

The Business of Furniture | October 11, 2017

# BOF



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Why  
I  
**Cringe**  
at  
the  
'Dealer Label'

LET ME EXPLAIN WHY. CLOSE TO 70 PERCENT OF THE PRODUCTS CURRENTLY PURCHASED BY OUR CLIENTS ARE FROM OPEN LINE MANUFACTURERS.

BY SCOTT LESIZZA



I know I'm going to rile some people up by saying this, but I don't like being defined by the "dealer" label. In my mind, dealers have slick-backed hair, pinky rings and wear flashy purple suits. Dealers peddle products and services simply for profit — essentially ripping people off. Don't believe me? Google "dealer salesman" and take a look at the images that pop up on the first page of results. Enough said.

Truth is, I've met thousands of furniture dealership employees and salespeople, and 99.9 percent are fantastic, hard-working professionals. Unfortunately, perception is hard to shake, and the dealer model has changed dramatically. As we move forward, we should be referring to ourselves as "furniture managers" because that's truly what we are.

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### **This shift is already happening and with incredibly positive results.**

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Let me explain why. Close to 70 percent of the products currently purchased by our clients are from open line manufacturers. Open line manufacturers can be procured by most dealers regardless of their exclusive line affiliations. That's a drastic change from just three years ago when roughly 30 percent of our business was open line. The ability to track 100-plus furniture lines requires a completely different skill set for project managers, designers and salespeople. Add to that the multiple fabrics and finishes available, the hundreds of purchase orders and nearly as many deliveries and acknowledgements, and it can end up making your head spin. I think you get the picture. Every strong furniture management team must have an equally strong logistical project manager working in tandem with a top-notch designer to succeed.

Traditional furniture evaluation models have been built for architects' and owners' reps to round up the usual suspects and schedule showroom tours to review the latest offerings in benches or

sit-stand desks. This process usually begins after the lease has been signed, which is almost always too late. This causes the process to then get drawn out and held up due to mock-up orders and review, which is typically a six-week process. Once a workstation manufacturer is chosen (remember the workstation is only 30 percent of the overall furniture cost), there is very little time left to interview dealers and competitively price out the other 70 percent of the furniture budget. This tends to be the longest lead time and the most highly visible furniture in your space — the cafe areas, lounge seating, collaborative areas, conference and meeting rooms, etc. A default dealer is then brought on board to place furniture orders, thus ensuring ancillary furniture arrives well after move-in and typically at a premium. The value your furniture manager could have brought to the table early in the process as a trusted advisor has been reduced to an order placer with little value added and usually at a greater cost.

Let me throw this out there. Bring your furniture manager (along with your other trusted consultants) on board early. I also suggest setting a flat fee for their services, typically a fixed percentage above cost just like a construction manager, and allow your furniture manager to act on your behalf early in the process. You have the added benefit of having your AV consultant, general contractor, IT department and furniture partner collaborating and sharing ideas together early in the process as opposed to being isolated and operating in separate buckets.

This shift is already happening and with incredibly positive results. I have yet to find an industry professional who can tell me why this model doesn't or will not work, and there is virtually no risk in doing so if you have properly vetted your furniture manager. So let's shed the purple jacket, extend your ring-less pinky hand to your next potential client and proudly introduce yourself as a furniture manager — not a dealer. **BoF**