

Jayson Home Founder Jay Goltz on the Changing Nature of Retail

The entrepreneur discusses the challenges facing small businesses today



Jayson Home founder Jay Goltz.

In a world where retail outlets are clamoring over one another to create the most Instagrammable shop spaces and buyers are struggling to track down original products, *Jayson Home* is seeing nothing but smooth sailing. The Chicago-based furniture, design, and accessories store, which recently opened its second outpost in New York's SoHo, is no stranger to these trends, though; it's just that they don't see them as trends. Company founder Jay Goltz, the son of a dime store proprietor, has made it his mission to create a unique, customer-driven shopping experience since he first went into business as a frame vendor some 30 years ago. His expertise earned him a spotlight in *Forbes* at just 28, and since then he's served as a small business blogger for *The New York Times*, penned the business advice memoir *The Street-Smart Entrepreneur*, and headlined several lecture series and conferences. One of the first to populate Chicago's trendy Clybourn shopping district, where Jayson Home is located to this day, Goltz and his team continue to prove they're on the forefront of successful retail—without a team of strategists to tell them what to do. At the opening party of Jayson Home's *New York store*, *AD* caught up with Goltz to hear more about the changing retail landscape.



AD: Can you tell us a bit about your background and how you got started in the industry?

Jay Goltz: Absolutely. My past is a very important part of my present. I grew up working in my father's dime store, a classic 5 and 10 with the wood floors and tin ceiling. I went on to college and got my accounting degree, and while I was in school I was working for my friend's father, who had a frame shop. I really liked it, and I saw how messed up the industry was and I thought I could do better. But you went to school to become a quote-unquote "professional." When I told my mother what I'd decided, she took a big deep breath and said, "You went to school for four years and you ended up like your father."

Luckily I was young enough—or stupid enough—that it didn't deter me. I opened shop in a third-floor walk-up loft in Chicago for \$200 a month and figured if it didn't work, I'd sell the inventory. Much to my surprise, though, it did work. By a few years in, I was growing like crazy. I'd never run a business, and in school, they don't teach you how to run a small business, so I was putting fires out all day. But I was growing.



Jayson Home VP of merchandising Devin Kirk and cofounder and creative director Caroline Scheeler.

AD: What do you think the reason was for your early success?

JG: You know, I didn't really figure it out until I was at a trade show about six years after starting out. I'm standing by a bunch of other frame dealers in their 50s, and instead of talking about the new molding or whatever, they're going, "You think that's bad? I had this lady in the other day . . ." They were comparing who had worse customers. And I realized right then that I'm customer driven. I love taking care of my customers and showing them new stuff, helping them find something. And these idiots are complaining about it. So I guess that was my strength; I came to the business with a customer-first mindset.

AD: So how did you get into furniture from the frame business?

JG: Along the way, my rent at the frame store started going up. I started to think, I need to bring in more merchandise. While clients are waiting for their frames they can be shopping. The way I saw it, I wasn't in framing, I was in home furnishings. So I started to bring in some furniture. Once it began to do well, I hired Caroline, who has an art background. Caroline starts to really figure out what people want, and after a few years, it's really picking up steam. Then it became Jayson Home and we hired Devin and this whole team to run that. I still have the wholesale frame business, but now, after 20 years, Jayson Home has become the bigger business. Now, I'm in a unique situation in that I'm a retailer, a wholesaler, a distributor, a manufacturer, and an e-commerce retailer. So I have my hand in everything.



A vignette in the Chicago store.

AD: How is the retail landscape the most different now than when you started out?

JG: Today, people don't understand retail. People ask, "Is retail dead in America?" Absolutely not! It's just shifted in several ways. One is, How do you compete with the big box stores? They've got planograms and inventory goals and it's run essentially by accountants. So you go find better, more interesting, cool things, that they can't afford to stick in 80 locations. As a small business, we have the flexibility to bring in more experiential stuff. Number two is that the existing small businesses can't ignore the internet. Many small business owners are overwhelmed by it, but you have to just figure out what you can do, whether it's having a good looking website or whatever. Lastly, in the art and design field, you have to figure out how you hire people who are mission-driven who are into your model. Caroline has been with me for 22 years! My average employee has been here ten. In reality, they can make more doing something else, so you have to figure out how you get talented people to stay.

AD: You distance yourself from big box stores quite a bit; from a business standpoint, how do you adapt a strategy without that effort to scale?

JG: The big thing now is being a lifestyle business. There is something in between wanting to grow and build well and becoming a huge conglomerate. I want to grow the business, yes, but I need to do it at a pace that doesn't burn people out. I'm growing at a pace that doesn't overwhelm my employees. Business isn't always about the income; it's about the outcome too. I don't want to put people's lives on hold just so we can grow. I think you can maintain a happy staff and still grow—you don't have to be soulless to be successful.



