

# Shad's Custom Countertops Inc.

## Spreading The Word

By Marci Presser, Associate Editor



### Got Shad?

#### Prior to 1991

Hall grew up around the wholesale countertop shop owner by his father, Bill Hall.

#### 1991

Hall joins the U.S. Army.

#### 1996

Hall returns, still active in the Army Reserves, working part-time at UPS, and begins installing countertops as a subcontractor.

#### 1997

Shad's Custom Countertops opens in Portland, Maine, as a wholesale shop after a customer of Hall lends him \$1,000 and rents him 500 sq. ft. of shop space to build the tops he was installing.

#### 1999

Shop moves to a rented 2,000 sq. ft. facility in Windham, Maine. Hall leaves the Army Reserves and quits UPS to focus full-time on countertops and begins to hire his first employees.

#### 2000

Hall finances his first machine for the shop when he purchases a Strlebig-panel saw from Colonial Saw.



Before the current recession, those with money were spending money. With virtually unlimited credit extended to all, new housing, remodeling and competitive granite pricing reshaping the surfacing industry, many countertop shops were making top dollar profits. During that time, smart business owners reinvested their profits in machinery, expanded facilities, marketing efforts, etc., and one such company is ready to climb back to the top.

Shad's Custom Countertops, located in Windham, Maine, is not your father's countertop shop. In fact, though owner Shad Hall grew up in his father's wholesale countertop shop, he started fabricating his own tops in 1997 with a small loan and 500 sq. ft. of space before growing his operation into a successful 10,000-sq.-ft. wholesale countertop shop with consumers actively requesting "Shad Tops" through an extensive dealer network.

Hall admits there are people who think he's a second-generation owner of his father's New Hampshire shop, but that was never the plan. Before his father Bill Hall retired, the two were direct competitors for a number of jobs.

"I couldn't beat his prices through my dealers because my dad had taken his wholesale business and gone retail," remembered Hall. "He gave me the knowledge I have about the industry, but it was some tough love when it came to growing up. He never just gave me money or anything else for that matter. In fact, he lent me a tool once and when I could afford my own, Dad took it right back. There were no handouts just, 'You have to figure it out for yourself.'"

Figure it out is exactly what Hall did.

### Lights, Camera, Action

Similar to his father, Hall is a wholesale countertop fabricator and has been since day one in 1997 when he opened up shop. Over time his business grew, due in large part to the uprising of the box store. In 2007, at the tail end of a prosperous era for the housing market, Shad's Custom Countertops was approached by a local cable television representative about advertising.

Being wholesale and working solely through a large dealer network, Hall had never advertised his business, nor had he ever considered advertising.

"I was wholesale!" said Hall. "I didn't need to advertise. Being wholesale, you only have 100 customers you need to reach; they're the ones who reach the thousands of other people."

Those were Hall's arguments to the cable television representative. The rep then explained to Hall that he could receive a four-min. segment to tell his company's story on TV for under \$6,000.

"It was 2007, though, and we were making good money," said Hall about finally deciding to advertise. "It was on everyday for three months, seven days a week and on two different stations. They also gave us a 30-second spot that ran at top hours."

Hall had success and even a little bit of fame from being on television, and slowly more and more people were asking for Shad Tops. Then, Hall was approached by ABC, who told him that Shad's needed to be on broadcast TV, not cable, to reach a larger market. Hall agreed and had an excellent response among his targeted demographic, females 25 to 54.

"If I could afford it, I'd be on TV at least two weeks a month all year long," said Hall. "If I was retail and I sold direct to the customer, then I'd be on TV hands down. I would never own a retail establishment and not do TV I fought it for so long, 'I'm wholesale; why do I need to advertise?' But if you do a package for a month, you're able to reach 1.6 million people. That's a lot."

Unfortunately prosperity in the housing market was fading and when things started to slow

#### 2001

An additional 1,000-sq.-ft. facility is rented.

#### 2003

- Hall purchases 7,000-sq.-ft. building across the parking lot.
- Shad's acquires another Striebig Optisaw

#### 2007

- A 3,000-sq.-ft. addition brings the shop's total space to more than 10,000 sq. ft.
- Shop runs its first advertisement, a four-minute segment about the company, on cable television.
- The shop makes room for the Striebig Control, an automated panel saw.

#### 2008

Shop is affected by the economic recession and is forced to cut back on advertisement and lay off three employees.

#### 2009

Hall launches an aggressive television campaign with NBC and ABC and Shad's Custom countertop is able to increase business and hire back more employees.



down in 2008. Hall was then forced to cut his outside sales rep and rely on the brand he built to take over for his marketing needs.

