

Industry News

New AICO division targets small homes

By Thomas Russell

PICO RIVERA, Calif. — Case goods and upholstery resource AICO has launched a lower-priced division aimed at consumers with small houses, condos or apartments.

The company had a soft launch of its Simple Choices at the February Las Vegas Market and expanded the offering at the recently ended High Point Market.

In Las Vegas, a bedroom and dining room called Cypress Bay, mainly in solid pine, was offered in a dark finish called Chocobean, with a small number of

items in a lighter finish called Sandy Point. In response to dealer requests, it offered more pieces in the Sandy Point finish in High Point and also added a server with wine storage.

As expected, the new finish generated interest and orders, giving the company the confidence to move forward with the concept, said Mike Genrich, vice president of sales.

Retailers also responded well to the price points, which are roughly 30% below the prices of AICO's Casual Impressions line of transitional and soft contemporary designs. Casual Impressions, in turn, falls roughly

30% below the company's Michael Amini Original Furniture Designs line of traditional case goods and upholstery.

A five-piece group in Simple Choices, including a bed, dresser, mirror and two nightstands, is targeted to retail at \$1,999. A dining table and four chairs retails from \$599 to \$699.

Despite the entry level nature of the pricing, Genrich said the sets offer many of the features available on other AICO product, such as dovetail drawer construction, velvet-lined drawers and full-extension drawer glides. The items are made in the factories that produce other

AICO product.

The company said it achieved the pricing through the clean-lined design and slightly smaller scale of the pieces.

"The scale and proportion of it worked well with individual pieces," said AICO President Larry Rinaldi. "It has a sophistication of design, albeit very simple. What we are trying to do is not get into how low you can go — it is not a limbo contest. People have to be able to use this product for a number

of years in order to be satisfied with it."

Despite the new line, Rinaldi said that the traditional, larger-scale products remain "the stars of the show. We will never let go of our namesake and what it stands for."

Still, Rinaldi was pleased with the reception of Simple Choices in April. He also said the company has some new pieces on the drawing board and will introduce them if the demand is there.

De Leo cutting fabric prices

By Gary Evans

HIGH POINT — Fabric supplier De Leo Textiles said it plans to go into next month's Showtime fabric fair here with lower price points because of savings it has negotiated with mills, stemming from the stronger U.S. dollar and declining costs of raw materials.

For the new summer line, De Leo's opening price point for high-quality chenille solids will be \$6.95 per yard, both for new and older items, said Cathy Smith, director of design and merchandising.

She said that in past seasons, the company's lowest-priced items were \$7.95, and there were only a few of them.

"We also have a spectacular, textured solid chenille, new for us this collection, priced at \$7.95, which would have run at least \$9.95 a season ago," she said.



Morse, left, and Groves are among the value-priced fabrics that De Leo Textiles will introduce at the summer Showtime fair.

There also will be a range of patterns and solids under \$10, which Smith said will carry De Leo's reputation for high value and consistent quality.

Smith added, De Leo also has been focusing on improving styling and coloring, hiring her as an in-house designer and adding a velvet line at the winter Showtime and the high-end, high-style

De Leo Couture line in the summer of 2008.

De Leo's fabrics are woven in Turkey, which Smith said ensures European quality standards. The company has a U.S. warehouse in Spartanburg, S.C., with prices quoted in dollars-per-yard, FOB South Carolina.

At Showtime, De Leo will show in The Suites at Market Square, space 1206.

Fellows tapped for new post at Lane

TUPELO, Miss. — Gordon Fellows has been promoted to the new position of strategic marketing manager at Lane.

The company said it created the spot as part of an ongoing focus to conduct consumer testing on products before launch. Fellows most recently spent two years with Lane in China

as an upholstery manager helping source imports.

"The number of products Lane consumer-tests has increased tremendously over the years



Fellows

and we needed a dedicated person to oversee the process," said Michael Herman, vice president of upholstery merchandise. Fellows also will work with Lane's marketing team on competitive research and analysis, strategic accounts and sourcing of import covers and finished products.

New Generations closes after lender halts credit

By Gary Evans

MCKENZIE, Tenn. — New Generations closed its upholstery manufacturing operations here last week after its lender shut off its credit line, leaving the future of the 12-year old company unclear.

"I don't know what the final outcome is going to be," New Generations President Rich Favata said. "We're working with our financial partners. The only definitive thing I can say is that we have ceased operations. What plan we're going to take is still up in the air."

The company employed about 180 people. Favata said a crew remained in the plant to fill parts orders and support product in the field. The company shipped its last orders May 13.

"We made our customers aware of what they were or weren't going to get over the past two weeks," he said. Customers were told of the company's difficulties two months ago, he said.

The company has been meeting with its lender, CIT Instruments, and "we'll see where that falls," Favata said.

The plant opened in 1997. The company is an offshoot of Gaines Furniture, which was sold in 1994 to upholstery manufacturer River Oaks, which is now closed. By 2000, New Generations' revenues were around \$50 million, principal Ben Gaines Jr. told the Memphis Business Journal.

Favata said the company had performed well for 10 of its 12 years and that there was a "myriad of reasons" for its current difficulties.

BenchMaster appoints DeSantis

IRVINE, Calif. — Leather recliner producer BenchMaster Furniture has named Bob DeSantis to the new post of president.

DeSantis, who has more than 30 years management experience as a retailer and manufacturer, most recently was a sales executive at Natuzzi Americas.

In his new position, he is

responsible for sales, marketing activities and trade shows. He reports to BenchMaster founder Gene Trobaugh, who will remain CEO.

"Bob has seen all sides of the business and will bring a tremendous amount of insight and leadership skill to enable BenchMaster to achieve the growth we are looking for," Trobaugh said.