

Fast delivery: domestic furniture's asset

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**By Rob Kirkbride
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The U.S. furniture industry has lost 25 to 30 percent of its manufacturing capacity and 100,000 jobs to offshore competition in the past five years, according to an industry expert.

Domestic furniture manufacturers need to improve production, find new sources of distribution and focus on innovation to stay competitive, said Art Raymond, president of A.G. Raymond and Co., a Raleigh, N.C., furniture consulting firm.

"They (foreign furniture makers) have passed critical mass and have momentum of their own now," said Raymond, speaking to furniture woodworking and manufacturing executives Friday at Van Andel Museum Center.

It was the first-ever executive conference sponsored by Stiles Machinery Inc. and Grand Valley State University to discuss the future of business and technology in the woodworking industries.

Other topics included using technology to improve production, becoming a top employer, maximizing efficiency and implementing lean manufacturing.

More than 100 executives from all over the United States attended the two-day conference.

Most of the U.S. furniture makers left Grand Rapids after World War II to escape high labor costs and aging factories to build in North Carolina and other parts of the South.

Still, a few remaining residential furniture makers in West Michigan face heavy competition from foreign firms.

The John Widdicomb Co., a fixture for more than a century, closed this month, in part because of its decision to avoid foreign-made parts.

Chinese furniture imports grew 13 percent from 2000 to 2001 from \$3.68 billion to \$4.18 billion, Raymond said. New competition is coming from other countries as well. Brazilian furniture imports grew 44 percent -- from \$100 million to \$144 million during the same period.

At the same time, foreign furniture makers are becoming more knowledgeable about the industry and channels of distribution.

"Foreign plants are very well organized," Raymond said.

"We're not competing against dummies here. We're competing against people who are very industrial in their thinking," he added.

The U.S. furniture industry is suffering from labor-intensive, intricately carved product styles, low profit points and a chaotic retail distribution network, he said.

Raymond said furniture makers can make up for some of the lost ground by creating customizable products and fast delivery -- two areas that foreign manufacturers cannot match.

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