

FRANKLIN FURNITURE INSTITUTE HIGHLIGHTS

MISSISSIPPI STATE UNIVERSITY



Respect and Value are the Pieces of the Max Home Puzzle

Just as a jigsaw puzzle can't be completed without all the pieces in the right place, a company won't stay competitive without fitting all the necessary pieces together in their corporate culture. For Max Home, the most important pieces are respect and value—respect for everyone in their value chain including suppliers, employees and customers; and exceptional value for their retailers and customers.

According to Bruno Policicchio, Chief Operations Officer, Max Home's goal is to "give customers the best value in our market segment by giving choice and reliability." Max Home is able to properly interlock those pieces by nurturing a company culture of respect where quality employees build quality products for which customers want and are willing to pay.

Background

Max Home started just over six years ago in Fulton when five partners with extensive backgrounds in the furniture industry joined together to launch the company. Owners stressed that the support of the local community and the hard-working local labor force were the

main reasons for choosing Itawamba County. Max Home has now grown to employ 475 people in Fulton and has opened another facility in Iuka.



Products

Stationary upholstered furniture including sofas, loveseats, sectionals, chairs, chaises and ottomans make up Max Home's product line. The overall design style is contemporary but furniture is a fashion business, and because their products are designed in-house, changes can be made quickly. The products are mainly customized instead of mass produced and are sold at a higher price than promotional furniture.

The average retail price range of Max Home sofas is \$799-\$999. Even though the current national economic downturn has forced many manufacturers to take costs out of their products by utilizing cheaper materials and/or less raw material, Max Home has refused to compromise on the quality and integrity of their products. The company seems to be reaping the rewards from maintaining high standards as both plants are in the process of hiring additional employees and adding production lines. Max Home is proving that customers will pay for quality products.

Target Market

The middle to upper middle income demographic is Max Home's target market and these customers are reached mainly through department stores and major independents. In fact, Max Home was one of the first companies in northeast Mississippi to focus on selling to department stores. Policicchio says, "these types of retailers simply force you

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The Franklin Furniture Institute is an institute of the Forest and Wildlife Research Center, Mississippi State University. The Institute is a collaborative effort involving the College of Forest Resources; College of Business; Bagley College of Engineering; College of Architecture, Art and Design; and the Mississippi State Extension Service. George M. Hopper is Director of the Forest and Wildlife Research Center.

director's corner

Furniture Highlights

Bill Martin, Director

As we move through tough economic times, most companies continually re-evaluate their assets and work to see how they can become more productive and efficient. Many companies however, often overlook one of their greatest assets—their human capital. Human capital consists of all the individuals who actually get things done—the people who design, make, sell, and ship our products! According to Wikipedia, “Human capital refers to the stock of skills and knowledge embodied in the ability to perform labor so as to produce economic value. It is the skills and knowledge gained by a worker through education and experience.” Interesting thought, “gained... through education and experience.” So, are we investing enough in our human capital?

According to the recent study “Manufacturing and Logistics 2009 Report Card” by Dr. Michael Hicks of the Center for Business and Economic Research at Ball State University, maybe not. The study ranks each state on an A to F scale in seven variables most likely to be used by site selection experts for manufacturing and logistics firms. Human capital is one of these variables. The bad news is that Mississippi ranked 14th from the bottom of all 50 states with a D+. The good news is that Mississippi ranked higher than all of its contiguous states! The study defines the findings as “a measure of educational and skills attainment, and in some settings health of residents and workers within a region.”

At the Franklin Furniture Institute, we realize that human capital development is a vital key to success for every company. One of the programs we have developed to educate the workforce is our Manufacturing Supervisor Management Training Program. This program is targeted towards current or next-in-line supervisors and mid-management personnel. The course strengthens both communication and technical skills by focusing on issues managers need to be successful including conflict resolution, time management, economics, workforce evaluation, building trust and teams, and modern manufacturing techniques. The course is comprised of four modules which are delivered on-site at a company's facility. Since its development in early 2009, this program has been delivered to over 50 employees in three different companies. In addition, three additional modules are scheduled for the third quarter. Please contact us to learn more about the program. We believe you will be glad you did!

