



Creating an Experience

Authenticity and expertise equals generations of success for The Cupboard

By Jennifer Straley

At The Cupboard, an independently owned specialty kitchenware store in Fort Collins, Colo., a visually stunning and thoughtfully curated product mix of cookware, cutlery, gadgets and more greets customers

when they walk in the door. But high-quality kitchen supplies are just part of what brings customers back to this vibrant store.

“It’s about creating an experience,” says Jim Hewitt, owner of The Cupboard.

From the smell of coffee ground at the front of the store and sampled freely throughout the day to regular demos that educate consumers and allow them to engage with a knowledgeable staff with a passion for their craft — every day brings opportunities for meaningful interaction with customers.

Act II

It’s a critical and exciting time for The Cupboard, which turned 43 in October. Hewitt’s father Carey started the business in 1972 and in recent years has been working in tandem with his son to implement a succession plan.

The young Hewitt grew up working in the back of the store, and after graduating from college and a career in California, he returned to The Cupboard eight years ago and began what he describes as “a slow transition to ownership.”



Jim Hewitt, CEO, pictured left, with his father Carey, who founded The Cupboard in 1972.



AT A GLANCE:

The Cupboard

- **CEO:** Jim Hewitt
- **Year Founded:** 1972
- **Location:** Fort Collins, Colo.
- **Size:** 10,000 square feet
- **Employees:** 25
- **Phone:** 970-493-8585
- **Website:** www.thecupboard.net

Planning for succession can be one of the most difficult challenges faced by a family business. About 30 percent of family businesses succeed in passing the torch to the next generation and only 12 percent are still viable by the third generation, according to the Family Business Institute in Raleigh, N.C.

"I believe that our succession was successful because it occurred over several years, where my responsibility increased as Dad gave more away," notes Hewitt. "It was a good way to learn the business and easier on the staff because the shift in ownership didn't happen overnight."

One of The Cupboard's greatest assets is its dedicated staff, many of whom have been with the store since the 1980s/early 1990s. While veteran employees can be reticent to part with the old way of doing things, the team at The Cupboard is focused on moving forward.

"The staff has had to adapt to a new management style and the integration of new technology," notes Hewitt, with an emphasis on the latter.

Transitioning the store from handwritten orders to the information age is top of mind for Hewitt, who introduced the NCR Counterpoint P.O.S. software system to the store a year ago.

"My dad went along kicking and screaming," he laughs. "But it's been a huge time saver, and we've also been able to take advantage of social media, Pinterest, email campaigns and really advance our marketing efforts overall."

As specialty kitchenware in America has matured, so too have the industry's pioneers. Today, leaders who launched businesses in the '70s and '80s are embarking on succession plans of their own. To them, Hewitt and his father offer the following wisdom:

"I advise the parents to be open to change and able to let go of control as ownership transitions," urges Hewitt. "I advise the next generation to implement change gradually, holding to the vision but making it their own."

Carey Hewitt adds, "The second generation needs to have a passion for the business, know their strengths and weaknesses and surround themselves with good people."

Retailer Profile



▲ The Cupboard's customer base is investing in quality kitchen tools and cookware.

A Perfect Mix

The Cupboard occupies a 10,000-square-foot space (with 6,500 of it retail selling space) in downtown Fort Collins, about 65 miles north of Denver. This charming college town routinely makes "Best Places to Live" lists and was recently ranked among the 15 fastest growing metro areas in the U.S.

While the growth has meant a more expansive customer base for The Cupboard, it has also brought increasingly fierce competition to town. "In 1972 there were no competitors," notes Hewitt. "Now we face competition from Bed Bath & Beyond, Whole Foods, Macy's, coffee shops and even hardware stores that have added home sections."

Staying true to its roots is one way The Cupboard distinguishes itself from the pack and attracts repeat customers. "The heart of our business has always been and still is sourcing the right products at the right price, presenting them well, and educating customers on how to use them," he asserts.

