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The work-from-home world of COVID-19 turns office furniture industry upside down

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Visitors to the website of the Ohio office furniture dealer LOTH are greeted with a pop-up survey that asks if they are working from home or are back in the office.

For office furniture manufacturers and distributors, the future lies in the answer.

Companies that furnish offices have been hammered by a pandemic that has kept many U.S. workers home for nine straight months. Instead of deciding whether to remodel, employers have spent the year debating whether to keep the office at all.

As a result, office furniture sales have plummeted.

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This month, the nation's largest office furniture maker, Steelcase, reported that sales dropped 31% in the past nine months and 35% in the past three months, compared with the same period last year. Herman Miller, the nation's second-largest office furniture maker, saw sales drop 7% in the past six months and orders slip 12%.

Central Ohio distributors and dealers are navigating the stagnant waters in a variety of ways. They are pitching other services, tailoring their products to fit a pandemic world, and targeting a new customer: the stay-at-home worker weary of sitting on a dining chair at the kitchen table.

"We're seeing different opportunities emerge out of this," said Lorene Haimerl, executive vice president of sales and design in LOTH's Columbus division.

Other shifts in furnishings industry: New appliances hard to come by during pandemic

One of the biggest opportunities are individual consumers, a market that most major office furniture dealers and manufacturers never targeted.

“Build your perfect home office!” advertises the website of King Business Interiors of Columbus, illustrating how companies are pivoting to the work-from-home crowd.

Some employers, including major ones such as Google, even gave workers an allowance to furnish home offices. Work-from-home consumers are looking mainly for two items, say furniture dealers: comfortable chairs and desks — especially stand-up desks.

“We’ve sold to individual customers before this, but it’s definitely more now,” said Ryan Hetrick, the marketing manager of Capital Choice Office Furniture on Alum Creek Drive.

One especially hot item has been Herman Miller's Aeron chair, Hetrick said.

“The biggest challenge is trying to source Aeron chairs,” he said. “Those have been the ones the average customers have been asking for.”

But selling one desk and chair at a time to individual consumers can't begin to make up for selling dozens or hundreds to corporate clients. Herman Miller, for example, saw overall sales drop 7% in the most recent quarter even though individual online consumer sales zoomed 219%.

Ohio's largest office furniture dealer, Continental Office, has put together home-office packages for employees of Continental's clients, but otherwise has not targeted individual consumers, said CEO Ira Sharfin.

"We're not set up to do full-on business-to-consumer, but we've been selling a bunch of Aeron chairs, which is the biggest request we get, and sit-to-stand tables."

Instead, Continental has weathered the 2020 storm by focusing on its service division, which has stayed busy rearranging some offices, and other products such as flooring, which has remained in demand as buildings started before the pandemic are completed.

"We're definitely down, but frankly down a lot less than we could have been," Sharfin said.

LOTH has managed in a similar way. While conventional big-office orders may be down, the company's overall revenue is slightly up this year, in part because of its health care and education clients, Haimerl said.

The company has also outfitted smaller satellite offices, which some big employers are relying on instead of a central headquarters.

"The big companies in town, the Nationwides, the Chases, it's really hard for them to turn their ship, to get everyone back in the office, but for mid-market companies, it's easier for them to figure out how to change their space," Haimerl said.

"We're also seeing some major companies and startups, they're really working at hubs throughout the suburbs for collaboration," she added.

Some existing corporate clients that want to keep workers in the office have turned to new products. At Capital Choice Office Furniture, for example, plexiglass panels have been in tremendous demand this year, said marketing manager Hetrick.

"In April, we put in a bulk order for plexiglass, and over the last eight months, we've perfected installing plexiglass barriers for those companies bringing people back into offices," Hetrick said. "We install them between desks and cubicles. It's been a really big portion of our business over the last eight months, it's really helped mitigate the loss of furniture sales."

Despite fears in the industry, office furniture dealers do not believe many large employers will abandon offices when it's safe for workers to return. If anything, they think the prolonged office drought will illustrate the importance of in-person contact and collaboration.

"I'm not a big believer that you can maintain culture and attract talent by working from home," Sharfin said. "When people get scattered, they lose engagement."

Central Ohio industry executives are encouraged by a string of new office buildings announced or underway in the Columbus area.

"The industry's certainly taken a hit, but I'm pretty encouraged," Sharfin said.

"There's certainly a lot of pent-up demand, projects put on hold or delayed."

Sharfin and others expect the industry to pick up in the second half of 2021, as workers start returning to offices and employers have the confidence to resume delayed projects.

"With the early stages of vaccine deployment beginning, some customers are reactivating idled project opportunities so they will be ready to return to their offices next year," said Steelcase CEO and President Jim Keane. "We are continuing to invest in new products designed to help customers make their offices safe, flexible, productive and inspiring."

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