



Case Study

Dessin Fournir Companies

Plainville, Kansas
Charles Comeau, Co-Owner/Founder

The Dessin Fournir case study demonstrates the usefulness of e-commerce to enhance business-to-business marketing, communications and transactions. Dessin Fournir sells fine home furnishings only through interior designers and architects. E-commerce provided significant cost savings to the firm in terms of reduced marketing costs, more efficient monitoring of the production and distribution processes, and reduced need for travel. The Internet has been very beneficial to Dessin Fournir in helping to overcome the disadvantages associated with a geographically isolated location.

Profile

Dessin Fournir Companies design, manufacture, market, and distribute home furnishings targeted at the high-end residential and contract markets. Dessin Fournir includes three furniture companies (Dessin Fournir, Kerry Joyce, and Gérard), the textile company - Classic Cloth, the fabric and wallpaper company - Rose Cumming, and the lighting fixtures firm - Palmer Hargrave. All products are custom ordered and sold to interior designers and architects through 15 designer showrooms throughout the United States and Canada. The company has approximately 600 models in its furniture division and 50 to 60 new models are added each year. All furniture is designed by the Dessin Fournir Company founders Charles Comeau and Len Larson. The lighting fixtures and fabrics are designed by Charles Comeau and staff. The furniture is manufactured at the company's Azusa, California facility, and the company's 1,800 fabrics are custom woven by mills in Europe and, to a lesser extent, Thailand and India. The Plainville, Kansas facility is responsible for designing new lines of furniture and fabrics; designing and custom manufacturing lighting fixtures; warehousing and distributing fabrics; monitoring production; product marketing, customer service, billing, accounting, and management.

Dessin Fournir employed 147 people in 2006, with 94 of these employees located in Plainville, Kansas. The company currently occupies three renovated buildings in Plainville's historic downtown. An additional main street building is under restoration and a new downtown building is in the planning stages to accommodate anticipated future business.

The Dessin Fournir Companies also own C.S. Post & Co., a retail store in Hays, Kansas that offers gifts, jewelry, furniture, and gourmet kitchen accessories. C. S. Post and Co. (www.cspost.com) is Dessin Fournir's only brick-and-mortar retail entity, yet Internet sales account for approximately 15 percent of total sales for C.S. Post and Co.

History

The co-founder of Dessin Fournir, Charles Comeau, is a native of Plainville, Kansas. Comeau is a graduate of Fort Hays State University (Hays, Kansas) with a degree in Petroleum Geology. Comeau initially worked in the family oil exploration business and later owned a bank in Plainville. Comeau sold the bank after four years and decided to pursue a line of business that coincided with his interests in art, textiles, antiques, and fine furniture. In 1993, Comeau became acquainted with Len Larson, another furniture connoisseur in the Los Angeles area. Comeau and Larson became business partners and co-founded Dessin Fournir. Production was initiated in Baldwin Park, California, and a small office was maintained in Plainville because Comeau and his family wished to reside in his hometown. Furniture production continues in California in the company's 88,000 square foot facility, but the remaining operations of the business are located in Plainville. Federal Express is used to ship fabrics and lighting fixtures from Plainville. Comeau also is very active in historic preservation and downtown renovation in Plainville and Hays, Kansas.

Business Location

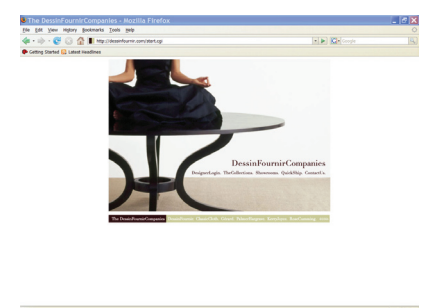
Plainville, Kansas (2000 population 2,029) is located in nonmetropolitan Rooks County. Plainville is located in northwestern Kansas, approximately thirty miles north of I-70 and Hays, Kansas, and 200 miles from the nearest metropolitan area of

Year online: 1998

Area Population: 2,029

Web site:

www.dessinfournir.com



Wichita. Plainville is a service center for the surrounding farms and ranches and a bedroom community for Hays. High speed Internet service in Plainville is provided by Nex-Tech.

