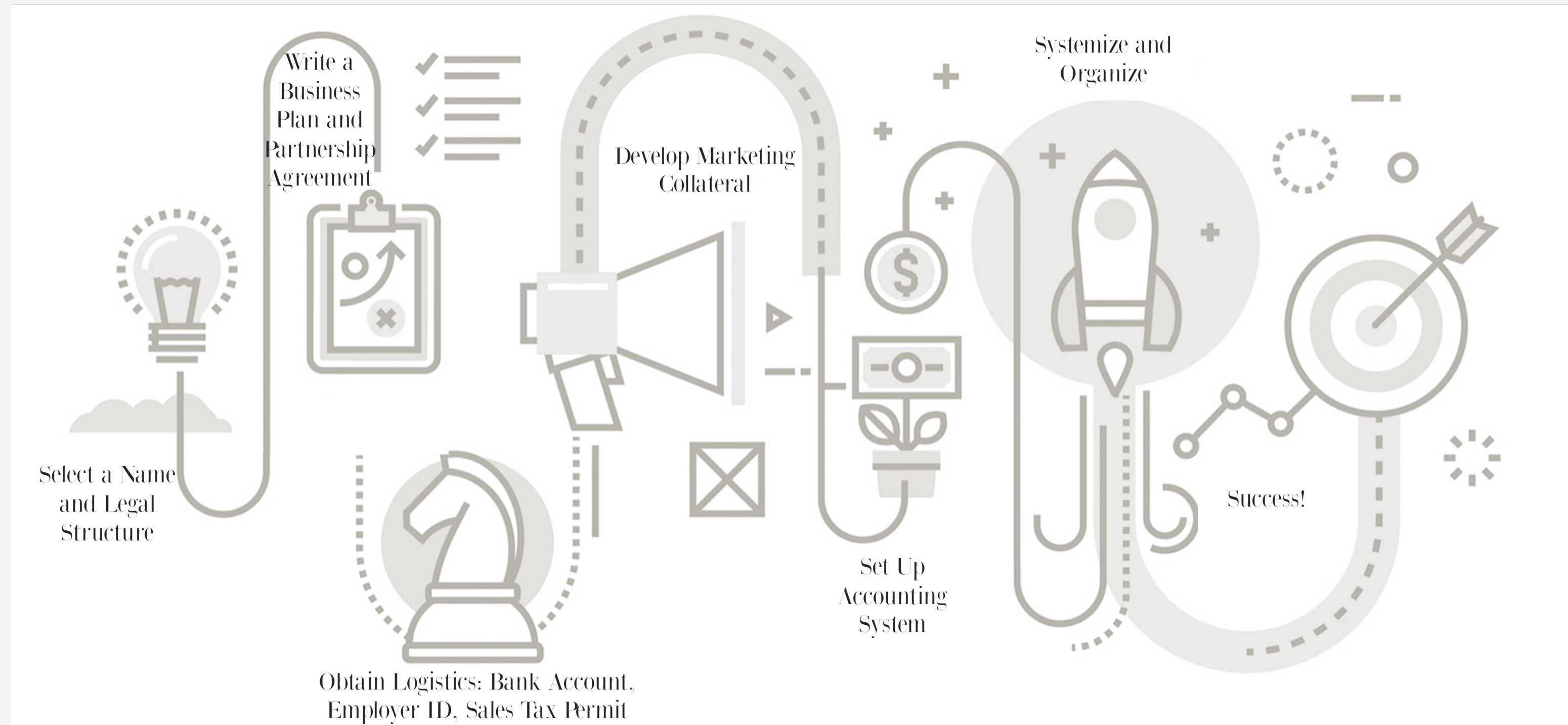
WHAT ROLE DO YOU WANT TO FULFILL

C. BUILDING THE INFRASTRUCTURE OF THE CO-OP

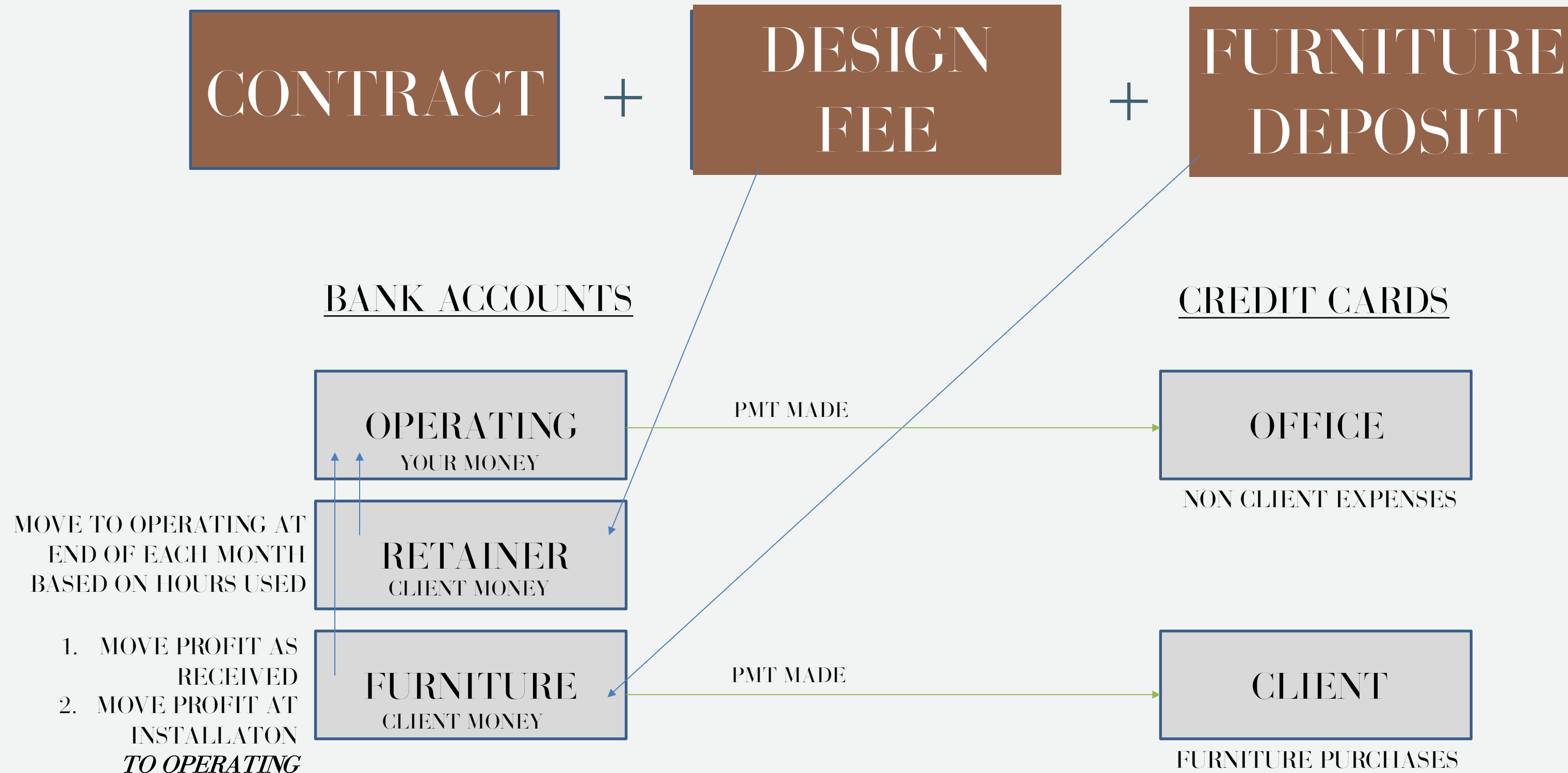


C. BUILDING THE INFRASTRUCTURE OF THE CO-OP

BUSINESS START-UP CHECKLIST



B. PROJECT TIMELINE AND FINANCIAL PLANNING



BUYING GROUPS

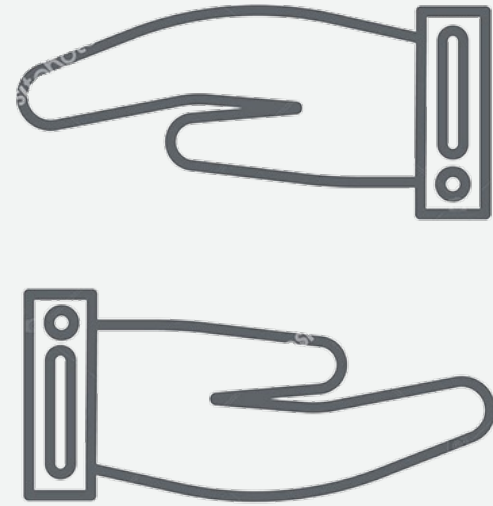


MODULE 3

Outreach to Vendors & Manufacturers



A. DEVELOPING A LIST OF TARGET VENDORS



LOYALTY

Importance of Loyalty

- Which categories to start with
- Value of Vendor
- Traci's Preferred Vendor List
- Client Benefit + Selling to a Client



A. DEVELOPING A LIST OF TARGET VENDORS

CHADDOCK

06/2017

SALES REPRESENTATIVE SUBMISSION FOR NEW ACCOUNT OR PROSPECT

SUBMITTING SALES REPRESENTATIVE: _____

ACCOUNT NAME: _____

DO YOU ANTICIPATE AN ORDER NOW? _____ OR PROSPECT FOR ORDER LATER? _____

ANTICIPATED INITIAL ACCOUNT LEVEL:

Gallery (50/25/10) (.3375) _____

Level 1 (50/25) (.375) _____

DEALER LOCATOR: _____ NO _____ YES EMAIL _____

NEWSLETTER EMAIL: _____

REQUESTED SALES AIDS:

Ship to: _____ Phone# _____

Attn: _____ Fax# _____

CHADDOCK SALES TOOLS

Catalog _____
Net price list _____
Retail price list _____
Binder _____

****QUALIFIED ACCOUNTS ONLY: See Sales Aid Policy for Qualifications**

Fabric set _____ Nailboard _____
Handles & rings _____
Hangers (metal) _____ Finish Chain Set _____
Long rack _____
Leather set _____

CHADDOCK

06/2017

NEW ACCOUNT APPLICATION

Retail tax exemption certificate must be attached to this application

Business Name _____
As filed with state: _____ DBA: _____

Type of Entity (check)
C Corp _____ Sub S _____ Sole Proprietor _____ Partnership _____ LLC _____

Physical Street Address _____ City _____ State _____ Zip _____
Billing Address _____ City _____ State _____ Zip _____
Shipping Address _____ City _____ State _____ Zip _____

Main telephone _____ Fax _____

Specified Carrier _____

Email Address for General Communications _____

Email Address for Acknowledgements: _____

Email Address for Invoices: _____

Who is authorized to place orders?
Name _____ Email _____
Position _____

Is an order anticipated to be placed immediately? Yes _____ No _____

How do you anticipate paying for orders?