On another note, the Institute will be adding another product to its portfolio during third quarter. We will be working with the American Home Furnishings Alliance in High Point to deliver their “Sustainable by Design” program. If you are interested in learning more, contact us or visit the AHFA web site at <http://sustainablebydesign.us/>. We are also working with our Industrial and Systems Engineering partners here at MSU to develop an Ergonomics 101 education program. Stay tuned for more information.

Remember, Working Together, WE Can Make it Happen!



Respect and Value are the Pieces of Max Home Puzzle

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to be better because they have higher standards and higher penalties for not meeting these standards.” There is very little brand name recognition in upholstered furniture except for those at the very high end of the market. Therefore, many customers buy from national chains because they trust the department stores to supply them with quality products. And quality is critical to national stores because they depend on multiple and repeat purchases from their customers. Max Home is in the business of keeping their retailers satisfied so that they, in turn, can keep their consumers completely satisfied.

Management

Management is lean at Max Home. Policicchio explains that while many companies say they have an open door policy, Max Home lives this policy. Each of the company’s owners head up various functional departments including marketing, production, accounting, finance and human resource. Furniture industry veteran Vince Crocker is the plant manager. Crocker stated that “no one knows a person’s job better than the person doing it eight hours a day.” Because all employees are treated with respect and all opinions matter, employees feel comfortable to stop management on the plant floor to discuss an issue. Due to the proximity and approachability of management, problems can be solved and improvements made as needed. The company also holds informal



quarterly meetings with all employees to discuss business, the markets, and current issues.

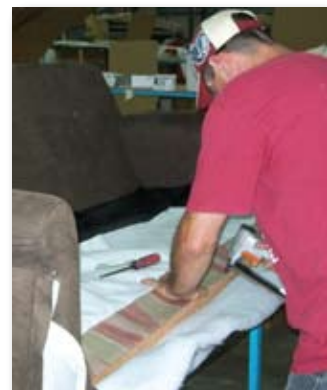
Employees

Motivational training guru Zig Ziglar said “research indicates that workers have three prime needs: interesting work, recognition for doing a good job, and being let in on things that are going on in the company.” At Max Home, these needs are met. Many of Max Home’s employees have been with the company since the doors opened. Plant Manager Vince Crocker says that “people are our most valuable resource—not only their working abilities but their minds too.” Chris Faulkner, a four year veteran, can attest to managements’ respect for employees. Faulkner said he liked working at Max Home because it is a challenge and management listens to the employees and their ideas. Bessie Thompson, a sewing supervisor who came to Max Home over five years ago says that anytime she needs something, all she has to do is go to the plant manager or one of the owners and ask. Thompson says that her team is like a family and that the plant is her home away from home. When the employees feel personal satisfaction with their jobs, the company gets to keep genuinely great employees.

Training

Training is also an important part of the culture at Max Home. Employees are trained in-house on job skills such as sewing, upholstery and framing. Management has completed soft skills courses in order to learn about developing people skills, motivation, conflict resolution, and leadership. These skills are being taught in turn to supervisors and then to floor employees. Supervisors recently completed a leadership training module and are currently attending sessions on modern manufacturing applications conducted by the Franklin Furniture Institute.

Clearly, management’s focus is to provide employees with the best skills, knowledge and expertise to help them build a product and a company. Employees know that they are an integral part of the company because if their job is not done well, the company will not be around for long.



Future

Max Home is positioning itself for a promising future. The owners believe that the industry is currently experiencing a market correction which will soon begin to improve. Max Home plans to be positioned to take advantage of this situation. By offering innovative products while increasing efficiencies, the company looks to continuously improve and be in a good position for the future. Improving all types of efficiencies takes thinking out of the box. Utilizing a hybrid of lean manufacturing helps Max Home evaluate their paradigm and thus determine which parts are right and beneficial for their model and which parts don’t fit. Because of the investment in employee training, Max Home’s people are equipped to adapt to changes in technology and manufacturing methods. And just like a puzzle, when all the pieces fit together, the outcome is a great product and a successful company.



MSU: Focus on Furniture

On May 14, the Franklin Furniture Institute hosted a one day forum to highlight the many different services available to the furniture and home furnishings industries. Faculty and staff from five different colleges and sixteen different departments presented summaries of programs available to the industry. The following provides details on the programs available through Mississippi State University.

