effective

EFFECTIVE

First Strategic Workshop – "Paving the way to effective clustering towards exploitation & dissemination of FoF project results"

SESSION-1: Business trends and market prospects

Italian furniture industry: a world leading manufacturer

Omar Degoli - FederlegnoArredo

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The Federation

FEDERLEGNOARREDO is the heart of the Italian wood and furniture chain.

Since 1945 we have been defending our know-how and sustaining the development of our companies.

We are the ambassadors of the Italian taste of living worldwide.

We look towards the future certain that this heritage will continue to contribute to the growth of our country.

FederlegnoArredo figures

- 2900 companies
- 12 associations
- 160 employees
- Trade fairs
  - Salone del mobile
  - Made Expo

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FederlegnoArredo is made up of ten **ASSOCIATIONS** representing the industries in the following sectors:

ASAL ASSOALLESTIMENTI
Trade fair and exhibition fitters

ASSARREDO
Furniture, upholstered furniture, kitchens, mattresses, street and outdoor furniture, furnishing accessories, commercial fixtures and furnishings, frames, DIY

ASSOBAGNO
Bathroom fittings and accessories

ASSOIMBALLAGGI
Wooden packaging materials, pallets, cork and logistics

ASSOLEGNO
Primary processing and wooden constructions

ASSOLUCE
Lighting and illumination

ASSOPANNELLI
Panels and semi-finished wood products

ASSUFFICIO
Office furniture and furnishings

EDILEGNOARREDO
Doors, windows, flooring, staircases and other wooden products for the building industry, urban fittings

FEDECOMLEGNO
Import and trade of timber, wood-derived products and semi-finished products

Affiliated Associations:

AIPPL
Lighting professionals

APIL
Wooden-floor layers

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guzzini

Calligaris® da 1923 ITALIAN LIVING

Poltrona Frau Fondata nel 1912

Cassina

LEMA EVERYDAY ITALIAN DESIGN

Poliform

dieffebi

Artemide®

fantoni

inda® bathroom interiors

SCAVOLINI™

lualdi®

Kartell

GAROFOLI

Jesse

B&B ITALIA

FLOS

Molteni & C

FLEXFORM

MAGIS

CITTERIO

VALCUCINE ITALIAN KITCHENS

Boffi

alberta® The first name in Italian sofas

MERITALIA

NATUZZI ITALIA

LAGO

MOROSO

PEDRALI® DYNAMIC DESIGN

flou

Minotti

snaidero

UNIFOR

newform

MASCAGNI SPAZIO UFFICIO

The Wood-Furniture Industry in Italy

Economic Data

FURNISHING Macrosystem

(Values in million euros at current prices)

A	2013	2014	var. % 2014/2013
Output at producers' prices (a)	17,686	17,337	-2.0%
Exports (b)	10,772	11,057	2.7%
Imports(c)	2,784	3,034	9.0%
Balance (b - c)	7,988	8,023	0.4%
Apparent domestic consumption	9,698	9,314	-4,0%
Export/turnover (% b/a)	60.9%	63.8%	4.7%
Staff	210,318	208,744	-0.7%
Companies	30,763	30,318	-1.4%

Source: Federlegno Arredo Eventi SpA Study Centre / FederlegnoArredo
Figures drawn up in March 2015

Includes: Furniture Sector, Bathroom Furniture Sector, Lighting Sector and Office Furniture Sector

The Wood-Furniture Industry in Italy

Living areas - dining rooms and sitting rooms

Values in million euros at current prices

Fonte: Centro Studi Federlegno Arredo Eventi SpA / FederlegnoArredo
Consuntivi elaborati ad aprile 2015

	2013	2014	var. % 2014/2013
Output at producers price (a)	718	709	-1,2%
Exports (b)	563	567	0,7%
Imports (c)	80	91	13,4%
Balance (b - c)	482	476	-1,4%
Apparent domestic consumption (a+c-b)	235	233	-0,8%
export/turnover (% b/a)	78,4%	79,9%	1,9%
Staff	11.245	11.161	-0,7%
Companies	2.138	2.108	-1,4%

Bedrooms and kids bedrooms

	2013	2014	var. % 2014/2013
Output at producers price (a)	2.172	2.051	-5,6%
Export (b)	400	397	-0,8%
Imports (c)	73	85	16,0%
Balance (b - c)	327	312	-4,5%
Apparent domestic consumption (a+c-b)	1.845	1.738	-5,8%
export/turnover (% b/a)	18,4%	19,4%	5,1%
Staff	40.849	40.487	-0,9%
Companies	7.581	7.446	-1,8%

