
New AFRDI Standard creates new Market Opportunities for Manufacturers

There's a new standard for sustainability in furniture manufacturing – and it has the potential to leverage important gains for manufacturers throughout Australia and New Zealand.

A first release of the AFRDI Standard 150 for Commercial Furniture was placed for industry comment at the end of May. The intention is that the Standard will be available to all interested industry players early in the new financial year. It marks the end of a process that's been in train for almost three years.

The AFRDI Standard 150 addresses a range of issues which are of great importance to the furniture manufacturing industry right now, but also sets down guidelines for the adoption of future practices which, if adopted, will make the products of Australian and New Zealand manufacturers attractive to architects, specifiers, facilities managers and the commercial and government tendering sector.

Following the standard will enable manufacturers to positively address many of the important questions now being posed about how to make the manufacture of furniture genuinely sustainable, benefiting both the planet in the broad sense, and the individual consumers who use these products, who will not only have a superior product, but one which promises a long life, or even several lives through re-manufacturing.

AFRDI Standard 150 addresses:

- Chain of custody issues – the ethical sourcing of materials, in particular wood, in an effort to reduce unsustainable harvesting of native forests around the world
- The question of ethical labour – meaning that manufacturers in Australasia must take reasonable steps to ensure that the components or whole assemblies they import are not the product of sweated labour under third-world conditions
- Unsustainable water usage practices – potable water use must be minimized in manufacturing, and waste water must not be discharged untreated into waterways. Industrial waste must be kept to a minimum, and consideration given to co-generation of electricity, by on-site burning of waste
- Product end of life as part of the design process, so that disassembly for component recovery or re-manufacture is easily achieved, and used furniture does not end up as landfill. Part of this concept also involves a reduction in the number of material types in goods, to aid recycling or responsible disposal
- Rationalised use of transport – meaning that attempts must be made to pool transport to ship loadings from overseas, and to reduce single-point deliveries with partial loadings within Australia and New Zealand
- Packaging – reducing the often unnecessary use of packaging, particularly as a promotional vehicle, and substituting where feasible use of re-usable packaging, such as custom-made heavy throw-overs for chairs and tables.

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Saving dollars by re-examining the way we do things

A message from Bob Panitzki, CEO of Furntech-AFRDI

At a time when every dollar counts, what would you say if I told you that you could probably save a great many dollars each month, simply by changing your work practices?

Skepticism would be your natural response – how could I possibly have missed out on something so obvious and simple?

Yet, after having examined a great deal of literature in the course of preparing our Sustainability Standard, I am convinced that paying careful attention to two related areas – transport and packaging – has the potential to save a considerable sum of money for many businesses.

I have resisted the temptation to reinvent the wheel, instead turning to companies such as Herman Miller in the United States to examine their work practice. Among other things, HM sets itself as a leader in the practice of workplace change to meet emerging standards for sustainability and environmental protection, and appears to be alive to the possibilities of leveraging financial gain from working sustainably. Accordingly, they have looked closely at the ways in which they might reduce potentially wasteful packaging, and have replaced much cardboard-based packaging with a simple, heavy-duty re-usable blanket and packing straps.

What works for HM does not necessarily have application to other manufacturers, but the current literature on packaging contains some worthwhile fundamental principles:

- Package only where it is actually needed
- Use sustainable packaging if possible – it may be a returnable fibreglass crate for regular orders (higher initial cost, but cheaper in the long-term)
- If cardboard is used, consider designing the packaging for re-use, or to become part of something else if it is not possible to return it
- Keep the design simple, using a single material where possible, and keep the number of fasteners to a minimum
- Talk to the staff who actually prepare chairs and furniture for delivery – chances are they can make suggestions on how to reduce packaging and make the whole process more cost-effective

On the transport side, consider consolidating your delivery with others to reduce the half-empty truck syndrome. Sensible use of IT can make this once near-impossible task a reality. Seek out the operators who use bio-diesel.

Above all, take a fresh look at what is quite probably your current practice of sourcing most components from overseas, and then assembling in Australia. Our industry has to start taking steps to reducing the wasteful practice of freighting goods halfway round the world, and not taking any genuine recognition of the true global cost of this way of doing business.

