

Closet & Storage Concepts More Space Place

Bob Lewis – CEO / Founder



Company History



- Founded Closet & Storage Concepts in 1987
- Began Franchising in 2000
- Acquired More Space Place in 2013
- National Franchise System, Headquartered in West Berlin, NJ & Clearwater, Florida
- Worked “Hands-On” in every aspect of the business

Scope of Business

- 40 Franchises in 17 states
- Projected to Grow 6 locations per year
- Closets, Murphy Wall Beds, Garages, Home Offices



Three Business Models

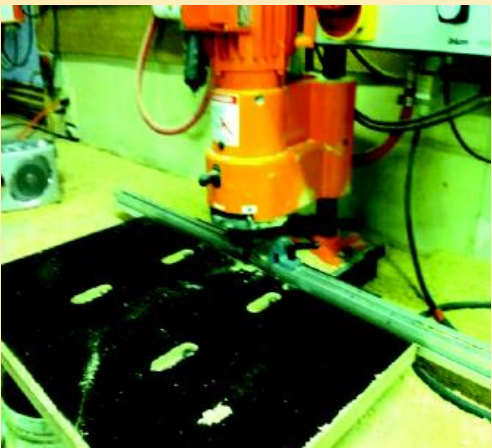
- Manufacture Your Goods
- Outsource Components
- Hub & Spoke



Manufacturing & Showroom

- “Traditional” Closet Industry Model
- Light Industrial Park Location
- Small Showroom if any
- Cabinet Shop In-House
- Advantages & Disadvantages





“Showroom Only” Model

- Retail Shopping Center Location
- High Visibility & Walk-In Traffic
- Improved Customer Experience
- Ability to Demonstrate Products to Customers “Hands On”



More Space Place



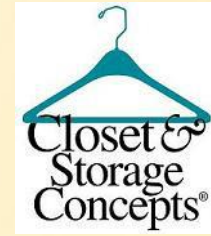
Closet & Storage Concepts



Panel Wall Bed



Library Bed



Bookcase Bed



Closets & Garages



Centralized Manufacturing



Questions to Ask Yourself

- How do I view Manufacturing?
- Am I more of a “Back of the House” or a “Front of the House” operator?
- What Fits Best (and is the most profitable) for my situation?
- How do I want to Spend my Day?



Manufacturing Vs. Outsourcing

- Access to raw materials i.e. Melamine, Thermofoil products, Hardware and Accessories
- Variety and Complexity of Product Assortment
- Overhead Expenses in an Economic Downturn
- Insurance Costs
- Regulatory Issues



P & L Impact Comparison

- Cost of Goods Sold
- Labor
- Machinery Expense
- Rent
- Insurance



Key Performance Indicators

- Accounting Chart of Accounts
- CRM Analysis of Marketing and Sales Performance
- Benchmarking



Customer Relationship Management (CRM)



The screenshot displays a web browser window with the URL <http://www.closetstorage.milesapp.com/Dashboard/Dashboard.aspx>. The page features a teal header with the 'BizTrax' logo on the left and a navigation menu with items: Admin, Reports, Customers, Calendar, Dashboard, Unsold Queue, Completed Jobs, New Window, and Logout. On the right side of the header, it identifies the user as 'TEST CSC FRANCHISE ADMINISTRATOR' and shows the date and time '7/20/2016 10:36:25 AM'. The main content area is titled 'What Do You Want To Do Today?' and contains a central panel with several buttons: 'Search Customers', 'Add Customer', 'View Jobs', 'Schedule Designer', 'Create Proposal', 'Create Misc Sale', and 'View Proposal'. The background of the dashboard includes a collage of images showing storage units and interior spaces.

