

## **Taken from November 1991 Business Digest**

A year ago, when many local office supply companies were downsizing, selling out to larger companies, or going out of business altogether, Fran Arnold decided to triple the size of his showroom in downtown Springfield.

His 7500 square foot space expanded to 20,000 square feet. The Lyman Street showroom was gutted for renovation. And what Arnold describes as a “state-of-the-art used office furniture store” was created in its place.

Sounds like rash behavior in a severe economic downturn?

Apparently it wasn't. Because last year, smack in the middle of recession, Arnold's business increased its sales by 50%. By his own description, Conklin Office Services is now a multi-million dollar family business-and its showroom renovation was achieved without a penny of outside financing.

This success story, Arnold says, had a definite turning point, one that happened on a harrowing truck ride through a tunnel in Brooklyn, New York. That ride, he said, not only prompted last year's success-it saved his business.

In May of 1981, Arnold purchased the Conklin Office and School Supply Company. One hundred percent of the company's revenues were generated from the sale of office supplies- a figure that only approaches about 10% of Conklin's business today. Seven months after buying the store, business got tough, and Arnold decided he had to diversify.

That diversification took place in 1982, when Arnold and his wife Rosemary rented a twenty-four-foot truck, filled it with used office furniture purchased from a company called Big Apple Office Furniture, and started off for Springfield.

“I drove out of the yard and I was right in the tunnel. I hadn't driven a twenty-four foot truck in a long time – and we were screaming. I was telling Rosemary to watch the sides, and buses were zooming by. When I came out of that tunnel it was pure relief,” remembers Arnold.

“I don't know what made me think that used office furniture would sell-I have no idea-it was a gut feeling.” Today more often than not, Big Apple Office Furniture buys its furniture from Conklin Office Services.

After successfully selling the furniture from the Brooklyn trip, another opportunity came Arnold's way. American Express had one hundred trailer trucks of used office furniture it was looking to sell.

Arnold couldn't afford to purchase the entire load, but he did find three other dealers who were interested. That week he bought and sold three trailer trucks full of “top drawer” used office furniture.

From that point on, Arnold concentrated on developing contracts and establishing his reputation as a wholesale dealer in used furniture-primarily in New York. If things are going well now, it's because he paid his dues at that time, he acknowledges.

Arnold states: “I would have three to four jobs going on each week. Some nights I'd be supervising two jobs with two crews at either end loading trailers. I'd go back to my room between one and four in the morning, with my legs screaming from walking what seemed like a hundred miles, and then get up the next day and start over.”

Now Arnold has crews he's built over the years that he can trust to handle jobs without his direct supervision; and the company removes “probably five hundred to six

hundred trailer truckloads of used office furniture a year out of different locations across the country,” says Arnold.

For the next seven years, wholesale business boomed. For the most part, Arnold notes, the used furniture market was being fueled by companies that were moving, not by those going under. “If the furniture was four to five years old and almost fully depreciated, they were better off to go out and buy new, rather than pay to have it moved—which in New York is pretty costly. Overall, the preference was to sell, buy new, and then take the full depreciation over the next five years,” explains Arnold.

Everyone always thinks businesses are closing and I am buying their furniture,” he said. “That’s not true. Companies are always going through what they call ‘restacking.’ A customer might be pulling from two or three different areas, restacking all their employees in a building and into new furniture; and then they’re getting rid of the used furniture.”

A few weeks back, Arnold bought the used furniture from Shearson Lehman Brothers offices in Denver, Dallas, Atlanta, and Orange County, California. He sold it “almost immediately.”

While Arnold was almost exclusively on the road developing the wholesale used furniture business, the store in Springfield was experiencing an ever-dwindling market share in office supply sales. Arnold says that the new “mega stores” have put quite a few of the local “mom and pop” office supply retailers out of business. The discounts are so deep from the mega stores that it’s very difficult to compete on price alone—and Arnold expects there are more local store failures yet to come. His own office supply business was down about thirty percent from last year, he said.

Now, more and more of the used office furniture Conklin buys is finding its way directly to the retail market—hence, the renovations of his showroom in downtown Springfield. With the “gravy years” in the wholesaling business past, Arnold is diversifying once again; concentrating on the national retail used furniture market. “As the economy winds down, there are still people out there doing well, but they’re buying used. Why not? I truly feel it’s a good deal,” Arnold said. The savings of buying used are somewhere between 75-80% off list price, he noted.

On a retail basis, Conklin sells “all over the country,” and employs five people in sales. These include lone time employee Jeff Hart, who has been with Arnold since the very beginning. Hart is sales manager and heads up local sales. When asked about the viability of the local market, Arnold asserts: “You’d be surprised what’s out there.”

Two years ago the company hired Peter Carabillo, formerly a buyer with BKM in Hartford. As Vice President of Sales, Carabillo’s national contacts have been invaluable in the national sales effort. Arnold also cites employee Al Mutti as “the mastermind behind accounting – he’s taken us from all manual to all computerized systems,” Twenty-one employees round out the area of accounting, warehousing, installation, delivery, telemarketing and “furniture reconditioning.” A full-time upholsterer and “woodworker” also work on site.

In addition to the Lyman showroom, Conklin has 72,000 square feet of warehousing space, and is in the process of buying an additional warehouse on Taylor Street that will give him another 30,000 square feet of storage.

The decision to open in Atlanta was sparked by the viability of the market itself, and also by Conklin's contracts in the area. Arnold has no regrets about the decision to expand outside of the market.

The future, notes Arnold, holds further diversification, mostly vertical and utilizing "my buildings, my trucks, and my people." These plans might take shape in the form of an upholstery business, furniture refinishing business, and a myriad of what Arnold describes as "endless possibilities."

When asked to explain how he's been able to succeed in an industry that has fared so poorly during the recession, Arnold states, "There is no substitute for hard work. I can't tell you how many nights a week I'm on the phone until ten or eleven. "My wife is not happy about it but I just don't know any other way."