

FOCUS ON LEADERSHIP

In January, Ralph Grogan took the helm as president and CEO of Bentley, six months after Dominus Capital bought the firm from Interface. Grogan has a long tenure in the flooring industry and has served in a variety of senior management positions with several carpet manufacturers. In 1988, Grogan started his flooring career with Burlington Industries, where he served as vice president and general manager of the Lees division. He later served as president of Burlington House Floor Accents.

In 2002, Grogan joined California-based Monterey, which had been purchased by Tandus in 1999, and served as president. Eventually, he was promoted to chief operating officer for Tandus, and he moved to Chattanooga to lead the integration of the company's three product brands. Most recently, Grogan served as vice president of business development and strategy for Antron, Invista's commercial carpet fiber brand.

Q: What did Bentley do this year at NeoCon that created the most excitement?

A: I think the greatest excitement for us at NeoCon was the launch of our new identity and brand strategy for Bentley. In addition, we introduced our new Kinzie Street showroom right across the street from the Mart, which was designed by Steve Clem of TVS, who was extremely creative in building out a space that can serve as the face of Bentley on a year-round basis in Chicago. This space along with a small showroom on the tenth floor of the Mart worked really well for us this year. From a product perspective, our most exciting launch at NeoCon was the Western Edge Collection.

Q: I noticed Jim Collins' *Good To Great* in your office. Does this mean you are working hard to get



Ralph Grogan.

the right people on the bus in the right seat? What is a key attribute that someone has to have to be on your team?

A: I keep Jim's book on the shelf behind my desk and re-read it about once a year. At Bentley, we are always looking for good people and constantly trying to upgrade our talent levels. As far as a key attribute to being on the Bentley team, I think the most important attribute is to have a passion for the brand and to believe in what we are trying to accomplish, which is to be the preeminent product and design leader in the commercial carpet space.

We're definitely looking for people who fit our culture here. Back in the day, being a rep for Bentley was considered plum in the industry, you wouldn't think about leaving that job. Now, we're starting to build that prestigious reputation again. We aren't there yet, but we're well on our way.

Starting this January, we initially focused on tightening up the roles in our manufacturing, product development, finance and back office operations, then we shifted our attention to our customer-facing representation. We are still plugging a few gaps, but I really like where we are ending up.

Q: Your marketing materials are defining the new

Bentley as the West Coast brand with a story. What does that mean?

A: We want to return to the forefront of being a design leader. Being in Los Angeles, we are at an epicenter of fashion, art, music, movies and stunning landscapes. All of these things contribute to our vision for our product and brand.

The story we have is not only about our inspiration for product but also about the heritage and legacy of innovation, quality, craftsmanship and enduring design that is uniquely Bentley. We're California cool and modern but also polished and well-crafted, like a tailored suit.

Q: What kind of promise does the new Bentley brand make to the A&D clients who specify your carpet for their end-users' flooring needs?

A: We're going to help them wow their client. We're their best source for a beautifully styled carpet that performs. We are big enough to have scale, yet small enough to be nimble and responsive.

To make good on those promises, we're working on new fiber and backing advances that will enable them to offer maximum style, quality, and value that they can incorporate into their designs. And we will continue to express ourselves with texture and color, while progressively developing that signature Bentley look for the modern environment.

Q: Rebuilding or re-establishing a brand can be expensive, and so far you've been investing in all the right areas: personnel, new brand image and logo, new showroom, new architectural folders, product development, strong advertising message. Is Dominus Capital willing to keep this up until everybody knows who the new Bentley is?

A: Absolutely. Dominus has been a great partner, and the fact that several of our board members have commercial carpet and fiber experience has been beneficial as we discuss strategy. Dominus will continue to invest in the areas that will enable us to grow. As a matter of fact, I see our capital expenditures increasing, not decreasing, in the next few years.

Q: Why did you pick Bentley over Prince Street?

A: Graphically, it makes sense to go with the stronger, more distinctive name, but we will carry the equity of the Prince Street brand with us, and, as some point, it will be time to re-introduce the name to go after another segment of the marketplace. For now, we're leaning on Bentley's history and reputation as we reestablish ourselves as an industry leader.

Q: What are some of the latest innovations at your California facility that we need to know about?