Role of e-Commerce

Dessin Fournir has made significant investments in computer hardware, software, and IT personnel to incorporate e-commerce into their business strategy. Comeau estimates that the company invested between \$200,000 and \$300,000 in IT hardware since 1998. The company incurs annual expenses of approximately \$50,000 for hardware upgrades and \$100,000 for software development and the salaries of two full-time IT specialists. All Web site design and maintenance and computer aided design (CAD) work are provided through internal resources.

Dessin Fournir's e-commerce activities would be classified as primarily B2B (business to business). The company designs and maintains a Web site for its products; however, orders may not be made over the Web site. Interior designers must go through showrooms to place orders and purchase the company's products. The orders may be phoned in or e-mailed to Dessin Fournir. The interior designers generally prefer direct contact with the company in order to discuss specifics regarding styles, fabrics and woods to be used in the furniture. As such, Comeau noted that the Web site did not result in a significant increase in sales. The investment in e-commerce did provide, however, five types of cost savings to the company.

First, interior designers may download photo quality pictures of products available at Dessin Fournir. This feature reduces the firm's marketing costs because the company catalog requires less frequent updating. Dessin Fournir spends approximately \$250,000 a year on catalogs (many designers continue to prefer hard copies), thus a conversion to an e-catalog offers the potential for significant savings. Second, customer services are improved with e-commerce. Representatives of the showrooms use e-mail to communicate with Dessin Fournir regarding the availability of upholstery and drapery fabrics in inventory. In addition, a customer service representative is assigned to each order, and these individuals are in contact with the designers, showrooms and factory regarding the status of the order. Thus, e-mail permits a more efficient monitoring of the production process. The tracking of orders provides improved customer relationships and significant savings in management costs. Third, e-commerce increases product exposure to interior designers that do not have easy access to showrooms. The company's Web site (available to 30,000 qualified architects and interior designers)

provides the designers and their clients with a preview of available products without having to visit a showroom. These product previews, in turn, attract more interior designers and clients to the showrooms to place orders for Dessin Fournir's products. Fourth, the Internet enables Dessin Fournir to communicate directly with its 13 fabric mills in nine countries, thus reducing its reliance and expenditures on external agents. Fabric patterns are designed in Plainville and e-mailed to the fabric mills. Finally, tele-conferencing over the Internet significantly reduces the need for travel to the California factory and the 15 showrooms.

Dessin Fournir's goal is to have the market's best functioning, most user friendly Web site for designers and showrooms. The company is developing a Web site that permits interior designers to quickly and easily browse the company's catalog. In addition, Dessin Fournir is developing large screens for select showrooms that will enable the designers to observe alternative fabrics and woods on the company's custom designed upholstered furniture. These screens will be controlled by individuals located in Plainville. Comeau notes that the screens must be user friendly because many interior designers have limited interest in developing extensive expertise in new computer programs.

Challenges and Lessons for Rural Entrepreneurs

Charles Comeau notes that the Plainville location presents no problems with respect to information/communication infrastructure and services or the transport of goods. The high speed Internet provider (Nex-Tech) is very accommodating and all shipping is done by Federal Express. However, Comeau identified some lessons and challenges based on his experience:

- The key to his firm's transition to e-commerce was an excellent internal information technology staff. Dessin Fournir's IT staff is responsible for Web site design and maintenance as well as facilitating a smooth flow of information between the company and its customers, suppliers, and external production sites.
- The rural Plainville location does make it more difficult to attract design talent (for example, graphic and industrial designers) because individuals with such skills generally prefer employment opportunities in large metropolitan areas. Other types of skilled workers employed by the company (electricians, machinists, metal workers) are available in the region.
- It is difficult to acquire bank financing for new buildings because there is a limited resale market for

the buildings. Thus banks require a significantly larger equity-to-loan ratio for a commercial building in a rural area than in an urban location.

- Property insurance rates are higher in a rural community like Plainville because the fire department is voluntary.

Comeau concluded that the State of Kansas needs to investigate alternatives for overcoming the inherent disadvantages of rural locations for entrepreneurs and small businesses. He proposed that a state focus on making rural areas more attractive locations for small businesses may provide greater economic development returns to rural Kansas than recruiting branch plants of manufacturing firms.

From e-Commerce as a Strategy for Improving Business Vitality: Lessons Learned from Small Businesses by Deborah M. Markley, David L. Barkley, and R. David Lamie

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