

BUSINESS OF HOME

Lead times are still out of control. Who's picking up the slack?



Homepage photo: Merida's Fall River, Massachusetts facility | Courtesy of Merida

Two months ago, *Business of Home* reported on the perfect storm of factors—from social distancing precautions to the rising cost of shipping containers—that has sent lead times across the home industry spinning wildly out of control. It ended with furniture industry analyst **Ray Allegranza** estimating that things would get a little worse before getting better. He was wrong. As it turns out, things got a *lot* worse.

Two weeks later, winter storms whipped across the South, knocking out the production plants in Texas and Louisiana that manufacture the chemicals used to make foam. The result has been a severe, industry-wide shortage that has added weeks (if not months) to many furniture makers' already-bloated lead times. The problem is so dire that some factories are temporarily shutting down rather than trying to keep going without access to foam.

Across the board, brands of all shapes and sizes, from retailers to custom craftspeople, are struggling to deliver on time. While the demand for home goods has never been higher, making those goods quickly has never been harder.

Designers find themselves stuck in the middle, running interference between eager clients and harried makers. Some are lucky to be working with homeowners who are fine with waiting for the good stuff ("Anyone who's rich enough to hire a designer either already has a couch, or has another house. They get it," one designer told me). Others aren't so fortunate—this period has certainly tested the limits of many a client-designer bond. If all else fails, some resort to humor. Another designer told me that whenever a lead time gets extended, she has taken to sending around a popular meme that repurposes a scene from the movie *Titanic*, in which the elderly Rose, looking at the *Coeur de la Mer*, remarks wistfully "It's been 84 years..." The joke being: It feels like it'll take that long until the sofa arrives.

But for all the delays, there *are* ways to get stuff quickly. Brands that have—either by luck or strategy—found a way to stay on time are uniquely positioned to capitalize on the moment. They're currently in the enviable position of being able to pick up the phone and say "yes"—an advantage that may win them lifelong customers and pay dividends for years to come.

"Six years ago we started to invest in our own manufacturir here, largely because of our commitment to elevating craftsmanship, using all-natural materials, and trying to create what we call a virtuous circle of the pleasure and joy making, then giving and receiving," says **Catherine Connolly**, the owner of Massachusetts-based textile brand Merida. Though the company's local production was temporarily shut down by COVID lockdowns last spring, it was able to quickly get back to pre-pandemic lead times of two to four weeks for broadloom product, largely as a result of manufacturing in-house.

Being able to stick to pre-pandemic lead times, says Connolly, didn't prove to be a huge competitive advantage in 2020. ("People are usually willing to wait for what they want in a custom rug," she said.) However, as delays elsewhere in the industry persist, it's beginning to pay dividends now, especially as Merida's biggest market, New York, shows signs of recovery from COVID's economic fallout. If nothing else, it's a conversation starter.

"I see all these designers on Facebook who are dealing with crazy lead times," says Connolly. "I think there's this sense that the entire supply chain isn't working, but I can say, 'Actually, we can help!'"



In 2020, for the first time Merida manufactured more in its Massachusetts facility than it imported Courtesy of Merida

Only time will tell, but the pandemic has certainly pushed many designers to shop in their own backyards. Medium-sized brands like Cerno and Merida are only the more visible examples of a shift towards exploring local resources—it's a lot easier to ensure a speedy delivery time if the upholstery only has to deal with a traffic jam, as opposed to a ship lodged in the Suez Canal.

It's a phenomenon I encountered at all levels of the market, in every category. Having good relationships has mattered. Connolly says that good relationships meant she could get suppliers to cut samples down to a smaller size and send them via air as opposed to sending enormous rolls via sea—a shift that saved valuable time. Englander stressed the importance of Cerno's relationships with suppliers. For their part, designers across the country have been calling in favors left and right. It's an era of juggling, reshuffling, and making do—and in the struggle to beat the industry's lead time crisis, who you know can matter just as much as what you sell.