COMPANY STRATEGY **by Mark Gordon** | Managing Editor

Universal Success

A company's market share goes way up as its revenues go way down. It's now tinkering with its strategy to grow both ways.

It's the conundrum of being a high-performing company in a low performing market. Over the last year, Bradenton-based Universal Window Solutions, a high-end window and door dealer and installer, has seen its market share increase 20%, to about half of the Sarasota-Bradenton new home market.

At the same time though, its revenues have fallen 33%, from nearly $15 million in 2006 to a projected $10 million in 2007.

The trend might continue in 2008, says Universal chief executive officer Bob Smith. He's projecting $10 million to be the top end of company revenues next year, but it could also be as low as $8 million. Meanwhile, the smaller window companies in the market, or what's left of them, will continue going out of business, victims of the residential real estate market slump.

REVIEW SUMMARY

Business: Universal Window Solutions, Bradenton

Industry: Homebuilding, construction

Key: The company, which grew along with the residential real estate boom, is changing its strategy to keep growing.

This doesn't mean Smith, something of a window-company guru who sold his first window business when he was 38 years old in 1999 — a $7 million-plus, 32-employee company — is simply waiting out the slump.

Instead, Smith and his brother, Universal President Rocky Smith, are reshaping the business. This includes adding new products, such as hurricane-protected screens and shutters; selling other products for the first time, such as the entire line of windows and related parts made by Venice-based PGT; and opening a commercial unit to sell and install windows for storefront businesses.

What's more, the company is expanding. It's getting ready to begin construction on a new 40,000-square-foot headquarters in east Manatee County, near State Road 64 and Interstate 75. The company's current facility, about 20,000-square-feet, is in an industrial park on 63rd Avenue East in Bradenton.

"I don't think this business has even tapped its ultimate potential," says Bob Smith, adding that when he's up at 3 a.m., it's because he's excited about the company's future, not worrying about it. "The second time around has been a lot more fun."

Courtesy photo

In 2000, **Rocky Smith**, left, asked his brother, **Bob Smith**, right, to help him turn around Bradenton-based Universal Window Solutions. The venture has been successful: From 2000 to 2006, the company's revenues increased from $1.5 million to almost $15 million.

'The Wild West"

Seven years ago, long before planning a growth and survival strategy for a slumping market, Universal Window Solutions was nearly a universal failure.

In the late 1990s, Rocky Smith and a partner bought the company, which was initially founded in 1981. But after a few years, the partnership, as well as the business, was floundering. Rocky Smith ultimately bought out his partner and soon after that, in 2000, he asked his brother for help.

Bob Smith, not yet 40 years old, had been retired for less than a year and was looking to hone his fishing skills, not his entrepreneurial ones. But when Rocky Smith approached him, he felt both a family and a fix-it pull.

"It was in such bad shape," Bob Smith says of the company, which, despite its $1.5 million in 2000 revenues, was $250,000 in debt at the time. It was losing customers, too. "Who doesn't want to be the smart guy who comes in and fixes everything?"

The most glaring problem at Universal, Bob Smith says, was its unpredictability. From customers to subcontractors to employees, there was no consistency in how things were done. Adds Bob Smith: "There was a culture of the Wild West."

Bob Smith tamed that culture by creating a "cause and effect environment" that included writing down all of the business' polices and procedures. Just that simple step was crucial, Bob Smith says, as it enabled employees to focus better.

The company grew quickly. It passed $10 million in revenues by early 2004, and its employee levels grew from 6 in 2000 to 50 in 2006. It paid back its outstanding debt and took on very little new debt.

What's more, the big players of the Sarasota-Bradenton homebuilding community noticed the change. Now Universal counts many major homebuilders as clients, including locally based firms such as Bruce Williams Homes, Neal Communities, John Cannon Homes and Lee Wetherington Homes. National firms Universal serves in the area include Centex, Lennar and U.S. Homes.

Executives at both Bruce Williams Homes and John Cannon Homes specifically cited Universal's thorough installation process as one reason the company does so well.

More changes

Bob Smith has orchestrated several other external changes at the company.

One recent focus has been to push the company's windows and doors as a core part of a new home's design and planning, much like the plumbing industry has done with showerheads and the interior design industry has