### Making A Name For Yourself

Hall's marketing and branding efforts haven't been limited to television. The company's Web site boasts high traffic numbers immediately following an airing of the shop's advertisement on television, and Hall has put forth immense efforts to brand the Shad logo, including developing the shop's own material packaging, which not only protects the countertop but features the company's logo prominently so it's distinguishable as a Shad Top.

The shop's packaging supplier, International Paper, let Hall print anything he wanted on his custom packaging for a one-time fee. The Shad logo was placed on the end of the packaging so when someone picks up material at Lowe's and stacks it in a truck to drive home, everyone on the road sees "Shad."

"The biggest thing is to get that logo everywhere," said Hall, who hands out bumper stickers and has an ad in the bathroom stall of local bars through an agency.

"We also give out a lot of 'Shad Gear,'" added Hall. "We have handed out close to 1,000 pieces of clothing in the last two years including yoga pants and workout tops for

women to wear to the gym. Then when our commercial is on the television at the gym, others see the gear and want it as well."

The company has also put its logo on golf balls and other golf merchandise to use for sponsoring golf tournaments. Other company sponsorships include Windham hockey, a snow-cross sled, a local stock car, a grass drag and asphalt sled as well as the racing sled for Hall's 5-year-old son.

"People see our logos on TV and everywhere else," said Hall. "We're trying to create a buzz and I think it's working because we've been fairly busy. The TV and buzz have been good for my employees, too, because they like wearing their Shad gear and having strangers ask if they work for that place on TV. It's funny, but at the same time it helps my employees to feel a part of something."

### A 'Whole' New World

While advertising has certainly pushed the Shad brand into new homes, wholesale fabrication is not as simple as just selling tops — it's about efficiency. If a wholesaler cannot make a product efficiently and economically the price goes up, not just for the dealer/distributor, but for the end consumer as well which could make or break a sale.

Hall knew going into business that, as a

wholesaler, he needed to keep his cost down and his production up.

"In the beginning we were cutting solid surface sheets the length of a skill saw, ripping the sheets down through a table saw, and doing all of our seams with a router," said Hall. "It would take forever to cut and glue a kitchen."

Hall found a solution to his production issues through Colonial Saw when he decided to purchase a Striebig saw because, according to Hall, everyone had a Striebig. But, after building his business with the most basic tools to fabricate solid surface, the price tag — \$24,000 — was a bit intimidating.

"I thought \$24,000 was a lot, but I had to be able to keep up without hiring a lot of employees," said Hall. "Then, the experienced employees I did want to hire would be surprised I didn't have a panel saw and leave."

Hall knew the machine was important to his shop and tackled the money head on. He would spread the cost of the machine over five years. That worked out to \$4,800 per year, which was still quite a large sum of money to Hall. He broke down the cost of the machine

*The Shad trucks are famous for their part in the company's TV advertising and consumers welcome the shiny deliveries.*



even further, figuring out what it would cost monthly, weekly and finally daily — just \$20!

"Cutting just one sheet on the machine would save me \$20 in hourly wage, the cost of operating the machine for one day," explained Hall. "If I used the saw for only one hour per day, I made my money on the machine, but of course you use your saw for more than one hour a day, and it's easy to justify it."

In 1999, the Striebig OptiSaw 2 was set up, placing Hall and Shad's Custom Countertops in a much better position to handle the growing wholesale work available from Lowe's as the chain of home centers expanded. As the shop continued to expand and purchase new equipment to help make the shop more efficient, the same methodology of breaking down the cost of the machine to a comfortable amount was applied.

"I used that way of thinking when I purchased the shop's automatic Striebig," explained Hall. "With the automatic saw, we're not just saving money because the machine is

quick, we're also saving man-hours because we can multitask while the automatic Striebig Control is operating."

Not only did the purchase of the Striebig saws help the shop keep up with the growing Lowe's business, it also made things a lot easier on Hall's employees.

"My dad had a countertop business, and he brought me to his shop when I was 7 years old," said Hall. "That's how I learned what to do, so now I spoil my guys. They have the kinds of equipment I would have loved to worked with like the Paralign seaming clamps, dust-free sanders and of course the saws. I try really hard to make it a great working environment for them. When I worked in a shop, that's what I would have wanted to work with."

## A Look Inside

Shad's Custom Countertops fabricates not just solid surface but also custom square edge and post-form laminate tops in three shop departments.

"We're a little bit different than other shops following this industry trend where many solid surface shops aren't doing laminate," said Hall. "In most cases, if you're solid surface, you do solid surface and stone; and if you are a laminate shop, that's all you fabricate. We do laminate and solid surface, and not as many shops are pairing those now."