_____ Business requests credit terms based on established credit with other furniture companies (*complete Credit Terms Application*)
_____ Business will pay 50% with order and the 50% balance as soon as order is ready for shipment
_____ by check (*payable to Ferguson Copeland, LLC for all product*)
_____ by credit card (*complete Credit Card Information*)

Checks should be mailed to PO Box 10, Morganton, North Carolina 28680

Account authorized signature: _____ Date: _____
Print name: _____
Title: _____

Submitting sales representative: _____

CHADDOCK

06/2017

CREDIT TERMS APPLICATION

(for requesting accounts with current credit lines open with other furniture companies)

Attention – confidential information to be submitted to

Credit Manager: Paula Crump

PO Box 10, Morganton, NC 28680

Telephone 828-584-7738 Fax 828-584-9640

Email: pcrump@chaddockhome.com (email is not secure communication)

Business Name _____
Ownership of Business:
Name & Address _____ Percentage ownership _____
Name & Address _____ Percentage ownership _____
Name & Address _____ Percentage ownership _____

Management:
President _____ Email _____
Vice President _____ Email _____
Financial Officer _____ Email _____
Buyer _____ Email _____
Merchandise Manager _____ Email _____

Number of years business has operated _____ Total annual sales volume _____
Financial statements available? _____ Listed in Lyon's? _____ D&B? _____
Estimated dollars credit line required _____ (*Please provide an estimated amount*)

Name of your Accounts Payable contact _____ Telephone _____
Email for Accounts Payable contact _____

Bank reference:
Bank name _____ Address _____ Telephone _____
Type relationship: Deposit _____ Disbursement _____ Loan _____

Furniture suppliers reference:
Name _____ Address _____ Telephone _____
Name _____ Address _____ Telephone _____
Name _____ Address _____ Telephone _____
Name _____ Address _____ Telephone _____

Authorization is hereby given to Chaddock to contact all references listed to obtain credit information. Account agrees to pay in accordance with credit terms Chaddock as shown on order acknowledgements and is liable for service charges of 1 1/2 % per month for past due amounts.

