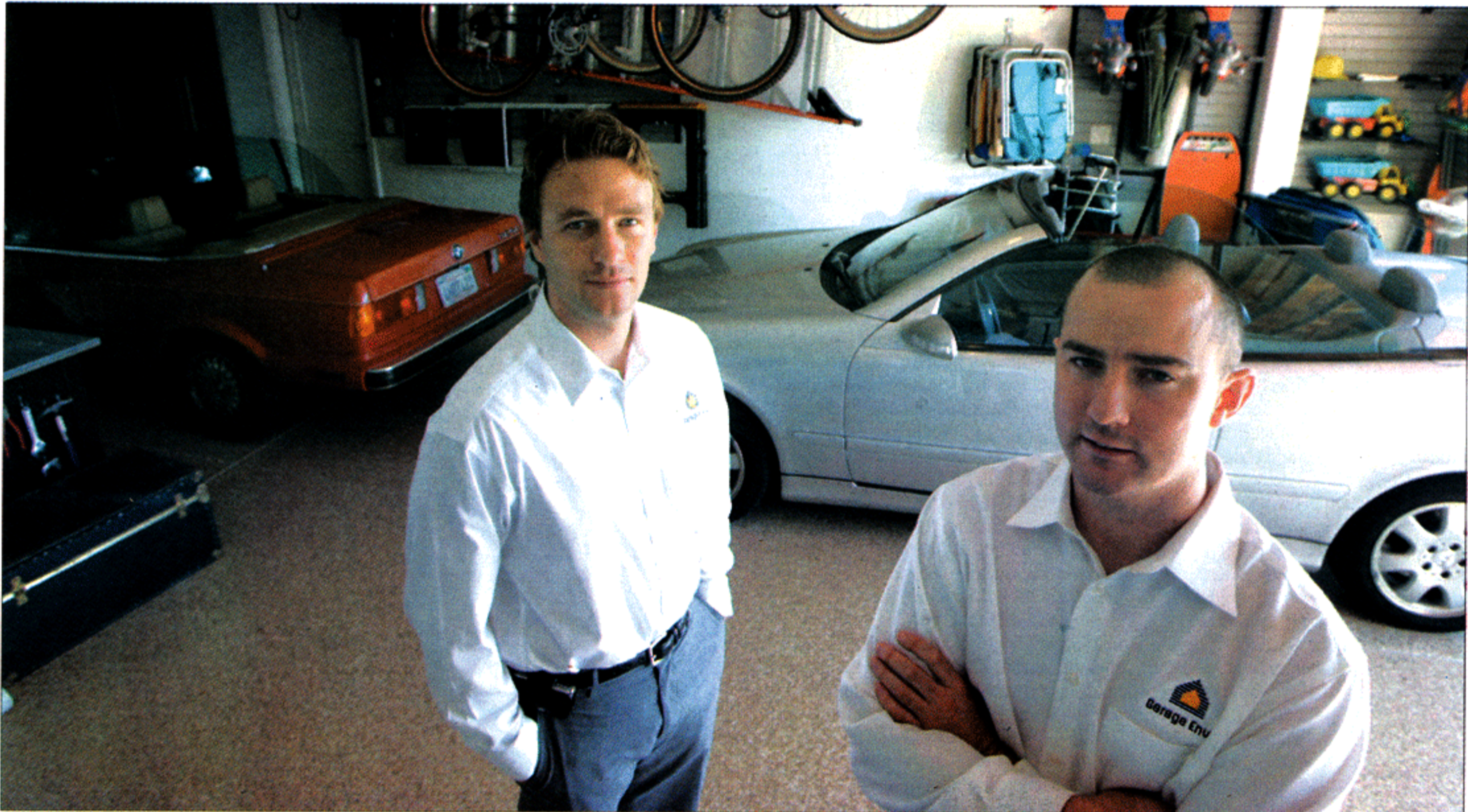


INNOVATION

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Cleaning Up: Executives Jamie Dietenhofer, left, and Scott Siler of Pasadena-based Garage Envy stand in a client's garage they spruced up.

RINGO H.W. CHIU/LABJ

Garage Band

Inspired by California Closets, entrepreneurs tackle 'the last bastion of home improvement'

By EMILY BRYSON YORK
Staff Reporter

THREE years ago, John Stanfill was looking beyond the amalgam of pooled oil, Goodwill-bound clothing bags and garden tools – not to mention cars – most of us picture when thinking of garages.

His vision: a company along the lines of California Closets, the San Rafael-based firm founded in 1978 that caught fire by customizing consumers' closets to make them more orderly and efficient.

"I felt that the garage had potential as the last bastion of home improvement business," Stanfill said. "No one had created a brand. I had always followed California Closets with great interest and what they've done with the closet."

