



ICT and e-business in the furniture industry

Bart de Turck,
European Furniture
Manufacturers Federation



- The EU Furniture industry
 - > 100 Billion € production
 - > 100.000 companies, >1.300.000 employees
 - 10 billion extra EU export, 12 billion extra EU imports
 - EU represents 40% world production
- The UEA – Union Européenne de l'Ameublement
- 27 national members of which 20 EU MS

2002 furniture dot com
goes broke after losing
hundreds of millions of
dollars

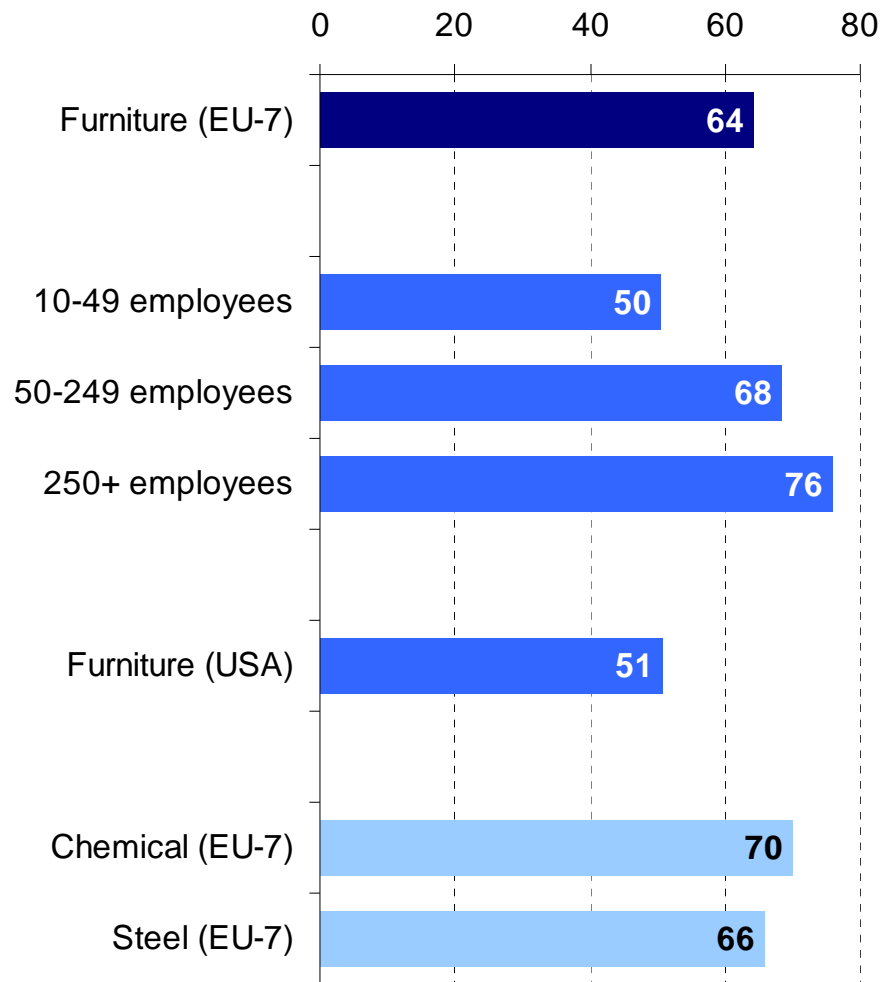
2008 ??

- Promotion flexibility in production
- Promotion of communication standards Funstep ISO
- Promotion of management technology and co-operation
SCM ERP

Study methods

- e-Business Survey 2007:
Telephone interviews with 661 furniture firms in EU (Germany, France, Italy, Spain, UK, Poland, Sweden), 100 in US
- 10 case studies

