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Dewey by Fixtures Furniture will be launched by izzy+ at the NeoCon World's Trade Fair June 15-17. Courtesy izzy+.

**A new, transitional NeoCon**

Jake Himmelspach

Early June in West Michigan is a special time: birds chirping, grass growing, trees turning green and — maybe most exciting of all — office furniture manufacturers rolling out new products for a worldwide show-and-tell called NeoCon.

The NeoCon World's Trade Fair takes place June 15-17 in Chicago's Merchandise Mart, a show that is typically packed to the brim with office furniture and people. This year, however, is expected to be a bit different.

"This is going to be a very transitional NeoCon," said Mike Dunlap of Michael A. Dunlap & Associates, a business consulting service with a specialty in the office furniture industry. "What I mean by that is, we're in a kind of a dark period of business, because the business has been hit by a very rapid recession. What was perceived as high demand six months ago is taking on a different view today."



Dunlap

Still, Dunlap believes there will be plenty of new solutions for those who make the trip.

"I think there's going to be a lot of new product — not just from West Michigan but from elsewhere — that's going to make a major impact," said Dunlap. "It's going to challenge our West Michigan manufacturers to compete on a new level."

Dunlap reflected on the introduction of panel systems many years ago and how their reign in North America now is being challenged by more European styles.

"They are now going to be challenged by a whole new style of furniture. Some call it 'open plan' or freestanding; there's a lot of different terms that can be applied to it," he said. "Steelcase established a benchmark to the North American manufacturers with c:scape, which mimicked many of the European systems that have been on the

market for the last several years."

Brian Bascom, founder and CEO of Velocity Partners, a market research and strategy firm, agreed with Dunlap's comments, adding that opportunities for European companies to stake a claim in the North American market are dwindling.

"The European's are coming. There are a lot more international-based furniture companies that are not only taking a serious look at North America today, but are substantially increasing their investment," said Bascom.

"The opportunity has been there for five years, and in the next 36 to 48 months, that opportunity will have further closed. The reason is that you are now seeing an increase of new product design out of Herman Miller and Kimball and a range of others, where the design has been done by European designers."



Bascom

One local design talent who has steadily progressed over the last five years is Joey Ruiter of JRuiter Studio. Ruiter will be among those who attend NeoCon this year and rightfully so, as his products will be showcased by izzy+, Nucraft and Herman Miller.

Ruiter believes that even though the market is down, people are still buying — with quality at the top of their shopping list.

"This year at NeoCon, I'll have desks for \$200, \$2,000 and \$20,000. In these economic times, there are still buyers for each one of those markets," he said. "I've seen people move to value. It might cost a little more, but you're looking at other things rather than the dollar amount."

That change in customer thinking has also caused a change in design.

"The pressure's on to make things more valuable, more desirable. A little more longevity needs to be there. It needs to be more timeless and less about a social trigger today. Just-in-time manufacturing is now just-in-time design. They can spit something out in months, where five, 10 years ago, it would take us years," said Ruiter. As to that emphasis on longevity of design, he added: "It's good. It's heading in the right direction."

Ruiter pointed out that he believes more companies will specialize in particular sectors of office furniture, and there will be more mixing and matching.

"Office pieces will become furniture pieces. It will be less about a system of products. If a company offers a better chair and this table is a better value, we can do that today," he said. "Nucraft — they still don't make chairs. They know what they're good at and they're going to keep perfecting what they're good at. As companies keep getting their hands in more buckets, they're not as good."

Office furniture that can be applied to many different settings is a concept Dunlap refers to as "cross-over furniture."

"Cross-over furniture, by my definition, is furniture that is equally at home in multiple environments. What I like about all of these product offerings is they bring a high-level of comfort and style that mimics some residential environments," he said.

"It proves that we don't have a one-size-fits-all, one-style-fits-all environment anymore. If you go back 20 years ago, if you looked at a piece of furniture, it was pretty easy to identify as 'That's a piece of office furniture,' or 'That's a piece of health care furniture,' 'That's a piece of educational furniture.' Now the lines are blurred significantly."

Bascom agreed with Ruiter that manufacturers will become more specialized in the future. He also believes the industry will see consolidation, with redundant dealers and companies that compete based on price squeezed out of the industry.

"You're seeing more dealer consolidation. Instead of Steelcase having four dealers in a particular large metro area, they might drop that to one or two in a quest to improve their overall sales effectiveness," said Bascom.

"The other challenge is there's an incredible amount of competition today for low- to mid-priced office furniture. I'm not talking about high-design, high-style; I'm talking about inexpensive, me-too-looking panel systems and freestanding office furniture. There are a lot of manufacturers that are going to get squeezed at that level. If a company hasn't gone up-market and into the upscale end of the business, it may be too late for some of them."

While Bascom does expect this year's NeoCon to show about a 20 to 40 percent

reduction in foot traffic, he believes there will be quite a few new products. He said he is encouraged to see companies continuing to innovate.

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