

[A Cup of Cocoa with... Doug Gorman](#)



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An MHMSM.com exclusive interview with Doug Gorman

1) **Who, What and Where:** (Your name, and your role/job title at Home-Mart, your association roles, etc.)

Doug Gorman, President, Home-Mart, Inc. Doug says *"You are welcome to have the coffee, I will have cocoa. I have never had a cup of coffee in my life."*

Manufactured Housing Consensus Committee Member

Appointed by Secretary Mel Martinez in 2001 at the time of its creation.

Currently serve as chair of Regulatory Enforcement Subcommittee

Manufactured Housing Education Institute board member and past chairman

Manufactured Housing Association of Oklahoma (MHAO) board member and past president

Co-Chairman for The Great Southwest Home Show sponsored by MHAO.

Local non-profit affiliations:

Community Action Project board member

Tulsa Day Center for the Homeless board member

Junior Achievement instructor

2) **Background** (brief Educational/Professional snapshot before entering the factory-built housing arena):



I went to high school at Campbell High School in Smyrna, Georgia with Julia Roberts. OK, she came through 17 years after me, but we were close. :o) After high school I entered the University of Georgia and pursued a degree in Marketing. I met my wife at Six Flags Over Georgia right after my graduation from high school. Since she had one more year of high school left I drove home every weekend from college to date her. We got married three years to the day after our first date and we both transferred to Georgia State in Atlanta to complete our degrees.

3) **When and How:** (When and how you got into the Manufactured Housing Industry)

In 1971 my wife and I bought a 12x60 three bedroom front living room from John Moss and Jim Reis at a company called Paramount in Marietta, Georgia. We originally going to buy a 12x52 two bedroom and found out we could get the extra eight feet and the third bedroom for only \$800 more. Seemed like a bargain. I added a large covered porch with a storage shed at the end. The house we bought had a lot of proprietary features and was years ahead of industry standards. We were so pleased with the home that I kept bringing other people into the dealership. They finally said look you are selling more homes than we are, why don't you go to work here? My full time job at the time was working the midnight shift as a security guard at Six Flags Over Georgia. Having reluctance to jump into a commission only arrangement, I worked both jobs for about four months. While working both jobs, I was also taking 10 hours of classes at Georgia State University. I was sleeping four hours a day. Two

in the morning and two in the evening.

4) What are your personal interests or hobbies? How do you like to spend non-work time?

I am an avid book reader and my wife and I are guilty of having several favorite TV shows we watch together. I do some golf, but very poorly. I like Jeffery Archer (favorite was Kane and Abel), David Baldacci (favorite was Executive Privilege) and I always liked The Firm by Grisham but never got excited over his subsequent books. For business reading I like Michael Gerber's E-Myth.

5) Tell us about your earlier days at Sunrizon and Palm Harbor. A lot of cutting edge items came from those two firms into the manufactured housing world.

In late 1982, Lee Posey and John Moss recruited me to join Palm Harbor as the vice-president of a new division called Magnahome. John had developed a product offering that could allow one to show 96 different floor plans from four homes on display. The concept was incredible then and it would be incredible today. The product was all modular and the four display homes were set up in an environmental setting. John Moss was a huge proponent of environmental displays. I had helped him in that regard since 1974 at Redman Homes.

I was fired at Palm Harbor (not by Lee Posey) in September of 1984. On the day that I was fired I called Mike Bowers who was president of a Palm Harbor affiliate company called Sunrizon Homes. Mike's response to the news of my employment status was to say: "Congratulations! Welcome to the land of opportunity. Can we have breakfast in the morning?". Mike hired me to open sales centers for him in and around Oklahoma City. Later he had me take over sales centers in Eastern Oklahoma which included Tulsa. The Sunrizon product did a great job of having different product lines targeted for different price points. Regardless of the price point Mike always tried to include more value in his home than a competitor's. We utilized a format we called "What's unique about a...?" to emphasize those values.



Sunrizon operated five manufacturing plants all of which were located in the Southwest. The mideighties industry collapse was concentrated in the Southwest where about 75% of the market went away. The market decline along with repurchase obligations associated with some large retailers who in addition to going broke were sold out of trust in the range of hundreds of thousands of dollars each, resulted in Sunrizon going out of business in the summer of 1988. After a brief stint as a vice-president of Tulsa based Lender Service, we opened Home-Mart, Inc. in October of 1988.



6) What do you consider the largest challenges facing the industry today?

Availability of money for inventory and retail financing. The appraisal process is also stacked against manufactured housing.

7) What are the biggest challenges to retailers and associations today?

Staying in business. If the associations lose their members you don't end up with a lot of people to "associate". Fewer retailers could doom some state associations. The lack of retailers and state associates then affects the viability of our national trade association.

8) How would you like to see the industry respond to these challenges?

We have statutes on the books now that indicate that GSEs have a "Duty to Serve" the lower end housing markets. We should pursue that requirement through our congressional delegations. The industry has done some positive work with Fannie Mae and with some recent changes from Fannie Mae, the MH Select program may gain some viability.

9) From your perspective, what are some significant initiatives have associations you work with and the Manufactured Housing Consensus Committee undertaken to support the industry?

The Manufactured Housing Institute (MHI) has tried several tactics (Customer Satisfaction Index, national advertising platform) in good faith that for various reasons have not panned out. I do not fault them for the termination of these projects. Obviously some manufacturers opposed these efforts strongly enough to through up a roadblock.

The Manufactured Housing Consensus Committee (MHCC) is unique in history of our country. The committee is the first committee in our history to have been created by statute and is staffed by non-paid volunteers. All 21 members of the committee serve without pay. Every proposed change to the HUD Code has to come before the MHCC and be acted upon. The accumulation of face-to-face meetings in Washington, DC and four hour long conference calls usually takes about a month out of the year for each committee member. Some of the key achievements of the MHCC have been the development of national installation standards, the development of a Dispute Resolution process, over 200 changes to Section 3280 construction standards, and a soon to be implanted process that will make on-site issues related to 3280 a simpler process.

10) What do you think the broader industry can do to improve the climate for Manufactured/Modular Housing today?

Deliver on our promises to our customers. Clayton has taken a major positive step with their recent infomercial.

11) What are your thoughts on promoting an industry-wide image building campaign, ala the RV Industry's noteworthy Go RVing multi-media campaign?

I like the idea. I just don't know who has enough money to fund it. I have seen some very general proposals and liked some parts and didn't like other parts. One proposal I saw included some unfair advantages for part of the industry. Ultimately retail drives the machine (with appropriate financing). If we drive up retail sales all else will follow.

12) Other remarks or comments, industry related. Any Closing thoughts?

We are a great industry staffed with many fine people I have been privileged to meet over the past 38 years. I worry about our shipment numbers getting so low that HUD might make a decision to close down our division. To be successful, we have to increase our focus on our clients and make sure we are providing them value.
