

kbbreview



REMEMBER! Entries for the kbbreview Awards 2012 close on November 26th see page 56

Focus on Scotland



How's business north of the border?
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Retailer round table

Are dealers losing interest in selling appliances?
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Angry dealers have hit out at distribution and retail business tc bathrooms after the company ceased trading.

Despite recent personal assurances from managing director Martin Chalcraft (pictured) that the Dewsbury-based firm was trading normally, bathroom retailer Chris Davies of Bathworx near Cambridge said he had been left "completely abandoned" and has been desperately trying to find new suppliers to avoid his newly-launched company from going bankrupt.

"I've just opened a 1,500sq ft showroom and about 60% was with tc bathrooms," he said. "I heard a rumour that there were issues, so I asked them to clarify the situation. I was contacted by Martin Chalcraft who said they would continue to trade as normal. He then

'Abandoned'

Retailers in limbo as tc bathrooms ceases trading

proceeded to miss just about every order I placed. I've had no help, I've been completely abandoned."

All remaining tc bathrooms stock, said to be worth around \$4.7 million (£2.9m), has been bought by retail chain Bathstore despite a separate bid to buy the whole company from distributor Mark II. Administrator Ernst and Young said Bath-

store had now closed and that he was doing all he could to help retailers complete orders.

"All we're trying to do is help people," he said. "We've purchased the stock and if we can help anyone who's in trouble with orders we'll be happy to. But we're not distributors and there are no guarantees; we haven't got a balanced portfolio."

strong brand already and the majority of their bathrooms4all stores are actually rented in the postcode of our own outlets. We'll just blend it into our own stock."

Favell added that he expects more bathroom casualties to follow in what remain tough times for the wider industry. "It's more about who's next really," he said. "It's about companies having the liquidity and strength to survive what is a difficult market. If anyone's talking about green shoots they'll be taking market share. You've got to be sharper, better at your service, offer quality products and motivate your sales team. It's just a very sad situation and the biggest influencer in all this is the market. But it's gone and we've got to get on with life. Some of the staff have already applied to us."

Rival bidder Nick Hopkinson, managing director of Mark II, admitted he had wanted to buy tc bathrooms in its entirety but that Bathstore had made an offer he couldn't match. "We wanted to buy



"Martin Chalcraft told me they would continue to trade as normal. He then proceeded to miss just about every order I placed"

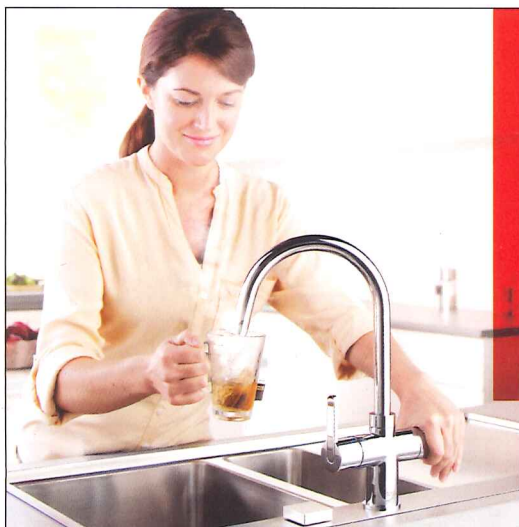
store has "not taken on any outstanding orders placed by customers, nor are they continuing to operate the business of the company which has ceased to trade with immediate effect".

Bathstore chief executive Gary Favell confirmed that all tc bathrooms stores

Favell also confirmed that Bathstore had purchased tc bathrooms' Victorian Bathrooms store in Ossett, which will continue to trade under the same name.

"We've got no interest in the wider company though," he said. "We have retail centres of our own. We have a very

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But he's had to grow manufacturing in China because they don't want to lose him over there. When he says jump they say 'how high'?

Were you surprised by AW Andes's decision to close its distribution arm?

