

[« Back](#) | [Print](#)

U.S. upholstery capacity grows

By Gary Evans -- Furniture Today, March 28, 2011

HICKORY, N.C. — While China remains the top source for case goods, some companies are turning back to the United States as a more viable option for the production of fabric upholstery.

Universal, one of the earliest companies to import wood furniture from Asia, put itself in the forefront of domestic upholstery production when it purchased North Carolinabased Craftmaster a couple of years ago.

Most recently, California- based importer Fairmont Designs purchased upholstery maker Guildcraft on the West Coast and subsequently opened a 210,000-square-foot upholstery plant in this North Carolina city.

And Schnadig, which moved production to China a few years ago, is looking for a North Carolina factory to produce upholstery here again. And other sourcing companies also are known to be exploring domestic options, both residential and contract.

Since Chinese-made upholstery often offers few cover choices, domestic manufacturers often tout their ability to offer hundreds of fabric choices.

U.S. operations also are becoming more appealing because Chinese-made sofas, chairs, sectionals and the like are not the value they once were. In addition, unless an importer has U.S. warehousing, the U.S. plants are more capable of meeting retailers' demands for quick delivery.

"Owning factories in China has worked for decades but now the scene is changing," said George Tsai, chairman of Fairmont. "China's cost is escalating."

He said the rising cost of labor and raw materials, plus the difficulties of ocean transport, rising fuel costs and other factors are making domestic manufacturing more sensible.

"'Made in America' is very viable," said Tsai.

Fairmont has operated a distribution center in Memphis, Tenn., since 1995. But Tsai said the company decided not to investigate manufacturing locations in nearby Mississippi because it wanted to be "at the hub of furniture production where the talent pool is high."

The fact that High Point is the premier furniture market in the country, and that North Carolina is home to some of the country's major upholstery producers and other furniture-related businesses, also made the corridor from Hickory to High Point "major league," he said.

Tsai said the Hickory area also was enticing because of its concentration of distribution facilities, with the likes of Williams-Sonoma, Target and Apple having opened warehouse operations in the area.

The region is a transportation hub with a network of major highways, and is accessible to the Port of Charleston, S.C., through which Fairmont can import components for use in its furniture.

There are 60 upholstery manufacturers operating within a 25-mile radius of Hickory, according to the Catawba County Economic Development Corp.

Tsai has operated factories in China for more than 15 years. He has seen the migration of workers to coastal manufacturing areas and now back to the interior as factories move inland for cheaper wages.



This upholstery group from Fairmont Designs is among those made at the company's new plant in Hickory, N.C.

All that moving, however, has produced a workforce of transient workers, who come to work and leave their families and want to get back, leaving workers emotionally unstable, according to Tsai. The system leads to high costs in training and retaining employees, and is not as feasible as it once was, he said.

The talent pool, dedication and stability of the workforce here helped to make the expansion of U.S. production attractive, Tsai said.

Paul Savicki, vice president of manufacturing, said the 210,000-square-foot former Thomasville plant will be dedicated to stationary upholstery, eventually gearing up to mirror production of 200 pieces a day at Fairmont's 200,000-square-foot upholstery plant in Rancho Dominguez, Calif.

The company plans to make a minimum investment of \$1.5 million and provide 200 permanent jobs at the North Carolina site, according to applications for incentive grants filed with the city of Hickory and Catawba County.

"Right now my goal is to start at 50 pieces a day in April and, based on our projections, be up to 150 pieces by the end of the year. But, truthfully, after hearing some of the response we got at Premarket (in High Point three weeks ago), we're almost wondering if we'll be at 200 pieces by the end of the year," said Savicki.

The new plant will target retailers east of the Mississippi with styles, including traditional and transitional, attuned to the East Coast. Fairmont offers sofas in the \$799 to \$999 retail price points and sectionals from \$1,999 up. Savicki said the company expects to start shipping from its facility here in May.

Coincidentally, Savicki worked for Highland House at this same factory 15 years ago before it was sold to Thomasville. He knows the volume the plant can produce and says there will be plenty of room for growth.

Fairmont also has indicated interest in additional facilities in the area. "Hospitality is already targeted for next year," Savicki said. "We have a three or four-year plan to make Hickory a pretty important hub for us."

He added, "We're optimistic that we're in this area and have such a quality workforce used to both tailoring and building quality into the product. I have a real good feeling that it will express itself in the product we make."

[« Back](#) | [Print](#)

© 2011 Sandow Media LLC. All rights reserved.