



MMQB

THE BUSINESS OF FURNITURE

1.12.2015

High-end Veneer

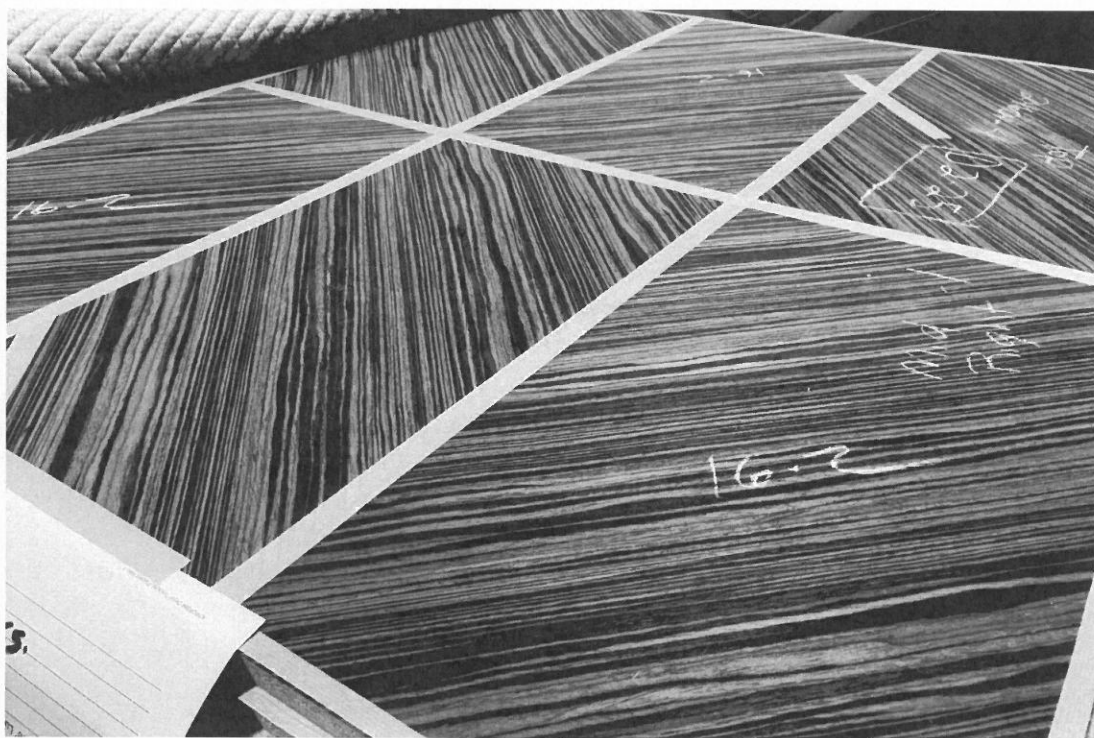
Architectural Forest Products in Two Rivers, Wis. has been making high-end veneer work look easy for the past 25 years.

A black and white photograph of a man in a workshop. He is wearing safety glasses and a patterned shirt, holding a large, thin sheet of wood veneer. In the background, there is a large piece of machinery with a control panel that has a prominent number '4'. The foreground shows a workbench with several sheets of veneer stacked on it.

