

L-R professor publishes book on furniture industry

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Michael Dugan, Alex Lee professor of business and chairman of the Charles M. Snipes School of Business at Lenoir-Rhyne University, has published a book titled "The Furniture Wars: How America Lost a \$50 Billion Industry."

Dugan is a former furniture industry executive.

The book, which is available from amazon.com and Abe Books, describes the recent history of the American furniture manufacturing industry from an insider's viewpoint. Dugan served as president and chief executive officer of Henredon, a high-end furniture manufacturer, for 17



Dugan

years before joining the faculty of LRU.

In recent years, the forces of globalization have devastated the industry, leading to thou-

sands of job losses in North Carolina alone. The impact of competition from low-wage Asian workers was somewhat inevitable, Dugan said.

However, he said, "I argue in the book that it could have been lessened had the companies put more into modernizing their facilities and mar-

keting."

Dugan places some of the blame on industry "insiders" for failing to change quickly enough. He also blames the "outsiders," and argues they failed to recognize the unique aspects of the business.

Many executives who had previously worked in other industries "felt that all industries are the same and differences were all superficial," Dugan said. However, there were at one time approximately 6,000 furniture manufacturers in the United States.

"You're really competing with all of them," Dugan said. In most other industries, only a handful of com-

panies control the market.

Many outsiders, Masco for example, felt consolidation held the key to success, but that strategy ultimately proved unsuccessful.

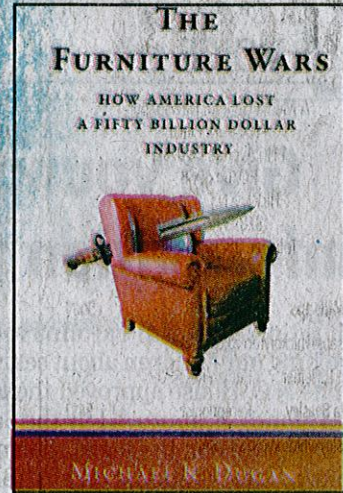
Dugan originally came to the industry as a marketer for the consumer electronics maker Clairtone. The book starts with the 1964 acquisition of Pennsylvania House by General Interiors, the first conglomerate of furniture industry-specific companies.

He also writes about his work at Sperry and Hutchinson, which was best known for its green trading stamps, but also owned Lea, American Drew and Daystrom. He describes his co-founding of

bedroom and dining producer Jamestown Sterling and his long tenure at Henredon starting in 1987.

Dugan holds an undergraduate degree in English from the University of Toronto, Canada, and an MBA from Syracuse University. Although he believes American furniture manufacturing will come back eventually, he thinks it will not be the dominant industry of years past. To be successful, "They've got to pick a niche where they can outperform the competition," he said.

Overall, he sees the United States moving from a manufacturing economy to a service economy. Manufacturing



will remain, but it will be more integrated, with components coming from numerous countries, he said.