Over the years, those "right" products have evolved. "We've seen a change in high-end dinnerware and glassware. The sales of both have declined," reveals Hewitt. "Glassware really hasn't sold well, like it has in the past."

Today's strong sellers at The Cupboard include Fiestaware and textiles, particularly aprons and tablecloths. Gadgets and cook's tools are top sellers and represent 16 percent of the store's sales. Consumables — much of it locally made — such as specialty food, coffee, tea and candy have become more important of late and represent 21 percent of sales.

While The Cupboard offers an array of locally

crafted preserves, sauces, candies, nuts and more, local artisan products are also popular in non-food categories, including body care, books and utensils.

Current culinary trends are creating demand for a host of kitchenware products from slicers designed to make the perfect gluten-free veggie pasta to one of the more than 2,000 kitchen tools stocked by The Cupboard.

Hewitt sees more people wanting to eat healthier and cook at home. "People are looking for a good piece of cookware or a tool — they're looking to make an investment. And because they want to be healthier, they're investing in things like juicers and spiralizers. They'll spend \$500 on a blender because they know it will add to their quality of life."

The Importance of Being Online

Next up on this next-gen's ambitious agenda is to bring his family's decades-old business online.

"You have to be online. As we move forward from the last generation to the next generation, it's where we need to be," declares Hewitt, who expects to add online shopping to The Cupboard website in 2016.

In TGR's 2015 State of the Industry Survey, an unprecedented 47.8 percent of retailers surveyed now have an e-tail site, while just last year, 65 percent did not sell online. And this year, once again, retailers ranked online sales as their top threat (46.2 percent.)

"Competition from online is one of our biggest challenges," says Hewitt. "People can go online and order something and have it delivered the next day."

Where The Cupboard really feels the pinch from



a lack of online selling is gift registry, and The Cupboard's goal is to implement an online gift registry with the website's redesign. "While our gift registry is still a decent percentage of our business, it has declined over the years because people have come to expect that registries are online," he says. The store offers a 10 percent discount on registry sales.

But here's the thing that Hewitt knows, and everyone with a passion for food and how it's prepared appreciates: "You can buy a product online, but you won't have an experience," he asserts. "The average salesperson has been with our store for 12 years. They are experts in the community. People come to us because they want to know what's the best tool and how to use it, and they're going to have an experience whether that's the regular demos we do, a tasting or an event."

Empowered People

Among its 25 staff members, The Cupboard not only cultivates category experts but also long-time employees who are invested in the business, as more than half of them buy for the store. The same employees who are out on the floor selling are the ones in charge of buying coffee accessories, Japanese ceramicware or bakeware.

"It gives the staff more ownership because they are a part of the store. They're not just standing at a register," says Hewitt. "It also allows staff to develop expertise in one area. If you're in charge of cookware — you order it, manage inventory and it's yours."



The Experience

The entire staff at The Cupboard is dedicated to creating an experience for customers each and every day.

A founding participant in the Fort Collins Foodie Walk, a self-guided walk that occurs each month in the town's historic center, The Cupboard welcomes tour takers with interactive demos and samples in store. The Foodie Walk also features visits to a winery, a spice shop, a chocolate shop and other foodie-friendly businesses downtown.

In recent years, demos have become more important at The Cupboard, which stopped offering cooking classes about four years ago. "They weren't moneymakers, and they were hard on the staff," says Hewitt of the cooking classes.

Hewitt realized that regular demos and sampling can be just as educational as and more effective than cooking classes. Not only do the weekly demos reach a broader audience, but they are also less time-intensive for the staff.

"We really focus on educating the customer on a particular product," says Hewitt. "We're not just putting jam out on the table. Customers can stay for 15 minutes, or they can engage for an hour depending on the demo."

While he looks forward to bringing The Cupboard online and in touch with today's tech-savvy shoppers, Hewitt's dream for the future isn't unlike his father's founding mission. "We want to inspire our customers to cook, provide them with the vision that they can do it, and give them the tools they need to succeed." **TGA**

▲ Plans to offer online purchasing in 2016 should revitalize the sale of items sold through The Cupboard's gift registries.