e-Procurement



Source: e-Business Watch, Survey 2007

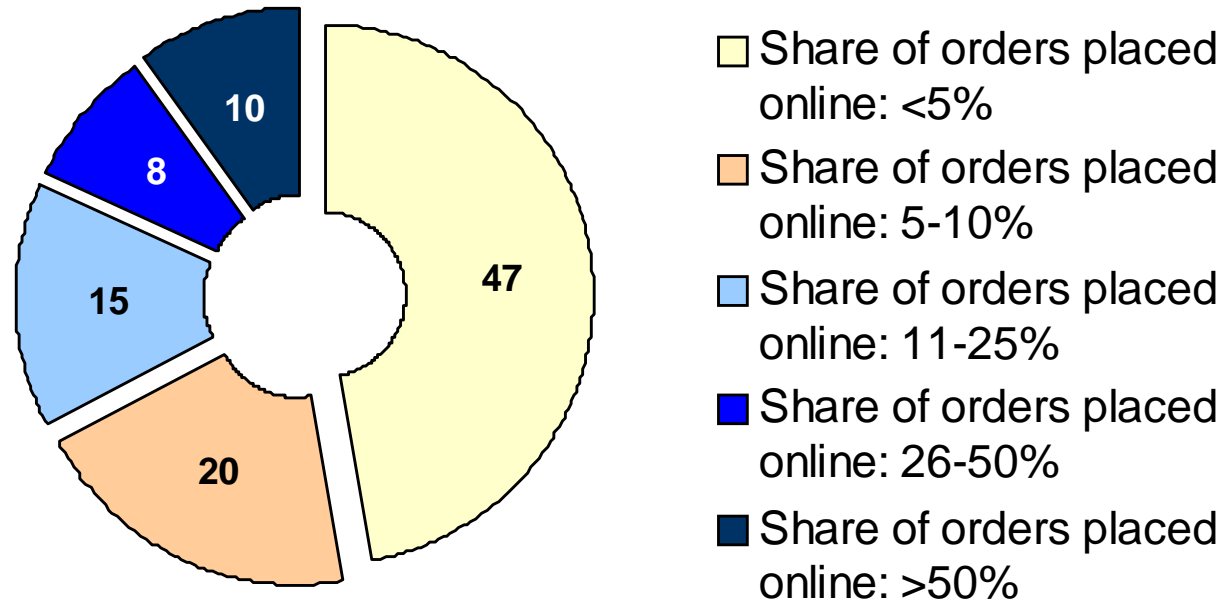
EU-7 furniture firms: 64% procure goods electronically (employment-weighted)

