



Rob Kolloen, shown here with store manager Nikki Jones, defied conventional wisdom when he opened The Paint Source in a down economy.

## Something Old, Something New

A new start-up store in the Detroit area is boldly plowing ahead by looking backward

Nay-sayers undoubtedly could have provided Rob Kolloen with 100 good reasons why he shouldn't start a paint store in the current economy. And they probably could have added 100 more upon learning that he planned to locate the store in one of the most economically challenged areas in America.

But, frankly, those reasons wouldn't have stopped the bold entrepreneur who on Sept. 19 celebrated the grand opening of The Paint Source: Quality Paints and Supplies, a 5,300-square-foot paint store in the metro Detroit area. Despite less-than-rosy economic forecasts, Kolloen plowed ahead—but tressed with investment capital, his past experience as a paint-store manager and painting contractor and, as he says, the dream of owning “an old-school neighborhood paint store.”

What exactly is an old-school neighborhood paint store? According to Kolloen, it's a store that offers niche-based products such as turpentine, linseed oil, tints, flogging brushes and oil soap—

“things that are hard to find on store shelves,” he said. “We have new stuff but also some of the old standards.”

It's also a store that offers extreme customer service, such as free delivery to contractors and retail customers. Currently, the store delivers to contractors at their job sites but has plans to deliver to every customer as needed. The Paint Source also offers expert color matching, complementary decorating consultations and free how-to classes.

But, most importantly, it's a store committed to relationship-based selling, one that focuses more of its attention on customers and their needs than on the bottom line. Kolloen explained that the store is intent on getting to know its customers personally and to understand the products and services that they require.

“We understand we're not going to be the biggest retail store with a branch on every street corner. And we understand that there are places where our customers can buy paint cheaper,” Kolloen said. “But we want to focus

on relationship-based selling because I think a lot of retailers have gotten away from it.” With this as the focus, “Already people are starting to come in and say, ‘This is good. This is how it used to be,’ ” he added.

Kolloen started in the paint business in the mid-1980s as a painter primarily working in new residential construction. In 1992, Kolloen joined a national paint retailer where he worked in several positions, including management and outside sales. These combined work experiences provided a unique perspective when Kolloen decided to branch out and open his own store. “I know a lot of aspects of the paint business,” he said. In particular, “I know what appeals to a contractor customer,” he added.

Eager to get started, Kolloen left the company store earlier this year and ventured out on an unusual fact-finding mission: He began visiting paint stores in the Detroit area that were going out of business. It's not unusual for new retailers to visit profitable stores to learn the secrets of their success. But Kolloen felt he could learn more from retailers who were in the process of shuttering their doors. And so, with their permission, he began shadowing them. Spending half days in-store in some cases, Kolloen worked side by side with owners and tried to figure out what went wrong.

While Kolloen learned something different from all three, he noted that they shared some of the same problems.

“One thing they all had in common was they weren't in tune with their customers at the ownership level,” he said. As an example, Kolloen noted that one retailer lamented that he had left too much authority to the store manager and hadn't been involved enough in the day-to-day operations of the business. Consequently, he was unable to understand the needs of his customers.

“I also learned that you have to continually reinvest in the company to continue to grow,” Kolloen continued. He reported that one paint store in the heart of Detroit had done well

for many decades by additionally repairing glass. But as the economy bottomed out, the neighborhoods around the store deteriorated, and the glass business failed. Instead of moving to another location and finding a new niche, the owner hung on by tooth and nail until he had nothing left to hold.

Armed with these lessons, Kolloen settled in a largely industrial area at the confluence of several major roads that connect older, affluent communities. The store enjoys a lot of visibility, ample parking and a low price tag. "Let's face it, Detroit is depressed economically, so you can get a lot of square footage really cheap," he stated.

As he was setting up the store, Kolloen brought on Nikki Jones, another paint veteran, to serve as store manager. Jones has both an interior design and retailing background. She had worked alongside Kolloen at the national paint store and often felt confined by corporate policies. Jones felt that working for an independent retailer would allow her to more quickly respond to customers' needs.