Franklin Furniture Institute

Export Resource Service

Web site: ffi.msstate.edu/export/

Services: Resource for furniture related export opportunities, information, data and links to current trade data, statistics and sources of assistance to the local, regional, and national furniture industry. Assistance with market assessment, problem solving, and logistical issues

Supervisory Manufacturing Management Training Program

Web site: ffi.msstate.edu

Services: Basic manufacturing instructional training in the areas of modern manufacturing, leadership, and management to first-line supervisors in the furniture industry. Also provides assistance with value stream mapping, industrial assessments, and manufacturing process improvements

Furniture Quality Assurance Research and Testing Services

Web site: ffi.msstate.edu

Services: Frame, Component and Subassembly Testing and Evaluation, Packaging Testing, Foam, Fiber and Foundation Testing, New Wood-based Material Evaluations of Furniture Frame Stock

The Export Resource Service is developing an **online catalog** of Mississippi produced furniture to provide international buyers with a **visual presentation of products** and information about the industry. The service is **free for Mississippi furniture manufacturers, suppliers, retailers, distributors and Mississippi lumber companies**. If interested, contact Debbie Miller, dmiller@cfr.msstate.edu or 662.325.6787.

College of Architecture

Design Research and Informatics Laboratory (DRIL)

Web site: www.dril.coa.msstate.edu

Services: Logo/web design, branding, marketing consultation and videos, technology assessments, print media development, drawing/renderings, 3-D modeling, digital design, CAD/CAM

Department of Art

Web site: www.caad.msstate.edu/art/

www.caad.msstate.edu/ccampbell

Services: Advertising design, advertising copy, illustration, brand identity, cut sheets, package design, web design

Department of Interior Design

Web site: www.caad.msstate.edu/id/

Services: Furniture design

College of Arts and Sciences

Department of Political Science and Public Administration

Web site: www.msstate.edu/dept/politicalscience/

Services: Freight based economic development in Mississippi, Transportation systems

Bagley College of Engineering

Industrial Outreach Service

Web site: ios.msstate.edu/

Services: Lean manufacturing training and implementation, industrial and manufacturing technology assistance, plant layout

Industrial Assessment Center

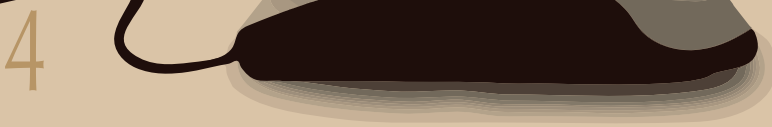
Web site: www.me.msstate.edu/IAC/iac.html

Services: Provides energy, waste, and productivity assessments to small and mid-sized manufacturers. Makes recommendations to help companies save money from energy, waste and productivity improvements

Human Systems Engineering Lab

Web site: www.ise.msstate.edu/research/ergo

Services: Physical and cognitive assessments, training development and assessment, task analyses



Industrial and Systems Engineering

Web site: www.ise.msstate.edu/

Services: Mathematical programming, modeling and optimization for scheduling, routing, supply chain and logistics management, intermodal transportation analysis

Center For Advanced Vehicular Systems Extension

Web site: www.cavse.msstate.edu/

Services: Workshops and engineering professional development in the areas of six sigma, lean transformation, measurement systems analysis, Flexsim, logistics and supply chain management, ergonomics, solid modeling, finite element analysis

College of Business and Industry

Technology Resource Institute

Web site: www.msstate.edu/dept/tri/index.html

Services: Assessment of client needs, entrepreneurial training, business research assistance

MBA Graduate Student Project Teams

Web site: misweb.cbi.msstate.edu/~COBI/faculty/departments/mainpage.shtml?MIS

Services: Graduate student consulting teams conduct research and make recommendations on specific problems or needs for companies in the areas of management, marketing, and information and data systems.

