EMERGING MARKET:
It Takes Commitment

The movable/demountable partition market requires a contractor commitment to inventory, selling-and profit making

By Steve Nichols
National Sales Manager
Glen O’Brien Partition Co.

Thinking about maybe getting into the moveable/demountable partition business?

It’s worthwhile thinking, because demountables are virtually a made-to-order business for a contractor experienced in wall and ceiling work, regardless of past specialty.

The Glen O’Brien Partition Company, of Kansas City and St. Louis, MO., started by Glen O’Brien and Dave LaGue in 1954, has more than 100 dealer/installers throughout the country—and most suffered little sales hurts from the recent recession and construction crunch. Some of these dealers are doing about $500,000 a year with the company’s two partition systems.

In assessing the potential for entering this market, a contractor should review a number of fundamentals.

First, the local market that exists should be reviewed and measured as much as possible. There are two basic markets: one is the new construction market, with which most contractors are totally familiar, and the second is the owner remodel market.

The contractor who is successful in the direct to owner remodel market will develop strong, profitable, steady business derived from the increase sales effort on a negotiated basis.

Job sizes, of course, vary but most partition dealers indicate that the average job invoice is around $3,000 to $4,000 with an average mark-up on cost of 25% to 35%. A distinct advantage of the direct to owner job is that a price is quoted and work is done almost im-mediately with payment within 30 days of completion of the work.

Once a dealer has been in the remodel type business a few years as much as 50% of his work can be repeat work for existing customers.

Another advantage of this market provides the opportunity to negotiate for ceilings, flooring, carpet and other interior finishes that the owner may want done in conjunction with partitions.

The second key factor in entering the movable partition business lies in selection of a reliable manufacturer with a quality product line. Product lines should be selected so as to provide a complete line of interior space division systems.

Types of movable partitions are full height, ceiling high walls with good sound control for private offices, partial height division walls for semi-private offices, including such standard heights as 3'6" rail, 5'6" rail, 7'4" cornice height, and a furring system that can be used to cover over existing conventional walls.

These various types and heights should also offer provision of glass lights, side lights, and vision panels where required.

It is likewise important that a manufacturer’s partition lines have prefinished components, thus requiring only one craft to install the system. With prefinished component systems the only craft required is carpenters.

Prefinished door units that are prefitted to the system’s door frame eliminates the problem of field routing, boring for locksets, and painting doors in the field.

Should Have Screens

Because many office areas are trending toward the open office concept, it is also valuable to have a strong line of the landscape type screen partitions for use in office areas where the customer wants it.

Technical considerations include sound ratings, fire ratings, finishes available, structural strength of partition systems and, of course, appearance.

The third area of planning for getting into the movable partition
business is the need for inventory and actual sales effort.

To be successful in the movable partition business a contractor will need to be able to service quickly. This is especially true in direct to the owner remodel work. To achieve this capability, a contractor will need to inventory enough material to do approximately 100 linear feet of the various types of partitions.

The inventory investment could run from $5,000 to $50,000 depending on the size of the market area and the type of operation. The selection of a manufacturer should be done with idea in mind that material shipments can be made to the job site within one to two weeks, thus reducing the need for greater amounts of inventory.

It’s also preferable to consider manufacturers who can ship all materials from one location, eliminating the coordination of some components coming from one plant while others come from another plant.

It is not unusual for a contractor to need a few parts airfreighted in to get a job done so a manufacturer should also be able to take care of small rush shipments.

Selling demountable partitions requires the coordinated efforts of both the partition manufacturer and the dealer/installer. The manufacturer should provide good professional promotional aids such as presentation units, brochures, photos, etc.

Assistance in training is invaluable for a contractor just getting started. A tool such as an estimating guide helps a dealer quickly figure the approximate selling price of various types of partitions.

With O’Brien, for instance, a three-day intensive workshop training program enables a dealer salesman to become rapidly prepared to deal confidently with potential customers.

Other areas where a manufacturer assists its dealer operation is in a strong national advertising campaign and an effective direct mail promotion campaign.

**Supplier Support**

The manufacturer can also support the dealer installer by guarding against too many dealer installers in a particular market area. Nothing can ruin a good sales effort faster than having a number of contractors in the same marketing “bidding” to a prospect precisely the same system that a dealer is trying to promote.

Despite a full range of manufacturer support programs, the individual contractor must still establish himself as a partitions specialist in his own market area.

A contractor who can offer suggestions about partition layout, how the system involves lighting, ceiling, flooring, etc.—and back up this knowledge with dependable service—is the one who will succeed.

Contractors specializing in demountable partitions have a number of promotion avenues open to them. Some use direct mail to area businessmen while others promote by advertising in the area Chamber of Commerce magazine, trade magazines, Yellow Pages.

Getting into the movable partition business in a big way is not an easy task. It will take some six to nine months of hard selling work before substantial sales are realized. Penetrating the movable partition market means providing service and not just price; it means handling a lot of small jobs as well as the bigger ones, and it means becoming involved with a manufacturer of a sophisticated partition system.

In short, the key to success in the movable partition business is to stock it, sell it, and service it. To the wall and ceiling contractor prepared to make that kind of commitment—and then do it—the results can only be highly profitable.