

Brother International Corporation

Dealer Weathers Set-in Market Turmoil, Finds Way Back to a Creative, "Individual" Style of Business

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Say, for example, you're a sewing machine dealer literally drowning in a sea of "corporate takeover turmoil." Your profits are nose-diving, even as your frustration is soaring to break the sound barrier. What do you do?

If you're Gloria Horn, a veteran sewing machine dealer in suburban Pittsburgh, Pa., you go back to the creative, personalized style of business you know best and you find a company that shares your vision and passion. For Horn, that company was Brother International Corporation. Horn found stability, technological excellence, imagination and a commitment to dealer support with Brother. It's no wonder that Brother was started as a sewing machine business in 1908 by two brothers, whose family is still actively involved in the company.

Horn knows firsthand how critical a stable dealer-manufacturer relationship is to success. In the past few years, she's been pushed around by post-takeover changes in the sewing machine industry and squeezed by chain-store economics. Her single-brand business structure was literally turned inside out. Now, thanks to Brother, her product line has changed dramatically.

With Brother at her side, Horn has refocused her business to include the entire line of sewing, embroidery and quilting products, which have enabled her to bring her customers fresh products in creative, unique retail settings. She's fueled by what drew her to the sewing industry in the first place—a love for creativity and the endless possibilities of the sewing arts—and is backed by the stability and longevity of Brother, which celebrates its 100th anniversary this year.

Based on customer response, the changes are exactly what her customers have been wanting. Recently, a grandmother and her granddaughter came into one of Horn's locations, which re-opened in January, fresh from its makeover into a creative sewing center with lots of projects and displays. Horn says she overheard the older woman tell her granddaughter, "This is the way all stores used to be!"

Horn started selling sewing machines about 25 years ago. After working all day, selling nuts and bolts for a fastener

company, she would relax in the evenings by sewing. "And every pay day," she says, "I went to my dealer and bought something new for my machine. Then the dealer closed. My husband's first reaction was, 'Who's going to get the dealership?'"

Her first store was a tiny space in the basement of an office building. It didn't even have its own front door, she recalls, but with hard work, her clientele grew. Three years later, she opened another location, and things just kept growing. Her goal was to eventually have stores

"ringing" the outskirts of metropolitan Pittsburgh, and she was well on her way to achieving that when the opportunity arose to open a set-in location inside a major fabric retail chain.

The attraction was obvious: solid, "right-there" connections with customers who obviously had sewing on their minds and the ability to piggyback on the marketing power. Eventually, her fabric store-based business grew to include six set-ins and her free-standing store spaces shrank to one location, which became a hub for machine repairs and service.

Then the turmoil began. New corporate ownership and changing economics altered the rules of running a set-in. Traffic at some of the stores was lower than expected, so sales suffered. Set-in operating costs went up. Tight product restrictions choked off residual profits on notions and tools. And what had attracted Horn to set-ins became a problem.

The fabric store chain abruptly closed one of its underperforming, Pittsburgh-area megastores, which included one of Horn's set-ins. By late 2006, she was forced to hand over two of her other set-ins to a competitor. Left with only two set-ins and struggling sales, she decided it was time to make some big changes.

Horn started by becoming a dealer for Brother so she would have a more technologically advanced product line, plus a stable, supportive manufacturer to help her refocus her business. She says she is extremely happy with both.

"It seems to me while (my previous manufacturer) was investing in the fabric chain business, Brother was investing in research and development. Brother has seven models that connect to a computer, and you don't need software to send designs from your computer to the machine," explains Horn. "They are so much easier to sell!"

The fact that Brother is a family-owned company counted for a lot, too. Brother's strong sales and technical support has helped to make the transition go more smoothly.

The next step was converting her Mount Lebanon, Pa., building back into a retail shop to showcase the new machinery. Now, only one year after retooling her business, Horn has three independent retail locations, including a store in Monroeville and a new location that opened in Greensburg in mid-January.

Having the freedom to do side-by-side demos has been great for business, she says. Customers have responded well to the new products and technology, especially Brother's innovative design and built-in options, user friendliness, high degree of computer connectivity and well-chosen convenience features, such as the automatic needle threader.

"When we show that to a customer, they actually burst out laughing. They are so amazed and delighted," Horn says. "The

machines make sense. My customers are immediately able to run them," she adds.

With the turmoil of the past few years behind her, Horn is reveling in the chance to offer her customers a broad variety of products, more classes with bigger projects and special events with industry headliners. Alex Anderson, for example, was scheduled to appear in mid-March, and in mid-April, Anita Goodesign will hold its Embroidery Bash in one of Horn's stores. After years of a regulated retail mold, Horn is giddy with diversity. But it matches what the sewing customer wants now, she says.

"The thing with sewers is they're creative. They love to 'happen' on stores that are different. They love that. They want a 'find.'"

That's the target Horn is aiming for.

