

The Business of Furniture | August 8, 2018

BOF



ALS Makes Splash in New York with Showroom



The Business of Furniture

August 8, 2018

HIGHLIGHTS

8 UPFRONT: Knoll Profits on Corporate Growth, Dismisses Tariff Concerns on *The Street*

Knoll stock jumped on Tuesday, July 31, after the company reported earnings and revenue that topped Wall Street's estimates, driven largely by the office segment.

14 SurfaceWorks Purchases izzy+ Table Lines

The acquisition consists of the full izzy+ table line, which includes several Best of NeoCon award winners.

< Surfaceworks factory

30 Lessons Learned from the Incoming Residential Players

We're starting to witness the growth of consumer brands into the contract interiors industry.

BoF The Business of Furniture

August 8, 2018



7 | Hutch Industry Cartoon



8 | Upfront



9 | The Stream

COLUMNS
Stephen Says 22

FINANCIAL
Industry Shares/Graphs 20

CALENDAR & MORE
Regional Industry News 18
Upcoming Events 26
Marketplace 48



10 | Kimball Posts Highest Quarterly Sales in 15 Years

Orders received during the fourth quarter of fiscal year 2018 increased 19 percent from the prior year, or 10 percent on a comparable basis.



14 | SurfaceWorks Purchases izzy+ Table Lines

The acquisition consists of the full izzy+ table line, which includes several Best of NeoCon award winners.



30 | Lessons Learned from the Incoming Residential Players

We're starting to witness the growth of consumer brands into the contract interiors industry.



34 | AIS Makes Splash in New York with Showroom

AIS is proud of its Boston roots, but the Massachusetts company is proving it can also make it in New York.



24 **WHITEBOARD** Reinventing the Workplace



25 **PLACES** Camping World Offices – Chicago



40 **FIRST LOOKS** The latest Product Introductions



42 **PULSE** The latest industry happenings



The Business of Furniture



Editor-in-Chief, Bellow Press Rob Kirkbride

Vice President, Sales & Marketing, Publisher, Bellow Press Melissa Skolnick

Vice President, Content Production, Bellow Press Todd Hardy

Workplace Guru, BoF Stephen Viscusi

Guest Columnist, BoF Jeremy Erard

Contributing Writers, BoF:

Amanda Schneider, Emily Clingman, Bruce Buursma, John Q. Horn, Jeremy Myerson,
Stef Schwalb, Gary James, Scott Lesizza, Bryce Stuckenschneider, Michael Dunlap, Carolyn Cirillo

Illustrator, BoF Jamie Cosley

Copy Editor, BoF Linda Odette

Special Thanks To Al Everett

Publishing Headquarters

23403 E Mission Ave, Suite 107
Liberty Lake, Washington 99019
877-BELLOW9 (877-235-5699)
Email: info@bellow.press

Include us on your PR distribution list.