The Wood-Furniture Industry in Italy

COMPANIES DISTRIBUTION BY NUMBER OF EMPLOYEES

	0-9	10-49	50-99	100-249	>250	Total
Wood	91.2%	8.3%	0.3%	0.2%	0%	100%
Lighting	77.4%	19.5%	1.8%	0.7%	0.6%	100%
Furniture	82.7%	15.1%	1.4%	0.7%	0.2%	100%

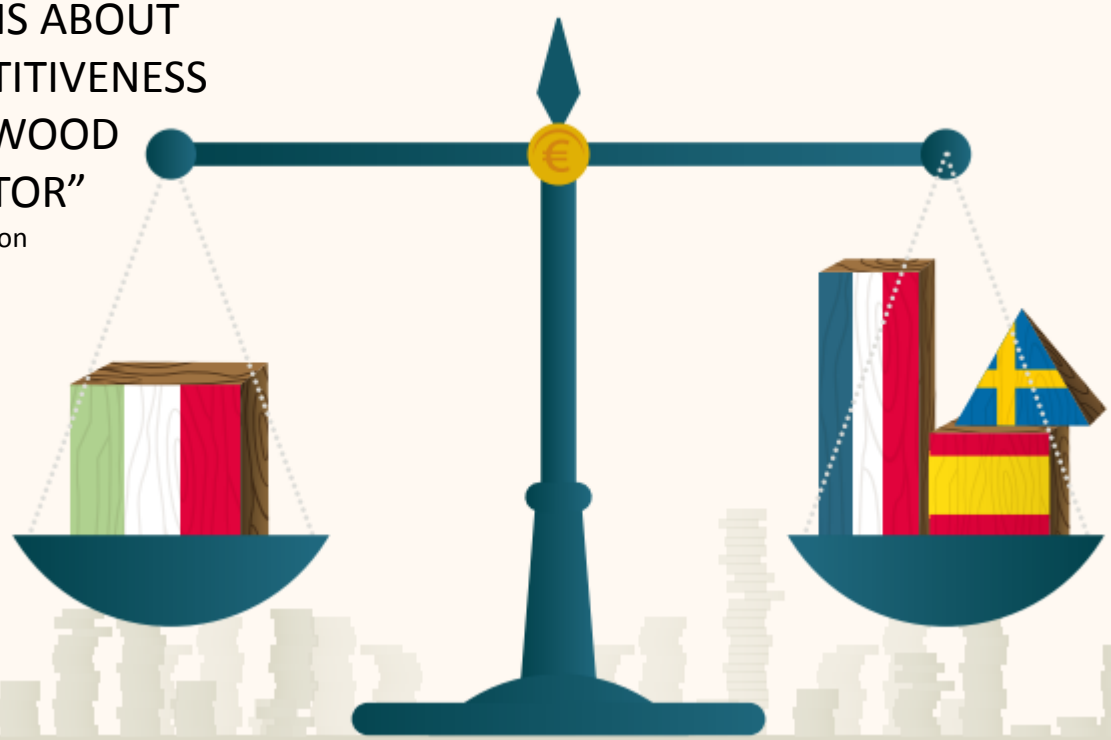
Fonte: Elaborazione Centro Studi Federlegno Arredo Eventi Spa/FederlegnoArredo su dati Istat

