How are you associated with the Office Furniture industry?
One of our holdings, Keeler, has crafted decorative and functional hardware for the furniture industry for 120 years. Additionally, our other holdings require storage security and access control automation for personal, industrial, and commercial applications.

What’s your view of the Office Furniture industry at large?
This industry is in the mature stage of its lifecycle. Home furniture in general is losing its importance as consumers are becoming indifferent to the category and are spending less and less on furniture. All industries face challenges as they adapt to a changing world, but the adaption rate of the furniture industry has not kept pace with market changes. This is one of the larger issues.

What issues drive industry trends?
The issues that drive our trends transcend the typical view of fashion and style cycles; they reflect larger social and lifestyle forces. David Houle has described these trends as part of a new shift for mankind similar in proportion to the shift from the Agricultural Age to the Industrial Age 300 years ago and to the Information Age 30 years ago. Human “interconnectedness,” the power shift from the producer to the consumer, and the exploding choices for “individualized” products and services are lifestyle-altering trends which directly impact the office furniture industry. For instance:

Virtual work collaboration reduces the need for people to “go to the office.” Think of what Skype has brought to the workplace. Google just announced its Hangouts unifying messaging service which lets users participate in video calls that accommodate up to 10 people: Large conference rooms are replaced by “focus rooms” and “huddle rooms.” David Houle tells us that the concept of space and proximity has changed forever as we shift to a rental and sharing economy. “Office hoteling” is becoming the new norm. Social media alter how we interact and share with others: Cubicle walls are falling. The big question is, “What do these trends mean to office and home furniture manufacturers?”

What makes “adaption rate” a critical issue?
In his book The Furniture Wars, Michael Dugan offers some great insights into how the American furniture industry went from making ‘world class’ products to shutting down plants within 5 years. Dugan identifies the root-cause as failure to learn from experience. We know that failure to learn is endemic to insular and introverted corporate cultures which look at change with suspicion or-indifference at best. Worse, this culture breeds ignorance and contempt for intellectual property - something we’ve experienced firsthand as plaintiffs.

Learning is the “necessary” condition for adapting to changing markets and competitive landscapes. The “sufficient” condition is the organization’s ability to evaluate, select, and execute the best possible strategies faster than its competitors. In short, the future belongs to those who learn fast and adapt faster. And that starts with corporate leaders who institutionalize open-mindedness and learning and who invest in human capital, technology, and product development.

What’s the biggest industry problem?
In a word: innovation. And I do not mean innovation as an abstract concept. I am talking about ways to redefine a product in terms of its form/fit/function; its materials, technologies and manufacturing methods; and even redesigning business models to become more value-adding and competitive. Innovation is driven by threats or opportunities.

In Strategies for the new American Furniture Industry, Phil Mitchell and Harry Watt contrast the old industry model with a new one where domestic manufacturers focus specifically on customers’ needs and employ existing technology and manufacturing methods to provide a quick, custom or semi-custom product. Similarly, in Shift Age, David Houle talks about the “flow to the individual” and the trend of exploding consumer choices. These people point to opportunities for “mass customization,” “individualization,” or some variant thereof.

What kind of opportunities for innovation do you see?
If you want to increase the security and access convenience of things stored in office drawers and cabinets you must look beyond multiple sets of mechanical locks and keys. How about automating all locks, and having them controlled by the key fob that starts your car? That key fob, or smartphone or employee-ID card, can carry a digital master key provided by your office administrator. Such “smart” furniture would know wirelessly when your digital key is within proximity — that is, in your office — and all controlled locks would automatically unlock. Conversely, they would lock automatically when you leave the area with your digital key on you.

To encourage collaboration or concentration at will, you could replace walls or cubicle panels with “smart glass” —glass or film panels that become transparent or opaque at the flip of a switch. You could create a noise cancellation “quiet” bubble in open office spaces by using solid drive actuator technology. These technologies already exist in the commercialization stage. To my knowledge, they aren’t yet offered as integrated system components or options.

The larger opportunity is to wrap the extended utility around an automated office system that can accomplish all the above by the mere presence of a personal mobile device. Such a system could also control and set operating defaults for adjustable height office desks, chairs, lights, even laptops that unlock only in the presence of a device that possesses a “digital key.” The innovation path here goes from selling products to selling systems and beyond.

