

Manufacturing: Home Goods and Furnishings

Industry Digest

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SUMMARY

Home goods and furnishings manufacturers struggle with changing customer demands, new technologies, and a lack of industry ERP applications. In addition, variable products are challenging to manage with endless combinations of colors, styles, sizes, and interrelated option and value dependencies. As a result, most companies use entry-level accounting or customized legacy software. Unfortunately, these applications limit their ability to grow and impede the customer experience.

Acumatica Manufacturing Edition is ideal for home goods and furnishings manufacturers with everything you need to take your company to the next level. The future-proof cloud platform provides unlimited users and choice of deployment with a complete suite of business and industry applications for manufacturing, product configuration, engineering, inventory, order management, commerce, point of sale, service, and financials.

Prepare for the future with open connectivity to specialized applications and hardware on a platform designed for artificial intelligence with machine learning and tools to automate mundane business activities.

This Industry Digest provides an overview of the home goods and furnishings manufacturing market with insights into the industry's future, Acumatica Manufacturing Edition capabilities, critical features to consider when evaluating a new ERP application, and a list of resources to get more information.

“Acumatica seemed to have the best alliance to meet our various customized needs around our rug configurator, so an infinite combination of size and combinations which the manufacturing module and the configurator was able to meet.”

– PETER BONOFF, SALES AND OPERATIONS MANAGER, CURRAN & COMPANY

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INDUSTRY Overview



The home goods and furnishings industry covers six broad product categories: home furnishings, kitchen and bath products (including cookware and appliances), home textiles, lighting, flooring, and general home décor such as artwork, baskets, candles, and other decorative products. Many companies in the industry make consumer products sold through distribution or retail channels while others sell direct to consumers or to businesses for furnishings, lighting, and related industrial or commercial products.

Consumers and businesses have unique and often eclectic tastes that drive home goods and furnishings variability. Consequently, many manufacturers turn to product configurators and matrix items to design unique items, bills of material, product costs, and customer pricing using options, values, and rules for personalized furnishings, shelves, or other fixtures. For example, a furnishing product manufacturer may offer varied fabric, wood species, or stain colors. Serial number tracking is similarly crucial for managing appliances, lighting, or flooring by model year. In addition, manufacturers of blankets, bedding, window curtains, and other home textiles track dye lots and must comply with flammable fabric regulations. Still, other home goods manufacturers sell online through business-to-business (B2B) or business-to-consumer (B2C) commerce storefronts or brick and mortar retail stores.

Like many industries, most companies are small with specialty products. In fact, only one percent of companies have more than 500 employees, and just seven percent have more than 250 employees. Smaller companies have complex business needs that are difficult to manage with limited automation and business system budgets. The largest segments are home furnishings and fixtures, kitchen and bath, and other home décor products. These three segments make up 89 percent of the market. A breakdown by category and employee size is provided in the table below.¹

INDUSTRY SEGMENT	1-20	21-50	51-100	101-250	251-500	501+	TOTAL
Home Furnishings & Fixtures	10,636	2,273	770	822	184	137	14,822
Kitchen, Bath, & Appliance	8,555	996	463	1,822	2,066	126	14,028
Home Textiles	994	143	76	37	15	7	1,272
Home Lighting	1,339	376	162	138	58	64	2,137
Flooring Products	1,132	147	69	68	30	35	1,481
Other Home Decor	6,088	702	357	1,733	213	47	9,140
TOTAL	28,744	4,637	1,897	4,620	2,566	416	42,880

The coronavirus pandemic adversely impacted all market segments. However, every category is projected to grow significantly in the next few years, fueled by surging residential and commercial construction, smart technologies, changing consumer demand for eco-friendly products, and industrialization in major foreign regions. For example, the furnishings market is expected to grow at more than five percent compound annual growth rate (CAGR) through 2027.² Similarly, the CAGR for home décor is projected at four percent,³ home textiles at seven percent,⁴ lighting at four percent,⁵ and flooring at six percent.⁶

The pandemic changed the face of the workplace with dramatic increases in telecommuting. As a result, today's work-from-home employees are looking for ways to improve their homes for both personal and business reasons. Other factors impacting the industry include consumer demand for high-quality personalized or customized products, growth in online commerce sales, additive manufacturing with three-dimensional printers, and rising income levels resulting in increased discretionary income for luxury products.

1. Source: [Data Axle](#)
2. Source: [IBIS World](#)
3. Source: [Allied Market Research](#)

4. Source: [Grand View Research](#)
5. Source: [Fortune Business Insights](#)
6. Source: [Grand View Research](#)



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ERP Features



Selecting an ERP system is a decision that will affect your company for many years. The [Acumatica Manufacturing System Evaluation Checklist](#) provides a starting point to evaluate ERP requirements, including accounting, purchasing, sales order, inventory, and general manufacturing capabilities. The checklist below provides a shortlist of critical features in home goods and furnishings ERP applications.