AFP brings Technology, Beauty to Wood

By **ROB KIRKBRIDE**

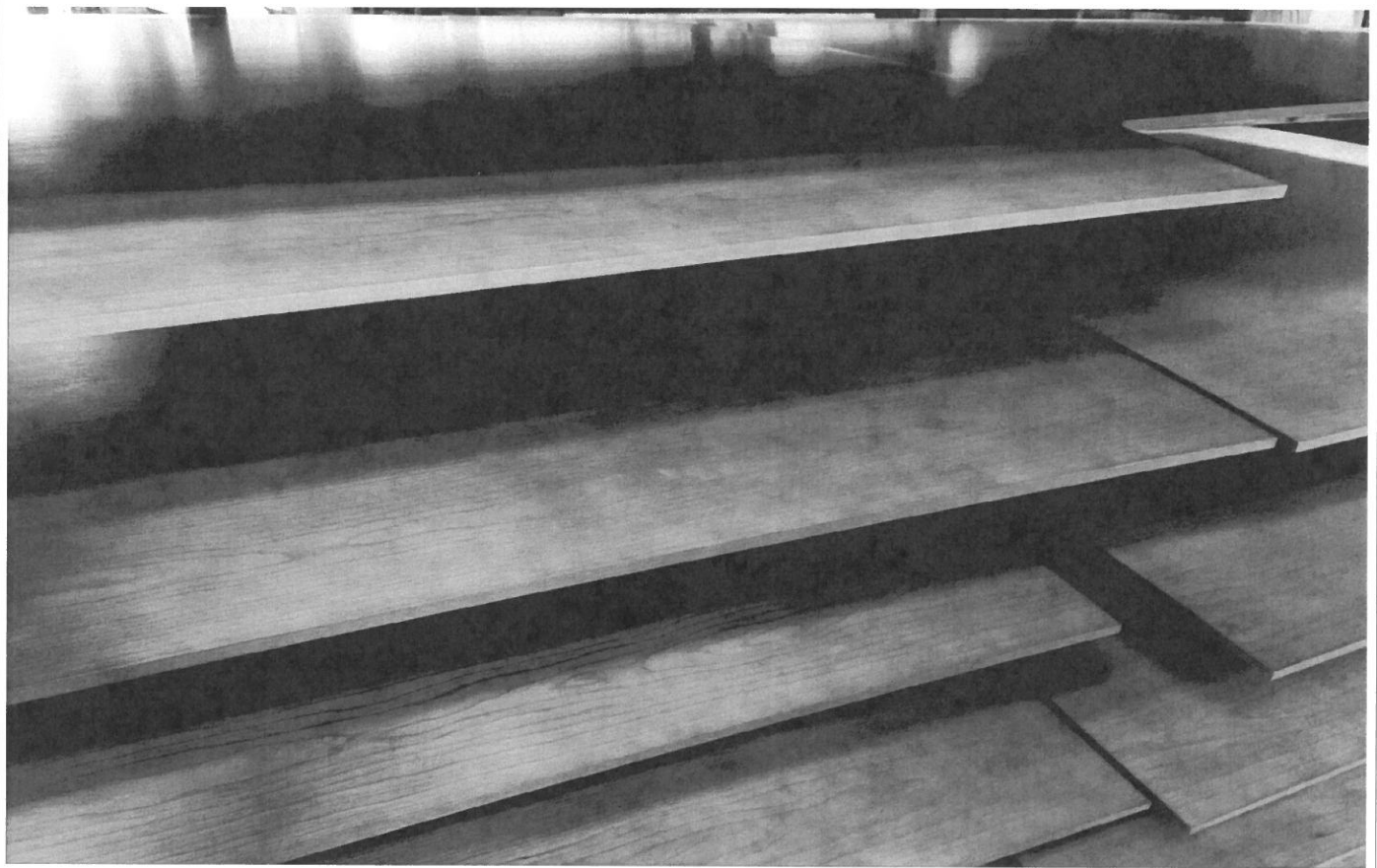
One might think there is little innovation in veneering. After all, it is a wood product. What can possibly be done that is new or innovative?



CREATING HIGH-END VENEER PRODUCTS IS AN ART. It takes skill to coax the inherent beauty of natural wood out of a thin sheet of veneer and transfer it to a substrate creating the illusion that it is solid. When it is done poorly, it looks terrible. But when it is done with skill, it is a thing of beauty.

Architectural Forest Products in Two Rivers, Wis. has been making high-end veneer work look easy for the past 25 years. Its work can be found in Tiffany's flagship store in New York, lining the elevator cars at the Trump Hotel in Chicago and as wainscoting at the Pentagon in Washington, D.C.

Increasingly, the company's handiwork can be found in the office furniture industry as well as it branches out from the feast or famine high-end, luxury veneer jobs into a much more stable office market. Like many things,



luxury architecture hasn't bounced back from the recession while high-end office projects have.

To that end, KI acquired 50 percent of AFP a few years ago after its veneer supplier in Montreal retired and closed his plant. AFP is much closer to Green Bay and it gives KI a high-end veneer maker that can reliably supply the furniture maker with veneer components and add veneer to its movable wall product line.

Jason Krings, whose father, Ken Krings, started AFP in 1985 remains as president of the company. He is a hands-on leader who earned a bachelor's degree in wood engineering from North Carolina State University and can name every species of wood on the shop floor. As he walks around the 51,000 square foot factory located about 45 minutes south of Green Bay, Krings points out jobs (including one for the Exxon campus and several KI projects) and explains how the company added capabilities to weather future economic downturns.

"High-end architecture work is very high reward/high risk," he said. "There are only so many corporate headquarters, casinos and luxury boxes in stadiums that get built. I knew we could do more."

