

StarTribune

New home boosts residential remodeler

Article by: TODD NELSON
Special to the Star Tribune
January 29, 2012 - 7:35 PM

Greg Ramel runs his residential remodeling company more like a retail store than a construction company.

That may help explain how St. Paul-based Window Concepts of Minnesota has posted record sales in each of the past three years, beginning in 2009, defying both the Great Recession and the credit crunch.

Such growth enabled Window Concepts to add 10 employees last year, said Ramel, who plans to add a similar number this year. And through U.S. Bank, it also bought a building three times larger than its former headquarters.

Much of that new space houses a showroom that will display many of the products the company sells and installs. In addition to a variety of windows and patio doors, the company offers vinyl siding, acrylic bath liners, entry doors, walk-in bathtubs, bathroom vanities and attic insulation.

The key to sustaining Window Concepts' growth, Ramel said, was stepping up print and television advertising as the recession deepened. He often got that advertising at cheaper rates, as competitors cut their ad budgets.

Window Concepts' heavy advertising helped highlight new products and services that the company regularly introduces to drive repeat business and referrals year round in what otherwise could be a highly seasonal business.

"A mistake a lot of companies make is, when the economy is down the first thing they cut back on is advertising," Ramel said. "If you look at the companies that are successful, they do the opposite. You have to spend more in marketing to do more in business. It's just common sense."

Window Concepts, founded in 1998, now has 50 employees and hopes to add a similar number this year, Ramel said. Window Concepts finished last year with slightly less than \$10 million in revenue, a total Ramel expects to top this year.

Ramel, an economics major, worked in retail during college, learning customer service skills he would bring to Window Concepts. He worked in sales and sales management positions at remodeling companies before launching Window Concepts.

"I could see that most home improvement companies were run based upon construction versus based upon retail," Ramel said. "I saw things that could have been done better."

Michael Briggs, vice president of business banking at U.S. Bank, said Window Concepts is an example of a strong business that was able to get financing.

"They've been doing great," Briggs said. "That [new] facility is something that is going to take these guys to the next level."

Business owners should talk to banks about their needs, rather than assume they won't get financing, Briggs said. Banks often have a variety of options, including conventional bank financing and guaranteed loans from the U.S. Small Business Administration, to help companies buy buildings or equipment.

Ramel is focusing on finishing up Window Concepts' own remodeling project, completing the showroom in the 27,000-square-foot building the company moved into last summer. It will feature full-sized displays of windows, bath liners and other products and a two-story replica of the front of a house, to display a number of products together in a realistic setting.



Greg Ramel is focusing on finishing up the showroom in the 27,000-square-foot building his company moved into last year.

He is also looking at outfitting sales reps with iPads or other technology that would display more product images than the samples or books they normally carry when doing product presentations for consumers. Ramel hopes the images will create enough interest to get customers to visit the new showroom.

The company has done work for more than 15,000 customers, including Jeff and Elaine Eggert, who operate a day care in their Eden Prairie home. Window Concepts replaced half their front windows in 2010 and the other half last year.

"Window Concepts has done exceptional work," Elaine Eggert said. "We were very pleased. The windows were a superior product, the installers were efficient and considerate and worked around the needs of my family and our day care."

The expert says:

Dileep Rao, president of InterFinance Corp. in Golden Valley and professor of entrepreneurship at Florida International University, said Window Concepts offers several lessons to entrepreneurs, including not cutting back on advertising if that is essential to generate leads and sales.

Window Concepts is riding a trend, which Rao said is a hallmark of successful entrepreneurs, by focusing on home improvement, which is doing well at a time when many entrepreneurs may assume that the entire construction market is dead.

Rao notes Ramel's push to address customers and their needs. If he had neglected operations, he would not have repeat customers who refer others to him. Using new technology to help salespeople sell more is good, and will only make employees more productive, Rao said.

Todd Nelson is a freelance writer in Woodbury. His e-mail address is todd_nelson@mac.com.

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