In total, all of these things are relatively small steps in themselves, but together, they represent a practical start by our industry in a long process to claw back better financial returns while at the same time bringing benefits to the entire community through reduced waste and fuel use.

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- Dangers arising from VOCs and restricts use of other potentially noxious chemicals
- Consideration of the concept of corporate social responsibility – examining the ways manufacturers can ‘put something back’ into the community in return for the labour and materials they use
- Durability. Blue Tick is a pre-requisite and is an indicator of durability, which is an important plank in sustainability

AFRDI Standard 150 offers certification at three levels, with the dual purpose of first encouraging manufacturers to assess their existing practices and move towards entry-level certification (which won't be a push-over!), and secondly to improve their processes over a number of years to gain higher level certification. The strength of the standard lies in encouraging a process of gradual and continuous improvement, rather than forcing overnight compliance.

The AFRDI Standard 150 also differs from other sustainability standards in that the fee structure mirrors the Blue Tick process – a fee for certification and assessment, and a periodic renewal fee. AFRDI expects that many manufacturers, once having product Blue Tick certified, will also seek the AFRDI Green Tick: both ticks together signifying the superior strength, durability and environmental credentials of their product.

AFRDI anticipates that the Sustainability Standard will be adopted by many individuals, organizations and by government departments to bring definition to the broad and sometimes abstract concept of sustainability.

Meeting the principles outlined in the standard will be a powerful tool for manufacturers to exploit marketplace differentiation from untested and possibly non-sustainability-compliant goods.

I read recently in an online architectural forum something which almost certainly has application for our own industry in this time of economic downturn.

Barry Bergdoll, one of the leading thinkers in architecture worldwide, was advocating a return to careful and innovative design of spaces scaled, as he gently put it, to life in a time of diminished prosperity. He went on to talk about taking full advantage of the progress being made in green design, and to build to the highest standards. In essence, he was saying never lose sight of core values, yet project these values into a future where new standards may apply.

Underlying his message is that quality always sells, and it will be increasingly the factor that brings back return customers in a world that has become cluttered with product which may not be high quality but rather, sells largely on price and flash.

Another way we can plan for recovery is to develop scenarios centred on trading with new and as yet unrealised opportunities.

As Peter Drucker, considered by many to be the father of modern business management, wisely put it many years ago: "a strategy is a sense of direction around which to improvise." You can do no harm by finding out now how you can source supplies and expand distribution in a hurry if demand suddenly gets back on track.

Building on this theme, John Quelch, writing for the Harvard Business School advises: don't wait for permission to get going again. Most companies, he says, will follow the herd instinct and not start reinvesting until the financial newspapers declare the recovery is under way. His advice is to get ahead of the crowd, craft your plan for recovery now, and be ready to jump the moment your lead indicators say that the moment is right. Never has it been more important to get the jump on your competitors.

Economic commentators also seem to agree that when a return to normal comes, it will not be the normal as we have known it in the past. It is predicted that consumers will have adjusted their attitudes and buying behavior permanently. It's a trend already experienced in some world markets, where even before the downturn, consumers voted with their feet to pay a premium for goods identified as being green.

As legislation to underpin environmental responsibility and the concept of genuine sustainability starts to take effect, the trend towards making fewer but higher quality purchases will likely continue and grow.

Be cautious in pruning expenditure

A new report by the Boston Consulting Group urges caution in too-heavy cutting of expenditure on sales and marketing during the current economic downturn.

The report points to the example of history, which shows that companies which maintain sensible levels of commercial investment through a downturn typically demonstrate significantly stronger results during the ensuing upturn than companies which indiscriminately slash costs.

There is a danger in over-reacting to the crisis.

Make sure testing and certification is up to date

As we have mentioned (*see opposite column*) being prepared for recovery in the economy is an important consideration in your current business plan.

Practically, one of the areas in which you can most profitably prepare is to get everything in order for your next tender submission. That means you should now be checking your testing and certification certificates, and if they are not up to date, or the product description has changed, plan to get up-date work done with Furntech-AFRDI.

Any testing and certification will take quite a bit of time. Cyclic or endurance testing may involve a chair, for example, going through in excess of 200-thousand load cycles: that's some weeks of time.