Small firms lag behind medium-sized and large ones

More than in US

Similar to other manufacturing industries

e-Procurement share

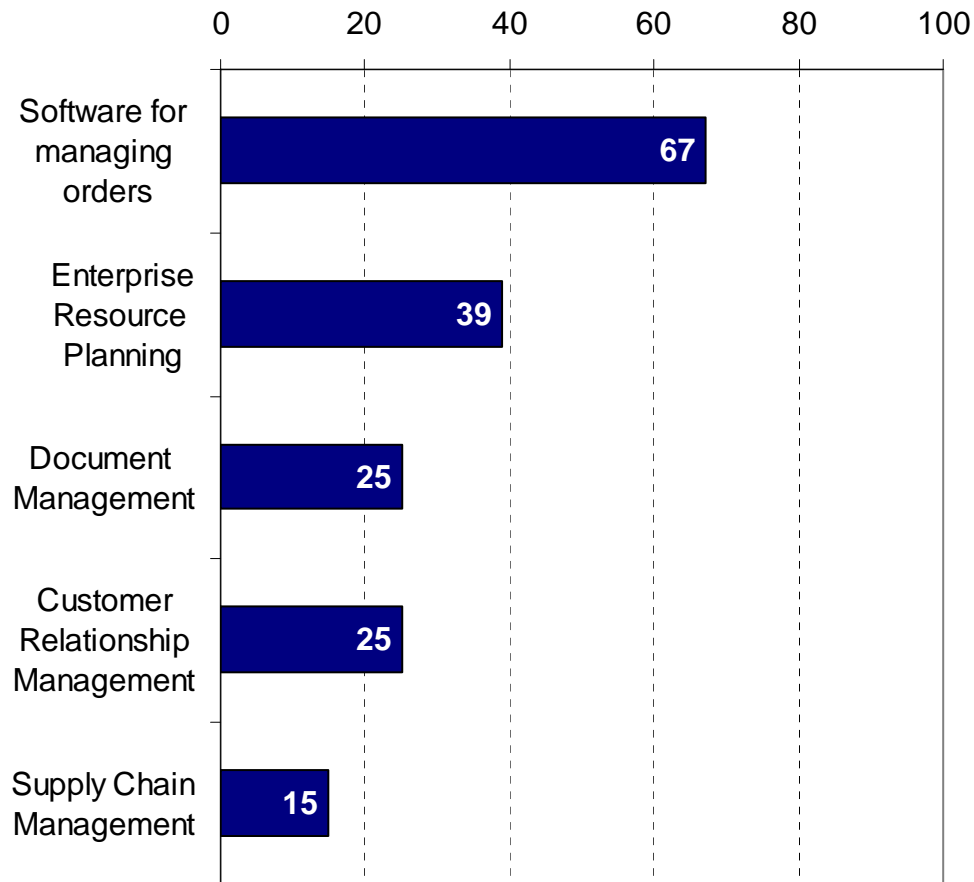


Source: e-Business Watch, Survey 2007

Share of goods procured online is normally very small: in half of the companies it is less than 5% of total procurement.

