



Kurt Bowers, vice president and partner at Floorz.

FLOORZ

BUSINESS STATS

Locations:

Denver and Colorado Springs, Colorado

Years in Business:

24

Number of Stores:

2

Number of Employees:

60

Annual Revenue:

Close to \$60 million

Affiliation:

Fuse Commercial Flooring Alliance

BEST PRACTICES

■ By Jessica Chevalier

Floorz is a Colorado-based commercial contractor that has grown to nearly \$60 million in annual sales in its 24 years of business. Part of the Elements group, Floorz goes to market with a general-contractor mindset and a willingness to invest in both people and programs that will push its operations from good to great.

FLOORZ' EVOLUTION

Jim Perry and Jeff Zeikus started Floorz, based in Colorado, in 2000. At the time, Perry owned a Steelcase furniture dealership called OfficeScapes. The dotcom bust, which lasted from March 2000 to October 2002, convinced Perry that he needed to diversify, so he added three new companies to his portfolio: commercial contracting firm Floorz; data and AV security firm Linx; and a construction company.

In July 2022, Floorz and OfficeScapes were spun off of the larger business and merged with Denver-based Elements. Prior to the merger, Elements—like Floorz and OfficeScapes—had both flooring and furniture divisions. It also had modular wall and experiential marketing divisions.

Following the merger, Elements was maintained as the name of the overall group with its studios known as Floorz (the flooring division), Slate (the furniture division), Constructive (the modular wall division) and 3D Identity (the marketing division). Elements is owned by a group of partners from the prior firms. Collectively, Elements' businesses gross around \$200 million annually.

"It has been a really good marriage because Elements' flooring business was slightly smaller, very business development-market focused, and we were heavy in operations, logistical, tactic-focused," explains Kurt Bowers, vice president of business development for Floorz and an Elements partner. "Today,

we do everything from tenant improvement to mega-projects. Our prowess is in hard mega-projects in Colorado and the surrounding states." Floorz currently has projects in Colorado, Wyoming, South Dakota and Oklahoma. Floorz has ten employees in Colorado Springs and 50 in Denver.

"When I joined Floorz in 2010, we had around 12 employees and were doing \$10 million to \$12 million," recalls Bowers. "Jason Blake and I got the reins in 2012, and we have since grown the business to almost \$60 million." Blake, who has been with Floorz for around 18 years, came up in the flooring business working for dealers, while Bowers was in the general contracting business previously, an experience that he considers a boon in his current role. "I realized that if we really wanted to grow Floorz," says Bowers, "we had to scale it up very similar to a general contractor. Today, we have sales, business development, senior project managers, estimating, project coordination, superintendents, operational staff. Realistically, only about ten Floorz employees are salespeople, and the other 50 are operational. That's what it takes to pull off the scope and complexity of our work."

Floorz is heavily focused in healthcare. It also serves life sciences, higher education, tenant improvement, multifamily and corporate. Bowers says, "Denver is a pretty diverse market, and we've ridden that healthcare wave for sure, as well as

the activity in higher education and life sciences. Denver and Boulder are growing markets for biotech pharma work, so we do a lot of that too."

The company offers a full spectrum of flooring products, including resinous flooring and polished concrete.

Floorz has 150 to 200 subcontractor installers in the field daily.

IT'S ALL ABOUT PROJECT MANAGEMENT

Floorz leans heavily into its construction knowledge in winning business. "We take a consultative approach in earning our book of business," says Bowers. "We aren't usually going to be low bid on almost anything we do, but we understand construction and can really come in and be integrated into the complex scope of construction. Our skill set—from our operational perspective to our knowledge of the flooring world—really separates us from our competition. Whether it's complex phasing or how to get things done differently as it relates to means and methods or the construction schedule, we excel across the board in project management. And executing on that level has become a real differentiator for us."

Floorz likes to hire team members out of the general contractor community, finding that many in that field get burnt out quickly because of the 100 balls they are expected to keep in the air simultaneously. "The single scope of focus on our side and greater work-life balance appeals to them," he says.

INVESTING IN PEOPLE

"My dad was a general contractor," Bowers notes. "I worked for him as a kid in college, and he ingrained in my head that your subs are either your strongest or weakest link, and you can't do anything without them." He asked himself, what can we do to make our subcontractors part of our vision for taking everything we do from good to great?

To that end, Bowers and Floorz general superintendent Juan Martinez decided to invest in training and education for subs by creating the Floorz Certified program.

The pair began by building modules for hands-on training, and also began forming partnerships with manufacturers including Shaw, Tarkett, Mapei, Nora and Schönox for on-site training events. Currently, two-day courses consist of one day in the classroom and another in the field. And, in addition to more-standard installer training topics, Floorz educates subcontractors on how to run their own businesses successfully—from taxes to insurance to compensation.

The investment seems to have paid off in spades; in 2023, Floorz had no installation-related claims. "Kudos to Juan," says Bowers. "He really puts a focus on things with high liability; waterproofing is a big one. We build shower basins and teach installers how to tie drains in, etc. Another focus is prep work: skim coats, leveling, moisture mitigation. We partnered with Schönox for that. The installers who participated got a plaque saying that they had completed the course, as well as a sticker for their hard hat.

"You can really see the pride in these owner-operator installers. There aren't a lot of other businesses that make an invest-

ment in them, and when we do make that investment, we find that they make an investment in us to be better trade partners."

COLLABORATIVE APPROACH

At present, 60% to 70% of Floorz' business is in hard surface—"LVT, LVP, lots of sheet, lots of tile, lots of rubber," says Bowers.

With several Elements' studios serving the build community, the group is able to gather a good amount of market intelligence to the benefit of its studios. Floorz can bundle office furniture and modular walls into its sales, but "we are on different sales cycles and have slightly different customers," explains Bowers. "The office furniture side works directly with end users. Floorz is almost always interfacing with the general contractor. The modular walls business does both.

"But Elements is constantly pushing the market from an intel and connectivity perspective to connect the dots on multiple market opportunities. I might work with the general contractor on the flooring side of a project, while my co-workers might work with another group on the same project."

OUTLOOK

"We are a project-based business, so we have to constantly chase the next project, and because of that, we are susceptible to ups and downs in the economy and the market," Bowers says. "Being able to, as intelligently as we can, predict where we are going and what we are doing 12 to 36-months out is a constant. We have live modeling in our financials that looks at the pipeline, backlog, active projects in a 12-, 24-, 36 month-outlook constantly. We need this so we know how to fly the plane."

The company hopes to continue its growth, and that means moving into additional geographic markets, whether organically or through acquisition.

One substantial differentiator for Floorz is its entrepreneurial operating system (EOS), which creates a high level of accountability throughout the organization. "Everything is documented and followed by all," explains Bowers. "Instead of having meetings that were useless, our meetings are one and a half hours, starting and ending on time. We identify and solve issues. Every department has scorecards with key metrics to doing the job at the highest level. If you do all of those tactical things, you gain traction and start to see benefits across the entire business. We are about two years in, and we are really starting to see the benefits."

The EOS starts at the top with the leaders and moves down through the organization over a two-year period. Bowers says, "It fosters 'A' players. If you can't fit in the mold, you move to another seat or out. We want to surround ourselves with A players with similar aspirations and goals." ■

Floor Focus' goal with this monthly column is to not only give recognition and acclaim to a successful dealer but also provide our readers with ideas they can put to work in their own stores. If you know of a retailer who exhibits exemplary leadership in any facet of their business, please let us know either by email (info@floorfocus.com) or by mail.