Center for Family Enterprises Research

Web site: misweb.cbi.msstate.edu/~COBI/faculty/departments/mainpage.shtml?COFER

Services: Research and education and planning on succession in family owned firms

Department of Marketing, Quantitative Analysis and Business Law

Web site: business.msstate.edu/marketing/

Services: Student Team research on web site strategy analysis, including web site critique, online marketing campaigns, web site strategy analysis, development of web site, evaluative criteria

Research and Curriculum Unit

Web site: info.rcu.msstate.edu/

Services: Industry-specific training resources for Mississippi businesses. Assists companies in identifying training needs, training program design, preparation of training content, develops instructional media and assists in follow-up and evaluation. Deliverables include training media, videotypes, e-learning training media, media library for checkout, assessments, research, Franklin Covey "Focus", and supervisory assessments

Supervisor Training Graduates



Fifteen Flexsteel employees recently completed the Supervisor Manufacturing Management Training program offered by Mississippi State University's Franklin Furniture Institute. The training program provides instruction in manufacturing, leadership, and management to supervisors and managers in the furniture industry. Pictured from left to right: (front row) Tina Butler, Ashley Covin, Mike Fulgram, Corey Bagwell, Robbie Guest, Lynn Brignance. (back row) Chris Cook, Raphael Leonard, Tyrone Ellis, Steven Thompson, Kenny Malone, Doug Briones, Geary Weeks. Not shown: Janice Dorsey, Don Maddox. Interested furniture companies may contact the instructor, Chip Bailey at 662-325-6787 or ebailey@cfr.msstate.edu.

Center for Safety and Health

Web site: www.msstate.edu/dept/csh

Services: Assistance in compliance with OSHA regulations including free and confidential assessments and specific recommendations for compliance

Academic Outreach and Continuing Education

Web site: www.ce.msstate.edu/training/

Services: Safety and Environmental training delivered on-site, on campus, and through partnerships with community colleges. Training includes OSHA General Industry and Construction, Lockout Tagout, Confined Space Entry, Ergonomics, First Aid, CPR, and AED, OSHA HAZWOPER, Hazardous Waste Operations and Emergency Response Training

Sarah Pittman

staff profile

The interactive conference planning web site for the Riley Performing Arts Center in Meridian, the welcome sign at the entrance to the city of Saltillo, a classroom SMART plan for the Indianola School District, a complete online searchable database for a Tupelo furniture manufacturer, and a professional elegant web site for Greater Starkville Development Partnership—what do these things have in common? They are all economic and community development projects managed by Sarah Pittman.

Sarah Pittman, Microsoft® certified systems engineer is project coordinator and manager of the Design Research and Informatics Laboratory and the graduate studies program in Mississippi State University's College of Architecture, Art and Design. The Design Research and Informatics Laboratory provides short-term economic development projects for communities and companies that will promote long term growth—generally through the use of marketing, signage, branding, and web site development. Pittman studied at the University of Mississippi, Mississippi State University, and Memphis State University, with concentrations in law, technology and business strategy. Her technology expertise includes computer visualization, interactive design, product design, information technology, digital design, and CAD/CAM.

With more than 25 years experience in small business development and administration, Pittman considers herself a life time learner and is always looking for new ideas. The consummate team player, she never forgets to give credit to

her outstanding team of researchers and graduate students. Assistant professor Justin Taylor is her “right, left, and middle hand man.” Not afraid to admit a mistake, Pittman believes that her successes have come from years of trial and error with businesses/technology and being a part of the working world. Pittman runs her team on an equal basis and be-

lieves that everyone brings a different perspective to the table. Anyone who has ever met Sarah knows that she puts her clients at ease immediately but is not afraid to be brutally honest with assessments and will always tell clients the truth—with a little southern humor and charm mixed in.

Pittman is currently involved in several patent pending innovative projects and was awarded the 2006 Mississippi State Office of Research Support Staff Award in the College of Architecture, Art and Design. In addition, she is a technology consultant with several government entities and

small businesses. Fortunately for the furniture industry, Pittman and her design team work extensively with the Franklin Furniture Institute to provide logo and web design, branding, marketing consultation, videos, and technology assessments to the industry. If you would like the DRIL team to visit with your company to provide a technology assessment, discuss specialized marketing projects, or to assist with web design or other media development, contact Pittman at spittman@caad.msstate.edu, or phone: 662.325.4104 or Justin Taylor at jtaylor@caad.msstate.edu, phone: 662.325.7994.



DRIL team members (l) Carey Estes, Justin Taylor, Sarah Pittman, Heath Kleinke and Dale Moore

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