FEATURE	BENEFIT	PRIORITY	Acumatica		
Product Configurator	Manufacturing product configurator with options and values to build unique bills of material, costs, and prices based on formulas and rules.		✓		
Engineering	Embedded engineering change control with engineering change requests (ECR), engineering change orders (ECO), and connected CAD and PLM to synchronize engineering bills of material (eBOM) with manufacturing bills of material (mBOM).		✓		
Estimating	Create new product estimates for contract manufacturing products to customer specifications or custom products based on consumer specifications.		✓		
Production Management	Flexible production management with barcoded labor and material transactions and work in process (WIP) reporting.		✓		
Planning and Scheduling	Demand forecasting, material planning, and finite capacity scheduling to harmonize supply and demand for purchasing, warehouse transfers, and production orders.		✓		
Quality Control	Connected quality management for product testing and quality data analytics and reporting.		✓		
Commerce Connectors	Native connectors to B2B and B2C commerce storefronts with online customer self-service portals.		✓		
Point of Sale	Optional point of sale application with connected retail hardware for cash registers, receipt printers, barcode scanners, credit card terminals, and more.		✓		
Field Service	Embedded field service for product installation and repair.		✓		
Lot/Serial Tracking	Cradle-to-grave lot and serial tracking for raw materials and finished goods for model years, components, and dye lots.		✓		
Matrix Items	Create, manage, sell, and purchase product families using matrix items for attributes such as size, style, and color.		✓		
Recommended Items	Setup item recommendations or leverage artificial intelligence for item substitutions, up-sell, and cross-sell.		✓		
Kitting and Disassembly	Build kits, such as components for ready-to-assemble (RTA) furnishings or shelving with disassembly.		✓		
Order Management	Create orders manually, through commerce or electronic data interchange (EDI) connectors, and manage omnichannel sales, returns, and exchanges with flexible drop-shipments, stock reservations, capable to promise (CTP), and purchasing.		✓		
Open Connectivity	Connect to external systems or hardware such as nesting applications, 3D printers, CNC PLC applications, and more.		✓		
Customer Management	Gain a 360-degree view of customers with native marketing automation, sales, and aftercare support applications.		✓		
Financials	Manage cash flow, depreciate assets, pay employees, and automate time and expense with robust accounting apps.		✓		
Analytics and Reporting	Create role-based dashboards with personalized inquiries and reports with robust business analytics.		✓		

INDUSTRY Resources



Resources below aid home goods and furnishings manufacturers in their digital transformation projects. Attend industry trade shows, read about ERP software and manufacturing technologies in trade media and industry analyst reviews, network with peers in associations, and access Acumatica resources to learn more about ERP software to automate manufacturing operations.

INDUSTRY EVENTS

- AWFS Fair ([Link](#))
- AmericasMart Atlanta ([Link](#))
- BIFMA Furniture Summit ([Link](#))
- Coverings ([Link](#))
- Dallas Total Home & Gift Market ([Link](#))
- Furniture Manufacturing Expo ([Link](#))
- Gift & Home Annual Conference ([Link](#))
- Highpoint Market – Spring and Fall ([Link](#))
- Inspired Home Show ([Link](#))
- International Contemporary Furniture Fair ([Link](#))
- International Surface Event ([Link](#))
- International Window Coverings Expo ([Link](#))
- International Woodworking Fair ([Link](#))
- Interwoven Textile Fair ([Link](#))
- ISPA Expo ([Link](#))
- Kitchen & Bath Industry Show ([Link](#))
- LightFair ([Link](#))
- NEOCON Chicago ([Link](#))
- Northeast Furniture & Accessory Market ([Link](#))
- Ohio Hardwood Furniture Market ([Link](#))
- Las Vegas Market ([Link](#))
- NWFA Expo ([Link](#))
- Seattle Mart – Summer and Fall ([Link](#))
- Southern CA Furniture & Accessory Market ([Link](#))



INDUSTRY ASSOCIATIONS

- American Home Furnishings Alliance ([Link](#))
- American Lighting Association ([Link](#))
- Association of Home Appliance Manufacturers ([Link](#))
- Assoc. of Woodworking and Furnishings Suppliers ([Link](#))
- Business & Institutional Furniture Mfg Assoc. ([Link](#))
- Cookware Manufacturers Association ([Link](#))
- Decorative Furnishings Association ([Link](#))
- Gift and Home Trade Association ([Link](#))
- Hearth, Patio & Barbecue Association ([Link](#))
- Home Fashion Products Association ([Link](#))
- Home Furnishings International Association ([Link](#))
- International Casual Furnishings Association ([Link](#))
- Interior Design Society ([Link](#))
- International Furnishings & Design Association ([Link](#))
- International Housewares Association ([Link](#))
- International Sleep Products Association ([Link](#))
- International Society of Furniture Designers ([Link](#))
- International Textile Association ([Link](#))
- National Furniture Association ([Link](#))
- National Home Furnishings Association ([Link](#))
- National Kitchen & Bath Association ([Link](#))
- National Wood Flooring Association ([Link](#))
- North American Laminate Flooring Association ([Link](#))
- Resilient Floor Covering Institute ([Link](#))
- Scientific Equipment and Furniture Association ([Link](#))
- Specialty Sleep Association ([Link](#))
- Tile Council of North America ([Link](#))
- Window Coverings Association of America ([Link](#))
- Wood Products Manufacturers Association ([Link](#))
- World Floor Covering Association ([Link](#))



TRADE MEDIA AND ANALYSTS

- Assembly Magazine ([Link](#))
- Bed Times Magazine ([Link](#))
- Business of Furniture ([Link](#))
- Capterra ([Link](#))
- Casual Living ([Link](#))
- Designers Today ([Link](#))
- Floor Covering News ([Link](#))
- Floor Covering Weekly ([Link](#))
- Floor Focus & Floor Daily ([Link](#))
- Floor Trends Magazine ([Link](#))
- Furniture & Accessories USA ([Link](#))
- Furniture & Joinery Production ([Link](#))
- Furniture Lighting & Décor ([Link](#))
- Furniture News ([Link](#))
- Furniture Today ([Link](#))
- Furniture World ([Link](#))
- Furniture.com ([Link](#))
- G2 Crowd ([Link](#))
- Gift Shop Plus ([Link](#))
- Gifts & Decorative Accessories ([Link](#))
- Hardwood Floors Magazine ([Link](#))
- HFN – Home Furnishings News ([Link](#))
- Home Accents Today ([Link](#))
- Home Appliance World ([Link](#))
- Home Furnishings Business ([Link](#))
- Home Textiles Today ([Link](#))
- Hospitality Interiors ([Link](#))
- KitchenWare International ([Link](#))
- Kitchenware News / Housewares Review ([Link](#))
- LEDS Magazine ([Link](#))
- Patio & Hearth Products Report ([Link](#))
- Premier Flooring Retailer ([Link](#))
- Progressive Housewares ([Link](#))
- Sleep Savvy Magazine ([Link](#))
- Software Advice ([Link](#))
- Tableware Today ([Link](#))
- Textile World Magazine ([Link](#))
- Tile Magazine ([Link](#))
- Window Fashion Vision ([Link](#))
- Woodworking Network ([Link](#))
- Workplaces Magazine ([Link](#))
- WorkDesign Magazine ([Link](#))



ACUMATICA RESOURCES

Access the Resource Center to learn about the Acumatica's Manufacturing Edition, Production Management, Engineering Change Control, Acumatica for Arena Native Connector, Manufacturing Estimates, and other resources for electronic and electrical products manufacturers.



[Visit Resource Center](#)

ACUMATICA Benefits



Streamline your supply chain, automate business processes, and implement omnichannel systems to delight customers and grow your business on a future-proof cloud ERP platform designed for home goods and furnishings manufacturers.

ACUMATICA FOR HOME GOODS AND FURNISHINGS MANUFACTURERS

Home goods and furnishings manufacturers prosper with Acumatica Cloud ERP. Streamline orders for complex finished goods and raw materials with the embedded manufacturing product configurator and matrix items. Manage part designs with engineering change control, native connectors to PLM applications, and marketplace applications to harmonize engineering CAD and manufacturing bills of material.

With Acumatica, home goods and furnishings manufacturers have an end-to-end ERP application with robust accounting, powerful reporting and analytics, and optional applications to manage omnichannel sales online or in their physical storefronts. Take control of your supply chain with flexible demand forecasting, time-phased material requirements planning, and finite capacity scheduling. Harness the power of artificial intelligence for item recommendations, expense management, and accounts payable automation. Last-mile features help home goods and furnishings manufacturers to simplify industry quality and compliance with tools to boost sales, reduce costs, eliminate waste, and better serve customers.

Acumatica Manufacturing Edition is designed for make-to-stock, make-to-order, configure-to-order, engineer-to-order, and project-centric manufacturers. Acumatica provides unparalleled manufacturing depth with robust financials, native customer relationship management, and powerful business intelligence applications. Built on a future-proof cloud platform with an open architecture for modern technologies, rapid integrations, scalability, and ease of use, Acumatica delivers an unparalleled experience for users and customers alike.

“In 2020, we hit a breaking point when our outdoor furniture products were in extremely high demand, and it basically took all of our systems to the point of near failure, and we needed to be able to switch to a new ERP product and do it quickly . . . What was on our wish list for a new ERP was something that was cloud-native and had API connectivity, two things that our current ERP did not support.”

– SEAN VALENCOURT, EVP INFORMATION SYSTEMS, POLY-WOOD



About Milestone Information Solutions

Milestone IS has been helping businesses implement enterprise resource planning (ERP) systems to improve business processes and profitability for over 30 years. By combining our unique accounting expertise, dedication to customized support, and attention to detail, we are able to help businesses maximize their ERP systems and get the most out of their investments.

To learn more about how Milestone and Acumatica can streamline your business, visit www.milestoneis.com.