Italian Furniture: anatomy of an industrial leader

THE ITALIAN FURNITURE INDUSTRY GENERATES AS MUCH ADDED VALUE AS FRANCE, SPAIN AND SWEDEN COMBINED

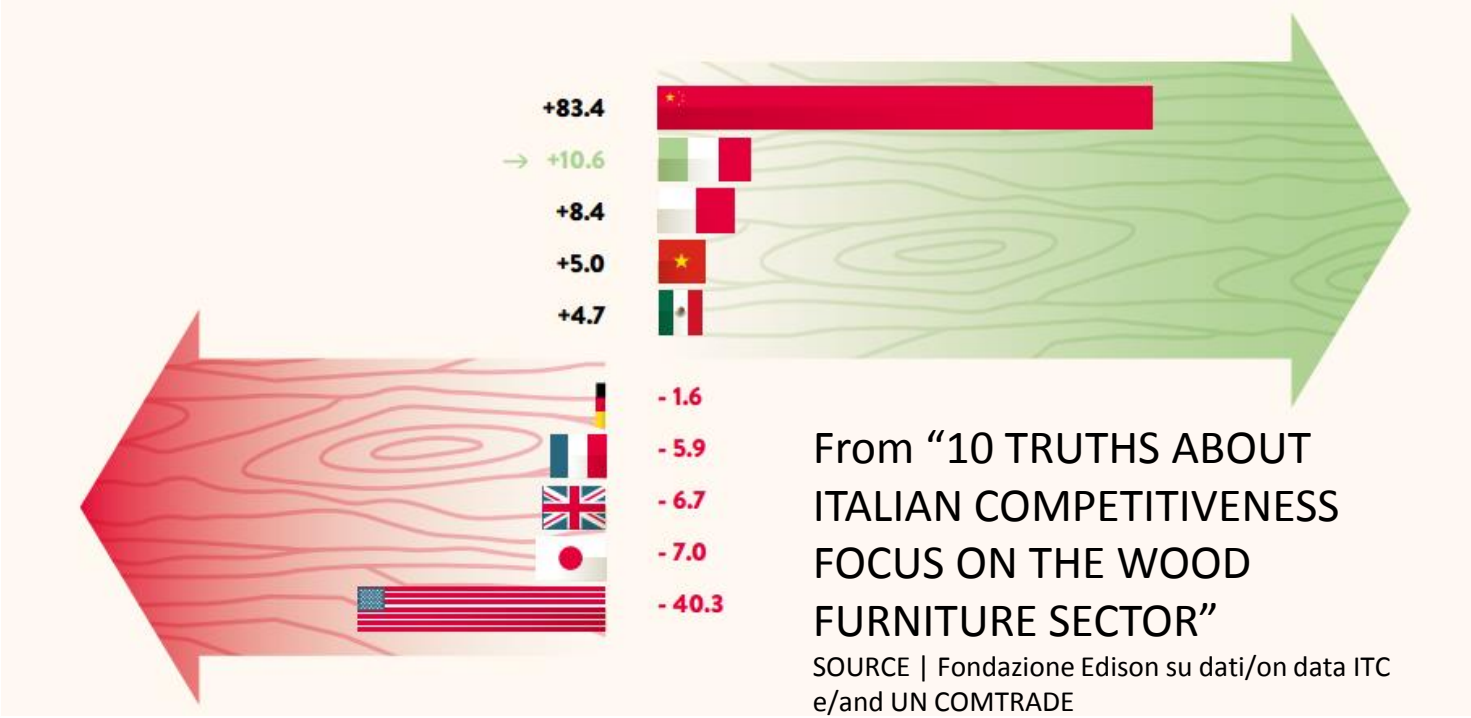
From “10 TRUTHS ABOUT ITALIAN COMPETITIVENESS FOCUS ON THE WOOD FURNITURE SECTOR”

SOURCE | Fondazione Edison on data Eurostat



Italian Furniture: anatomy of an industrial leader

ITALIAN WOOD AND FURNITURE INDUSTRY HAS THE WORLD'S SECOND HIGHEST TRADE SURPLUS



From "10 TRUTHS ABOUT ITALIAN COMPETITIVENESS FOCUS ON THE WOOD FURNITURE SECTOR"

