



Looking for Solutions on the Verge of **LOSING THE FAMILY BUSINESS**

CARNES CONTRACT FLOORS HAS SERVED THE ATLANTA FLOOR MARKET for three generations. With a sterling reputation for customer service, the future had always looked bright—until the 2008 recession struck.

At that point, TAB Member Shane Carnes recalls, “We were on the verge of losing the family business.” Over the past thirty years, Shane and his brothers have built Carnes Contract Floors into one of the top commercial flooring companies in the U.S., with annual sales in excess of \$10 million.

The firm has completed projects for a wide range of clients, including Coca Cola North Avenue, Bell South Tower and GA Pacific Tower. It continues to do all types of commercial flooring and tile projects, primarily in the fields of healthcare, government and office space.



UNPREPARED FOR THE DOWNTURN

"Things were going very well for us for several years," Shane recalls, "but we were completely unprepared for the economic downturn. In an effort to stay afloat, we eventually depleted nearly all of our available cash reserves."

Carnes Contract Floors was at a point where its leaders relied on collections every week to maintain cash flow—paying bills out of their receivables with no cash reserves to fall back on.

Further complicating matters, as a result of these cash flow problems the commercial flooring company was severely hampered in its efforts to generate new business opportunities.

Shane looks back on this period as one of "unrelenting pressure and stress," fueled by fears he might actually lose the cherished family business.

TAKING A LEAP OF FAITH

In 2011, he came in contact with TAB Facilitator Buddy Hull. Shane had heard about TAB in the past, but was skeptical about joining, doubtful the organization "could help us pull out of the position we were in."

But talking to Buddy "gave me hope," he recalls. "I decided the time was right for taking a leap of faith."

The most pressing initial challenge was coming up with new ways of funding the family business.

"Buddy and the TAB Board got us in front of contacts offering alternate means of financing. We signed an asset-based loan agreement, which was perfect for our business because the costs are so heavy up-front."

Soon the company got its line of credit re-established and stabilized the cash flow situation. "After that, we were free to pursue new business opportunities rather than just treading water all the time."

ESCAPING THE TRAP OF TUNNEL VISION

At the same time, Shane realized his insular business could benefit from the perspectives of other business leaders.

"When you have a family business that goes back as far as Carnes Contract Floors, you tend to develop tunnel vision—always trying to solve problems the same way, always doing things in a particular manner. Part of what propelled me to join TAB was the realization that what I was doing wasn't working."

With the financials in place, Shane next set about cleaning house. With guidance and advice from his TAB Board, he focused on a range of activities to make the company more competitive. This included a comprehensive upgrade of systems software, modernizing warehouse operations and putting an end to inefficient bookkeeping.

As a result, Carnes Contract Floors has quadrupled sales and invested in a youthful, high-energy workforce. "We've gone from what I frankly admit was a mess to becoming a lean and profitable business," he proudly concludes.

GIVING BACK TO OTHERS

These days, Shane welcomes the opportunity to "give back" to other TAB Members.

"What I offer is empathy," he says. "I know what it's like to have a business that's teetering on the edge of insolvency and struggling to survive day after day. I also know that if we could get through the tough times and emerge as a stronger business, others can do it, too."

Shane strongly believes that there's a need for TAB for every stage in a company's growth. "For me, the first priority was survival. Next up was getting rid of inefficiencies and streamlining operations. After that, I could focus on growth."

There's one more stage where TAB can help, he adds. "I have a clear personal vision about my future, which before joining TAB I thought was unattainable. Now I see that vision can happen and maybe sooner than I ever imagined."