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Casual Living

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Casual views
in Chicago

High Point
highlights

Getting on track for better inventory control

By Cynthia Kincaid

IN THESE tight economic times, trimming costs and streamlining operations can mean the difference between needed profits and unnecessary losses. One of the best ways to achieve a bigger profit may be simply having a manageable and understandable inventory control procedure.

"I just got off the phone with a company that has 43 distribution locations around the U.S., and they have inventory they are not even tracking in their systems," said Thomas Phelps, supply chain consultant for Los Angeles-based Alloquor Consulting. "And it's not an uncommon thing."

Most people don't know how much inventory they have or what the right amount of inventory is to hold, according to Grant Wickes, vice president of marketing for Texas-based Wasp Barcode Technologies.

"They just don't get a chance to look at the trends if they don't have some sort of basic inventory tracking system in place," Wickes said. "The biggest fallacy is 'I've always done it this way. I know it in my head, intuitively, and I know what's moving and what's not moving.' That's why we have huge write-offs, even for big companies."

Start a system

One of the first steps in controlling inventory is creating an inventory system that works. "If you look at companies that have tightly run supply chains and logistics processes, it's not necessarily the ones that have the latest and greatest computer

systems, but the ones that have a very well-defined process and a good system," Phelps said. "They have good solid processes that allow them to keep track of their inventory, and the processes and systems work well together so that inventory and orders don't get lost."

Phelps recommends having an inventory system that has a pre-defined, best practices approach. "If you are a small or medium-sized business, it's important to get the basics right," he said. "If you implement that system, and follow the process, you're going to be fine."



For many small and medium-sized furniture distributors, having even a basic computerized inventory process can reap big rewards.

"Even moving from pen and paper, or from your head, and keeping track in Excel is not a bad start," Wickes said.

Automation/Technology solutions

For most distributors and retailers, transitioning to a fully automated system will garner the most efficiency, and many of the

smaller, yet powerful computer programs, can accomplish this for just a few hundred dollars.

"Even small business owners can take advantage of mature technology at price points that are incredibly affordable," Wickes said. "There are simple inventory tracking programs that allow you to enter how much quantity you have, scan the location in the warehouse where it might be located, and then you can run a couple of reports to track what's on hand and what's moving."

Wickes also recommends having all the components of your inventory control system come from one vendor, rather than trying to integrate multiple automation processes. "It's much easier to purchase a simple inventory tracking solution from one company so if there is a problem, you can have tech support," he said.

But Wickes warns that automation will not improve a system that fails to work in the first place. "If you have a poor process already, then automating a poor process is never a good idea," he said.

Calling a consultant

If your inventory control requirements go beyond the need of a basic computer program system, you may want to call on a consultant to help navigate the automation waters. You may also need a consultant if no one on your staff has the expertise to help with an information technology solution, or if the IT people are overloaded

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Homecrest buys Innovative Surfaces

DEEPENING ITS commitment to the outdoor casual furniture industry, Fargo, N.D.-based Bullinger Enterprises bought Innovative Surfaces, a pioneer in the faux tabletop market.

"The purchase of Innovative Surfaces and its partnership with Homecrest Outdoor Living positions both companies for long-term success and growth in the casual furniture market," said Mike

Bullinger, president of both Bullinger Enterprises and Homecrest Outdoor Living. "We now have the ingredients necessary to return Homecrest to the market position the company enjoyed in the late 1990s, and to put to rest any doubt we are serious about the casual furniture market."

Bullinger Enterprises purchased the assets of HC Holdings and resumed

production of Homecrest Outdoor Living in December 2007.

Phoenix-based Innovative Surfaces is known for its use of copper, nickel and other metals to augment its faux stone table tops. In addition to producing tabletops for Homecrest, it will continue to develop and manufacture tabletops for other casual furniture manufacturers.

Cabana Joe's finds pillow partner

CABANA JOE'S has partnered with Greenville, S.C.-based Victor Mills, a designer of luxury bedding and window treatments, to produce outdoor pillows and throws.

Victor Mills joins Acacia Home and Garden and Surya Rugs in producing casual home furnishings reflecting the designs, styles and inspirations that Cabana Joe gathered on his trip to Africa.

"Through the use of great-looking outdoor textiles, having an accessory line of outdoor pillows and throws is helping the outdoor settings really look and feel comfortable like indoors. It's a natural fit," said Joe O'Brien, dba Cabana Joe.

The new pillow and throws line debuted last month in Acacia's space at the Casual Market. The complete line with four color packages will appear at the High Point Market.



Treasure Garden adds two sales reps

TREASURE GARDEN has announced the appointment of new sales representatives, **Gary Deane** and **Justin Pfahl**.

Deane will cover Colorado, Utah and Wyoming, where he also represents Lloyd/Flanders and O.W. Lee. He is a Certified Home Furnishings Represen-

tative, and has been calling on furniture retailers since the mid '90s. His move into the furniture industry follows a 20-year career in distribution, logistics and marketing with UPS.

Pfahl will take over the Florida territory (excluding the panhandle) where he currently represents Winston and

Windham Castings. Pfahl has spent the past two decades in the industry, starting on the retail side of the business at Patio & Hearth Shoppe stores in Ohio, where he learned all aspects of the retail business. He has been on the manufacturing side of the business for the past six years.

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with other work.

"When companies try to hire inexpensively, they definitely need to consult, because there's no one in the company that has the experience necessary to make process improvements to the supply chain,"

Phelps said.

Both Phelps and Wickes agree that just getting a handle on what kind of inventory is warehoused and where it's located is a good first step in developing a system that performs.

"Step back and ask yourself, 'What's

the best way for me to keep track of my inventory and what's a better way for me to make these things work?'" said Wickes. "Start small and don't be afraid of technology, because tracking your inventory can be a huge opportunity for some dollars savings."