"When you work for a corporation, everything is set out for you in a plan-o-gram that tells you where products should go and what products should be placed next to one another, and it isn't always logical," she reported. At The Paint Source, Jones has helped Kolloen create their own plan-o-grams by researching plans on the Internet. "It's been hard but also freeing," she continued. "We can sell things that we could never sell before and can put them on the shelves as customers ask for them."

The Paint Source currently sells top-of-the-line coatings, sundries and faux-finishing supplies, such as detailing tools, sponges and glazes. Jones noted that a lot of customers ask for these latter products on a regular basis. "But even if a contractor comes in here just once a month to get faux-finishing tools, we want to be known as the place where he can get them," she said.



The Paint Source is a 5,300-square-foot paint store in the metro Detroit area.



The Paint Source currently sells several brands of top-of-the-line coatings.



The sales counter at the Paint Source in metro Detroit.

Specialty products also do well with one of the store's major clients: the movie industry. Even before opening the doors, Kolloen had made inroads with a studio located in nearby Pontiac, Mich. It was a coup d'état, he noted, in that he secured business that other retailers have coveted. The store supplies a tremendous amount of product to the studio, which currently is using it in the making of a major motion picture. In addition to the financial rewards that this client has afforded, The Paint Source also will be receiving a star, similar to the stars in Hollywood's Walk of Fame, that can hang in-store.

The star will certainly set The Paint Source apart from competitors in town, but it already is a destination spot that's unlike any other.



**This area for professional painters features sofas and chairs, a table, two coffee machines, a microwave, computers and Wi-Fi.**

Contractors often are amazed by what they find at the store—especially since it has a fully equipped area designed just for them. As a former contractor, Kolloen was intent on creating a comfortable space where professionals could sit and relax as their orders were being filled, rather than standing around a paint counter. Featuring sofas and chairs, a table, two coffee machines, a microwave, computers and Wi-Fi, the area is ideal for Kolloen to meet with contractors but also for contractors to meet with their clients.

“We tell our contractors that this is where you can do business if you like,” he said. “I saw this type of setup in a



**Rob Kolloen with painting contractor Phil Mannino of Mannino Painting.**

magazine once, and it intrigued me.”

Do-it-yourselfers likewise find a welcoming atmosphere at the store. The colorfully designed lobby has accent walls that mirror the store logo, a sofa with matching pillows and artwork. In this area, Jones can invite DIYers to sit and have a cup of coffee while they pour over product samples and select colors for their home. Inside the store they also find clean aisles, ample lighting and neat shelves with products pulled forward.

The Paint Source additionally has a dedicated 8-by-20-foot classroom for hosting monthly how-to seminars. Jones intends for the seminars to be interactive and to spark ideas that can lead to sales. She and Kolloen also plan to organize an interior design show that would deal with topics such as color theory. “We would make a night of it, with hors d'oeuvres and wine and vignettes showing customers how to coordinate products,” Jones said.

At press time, Kolloen and Jones were preparing a Halloween promotion by painting empty paint cans that they intended to pass out to children to use as trick-or-treat containers. While the promotion partly was designed to put a spotlight on the store, its main objective was to extend a friendly hand to the community. “We’re really trying to be part of the community and not just in it,” Jones said.

In building relationships, Kolloen and Jones have joined civic groups, such

as the local Chamber of Commerce, and have made a point to shop at local businesses whenever possible. It's important for local businesses to support one another, said Kolloen, who has bought all sorts of things from fellow retailers over the last couple of months, including hose fittings and grinding wheels.

The store additionally is active on Facebook, where Jones alerts the store's “friends” to upcoming promotions, new products, colorful ideas and so on. Facebook was a good place for the store to introduce itself to new and potential customers “until I got the website up and running,” Jones said. The store's Facebook page ties into its website, which launched last month. The best part about social networking is that it's free, she added, and builds exponentially as users connect with other users.

Of course, building a solid customer base takes time. Kolloen knows that many of his initial efforts won't pay off immediately; despite a lot of advance planning, the real work of running an old-school neighborhood paint store has just begun.

Ever an optimist, however, Kolloen expects that the store will flourish and has planned for its growth. “I've set it up so I can add phones and computers to our current system. And I made sure that there's plenty of (physical) space for us to grow. Everything has been put in place for expansion,” he said, adding, “I want to be here a long time.” ■