It's very sad to see other distributors go out of business. I've got a lot of time for Andes. But me and my brother have never sold things cheap, we always want a margin to reinvest in the company, hence we're spending £8.5 million on a revamped distribution centre, and we're now reinvesting and building a 30,000sq ft extension. It shows our confidence.

It will be a bonded store, the idea for that being it will be free of import tax and VAT which will free up £400,000 of cash flow. We can put that into more stock rather than give it to HMRC.

So what's the secret to successful distribution?

The secret is holding the stock. A lot of distributors have borrowed money over the years. They're heavily leveraged. They don't have the cash to put into stock. If you don't have it, you

won't sell it. Customers need to have the confidence to come to a distributor with a list of things they want and to know that they're all in stock. With us they know they can get it.

How else is your approach different from your competitors?

We're going for a regional approach. In the last two years we've gone into Devon and Cornwall and from January we've gone into Suffolk, but we're taking each small branch at a time and not trying to grow too quickly. There are other distributors that have invested in depots and it hasn't worked. When business is tough the first thing they do is lay off sales and marketing staff. The first thing we do is employ them. We work the other way. We've got the cash to do it. If you're in a situation where you're not making any money and you're selling product at nearly cost price, you're not building up cash to invest in people so the first thing you do is lay people off.

So you expect more distributors to run into problems?

For sure. You cannot sustain a company and keep selling products but only make margins of 15-18%. You need to be gen-

VERDICT



'Facing challenges head-on...'

Cersaie 2012 was definitely more quiet visitor-wise than two or three years ago, which is altogether unsurprising thanks to the current economic climate. On the exhibitor front, at least in our experience, there appears to be a distinct movement in favour of the Salone del Mobile, with several of our brands choosing to show in Milan as a priority over Cersaie, largely due to its architect/designer audience. This said, those who took part in both shows (such as Azzurra, Aquademy, Stella, Oasis) did so with gusto and an array of both spring and autumn launches. As for general attitude and momentum, we have certainly witnessed a resilience and renewed determination among our brands – mostly Italian – to face market challenges head-on, with reinforced proactivity and investment in new designs, materials and technologies.

Lorna Wainwright, Alchemy Design Award

erating cash to reinvest. If you're not doing that, something is going to fail somewhere. That's what's been happening.

Bolton bathroom retailer Posh Bathing has tackled the internet by launching a micro distribution strand. What's your view?

Down south, retailers don't like buying from other retailers. I think down there he'd have trouble doing that. We've had it

where merchants have become distributors and people don't buy from them because they still think they're merchants. Grafton Group is a good example. A lot of independents don't like buying from BCG [sister company of Plumb Center], for example, because they think they're buying from a competitor. There are very few owned and managed distributors. But of all my competitors, I'd say Barwicks are doing a good job.

Glass Idromassaggio ◀

Product: Morphosis

Italian wellness specialist Glass Idromassaggio used the exhibition to announce the addition of heating expert I-Radium to its brand portfolio. The intelligent wooden heating systems from I-Radium use infra-red technology to generate heat. In contrast to conventional radiators, the infra-red system heats objects and people in a room before heating the air, which is said to reduce energy wastage. I-Radium offers a huge portfolio of innovative heating systems for the home, including Morphosis, a stylish col-

lection of towel-warming, modular radiators. This flexible system can be placed vertically and horizontally and can be combined with special accessories, such as supports and towel holders that can be concealed behind the curved modules. Models are available in wenge, white oak, bleached oak, grey oak, black oak and ebony.

Tel: 020 8441 2575

www.glassidromassaggio.com



BOSSINI

Product: Aqua Line

Bossini was keen to impress visitors to its stand with displays of its latest concepts, including the Aqua Line collection of water-saving shower handsets. Models in the range feature softer lines and rounded edges, in keeping with current style trends. The Aqua Line, super-slim hand shower (pictured) benefits from an extra-large, 120mm diameter head. It is equipped with an adjustment control device, which allows the user to select a vigorous jet spray or a delicate jet and is said to reduce water consumption by as much as 50%.

Tel: 01785 811985

www.bossini.it