SOURCE | Fondazione Edison su dati/on data ITC e/and UN COMTRADE

Italian Furniture: anatomy of an industrial leader

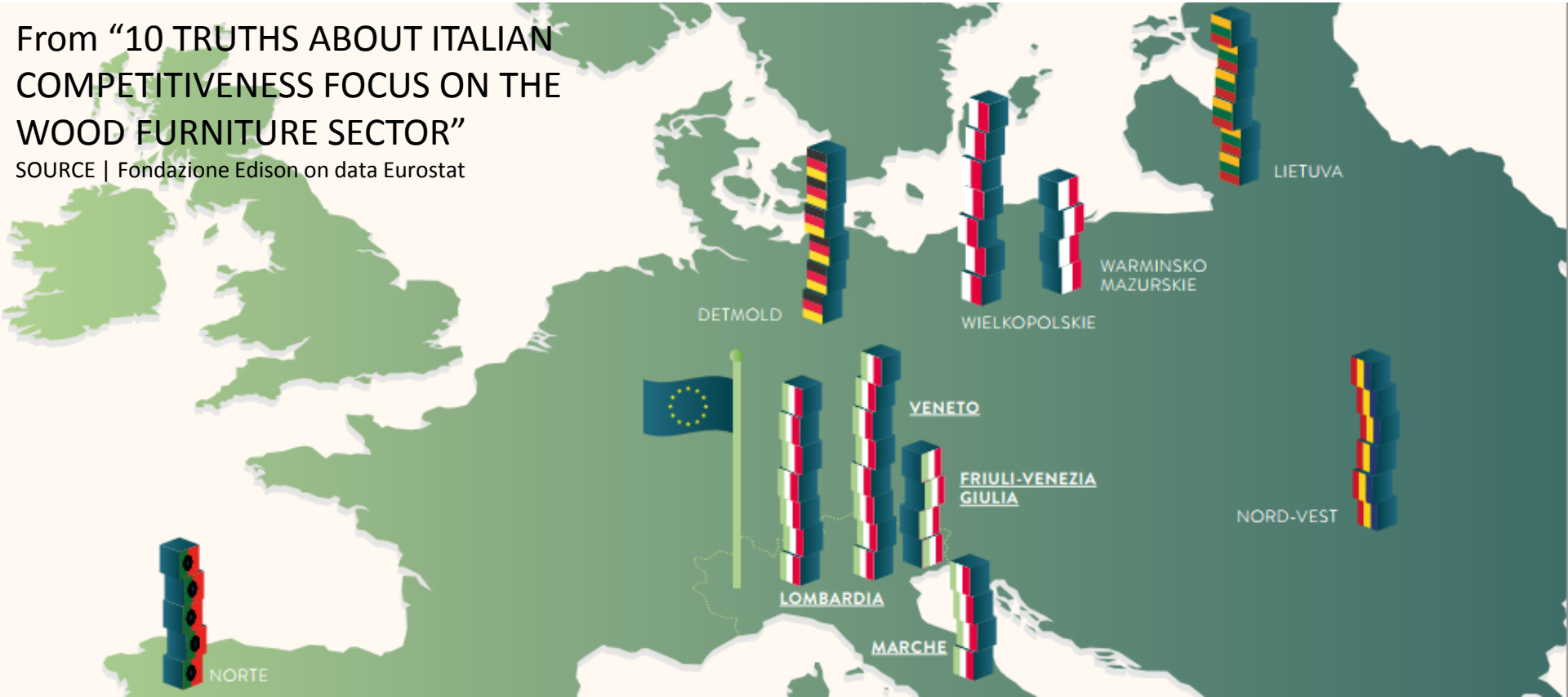
ITALY LEADS THE EU IN 60% OF WOOD AND FURNITURE PRODUCTS

From “10 TRUTHS ABOUT ITALIAN COMPETITIVENESS FOCUS ON THE WOOD FURNITURE SECTOR”

SOURCE | Fondazione Edison on data ITC and UN COMTRADE

Italian Furniture: anatomy of an industrial leader

ITALY'S WOOD AND FURNITURE MANUFACTURING DISTRICTS LEAD THE WAY IN EUROPE



Recent and future industrial trends of the sector: which direction?

A new world: connected, dynamic, integrated
How this affects our lives, our work, and the products we need?

Changes in Office Work

Today's technology allows us to create “meta-offices”, workplaces go beyond physical locations and time.
We focus more on people and on the way they interact.

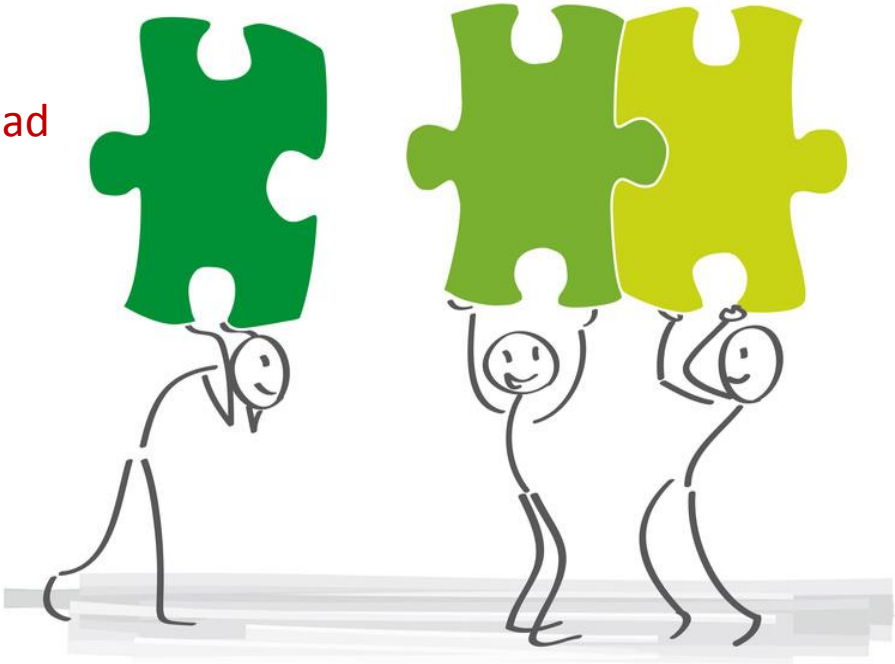
Changes in Office Work

35 % of office work is project work mostly performed in teams.

New Work Order Study 2012

Collaboration remains a key to the spread and development of ideas in pursuit of innovation.