A: We are now in the process of introducing a new cradle-to-cradle tile backing. It's an exciting innovation for us because it uses new technology; however, we will be able to continue to use our existing tile line. We are in the final phases of testing now and should have a fall introduction.

Q: As raw material prices have increased, some com-

mercial mills have reduced face weights to remain competitive. How do you balance the desire to build on your reputation as an upper-end styling leader with the need to create products that are competitive in today's market?

A: It is a balancing act, but Bentley is always going to be known as a luxury brand. However, we do understand pressures on budgets, and we have developed a few products to hit those price points.

We have invested in the latest tufting technology with machines that give the appearance of bulk without adding weight. In fact, the board just approved another, and we will place our order this week. With these new machines, we are able to create rich looking styling, without raising the material costs. The new Western Edge Collection is a great example of this. Our new tile technology will allow us to hit these lower budgets as well.

While some mills are saying that performance doesn't matter because carpet will be replaced every two or three years, we're still focused on performance and lifecycle cost. We have added more new tufting equipment than many of the other players in the \$100 million area, and we are using it to hone our competitive edge.

Q: When you stepped into this role in January, what made you smile, and what made you sweat?

A: I have competed against Bentley since 1988, when I joined the carpet industry, and it is great to be part of a company that I have admired for over 20 years.

We were fortunate to have a great team of people already in place, and I made some additions with a few individuals I had worked with in the past. The neat thing about Bentley is that the vast majority of the management team has worked together before. This allowed us to hit the ground running and accomplish a tremendous amount since the beginning of the year. This familiarity proved useful as we played catch-up on product development to get ready for NeoCon. I was pleased at how much we got done in such a short period.

Q: What is the most effective way of retooling your sales force's thinking so that they understand your vision for who Bentley is and, more importantly, who Bentley is not?

A: With Bentley came a sales force that has been with the company for many years. They have been a great influencer in both our product and branding direction, and I truly look at some of these Bentley reps as champions of the changes we are making. We have been in constant communication with our sales force regarding our changes, and they are very excited about our direction.

We are currently retooling the team, making sure to target A&D, which will always be our bread and butter. Moving forward, our market focus will be on corporate, higher education and senior living, with hospitality a distant fourth.

Q: Do you plan to stay focused on your core A&D audience in the contract interiors market with tile

and broadloom carpet, or do you plan to diversify? Where do rugs and hard surface products fit into your long-range strategy?

A: We will continue to focus on the A&D community, but we will also work to increase our relationships with corporate end users and key dealer partners. Our tile business has grown over the last several years, and we expect this growth to intensify with our new tile backing.

As hard surface continues to grow in the commercial markets, we have a nice solution for our customers in our area rug program, which has also grown well the last several years. We also have a great relationship with Parterre, which allows our sales force to offer LVT products to our customers.

Q: Bentley used to be part of Interface's Mission Zero campaign. How have you adjusted your sustainability goals and strategies now that you're an independent mill?

A: We are proud that we've always manufactured in the most sustainable way possible and are pleased with what we were able to accomplish under the Interface ownership.

As an independent, we continue our pledge to the environment. We have just recently had our broadloom carpet cradle-to-cradle certified, and once our new tile backing is out we will have it cradle-to-cradle certified as well.

In California, you are held to a different standard as a manufacturer. The state has regulations for water usage, air quality

and plant waste. Out of conviction and necessity, we figure out a way to use everything because it is outrageously expensive to landfill anything out here.

Q: The AIA billing index has been above 50 for ten out of the last 11 months. What is your outlook for growth in the contract furnishings market for the next couple of years?

A: As you know, that index is a indicator that leads a commercial flooring purchase by at least 12 months. There is a tremendous amount of pent-up demand in the market place, and we are going to have the products available to meet this demand. There is full expectation that we will continue to ramp up and invest accordingly over the next few years. The consensus seems to be that the recovery in the contract furnishings market will sustain itself for several strong years.

Q: Are you glad to be back living on the West Coast? Other than spending more time on the freeway, how else does your life differ from when you lived in Chattanooga?

A: I am extremely excited to be living on the West Coast again. As you know, I lived here for five years in the early 2000s. The downside is that I'm living in a much smaller house. The upside is I can play golf 12 months out of the year, and there is an In-N-Out Burger a couple of blocks from the plant. ■

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