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*Family Firm
Fabricates Furniture*
Flexibility Key to Morgan Chair Success





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Furniture manufacturing has been important to North Carolina's economy since the early colonial era when artisans began producing simple yet functional furniture from the woods native to the North Carolina landscape: walnut, cherry, cypress, oak, yellow pine and poplar.

In the 19th and 20th centuries, manufacturers focused on the Piedmont area because of its numerous hardwood forests, its above average railway and, later, highway transportation opportunities and the availability of cheap labor. By the 1980s, when North Carolina was producing approximately one half of all the furniture sold in the United States, the city of High Point acquired the nickname, "Furniture Capital of the World."

During the second half of the 20th century, there were more than 600 furniture manufacturers in the North Carolina, producing more than \$6 billion in furniture and furnishings and employing more than 70,000 people.

Taking a Seat

It was in the late 1970s that Billy and Sue Morgan moved from the small town of Stanfield in Stanly County to the bustling furniture capital of High Point. Training in the top factories, including Henredon and Clyde Pearson, Billy and Sue quickly learned the furniture trade and fell in love with the art and trade of upholstery. In 1983, the Morgans decided to move their family, including their two-year-old son Jesse, back to Stanfield to open their own business.

For the next 20 years, Morgan Chair, Inc. was a two to three-man operation, focusing primarily on residential reupholstery. Billy Morgan would pick up someone's grandmother's chair and fix it up. Never advertising, Billy relied on word-of-mouth praise to grow the business.

"We really take pride in what we do," says Billy Morgan. "It's a special thing to hear the story of an old rocking chair or antique sofa. People like to reminisce, and we like to hear their stories and help preserve those memories."

Jesse Morgan grew up in Stanfield, a town of 4.5 square miles, with a population of 1,100. He went to Chapel Hill and studied business at the University of North Carolina. He was headed to Wake Forest to study law when he decided to defer his plans for a semester or two and help with the family business. He quickly fell in love with the trade. That was 2003 and he is still there, as an owner of the business.

"They'll have to fire me to get me to leave now," he grins. His father, Billy, is delighted to have Jesse in the family firm.

"I wished for that for so long, but never said anything to him," says Billy Morgan. "I envied my friends who had businesses big enough for their sons to join and was sorry that ours was so small. Now that Jesse has come, we have grown so much."

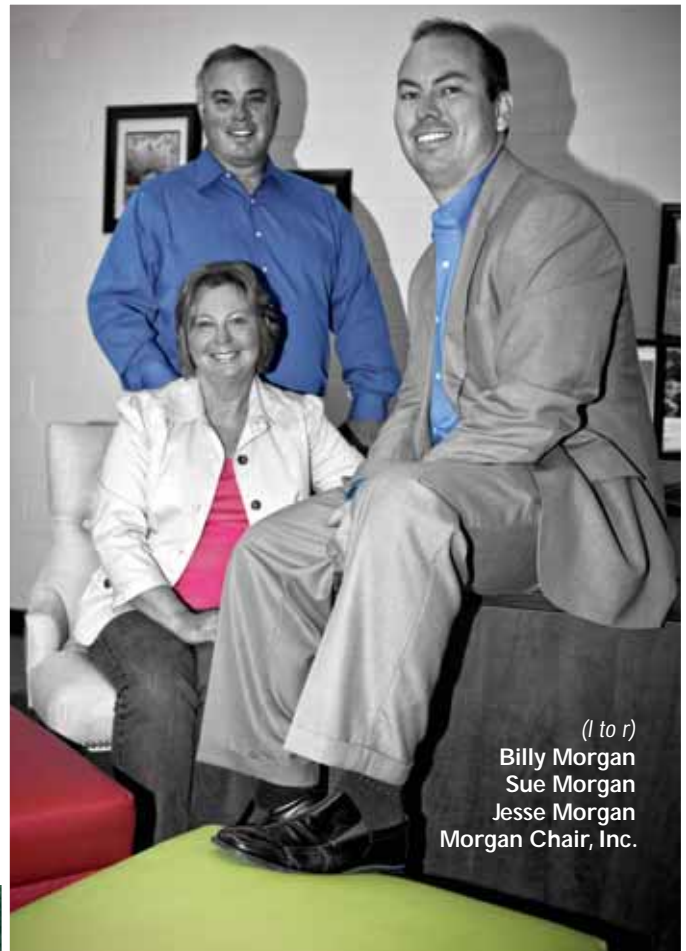
Jesse and his wife, Ericka, have settled on a small farm in Monroe where they raise pet longhorn steer and a miniature horse, along with two small children. Jesse intends for Morgan Chair to be around if and when his now three-year-old son wants to join the family business.

