

15 minutes with... Doug Gorman



Who President of Home-Mart Inc., a Tulsa, Okla. retail sales center; member of HUD's Manufactured Housing Consensus Committee; and a seven-time recipient of MHI's Retailer of the Year award (the seventh received at last month's MHI Expo in Las Vegas).

Background Age 57, born in Oelwein, Iowa. At 9 moved to Smyrna, Ga. where his stepfather, an electrical engineer for RCA, relocated. Attended University of Georgia. While an undergrad, met and married wife Millie in 1971. That year, purchased a manufactured home, began working part time for the retailer who sold them their home—"I kept bringing referrals to the dealership and they said 'You're selling more homes than we are. Come work for us' (laughs). Finished college at Georgia State in '74, BA in business (marketing), by which time he was managing a sales center for Indon Industries. Recruited that year by Redman Homes (Americus, Ga.) to develop, from scratch, a retailer network, working in wholesale sales until '76 when he returned to Indon Industries, this time as regional manager of all north Georgia sales centers.

In '77, bought a partnership in his first sales center, Cumberland Homes, in Marietta, Ga., remaining there six years before accepting an offer from Palm Harbor to be vice president of their modular home division (moving to Dallas). His wife Millie also was hired as a Palm Harbor vice president. "I believe we were the only husband-and-wife vice president team in Palm Harbor history." Two years later, Gorman moved to a Palm Harbor sister company, Sunrizon Homes where for the next five years (1983-88) managed the company's retail division, splitting his workweek between Dallas, Tulsa and Oklahoma City. In '88, when the MH market tanked and Sunrizon closed, he worked briefly for Lender Services Inc. overseeing the liquidation of repos before proposing leaving the company payroll and opening a Tulsa sales center to sell them himself. Lender Services agreed. Aided by a \$25,000 loan, he opened Home-Mart in the fall of that year. Before the first year ended, Home-Mart obtained flooring and began offering new homes. Growth was steady. In '98, at the height of the boom, Gorman's staff (then numbering 35) sold 300 homes valued at \$15 million. Today, with an average 25 home models on display, Home-Mart remains one of the largest retailers in the U.S. Active in community affairs, Gorman has received numerous awards, including the Tulsa Chamber of Commerce's Small Businessperson of the year award in 2000. In '04 he made an unsuccessful bid for a state senate seat ("I don't know if I'll try again. It's hard to do that and run a business"). Also very active in the MH industry, he has served on many task forces and is currently chair of the Manufactured Housing Education Institute (MHEI). The Gormans have two children, a daughter Stacie, 29 (and two grandchildren) and a son Mitch, 21, a freshman at University of Oklahoma.

You're coming up on 20 years, surviving thick and thin. What's your current picture? Right now there are 15 competitors within three miles. In 1995, there were only four. In '98, the total hit 20. But the current number is more than the market can support. Tulsa's population is about 370,000, with our customer base located out to about 125 miles.

Do you see any trends? We were surprised when we looked at last year's numbers and discovered that 60 percent of our financed business was chattel and that almost half our business was cash. Those trends won't be the same for '07, but we're enjoying a substantial increase in business. Last year, we grossed \$5 million and this year we're on track to hit \$6 million.

Is the slump in the site-built housing market affecting you? Yes. I see it as increasing our business. With the crash in sub-prime lending, people who can no longer qualify for site-built homes are having to look for a different, more affordable form of housing. And many are coming to us.

Do you feel comfortable with what's now available for chattel lending? I do. The lenders are pretty reasonable. We do a significant amount of business with 21st [Mortgage], Triad, US Bank and Origen. We also work with San Antonio Credit Union. When I think back to say, 1993, when the only chattel lender was Green Tree with their 10 percent down payment requirement, this seems like heaven.

Your thoughts on a proposed a national ad campaign to promote MH? I support the idea, with a contribution from the sale of every home to fund a campaign, but I don't support an additional contribution to help fund a warranty program created to go with it. I have a problem with taking money from everyone's till when I already have a program I've very satisfied with. Warranties should be left to the free market. Creating another warranty program won't do anything if you don't have people committed to taking care of customers. In the 30 years since I took my first marketing course, I've seen no change in that truth: Take care of customers and they will find you, they'll send referrals, they'll bring them to you. We have people buying their second and third homes from us, sending their children to us. We've had people who hated the manufacturer of the first home they bought from us but they still come to us because we took care of them even if the manufacturer didn't.

Do you agree with former MHI president Chris Stinebert's view that retailing best practices won't get traction unless, and until, the manufacturers step-up and take control of the sale and distribution of their homes? I wouldn't say "control." I'd use the word "align." Manufactures must align with like-minded retailers who are committed to taking care of customers. I've been on installation task forces where three or four heads of manufacturers were on committees, and I remember asking one of them, "Why are we having this meeting?" And he answered, "Well, we need to make sure houses are set-up properly." And I'd say, "Well, can't you cancel a retailer who's setting-up the houses incorrectly?" And he replied, "That's not realistic." And I answered, "Why isn't it? Why are you selling houses to people who aren't setting them up right?" So, I would agree with Chris, but I'd word it that manufacturers must align with retailers who are equally committed to customer service.

Any thoughts on new MHI president Gail Davis Cardwell? She sounds like a good match. She comes from an area [mortgage banking] that we need a lot of help in. I think she'll bring a lot to the table. We've landed a winner.

By John Grissim
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