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Bedding sources ramp up Spotlighting benefits of better sleep

By David Perry

AT THE MARKET — Facing the prospect of a challenging year for mattress sales, bedding producers are ramping up their marketing messages and putting the spotlight on the benefits of better sleep.

They said their new lines offer the promise of reduced tossing and turning and cooler, more comfortable sleep, benefits that they hope will resonate with consumers and spark sales.

Retailers shopping the category here said they liked what they were hearing about the better sleep messages, according **see Bedding, p93**

Nationwide to liquidate?

By Clint Engel

NORCROSS, Ga. — Nationwide Mattress and Furniture Warehouse, one of Sun Capital Partners' earliest industry acquisitions, is set to be liquidated, according to industry sources.

The highly promotional chain, with an estimated 39 stores in 14 states east of the Mississippi River, was cut off by Sun Capital, a private equity fund that acquired Nationwide out of bankruptcy in 2002, said a key supplier to the retailer who asked not to be identified.

Steve Glucksman, Nationwide president, initially declined **see Nationwide, p8**

Big winner named tonight

AT THE MARKET — Fifty marketgoers have a chance to get lucky tonight at the \$250,000 grand prize giveaway in the World Market Center's Fashion 500 Runway Rewards.

Celebrity host Robin Leach will announce the winner from among the semifinalists. Sorry, the list wasn't available at press time, but you can check TV monitors in the buildings to see who is in the running.

The winner must be present to win. The drawing will be held in the Building B atrium starting at 5:30 p.m., and semifinalists must check in at the "winners circle" by 5:45 p.m. It's right next to the stage. Leach will announce the winner at 6:30 p.m.

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Upholstery starts off strong Activity defies business climate

By Gary Evans

AT THE MARKET — Stationary upholstery manufacturers started the market here this week with strong attendance and order writing.

The world within the World Market Center seemed to defy what has been going on in the outside world, where business has long been mired in a tepid cycle. Some

execs saw the atmosphere and traffic here as maybe an early sign of stabilization and a possible upswing.

"We found it to be very steady. It was actually busier than we expected because people usually start in Building A and work their way here," said Harold Clark, vice president of sales and merchandising for Nuance Fine Furniture, a midpriced

manufacturer showing in WMC B-1145.

Clark said some of the interest resulted from a fine-tuning of the company's line — re-scaling products for urban audiences, upgrading fabrics and looks, and expanding its transitional frames.

Based on early results, he said, "We think we'll have more than a 20% increase **see Upholstery, p93**

Bedroom brings out best

By Jeff Linville

AT THE MARKET — The tough retail climate is bringing out the best in bedroom sources as they play a game of one-upmanship in search of business.

While some try to beat out the competition on pricing, many more are drawing customers with new features and styles.

Wynwood's opening-day traffic was up 5% over last January, said Lorri Kelley, vice president of sales. She said she hasn't heard retailers saying **see Bedroom, p93**



Wynwood says its traffic is up this week as dealers look for exciting goods. This canopy bed with weave-pattern headboard is drawing good attention for the company.

Soflex shows container-direct leather

By Joan Gunin

AT THE MARKET — Soflex, at the urging of a big customer, is among the latest Asian manufacturers to export leather upholstery to the United States, offering container-direct, custom order and warehousing capabilities.

The Taizhou, China-

based company launched its leather assortment at the Las Vegas Market in July and has tweaked it to show at other markets, including High Point and Tupelo. The latest evolution is on display this week in its World Market Center showroom, B-960.

A producer of leather seating in Taiwan since the late

1970s, Soflex began distributing in the United States under its own brand in mid-2007.

Earlier, the company was importing to PMD Furniture Direct, a Columbus, Ohio-based Top 100 store that sells through a network of licensed retailers and uses a low-overhead strategy. PMD sold the **see Soflex, p54**

Industry News

► Soflex

from p1 upholstery under its Royal Heritage brand.

In 2006, PMD President and CEO Jeff Hosking suggested to Soflex President and CEO Arthur Chiang that a division be created solely for the Americas.

Chiang has been producing high-end contemporary leather seating for European and Asian markets out of Taiwan for 30 years. But in deciding to branch out with "more mainstream, affordable furniture" geared to the U.S. and elsewhere, he turned to China.

