

The chairman: W-S furniture designer overcame disaster and is now sitting pretty

By Matt Evans

Photo by Julie Knight

More than a few entrepreneurs in the residential furniture manufacturing business have been burned in the past decade, as the state's most traditional industry has been buffeted by consolidation and outsourcing.

Bill Bongaerts can say it's happened to him, literally. In 1996, he was in the process of relocating his Beautiful Furniture Co. from Connecticut to the Triad and had moved all of his inventory and equipment into a 35,000-square-foot facility in Lexington.

He left there on a Friday afternoon with everything in good shape, but a weekend electrical storm sparked a fire.

"We came in on Monday and everything was gone," Bongaerts says. "It destroyed the whole business, burned right down to the ground. I had to decide: What can I do now?"

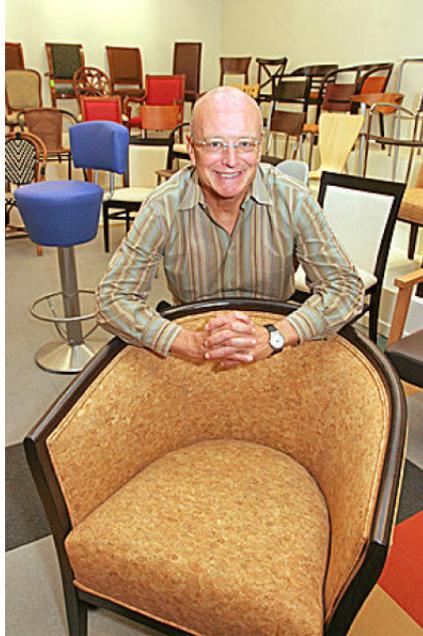
One possibility was to rebuild Beautiful Furniture the way it was, but Bongaerts chose a new path instead. The result is the business he owns and operates today: Beaufurn LLC.

"Beaufurn" is a twist on his former company's name, and a twist on its business model, too. Rather than grappling with the varied and constantly shifting whims of the residential furniture buyer, Beaufurn focuses on commercial seating: tables, barstools and chairs sold primarily to restaurants, hotels, schools and churches.

In his 11 years in the business, he's built an impressive client list. Beaufurn furniture can be found everywhere from Verizon Wireless stores to Universal Studios to The Cheesecake Factory restaurants.

"It's a very different customer base, much better defined" in terms of style, compared to home furniture shoppers, Bongaerts says.

"We carry a lot of products, but it's more focused on seating," he says. "We don't have to do bedrooms, dining rooms and all that, and the clientele is very different."



Bill Bongaerts, owner of Beaufurn LLC in Winston-Salem, focuses on selling seating to commercial establishments, including motels, restaurants and schools.

Style and quality

Those clients, he says, have two primary concerns: style and quality. A busy restaurant can beat a poorly made chair to death in no time, and Bongaerts says that ever since Starbucks came along with its chic, comfortable décor, everybody wants to look upscale.

Price is also a concern, of course, but it's farther down the list. That's a welcome distinction from the residential side of the business, where consumers often look at the price tag first and only then at style and quality -- maybe.

Aesthetics are the No. 1 priority at the Cheesecake Factory, according to Vice President of Design Rick McCormack. The chain has 137 restaurants around the country and is one of the pioneers in the now-crowded "upscale casual" dining niche, opening its first eatery in 1978.

Beaufurn began helping furnish The Cheesecake Factory soon after Beaufurn opened, McCormack says, and though the restaurant uses multiple seating suppliers for various reasons, Beaufurn has long been a favorite.

"They have a lot of unique styles that we don't see elsewhere, which is important because whenever possible we try to introduce new design elements that our customers won't see at another restaurant down the street," McCormack says.

He buys out of the catalog whenever he can for simplicity's sake, but on the several occasions he's asked for design modifications or other custom touches, "I've never heard the word 'no' come out of Bill's mouth."