Today, Stanfill, 64, and his two 29-year-old partners are fulfilling that vision, creating Pasadena-based **Garage Envy Inc.**, which works with clients to maximize garage storage space with cabinets and shelves installed on its patented modular wall system to keep everything off the floor.

Scott Siler leads a development team that has created a proprietary line of products. They offer features like retractable benches (\$650) and marble flooring and granite tops for worktables (\$35 per square foot). Jamie Dietenhofer leads the sales staff.

The company has doubled revenues every year since 2003, with sales in 2006 expected to hit \$2 million. The next frontier is to extend its dealer base. They currently have five dealers in California, Arizona and Oregon. The hope to have 20 by year's end, with the ultimate goal of a national network, and are developing a line of do-it-yourself products that will eventually be available through their dealers.

Boxes to vino

Sheri Lietzow and her husband, Rob, moved into their Manhattan Beach home three years ago, just three weeks after their twin boys were born. A number of boxes filled with non-essentials wound up in the garage, and there they sat, for more than two years. Lietzow said she had pleaded with her husband to do

something about the garage, but nothing happened until he saw an article on Garage Envy in January.

That did it for the Lietzows, whose garage now has new floors, shelving throughout and racks installed to hang ladders, Big Wheels trikes and other previously scattered items. When they wound up with storage space above their cars, the Lietzows went even further, and had a wine cellar installed.

"We were really impressed," Sheri Lietzow said. "It wasn't just the hard sell and you've got to have the top of the line. It was whatever you need and what's going to make you happy."

Her favorite part is the new liquid granite flooring in saddle tan. It coordinates with the exterior of the garage and the interior of her home. "Now it just looks like an extension of the house," she said.

The entire project from the estimate to ordering the shelves, installing the floors and getting the wine cellar delivered took about 6 weeks and cost between \$7,000 and \$8,000. That's an average-size project for Garage Envy, which has charged as little as \$5,000 and as much as \$30,000 for its services.

California was the ideal place to start a garage organizational business because homes in the state don't have basements and family cars are pushed into the driveway by the need for storage space. The trend in housing in the large developments was to build homes with more and more garage space," Stanfill said.

"Homeowner associations were requiring that people not park their cars on the driveway or on the street. I sensed that this was an opportunity and I began to study it."

According to the U.S. Census, 20 percent of single-family homes constructed in 2005 had room for three or more cars. The numbers were even more startling in the western U.S., where 33 percent of homes had three-car garages by 2005.

"People love to have as big a garage as they can," said Gopal Ahluwalia, an economist with the National Association of Home Builders. "They want three-car garages even if they don't have three cars."

The popularity of SUVs and vans has further increased the demand for storage space. The standard size of a two-car garage is now 24 feet by 24 feet, 20 percent greater than a decade ago. Ahluwalia also cited a National Highway Traffic Safety Adminis-

tration study reporting that of the nation's three-car garages, only 12 percent have three cars parked in them.

"I would say my favorite part of the job is this is that this is a very easy product to sell, because of the need for it," said Dietenhofer, who oversees sales and marketing for Garage Envy. "Because it's still trailblazing in this sector, customers are kind of astonishing when they see the end product. The end result is very gratifying."

Proud parent

Stanfill retired from CB Richard Ellis in 1997 to pursue his own projects. His primary endeavor is **ELF Capital Partners LLC**, a real estate investment fund, and his online real estate listing service, **LoopNet Inc.**, went public earlier this month.

When he was considering the launch of his garage makeover firm, Stanfill hired Siler and Dietenhofer to work as consultants and research the idea. They met through Stanfill's nephew, Mike Craven, a college friend of the pair.

Stanfill met with Siler, whose family had worked for years in residential remodeling and construction, to talk about the logistics of garage organization. Siler was finishing up at Pasadena's Art Center College of Design and was interested in automobile design. Stanfill had gotten together earlier with Dietenhofer, who was wrapping up his bachelor's degree at the University of California in Santa Barbara, and looking into opportunities in urban planning and redevelopment.

Stanfill got them on board by offering them the opportunity to buy a controlling interest in the business if the idea panned out. The group's first direct mailing resulted in 10 sales leads and they decided to pursue the business.

Stanfill put up \$125,000 and Siler and Dietenhofer pooled \$175,000 by taking out loans against their homes. The two men worked 16-hour days for nearly a year while Stanfill continued running his other companies. Dietenhofer, who had just gotten married, even put off his honeymoon to Costa Rica for a year.

The pair still meet with Stanfill once a week to talk about the business. Sometimes they take his advice, and sometimes they decline. Stanfill says that he likes to think of it as putting them through business school. Talking about them, he sounds like a proud parent.

"Jamie is a good sales person as you'd ever want to meet. Scott is the kind of fellow who, if you ask him to something, he won't say I can't do it myself, he'll say, 'Just get out of my way,'" Stanfill said.