Similarly, identifying components and the testing process itself can typically take five to six weeks, so forward planning dictates you should try to build a buffer into your tendering schedule.

As indicated in our April bulletin, the Queensland government is but one of the many government and commercial organizations that more and more are calling for the supply of certified goods in the furnishing area. Certification is a guarantee of mechanical strength and an indicator of durability. Together with our new Sustainability Standard they are a powerful tool that signifies that an article carrying this multiple certification is superior, and guaranteed to have a long service life.

If you want to be part of this new, changing world, check now to ensure that your certification is up to date. Without it, you may well find that the door to a supply contract in the future is firmly closed.



Companies doing this have to spend correspondingly more to try to regain lost ground once conditions improve. Boston Consulting Group also urges flexibility on pricing. In the light of recent unprecedented shifts in the market, any pricing strategy more than a few months old is likely to be out of date.

In another report, economic analyst Nigel Hollis, in an article on marketing during the recession, reminds that pruning costs over-enthusiastically 'may leave your brand in a less competitive position when the economy recovers. Over the years, research studies have confirmed that the best strategy in terms of long-term ROI is to increase marketing expenditure during an economic slowdown.'

Hollis makes another interesting point: a new product launch may actually have greater impact during a recession than at other times.

He puts the position that a product which is unique or demonstrably better than others should be able to command a higher price, even among price-conscious shoppers. Competitors may not be able to immediately match a new product offering, and media and advertising costs traditionally are lower during a recession.



EU bans use of DMF in leather furnishings and footwear

Over the past year the presence of dimethylfumarate (DMF) sachets used by manufacturers in China to protect leather sofas from mould growth has caused major issues for furniture retailers around Europe.

It's understood that the DMF was absorbed into the leather products such as furniture and footwear which were packaged with DMF sachets. This resulted in some users having health issues such as skin irritation, redness, and burns and in some cases acute breathing problems.

European Directive (2009/251/EC) was published on the 17th March 2009 and requires that products containing DMF are not placed on the market: this means the presence of DMF in one or more pouches or in a concentration greater than 0.1 mg/kg of the weight of the product or part of the product. The directive also requires any product containing DMF that has already been placed on the market be withdrawn and consumers be made aware of the potential risks.

From FIRA and Leather International

Origin of the species: the common office chair

Office chairs in all their permutations are part of the office landscape today, but what do we know of the origin of these devices?

The naturalist Charles Darwin is credited as being one of the inventors of the office chair. He put wheels on a chair in his study so that he could move quickly among his specimens.

But it was the rise of the railways 160 years ago that is thought to have been the real birthplace of the modern office chair. Businesses started to expand beyond the traditional model with little thought on what we now know as administration. Administrative staff was required to keep up with the placement of orders, to do the book keeping, and to handle correspondence.

A whole new technology emerged, and with it, the office chair, to aid productivity within the confines of the office.

The office chair made it possible for clerical workers to remain seated at their desks for a long time, yet the combination of a swivel and casters on the base made it possible to move quickly around the office space.

It was not long, of course, before office chairs evolved into categories – task chairs for workers, plush, high-backed chairs for executives. It was not until the 1970s that the science of ergonomics came to influence chair design, a process that continues to exercise the minds of some of the smartest people in our industry.

Now, with the basic mechanics of chair design well understood, we can marvel at inventions such as the mesh back, for improved ventilation.

The challenge for the future lies in developing cost-effective technologies to responsibly manufacture quality chairs from an ever-diminishing pool of raw resources. It will probably be just as big a challenge as the original development of the office chair.

Use of the Furntech-AFRDI logo

Following a number of cases recently which have required corrective action, this information is provided as a guideline.

AFRDI Blue Tick, the Furntech Orange Tick and the 146 Leather logos are only to be used adjacent to **product** that has been assessed and which satisfies all of the Institute's criteria. Companies whose product satisfies these requirements enter into legal agreements with the Institute.

The Blue Tick, Orange Tick and the Leather logos are **not** to be used on covers of brochures, letterheads or Website home pages to indicate in a commercial sense that some or all of the product contained therein complies and of course are **not** to be used on any product which has not been certified by the Institute.