Gensler US Workplace Survey 2013

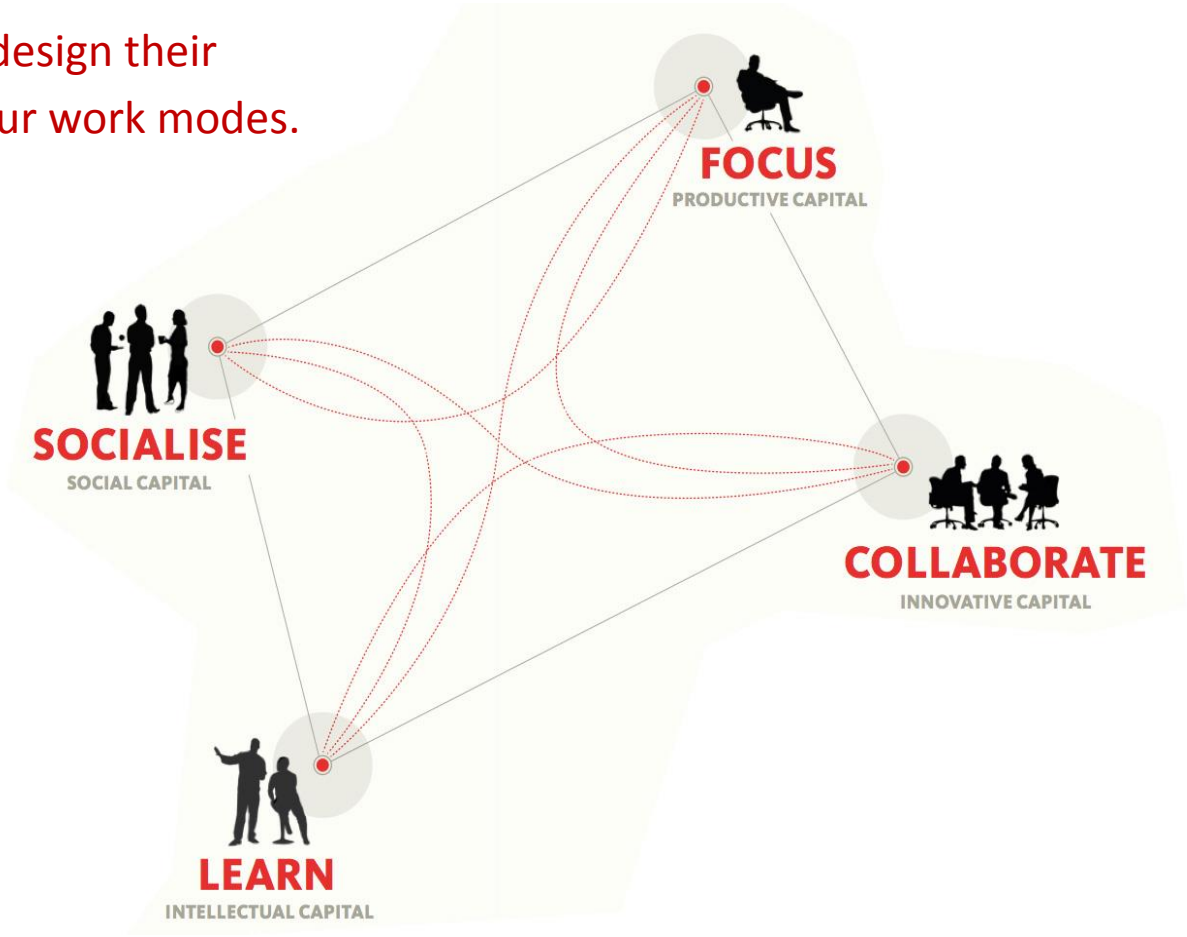


Changes in Office Design

Knowledge equals in four work modes.

Top performing companies design their workplaces to support all four work modes.

Gensler Workplace Survey UK 2008



Changes in Office Design

Jean Nouvel, i Saloni 2014

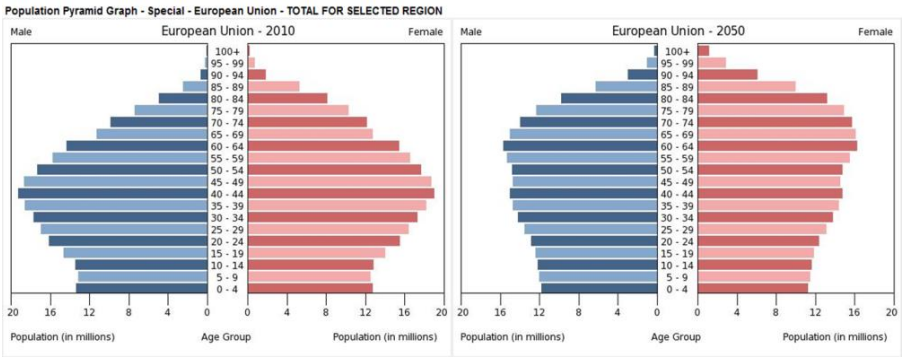
Products that promote rapid reconfiguration of workstations as a function of the working groups for each project, eco-friendly products, products that provide comfort to the worker in order to optimize individual and team performance. Reconfigurable systems, sustainability, comfort, less formal design.

