Phase 3 Discussion Board

Kenneth C Holmes

MGMT690-1602B-01

Professor Lance Spivey

June 1, 2016

(A portion of this document was submitted during MGMT690 -1602B-01)

**Custom Furniture Competitor Analysis**

Management is satisfied with the team’s research, and has determined further research is needed regarding international competition in the custom furniture industry. Management has requested research pertaining to the top two global custom furniture competitors, a SWOT Analysis for each, an explanation for why they are direct competitors, their strategic advantage, an analysis of whether a cooperative strategy can be formed with the competitors, and an analysis of strategies Ferrer’s Furniture could potentially use to build a competitive market profile. The following document discloses all research and findings.

**Top Two Competitors**

After extensive research, the determination is there are many competitors in the high end custom furniture industry, and two of the global custom furniture manufacturers include the U.S. based companies Bernhardt Furniture and Hancock & Moore.

**Bernhardt Furniture Company**. Bernhardt Furniture, headquartered in North Carolina, was established in 1889, and produced white oak furniture for their local market. The company quickly expanded thanks to lucrative connection with distributors and merchants, and were shipping bedroom furniture, chests, tables and cabinets by rail to major city markets across the country. By 1958, the line expanded to include upholstered furniture for the entire home, added showrooms and offices across the country, and Bernhardt Furniture became the industry benchmark. During the 1980’s, Bernhardt Furniture branded their name, and expanded further to include a contract division catering to offices, conference rooms and public spaces. In 2008, Bernhardt Furniture continues expanding to include a custom furniture division, called Bernhardt Interiors. In 2009, Bernhardt Furniture expanded their empire to include Bernhardt Hospitality, which caters to the hospitality industry (N.A., Bernhardt, 2016).

Starting in the 1980’s, Bernhardt Furniture started their global expansion, with overseas regional offices, and a staff of 50 overseeing quality control and on-time delivery of their overseas production. Wisely, Bernhardt Furniture used their overseas production facilities to enhance their international production capabilities, and maintains nine production facilities in North Carolina, which maintains their highly skilled U.S. workforce, and embraces efficient and ecofriendly production technology. Currently, Bernhardt Furniture maintains an international network of retailers including: Bernhardt Stores, galleries, authorized dealers, and select department stores in 51 countries; and their collection includes traditional and contemporary styles popular in the international market place. Their efforts have not gone unnoticed, as Bernhardt Furniture has received many awards for furniture design, environmental achievements, has personally created numerous environmental programs, and is a major supporter of LEED (N.A., Bernhardt, 2016).

(Bernhardt Furniture research was previously submitted for Phase 1 DB 2)

**Hancock & Moore**. Hancock & Moore, headquartered in Hickory North Carolina, was established by Jimmy Moore in 1981, specializes in high-end, custom-made traditional, contemporary and modern furniture, and offers a low and mid-price upholstery line. Their furniture is entirely hand made in the U.S., each piece takes up to 80 hours to produce, and is available in the customer’s choice of leather, fabric, trim and wood finish, and includes solids to exotic prints and patterns. The entire organization follows strict in-house environmental policies, and only uses wood from sustainably managed forests. Hancock & Moore have four sister companies including: Jessica Charles, Randall Allen, Century and Highland House. Jessica Charles, Randall Allen and Highland House are available at retailers throughout the U.S. and Canada, while Century Furniture is available at retailers throughout the world. Century Furniture also owns and operates showrooms for the design trade, and has agent showrooms in Atlanta, Boston, Chicago, Denver, Dania FL, New York, Philadelphia, Scottsdale Arizona, Washington DC, Los Angeles and Laguna Niguel California (N.A., About Us: Craftmanship, 2016).

**SWOT Analyses**

**Bernhardt Furniture Company**

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| BERNHARDT FURNITURE SWOT ANALYSIS | |
| **Strengths** | **Weaknesses** |
| Been in business for 127 years | Does not manufacture outdoor furniture |
| Caters to multiple customer bases including: residential, custom, office, conference, and hospitality | All product sold through authorized retailers, and cannot be purchased online, nor directly from Bernhardt Furniture |
| Has been the benchmark for quality since 1958 |  |
| Has overseas offices that oversee and maintain quality standards, and on-time shipping of overseas production | Multiple divisions and overseas offices, translates to high overhead costs |
| Website for online viewing of product only |  |
| Manufactures furniture for the entire home |  |
| Manufactures domestically and abroad |  |
| High end product line catering to the discerning customer |  |
| Provides traditional and contemporary styles |  |
| Has international presence with product in Bernhardt Stores, galleries, authorized dealers, and select department stores in 51 countries |  |
| Offers periodic promotions at local dealers |  |
| Environmentally friendly production |  |
| Offers case and custom upholstered products |  |
| 5-year warranty on case goods |  |
| Lifetime warranty on upholstered goods |  |
| Has achieved many environmental awards |  |
| **Opportunities** | **Threats** |
| Possible expansion into outdoor and modern furniture | Other global high-end furniture manufacturers, from around the world |
| Expansion into outdoor and modern furniture will create additional markets and revenue streams | Chinese and Asian imports of equal quality, with lower cost of production |