As a point of clarification, if a product once being approved is renamed, it still requires separate approval from Furntech-AFRDI to be advertised with these logos under the new name.

The Blue Tick, Orange Tick and Leather logos in conjunction with the words 'selected products' is also **not** to be used.

We wish to encourage the use of the logos to promote certification but it must be done properly. We must also protect our certification programs and those clients who use our logos according to the conditions detailed in our certification agreements.

The Trade Practices Act makes no distinction between cases where misleading behaviour is intentional or inadvertent. The issue is whether the consumer would be misled by the behaviour.

Furntech-AFRDI Member Logo

This is available to all financial Institute members and may be used on items of correspondence like letterheads and facsimiles, on brochures and Web pages but **not** on products. Members will be sent the Member logo in electronic form.

It is our intention to monitor the use of our logos and to investigate cases of alleged misuse that come to our attention.

Would you please check that your company is correctly using our AFRDI Blue Tick and Furntech Orange Tick logos, and the Leather 146 logo?

If you find that your use may be inappropriate and rectification has an associated cost please contact the Institute to discuss an agreed exit strategy.

If you are unsure about the correct use of our logos please contact us on (03) 6326 6155 or at info@furntech.org.au.

AFRDI advises: cut consumer complaints off at the source with better labeling

AFRDI operates a Consumer Concerns Service and, while many issues and their resolution must necessarily remain confidential, certain issues warrant action by manufacturers and distributors to stave off future claims.

One of the most common consumer complaints relates to what some consumers perceive as inadequate product labeling. Consumers complain that when they buy a lounge suite, for example, the care instructions are sometimes missing or in other cases are so vague as to be virtually useless. Certainly, it is uncommon for manufacturers to openly state that fabrics, for example, may become shiny with use. If this is a characteristic of a particular fabric, perhaps it should be stated as such.

A customer forewarned is one who is less likely to make a claim on the basis that there was no warning on a product to the extent that the surface finish could undergo a change within a relatively short period of use.

AFRDI, for example, publishes a booklet available through retailers about how to choose leather that best suits the intended type of use, whether it's going to be jumped on by kids, or subjected to other heavy use, or just a couple sitting down quietly to watch TV.

Complaints also are made about inadequate notice of the country of origin of furnishings, with some complainants stating they are disappointed and feel aggrieved when they discover that furniture they believed to have been made in Australia may in fact be manufactured in China or another country.

AFRDI hopes the industry will be up-front about the product it is offering, or retailers and manufacturers can confidently expect there will be an increase in consumer claims and possibly costly legal action.

We live in a litigious age.

Advantages of using the AFRDI Consumer Concern service

One of the main advantages of putting your consumer claims through an independent third party is that consumers can readily perceive that an additional element of impartiality and fairness has been introduced to the resolution process.

Furntech-AFRDI has built up a considerable body of experience in dealing with consumer issues which individuals within your organisation could not be expected to replicate.

By working through an independent negotiator, your clients gain an advantage because they can refer complaints directly to us, and don't have to engage in what may develop into a heated argument at a face-to-face level.

It's all about avoiding the situation of 'I said, you said' when nobody wins.

Furntech-AFRDI benefits, in that consumers generally have 'cooled down' before they put their complaint to us. Thus, it is generally possible to resolve issues in dispute without the heat of the argument being raised to an unnecessary level.

As the economy remains tight, and each sale becomes, in relative terms, more precious, to be able to genuinely assure customers that their guarantee has real standing is a value worth pursuing, and promoting.

Along with government pressure for us to perform in a more environmentally responsible manner, comes a growing community expectation that consumer claims will be listened to fairly, and acted upon promptly.

As a trader, you would also be aware that the community and the government increasingly expect manufacturing and retail industries to act in a more ethical and responsible manner in these difficult times.

Our system relies on reporting by an industry professional, who will discuss on-site with the aggrieved party, make observations, and report to us. We then make a recommendation on the course of action to be taken.

Above all, our Consumer Concern Process is flexible, and can be tailored to meet a wide range of needs.

What price do you put on your reputation and good name as a trader, the very quality that stands you apart from others? Charges levied by Furntech-AFRDI to manage consumer concerns are very reasonable.

