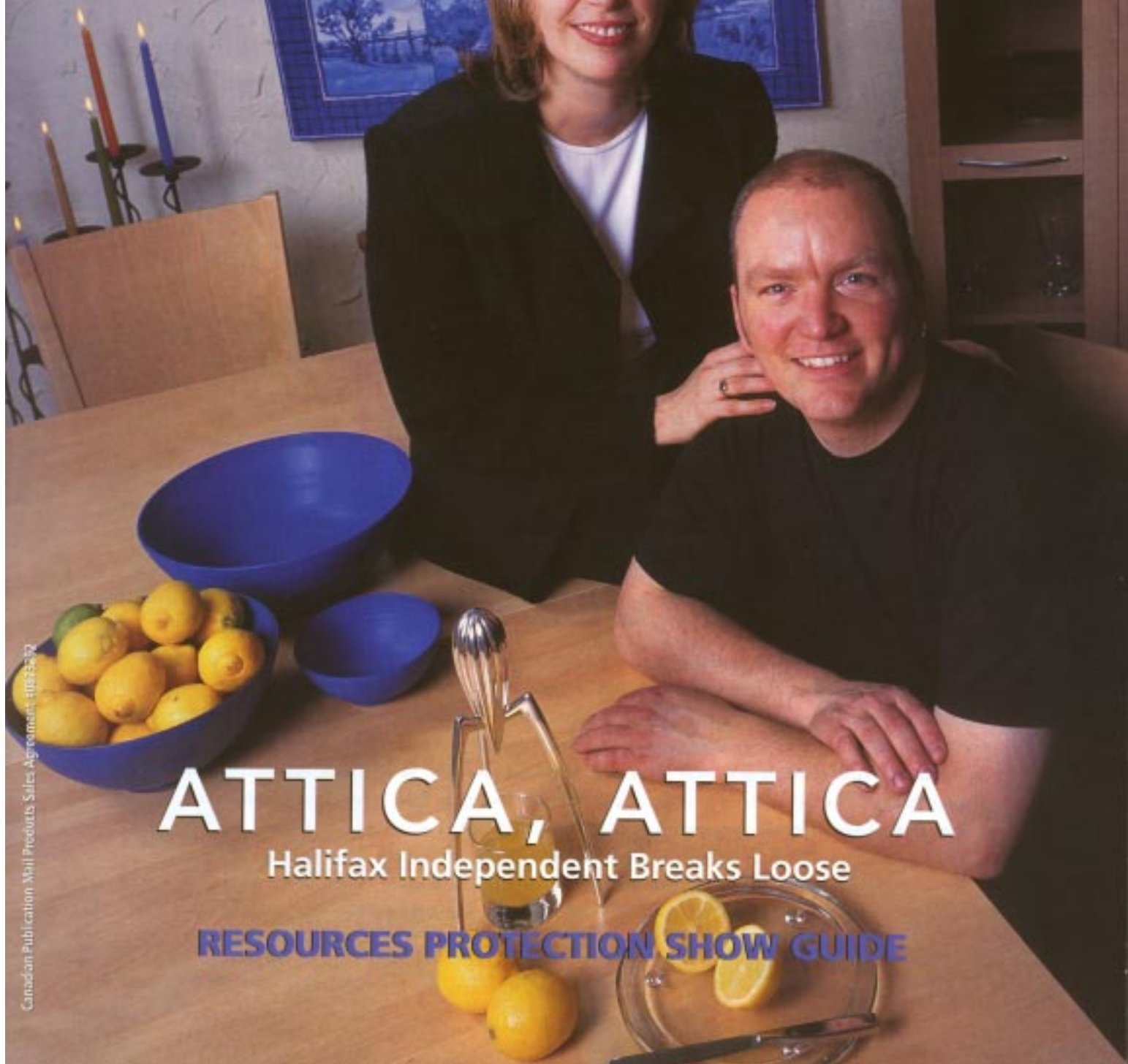


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Retailer



ATTICA, ATTICA

Halifax Independent Breaks Loose

RESOURCES PROTECTION SHOW GUIDE

in conversation with

Suzanne Saul

WHAT IS IT ABOUT ATTICA FURNISHINGS,



tucked away unobtrusively on Granville Street in downtown Halifax, that makes it so unique? The ever-changing window displays that catch your eye just before you pass them by? The sky-blue, cloud-streaked high ceilings and Ionic columns that evoke ancient Greek ruins? The hand-made, one-of-a-kind furnishings and decorative items imaginatively displayed throughout the store? Or is it the quote by design pioneer William Morris — "Have nothing in your house that you do not believe to be useful, or believe to be beautiful." — written across the mezzanine that so aptly sums up the philosophy of the store?

