

## **Looking Ahead and Remembering the Past**

I would like to take a minute and introduce myself, and tell you a little about my background. My career in the Upholstered Furniture Industry, which now spans over thirty years, started while I was in high school as did many of your careers. During breaks and during the summer, I unloaded a boxcar load of sofa bed springs and a box car load of cotton daily for Ray Jackson in Chattanooga, Tennessee. It was hard, dirty work. In the heat of summer, the cotton would cling to you until you had an additional covering of over an inch to help hold the heat in. We could swap stories of the 'tie wires' on a trailer load of sofa bed springs breaking, with the resulting load of springs chasing you through the warehouse. These jobs not only helped pay for my education, they helped drive me to insure I got an education.

During these times, I remember upholsterers getting some fabric yardage, moss, cotton, and a frame. They would chew tobacco, spit tacks, carry on a conversation with you, send you after the 'frame stretcher', and rapidly complete the piece. Upholsterers were paid by the piece, and earned a good income. Then, an upholsterer was a skilled trade.

The cushions would be made with springs covered with sisal pad and cotton, sewn in a bag. The bag was then placed into the cover. Frames were kiln dried 5/4 hardwood, doweled, corner blocked, screwed and glued with animal glue. Seat springs evolved from hand tied to wire tied to sinuous arc.

The promotional fabrics were nylon-frieze. The fabric line consisted of two or three patterns. Colors of the fabric styles were always brown, beige and turquoise. A frame line consisted of four or five types of arms on the same basic boxes. That was the extent of the entire fabric-product line of that day in promotional furniture. The nylon would wear like iron. I still see some of these products sitting on front porches, along the back roads of this country.

Delivery times were 12 + weeks. They sold the products in solid truck or box car loads for the most part. Some products were blanket wrapped and some packed in cartons. I can remember answering the phone very early in the morning, before the office people arrived. A frantic buyer would tell me, "I've just got to have furniture. Ship three trucks of anything. I do not care if they are all turq. I'll take them." I also remember attending the Chicago markets, with the wide halls, and you simply could not walk down the halls for the people. The sales agents and customers rode a train, which started in Florida, came through Chattanooga, and proceeded to pick up others on the way to Chicago.

The price points of the suits were \$199, \$299, and \$399. Most manufacturers such as Jackson, Futorian, Bassett, Broyhill, Schnadig, and others made a ton of money - as did their retail customers.

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Today, the market, has dropped the \$199 price point, and added the \$499 and \$599. If we were like most other industries, these price point would be in the \$1,700 to \$2,000 price range. We have been able to hold our prices because *the upholstered furniture manufacturers are the most productive manufacturers of any product in the world.*

If the automobile industry had accomplished this feat, the car you drive, which cost you more than \$23,000 would sell for about \$7,000 to \$8,000.

Included in the small cost increases, which are substantially under the Consumer Price Index, the manufacturers have also proved their productivity by giving the retail customer unparalleled buying flexibility. We do not have two or three fabric patterns. We have two or three hundred fabric patterns and no longer do we have three colors. We have as many as ten colors in a pattern. On top of this, we have added leather, plaids, prints, velvets, vinyls, matched, railroaded, nonrailroaded, etc. We no longer have five or ten frames. We have forty to one hundred plus frames. Our once skilled upholsterers have retired. We now have assemblers we call upholsterers. In the 80's many production lines built the same product for weeks and months without a change over. Today, they might build a product today, and not see that product again for weeks or months. Marketing turns more than 50 percent of the line every six months. The turn over is so we can give a "new look" to our customers, and so the line won't appear "stale."

Our profits have gone from making a ton of money to a measurement not in tons, not even in pounds, but perhaps in ounces. That is for those astute enough to be making money. Many are not, and have not made consistent money for years.

What I hope to accomplish through a series of articles, is to help your organization return to a consistent level of profitability. I believe we have gotten so enamored in selling products, we have forgotten the chief function of the organization is to make money. I want to get you to ask questions about your business. I want to shake you out of your comfort zone, and help you to destroy complacency. It does not matter whether you are in production, engineering, administration, sales, or management, we as an industry must change our way of doing business. To create this change will be a herculean task, believe me.

Over the years, I have seen many major corporations such as Congoleum, Masco, and others spend a lot of money buying companies in the upholstery business. They "Know without a doubt, with the addition of some talent in marketing and manufacturing, they can turn the companies they purchased into leaders in the industry, and into 'cash-cows'." I have seen every one of them quietly sell their companies after a few years, and go back to what they know how to do.

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Many manufacturing executives I have spoken with, from outside the upholstery industry, say we, who are in the industry, are insane. What we accomplish daily on the shop floor is impossible. We marry combinations of 500 fabrics with 300 frames, using unskilled and uneducated labor. We ship products in two weeks. We design and build the product to last “A Lifetime” (at least that is what our warranty states). The end user places our product in their home. It is a part of their self definition. If the customer finds anything wrong with the product, it will come back to you, even years later. Did you ever try to take a car back to the dealer months, not years, after you bought it because the upholstery became unsewn?

We maintain inventories, manufacture, and ship products in 30 days or less with virtually no knowledge of what combinations of fabrics and frames are selling, or what combinations will sell in the immediate future. Daily, we prove it is possible. *We have yet to prove it is profitable.* So, perhaps those from outside the industry are right in believing we in the upholstered industry are insane, and in an industry doomed to mediocre profits. Yet, I do not think so.

It is necessary to rethink the methods, procedures, and base reasons we do some of the things we do. We must question everything we do and focus on how this thing we are doing make our profits higher.