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# The Portland Press Herald

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February 27

## The Bottom Line: Frost and Flame is on top of a warming trend

**A Gorham stove retailer weathers the recession and benefits from the rising cost of oil and a real Maine winter.**

By J. Hemmerdinger [jhemmerdinger@pressherald.com](mailto:jhemmerdinger@pressherald.com)  
Staff Writer

GORHAM - Stephen Richard has seen his share of occupational hazards.

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In the course of his work, the stove and fireplace retailer has helped settle husband-wife disputes, crawled across crumbling floors in dimly lit homes and been stranded on the outer islands after the last ferry.

Such travails are unavoidable for Richard, owner of Frost and Flame in Gorham, whose policy is to visit every customer at home before he sells them a stove or fireplace.

Richard said that level of customer service, as well as a booming Internet-driven parts business, has helped his company grow into one of the state's largest hearth dealers and weather a recession that smothered the industry and battered local competitors.

"I have gone to every customer's house in the last 20 years," said Richard from his Gorham showroom. "I'll meet people at 2 in the morning."

#### OWNER MAKES HOUSE CALLS

Richard said he visits at least two customers at home every weekday and roughly six on Saturdays. In an entire year, he'll make about 1,000 house calls.

He never knows what he'll find.

Once, while peering under the floorboards at a customer's house in Cornish, he felt something massive nudging his back. Richard turned to find a pig, inside the house.

"I didn't know what the hell it was," he said. "There was a pig looking right at me, face to face."



A large selection of wood, gas and pellet stoves is available at Frost and Flame. [click image to enlarge](#)

*John Patriquin/Staff Photographer*



Owner Stephen Richard says [click image to enlarge](#)

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looking right at me, face to face.

Another time, his work brought him to the home of a hoarder, which was stuffed from floor to ceiling.

"I had to walk sideways to get through the house," he said.

Richard Metcalf, a Frost and Flame installation supervisor, said customers appreciate the personal time with the boss.

"We are the only place where the owner does all the site checks. It's a selling point," he said.

Frost and Flame, which was originally based in North Windham, has been around since the 1970s. The company shut down for roughly 12 months in the late 1980s until Richard purchased the business and "restarted it from scratch" in 1990.

Richard relocated to Gorham and began "beating the streets" for business. In those days he primarily sold only stoves and fireplaces from one manufacturer, Lopi.

"When I first started in the business, if you got two brands, that was like hitting the Megabucks," Richard said.

### MODELS RANGE FROM \$800 TO \$8,000

Things are different today. Frost and Flame now has two stores, in Gorham and Windham, and carries stoves and fireplaces made by Lopi, Jotul, Fireplace Xtrordinair, Harman, Vermont Castings, Majestic, Avalon and Regency. It's a selection of strong brands that Richard likens to "having five McDonalds in one store."

There are about 70 different models in the Gorham store alone, ranging from \$800 "cash and carry" stoves to fireplaces costing up to \$8,000, including installation.

By Richard's estimates, Frost and Flame is the largest stove and fireplace retailer in the state based on number of staff and volume. He has 14 employees and said he delivers more than 1,000 stoves yearly to customers from York to Boothbay and west to Mount Washington.

attentive customer service and an Internet-driven parts business have helped his company grow into one of the state's largest hearth dealers.

*John Patriquin/Staff Photographer*

### ▼ ADDITIONAL PHOTOS BELOW

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#### FROST AND FLAME

**HEADQUARTERS:** Gorham.

**HISTORY:** Stove and fireplace retailer Frost and Flame was launched in the mid-1970s. In 1990, Stephen Richard bought the business and moved the store to Gorham. He then opened a second Windham location. Today, the company delivers hearths throughout southern Maine and west to Mount Washington.

**NUMBER OF EMPLOYEES:** 14.

**EXECUTIVES:** Richard owns Frost and Flame. His son, Shawn, helps manage the business, and Richard's wife, Jan, keeps the books.

**WORTH NOTING:** Richard, who visits all customers at their homes, said one house call years ago in Cornish was the creepiest.

From the outside, the place looked abandoned. Junk littered the yard. There was no front porch – just a 4-foot gap between the door and the ground.

Richard knocked, and a man who looked like a "real-life Herman Munster" answered.

Richard crawled up into the house, which was lit only by a few bare bulbs.

The man slammed the door and led Richard to the stove room, which, he found, had no floor – it had collapsed into the basement.

There was a problem with the chimney, too – it was in the yard. "Did you know your chimney is lying in your backyard?" Richard asked.

The man turned out to be a good customer, paying Richard to repair the chimney and the floor.

And every July, when he came to the store for

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Two full-time service crews handle installations, maintenance and warranty work.