e-Procurement share more than 50% only in every tenth company

Internal systems

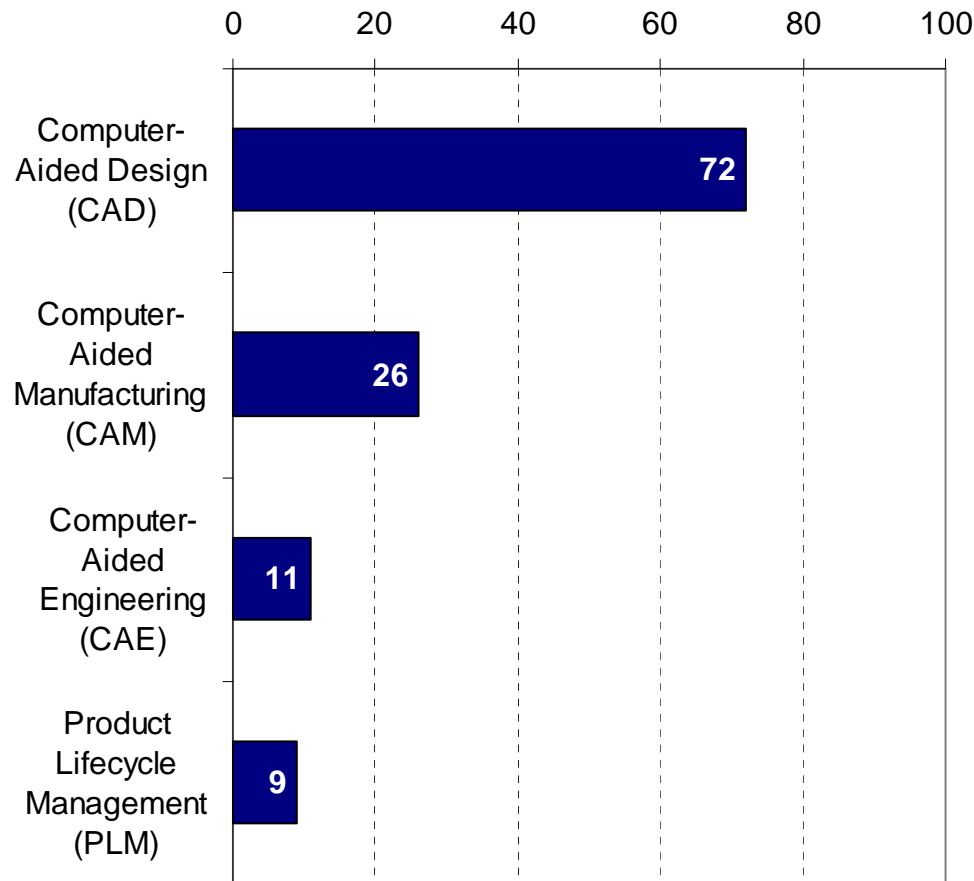


Software to manage orders in 2/3 of companies

Other systems not very common and usually less common than in other industries

Source: e-Business Watch, Survey 2007

ICT-enabled design and production



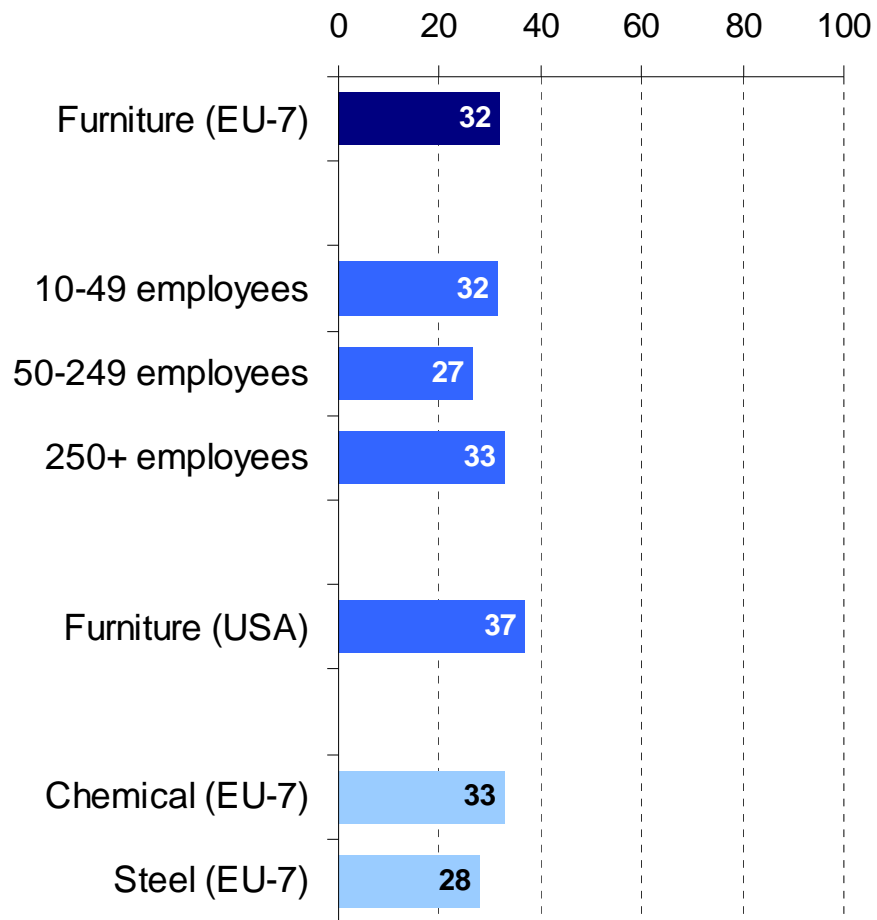
Important for furniture industry

CAD is very common

CAM in a quarter of the firms

CAE and PLM less common

Source: e-Business Watch, Survey 2007



32% of EU-7 furniture companies allow customers to order goods electronically (employment-weighted)

