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Local officials see growth potential in local furniture market

By Richard Craver | JOURNAL REPORTER

Targeting the home-furnishings sector as a growth industry for the Triad these days may seem like throwing good money after bad.

The local industry has lost tens of thousands of jobs since 2000, with Davidson County serving as the epicenter of the loss of furniture jobs, not just in the state, but also arguably in the nation.

However, a group of local economic and industry officials said they believe that the region still has a major role to play in the global marketplace beyond having the dominant trade show.

About 20,000 furnishings jobs still remain in the Triad, according to a report issued this year by Keith Debbage, a geography professor at UNC Greensboro.

The Piedmont Triad Partnership was scheduled to unveil a new marketing initiative at yesterday's official opening of the fall High Point Market, in its 101st year.

David Powell, the chief executive and president of the partnership, said that the group is taking a clearinghouse approach that goes beyond its economic-development mission to add serving as a government liaison, offering an expanded database, and broadening its networking reach.

"We're building on this area's reputation as the residential furniture capital of the world to include every product segment and expand the boxes to things like aviation interiors," Powell said.

For example, NLnovalink, a Canadian producer of workstations and other desk systems, is building a 53,000-square-foot plant in High Point to make shared work environments for such users as nuclear-power plants, financial institutions, hospitals, airports and subway systems.

The partnership's initiative includes marketing the industry's support infrastructure, such as freight carriers, photography and design studios, interior designers, warehousing and distribution centers, and higher-education courses and training.

"Quite simply, we offer the total package," Powell said. "We offer the entire product cycle, from design to production, to specialized legal and financial services, to the complete suites of sales and marketing

activities.”

Debbage hopes that the partnership’s branding effort will spur “better regional cooperation and innovation,” and serve as a reminder that industry “still retains all the critical components of the value chain.”

The High Point Market Authority placed full-page ads yesterday in the *Winston-Salem Journal*, the *Greensboro News & Record* and *High Point Enterprise* touting the market’s muscle, noting that it attracts about 80,000 registered participants twice a year and creates more than a \$1 billion economic impact annually.

“**We want everyone** in the Piedmont Triad to realize that they also have a stake in the market and that they influence its future,” said Brian Casey, the chief executive of the authority.

Industry officials and analysts say that the timing of the partnership’s initiative is good, considering that the rival Las Vegas market, which boasted in its 2005 debut that “the future is here,” has lost some of its glitz recently.

Las Vegas Market developers are struggling to persuade some key exhibitors to renew showroom leases amid higher operating costs there than in High Point.

There have been published reports that the developers have defaulted on mortgages covering two of its towering buildings. World Market Center officials have denied that any foreclosure proceedings are under way.

“We have seen our attendance fall at both the winter and summer shows in Las Vegas for four straight years,” said Doug Bassett, a vice president of sales for Vaughan-Bassett Furniture Co. Inc. He said that the company plans to exit the Las Vegas market when its lease expires in 2011.

“In contrast, our attendance at market in High Point has been rising over the last two to three shows,” Bassett said. Vaughan-Bassett’s position carries weight, given that it is the largest U.S. wooden-bedroom manufacturer.

Another key piece of reaching the industry’s potential is taking a mutual “can’t beat them/join them” approach with importers of residential furniture, said Ken Smith, the director of furniture services for Smith Leonard PLLC, a financial-services company based in High Point.

“We have numerous pure importers that are coming here,” Smith said. “They are locating offices here as well as warehousing inventory, as the idea of making a business out of pure container loads has been tough for some.”

The Triad also is attracting domestic manufacturers to expand or move here, such as United Furniture Industries of Okolona, Miss., which reopened a former plant in Lexington in May to make upholstery. It already has exceeded its initial work-force goal of 150 to reach more than 200.

John H. Boyd, a principal in The Boyd Co. Inc., a site-location consulting company in New Jersey, said he likes the push to enhance the Triad’s furniture brand.

“It’s smart, timely and has got swagger,” Boyd said. “They’re not shying away from the region’s rich history and critical mass of successful companies making a living in the very diverse and multifaceted furniture,

furnishings and fixtures industry.

“Timing is a friend of the initiative. The migration of the industry to Asia and other offshore sites has pretty much peaked. Companies that can rationalize a U.S. site for reasons linked to design, speed of delivery, quality and image are on the uptick.

“The Triad is off and running with its program, and it doesn’t appear to be looking over its shoulder,” he said.

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