Account authorized signature _____ Date _____
Title _____



B. COMMUNICATING YOUR VALUE TO VENDORS... WHY SHOULD THEY ALLOW YOU TO PURCHASE WHOLESALE?

VENDOR TALKING SCRIPT SAMPLE

Hi _____,
It is so great to meet you and I want to express how much we love using your line in our client projects. We have been purchasing through _____, but recently, I have developed and partnered into a buying co-op with two other designers and feel that we, combined, can sell more of your product with higher purchasing power. With that said, when is a good time to chat about opening our co-op, _____, at stocking dealer pricing?



B. COMMUNICATING YOUR VALUE TO VENDORS... WHY SHOULD THEY ALLOW YOU TO PURCHASE WHOLESALE?

Orders

Traci Connell Interiors

08/03/2020 11:59 AM

Order #	Date	Vendor	Client	Total Cost	Deposit Req	Payments	Total Balance
207191	2/1/2019	VANGUARD FURNITURE		975.74	439.00	975.74	.00
207227	2/12/2019	VANGUARD FURNITURE		888.74	.00	888.74	.00
207269	3/1/2019	VANGUARD FURNITURE		4,407.01	1,981.00	4,407.01	.00
207311	3/7/2019	VANGUARD FURNITURE		5,602.75	2,518.50	5,602.75	.00
207380	3/25/2019	VANGUARD FURNITURE		10,025.34	4,506.50	10,025.34	.00
207422	4/4/2019	VANGUARD FURNITURE		1,201.30	540.00	1,201.30	.00
207463	4/8/2019	VANGUARD FURNITURE		2,132.31	958.50	2,132.31	.00
207497	5/1/2019	VANGUARD FURNITURE		15,160.94	6,809.50	15,160.94	.00
207561	5/15/2019	VANGUARD FURNITURE		7,006.60	3,147.00	7,006.60	.00
207675	6/25/2019	VANGUARD FURNITURE		9,933.44	4,467.00	9,933.44	.00
207735	7/11/2019	VANGUARD FURNITURE		9,456.00	4,252.50	9,456.00	.00
207868	8/20/2019	VANGUARD FURNITURE		17,105.00	7,695.95	17,105.00	.00
207887	8/22/2019	VANGUARD FURNITURE		1,473.62	663.00	1,473.62	.00
207897	8/30/2019	VANGUARD FURNITURE		1,901.00	847.00	1,901.00	.00
207914	8/30/2019	VANGUARD FURNITURE		3,159.51	1,421.50	3,159.51	.00
207956	9/12/2019	VANGUARD FURNITURE		12,805.85	5,761.50	12,805.85	.00
208151	10/17/2019	VANGUARD FURNITURE		4,610.00	2,073.50	4,610.00	.00
208203	11/1/2019	VANGUARD FURNITURE		1,833.00	824.00	1,833.00	.00
208334	11/25/2019	VANGUARD FURNITURE		9,228.00	4,148.50	9,228.00	.00
208454		VANGUARD FURNITURE		3,818.16	1,717.00	3,818.16	.00
Report Total:				122,724.31	54,771.45	122,724.31	.00

Vendor: VANGUARD FURNITURE

Date From: 1/1/2019

Date To: 12/31/2019



A. DEVELOPING A LIST OF TARGET VENDORS

Arty Imports	Ashton Company	Attitude Furnishings	• Avenue B	Bella Notte	Benson Cobb	• Bernhardt	BGI High point fall 2017	• Bliss Studio	Botanical Mix	• Bungalow5
Canadel Furnishings	• Caracole	CARE	CARE- IDS IMPACT	Carole Fabrics	CBK - Midwest Home	Celadon Art	CFC	Chaddock	Cisco Brothers	Clarke and Clarke
Classic Home	Coaster Furniture	• Codarus	Cosentino	Couef	• Couture Lamps	• CTH Sherrill Occasional	• Currey	Curtis Custom Woods	Cyan	Dal-Tile
Dallas Design Works	Dallas Rugs	Dalyn Rugs	Davis & Davis	Delos Rugs	Design Elements	• Dira	Distinctive Carpets & Rugs	Donghia	DR Kincaid	• Drexel Heritage
Duane Collins Sales	• Dunes & Duchess	Duralee	Dwell with Dignity	• Eastern Accents	EFLM	Eichholtz	Elegant Lighting	Extraordinary Freight...rges.docx	Fabricut	Feizy
Ferguson	• Festoni	FFDM	Fiberseal	Fireclay Tile	Four Hands	Frontgate	• Gabby Home	Garrett Leather	• Global Views	• Gold Leaf Design Group
Greenhouse Fabrics	GV	• Hancock & Moore	Hanstone	Hekman	Henredon	Herold Fine Art	• Hickory Chair	Hidell Hardware	Hooker	Howard Elliott
Imax Worldwide Home	Interlude Home	Italmond	Jaipur	• Jamie Dietrich	Jamie Young	JANUS et Cie	• Jeffan	JF Fabrics	• John Richard	Kasmir
Kathy Kuo Home	Kemtex	Kravet Fabrics, Furniture, Carpets	La Montage	Lamps Plus	Leathercraft	Lee	Left Bank Art	Legacy Homes	• Legacy Linens	Lights Fantastic Contractor Pricing

C. GAINING CONFIDENCE TO SELL WITHOUT SITTING ON IT AND SELL THE VENDOR THAT YOU CAN DO IT

1. PSYCHOLOGY

2. SIT TEST



3. SYSTEM

4. TAKING RISKS

C. GAINING CONFIDENCE TO SELL WITHOUT SITTING ON IT AND SELL THE VENDOR THAT YOU CAN DO IT



MODULE 4

Pricing your Furnishings and Design Fees for Maximum Profit



A. DESIGN FEE STRUCTURE

How does it work?

DEVELOP YOUR
DESIGN FEE



Flat Rate

vs.



