

Tough stuff

With a line of versatile storage units, Denver-based **Tuff Shed** is ready to grow

By Susan Moran
SPECIAL TO THE NEWS

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They're nothing if not versatile. People use them to work on wood projects or to store cars, boats, furniture. Even corpses.

Dan Healey, of Littleton, is storing his daughter's Legend race car, along with his tools, in the 12-by-20-foot, ranch-style storage shed he recently bought from **Tuff Shed**, a Denver-based company that also makes garages and carports.

"We don't have enough room in our garage for her race car," Healey said.

Heavy snowfall during the March blizzard leveled his metal shed.

"It squished it to the ground. I had to find something else, something much stronger," he said.

Tuff Shed thanks that very snowstorm for a hefty boost in business. Since March, the company has replaced up to three metal sheds a day with its own models, according to Tom Saurey, Tuff Shed's founder and chief executive officer. The structures come with felt paper and shingle roofing, much like that of typical homes.

Saurey said business also is benefiting from the sullen economy. Many people who planned to buy new houses instead are improving their current homes — and that often includes buying backyard storage units.

Tuff Shed's prices range from roughly \$1,200 for a basic 6-by-8-foot, ranch-style shed to \$20,000 for a fully customized, 14-by-20-foot, tile-roofed, stucco shed like the one in Saurey's backyard.

Saurey boasts that Tuff Shed will surpass the nation's largest storage-building manufacturer, Indianapolis-based Heartland Yard Barns, by year's end.

"I expect we'll be nationwide in two or three years," said Saurey. "Our goal is to expand. We'll do whatever it takes."

Tuff Shed sales are strongest in Colorado and California, its largest market, but the company's presence spans 14 states. It sells garages and sheds through its 44 factory outlets and sales lots.



BO SHAFER/STAFF PHOTOGRAPHER FOR MOUNTAIN NEWS 2003

in a Tuff Shed in Nederland, Bo Shaffer pours dry ice on the body of Bredo Morstoel, who has been frozen since 1989.

Unique use for shed inspires a cult film

Several years ago, Tuff Shed CEO Tom Saurey donated a 10-by-12, ranch-style shed to an iconoclastic Norwegian native who'd been keeping his dead grandfather on ice in a rickety shed in his backyard in Nederland. The shed collapsed in a storm, threatening to thaw grandpa.

A local radio station asked Saurey to come to the rescue.

"My first reaction was, 'No way, it's too morbid.' But then I thought about it a bit and said, 'OK, it'll be fun,'" Saurey said.

Then came the 1993 cult film *Grandpa's in the Tuff Shed*, which the company touts on its Web site.

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A year ago, Tuff Shed signed a deal with Home Depot to have the retail giant sell a line of its barn and ranch-style sheds, called the Sundance series, in 400 stores. Tuff Shed will start selling carports in another 100 Home Depots this summer.

Saurey expects Tuff Shed's net income to reach roughly \$3 million this year on sales of \$80 million, up from a net profit of \$2.2 million on sales of \$65 million last year. About \$15 million, or 19 percent of the company's revenue this year, will come from Home Depot, and that amount should double next year, Saurey said.

Pat Foley, vice president of marketing at Heartland, which sells playground structures along with storage buildings, would not disclose the privately held company's financials but said Saurey's \$70 million estimate for Heartland's sales was "in the right range for our size."

Foley estimated the entire backyard storage market at \$450 million, with at least half of that generated by local mom-and-pop builders.

Gazing out at the snow-covered Rocky Mountains from his sixth-floor Denver office, Saurey cringed when he acknowledged that Home Depot does not sell Tuff Shed products in his company's home state of Colorado. Home Depot has an exclusive sales arrangement in Colorado and east Texas with Woodmaster Building Co., a rival based in Hutchins, Texas.

"You could say it's a sore spot," Saurey said.

With an eye on the Texas market, Saurey said he's in talks to buy a Texas rival, but he wouldn't say which one. Another Texas-based competitor is Morgan Buildings and Spas in Dallas. Morgan officials did not return calls for comment.

Woodmaster's vice president of sales, Jeff Shannon, said Woodmaster officials meet often with Tuff Shed executives, but he was coy about possible merger talks.

"Regarding an immediate merger, there's nothing under way," Shannon said. "But don't ever rule out anything in the future."

Through branch additions and possible acquisitions, Tuff Shed also is angling to expand in the eastern U.S., where Heartland and Greenland, N.H.-based Sheds USA, among others, dominate the market.

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SMALL BUSINESS



Emilio Zapata works on putting together a truss for a storage unit at a Tuff Shed store at 4500 Grape St. in Denver. Zapata and other workers create the pieces of the sheds, and the storage buildings are then assembled on location at a customer's site. In addition to backyard storage sheds, Tuff Shed also builds garages and carports.