



Episode 66

**Benefits of Kitchen & Bath
Buying Groups**



**Maria: [00:00]**

Hello and welcome to Designer Discussions with Mirjam, Jason, and Maria. Today we're going to talk about the benefits of buying groups.

Intro: [00:08]

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Maria: (00:46)

So, Jason, can you tell us a little bit? I've never participated in a buying group. The only ones I've heard of are the ones where people try to buy furniture on other people's furniture accounts, and that leads to, like, really bad outcomes. I know you all are not talking about that dynamic today. And so I want to learn about these professional buying group organizations.

Jason: (01:03)

Okay? And there are a lot of buying groups out there, and buying groups get a bad name because of that, mainly in the interior design industry. But there are others out there, and there's a lot of them out there. You need to do your research before I say anything. You need to do your research, do your due diligence to find out which ones are applicable to you, to see if it is right for you. But the whole purpose of buying groups is for a small organization to join together to be able to purchase either supplies, furniture, business functions, or some type of training or something like that. So that's the purpose of it is to have the small businesses have a larger buying power in the marketplace. That's the whole purpose. So we are members of a few of them on the vendor side, but I also have a lot of friends that are members in buying groups as well. So we're going to talk about the benefits of it today. And like I said, we're not advocating for one or the other. You need to do your due diligence and find out what's actually right for you.



Jason: (02:13)

But some of the benefits are one is and what I hear a lot about is the networking. One of the buying groups we're in, I'll let that go nameless. But what I hear over and over again is the networking aspect. And there are small businesses from across the US. Obviously from across the world that are in it. But what they talk about is they are able to talk openly about what's happening in their particular business in terms of financing and what's happening there. And they can be open with others. That where they may not be able to be as open with their same business type down the street because they don't want to open up trade secrets or tell them about what's happening. So if you're in Chicago, you'll be more open to tell somebody in New York about what's happening in your particular market and share your financials and what's happening there, you don't have to, but what happens is that when you're in a group of likeminded small business owners that are trying to help each other, you're open to doing that because you don't view each other as competition. And so that aspect is so it's almost like you have that peer to peer learning that's happening. And that's one of the things I hear about a lot of the buying groups that we're involved in is the networking aspect. Another thing I hear about is the training. So not all buying groups are the same. As I say, do your due diligence. But some of the buying groups we are involved with are heavy on the training side. So in terms of how to market, how to handle finances, how to do the back office bookkeeping, on and on and on, they are training on how to run your business effectively. They bring in experts from multiple disciplines, not just the design realm, but from the financial world, from small business world, from SBA or from whatever, just to teach you how to run your business effectively. That aspect of it is time. Just because a lot of the time, this is free training if you're a member of the buying group. And I also have to say not all buying groups cost money. So you also have to look at that. Some of them do, some of them don't, but you have to look at the benefits of what they offer to see if it actually help you. So those are just a few of the things, and I'll talk about some others, but I want to let Miriam chime in as well.



Mirjam: (04:33)

Well, so I have to honestly say that I did not know what a buying group was until Jason introduced me to it maybe a couple of years ago when we started working on this. And so I got to know it through being a vendor along with Jason. And I was sort of blown away by the whole concept to begin with. And then when we go to conferences and we meet with the members of the buying group and it was very interesting for me to see that so many of them have been part of this group for decades. I mean. For a very long time. Which really speaks to the fact that they get a lot of value out of it and the same thing is true for the vendor. So I think a lot of it, it's networking, but it's not like short term. It's really about building relationships for the long run that benefit your business with where you source product or who you work with, like on the marketing side or who you use for finance, all of those things. And I thought that was very interesting because it means that and they take time out of their very busy people. Everybody is busy. And for you to take the time to go to an event for a few days at a time. It's got to be important. And I agree, Jason. I hear this from all of them too. It's like they love talking to peers. I think that's a big part of the value. And they don't just talk at the events, but they have, like these back channel conversations all of the time. And it helps them because a lot of them are small businesses. It helps you feel less alone, right, because you have other people that have the same struggles, the good, bad, and the ugly. So I find it very interesting, and it must be beneficial. There's a number of designers in the group. Some of them are solo business owners, some of them are studios. Some of them have showrooms. There's all different kinds, but everybody seems to be finding some of what they need. So, yes, I'm a believer now that I know that it exists. And why.

**Maria: (07:03)**

So, Jason, when I was saying that some designers in the past have had these horrendous buying group fallouts in the design industry, it is not these structured businesses that have existed for a long time. The ones I'm talking about usually are ordering furniture, right? They're just getting the money up front to order furniture. They're not placing the order for furniture. They don't have a store, they don't have a retail presence. And there are even people who haven't been in business for very long. But when you're talking about these buying groups, are a lot of these people like kitchen and bath designers? And they're doing this to gain the benefit of getting the building materials or the cabinet lines so that they can do larger scale projects with better profit margins.

Jason: (07:51)

Yes, and that's what I was just about to talk about. One of the other benefits is being able to purchase a lot of the products at a cheaper price because you're buying them with others in bulk. And so that's one of them. And then also, what I would hear from a lot of the members is you get to have real relationships with the manufacturers as well, because a lot of the times, the ones we're in, the CEOs of the companies are at the meetings. So you're just not having to talk with a rep. You're talking with the owners and the decision makers. And so you're developing relationships on that level where that helps you out long term. And so that's something else I actually hear about. And like Miriam talked about overwhelmingly, what I hear is the main benefit is the support in terms of the peer to peer of support from the managers of the buyers group, of the sports hair from the manufacturers or from the dealers, or from the vendors, the support there. So it's like a family. When you're a part of a larger organization, you feel that you could call on somebody that you met in Chicago or in New York or in La. A that's having the same issue that you are, that you can talk to and see how they handle it and see if that could be applicable to you or if they can help in other ways. So the support aspect, by far, is what I heard. Support and networking is what I heard are the main benefits. And then on top of that is the savings for the goods and the supplies as well.

**Maria: (09:43)**

Okay, so this is super interesting. I didn't know anything about buying groups before we had this conversation, and I do think that this is something that small businesses should know more about. And I think the information that you gave us is really helpful today. Is there any questions that you would recommend for designers to be asking a buying group so that they could begin to understand if they're aligning themselves with someone who has similar values and structure?

Jason: (10:01)

On the questions, I would say, like I talked about earlier, do your due diligence, because there's a lot of them out there. Look at the leadership of the buyers groups. Check into their history, their background, see if they're reputable, if they're doing this to help, or if they're doing this just to make a quick buck. So understand who you're aligning yourself with. Look at the vendors that are in the buying group. Are the vendors actually beneficial to the services that you provide? Are they offering training? If so, how often you want to check the pricing? Like I said, there's a lot of buying groups out there. Some are free, others are paid. If it is paid, what are they offering for the paid membership? If it's free, understand, you may not have the benefits of the paid, but that may be what you're looking for. So do your due diligence and see where the leadership is, who they are, what they're offering. See what the training is. See what the benefits are for the vendors. Those are the type of questions that you want to ask to see if you want to align yourself with that particular buying group.

Maria: (11:14)

Awesome. Wow. That is so great. Jason, that's excellent advice, and I really appreciate you all sharing with us what a buying group is and the benefits of participating in a buying group, and also how to engage with a buying group in a way that's safe for your business. This has been really helpful. Thank you for listening. Make sure to, like, subscribe and share this episode with a friend. We will see you again next week on Designer Discussions.



Outro: (11:44)

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