Honing Their Craft

When Jesse joined the business in 2003, Morgan Chair's focus began to change. In addition to reupholstering old furniture, the company began to create new custom pieces. Word had drifted to Charlotte about the quality of work being done at the family firm in the small town east of the city, and requests for custom pieces accumulated. Residential customers, designers and architects were coming to Morgan Chair with ideas for sofas, beds, or chairs that would fit a particular space or concept.

"We helped a customer design a sofa that incorporated antique suzani fabric into a modern sofa," says Jesse. "Suzani, a style of fabric from Central Asia has elaborate needlework. To create this sofa, we had to reinforce the fabric. Then we upholstered the outsides of the sofa with a distressed leather, accented by nail-heads. Combining an antique, handmade fabric with a contemporary frame style resulted in a stunning sofa."

Jesse noticed that no local upholstery shops were manufacturing their own frames—nor did anyone have the capabilities to do so—so Jesse set up a woodworking shop within Morgan Chair that was able to quickly produce custom frames for customers, both commercial



(l to r)
Billy Morgan
Sue Morgan
Jesse Morgan
Morgan Chair, Inc.



and residential. The company began to attract new customers in the custom furniture business—ones who knew what they wanted and came in with sketches on paper—customers like Dale Earnhardt Jr.'s designer who wanted cowhide barstools for his new uptown restaurant, Whisky River. It caused the business to grow faster than expected, and necessitated its move to the current location, a larger facility with a separate area for upholstery and woodworking.

Jesse, himself, doesn't know how to do upholstery although he knows the process. His parents remain hands-on in the business, training new employees and maintaining the quality of the product. Jesse runs the front office. He is the sole sales person on staff and just recently hired his first secretary. However, he is the person who interacts with the furniture dealers, architects



and designers who partner with Morgan Chair and he is fast becoming the face of the company.

"People are starting to know me," he explains. "They know I will be around for a long time. While sales people at other companies come and go, I've got skin in this game."

While Jesse struggles to keep up with the new marketing tools which depend so heavily on technology, he believes nothing will replace good old-fashioned public relations and networking.

"There is nothing more important than building personal relationships," he asserts. "I spend a lot of time meeting with customers."

For all the Morgans, business is personal. Each product is unique with problems that require individualized solutions. The company's personal touch elicits similarly personal responses. One recent customer wrote Jesse a note after the Morgans refurbished her old sofa: "Thank you so much for reupholstering our sofa (or should I say, reconstructing our sofa)! It was such a huge blessing for us and we absolutely love it! It's our favorite thing about our new place! We love telling people that it's the same sofa recovered and watching them react in disbelief."

Because the skill sets of reupholstering ➤



"We've been able to grow so much so quickly because of our flexibility. As a small firm we have the flexibility to shift focus quickly. A larger company can take months to make changes. We can switch gears and do anything. When the residential market is down, as it is currently, we can concentrate on the commercial market which is strong now."

**~Jesse Morgan
Vice President**

old furniture and manufacturing wood frames translates well from the residential to the commercial arena, Morgan Chair has been able to shift its focus easily from one to the other. Under Jesse's guidance, Morgan Chair has forged partnerships with firms doing business with local hospitals, banks, restaurants, and schools as well as residential homes throughout the area.

"The Charlotte area is a great place for commercial furniture," asserts Jesse. "Hospitals, big banks, restaurants, they all have to have seats. Even in this down economy, the health care industry is booming."

