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**Practicality ~ Focus on the Simple Things**

Andrew Pearce has been in business for nine years. The company specializes in making solid hardwood bowls, cutting boards, and utensils. In the last two years, they have also started making furniture, primarily tables and desks, all with wooden tops and metal legs. Andrew, a consummate inventor, repurposed some of his equipment to make the metal legs in-house. He actually says he knew more about metal than he did about wood.

**Andrew Pearce’s Expertise:**

* Practicality – it sounds easy but not everybody can do it. Focus on the simple things.
* Flexibility – shift resources quickly when needed and make a conscious effort to act.
* Customer service – make and sell, but do customer service really well.

Andrew Pearce Bowls has a retail showroom along a main travel corridor within a three hour drive of major metropolitan areas. The woodshop is not open for visitors, but glass windows in the showroom allow visitors to watch woodturners at work. Andrew’s customers appreciate and are willing to pay for high quality handcrafted products. In fact, some report that they’ve waited years to make their purchase. Regardless of what or how people purchase, they are all given the same level of customer service.

Retail was the largest market, prior to the pandemic. With the closure in April, the company’s website exploded with orders. This is now the fastest growing sales channel at 47% ahead of last year. The company ships to every state in the country.

The retail store was shut down from mid-March to mid-June. The company continued web shipping and curbside pick-up during the closure. While foot traffic was good during the summer, the store is far behind last year for sales. However, total revenue is ahead of last year with web sales replacing the lost retail market.

In September, Andrew put more resources into web advertising, aided by a digital marketing ad firm that suggests the best places to advertise using ROAS (Return on Advertising Spend), a calculation of gross revenue divided by advertising expenses. A lot of other people cut back on advertising. He doubled his ad expenditures and it’s paid off. Andrew also created a new position within the company to hire a person dedicated strictly to the website. “Price points are the same in the store as on the web and you can do three times the volume with one person managing website sales as opposed to 2-3 in the retail store,” he notes.

The past year has also seen major changes in workforce with nearly a complete turnover. He is operating with fewer staff, down to 14-15 over the previous 18. While this change was beginning prior to Covid, Andrew says that Covid accelerated the change. Basically, his tolerance for “BS” went way down. The mood and atmosphere is now better than ever, with more accountability among employees. Covid has not brought any new HR issues, although employees don’t like to wear face masks.

Andrew credits many of the lessons learned from working for his dad at Simon Pearce Glass for his company’s survival through the pandemic. He recalls a day in March when retail sales just stopped, not a single customer came through the door. This was the day he thought about what was ahead, gathered his team, and let them know he was shutting down. This occurred between the state of emergency on March 13th and the shutdown on March 25th. He let everybody go on Thursday March 19th and paid them through Friday. He cut his operating expenses from $90K/month to about $15K at a time when business is already slow and cash is low. Less than a week later, the entire state came to a grinding halt. “Knowing when to cut is important.” It allowed the company to survive until PPP money became available. “We could have gone out of business before help arrived,” says Andrew.

Covid did not impact supply chains but tariffs on logs did. In the Northeast, many loggers stopped cutting wood, limiting the company’s access to high end logs. While Andrew can still get logs, it’s not as easy, nor is there as steady a supply.

Andrew has also been thinking about physical infrastructure. With a highly visible location, he’d love to upgrade the façade of the retail store. He has a design and plan but is hoping that spring 2021 will provide the opportunity. Any additional grants would certainly help.

Andrew muses that people often don’t listen to advice unless they have to pay for it. “I listen to what people tell me and filter. You must listen to the good, the bad, the ugly. Most people don’t want to hear the bad and ugly,” he says. He is always willing to talk to others on an individual basis and share his experience. Although open shop tours are not an option, if anyone wanted to come for a visit, he’d be happy to walk you around. This is just not the right time for a “big party” but other business owners are always welcome.