Changes in Office Work

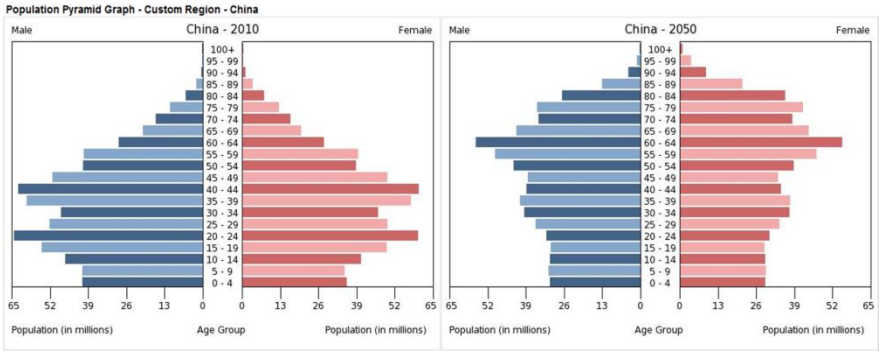
Age structure and population development in Europe 2010 and 2050

U.S. Bureau of the Census, International Programs, International Data Base, World Population Data

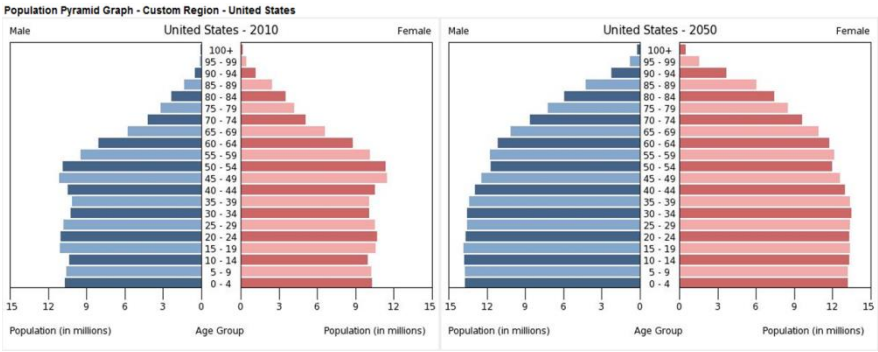
Europe:



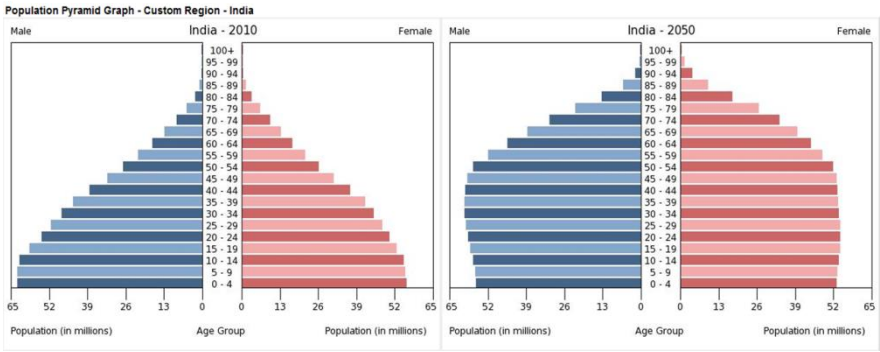
China:



USA:



India:



Changes in Office Work

For the first time, we have four generations in the work-place and this means that everyone must thrive and find their own individual ways of working.

Henrik Axell, Concept Developer Kinnarps

Changes in Office Design

WELLNESS IS THE NEW GREEN

Extended sedentary periods increase the risk to suffer from diabetes or cardiovascular diseases dramatically.

Elin Ekblom-Bak, Karolinska Institute Stockholm, Sweden

Exercise stimulates endorphins. Endorphins help to be creative.