Richard said although the busy season is from August to Thanksgiving, he now sells more stoves in the summer than he sold in the winter years ago. He also supplements summer income by selling and installing pools for another company he owns, Sebago Lake Pools & Hot Tubs.

Richard declined to disclose Frost and Flame's revenue other than to say it's in the millions. He said the company's sales declined during the recession, but have risen 15 percent this year.

Leslie Wheeler, communications director at the Arlington, Va.-based Hearth, Patio and Barbecue Association, said the recession walloped the hearth industry.

### **RECESSION PUT DAMPER ON SALES**

According to her group's data, manufacturers' shipments of wood-burning fireplaces and stoves dropped 32 percent between 2008 and 2009. Likewise, gas-burning stoves and fireplaces declined 37 percent and products burning wood pellets dropped 67 percent.

Wheeler said the hearth industry is "joined at the hip" to the housing industry; when housing prices collapsed, so too did hearth sales.

The tight credit market further compounded industry decline, as consumers were less able to secure home equity loans to purchase fireplaces and stoves. Frost and Flame partners with Casco Federal Credit Union, which provides home equity loans. Richard said 20 percent to 30 percent of his customers pay with loans.

Portland-area stove and fireplace retailers haven't been immune to market conditions.

In January, Finest Hearth Inc., the company that ran Finest Hearth and Home Stores in Portland, Yarmouth and Topsham, filed for Chapter 7 bankruptcy. According to bankruptcy court documents, the company had liabilities of \$2.2 million and assets of \$1.3 million.

But there is reason for optimism.

In 2010, Wheeler said wood appliances sales declined only 3 percent and sales of gas appliances dropped only 4 percent.

"It has bottomed out, and the second half of 2010 was greatly improved," she said. "In

supplies, "Employees would say, 'Herman has come in to buy his pellets.' "

**FINANCIALS:** Richard declined to discuss revenue, but said business is up 15 percent this year.

(2011) things are improving ... It is just going to be a slow recovery."

The industry also benefited from a 30 percent tax credit that expired in 2010. The 2011 tax credit is 10 percent of the price, up to \$300.

Gorham-based Jotul North America, which makes and assembles stoves, also sees indications of brighter days ahead.

Jim Merkel, Jotul's national sales manager, said his business is up "significantly" this season, thanks in part to rising home heating oil prices, which last week hit \$3.37 per gallon, according to Maine Office of Energy Independence and Security data.

In February 2010, a gallon of heating oil cost \$2.66.

Merkel said cold weather also boosted sales.

"We finally got a winter," he said. "Bookings for products are very strong."

But Richard doesn't attribute Frost and Flame's growth -- or its ability to weather the recession -- to outside factors alone.

He said the company has a loyal customer base thanks to relationships he's built through house calls.

Richard said 60 percent of his business comes from existing customers upgrading hearths or buying additional units for different rooms. Those repeat customers helped Frost and Flame during the recession.

## **INTERNET PARTS BUSINESS BOOMING**

"If we had not taken care of our core customers, we would have been off the cliff," he said.

Richard said he also hires employees who remind him of how he once was: young and energetic and eager to learn.

"I expect a lot out of my staff and give them a lot of support and training," he said, adding that employees can make between \$38,000 and \$45,000 yearly.

One employee is his son, Shawn, who helps manage the stores. Richard's wife, Jan, handles accounting.

And Richard has another business secret: Internet-driven parts sales.

A few years ago, in an attempt to earn more money during the recession, Richard

bought six Internet domains with names like [www.lopipartspro.com](http://www.lopipartspro.com), [www.jotulpartspro.com](http://www.jotulpartspro.com) and [www.vermontcastingspartspro.com](http://www.vermontcastingspartspro.com).

He chose those names so his sites would appear at the top of online search results.

The strategy worked.

Veronica Faucher, a Frost and Flame sales associate, said the phones are ringing off the hook with calls from parts customers.

"We are shipping products all over the country," she said.

Richard said he's putting in a parts phone line next month.

Richard said he plans to continue running Frost and Flame for another five to eight years, by which time he may be ready to sell it and retire.

But in the meantime, Richard said he'll continue with daily home visits.


"It's pretty wacky out there. ... You never know what you are going to get," he said.

*Staff Writer Jonathan Hemmerdinger can be reached at 791-6316 or at:*

*[jhemmerdinger@mainetoday.com](mailto:jhemmerdinger@mainetoday.com)*

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## Additional Photos



Frost [click image to enlarge](#)  
and Flame owner Stephen Richard displays wood pellets at his Gorham store.  
John Patriquin/Staff Photographer



Two [click image to enlarge](#)  
pellet stoves and a gas stove, at right, are on display at Frost and Flame in Gorham. The company's sales declined during the recession, but have risen 15 percent this year.  
John Patriquin/Staff Photographer

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