

Tarkett strengthens distribution network via Kraus

By Ken Ryan

[CHICAGO] Tarkett and Kraus Carpet Mills are combining two of their distribution units in an effort to broaden and strengthen their coverage in a 10-state region spanning across the Midwest and upper Midwest.

The new company will be called Kraus Floors LLC and will meld the sales, customer service and logistics operations of both McKee and Royal Scot — about 100 employees in all. “We expect this to be a very interesting [business] model,” said Guillaume Laverdure, North American president for Tarkett Residential.

For Tarkett, its recent move to own distribution — where it makes sense — represents a departure from recent statements (FCW, April 3/10). Earlier this year it took a 50-percent stake in McKee Floor Covering to boost its distribution in the upper Midwest. At the time, Tarkett said it

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had no plans to change the dynamics of that relationship or to acquire other distributors.

But Tarkett took 100 percent ownership of McKee in November, part of a two-step process, the company said, and is now merging that unit with the Kraus distribution one, which is strong in the Midwest.

An executive with a Tarkett distributor in the Southwest said he was intrigued by this partnership. “This is an interesting announcement. I think from Tarkett’s side, it thought this is an opportunity because it is probably weak in distribution in those areas,” said the executive, who asked to remain anonymous. “Kraus is a strong company and I think that Tarkett feels that it will help it. I have not

“Our objective is not to acquire or integrate distributors; our objective is to find 100 percent coverage of the U.S. Our core business is not doing distribution. We need experts in that business that work with us.”

— John Rietveldt, former president, Tarkett Residential

(FCW, April 3/10)

spoken with anyone at Tarkett Residential about this. From Kraus’ position, now that it has these distributors in the U.S., it possibly feels that the Tarkett lines will assist it in developing those markets. You only wonder if it wishes to expand this partnership to other areas.”

Kraus Floors will carry Tarkett’s full line in Nebraska, North and South Dakota, Minnesota, Iowa, Wisconsin, Illinois and parts of Michigan, Indiana and Missouri.

“We’ve just taken on some of its lines in the Northwest,” said Gary Witt, Kraus CEO. “But this Midwest partnership goes beyond the traditional manufacturer-distributor business model.”

Prior to this venture, Tarkett had a small distribution presence in the Chicago area, but as Laverdure put it, “It’s very difficult to do a quick ramp up [on your own].” The new venture, he added, “is a very complementary fit for us.” **FCW**