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## CRAIN'S

# Cleveland Business

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### Shift in focus leads to growth for MFS Supply

By **Rachel Abbey McCafferty**

MFS Supply LLC got its start about nine years ago, serving the foreclosure market by selling products such as lock boxes. But as the housing market improved, the small security and property management supplier in Solon switched gears and saw its business grow along with the industry.

Today, MFS Supply works with a variety of big-name brands like Whirlpool and Maytag to offer everything from kitchen appliances to generators, as well as cabinets from its sister company, Partners Home Supply. The company serves contractors, real estate agents and property managers looking to renovate or build single-family or multifamily properties across the country.

And the company has put a focus on growing its market share locally, efforts that may be helped by its most recent investment: an on-site showroom designed to highlight the array of products it offers.

Right now, the showroom has a variety of different kitchens set up to appeal to different parts of the company's customer base, said director of sales Brandon Guzman. But it will evolve and change over time as trends do.

That type of evolution is familiar to MFS.

Guzman said it was about 2010 when the company decided to take the products it was offering in the foreclosure space and go after the "exploding" rental industry. It started with a focus on regions with strong rental markets like Dallas, Houston and Atlanta.

"Foreclosure industry, I mean, while it's around forever, it's not going to be booming forever," said director of operations Mike Hajec. "We still have those core products that we're going to sell, day in and day out, but in order for us to continue and expand and grow and see the growth year after year, we knew we had to look elsewhere."

And expand it did. Today, the company offers customers about 1,200 different products, including the Partners Home Supply cabinets assembled on site.

But a market like Cleveland, which MFS put a focus on 19 months ago, offered some new challenges. In a smaller market like Cleveland, it's all about referrals and customer service, Guzman said.

"Cleveland is an older market," Guzman said. "When we decided to put a very large push into Cleveland, we knew that it was going to take a very long time. And we knew we had to have a different strategy. It's not going to be over the phone sales. It's going to have to be a face-to-face ground attack on actively just reaching out to every property manager, letting people know who we are, what products we have and then killing them with service."

About eight months ago, Hajec said MFS decided it needed a showroom to better display its product

offerings. It got to work renovating an old space in the building, investing more than 100,000. The showroom takes up about 7,000 square feet of the company's 1,000 square feet in its building on Solon Road. Another 1,000 square feet are used for a walk-in area with some other small product models.

MFS takes up close to 10 of the total space on the site. Guzman said the idea behind the space was to let its customers touch the products and envision the property they'll go in.

Hajec declined to share annual sales or the ownership behind the privately held company, though he said it has seen strong growth in recent years. CFO Jeffrey Muencz said the ownership was local.

When MFS got its start, it had three employees, Guzman said. Today, Hajec said, it has 7, with most located in the Solon headquarters.

Peggy Weil Dorfman, economic development manager for Solon, said the city was happy with the company's growth and had worked to help it expand there. Solon approved a six-year job-creation grant for the company, which began in 2016. The company will receive 100 of the payroll taxes that new employees pay to the city. Guzman said MFS and Partners Home Supply, the latter of which had not previously been in Solon, brought 90 jobs to the city when the two moved into the same building and committed to bring 100 more.

Guzman said MFS wants to continue to expand its product line and scope and to be seen as a "one-stop shop for all things renovation." That growth will be driven by customer input, Muencz said, adding that MFS plans to continue to grow its sales team and expand its distribution centers, which it already has scattered around the country.

Muencz said the company is entrepreneurial in nature — it even essentially leads by committee, instead of having a CEO — and, without a board, can decide to enter new markets and to offer new products quickly.

"That's one of our constants," he said.

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