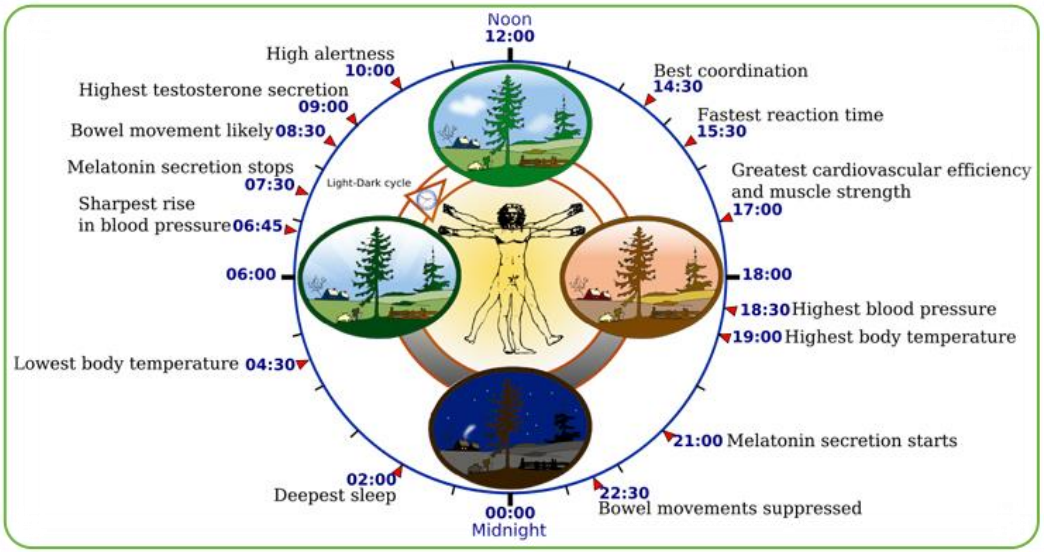
Fred Turok, Physical Ativity Network Department of Health, UK

Changes in lighting design

WELLNESS IS THE NEW GREEN: LIGHTING SECTOR

Also in the lighting sector the design focus is on the human being. The Human centre lighting approach is intended to promote a person's well-being, mood and health. It can support prevention from chronic disease among persons with irregular daily routine or in elder care

Lighting is not just visual



Product Design and Popularity of Furniture Types

Cabins, screens and walls or pictures with acoustic effects ensure that employees can focus even in an open-plan office.

Product Design and Popularity of Furniture Types

Increasing contamination between furniture intended for the domestic sphere and traditional office furniture

Product Design and Popularity of Furniture Types

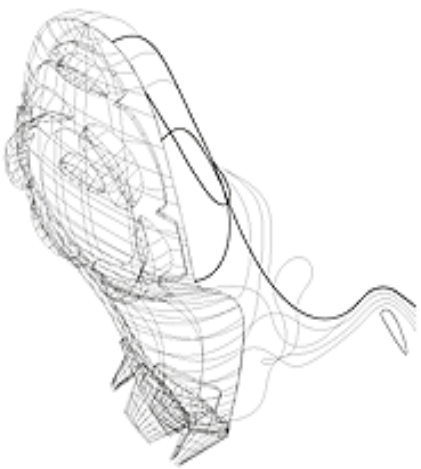
Increasing contamination between categories of furniture
(e.g. Living – Kitchen)
Which imply new thinking about materials, and the way people will use the products.

New Materials and Production Methods

Focus on sustainability and technology

New Materials and Production Methods

More and more customers expect customized products



Model of Mass Customizing: prior2 lever football shoe (aligned to individual bio-mechanical needs)

New Materials and Production Methods

More and more customers are asking for sustainable products

Environmental Trends

Mainly pushed by:

- Indoor air quality issues
- Whole building approach (e.g. LEED)
- Public procurement
- Raw material increasing demand
- Formaldehyde – recent developments
- Extended producer responsibility (e.g. France)

Opportunities

- Alternative resins research
- Resource efficiency
- Remanufacture
- Take back schemes
- Servitization

Innovation in the furniture sector – an analysis

Some data from a national research on innovation in companies with more than 10 employees (Istat, data 2012)

Indicators	Number of companies	%of companies with any innovation activity	% of companies with product/process innovation	Investment for innovation / employee (K Euros)	% of innovative companies who benefited of public aid/incentives
All manufacturer companies	72013	58,7	45,9	8,5	23,6
Wood industry	2621	48,9	40	3,3	18,8
Furniture industry	3265	70,1	49,5	5,4	16,2

Innovation in the furniture sector – an analysis

Indicators	Spending for R&D (%)					
Kind of company activities	internal	spending to buy external R&D services	Machinery, equipment	spending to buy knowledge from other organizations	Techinical / aesthetical new products design	other activities
all manufacturer sectors	43,6	9,5	32,5	1,6	7,1	5,7
wood	41,8	0,5	47,5	0,9	4,8	4,5
furniture	40,3	3	42,3	1,6	8,1	4,7

Innovation as a way forward: technologies to win the low-cost battle

Widening the range of products

Goals: synergies in production and new market opportunities

Innovation as a way forward: technologies to win the low-cost battle

Commercial alliances among companies to widen the offer and be able to approach new markets
e.g. sanitary appliances, tapware and bathroom furniture producers, together to better approach tenders and markets

