

In this Issue...

Purchasing Flooring Direct | Hidden Costs And Added Hassels | A Note About Carpet Experience Counts | Why You Should Work With A Starnet Member

Purchasing Flooring Direct

With no single source vendor, who's responsible for your job?

Here's a subject that is as relevant today as it was when Starnet first covered it in "Carpeting Without A Professional" in Starlog Volume 1, Issue 4, published in 1999. We've received many requests to revise the original newsletter, and we have expanded it to include potential costs and complications of *all* direct flooring purchases. And so, we're happy to reintroduce this topic to our readers.

Single Source Responsibility In the end, what you want is a high quality finished floor. So why focus on getting just one component of that end product at a low price? With a single source contractor, you'll enjoy the benefits of working with a partner who stands by his work, as well as paying a lower overall price in the long run.

In addition to materials purchase, there are additional tasks associated with installation that can eat up time and money. This is a good time to rely on the experts. **Starnet members sell finished floors, and they'll stand behind your entire project.** Contrast this with the experience of working with several parties who may start pointing fingers should any issues arise — leaving you with little or no recourse.

When buying flooring direct, you may well get a low price, but the entire job is likely to end up costing more than you think. Before making a final decision, take a look at the benefits of working with a professional flooring contractor:

- Single source responsibility for your job
- Professional site analysis/layout resulting in accurate take-offs
- Expertise in warehousing of materials
- Knowledge of municipal compliance issues
- Insurance liability
- On-site performance and maintenance help
- Removal/disposal know-how
- Relationships with manufacturers result in the lowest installed price

A direct purchase does NOT equal a lower installed cost. Experience has shown that buying flooring direct may cost up to 40% more than if working with a single source for the complete purchase and installation process.

Look at the Whole Picture The long-term consequences of third party installation lead to service issues that can erode customer satisfaction and diminish the flooring's service life. When you add up the dollars and cents, installations managed by a Starnet member have unmatched buying power, unlimited selection, unbiased recommendations, the most experienced labor pool and a vested interest in your long-term satisfaction. Not thinking about these key benefits will certainly mean added costs down the road. Don't be surprised by the unexpected costs associated with third party installations!



Don't buy on price when the best value and a positive, proven ROI is what's most important for your bottom line.

Hidden Costs And Added Hassles

- **Overestimating Materials** Labor-only subcontractors often increase material estimates to make their jobs easier, make up for miscalculations or cover for on-the-job errors. Not surprisingly, material estimates received from subcontractors are roughly 2% to 3% higher than estimates from Starnet members. Who pays for that? You do! In contrast, Starnet members conduct on-site inspections and analyses to determine the correct quantity for the job and any anticipated contingencies.
- **No Price Breaks** The cost for a third party installation in a one-time job scenario can be as much as 10% more per square yard than when estimated as part of a Starnet member package price. His established presence and high volume of business puts him in a better position to negotiate lower pricing with large flooring manufacturers, plus his dedicated labor force means you get a skilled installation. This relationship advantage translates into a lower cost of goods and installation, plus your ROI amortizes more effectively over the installation's life cycle.
- **Making Up For Lost Margin** When you purchase flooring direct, you remove the profit incentive the installer normally realizes by purchasing the material as part of his service

contract with the end user. Third party labor subcontractors count on that profit not just as a materials percentage for the job, but to help cover their overhead expenses. A labor subcontractor who only provides installation has to charge more per square yard to make up for the difference.

- **Added Management Time And Expense** Installation management experience has a direct impact on efficiency and cost. The experience differential between a Starnet member and a third party labor subcontractor hired by a manufacturer or end user can double the management hours necessary for job completion. As a result, the end user may incur an added cost of approximately 5% per square yard. This is an estimate based on the typical installation project requiring an average of 6 to 12 hours of management time per thousand square yards. The hours include time spent:

End user personnel and third party labor subcontractors can double the management time needed for flooring installation, compared to jobs managed by Starnet members.

- Planning the installation
- Arranging deliveries
- Verifying material arrival to warehouses or storage facilities
- Monitoring job site deliveries
- Scheduling heavy equipment
- Overseeing the actual installation
- Inspecting the final work
- Resolving problems with product appearance or performance

Put simply, we can protect your interests and bottom line, because we understand what can go wrong, anticipate problems and resolve conflict. Starnet members have the relationships and long-term experience to resolve these situations, freeing the end user from additional management time and expense.

- **Insurance Risk** Ignoring the need for insurance is risky business. Insurance is a necessary precaution that protects the end users from possible installation problems. An end user or labor subcontractor insurance premium for a one-time policy can add roughly 3% per square yard to the cost of buying flooring as a stand-alone purchase. The labor subcontractor may not even offer insurance protection at all, or offer protection that falls short of total coverage. On the other hand, Starnet members typically provide two kinds of insurance. One protects against financial losses incurred from theft, damage or loss of flooring while being transported from the manufacturer and when it is stored in local warehouses awaiting installation. The other covers the service the full-service flooring contractor offers to compensate for unforeseen circumstances. If there are problems with product appearance or performance, Starnet members are uniquely prepared to work with the manufacturer to resolve the situation. Backed by the strength of a nationwide cooperative, your Starnet member has the leverage to facilitate insurance claims.