Pairing solid surface with laminate, rather than with stone, has eliminated the need for wet tooling and machines, making it simple to cross-train the shop employees, with more than one person who can do everything. The shop has one employee who works primarily in custom square edge, two who work in post-form and another two, including the shop foreman, who work in solid surface in the shop. Hall also employs two dedicated installers as well as various office personnel.

When it comes to work flow, the shop's post-form fabricators work 100 percent in the post-form department. Should the need arise, employees in the solid surface department can





*At more than 10,000 sq. ft., Hall's location in Windham, Me. (top) dwarfs his original 500 sq. ft. location (bottom) in Portland, Me.*

move over to work in post-form; the custom square edge department can also work in post-form as well as solid surface.

Before feeling the effects of the recession in 2008, Hall employed four fabricators in the post-form department and four in solid surface with three employees on the road installing. Because

his key employees are cross-trained and able to move around, they can keep up with the work no matter what type of job comes in.

As business begins to slowly pick up from last year, Hall has been able to take another look at his shop's production.

"The solid surface department is great," said Hall. "That department runs like a Rolex, but we have to make our post-form department more efficient. That's my own fault. I have the ideas to make things run better, but I never get around to doing it. What we need to do in post-form to build more tops in a day is wipe the slate clean with the department layout. I want to do a complete analysis of the whole thing to get us on the right path with that department."

In the past, other production efficiencies have included only providing template and install services for solid surface, but now template and installs are available on the laminate as well for a small fee; solid surface services are still built into the price of the top.

"We never used to install the laminate, but due to the economy we've been installing laminate countertops, too," said Hall. "It gets our trucks out more, though, which are nice and clean and have our logo on them. Fabricators looking to stimulate some growth in their market should look into things like that."

### The Economic Factor

Hall is also working to stimulate growth, not just directly, but through his dealer network through a number of promotions, including free sinks with solid surface tops and a gas giveaway last year when the price of fuel was at its highest, and establishing retail pricing.

"It's tough on wholesale to set retail prices, but our dealers have asked for it," explained Hall. "To put our dealers on an even playing field with the large home center, we've set some pricing and promotions by asking the dealers what they want their margins to be. Then, we look at the cost and what they want to sell it for. If that works, we come up with a retail price

to try and drive sales for them so consumers know they don't only have to look at Lowe's for a low price.

"We hear day in and day out our dealers can't compete with Lowe's. We provide a free sink for Formica InDepth consumers; it's a stainless steel sink. Box stores can do that, but a kitchen dealer can't get a free sink, so we've decided to eat the cost on a stainless steel sink and offer that for our dealers."

Hall has attributed the halt in business in large part to the price of oil, something that affects the Northern states like Maine, which uses oil to heat homes, more than the rest of the country.

"I don't think the lower half of the country was as affected by \$4/gal. heating oil. That added a huge scare up here. It was the most expensive it ever was the winter before, and then oil doubled and people were worried about it being \$4,000 to heat their homes this winter. When heat is that expensive, no one is spending money, especially not on countertops."

## Climbing Back

Though Hall has had to make cuts to his lineup, he hasn't had to lay off any more employees this year, being able to maintain steady business for its current size.

"If we could have another month of maintaining or just picking up a little bit, I'd be looking to hire someone. So, for us, I'm feeling fairly positive. Some of our competitors aren't as busy right now. I think it's the TV and the marketing. That means I'm getting a return on my investment."

Shad's isn't the only wholesale shop in Maine, and kitchen associates and designers can choose who they want to give the work to; but it's beneficial to Hall if a consumer asks for his shop directly.

"Before we started advertising a year ago, most consumers didn't know the difference between the wholesale fabricators," said Hall. "Most consumers didn't even know who made them or even if they were made in the state. Now, people know Shad's is a local company, and that's been a big thing for us as well."

While it looks like things are on the up and up for Hall and his shop, if the economy were to dive again, he'd be able to take full advantage of his brand and turn retail. Hall enjoys the worry-free work of being wholesale, but if he must go retail, he'll be ready.

"Going retail when you're in countertops means fabricating more than countertops. Consumers want to get their cabinets and countertops from the same place. Then, I have to have money in the bank, a good plan, a couple designers, cabinet lines and all of a sudden there's a lot more work.

"I have no intentions of going that way, but I'm prepared to do go retail, for instance, if my dealers were to drop me for a fabricator who was cheaper than me, because I'm not going to be slow or not busy and have to lay off more guys or close down because I'm a wholesaler. That being said, if I have to go retail, look out." ■

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