What other avenues exist beyond selling systems?
The future lies in converting products and systems into solutions that satisfy multiple applications and needs further up the commercial value chain. In this next step, an office furniture company would add value to the commercial office security industry by making their systems fit seamlessly with other security systems and services.

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In other words, integrate office access control with building security systems for intrusion detection, access control, and video surveillance.

You must step out of the box and ask the strategic questions “how can I add value to commercial office building security and how do I play in that arena?” Again, the innovation here is to complement and cross-leverage core competencies with other business models through strategic relationships. Nokia and Microsoft offer a good example of how two innovators came together to create a joint competitive advantage in the smartphone market.

How about innovation on the manufacturing technology front?
Innovation does not necessarily require engaging in application research. Most innovating companies synthesize product innovation by applying new technology and best practices in other industries. Manufacturing technology is increasingly flexible and affordable. Expanding product or feature variety to satisfy a wider range of needs without adding to the total cost requires “lot size 1 with 0 time changeover” manufacturing and/or assembly. The automotive industry from tier 1 assembly to tier 3 manufacturing has been using flexible manufacturing cells, automation, and robotics for quite some time. For higher value-added assemblies the cost of domestic automation can offset the offshore low labor cost savings.

Modular and configurable product designs separate functional features from style options. But while color and fabric variety exist for office furniture, home furniture has yet to offer decorative hardware options.

What innovations does your group bring to your industries?
Keeler has filed several patent applications for a new generation of mortise locks and architectural door hardware with unique features for error-free installation, and locks that operate with smartphones using a new technology platform developed by Delphian Systems. Kennedy Manufacturing has pioneered an online product configurator and color-on-demand capability. At Wes-Tech Automation, every project becomes an opportunity to innovate a way to achieve “lot size 1 with 0 time changeover” production for the customer. The benefit is normally sizeable enough to justify domestic production while improving product quality.

Innovation starts in the minds of talented people, but the real challenge is in attracting sufficient talent to bring about innovation, particularly into underperforming industries. This is the conundrum for all companies that want to make a difference - including ours.

How do you attract sufficient talent?
We focus on innovation that creates the highest forward value path for the business. This is always part of the strategy formulation and execution process. We pursue opportunities that leverage our strengths.

Ambitious companies never have enough resources. You always have to direct the focus to the most strategic and synergistic initiatives that inspire talented people who want to make a difference. We look for the best minds and skills, regardless of industry. And by the way, where and how you recruit for talent is also part of the learning process Dugan discussed. Learning from our successes and failures is good: Learning from the successes and failures of others is even better!

In the aviation industry Burt Rutan was the first to design and build airplanes made entirely out of composites. Twenty years ago I had the opportunity to ask him about his biggest challenge. He replied “the aluminum- and rivets-polluted mindset in the industry.” His solution? Recruit talent with expertise in composites from other industries. Rutan attracted those who understood – and were excited by – his value proposition to reduce the total net cost of an aircraft’s lifecycle. He chose to import a “can do” mindset into the aviation industry rather than fight the “business as usual” inertia that existed within. Today, Boeing is building next generation aircraft with composite materials and advanced manufacturing techniques while Burt is developing suborbital spaceflight technology with SpaceShipOne. What is the lesson here? Use technology to establish a strong value proposition and then bring the expertise from industries where that technology is already applied.

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About John Veleris


We are driven by our passion for innovation: Designing, engineering and manufacturing products that enhance peoples’ lives.

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The future belongs to those who learn fast and adapt faster...

About David Houle

David Houle is considered one of the pre-eminent futurists in the world today. As a thinker about the future, corporations and institutions around the world have retained him, due to his high level insights and forecasts about the future. As a speaker he has delivered more than 400 speeches on all six inhabited continents and in twelve countries. He has called this new age “The Shift Age”. Welcome to the future! http://www.davidhoule.com/

The Millennials are more interested in technology that keeps them connected than in other stuff. If they seek status, it is largely with new smart phones, tablets or laptops; certainly not fancy furniture or even cars...

We are moving ever more to a rental and sharing economy. Not just in the area of housing...

The Concept of Place Has Changed Forever...