However, he did not follow his competitors to the furniture hotbeds of Dongguan or Shenzhen, turning instead to Taizhou in the Jianshu Province, an emerging commercial region first settled more than 5,000 years ago. Located north of the Yangtze River, Taizhou is a three-hour drive from the bustle of Shanghai.

Under parent Milano Sofa Co., Chiang created the "Soflex" brand as a variation on a Chi-

nese term that means "comfortable seat." But, Chiang jested, while leading Furniture/Today on a tour of the plant, that customers think the name means, "The price is 'so flexible.'"

Soflex operates a 1.4 million-square-foot production facility on a stark campus here. With 120,000 square feet dedicated to U.S. business and another 230,000 square feet devoted to the rest of the world, about 1 million square feet remain for expansion.

Soflex can now ship 150 to 200 containers per month and has the capacity to reach 300 if it adds a second shift or expands a building, said General Manager Desmond Tan.

By adding more supple leathers, softer cushioning and greater seating depth, Soflex is attuned to American seating comfort, said Tom Schmidt, president and CEO of the company's U.S. unit, based in Farmers Branch, Texas.

Buoyed by the August opening of a 120,000-square-foot warehouse in the North Dallas Design District, Schmidt said, "We can now address a whole

new tier of customers with our warehouse."

About 95% of the product Soflex sells in the United States is stationary, comprising a 3-2-1 mix of traditional and transitional sofa-loveseat-chair groupings. The company also produces ottomans, sectionals, chaises and occasional chairs for the U.S. market.

At its Taizhou facility, Soflex employs more than 500 workers, about half of whom live in dormitories on-site.

The company is expanding its leather warehouse, already stocked with \$2 million in inventory with hides from Italy, China and South America. Soflex carries about seven grades of leather as well as two types each of by-cast and bonded covers.

In the factory, all of the leather defects are marked by hand and then hand-cut with scissors "to manage the edges and provide better shaping for a more tailored product," Schmidt said.

The facility's work stations are color-coded by fire retardant regulations: red for the United Kingdom, green for the rest of



Touring Soflex's China plant are, front row, Joe Armetta, left, PMD Furniture Direct, Columbus, Ohio; Arthur Chiang, Soflex; and Jeff Hosking, PMD. In the back are Larry Mendoza, left, Rose Chiang, Tom Schmidt, Jack Chang and Desmond Tan, all of Soflex.

Europe and yellow for California, the most stringent.

"Everything we ship to the U.S. meets California FR standards," Schmidt said. "Unlike other companies, we don't

charge a 5% to 10% upcharge, but ship FR-approved on everything we make."

Soflex aims to offer quality, prompt delivery, reliable service
see Soflex, p56

U.S. market is familiar to Taiwan entrepreneur

TAIZHOU, China — Although leather upholstery producer Soflex may be new to the United States, owner Arthur Chiang, a self-made, Taiwanese-born entrepreneur who settled in Singapore, is not.

Involved in export and manufacturing since his graduation from university in 1977, Chiang's first job was with a consumer trading company in Taiwan. There he sold home accessories to such U.S. mass market retailers as Price Club and Kmart.

In 1988, Chiang established Woodpark Furniture, a five-factory operation in Indonesia specializing in upscale Java plantation teakwood and wicker furniture for outdoor use. These high-end contemporary pieces are sold to Crate and Barrel, Smith & Hawken and Restoration Hardware as

well as high-end catalogs in Europe.

He also is involved with a case goods factory in Vietnam.

Before producing affordable leather seating for the U.S., Chiang already was making upscale contemporary leather upholstery in Taiwan for more than 30 years, marketing it in Europe and Asia.

He also operates two high-end contemporary leather specialty stores in Jakarta, Indonesia.

In 2002, Chiang acquired an industrial tract in Taizhou. He said he opted to build an upholstery plant there because case goods plants were already abundant in China, and upholstery "represents a high percentage of the retail selling floor."

— Joan Gunin



Soflex owner Arthur Chiang stands amid a sea of sofas.