Hourly Rate

A. COMBINING DESIGN FEE AND FURNISHINGS: HOW TO SELL IT?

TO CLIENT:

TCI | DESIGN ESTIMATE RANGE
TRACE CONNELL INTERIORS
PRODUCT DETAILS

DINING ROOM/KITCHEN	FAMILY ROOM	MASTER BEDROOM	LOFT LIVING AREA
Dining Table	Sofa	King Bed/Headboard	Convertible Sofa
Dining Chairs (6)	Lounge Chairs (2)	Bedding	Custom Built-In Design
Area Rug	Area Rug	Nightstands	Desk Chair
Barstools (3)	Cocktail Table	Nightstand Lamps	Floor Lamp
Window Treatments	End Tables (2)	Bed Bench	End Table
Artwork	Table Lamps (2)	Dresser	Bunching Cubes
Accessories	Bench at Window	Lounge Chair & Ottoman	Accessories
	TV Console	Artwork/Mirror	Artwork
	Operable Drapery	Window Treatments	

INTERNAL CALCULATIONS:

Furniture Estimate Range + Design Hours					
Main Areas			Design Hours	Low	High
Living			Living	25	30
sofa	\$ 5,000.00				
chairs (4)	\$ 7,500.00				
coffee table	\$ 1,800.00				
end tables (2)	\$ 1,500.00				
lamps (2)	\$ 900.00				
accent tables (2)	\$ 900.00				
console	\$ 1,500.00				
rug	\$ 2,000.00				
ottoman	\$ 500.00				
art (2)	\$ 2,000.00				
accessories	\$ 1,200.00				
total	\$ 24,800.00				
Dining room			Dining Room	18	20
table	\$ 4,500.00				
chairs (8)	\$ 7,200.00				
buffet	\$ 3,500.00				
lamps (2)	\$ 900.00				
rug	\$ 2,400.00				
art (2)	\$ 1,500.00				
drapery, stationary	\$ 2,000.00				
accessories	\$ 900.00				
total	\$ 22,900.00				
Entry			Entry	5	10
console	\$ 1,500.00				
lamps (2)	\$ 900.00				
art (2)	\$ 1,800.00				
total	\$ 4,200.00				
Furnishings Total	\$ 51,900.00		Design Hours Total	48	



A. COMBINING DESIGN FEE AND FURNISHINGS: HOW TO SELL IT?

TEMPLATES AND TOOLS

INTERNAL ESTIMATE RANGE TOOL

Room/Item	Cost	Hours
Living room/Entry Area		
Entry console		
sofa		
chairs (3)		
end tables (2)		
lamps (2)		
coffee table		
floor lamp		
ottomans (2)		
rug		
media cabinet		
Art (3)		
accessories		
Stationary panels (8)		
Total		
Dining		
Table		
Chairs (6)		
Buffet		
Console		
Lamps (3)		
Rug		
Accessories		
Art (1 large)		
drapery panels (2)		
Total		

ESTIMATE RANGE CLIENT TEMPLATE

Product Details

Playroom	Guest Bedroom	Outdoor
Sectional	Coffee table	Bar height table* May have to be custom due to size
Craft table	Side tables (2)	
Wallpaper	Lamps (2)	
Storage piece	Artwork	
Area rug	Nightstand lamps (2)	
Tv console	Storage chest	
Dress up area		
Storage unit		
Art display		

A. COMBINING DESIGN FEE AND FURNISHINGS: HOW TO SELL IT?

Design Fee Furnishings					
					TRACI CONNELL - BUYING WHOLESALE FOR PROFIT
					MODULE 4 - Design Fee Construction
Room	Product Cost	Hour Estimate		Goal %	
				21% - 25%	
Living Room	\$ 25,000.00	25			
Entry	\$ 5,000.00	10		Equation:	
Dining Room	\$ 20,000.00	15		Design Fee / Product Fee	
Kitchen	\$ 10,000.00	10		= % of Cost	
Bedroom	\$ 25,000.00	30			
Study	\$ 17,500.00	22			
		Total = 112		Equation:	
		x \$195 p/hr		\$21,840	
Total	\$ 102,500.00	\$21,840	→	\$102,500	= 21.2%
				*Add 10 hour buffer	
				\$195 x 10hrs = \$1950	



A. COMBINING DESIGN FEE AND FURNISHINGS: HOW TO SELL IT?

Gross Profit Margin Percentages

BY LINE OF BUSINESS

TRACI CONNELL INTERIORS

Overall GPM by Line of Business

Line of Business	Gross Profit Margin By Line of Business		
	2018	2017	2016
Furniture	36.6%	37.7%	35.2%
Fabric	33.8%	40.2%	38.4%
Cost of Sales Wall Covering	45.1%	45.5%	42.4%
Floor Covering	43.8%	29.3%	41.2%
Window Covering	35.8%	45.9%	38.1%
Accessories	52.1%	50.7%	41.3%
Artwork	45.8%	48.7%	42.0%
Lighting	45.7%	46.5%	43.7%
Pillows and Bedding	44.0%	45.7%	42.3%
Freight	26.3%	32.8%	33.4%
Installation	18.5%	24.8%	17.7%
Subcontracted Services	19.5%	-13.9%	8.6%

Per Traci:

Furniture GPM	37%
All Other GPM	47%

A. COMBINING DESIGN FEE AND FURNISHINGS: HOW TO SELL IT?

Mark Up Configuration Activity				
		TRACI CONNELL - BUYING WHOLESALE FOR PROFIT		
				MODULE 4 - Mark Up Configuration
	(1 Living Room Per Month)		(2 Living Rooms Per Month)	
Furniture Revenue	30K	40K	50K	60K
GPM	37%	37%	37%	37%
Net of COGS Pre-Design Fee	\$11,100.00	\$14,800.00	\$18,500.00	\$22,200.00
Design Fee (22%)	\$6,600.00	\$8,800.00	\$11,000.00	\$13,200.00
	=	=	=	=
Cost to Run Life + Business	\$17,700.00	\$23,600.00	\$29,500.00	\$35,400.00



A. COMBINING DESIGN FEE AND FURNISHINGS: HOW TO SELL IT?

Contract Verbiage Must Have's with Flat Fee Structure



DSA Project Fee ("Fee"). The Fee of **[\$47,460.00]** is based on the agreed Furnishings Scope of Work – Exhibit A for: Kitchen, Living Room, Dining Room, Master Bed, Entry, Media, Bed 2 &3, Office, Powder, Game Room, Nursery

Fee Payment Schedule. The total Fee shall be paid by the Client to TCI in accordance with the following Fee payment schedule.

