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STRATEGIES

Signs of satisfaction

Lean beginnings helped Al Ross build National Signs into a company where the clients keep coming back



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AL ROSS LAUNCHED NATIONAL SIGNS CO. 10 YEARS AGO WITH \$200 TO HIS NAME. TODAY, ROSS REALIZES THAT STARTING FROM SCRATCH WAS ONE OF THE KEY FACTORS IN GROWING HIS BUSINESS.

"I HAD TO HAVE THE ATTITUDE OF SINK OR SWIM BECAUSE I HAD NO OTHER CHOICE," SAYS ROSS, PRESIDENT OF HOUSTON-BASED NATIONAL SIGNS. "IT MOTIVATED ME TO GET OUT THERE AND BEAT THE PAVEMENT."

NATIONAL SIGNS DEVELOPS SPECIALIZED SIGNAGE PROGRAMS FOR A VARIETY OF INDUSTRIES, HANDLING ALL OF THE MANUFACTURING AND PRODUCTION IN-HOUSE.

CLIENTS INCLUDE DAVE AND BUSTER'S INC., SECOND BAPTIST CHURCH, WASHINGTON MUTUAL AND SAKS FIFTH AVENUE.

ROSS STARTED NATIONAL SIGNS IN AN OFFICE THAT WASN'T QUITE 300 SQUARE FEET WITH ONLY ONE OTHER EMPLOYEE. TODAY, THE COMPANY OCCUPIES 60,000 SQUARE FEET AND EMPLOYEES A STAFF OF 39.

SIGN UP TO RECEIVE FREE DAILY BUSINESS UPDATES BY EMAIL EVERY WEEKDAY AFTERNOON.

USE SEARCH WATCH TO WATCH FOR RELATED TOPICS, COMPANIES.

RECEIVE FREE INDUSTRY NEWS VIA EMAIL. CHOOSE FROM 46 DIFFERENT INDUSTRIES.

WHILE WORKING FOR A LOCAL COMPETITOR FOR ABOUT SIX YEARS, ROSS SAYS HE BECAME CONCERNED WITH THE NUMBER OF DISGRUNTLED EMPLOYEES AND SET OUT TO BUILD A COMPANY WHERE PEOPLE LOOK FORWARD TO COMING TO WORK.

A LOT OF SIGN COMPANIES DO NOT OFFER EMPLOYEES BENEFIT PACKAGES AND PAID VACATIONS. EMPLOYEES ALSO HAVE TO WORK LONG HOURS IN UNFAVORABLE CONDITIONS, SAYS ROSS.

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HE DECIDED TO CREATE AN ENVIRONMENT WHERE PEOPLE WOULD ENJOY WORKING.

"IF YOU HAVE SATISFIED EMPLOYEES, YOU HAVE SATISFIED CLIENTS," SAYS ROSS. "IT'S A SIMPLE FORMULA."

WHEN HE LEFT HIS JOB, ROSS SAYS MANY OF HIS CLIENTS FOLLOWED TO HELP HIM LAUNCH HIS NEW COMPANY.

DAVE AND BUSTER'S HAS BEEN WORKING WITH HIM SINCE 1991.

DAVE CORRIVEAU, PRESIDENT AND CEO OF DAVE AND BUSTER'S INC., SAYS ROSS IS AN EXAMPLE OF A GREAT AMERICAN SUCCESS STORY.

"HE WORKS HARD, HE KEEPS HIS WORD AND HE DOES WHATEVER IT TAKES TO SATISFY CLIENTS," SAYS CORRIVEAU. "HE'S AN ENTREPRENEUR AND HE KNOWS HOW TO RUN A BUSINESS THE RIGHT WAY."

THE WORK ETHIC INSTILLED BY ROSS IS REFLECTED IN THE COMPANY'S REVENUE GROWTH.

NATIONAL SIGNS RANG UP SALES OF \$650,000 IN 1992. REVENUE REACHED \$4.1 MILLION IN REVENUE IN 1999, AND HIT THE \$5.7 MILLION MARK IN 2001. THIS YEAR, ROSS IS PROJECTING REVENUE OF \$7.1 MILLION.

EXPANSION ERROR

WITH JUST TWO EMPLOYEES IN THE EARLY DAYS, ROSS SAYS IT WAS A CHALLENGE TO KEEP UP WITH THE VOLUME OF INCOMING ORDERS. AT THE SAME TIME, HE SAYS THE LEAN DAYS HELPED HIM AVOID A FUTURE FINANCIAL DOWNFALL.

ROSS SERVED AS THE MANAGER, SALESMAN AND PROJECT COORDINATOR IN THE BEGINNING AND LEARNED HOW TO KEEP THE BUSINESS TOGETHER BECAUSE HE COULDN'T AFFORD ADDITIONAL EMPLOYEES.

"AS OUR BUSINESS GREW WE BROUGHT ON MORE EMPLOYEES, BUT I STILL WORK TO KEEP A SMALL, EFFICIENT WORK FORCE," SAYS ROSS.

AS THE HEAD OF A SMALL BUSINESS, ROSS SAYS HE'S LEARNED FROM HIS MISTAKES AND HAS MADE IT A POINT TO WATCH THE GROWTH OF OTHER SMALL FIRMS AND OBSERVE THEIR STRUGGLES AND ACHIEVEMENTS.