Morgan Chair has partnered with a health care group to provide the daybeds for patient rooms in new facilities. A large retailer based in Concord with over 1,700 stores nationally has contracted with Morgan Chair for ottomans and lounge chairs. Morgan Chair is also producing tables and banquettes for local restaurants and country clubs.

In the six years since Jesse joined the company, Morgan Chair has grown from five to six employees to 18. At the same time, its revenues have grown many times over. Just last year, sales increased 43 percent alone.

"We've been able to grow so much so quickly because of our flexibility," explains Jesse. "As a small firm we have the flexibility to shift focus quickly."

That flexibility has given the company the ability to move from an almost exclusive residential focus to concentrate on a growing commercial market.

"A larger company can take months to make changes," says Jesse. "We can switch gears and do anything. When the residential market is down, as it is currently, we can concentrate on the commercial market which is strong now."

And, when the economy puts a greater value on restoring or reupholstering old furniture rather than replacing it, Morgan Chair is again quick to respond.

"We can save customers 50 percent or more by restoring the furniture they already have," states Jesse. "Plus the old furniture isn't discarded in

landfills, giving companies a green alternative to purchasing new furnishings."

Being small, Morgan Chair can do some of its work on site. Moving into a bank lobby for a few days may cause less disruption for a customer than doing the work at the shop. A recent request sent a Morgan Chair crew to New York City to do a high-end residential job on-site for Charlotte-based Bossard Design Group.

Getting Comfortable

Morgan Chair has achieved its success, growing rapidly even through tough economic times, because of its flexibility. As a small company, it now faces the challenge of staying small and continuing to grow.

"We can't sustain 43 percent growth," says Jesse, "but we can add employees, expand facilities, and grow geographically."

Jesse would limit the company's growth to not more than 50 employees. He believes that is the point at which the company would lose its flexibility and dilute its strength as a small firm. For the past 28 years, the company has been a family business in which everyone knows everyone else.

There are currently several relatives working at the company and everyone eats breakfast together in a local restaurant every Friday. Morgan Chair is known in the small community of Stanfield as a good place to work and Jesse intends to keep it that way.

At the same time, the company is looking for ways to expand its facility. It moved into the 10,000 square feet it now occupies six years ago and already it needs more space. And, while most of the company's work currently comes from the greater Charlotte area, Jesse believes the company will be doing more work throughout the Carolinas in the future.

This future growth will come, Jesse believes, as its partners, particularly those in the health care industry, also continue to grow and to provide new opportunities for Morgan Chair. These partners are designers, architects and contractors who enjoy working with a small family business




dedicated to doing quality work.

"I've worked with Morgan Chair providing waiting room furniture to dental offices in the Charlotte area," says Rosa Dest of Rosa Dest Interiors. "Not only is their workmanship outstanding, but also their ability to brainstorm in finding the best health care designs to work within the client's budget."

What Jesse Morgan is forging at Morgan Chair, building on his parents' skill and reputation, may be a new model for the North Carolina furniture industry. After the "golden age" of the 1980s, globalization of the furniture industry and an increase in free trade resulted in a large decrease in furniture production and employment in North Carolina. Forty-seven furniture companies closed during the 1990s and dozens more after 2000. China replaced North Carolina as the leading furniture manufacturer.

Turning away from the tradition of mass producing stylish but inexpensive furniture for everyone, Morgan Chair is dedicated to producing unique, high quality products. When a customer needs a sofa eight feet long and can only find one six feet long, Morgan Chair will build what he wants.

When a customer's chairs are rubbing against a table and ruining the upholstery on their arms, Morgan Chair will adapt a new covering to solve the problem. If a customer needs built-in furniture, Morgan Chair will work onsite to make what he needs.

"We're not into mass producing," explains Jesse. "We are into producing small quantities of furniture where we can pay attention to the details." 

Morgan Chair, Inc.
104 W. Stanly Street
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Phone: 704-888-4912



Principals: Billy Morgan, President;
Jesse Morgan, Vice President; Sue Morgan,
Secretary/Treasurer

Employees: 18

Founded: 1983

Business: Family-owned and operated company providing custom designed furniture and reupholstery for residential and commercial clients throughout the Southeast; full service upholstery shop.

www.morganchair.com



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