The exterior of the New York store, in Soho.

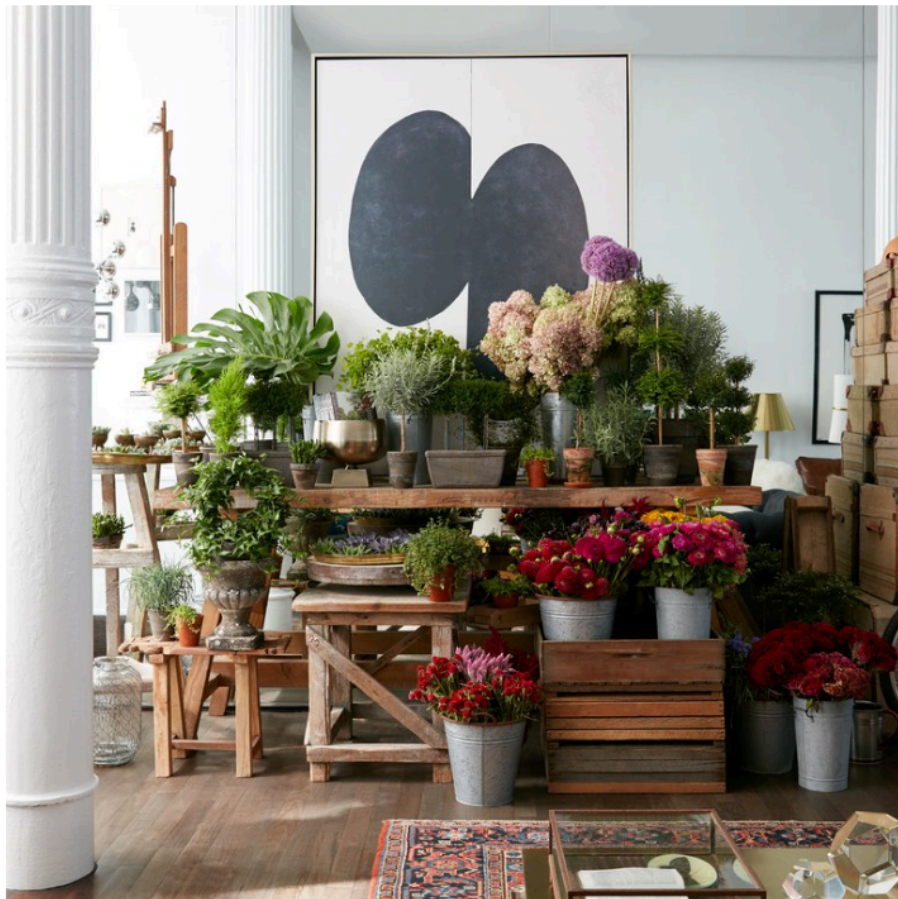
AD: There's this notion that everyone in the age of Instagram needs to have this sort of experiential store, which is something you were doing long before social media. Can you talk about how that has evolved for you and for the industry?

JG: We did it because we enjoy retail and want to do things that excite the customers. Now it's become a trend. You know, it's funny; it reminds me of when I started, we didn't have a term "customer service." Treating the customers well was just what you did. So now, the new thing is having a nice store that is "experiential." I think you can also have an "experience" and go broke. They need to buy something. So that's part of it, but the business needs to work too, and that's what some of these stores haven't figured out. The problem is that some companies are throwing all that money into looking like they're doing it well, but behind the scenes, they could be going broke.

Here's a word you never hear. It's the biggest business concept, but you never hear it. You hear "disruptive," "experiential," all that. The number one thing? Margins. Nike, Lululemon, Louis Vuitton; they all have tremendous margins. The businesses that don't have the margins to support that experiential branding are having problems. It's the ugly business word, but it's a necessity.



Inside the New York store.



The New York store includes a flower bar.

AD: You mentioned the importance of you being the son of a merchant. Why is that so significant?

JG: I have a term I call "authentic customer service." I feel so often you go in somewhere and people say 'Hi, how are you doing?' But then you ask them about the product and they don't really know it; they don't care. I find often that you know better than the employees in stores. And you want to know the reason for that? Health insurance. No one wants to pay health insurance, so everyone hires part-time employees who don't know the product and aren't motivated to care. They're just not there long enough. At my frame store, the person helping you has been there ten years and has an art background they can help you. You just don't get that at most stores. So I think there's something to be gained from investing in that to achieve that authentic sense of customer service.

AD: What will be the next most important change in the retail world?

JG: I'm not the visionary, but I will say this: It's going to be all about the multichannel. You need the store and the site working together. People now expect that, so anything else doesn't cut it. Interestingly, I think a lot of small businesses have really been saved by the next generation coming in and modernizing; the kids are moving it into the new era.