Whatever it is, it's clear that Attica is unlike any other store in the city in terms of its look or its products. Part retail store, part art gallery, this unusual hybrid is the brainchild of owners Suzanne Saul and Chris Joyce, expatriate Newfoundlanders in their early 30s with Bachelor of Fine Art degrees from the Nova Scotia College of Art and Design.

Saul, who subsequently received an MBA from St. Mary's, concentrates on Attica's marketing and day-to-day management, while Joyce is primarily responsible for its aesthetic. Additionally, Joyce designs and builds many of the items — such as candle holders, closets and mirrors — on display at his off-site ArtRage studio.

In many ways, Attica is more of an artistic than an entrepreneurial venture. However, it is developing a diverse, design-minded clientele that runs the gamut from students on tight budgets to the well-heeled, mature residents of the city's south end. And the store is anticipating further growth as Halifax's population and knowledge-worker base continues to grow.

That the store is about to celebrate its fourth anniversary is no small accomplishment. From its inception, Attica has weathered the difficulties of a small market, limited resources, initial poor location and a steep consumer learning curve. Recently, Saul sat down with *Canadian Retailer* to discuss some of the challenges she and Joyce have faced. Following are the edited highlights.

BY MARK CAMPBELL



How has location impacted Attica?

The store was originally an add-on. We started on the second floor in a poor part of town because we had no money and were looking for studio space. That gave us a bit of an edge, and people did seek us out, but they just didn't think to shop in that area of town because there were no other stores like ours there. We began looking for a new location in the city's higher-end shopping centres, but one promising location wanted to bundle in extra space we didn't need, and would have restricted our hours of operation and signage. The landlords here offered us more freedom. We also gained higher visibility thanks to our street-level location and the ability to do eye-catching window displays, all of which resulted in a sales increase of 300%. So our new location made a tremendous difference for us.

What are the challenges of selling high-end furniture in Atlantic Canada that you would not face in Toronto, Montreal or Vancouver? Do you enjoy any advantages in this marketplace?



*h*AVE NOTHING IN YOUR HOUSE THAT YOU DO NOT BELIEVE TO BE USEFUL, OR BELIEVE TO BE BEAUTIFUL.”



What keeps you awake at night?

Cash flow is often the number one concern — having enough to pay staff and suppliers on time. There are peaks and valleys in terms of sales, and we have to be careful when placing orders because we have limited working capital. It's mostly sweat equity and what we've invested. As we grow, we will look to the bank to increase our line of credit, which should be double our current rate — (\$7,500 and a \$5,000 Visa limit) for a store this size. We're very careful with the management of funds and are not drawing salaries because we try to keep the money in the store. I know several businesses that failed because the owners drew large salaries when sales didn't allow for that. As a result, my full-time job remains my first priority because that provides me with my living. Things we have no control over also keep me up. We had scaffolding up around the store for several months last year and noticed a big drop in sales — roughly 30% to 40%.

Given your independence, how much flexibility do you think you have regarding labor issues?

I think we're different because we empower our employees to make decisions. We encourage them to create their own store displays and solicit their opinions when placing orders so they know what they say matters. And we try to be accommodating in

here. Most consumers are very traditional in terms of taste, so we appeal to a very small segment of the region's population. Furthermore, many people compare our products with mass-produced items available at department stores. They don't always discern the difference in quality of materials or design for our products. While it would be easier in some respects — tastes and larger market — operating in one of those cities, the downside is that the competition there is established and knows its market. Here, we have the benefit of being one of a few, not one of many, and a loyal following. Plus, Halifax is growing. More people are moving here, and there's growth in interesting areas like film production and information technology. Those factors bode well for us. The cost of living is also lower here, which made startup costs more economical. And we know the community, which makes a big difference.

You have a full-time job in addition to managing the store. How do you manage your time?

Sometimes I don't know if I'm managing my time or the activities are managing me. It has always been a juggling act and will be that way for some time, because the store has grown in terms of sales volume. The big thing I did when we moved was to hire an accountant. I was always trying to do everything myself and I think you have to let go in some areas. We increased staff hours so I could cut back the amount of time I spend on the shop floor and focus on what I do best, like marketing plans. We've also started work on an annual marketing calendar. But there are things I could be doing to better manage the store that I'm not doing right now, like setting and measuring objectives. It's something we're working toward.



terms of hours. Our assistant manager planned a trip to the south of France so we gave her an extra week's vacation and I used some of my vacation days to cover for her. I did the same thing for another staff person, a textiles student who was offered a subsidized trip to Montreal. I also know our starting wage is higher than most other independent retailers. At some point, I'd like to be able to offer benefits like medical and dental, but it's not something we can afford right now.

Is competition making it tougher to be an independent retailer or does independence afford any advantages?