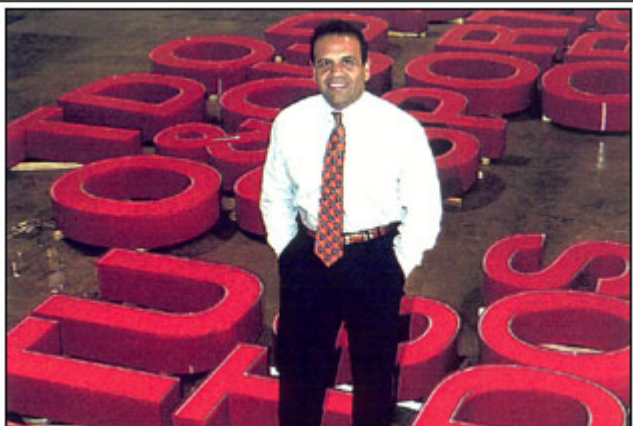
HE SAYS ONE OF HIS MOST COSTLY MISTAKES WAS EXPANDING OUTSIDE OF HOUSTON TOO EARLY AND LOSING \$110,000 IN THE PROCESS.

ROSS OPENED AN OFFICE IN DALLAS TO SUPPORT THE WORK FOR DALLAS-BASED DAVE AND BUSTER'S, BUT LEARNED AFTER ABOUT SIX MONTHS THAT HE DIDN'T HAVE ENOUGH QUALITY PERSONNEL TO SUSTAIN AN OFFICE OUTSIDE OF HOUSTON.

"YOU REALLY HAVE TO MAKE SURE YOUR OWN FOUNDATION IS VERY STRONG BEFORE YOU START EXPANDING OUT OF YOUR COMFORT ZONE," SAYS ROSS.

ROSS ADMITS HE ALSO MADE THE MISTAKE EARLY ON OF BEING TOO RIGID WITH HIS EMPLOYEES AND NOT GIVING THEM THE FLEXIBILITY THEY NEEDED TO BE CREATIVE.

HE SAYS A HIGH TURNOVER RATE DURING THE EARLY YEARS OF THE COMPANY PROVED TO HIM THAT WORRYING ABOUT A DRESS CODE, HOURS EMPLOYEES KEPT AND OTHER ISSUES WEREN'T AS IMPORTANT AS GIVING THEM THE FREEDOM TO BE CREATIVE AND FLOURISH WITH THE COMPANY.



ROSS CAN PINPOINT THE NO. 1 REASON HE BELIEVES THE COMPANY HAS PROSPERED THROUGH 10 YEARS OF BUSINESS.

HE SAYS THE DECISION TO BECOME FULLY SELF-SUFFICIENT AND TO BRING ALL SERVICES IN-HOUSE IN AUGUST OF 2000 HAS MADE A WORLD OF DIFFERENCE TO ENSURE QUALITY FOR CUSTOMERS.

THE COMPANY MOVED FROM A 17,000-SQUARE-FOOT FACILITY, WHERE EMPLOYEES WERE CRAMPED FOR SPACE AND WASTED TIME ATTEMPTING TO MAKE ROOM TO BEGIN NEW PROJECTS, TO A ROOMY 60,000-SQUARE-FOOT FACILITY IN AUGUST 2000 THAT PROVIDES AMPLE ROOM FOR GROWTH.

"HAVING THIS NEW FACILITY PROVIDES THE CLIENT WITH ADDED COMFORT AND ALSO MAKES THE FLOW OF BUSINESS MUCH MORE EFFICIENT FOR US," SAYS ROSS. "OUR BIGGEST CHALLENGE IN THE PAST WAS FINDING QUALITY SUBCONTRACTORS, SO BRINGING THE WHOLE PROCESS IN-HOUSE HAS HELPED TREMENDOUSLY."

HE SAYS NATIONAL SIGNS DIFFERS FROM COMPETITORS BY ATTEMPTING TO WIN A CLIENT FOR LIFE FROM THE BEGINNING. ABOUT 70 PERCENT OF NATIONAL SIGN'S BUSINESS IS REPEAT BUSINESS, OR BUSINESS GENERATED FROM REFERRALS, SAYS ROSS.

ROSS HAS BUILT UP THE COMPANY'S CLIENT BASE TO ABOUT 1,000, WITH SEVERAL HUNDRED COMING TO THE COMPANY WITH ACTIVE, ONGOING PROJECTS.

"ABOUT 90 PERCENT OF OUR CLIENTS FROM THE BEGINNING ARE STILL WITH US BECAUSE THEY KNOW IF THEY GIVE US A DOLLAR, WE'RE GOING TO GIVE THEM THEIR MONEY'S WORTH," SAYS ROSS.

CUSTOMIZING THE FUTURE

LOOKING INTO THE FUTURE, ROSS SAYS HE HOPES TO DIVERSIFY AND EXPAND THE COMPANY'S CUSTOM MANUFACTURING DIVISION, WHICH CREATES CUSTOM CANOPIES, ARCH ELEMENTS AND SPECIAL LIGHTING THAT CLIENTS MAY WANT TO GO ALONG WITH THEIR SIGNS.

"I SEE CUSTOM MANUFACTURING AS AN AREA WITH A GREAT POTENTIAL TO EXPAND, AND I WANT PEOPLE TO COME TO US WITH ANY NEED THEY HAVE IN THAT AREA," SAYS ROSS.

ROSS SAYS HE ALSO THINKS THE TIME IS RIGHT TO EXPAND ONCE AGAIN INTO DALLAS, AND TO MAKE AN INITIAL FORAY INTO ATLANTA DURING THE NEXT TWO YEARS.

HE SAYS THOSE TWO CITIES ARE TARGETED FOR THE COMPANY'S EXPANSION BECAUSE THEY HOUSE MANY MAJOR CORPORATIONS THAT COULD BE POTENTIAL BIG CLIENTS.