

NRHSA BOARD BUILDS INDUSTRY RELATIONSHIPS: DOING BUSINESS WITH THOSE YOU KNOW, LIKE AND TRUST

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Photos courtesy of Horizon Hobbies

At the end of the Horizon Hobby session at the NRHSA Convention and Table-Top Expo in 2022, CEO and President Chris Dickerson opened up the floor to questions from the group of retailers.

Retailers vented their frustrations on pricing, availability and competition with online retailers, and Dickerson explained the reasons behind some of the company's decisions. He took responsibility for communication issues from the company, and both sides agreed it would be beneficial to talk regularly.

As a big first step, Dickerson invited the NRHSA board to hold a meeting and tour Horizon Hobby headquarters in Champaign, Illinois. In May, board members visited the Horizon headquarters, getting a behind-the-scenes peek at the warehouse and logistics operations, meeting customer service representatives and checking out new products.

Trust Begins With Listening

The NRHSA board and Horizon leaders knew it was critical to listen to each other to overcome mistrust and misunderstanding, said Steven Elliott, president of NRHSA and owner of Fundemonium in Rohnert Park, California.

"It's common in business discussions that you do the best business with people you know, like and trust, and we wanted to see if there was something NRHSA could do to help restore that like and trust component," Elliott said. "Sometimes, we thought we knew the people, but we didn't really know them, so this is an opportunity to fix that."

The two groups had a "substantive discussion about the state of the industry, the state of the relationship, and it helped us better



Photo courtesy of Ryan Raffuse

Chris Dickerson, CEO of Horizon Hobby, (top) reviews the latest RC aircraft at the flying field. NRHSA board members (bottom) got a behind-the-scenes tour of the Horizon warehouse.

understand the position Horizon was in and anything we could do to help them," Elliott said.

Horizon's senior executive team and sales staff spent hours with the group, and the Horizon sales team joined in for meetings and an evening outing to an axe-throwing venue.

"I was very impressed with the commitment of time and access that they granted us," said Robbie Allen, chairperson of the NRHSA industry relations committee and owner of Radio Control Headquarters (RC HQ) in San Antonio, Texas.



NRHSA board members and Horizon Hobby staff bonded over RC cars and airplanes, putting the latest products to the test.

Photo courtesy of Ryan Raifuse

Seeing Is Believing

During the tours, the NRHSA group saw slow-selling inventory in the warehouse that had to be moved out to make way for new products on the way. Horizon has to place orders with suppliers six months or more ahead.

Seeing the problems Horizon faces from their viewpoint opened the eyes of the retailers.

"We came to the understanding they weren't doing things to tick off the retailers, and they have very legitimate and difficult-to-solve problems," Elliott said. "It's important for retailers to understand that it's not personal; it's just business."

The Horizon team saw the benefits of building closer relationships as well.

"We really enjoyed having the NRHSA Board visit," said Mike Mann, campaign and planning manager for Horizon Hobby. "It was good to share our needs and challenges equally. Our entire team, from leadership, sales, marketing, and product development to the distribution center and everyone who spent time with the NRHSA members, came away energized. I'm excited for what the new Industry Relations Committee will bring and working with them in the future."

Working For Mutual Success

One of the efforts toward improving industry relations is to develop NRHSA as a voice for the industry. Manufacturers, distributors, and wholesalers like Horizon Hobby get input from retailers across the country, but each one has their own problems and priorities. Of course, store owners can contact their suppliers directly. But it's helpful for the suppliers to hear overall trends and issues from the industry from one source with insights from the top stores across the country.

"We want to help independent retail hobby stores continue to be the preferred sales channel by presenting a unified voice for the industry," Allen said.

One goal is to figure out how to provide anonymized point-of-sale data from retailers so that the manufacturers and distributors have better insights into sales to improve demand forecasting. Elliott plans to survey the NRHSA membership to gauge interest in the project.

Members of the industry relations committee will set up meetings with other suppliers and build better relationships and trust.

"I've told retailers, don't expect any sudden changes after the meeting, but the door has opened up for better discussions among all of us," Elliott said. **HM**