Starnet members' insurance coverage protects you from jobs that go awry. Will your insurance, or your labor subcontractor's, do the same?

- **Pre-Installation Handling, Delivery and Warehousing** Flooring materials are big, bulky and heavy. Installations must take into account the handling, delivery and warehousing of these items prior to the actual installation. When an end user assumes this responsibility, it can increase the cost per square yard by as much as 3%. The costs cover the handling and the redelivery of the product, breaking down pallets and transporting goods from the warehouse to job site, and utilizing specially equipped forklift vehicles to move them. And since very few construction jobs proceed on schedule, flooring materials often need to be stored until the building is ready. Starnet members know this and plan for it, but these factors are usually not considered in direct sales.

Most third party labor subcontractors do not provide a site analysis because they focus exclusively on the installation... here today, gone tomorrow!

- **Incomplete Site Analysis** A complete site analysis translates into an average of 4% per square yard **added value** to your project, while an incomplete analysis is likely to translate into added costs in the long run. An expert site analysis considers:
 - Building codes and compliance regulations how the physical demands of the space affects the selection of carpet fiber and backing materials
 - Maintenance characteristics for low and high traffic areas
 - Long-term maintenance characteristics to extend the time between flooring replacement

Most third party labor subcontractors focus exclusively on the actual installation...here today, gone tomorrow! And although flooring manufacturers want to stand by the long-term performance of their product, it is not logistically or economically practical for them to provide site analysis for most installations.

Experience Counts

- Up Front** Starnet members are familiar with every type of flooring detail, including fiber and backing selections, sustainability compliance, LEED credits and life cycle. They have the experience, contacts and “muscle” to complete a full service installation by leveraging professional relationships. This also means that your Starnet flooring contractor will get the best value — and pass this savings along to you. End users and labor subcontractors generally do not bring the same level of experience or number of strong relationships to the table.
- When The Job Is Done** Starnet members handle other aspects of installation: demolition, green disposal, recycling and final cleanup. The combined value of these services can be as much as 10% per square yard. In a direct sale, these items are additional, but Starnet members offer one source accountability for them.
- Best Total Value** On the surface, it would seem that buying flooring direct can save money. But in reality, the savings just aren't



there — once you’ve added the many hidden and unexpected expenses inherent in flooring projects. A quote from a Starnet member will always include these. Some jobs are more complicated than others, but the key point is that additional costs *do* exist, and they can be significant. Your best protection is to involve a Starnet member in your flooring project from the start.

If you plan on buying direct, how can you really be sure you’re paying a fair price?

A Note About Carpet

Most carpet looks great when first installed, but you don’t have to look far to see evidence of installations that have “uglied out” from crushed face or pile yarns, traffic wear patterns, dirt and stains. Even the best carpet choice needs a good maintenance regime to minimize cleaning costs and maximize the lifetime of the carpet. Starnet members can provide recommendations and continuous service that assists the end user

Starnet members offer LEED compliant carpet maintenance, and extended product warranties are usually available with this professional service plan.

starnet ★ FLOOR CARE

Clean Carpets: Better For Business, Better For The Environment.

| Starnet’s contribution to “carpet selection, care and feeding” may increase the product’s service life by as much as 40% | | |
|--|--------------------|-------------------|
| Expected Lifetime | Added Service Life | Increase in Value |
| 5 years | 2 years | 40% |
| 10 years | 1 year | 10% |
| 12 years | 6 months | 4% |

in maintaining the carpet’s appearance and performance over time. These services translate into extended carpet longevity and an ultimate savings of 4% to 10% per square yard. In contrast, most labor subcontractors consider the job finished after installation, and do not provide the continuous service or recommendations that extend a product’s lifetime.

Starnet Members...

- Have a vested interest in the specifier and end user's long-term needs and satisfaction.
- Have the knowledge, experience and resources to derive the maximum benefit and lowest prices from manufacturers.
- Follow the floorcovering manufacturer's recommended installation procedures to ensure the end user's warranty coverage.
- Are familiar with and assume responsibility for compliance with federal and local regulations.
- Minimize complications with proper planning, ordering a sufficient quantity of product and installation materials.
- Ensure that the subfloor is properly prepared and compatible with product requirements.
- Provide service, maintenance recommendations and continuous consultation, guaranteeing optimum performance over the lifetime of the installed product.
- Remove all materials in a timely, environmentally responsible manner that complies with all local disposal laws.

- Provide reclamation services that take advantage of industry recycling programs and "closed loop" processes.
- **In general, make your life easier by coordinating all aspects of your installation and bearing responsibility for the entire job. This saves you both money and aggravation in the long run.**

As the nation's largest network of independent commercial flooring contractors, only Starnet members can provide customers with the best of both worlds. Independent ownership means you'll always receive unbiased recommendations and personal service from a local name you trust. Strength of our nationwide network assures the best product selection at the industry's most competitive prices. When you do business with a Starnet member, you can be sure we'll do whatever it takes to satisfy you now, and for the long-term.

Starnet is a member of...



One in a series of bulletins from your Commercial Floorcovering Professionals at:

