

# Small Business

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"I like the challenge of building something that has a high-end, quality image, but can still be sold at a low cost," says Friant.



## Friant crafts plan to rebuild

### Oakland furniture maker hammers national growth

BY JESSICA HELLER  
San Francisco Business Times

**W**hen the economy tanked, Friant Associates decided to innovate.

Friant, an office furniture company that designs and manufactures its own products, took the opportunity to create new chairs and innovative panel systems. It looked outside the Bay Area for customers and took its furniture nationwide. It amped up advertising and created new eco-friendly lines. Now 30 percent of its sales are outside the Bay Area, up from only 10 percent last year.

As a result, it managed to keep all 110 of its Bay Area employees through the recession, and it plans to hire an additional 40 in the coming year. With projected 2010 revenue of \$30 million, up from \$22.2 million in 2009, the business is rebounding.

"It's really easy to wait under an umbrella and wait for everything to blow by, but that's not what we wanted to do," said President and CEO Paul Friant.

"The first time I experienced a down economy, I panicked," Friant said. "I went from 128 employees down to 25 in two days. It was my first real experience and I got scared. This time I took a different route. (I thought) we are the low-cost (option). Let's reach out. Let's have representatives throughout the country ... and a full marketing staff. We made sure we were in front of everyone's face as often as possible."

Paul Friant says his mantra is to create a high-quality of product at a low cost. Friant carries an array of office furniture that it manufactures in its Oakland headquarters and in a facility the company built and owns in China, which helps keep costs down. Today the company employs 400 people worldwide.

When Paul Friant started the company in 1990, he received his first load of furniture on his front lawn. The company thought that it was placing a bid for a small job setting up office furniture, but instead won a contract for Merrill-Lynch operations in Northern California. Having the contract would prove to be great for business, but it also meant that Friant had eight semi-trucks on the way, and no warehouse to store furniture. Within a week, Friant had leased a 5,000-square-foot warehouse and had assembled a crew ready to set up the furniture on site.

Five years later, Friant turned toward remanufacturing office products. By 2000, customers were chasing the dot-com boom and demanding furniture immediately. Paul Friant said he would often get a call from a dot-com exec saying he had 300 employees and needed "wild-looking" furniture in a week. Friant agreed to be paid half in cash and half in stock. When the dot-com bubble burst, Friant was left with brand-new office furniture and worthless stock.

"In the used business it's very difficult, once you get to a certain size, to replenish your supply," Friant said. "If you're short one piece, you have to buy a whole other load. ... We started manufacturing our own parts in China so we didn't have to keep buying loads of pieces we already had."

The China facility took four years to complete, and it opened in 2000. The company can produce parts in China and finish the assembly in the Bay Area. This allows Friant to have greater inventory control. In 2009, Friant added a wood manufacturing facility in China, which gave it more flexibility in manufacturing.

Jim Miller, the manager of facility, maintenance and print operations at Technicolor in Ontario, Calif., chose Friant over four other companies to supply furniture.

"From day one of working with Friant they did whatever they could to make sure we had everything exactly as we envisioned," said Miller.

Paul Friant sees the future of his business expanding nationally. He envisions developing a program that allows clients to put together and customize their offices online. He also wants to figure out how to get product throughout the country faster.

"I like the challenge of building something that has a high-end, quality image, but can still be sold at a low cost," Friant said. "When clients go into their office, they can have something they feel good about without having to spend a ton of money on it."

#### SNAPSHOT: Friant Associates

- HQ:** Oakland.
- What it does:** Manufactures office furniture.
- Founder:** Paul Friant.
- Projected 2010 Revenue:** \$30 million.
- 2009 Revenue:** \$22.2 million.
- 2008 Revenue:** \$22.4 million.
- Growth:** 34 percent.
- Year Founded:** 1990.
- Number of Employees:** 400 (110 in the Bay Area).
- Web site:** www.friant.com

