

SUZANNE VAN GILDER

teve Johnson, President of Denver-based General Casework/ kabi, knows how to make a lot from a little. In fact, when the economy contracted in 2010 he downsized his space and increased his business. He has few employees, minimal square footage and no outside sales force. Up until the launch of kabi, a custom kitchen brand born out of popular demand in 2013, he didn't even have consumer name. What Johnson does have is a good understanding of how to serve the cabinet market without actually competing with it, machinery that makes his operation quick and agile and access to a vast array of the hottest decorative surfacing materials available.

"A lot of people tour the operation. We've had the Stiles Executive Briefing Conference,



the AWI national conference, and the CMA regional conferences come through." says Johnson, "And they all scratch their heads at the amount of capital investment for the square footage. I have sales volume ratios that don't work in the traditional sense, so there is disbelief. Being a small, but very flexible company, we are very agile and sensitive to changes. Not just changes by the customer, but in the market and material preferences."

A little background. Steve Johnson is sort of a ringer. He's worked in lumberyards and manufacturing; and he also spent 11 years working for Stiles Machinery prior to opening General Casework as an OEM that produces green cabinets in 2003. Those experiences provided Johnson with a comprehensive understanding of machinery technology, as well as the opportunity to look at myriad different business models and applications. "I always professed that if people invested in all the pieces, it would come back full fold and reward them with less people and more flexibility," says Johnson. "No company has 100 percent of all the solutions, but the things I have seen visiting other facilities and studying markets in Europe were very influential and gave me a lot of opportunities."

CABINETS FOR EVERYBODY

As an OEM, General Caseworks offers a huge variety of frameless cabinets to other companies that manufacture for residential, com-

mercial, education and healthcare markets nationwide with a slim three-week lead-time. "We don't do any face frames, solid lumber or any kind of finishing, "says Johnson." The whole facility is based around producing green products, so a majority of our board is NAUF, and we work with premium grade and FSC particleboard, MDF or plywood, depending on the project. We primarily use HPL and TFL, and when we use veneer it is always reconstituted veneer with a water-based UV finish." Everything produced by General Caseworks is made to order, and the design possibilities are essentially limitless, drawing from the collections of the major domestic laminate producers, Wilsonart, Formica, Nevamar, Pionite and Lab Designs, as well as the European houses including Abet Laminati, Arpa, and Liri. Textured TFL from Roseberg, KML or Stevens is also an option. "Laminate companies, here is the neat thing, they all make beautiful laminate with different finishes, " says Johnson. "That is what makes it the most exciting for the end users. The wood actually looks like it is real wood with texture added to it. Whether it is HPL or TFL it becomes more realistic and more acceptable as a finished product."

In fact, customers and end-users were so impressed with General Caseworks that word got around, even without an outside sales force. "We've always received a lot of interest in putting our product into individual

kitchens, whether it be new construction or remodel," says Johnson. "When the economy hit hard, that part of the business kept growing while the other parts kept shrinking. Now it makes up more than 60 percent of what we do." It got to the point where the facet of the business that made custom kitchens deserved its own identity, complete with a name and an eye-candy filled showroom. As a result, kabi is officially launched this year.

Yet even the kabi concept is executed slightly differently than a normal dealership. The business model behind kabi includes a showroom developed for the use of kitchen designers, interior designers and architects with a residential background. The relatively open-ended product line affords as much control over the project (and the margins) to the designer as he or she wants. Prior to bringing clients to the showroom, designers meet with the kabi sales coordinator to establish how involved kabi will be with the project.

Part of kabi's appeal is that the products are available in literally thousands of surface designs, which begs the question, how does one showcase such flexibility? "It is kind of an ever changing thing," says Johnson. "We say to people, 'Come and experience the kabi experience.' It is all about fun colors and



options. Some customers even end up with multiple sets of doors so they can change their look." Sample kitchens reminiscent of the 1960s appeal to people reconstructing mid-century modern homes. Unique materials with acrylic fronts and acrylic edgebanding, or high-gloss laminates gently encourage current day trends that are happening in Europe. There is even a super matte model kitchen, a look that is just beginning to make its way into North America, "The cool thing about it is if the customer or the designer can dream it, or has seen it, they just have to tell us which laminate company they think carries the design or texture, and we can research it and make it happen," says Johnson.

General Caseworks/kabi depends on the following vendor relationships:

- Darant Distributing: Wilsonart HPL, hardware from Accuride, Amerock, Blum and woodTape
- National Wood Products: board, TFL sheet goods and laid up sheet goods
- Würth Louis and Company: Formica HPL, hardware from Blum, Grass, Rev-A-Shelf
- Larson Distributing: Nevamar HPL, hardware from Grass
- . ESI: Pionite HPL and edgebanding
- Sierra Forest Products: board and TFL sheet goods, hardware from Hettich
- · Hafele: hardware
- · Hardwoods: sheet goods



EXPANDING WHILE CONTRACTING

To be flexible and fast, General Caseworks is set up so that a single operator can perform each process. This includes a comprehensive system of transfer cars, conveyers, vacuum assists and return conveyors. Johnson just hired an employee to help with a large upcoming project, bringing the total number of production workers to seven. "The ratio of people to sales dollars doesn't make sense to a lot of people," says Johnson, "but we can do it because of the processes, systems



and machinery." Projects are described with Planit's Cabnetware and produced with Cut Rite optimization and production software. The entire operation is paperless, using bar-

codes to keep track of each unique job. "We also have two of everything, "says Johnson... "two means of cutting panels, two point to points, two horizontal machines, two edgebanders and two case clamps. In order to maintain that short 3-week lead-time, even if we are doing good preventative maintenance and planning what is going on in the facility, there is always a day or time when something breaks. I can't use that as an excuse, particularly when making for other people. We have to get product out on time."

About the same time the residential portion of the business was really taking off, the economic forecast in general turned pretty dreary. Based on projections, Johnson made the decision in 2010 to downsize and combine two facilities, one for machining and one for assembly and shipping, into one 21,000 square foot shop. "What we gave up was a lot of storage space," says Johnson, who tightened up the layout but kept all the equipment. "We keep no stock," says Johnson. "In fact, with good distribution like Denver has, we can get what we need in pretty short order. A number of our suppliers are sensitive that we want green materials, and there are certain TFL colors we need to have on those substrates. We typically have contracts with our vendors for those basic materials, and as we use them up, they put them on order."

The nature of Johnson's business means that he regularly travels to Europe and reads trade publications to stay ahead of the latest technology and fashion, but he also gets information from distributor reps. "The good vendors take a more pro-active approach to knowing my business and our needs." Other distributor characteristics that are important to Johnson include competitive pricing and reliability. "You have to look at the effect that relationship has on your overall business," says Johnson. "Our business originated on word of mouth. One happy customer might tell somebody. But an unhappy customer will tell lots of people. People buy from us because of relationships."



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