



Bush Returns to the Game p18

Rebranding

Bush Industries has been in the commercial furniture market for 20 years. But for most of those years, the company's commercial division has operated in the shadow of the company's retail offerings. That's about to change. By Rob Kirkbride







Bush Industries, known for its low-priced ready to assemble home and office furniture, is relaunching its commercial division as BBF (Bush Business Furniture) at NeoCon with a new emphasis on quality, low- to mid-priced, transactional office furniture for the SOHO market. It is a major shift for the company as it tries to fill what it calls an “under-served market.”

It is not a new market for Bush. The company has been in the commercial furniture market for 20 years. But for most of those years, the company’s commercial division has operated in the shadow of the company’s retail offerings, said President Jim Sherbert.

“By rebranding to the BBF brand, we are still staying with that transactional business focus,” he said. “But we are coming out with some pretty exciting products. It is going to include a full product line of work at home and small business furniture. We will still focus on small- to mid-sized businesses. I think we have a good opportunity to expanding this into a broader product line.”

Bush Industries recently celebrated its 51st birthday. The company started out making entertainment furniture for Sears and over the years went into various types of home and commercial furniture -- from bedroom furniture to store fixtures, cabinetry and ready to assemble. The company is perhaps best known for its low price RTA products that are sold through major retailers like OfficeMax and online outlets like amazon.com.

Its business segments include Bush Furniture North America and Bush Furniture Europe with manufacturing locations in Jamestown,

NY; Erie, Penn.; Mastholte, Germany; and Mantinghausen, Germany. The company distributes nationally through furniture retailers, department stores, mass merchandisers, wholesale clubs, catalog showrooms, office furniture dealers and electronics stores. It ships internationally to 50 countries. The company produces and markets furniture for the commercial office, home office, home entertainment and bedroom. Bush Furniture Europe produces and markets commercial home office and other furnishings in the European market.

The company’s brands include: Bush Business Furniture, which makes SOHO products; Bush Furniture, which makes RTA for the home including entertainment and storage; and myspace, furniture designed for smaller spaces.

Bush Business Furniture is the company’s most dedicated attempt to capture the small and home office markets. The company has gone through a few difficult years. Bush Industries went into bankruptcy in 2004 after the company over-invested in its European operations and a huge new plant in Erie, Penn.

The company is investing in office furniture at a difficult time for the industry as a whole. Sherbert said he is confident it is the right move for the company. “We do believe that there is a potential to approach the transactional market -- that 100 seat or under employment base,” he said. “That group tends to be the quickest to recover and is consistently under-served. The largest office furniture makers are happy to go after the largest contracts through their dealer model. We think the smaller customers deserve quality furniture at a reasonable price.”



Large office furniture makers have attempted to serve smaller customers with limited success. Large manufacturers have had difficulty taking a business model that is built to install hundreds of workstations in a single office and turn it into a model that can also sell a small number of desks to a small business and cost-effectively deliver and assemble it. Logistics become even more daunting for a home office customer. Bush Industries is already focused on serving small customers now. The company has small scale logistics mastered, said Mike Chefalo, vice president, product management -- commercial products. The company has a network of delivery technicians that can deliver to any address in the U.S. within seven to 10 days, and install the furniture so it's ready to use.

"This is not new for us," he said. "We've been doing it for years in retail's shadow. Our company does a good job of addressing pre- and post-order concerns. We can support the process of transactional business, which can really help someone like a dealer who might want to serve smaller customers but doesn't have the experience or process in place to do it."

BBF wants to connect with small and large independent dealers who might have difficulty with transactional business -- those companies that have small scale orders that usually are not planned in advance. "It is a gap that has been under-served by all the players in the market," Sherbert said. "I don't think (the large manufacturers) are ignoring (the SOHO market) intentionally. I think they would like to get into it. But the channels they go through don't facilitate it very well."

The sweet spot in the market is in the middle between the upscale home office sellers and the big box retailers, BBF executives believe. The market is wide open for the manufacturer that can cater to an informed, sophisticated buyer who wants help picking out the right furniture, but can't find it through large, aligned dealers.

The average BBF workstation costs between \$1,000 and \$2,500 -- a fraction of the cost of a major manufacturer's product. The company can put together a workstation for especially budget-minded customers for less than \$1,000 as well.

BBF hopes to spread the word about its new emphasis on SOHO on the web and through its existing customers. The company also has a national sales force and reps calling on people as well.

"Part of the reason for this branding initiative is that we've been hidden and dominated by our strong retail presence," Chefalo said. "It is our job to let the world know there's a solution out there and to get better visibility for the company."

The company is launching two new products at NeoCon focused on the transactional market. The first is Sector, a product that features robust wire management in a table based product that works in small spaces and does a good job accommodating the needs of a small business that might rely heavily on technology. The second is Momentum, a mid-market system that started as a benching product in Europe. Momentum supports open space planning and collaborative work styles.

The company has space on the seventh floor of the Merchandise Mart, booth 4102. ¶