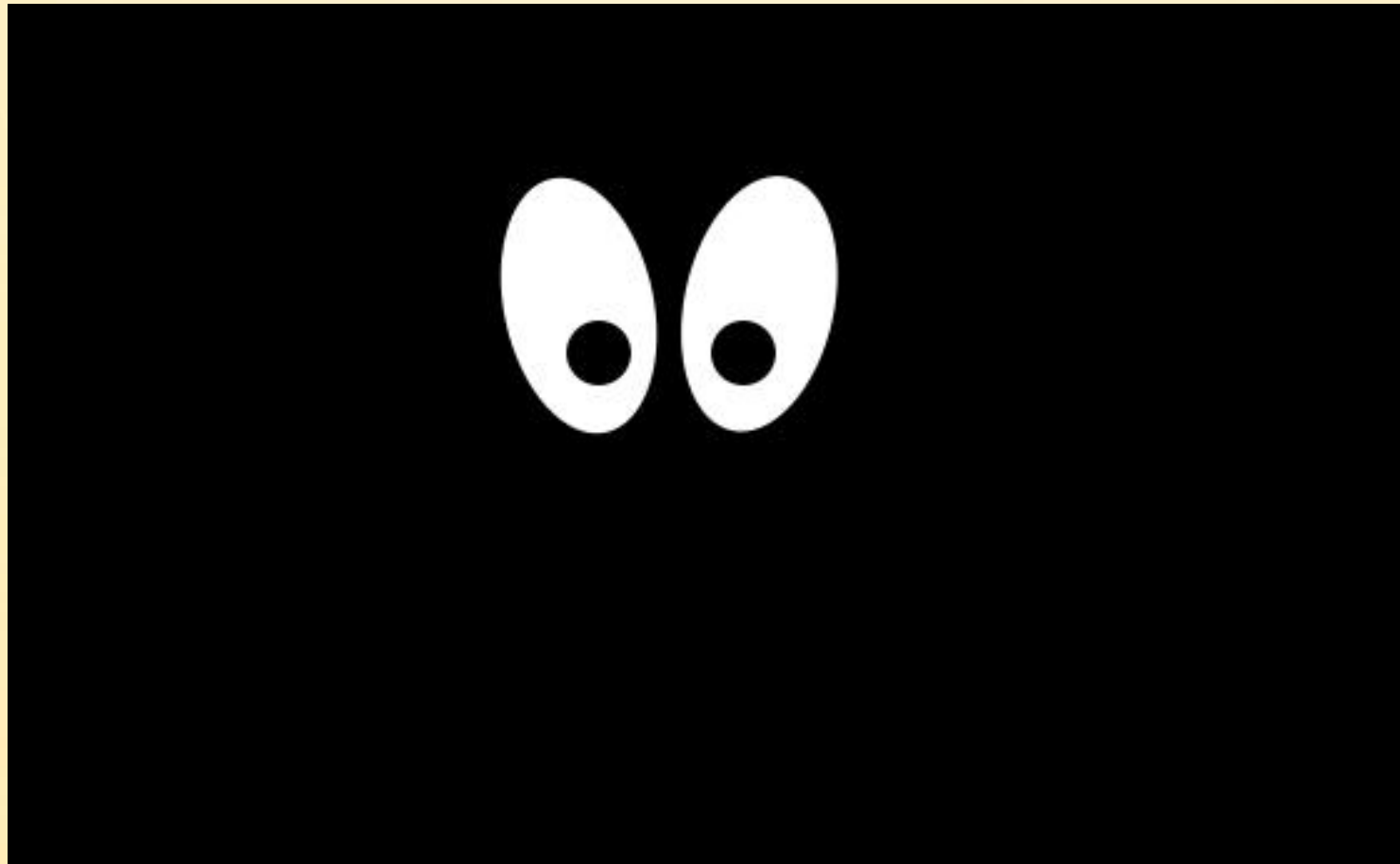
Metrics

- Designer Performance – Closing Rate, Average Sale, Revenues per Leads Given
- Advertising Performance – Leads By Source, Closing Rate, Average Sale, Cost per Lead, Return on Investment
- P & L Analysis – Am I Making Money?

How Things Should Look



How Things “Often” Look



A Few Last Minute Thoughts

“GAPS”

- Rocky Balboa



Surround Yourself with People....
....Who Fill Your Gaps



Culture



- **Accept Responsibility & Don't Blame Others**
- **Say "Please" and "Thank You"**
- **Have Fun and Don't Take Yourself Too Seriously**
- **Remember, the World only Ends Once!**

Thank You!

Q & A



Cabinets
& Closets
Conference & Expo

April 11-13, 2017