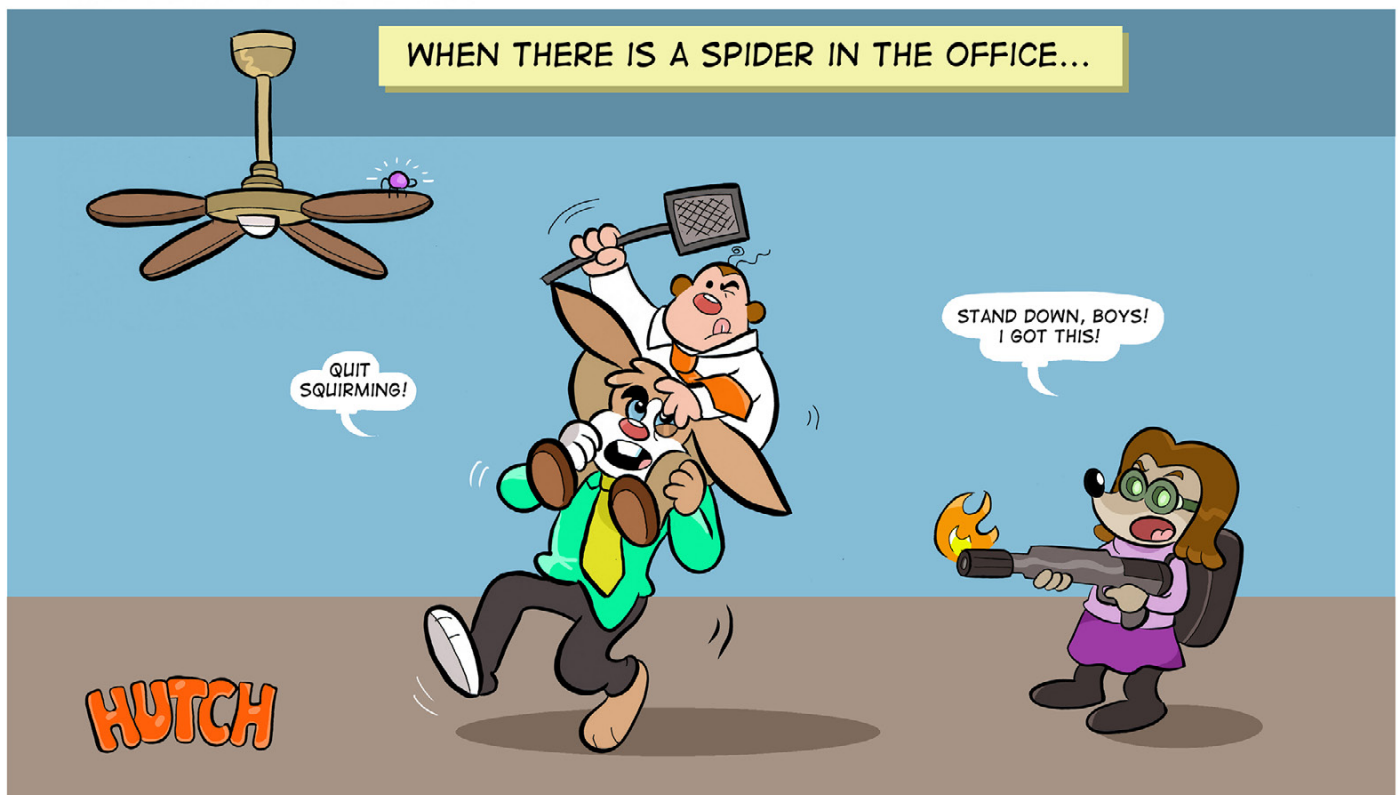
Send To: news@bellow.press

Please include high resolution photos along
with your release; at least 300 dpi.

https://bellow.press/SubmitNews

Business of Furniture and *Workplaces* magazine are the
go-to sources for keeping you informed about every-
thing that is happening in the industry. From trends that
affect your bottom line, to new products that will help
your customers work better, to stories that will help you
run a better, more informed company.

ROB KIRKBRIDE, EDITOR-IN-CHIEF



Contents Copyright ©2018 Bellow Press Inc.



SurfaceWorks Purchases izzy+ Table Lines

THE TABLE LINES ARE A GOOD FIT FOR SURFACEWORKS, WHICH IS CELEBRATING ITS 15TH ANNIVERSARY AND THE OPENING OF A NEW, PERMANENT SHOWROOM ON THE 10TH FLOOR OF THE MERCHANDISE MART IN CHICAGO.

BY ROB KIRKBRIDE

SurfaceWorks is purchasing izzy+ table lines, adding dramatically to the Milwaukee-based company's table offerings and strengthening its position in the educational furniture market. The acquisition of the table lines comes after months of interest in the izzy+ assets after the brand decided to close its doors this spring.

The table lines are a good fit for SurfaceWorks, which is celebrating its 15th anniversary and the

opening of a new, permanent showroom on the 10th floor of the Merchandise Mart in Chicago, said Chris Gnadt, general manager.