**Hancock & Moore**

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| HANCOCK & MOORE SWOT ANALYSIS | |
| **Strengths** | **Weaknesses** |
| Been in business for 35 years |  |
| All management and employees have extensive background and experience with custom furniture production | All product available through authorized dealers, and cannot be purchased online, with the exception of Century Furniture |
| High, mid and low end fabrications cater to multiple markets | Multiple divisions and overseas offices, translates to high overhead costs |
| Showrooms throughout the U.S., Canada and the world |  |
| Website for online viewing of product only |  |
| Manufacturers furniture for the entire home |  |
| Provides traditional, contemporary and modern styles |  |
| Has a well-known international presence |  |
| Offers periodic promotions |  |
| Only uses wood from sustainably harvested forests |  |
| Manufactures domestically and abroad |  |
| Sister store Century Furniture provides online shopping |  |
| Has achieved many environmental awards |  |
| **Opportunities** | **Threats** |
| Possibility of expanding the entire line globally | Other global high-end furniture manufacturers, from around the world |
| Possibility of further expansion through mergers and acquisitions | Chinese and Asian imports of equal quality, with lower cost of production |

**Reasons for being a Direct Competitor**

Both Bernhardt Furniture and Hancock & Moore are direct competitors of Ferrer Furniture because they produce high end furniture that is equal in quality and price, have a custom division, cater to the same consumer market, and have a strong presence in the U.S. and abroad.

**Competitive Advantage**

Bernhardt Furniture’s competitive advantage comes from their diverse product line including: home, office and conference, hospitality, and custom division. Additionally, they are internationally known for their high quality, superior styling and high price structure, and their product can be purchased in Bernhardt Stores, galleries, authorized dealers, and select department stores in 51 countries. They have a high end image, and do not cater to the more price sensitive consumer bases, which makes their market more stable.

Hancock & Moore’s competitive advantage comes from their diverse line of products produced by their family of five companies, their high quality, their collections for high, mid and low priced fabrications, and their custom division which will create the furniture of the customers dreams. Their collections appeal to the more discerning high-end customer, as well as the more budget conscious but tasteful customer. Additionally, four of the product lines are available throughout the U.S. and Canada, with the exception of Century Furniture whose collection is available globally. All these factors combined create a more stable market.

**Possibility of Cooperative Strategy**

Bernhardt Furniture would not be a suitable competitor for participating in a cooperative strategy for many reasons including: Bernhardt Furniture has a far more extensive background in furniture production, produces many of the same type of products as Ferrer’s Furniture, and their product is available around the world. A coalition between the two would not be in their favor, as it would cut into their established customer base, would reduce the revenue generated by Bernhardt Furniture products, and would truly provide no strategic purpose for Bernhardt Furniture.

Hancock & Moore could be a suitable competitor for participating in a cooperative strategy for many reasons including: The company expanded through mergers and acquisitions, they are a family of companies that combined provide a vast array of product, have their own established stores through the U.S., Canada and the globe, and they produce the same quality and similar styles to Ferrer’s Furniture. The likelihood is Ferrer’s Furniture would be suitable for a merger, and combine their product line and marketing strategy to drive customers to their websites to view the available styles, and entice the customer to visit local showrooms to try the product before they buy.

**Potential Strategies for building a Competitive Market Profile**

It would be wise for Ferrer Furniture to start by advertising their product in market specific publications including: Architectural Digest, House Beautiful, Southern Lady, Traditional Home, Garden & Gun, Southern Living, and other magazines catering to consumers with discerning taste, style, and wealth. Ferrer’s Furniture should also promote their product and website on lifestyle based websites, that cater to the more discerning consumer. Internet advertising would access the high end internet shopper, and entice them visit the Ferrer’s Furniture website, and potentially purchase the products they desire. Ferrer’s Furniture may also want to consider adding showrooms in more major metropolitan areas, based on the research of where the majority of their customers reside.

**References**

N.A. (2016). *About Us: Craftmanship*. Retrieved from Hancock & Moore: hancockandmoore.com

N.A. (2016). *Bernhardt*. Retrieved from Welcome to Bernhardt: www.bernhardt.com