- 1. 75% of design Fee to be paid to TCI to start Project \$35,595.00**
- 2. 25% of design Fee to be paid to TCI at Presentation \$11,865.00**



*Desired work out of Scope of Services will incur hourly charges at \$225 per hour

* Due to circumstances of COVID-19, furniture production and delivery may be delayed

*Acceptance of this DSA shall remain open for five business days from presentation to Client in order to secure start date of Design Process on August 17, 2020

*Total Payment Due by August 11, 2020: \$35,595.00



The following services, if needed, will incur additional fees:

INCLUDES:

- Renderings
- Courier Services
- Installation
- Outside Vendors
- Additional Site Visits



Design Development

- Develop Final Space Plan
- Design Custom Furniture
- Source Necessary Materials, Finishes, Furnishings, Lighting and Accessories
- Review and Update Budget
- Select Artwork and Framing
- Develop Presentation
- Present Visually to Client (2 reselects per room); 3rd reselect \$325; Additional reselects \$225 per hour
- Email Correspondence and Communication with Clients as Required

A. COMBINING DESIGN FEE AND FURNISHINGS: HOW TO SELL IT?



■ 1 ■ 2 ■ 3



PRODUCT FEE

01

Cost of products required for the project.
Sourced through vendors and
craftspeople who implement our vision
to create inspired projects



DESIGN FEE

02

Based on the Agreed Furnishings Scope
of Work



FREIGHT & INSTALLATION

03

Contracted Services, freight, receiving,
storage and delivery (Approximately 15%)

B. FURNISHINGS PRICING MODEL

Example:

THE MARKUP FORMULA

$$\frac{(\text{Price} - \text{Cost})}{\text{Cost}} = \text{Markup}$$



$$\frac{(36 - 18)}{18} = 1.00$$

or 100% Markup

B. FURNISHINGS PRICING MODEL

Example:

THE MARGIN FORMULA

$$\frac{(\text{Price} - \text{Cost})}{\text{Price}} = \text{Margin}$$



$$\frac{(36 - 18)}{36} = 0.5$$

or
50% Margin

B. FURNISHINGS PRICING MODEL

MARK-UP %

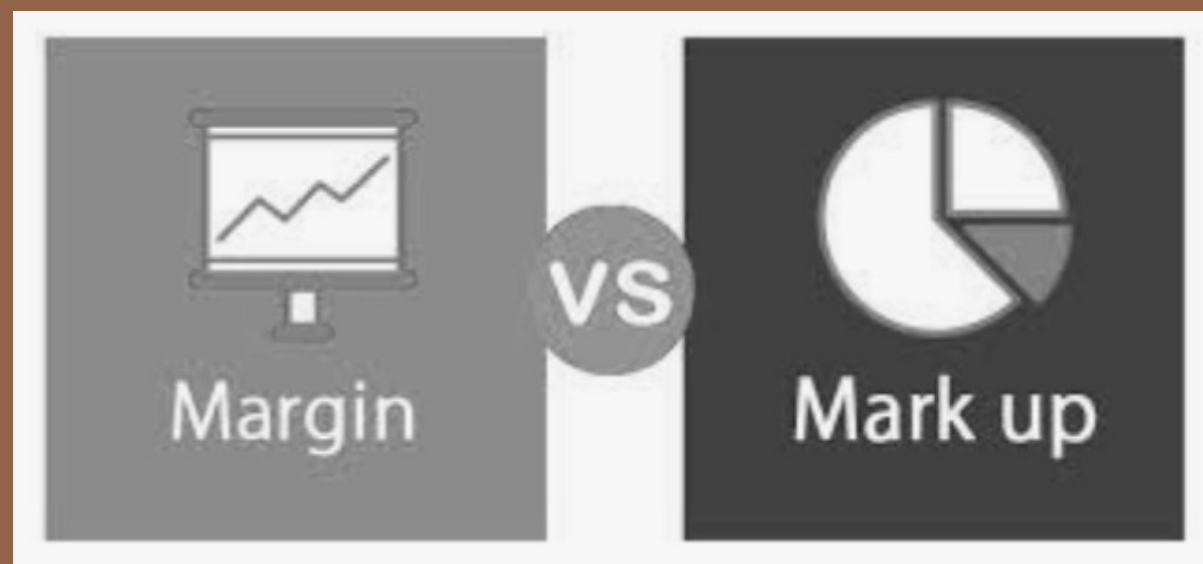
The percentage difference between the *gross profit and cost*.

$$\frac{\$125 \text{ (Selling Price)} - \$100 \text{ (Cost)}}{\$100 \text{ (Cost)}} = \frac{\$25}{\$100} = 25\% \text{ MARK UP}$$

MARGIN %

The percentage difference between the *gross profit and selling price*.

$$\frac{\$125 \text{ (Selling Price)} - \$100 \text{ (Cost)}}{\$125 \text{ (Selling Price)}} = \frac{\$25}{\$125} = 20\% \text{ MARGIN}$$



B. FURNISHINGS PRICING MODEL

HOW TO CALCULATE SELLING PRICE BASED ON MARGIN

<u>COST</u>	<u>DESIRED MARGIN</u>	<u>FORMULA</u>	<u>SELL PRICE</u>
\$400	25%	$400/.75 =$	\$533.33
\$400	35%	$400/.65 =$	\$615.38
\$400	45%	$400/.55 =$	\$727.27



B. FURNISHINGS PRICING MODEL

Purchase Cost			Budget		Selling Price			
Purchase	Dep %	Dep Amount	Low Budget	High Budget	Selling	Taxable	Dep %	Dep Amount
Each								
<input type="text" value="1.00"/>			<input type="text" value="1.00"/>		<input type="text" value="1.00"/>			
<input type="text" value="2500.00"/>			<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="2500.00"/>			
\$2,500.00	<input type="text" value="50.00"/>	<input type="text" value="1250.00"/>	\$0.00	\$0.00	\$2,500.00	Yes	<input type="text" value="100.00"/>	<input type="text" value="2500.00"/>
			<input type="text" value="56.00"/>	<input type="text" value="56.00"/>	<input type="text" value="56.00"/>			
			<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="1400.00"/>	Yes	<input type="text" value="100.00"/>	<input type="text" value="1400.00"/>
\$2,500.00			\$0.00	\$0.00	\$3,900.00			
			<input type="text" value="0.00"/>	<input type="text" value="0.00"/>				
<input type="text" value="0.00"/>	<input type="text" value="0.00"/>	<input type="text" value="0.00"/>			\$0.00		<input type="text" value="100.00"/>	<input type="text" value="0.00"/>
<input type="text" value="0.00"/>					\$0.00			
\$2,500.00		\$1,250.00			\$3,900.00			\$3,900.00
<input type="text" value="0.00"/>								
\$0.00					\$0.00			
\$2,500.00		\$1,250.00			\$3,900.00			\$3,900.00
					\$1,400.00	GPM: <input type="text" value="35.90"/>		
			\$3,900.00					
			Use low budget for single budgets.		Sales tax calculates on save.			