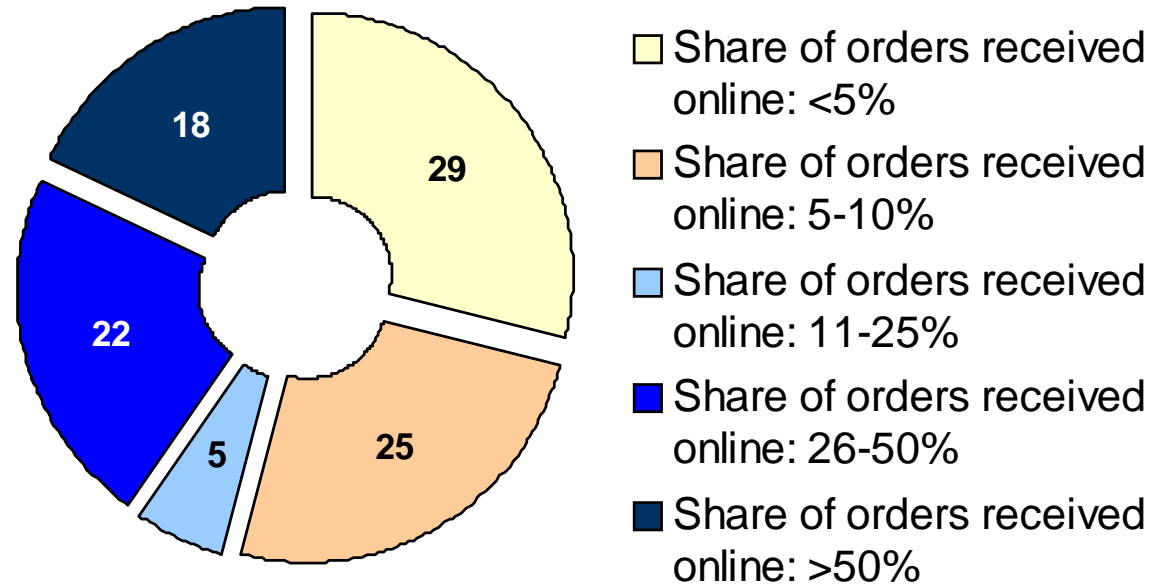
No differences between size classes

Slightly less than in US

Similar to other manufacturing industries

Source: e-Business Watch, Survey 2007

e-Sales share



If furniture firms sell electronically, they sell quite a bit in this manner.

40% of those firms selling online sell more than a quarter of their total sales electronically

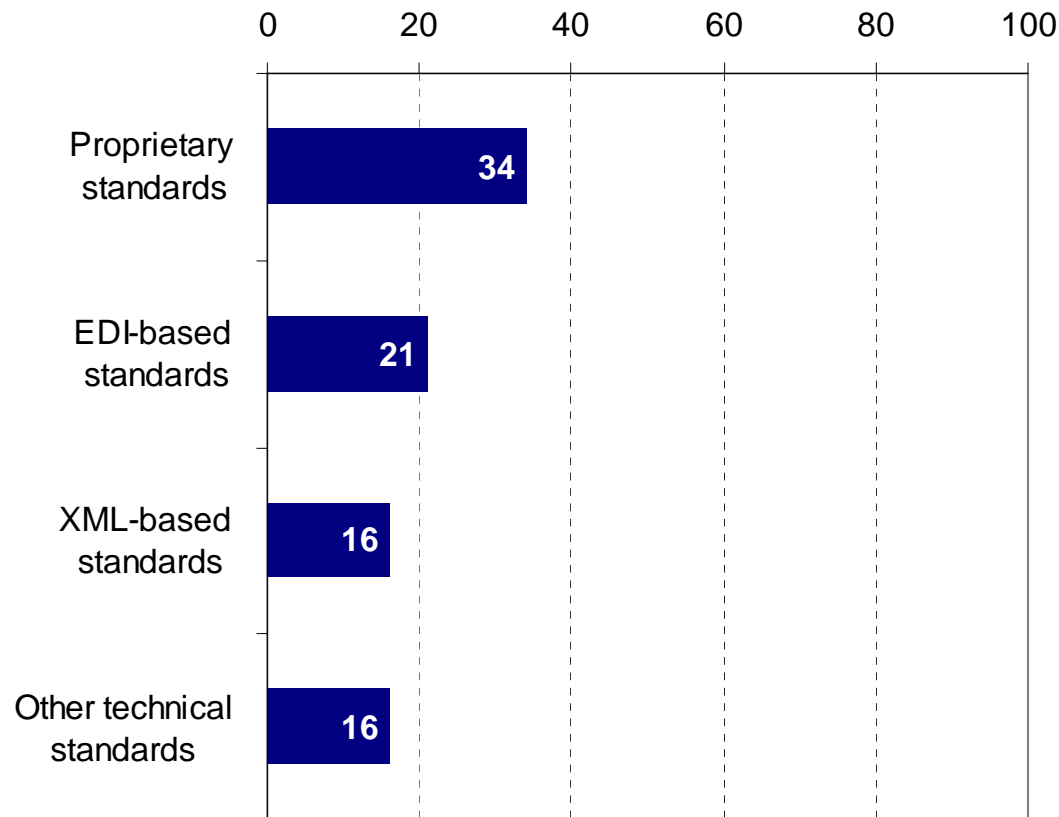


Case study of electronic marketing: Webmobili



- Spin-off from Federmobili, the Italian Association of Furniture Retailers
- Search engine for consumers (free of charge) about national furniture offers.
- Marketing and communication service for independent retailers and manufacturers
- Bridging information gap between demand and offer
- 2007 over 40 million hits

