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## Cube Solutions grows business by focusing on company culture

success followed a change in company culture at Cube Solutions, an office furniture company formed by a group of friends

Dallas Business Journal - by [Lisa Tanner](#) Staff writer

### Biggest Problem

Cube Solutions was founded by seven people who met while working at a similar company. Putting

professional, specific business practices in place to sustain growth proved to be the Dallas company's biggest challenge, but one that it successfully achieved.

This was to be the year that Cube Solutions grew strong sales, built upon changes made while spending 18 months improving its processes and business structures to support growth. With the recession, the uptick may not come as soon as hoped, but owner Michelle Swanger knows the efforts to build the company's infrastructure will pay off just as planned.

Swanger's background is in sales, and when the remanufactured office furniture company she was working for dissolved in 2000, she and six co-workers launched Cube Solutions. That core group still works at the Dallas-based company, which provides new office cubicles at prices that compare favorably with that of pre-owned furniture.

One of the company's biggest challenges has been evolving from its "friends working together" beginnings to operating as a professional business, Swanger said.

"We had to go from an 'everyone does everything' situation to having defined duties and departments and acting like a real company," Swanger said. "We had to change the culture of the company and become more accountable."

To do that, the company turned to The Center for Business Enhancement, an offshoot of Addison-based accounting firm PriceKubecka.

The strategy involved dissecting the company's profit and loss statements, delving into everything from revenue and inventory turns to each salesperson's goals, said Karl Graf, managing partner of the Center for Business Enhancement. The company put a system of measurements in place to track data and then met weekly for adjustments to the plan and to assure that each team member was accountable.

A key to Cube Solutions' success is that Swanger wasn't afraid to ask for help.

Although Swanger is an expert at cubicles, she found she "was not great at running the company and she wanted help," Graf said.

Early on, the company decided to sell only cubicles and chairs, offering an alternative to the more expensive brands produced by major office furniture manufacturers.

Limiting its offerings helped the company avoid the need to maintain a large inventory while providing products broad enough to satisfy most customers' needs.

About 80% of sales are via the Internet, made possible by a strong customer service team that walks people through the process, including design and space planning.

"We've sold hundreds of thousands of dollars of capital equipment over the Internet to people we've never met face-to-face," Swanger said.

The company employs 25, with seven in its headquarters showroom and the remainder in a warehouse operation in Trenton, located northeast of McKinney.

Although business has been strong, with revenue rising 8% to \$5.5 million in 2008, the first quarter of 2009 has been "scary," although the end of February and March have proved much better than January, Swanger said.

An aggressive new business push helped the company make up the difference.

"You can't just sit around, you have to be creative and work that much harder," to fill in the sales gaps, she said. That includes helping cost-cautious customers get more cubicles in the space they have through more effective space planning and helping them blend new and



Jake Dean

**SQUARE STRATEGY:** Michelle Swanger, owner of the office furniture company Cube Solutions, turned to a business consulting group to help the company enact strategies to improve and grow its business.

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used cubicles. Cube Solution also helps clients address financing through third-party leasing companies.

The company plans to proceed cautiously when it comes to adding services or products. It is exploring wall panels made of sustainable materials such as bamboo to provide green product options.

But rather than adding wood furniture to its offerings, for example, it might partner with another company that focuses on that niche, Swanger said.

Although it offers a telemarketing cube for \$299, the average client order is much larger, for 10 cubicles. Cube Solutions has handled many orders for 500 to 700 workstations.

Many clients start out looking at used furniture, thinking that is all they can afford, Swanger said. But Cube Solutions makes the case for its new products, which allow for the seamless addition of cubes in the future. That isn't always the case with used stations, she added. Her team also helps customers think through related issues, such as addressing noise by adding white noise machines, which the company does not sell. The company also has helped customers trim costs by thinking through cubicle needs. The growing use of laptops and flat-screen monitors, for example, means that many cubicles no longer need the deep corner piece, with an "L" shape workstation offering the necessary work space at a reduced cost.

That helps build repeat business, which makes up at least 40% of the company's overall sales.

"Our biggest clients buy again and again," Swanger said. "But the bulk of our business is small clients, who purchase less often. We want to encourage those growing businesses and offer customer service with a long view, even to the smallest customers."

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