MODULE 5

Processes and Systems for Expansion

A. TOOLS OF A SUCCESSFUL RESELLER

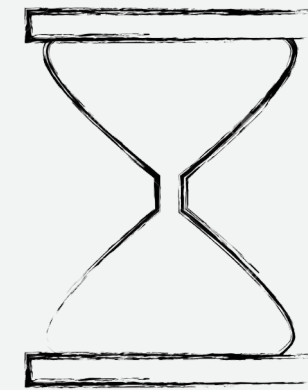
1.  PROJECT MANAGEMENT SOFTWARE + ACCOUNTING PACKAGE
2.  PROCESS FROM PROPOSAL TO INVOICING
3.  RECEIVING WAREHOUSE

B. PROJECT TIMELINE AND FINANCIAL PLANNING



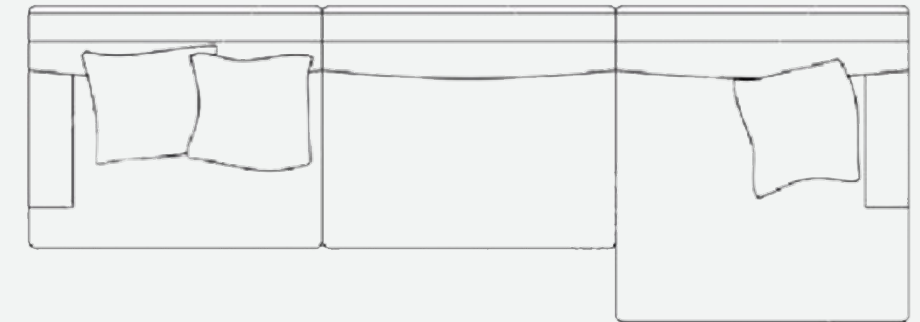
CONSULTATIONS

+



DESIGN
FEE

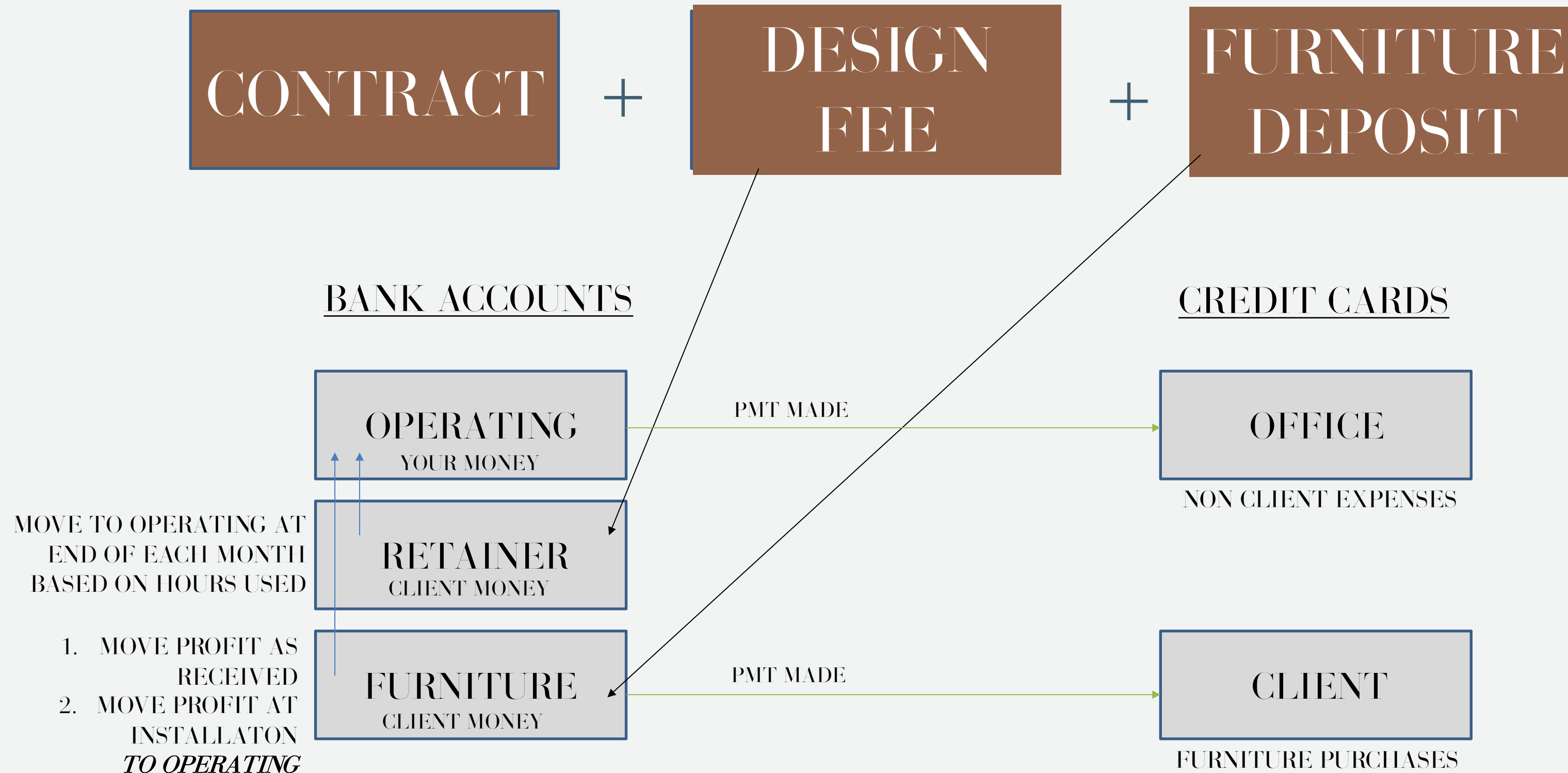
+



FURNITURE

Bigger
Revenue & Profit

B. PROJECT TIMELINE AND FINANCIAL PLANNING



B. PROJECT TIMELINE AND FINANCIAL PLANNING

FURNISHINGS DESIGN TIMELINE



B. PROJECT TIMELINE AND FINANCIAL PLANNING

Expediting

PROCUREMENT TIMELINE

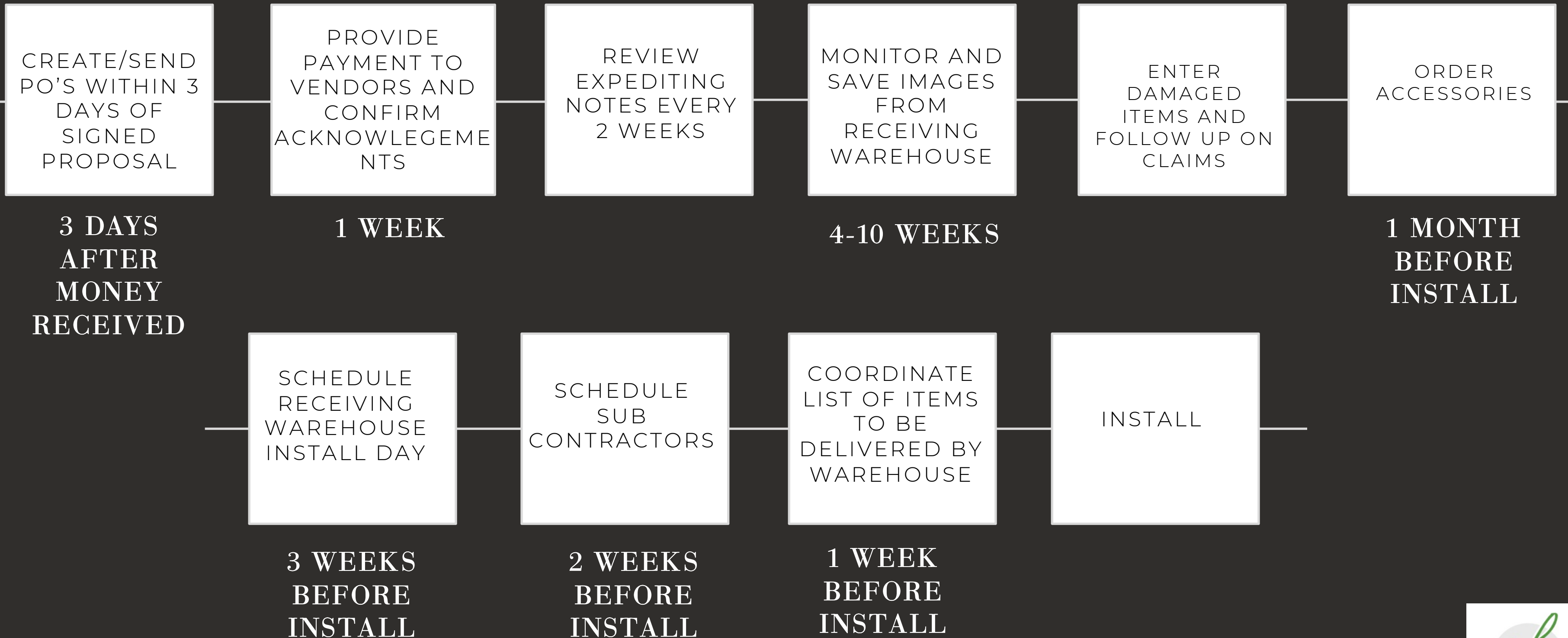
1. DIFFERENT STRUCTURE
2. WHO IS THIS MODEL FOR?
3. GREAT FOR NEW CONSTRUCTION OR LARGE RENOS

Phase 4 – Ordering and Expediting

1. Create/Send PO's Within 3 days of Receipt of Sign
2. Provide Payment Information to Vendors Per Terms
3. Designer to Complete All COM Forms
4. Confirm Ship Dates, Pricing and Acknowledgements Within 1 Week
5. Review/Input of Expediting Notes - Every 2 Weeks
6. Save Invoices/Receipts to Dropbox
7. Save Precision Photos to Dropbox as Received
8. Update Studio With Arrival Dates as Received/ view Prec pic
9. Enter Damaged Items Into Damage Spreadsheet
10. Follow Up In All Claims and Furniture Repairs
11. Provide Potential Install Date - 1 Month After Signed Proposal
13. Order/Shop For All Accessories- 3/4 Weeks After Signed Proposal
14. Enter Accessories Into Studio as Purchased