I think it's getting tougher to be an independent retailer in the home furnishings market. Some department stores are starting to smarten up in terms of the products they're offering. They're putting more emphasis on design, like Zeller's Martha Stewart



CHRIS JOYCE

line. But that's also a good thing, to quote Martha. It suggests people appreciate design more, and seeing it everywhere creates the desire to have beautiful things. Our advantages are that our products are different, we do more research, carry special, hard-to-find items not available elsewhere, and we can offer our customers better service and specialized designs. We also have closer ties to our marketplace by dealing with our customers directly.

What trends are you seeing in home decor and furniture design, and how do you keep on top of them?

The main trend in recent years is that people have been looking to make their homes more their personal expression. They don't

want their interior to be a reproduction of their neighbors'. That's an advantage for us, having handmade items. There is a trend toward cleaner lines and simpler forms, but that has been our aesthetic anyway. I don't feel we're so much keeping up with trends, we buy what we like. For us, it's more looking at trend-setting as opposed to trying to be a 'me-too' store. To do that, we subscribe to trade journals like *Metropolis*, *Azure*, *House and Home*, *Style in Home* and conduct Internet and trade show research.

How important has marketing been for Attica, and what approaches have you taken to market the store?

Marketing has been very important because it's how we educate consumers about Attica, show them we're different, and build their desire to visit our store if they haven't before. We've advertised in local newspapers, magazines and tourist guides, conducted direct-mail campaigns, held design competitions and sponsored a number of events and fund-raisers for organizations like Kids Help Foundation and the Canadian Breast Cancer Foundation. Often, those events allow us a chance to do design work or contribute items that draw attention to our store. Beyond that, we offer trade discounts to architects and interior designers to maintain a good relationship with them and increase our sales leverage. We're also planning some joint promotions. One will be a fine-living campaign with a supermarket that has a gourmet food section. The Internet is not yet a factor in our marketing efforts, given our limited resources. There's so much that we can do on-site, and I think the impression people get from walking through the door is more likely to encourage increased sales.

What kind of technological investments have you made in the store, and what impact have they made?

We invested in a computer system that is Y2K-compliant, and we're using an advanced contact management system which allows us to keep track of our customers' interests and let them know when a special order has arrived that might appeal to them. Our system has also helped us with general management responsibilities such as invoice preparation, tracking, and keeping supplier orders and information streamlined. Toward the end of this year, we will get a point-of-sale system for inventory tracking, which will help us buy smarter. But I think there will always be areas,

like one-on-one consultation, which will depend on our personal touch, not software.

About that personal touch, how do you keep customers happy and loyal?

Besides personalized attention, there are other value-added services we provide. Many times we do free delivery within Halifax. We've gone to customers' homes and installed their furniture, even moved their furniture to accommodate or complement their new arrival. Ultimately, what keeps them coming here is our array of products, but we also develop good relationships with customers. There are many we know by name. People appreciate it when you know what they like and help them make good purchase decisions. There's also particular attention paid to the custom furniture we do. There's a lot of back and forth and follow-up after [the sale] to make sure they're happy with everything. Certainly, if there's a design flaw resulting from our production we do what we can to make them happy. We've also accommodated people who've purchased something and realized it doesn't suit them by redesigning it at our own cost.


Landlord-tenant relationships are often fraught with difficulty and disagreement. What has been your experience, and how would you term your relationship?

Our landlord, Halifax Developments, which is ultimately owned by Empire Co. Ltd., is a multibillion-dollar corporation. For the most part, although everything goes through their head office in Stellarton [Nova Scotia] and the delays can be frustrating, they have generally been good to deal with. And we've always tried to maintain a good relationship by being professional when dealing with them. Given their size, I think they sometimes forget the impact their decisions can have on us, so we have to let them know. Also, our points of contact at Halifax Developments have changed three times since we moved here. To keep relations running smoothly, I put everything in writing, using bullet points that draw their attention to concerns and problems. I think it helps that they know we're respectful of their property. We put in a lot of work and transformed this place and I've been told by one other shopkeeper in this area that they moved here because of us. So we helped create a little shopping district that wasn't here when we opened up.

Any tips for other independent retailers based on your experience?

Having a clear vision for your store is the main thing. Even though we didn't have the resources to be where we wanted to be at the outset, we knew where we wanted to go and our activities were designed to move us in that direction. So [my advice is to] work hard to differentiate yourself in the products you offer and create a strong visual awareness of who you are to make an impression on the people who come through your door. Too many stores fall short of achieving their potential because they don't look at their physical space as an important part of their marketing.

Any regrets about this concept or decisions you've made along the way?

This is what we wanted and I haven't regretted choices we've made in terms of the store. There may be products we ordered that we shouldn't have, but overall I think we've done the best we could with the resources we have. I do wish I had hired an accountant right at the outset. It would have saved me some hassle and some time. 

Mark Campbell is a freelance writer based in Halifax.