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Industry News

Texas warehouse supports Soflex's quick-ship program

FARMERS BRANCH, Texas — Leather upholstery maker Soflex supports its imported product with a 120,000-square-foot warehouse here featuring quick-ship delivery, optimally within three days.

The facility, located near the North Dallas Design District, opened in August and replaced a warehouse and showroom that was flooded in April.

"We worked through the night to retrieve merchandise from water that was two inches deep or more," said Tom Schmidt, president and

CEO of Soflex's U.S. division. "The main sprinkler valve broke underground at 4 p.m. on a Friday and we were back in operation (in a temporary space) by Monday morning."

At the warehouse, "We have the capacity to keep product here or, with credit approval, to ship it the same day anywhere in the (continental) United States with delivery in one to four days," Schmidt said. "Our warehouse staff and management strive to have no backlog — no open orders, only shipped orders."

Soflex ships from 40 to 50

containers' worth of furniture per month, said Operations Manager Larry Mendoza.

Some of the shipments go to a key Soflex customer, PMD Furniture Direct, a network of more than 100 licensed dealers selling upholstery and mattresses under the Royal Heritage brand.

Jeff Hosking, president and CEO of PMD, based in Columbus, Ohio, said, "Especially in today's economic environment, we rely on quick-ship. It ships out the day of the order and gets to my dealers within three days at the latest. With



Larry Mendoza of Soflex stands in the 120,000-square-foot warehouse in Farmers Branch, Texas, that distributes the company's leather upholstery. Soflex offers same-day shipping for the Chinese imports with delivery in three days.

dealers in 35 states, that's a critical element. My business is based on turning inventory. Without that, we would not be able to achieve that level of business."

The warehouse relies on a computer system built by an in-house team.

"It allows retailers to see inventory in real time," Schmidt said. "Dealers can check and see if the product they need is available."

Retailers can order by fax, computer or Internet. No minimum orders are required.

— Joan Gunin

► Soflex

from p54

and competitive pricing "to give our customers a selling edge," Tan said. "A trademark of our product is its high quality and the ability to meet the strictest specifications for contract and commercial furniture applications. We have instituted and maintained stringent quality control measures."

Each frame is bench-made by one person. Upon completion, finished frames are put on a rolling trolley and transferred to the quality control area for final review. Every sofa is tagged with the names of the individual cutter, sewer and upholsterer in case of quality issues.

"Basically we know who the parents are," said Tan.

Built on hardwood frames with additional padding, Soflex offers a good-better-best story to the U.S. market:

► At the promotional level, the Italiano line features Pirelli webbed seating, 1.8 density foam and sofas priced to retail from \$699 to \$899.

► The midpriced Americana line offers No Sag seating and 1.8 density foam with pocketed coils for added comfort and durability. Sofas are priced from \$899 to \$1,199.

► For the higher end, the Royale line offers eight-way, hand-tied drop-in coil seating with spring down cushioning. Retail pricing is \$1,199 to \$1,599 depending on leather choice.



At the end of a workday, employees head to dormitories. About half of the factory's more than 500 workers live on-site.



Workers use scissors to cut leather hides, resulting in an efficiently tailored product.

Several sofa styles feature removable backs, allowing for about 160 seats, rather than 110 seats — equivalent to 45% more product — to fit inside containers.

The removable backs also provide help in moving the upholstery and in flat-packing it for warehousing purposes. Using vertical clamps, the detachable back tucks neatly into the underside of the frame. Dealers can assemble the sofa in seconds for a consumer.

Within eight weeks of an order, Soflex containers are shipped from Shanghai to Long Beach, Calif., then sent by

truck or rail to retailers. Custom orders are shipped in the same container as a basic order.

In addition, 12 "very saleable" sofa styles are stocked in Texas for same-day shipping, Schmidt said.

Beyond brick-and-mortar players, Soflex has found a niche with online retailers.

"Every major e-commerce player visited us in High Point," Schmidt said. He said informed consumers like to order online because it affords "a better shopping experience. ... It provides access to a lot of information."

Soflex is developing its Web site at www.soflexfurniture.com.



Sewing is done according to company specifications.



Each Soflex product's frame is built top to bottom by one person.



A worker builds an entry-level frame using Pirelli webbing construction.