B. PROJECT TIMELINE AND FINANCIAL PLANNING

PROCUREMENT TIMELINE



C. EXPEDITING PROCESSES AND RECEIVING WAREHOUSE

Top Tips for Receiving Warehouses

- CLEAN AND PROFESSIONAL APPEARANCE
- UNDERSTAND THEIR INSTALL PROCEDURES
- MUST SEND PICTURES UPON RECEIVING
- MUST REPORT DAMAGES
- MUST REPACKAGE AND PROTECT PRODUCT
- OFFER ONSITE REPAIRS – IF THIS DOESN'T OCCUR, YOU MAY NOT GET CLAIMS PAID IN FULL
- BILL BY THE WEEK OR MONTH, NOT PER ITEM
- HOW DO THEY CALCULATE STORAGE FEES? BY CUBIC FOOT OR BY ITEM
- PROMPT COMMUNICATION WHEN CALLED OR EMAILED
- EASY SCHEDULING FOR DELIVERIES AND INSTALLS

C. EXPEDITING PROCESSES AND RECEIVING WAREHOUSE

<div>Ordered : 6/22 12 week : 9/14 (w/ 1 week 4th of July in-between) 16 week : 10/12</div>		<div>TCI TRACI CONNELL INTERIORS</div>	<div>Client : BRANIGAN Install : end of OCT?</div>
SCHEDULING	EXPEDITING	DAMAGES	
<div>Delivery :</div> <div>Electrical : Sconces (schedule days before install)</div> <div>Art : Need to schedule</div> <div>Wallpaper : Need to measure</div> <div>Drapery : measured – need to propose</div> <div>Custom Pieces :</div> <div>Pillows/Recovered Items : in progress</div> <div>Fiberseal Spray : need to propose</div> <div>Other:</div>	<div>- Celadon (master bedroom) – shipping</div> <div>- Vanguard - dining chairs 8/28 b/o</div> <div>- Fourhands - Dining buffet b/o 10/5</div> <div>- Lee – 10/19</div>	<div>CONSOLE : PENDING REPLACEMENT MIRROR: PENDING REPLACEMNET Set or Artwork : PENDING</div>	