"The last few years have been record years for SurfaceWorks," he said. "This year, we are 22 percent ahead of last year. That puts us into a position to acquire these (lines). Izzy and SurfaceWorks started out around the same time. We've always sort of been friendly competitors, and

we did share a lot of our independent reps. SurfaceWorks always admired izzy product design and its fun, energetic marketing. We did a rebrand last year with a new website and a new logo and a new brand identity. The izzy feel is very consistent with our new branding that we launched last year."

The acquisition consists of the full izzy+ table line, which includes several Best of NeoCon award winners. The products

include Clara, Dewey, Penny, Eli, Nemo Bar, Trellis and Audra. A couple of them — Dewey and Penny — came from the izzy+ acquisition of Jami, the Kansas City-based furniture maker and its four brands: Harter, Fixtures Furniture, Zoom Seating and ABCO Office Furniture.

Many in the industry believe it was that overly ambitious acquisition that doomed izzy+ and marked the beginning of its long, slow demise. Izzy+ was owned by JSJ Corp., a Grand Haven, Michigan-based company that closed the furniture brand to focus more on its other, more profitable businesses. JSJ management said furniture didn't fit into the company's plans anymore.

Still, making sure the izzy+ assets land in the right spot is important to JSJ, according to Nelson Jacobson Jr., who served as business development manager at izzy+. He said izzy+ meant "so many things to so many people," and he is forever grateful for the company and the friendships he made working there. Doing right by the brand is important to him.

"It was, for me, a very personal decision. Izzy has been one of the largest parts of my career," Jacobson Jr. said. "I worked in business development and when the announcement was made, it was important that the products could go to another manufacturer. I wanted to make sure it was the cleanest transfer possible, but it is still bittersweet. SurfaceWorks gets some of the flagship and anchor products (that helped build the izzy+ brand)."

Gnadt said the closing of izzy+ "kind of caught us off guard." He said he knew there were some operational issues, but it was still a bit of a shock. Still, SurfaceWorks saw the value in the izzy+ table lines. The company was also urged to pick up the products by some of the commonly held rep groups the two brands shared, including Seibold Baker, a large regional rep organization serving Chicago and Illinois, Ohio, Michigan, Indiana and Kentucky. So SurfaceWorks went through the product lines and determined there was value, Gnadt said.

SurfaceWorks wasn't alone, according to Jacobson Jr. Several companies approached him about acquiring different facets of the business, but he found SurfaceWorks was the best fit. The acquisition, the details of which were not disclosed, includes all the machinery used to build the furniture, any usable inventory, the rights to trademarks and marketing and collateral.

"I had many interested parties in urethane table lines," Jacobson Jr. said. "It is not an easy manufacturing process to do and definitely not easy to do to the standards we had at izzy. With SurfaceWorks, we knew the transition, with all the capabilities they have, would be fairly smooth. I have really gotten to know the guys at SurfaceWorks, and they are the nicest people I've met in this industry."

It helps that SurfaceWorks specializes in tables. The company, Gnadt said, is narrow, but heavy in its product offering. It creates

custom shapes, sizes and edge details. "These products will fit into our core business model, which is building tables and deepening our expertise in tables even further," he said.

The izzy+ lines will help it expand its reach in both the corporate and educational markets. Dewey, originally a Fixtures table, is a height-adjustable product and works in education. Audry was designed by izzy+ and is a configurable casegoods/credenza product. Nemo Bar and Trellis is a design that can be used in education and open offices. Penny is often used in hospitality and corporate applications.

About 60 percent of SurfaceWorks sales are corporate, according to Gnadt. SurfaceWorks does some educational furniture projects, but most is in higher education. The Dewey and Clara products will help it break into the K-12 market.

The manufacturing equipment is being moved from Spring Lake, Michigan, to a 42,000-square-foot manufacturing facility SurfaceWorks is leasing in Oak Creek, Wisconsin, just south of Milwaukee. Jacobson Jr. is helping spread the word and direct izzy+ former customers to SurfaceWorks.

Izzy+, of course, did a lot more than build tables. The brand also had extensive seating lines. Jacobson Jr. said he is in negotiations on selling those as well. "Stay tuned," he said. "I'm entertaining some offers (on those lines)." **BoF**