

**BUSINESS NEWS**

IFD expands factories south of the border



Thomas Russell // Senior Editor, Furniture Today

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PUEBLA, Mexico — To support an increase in demand  **Puebla** for its solid wood furniture, case goods manufacturer

International Furniture Direct is undergoing an expansion of its facilities here and in Guadalajara.

The company is doubling its Puebla facility's manufacturing space to 280,000 square feet, which is adding more woodworking machinery and two finishing lines. The expansion already contributed to a 30% increase in production capacity by the end of 2016 and will increase the current capacity by about 50% when the project is completed by the end of this summer.



The expansion includes a 46,600-square-foot consolidation warehouse that allows the loading of five 53-foot containers at the same time.

The facility warehouses bedroom, dining room, occasional and entertainment furniture produced in all three of IFD's plants including another facility in Puebla and a plant in

Guadalajara. Officials said this streamlines shipping with “all you can mix” full truckloads of product for factory direct truckload dealers.

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Company	2019 Sales	2018 Sales	% Change
1. Walmart	1,200,000	1,100,000	9%
2. Target	800,000	750,000	7%
3. Costco	600,000	550,000	9%
4. Home Depot	500,000	450,000	11%
5. HomeGoods	400,000	350,000	14%
6. Bed Bath & Beyond	300,000	250,000	20%
7. Bedding Direct	250,000	200,000	25%
8. Bedding Outlet	200,000	150,000	33%
9. Bedding Warehouse	150,000	100,000	50%
10. Bedding Express	100,000	50,000	100%

A second phase of the expansion would add an additional building on a 150,000-square-foot parcel the company has acquired in the same location. That project is expected to be finalized in the summer of 2018.

“We are expanding because there is demand right now,” said Diana Zaldivar, vice president of sales and merchandising of the project, noting that sales have risen to about \$71 million last year from \$17 million several years ago. “There is a reason to do it; we are not just flipping a coin.”

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Like other manufacturers, IFD does have concerns about the Trump administration’s threat of tariffs against Mexico as well other unknowns relating to Trump’s desire to renegotiate NAFTA.

The company said it believes it still has an advantage over producers in Asia, for example, because of its proximity to the U.S. market and the look of its product mix, which combines native wood species with metal produced in its own foundries. Given these attributes, the company also believes its solid wood mix remains a value to American consumers, allowing them to get more for their money than some other product in the marketplace.

In addition to the Puebla expansion, IFD has added a 50,000-square-foot consolidation warehouse five minutes away from its main factory there on a piece of land already owned by the company. The warehouse, which holds about \$3.3 million in inventory, began operations the first week in February and will allow the company to ship truckloads of mixed product to its customers. It also will supply its four U.S. warehouses more quickly than before, supporting a quick-ship program for customers around the country.

The company did not reveal the value of the overall investment in land, building and equipment. Still, it believes the project represents its dedication to the U.S. market, which represents about 98% of its business, with Canada representing the other 2%.

"If we had capacity (before now), we would have shipped more, but that is the reason we are investing," Zaldivar noted. "We believe the business will be there for sure."

I'm Tom Russell and have worked at Furniture/Today since August 2003. Since then, I have covered the international side of the business from a logistics and sourcing standpoint. Since then, I also have visited several furniture trade shows and manufacturing plants in Asia, which has helped me gain perspective about the industry in that part of the world. As I continue covering the import side of the business, I look forward to building on that knowledge base through conversations with industry officials and future overseas plant tours. From time to time, I will file news and other industry perspectives online and, as always, welcome your response to these Web postings.