

c) Technological Factors

Modern machinery and equipment is available to the industry throughout the world but only larger factories have sufficient production to benefit from the large investment required for the most advanced technologies. As a result, the U.S. industry tends to be more advanced than the Canadian.

Wooden desk manufacturing remains a labour intensive process, particularly in the fitting and finishing stages and tends to rely on recognized standard production methods. While a number of firms tend to retain traditional equipment, others have gone to more sophisticated items, such as computerized panel cutout saws and routers, etc. Over the past few years, several new factories have been constructed and their owners have equipped them with the latest in machinery. Metal desk and filing equipment manufacturers use standardized shearing and stamping machinery. Baked on electrostatic powder finishes, while not universal, are being employed on a more extensive scale and are replacing traditional spray methods. Systems furniture manufacturers tend to employ the most recent equipment innovations, where economically feasible, since they are involved with a variety of materials, such as wood, metal, plastics and textiles and must, if possible, have a competitive edge.

3. FEDERAL AND PROVINCIAL PROGRAMS AND POLICIES

Government (federal, provincial and municipal) is the largest buyer of office furniture in Canada, and as such, is an important customer. The procurement policy of the federal government centralizes purchasing through Supply and Services Canada, which, besides purchasing through its headquarters operation, has twenty-nine regional supply centres across the country, encouraging local suppliers to fill federal government needs. Office furniture purchases, for the most part, are for the government designed line of modular desks, work stations and filing equipment, etc. While the federal government's policy of buying government designed furniture may have certain advantages, the office furniture industry claims that standard products could satisfy government requirements. In the long term, the addition of government purchases to plant production runs could result in production efficiencies and cost savings to both the private and public sectors. A similar policy by each of the provinces could result in further savings.

Federal government funded assistance programs are generally of the umbrella type with none specific to the furniture industry. Several manufacturers have made use of these programs in the past; however, there has not been any large scale industry sector response to the programs. On the other hand, the programs designed to stimulate export trade have been well received by the office furniture industry. The Solo Canadian Business Furniture Show Program to the United States of America, under the Promotional Projects Program, has been very effective and a large number of firms have availed themselves of this assistance. The Program for Export Market Development has also been used by the industry, but not to the same extent.

4. EVOLVING ENVIRONMENT

The force that propels the office furniture industry is the interaction between the requirements of consumers and the continuing attempts of the industry to cope with these requirements. While a decline in output has been experienced by the office furniture sector in the last two years, a general expansion of business and an expectation of increasing numbers of white collar workers would indicate a developing market and a demand for increased furniture output. A recent U.S. report indicates prospects for sustained growth of the North American office furniture market appear bright, with rates outpacing domestic furniture manufacturing and increasing an average of more than 9% per annum.