

ROOTNOTES

News, Commentary, Insight from

Mike & Jay Root

FSMA Celebrates 60 Years As the Foremost Authority On Innovative Marketing For The Home Furnishings Industry

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Award Winning Salesmen, Marketer & Entrepreneur

Mike's Moment: Lots of News In The First Two Weeks of 2024

Hang onto your hats folks because this is going to be one crazy year. In the first two weeks here is what we're reading:

In Wall Street Journal

"Importers Face Surging Shipping Costs, Delays as Red Sea Diversions Pile Up"

"Brick Filled Boxes. Bogus Receipts. Retailers Battle Fraudulent Returns."

"California's Long Embattled Ports Are Winning Back Imports"

In Furniture Today

"It's Back! Bed Bath and Beyond relaunches gift registry."

"Ocean container rates rise another 15% as Red Sea conflict continues."

"Retirement looms large for 3 retailers, and each will close." (Combined they had 279 years of operations)

"Leggett & Platt to shutter up to 15 factories under restructuring plan."

In Home News Now

"CPSC announces recall of millions of plastic anti-tip kits."

"Motive, means, opportunity: Pinboarding the mystery of the Conns—Badcock deal"

"TJX recalls 29,000 foldable wood chairs because of fall hazard."

And these stories were just in the first two weeks of the New Year! Add stories that effect the greater psyche of consumers like multiple wars, a tumultuous election year, inflation, interest rates, housing availability or lack thereof and the on again off again recession talk and it is a wonder how anyone can think about buying furniture. Throw in a very frigid cold spell and it's tough to get people to go out to any store.

Before you fall into despair over the challenges 2024 has already sent our way and what is to come, keep this idea in mind. There is no such thing as a good economy or a bad economy. Only the economy we create for ourselves. For every disaster, there is someone who will benefit when there's a rebuild. Those that do well in good times and in bad are the ones that are the most aggressive in executing their business plan. And if the old plan doesn't work, quickly develop a new one to take into account a New Normal.

We have lots of great lines if what you are selling is not working. Just let us know. Thanks for all your past (& future) business.



IT'S SO COLD IN CHICAGO
CHICKENS LINED UP AT HAROLD'S CHICKEN SHACK FOR A TURN IN THE DEEP FRYER

Bits and Pieces From Around the Industry

.According to the Kiplinger Letter “Trucking rates will likely remain at 2023 levels until demand picks up later this year.” Rail rates will be similar. If you send your containers by rail instead of truck you can save 15%-25% but the delivery times are longer. Ocean shipping rates will be impacted by the recent terrorist attacks in the Red Sea. “Surcharges and delays are likely” according to Kiplinger. The also indicate that ocean shippers will “face delays getting to the East Coast ports from Asia, since an ongoing drought has lowered water levels in the Panama Canal. And in a bit of good shipping news California is expected to delay “enforcement of a zero– emission rule for trucks picking up cargo at state ports.”

Ray Allegrezza in an article in Home News Now entitled “Etailers facing number of challenges this year” due to a spike in shipping, labor costs, warehousing and other issues. He points out that UPS peak season charges are encountering a 97% increase in handling charges and an 87% increase in large package surcharges.

Other issues he points to is an excess of inventory, especially high end goods. The expansion from one warehouse to multiple warehouses has increased the amount of inventory being held, and when business slows down, it’s just that much more inventory that needs to be liquidated. This causes challenges like obsolescence and cutting prices. And warehousing costs keep accelerating making holding too much inventory even more problematic.

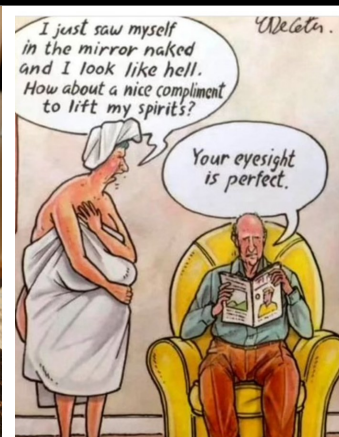
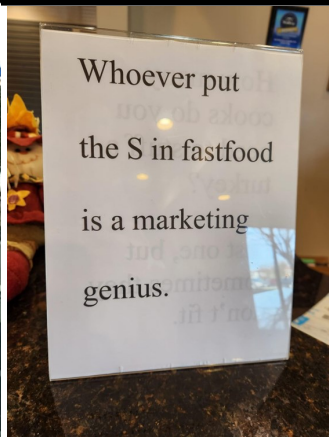


Ray’s sources predict a shakeout in next 12 months “particularly for those whose pockets are not deep.”

Funnies off the Internet . . .



I don't care who you are.... THIS IS FUNNY !!!!



I just found the place where I'm building my next house



Before I agree to 2024 I want to read the terms and conditions



Funny Quote: “An optimist stays up until midnight to see the new year in. A pessimist stays up to make sure the old year leaves. — Bill Vaughn



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Jay's Jots: Optimism Yields Eternal

That's what Grandpa Emmet always said.

2023 certainly led to plenty of optimism. Starting with Cozzia business—we had a record year despite what appeared to be a tough year for furniture! Thank you all for your efforts and sales with massage chairs. We attribute this to having the best product, the best merchandising of a line, and also the best training (if we were to pat ourselves on the back). Massage chairs don't just sell themselves so having a trained salesforce is critical.

Before I begin the next optimistic perspective, I need to preface by providing context. Here in the middle states we are experiencing a polar vortex. Snow: check. Sub 0 temperatures: check. Selling outdoor and patio furniture: check!

We have been getting orders for outdoor furniture from the savvy retailers that want to make sure they have stock when the consumer decides it's time to buy. Now is that time to get outdoor orders submitted to make the Spring timeframe; It's still an interesting contrast for me to present catalogs with happy people lounging, dining, entertaining outside in warm sunshine

after I spend an hour or longer digging my driveway out of 12" of snow in temperatures that would freeze Frosty. I suspect many people share my sentiment in yearning for warm weather and as soon as the very tips of green grass blades can be seen outdoor, patio furniture will be sold.

As you may guess, we only work with suppliers that we would put their product in our homes. Given the furniture experience in our bloodlines as well as some female designer perspectives, that is no small task. This outdoor line is so well designed and manufactured that their products are in multiple family members' patios! The best picnic table in the world is sitting in my dad's backyard as it will hold all 6 grandkids with not too many food fights.

If you are interested in learning more about outdoor living and entertaining give Dad or myself a call. We'll be happy to talk with you: 402-391-2166.

Hopefully we will see you in warmer Vegas in a couple weeks. Stay warm

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Murphy's favorite spot in Mike's office is the Svago zero gravity chair. He thinks you should check them out at Las Vegas market space #B1062

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