Innovation as a way forward: technologies to win the low-cost battle

Enrichment of the range of products with non furniture complement products

Brand logic vs Product logic

Innovation as a way forward: technologies to win the low-cost battle

Future materials properties:

- scratching resistance
- abrasion resistance
- color intensity
- cleanability
- antibacterial properties
- rubbing resistance
- resistance to light
- impact resistance
- antistatic properties

Role for nanotechnology techniques

Innovation as a way forward: technologies to win the low-cost battle

PROJECT, PRODUCT, PEOPLE

Appartamento Lago focuses on the centrality of the individual, the Tenant and his or her guests, transforming the home into a zone open to relationships, experiences and culture. And it is precisely the Tenant who opens the doors to his or her own home, welcoming guests and representing the fulcrum of a new way of interacting between project, product and people.
Replacing the typical traditional showroom, with direct participation in a design approach lived in the every-day life.

Innovation as a way forward: technologies to win the low-cost battle

Despite of the need to reduce costs there remains a stable segment of high-end products.

Innovation as a way forward: technologies to win the low-cost battle

Coupling high quality with a personalized service: to win the low cost battle an important focus is the specialization on out of measure products.

Made to order is also gaining popularity as a generalized production model

Innovation as a way forward: technologies to win the low-cost battle

Lost treasures - New alliance with old craftmanship techniques

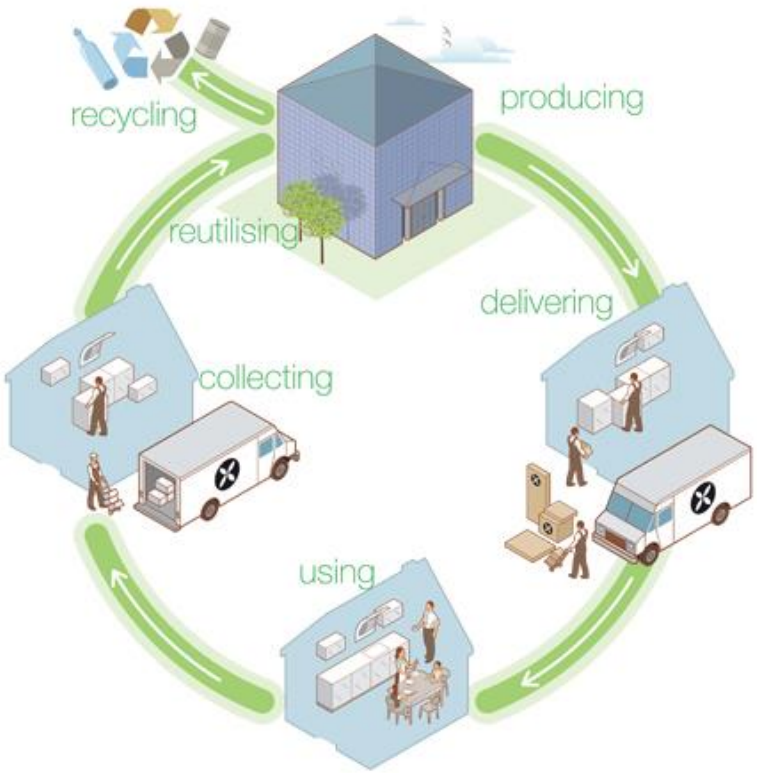
An example of kitchen conceived to express the values of tradition through the recovery of various ancient handicraft techniques: pyrography, inlays, carvings and mosaics decorate the wooden surfaces, while bushhammering is used for the surfaces of the worktop back panels.

Innovation as a way forward: technologies to win the low-cost battle

Take back: an example

A kitchen producer's commitment to its users and to the public to collect its products and to guarantee their disposal at the end of their life cycle.

The duration of the guarantee is unlimited and free of charge. It guarantees that the product will be collected at the end of its lifecycle, excluding disassembly, in Italy, Austria, Belgium, France, Germany Luxembourg, Holland and Spain



Innovation as a way forward: technologies to win the low-cost battle

Servitization

Light as a service - Amsterdam Airport Schiphol.

Still a long way to …

- Furniture as a service
- Remanufacture
- Companies own Refurbished products market

European synergies: how to exploit the opportunity? CONCLUSIONS

Furniture industry's challenges to be addressed:

- How to overcome the dimensionality problem
- How to deal with technical regulation / mandatory certifications on different markets (e.g. tapware in U.S. , lighting equipment in China, fire safety regulation in UK)
- Circular models – Reverse logistic not yet available for smaller companies
- Regulations hindering remanufacturing (waste legislation)
- Economic obstacles (accounting rules) to service models adoption
- Useful materials technology to be found often out of the company burdens
- Internet of things, advanced manufacturing to be fully exploited
- Clusters of advanced technology capabilities
- Better representation of the european sector at UE level

Thank you!

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