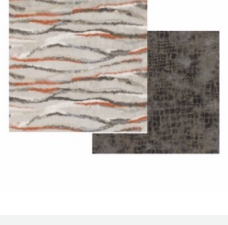


EXPEDITING TEMPLATE



C. EXPEDITING PROCESSES AND RECEIVING WAREHOUSE

CODING SYSTEM IN ACCOUNTING SOFTWARE

- RECEIVED AT WAREHOUSE
- ORDER SHIPPING
- ORDERED - ACKNOWLEDGED

<div>Edit</div> <div>Delete</div> <div>RFQ</div> <div>Spec</div> <div>Active: <input checked="" type="checkbox"/></div> <div></div>		<div>Vendor: <u>CULP AND ASSOCIATES</u></div> <div>Ship To: <u>ADDISON UPHOLSTERY</u></div> <div>Sales Code: Pillows and Bedding</div> <div>Room List: Residential</div> <div>Item: CG-04-C</div> <div>Description: Fabric for Throw Pillows</div>
<div>Edit</div> <div>Delete</div> <div>RFQ</div> <div>Spec</div> <div>Active: <input checked="" type="checkbox"/></div> <div></div>		<div>Vendor: <u>PORTER LIGHTING</u></div> <div>Ship To: <u>EVEREADY</u></div> <div>Sales Code: Lighting</div> <div>Room List: Residential</div> <div>Item: LT-01-A</div> <div>Description: Table Lamps</div>
<div>Edit</div> <div>Delete</div> <div>RFQ</div> <div>Spec</div> <div>Active: <input checked="" type="checkbox"/></div> <div></div>		<div>Vendor: <u>SCOTTPLUSCOONER</u></div> <div>Ship To: <u>EVEREADY</u></div> <div>Sales Code: Lighting</div> <div>Room List: Residential</div> <div>Item: LT-02-A</div> <div>Description: Light Fixtures</div>
<div>Edit</div> <div>Delete</div> <div>RFQ</div> <div>Spec</div> <div>Active: <input checked="" type="checkbox"/></div> <div></div>		<div>Vendor: <u>ADDISON UPHOLSTERY</u></div> <div>Ship To:</div> <div>Sales Code: Pillows and Bedding</div> <div>Room List: Residential</div> <div>Item: PI-01-A</div> <div>Description: Throw Pillows for Sofa</div>
<div>Edit</div> <div>Delete</div> <div>RFQ</div> <div>Spec</div> <div>Active: <input checked="" type="checkbox"/></div> <div></div>		<div>Vendor: <u>HICKORY CHAIR</u></div> <div>Ship To: <u>EVEREADY</u></div> <div>Sales Code: Furniture</div> <div>Room List: Residential</div> <div>Item: CG-09-A</div> <div>Description: Swivel Chairs</div>
<div>Edit</div> <div>Delete</div> <div>RFQ</div> <div>Spec</div> <div>Active: <input checked="" type="checkbox"/></div> <div></div>		<div>Vendor: <u>KNOLL TEXTILES</u></div> <div>Ship To: <u>HICKORY CHAIR</u></div> <div>Sales Code: Fabric Furniture</div> <div>Room List: Residential</div> <div>Item: CG-09-B</div> <div>Description: Fabric for Swivel Chairs</div>



C. EXPEDITING PROCESSES AND RECEIVING WAREHOUSE

INSTALL CHECK LIST

TCTCTRACI CONNELL INTERIORS

Client :

Install :

TASK
Schedule Install Date with Client
Schedule Install Date with Eveready
Schedule all Sub – Contractors
Client Gift <ul style="list-style-type: none">- Select- Wrap Gift and- Thank you Card
Check and Prep Installation Toolbox <ul style="list-style-type: none">- Tool Box- Cleaning box- Bags – Light bulbs, Magazines, extension Cord
Print Presentation and Floor Plans (x3)
Print Accessory Placement Pages
Designer Request and Check Pull List
Confirm All Items to be Delivered
Pack Cars with <ul style="list-style-type: none">- Accessories- Install Kit- Fiberseal kit

→ Delivery :

Electrical :

Art :

Wallpaper :

Drapery :

Custom Pieces :

Pillows/Recovered Items :

Fiberseal Spray :

Flowers :

INSTALL CHECKLIST



C. EXPEDITING PROCESSES AND RECEIVING WAREHOUSE

Eveready Services, Inc
310 W Mockingbird Lane
Dallas, Texas 75247-6612

CUSTOMER STORAGE INVENTORY
WORKSHEET:
Traci Connell/THEVENOT

7/28/2020

	Tag	Customer	Sidemark	Type	Item	Description	L	W	H	CubicFeet	Date In	Date Out	Location	Notes
	182792	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Sofa	1 LEE Industries Sectional Sofa (#208650 corner sofa, crypton oasis, 2 throw pillows)	120	44	36	110	5/22/2020		27D4	(182748 kb)
	182793	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Sofa	1 LEE Industries Sectional Sofa (#208650 one arm, crypton oasis fabric,1 blue throw pillow)	80	44	36	73.4	5/22/2020		27G3	(182748 kb)
	182794	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Stool	1 LEE Industries Counter Stool (#208650 ebony wood finish, vale fog fabric) 2 of 2	18	15	25	4	5/22/2020		2.60E+05	(182748 kb)
	182795	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Stool	1 LEE Industries Counter Stool (#208650 ebony wood finish, vale fog fabric) 1 of 2	18	15	25	4	5/22/2020		2.60E+05	(182748 kb)
	182796	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Chair	1 LEE Industries Lounge Chair (#208650 rockport natural fabric, ebony finish frame)	29	31	31	16.2	5/22/2020		2.70E+05	(182748 kb)
	182797	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Chair	1 LEE Industries Arm Chair (#208650 mini spaces nailhead on back, ebony finish frame, neptune blue cushion) 6 of 6	24	21	30	8.8	5/22/2020		26F4	(182748 kb)
	182798	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Chair	1 LEE Industries Arm Chair (#208650 mini spaces nailhead on back, ebony finish frame, neptune blue cushion) 5 of 6	24	21	30	8.8	5/22/2020		26F4	(182748 kb)
	182799	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Chair	1 LEE Industries Arm Chair (#208650 mini spaces nailhead on back, ebony finish frame, neptune blue cushion) 4 of 6	24	21	30	8.8	5/22/2020		26F4	(182748 kb)
	182800	TRACI CONNELL INTERIORS	CLIENT NAME	FURN	Chair	1 LEE Industries Arm Chair (#208650 mini spaces nailhead on back, ebony finish frame, neptune blue cushion) 3 of 6	24	21	30	8.8	5/22/2020		26D4	(182748 kb)



RECEIVING WAREHOUSE PULL LIST AND PROCESS



MODULE 6

Summarizing for Success

Q&A

www.jointhegloss.com

TCI
TRACI CONNELL INTERIORS





Stay in Touch!

web



www.jointhegloss.com

www.traciconnellinteriors.com

contact



hello@jointhegloss.com

972.523.6157

instagram



[@jointhegloss](https://www.instagram.com/jointhegloss)

[@traciconnellinteriors](https://www.instagram.com/traciconnellinteriors)

www.jointhegloss.com