Saying yes can sometimes be costly, but Bongaerts says it pays off in the long run. One of his early and long time customers is Michael Weinstein, CEO of Ark Restaurants, which owns upscale, high-fashion eateries in New York, Washington, D.C., Las Vegas and Atlantic City, N.J.

When Ark was first opening its famous Bryant Park Grill in Manhattan in 1998, Beaufurn got the contract to supply 700 tables and 1,000 chairs for the gala black-tie opening, to be attended by the mayor and a flock of Big Apple big-wigs.

But shortly before the planned party, Bongaerts got a call from his overseas freight forwarder saying his shipment would be delayed two weeks due to engine problems. Bongaerts says his call relaying that news to Weinstein was about the scariest he's ever had to make.

"You could hear him yelling a mile down the road," Bongaerts says. "But I found a solution. I rented furniture for him that cost me \$17,000 and he used that for the opening."

It was an impressive gesture, and it made Weinstein a customer for life.

"He's so good at customer relations. He's not pushy, and he always keeps his commitments," Weinstein says of Bongaerts now. "He doesn't rely on your personal loyalty to him to keep your business. He's always telling you how you can get a better deal now, as opposed to finding out later that you could have done better back then."

Labor concerns

Beaufurn designs most of its own furniture, outsourcing the frame and component manufacturing to suppliers in Europe and Asia and then finishing the products in the United States.

The company recently increased its production and warehouse space in the Westpoint Office Park to about 40,000 square feet. Part of the reason for the expansion is the growth of Beaufurn's upholstery division, which is made entirely in the United States and has seen sales double since last year.

That has put additional demands on Bongaerts' staff of 18. He's been trying to hire upholsterers, for example, but he says his biggest challenge right now is finding qualified people to take those jobs.

Upholstery hasn't been as hard-hit as wood in terms of manufacturing jobs going overseas, but Bongaerts is still baffled by what he sees as a major shortage.

"I absolutely do not have an explanation for it," he says.

He recently spent \$640 for a newspaper ad seeking upholsterers he would pay as much as \$15 per hour and didn't receive a single qualified applicant.

He's also sought employees through GTCC, which has furniture upholstery diploma and certificate programs, but with the same results.

The only successful recruiting he has been able to do recently has been focused on Spanish-language newspapers.

"We had four, five, six phone calls" off of a single Spanish-language ad, he says, and he hired two qualified people. He's had to turn some people away for lack of

Company Profile

Name: Beaufurn LLC

Address: 3929-D Westpoint Blvd., Winston-Salem 27103

Phone: (336) 768-2544

Web site: www.beaufurn.com

No. of employees: 18

Year established: 1996

Biggest problem: Finding skilled, qualified furniture craftspeople

Solution: Expanded recruiting efforts toward Hispanics

proper documentation, he says, but he hopes the current intense debate over immigration policy doesn't end up cutting off a valuable supply of workers.

"Hispanic people are very important in this economy," Bongaerts says. "Hopefully that work force will still be available because I don't know what we would do without that demographic."

With sales growth averaging about 30 percent per year, Bongaerts is expecting to see his employee count increase to as high as 30 or 35 people over the next few years. Upholstery will continue to grow, as will the amount of custom furniture design his firm does for clients.

Nobody would say a business-destroying fire is a good thing, but in this case Bongaerts says a tragedy turned into an opportunity. Hospitality seating is a niche, but it's one that has given him a lot of satisfaction.

"I enjoy the creation of a new chair, and I enjoy seeing it in an environment where it's being used," Bongaerts says. "Whether it's in a restaurant or at home, eating together is part of sharing for people. Being part of that sharing is exciting for me."

Who's in Charge

Name: Bill Bongaerts

Education: B.A. in psychology, MBA from University of Toronto

Best business decision: Shifting from residential to commercial furniture production

Goal yet to be achieved: Building a significant upholstered furniture division within the company

Family: Wife, Monique; two grown children

Hobbies: Reading, cycling, swimming, auto racing