Use of IT standards

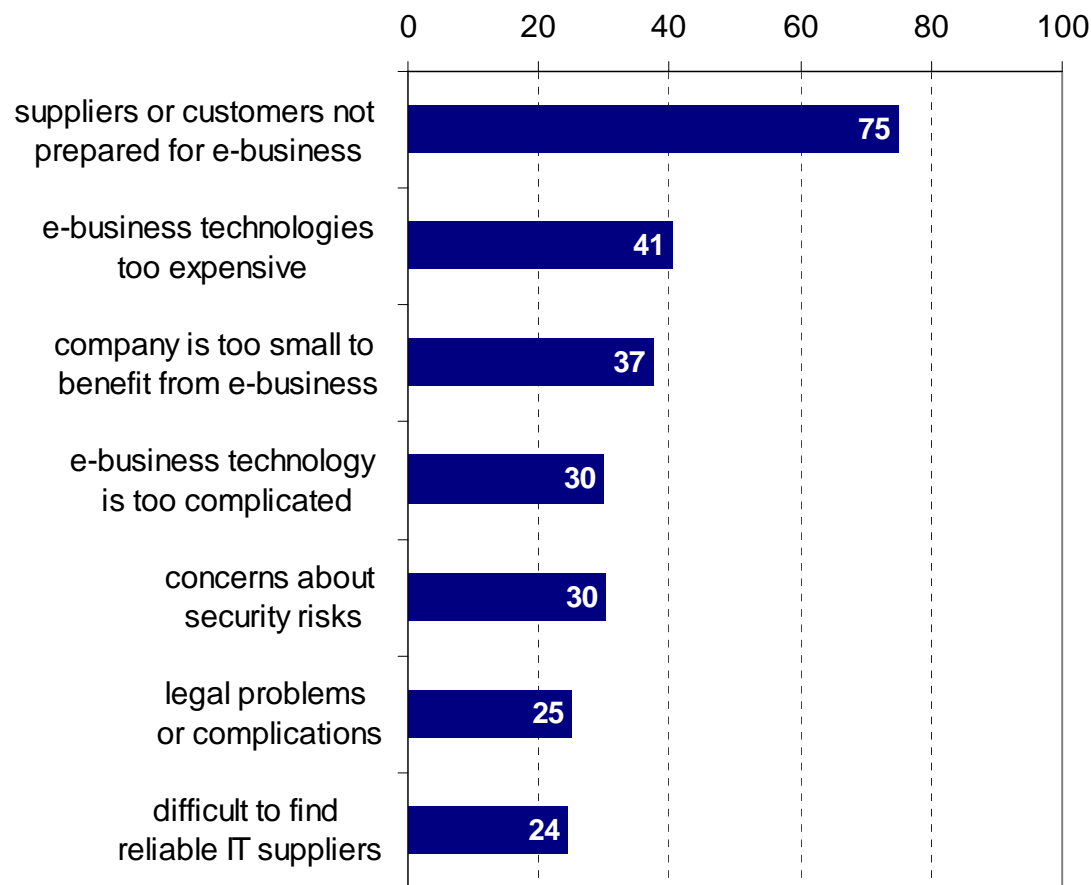


Proprietary standards are the most common ones: 34% (weighted by employment)

Standards use in large firms more frequent than in SMEs

Source: e-Business Watch, Survey 2007

Barriers to use more ICT and e-business



Firms using only some e-business or none at all were asked for reasons

“Suppliers or customers not prepared for e-business” single most important reason

Source: e-Business Watch, Survey 2007

Summary and conclusions

- 1. CAD-CAM integration: efficiency and customer-driven production and innovation**
- 2. Flexibility needed to address complexity of production and reduce lead times: full integration is not always necessary**
- 3. Interoperability and standardisation**

Suggested policy initiatives

- **Improve e-business skills especially among SMEs**
 - Promoting entrepreneurial and managerial understanding of e-business applications.
 - Providing information about e-business and support to decision-making, as SMEs may have difficulties in selecting suitable systems and solutions.
 - Encouraging the improvement of skills related to the reorganisation of working processes and procedures and the implementation of innovative technologies.
- **Increase efforts for fostering standards and interoperability**
 - Support for standardisation initiatives
 - Stimulate participation of SMEs in standardisation initiatives...
- **Promote a favourable environment for innovation**
 - Promoting value chain co-operation and sharing of good practices among firms
 - Stimulating participation of SMEs in business networks ...



More information:

<http://www.ebusiness-watch.org>

<http://www.ueanet.com>

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