If you are interested in what we have to offer, please contact Consumer Concerns Officer Stacey Saunders consumer.concerns@furntech.org.au or phone (03) 6326 6155 for a pricing and detailed organisational schedule.

ACCC accepts court enforceable undertaking from bunk bed supplier

The Australian Competition and Consumer Commission has accepted court enforceable undertakings from Mr Sanjay Goel, trading as Pacific ImpExp Services, after finding that two of his bunk bed models did not comply with the mandatory product safety standard.

The standard outlines certain requirements relating to the design, construction, safety, performance and marking of bunk beds.

Mr Goel supplied the bunk beds through eBay between 1 August 2007 and 31 March 2008. He conducted a national voluntary recall of the bunk beds in August 2008 after the ACCC raised its concerns. Following the recall, and despite the ACCC's advice and views that the bunk beds did not comply with the standard, Mr Goel then supplied further non-compliant bunk beds.

"Children have died from hanging and strangulation after their heads have become trapped in gaps in bunk beds that did not meet the requirements set out in the mandatory product safety standard," ACCC Deputy Chair, Mr Peter Kell, said.

"Children have also suffered serious head injuries and fractures after falling from bunk beds that did not have the prescribed guard rails.

"It is alarming that the trader supplied further bunk beds when it was known that the beds did not comply with the mandatory product safety standard."

Mr Kell said anyone selling bunk beds must ensure that the beds supplied are safe.

"The ACCC continues to monitor compliance with mandatory product safety and information standards, and emphasises that eBay traders are also required to ensure that their goods comply with the relevant standards."

High chairs recalled: choking and fall hazard

Evenflo Majestic High Chairs and Majestic Discovery High Chairs are being recalled in Australia because there is a risk that the screw and pivot cap hardware on the sides of the high chairs can release. This poses a choking and a fall hazard to children. The model numbers of these high chairs in Australia are 3001713A and 3002848A.

The Australian recall follows a US recall of the Evenflo Envision range of high chairs.

An alert has also been issued for the Mother's Choice Kensington Cot, sold exclusively in Australia by Kmart between March 2007 and December 2008. The hazard relates to possible weakening of the slats in the dropside, which in a worst case scenario could lead to a child being strangled.

Also listed is the same maker's Riviera hi-lo chair, where plastic rivet caps may fall out, and pose a choking hazard. The cots and chairs were supplied by IGC Dorel Pty Ltd.

Big Discounts on AFRDI Testing

Times are tight, but at Furntech-AFRDI, we are trying to be generous to our customers, particularly those who are AFRDI members.

It's a good time to issue a reminder that the company has a policy of giving selected discounts, which can be quite substantial.

Quite aside from any worthy notions of supporting your own industry through helping AFRDI carry out necessary research*, being a member has very tangible benefits to your cash flow if you are an organisation that regularly has furnishings tested.

Discounts range from 10% on testing for FIAA members, as well as members of CFIAA, DWVA and INPAA. There are further discounts, depending on your level of membership with Furntech-AFRDI.

A combination of industry association and AFRDI membership can yield discounts of up to 30%.

AFRDI also offers specific discounts. A 33% discount applies to the third and subsequent similar items submitted by a company for full testing at the same time. AFRDI member discounts and the 10% industry discounts also apply.

Call Furntech-AFRDI on (03) 6326 6155 if you want to know how you can get a discount on testing.

**AFRDI has just released its new Sustainability Standard for the manufacture of commercial furniture, the product of more than two years of research. AFRDI membership helps fund vital initiatives like this which enable Australasian manufacturers to comply with stringent supply conditions now being laid down by government and commercial tendering organisations.*

DoCS, the New South Wales Department of Community Services, is reviewing many issues relating to child safety, including use of cots.

If you're interested in making an input, visit the DoCS website www.community@nsw.gov.au

Halfway down the right hand side of the home page is a heading inviting input to its Children's Services regulation review.

As always, we are interested to know what you want to read about in your Bulletin. Please contact the editor, Julian Ridgers (03) 6326 6155 or julian@furntech.org.au if you have any suggestions. For example, we keep the layout simple with few photos to reduce printing costs and speed loading times. Is this what you want?