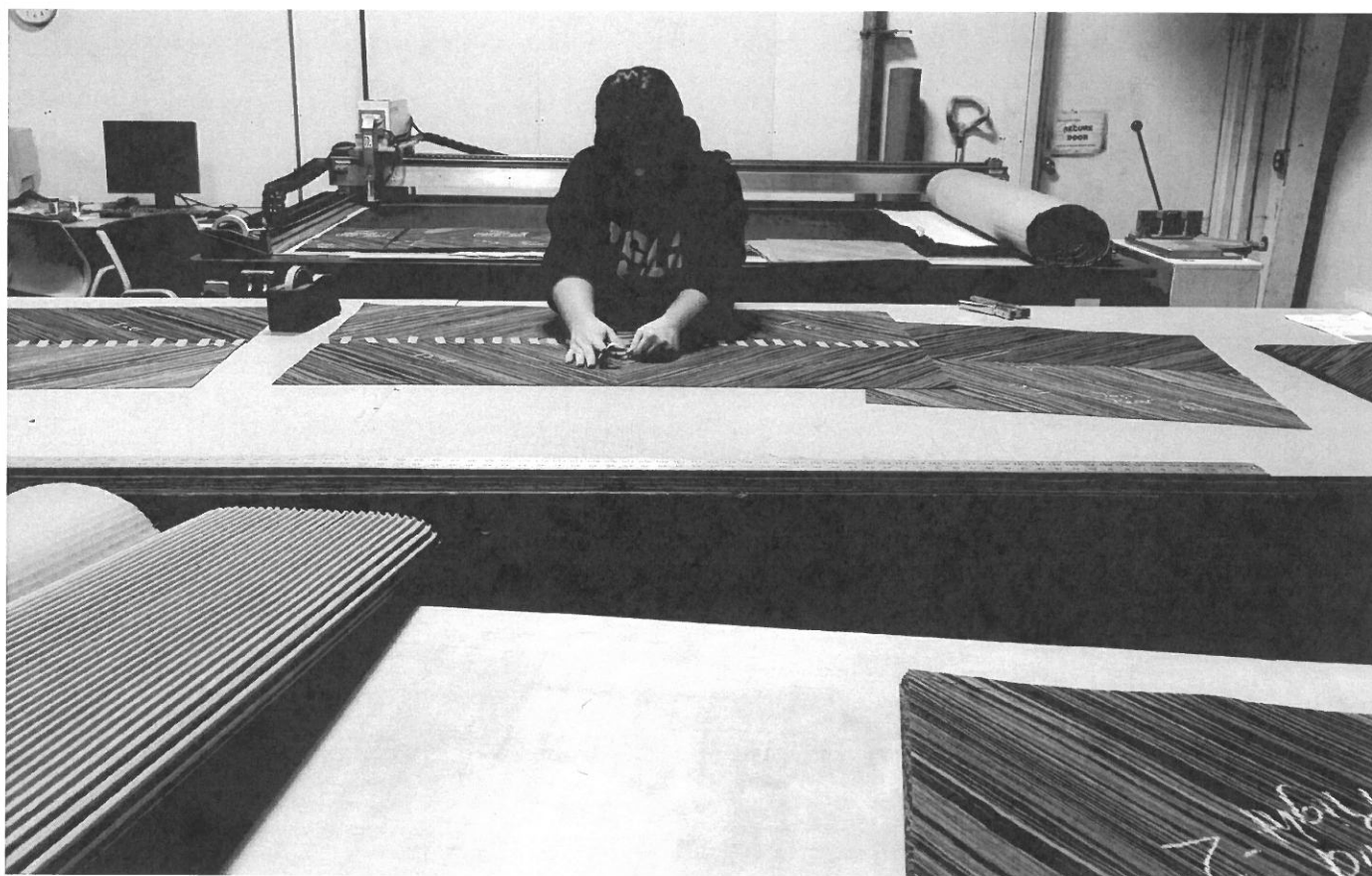
That doesn't mean AFP has turned away the high-end work, but simply added other jobs to supplement it. And

that's good news for the office market, which gains incredible expertise from AFP's entry into the sector. It is good news for KI as well, which owns half the business. KI brought its Montreal business back in state, which boosted AFP and helped KI develop a closer and better supplier in the process, said KI Chairman and Chief Executive Officer Dick Resch.

"We have four manufacturing plants in Wisconsin and have a huge supply chain that we've developed here as well," he said. "Our impact on the state is \$270 million a year. We are just happy to support Wisconsin manufacturing jobs. I think our state is still No. 2 in manufacturing in the country."

One might think there is little innovation in veneering. After all, it is a wood product. What can possibly be done that is new or innovative? All it takes is a few minutes with Krings to understand how his portion of the industry is changing. Veneer can be used to wrap aluminum extrusions. Veneers are being made from scrap wood that are nearly indistinguishable from rare (and environmentally protected) hardwoods. It is Krings' job to keep up on all the changes in the industry.

He also must track the ever-changing appetite for wood products in general. Though there is always a segment of



the population that loves wood products, it is something that flows in and out of fashion. Current trends toward more “homey” offices and warmer surfaces have wood coming back strongly. The younger generations seem especially attracted to wood too, which bodes well for AFP and other wood manufacturers.

Following the trends for wood demand isn’t enough. Krings also must keep up with taste in wood species, colors and shades. Until recently, darker woods reined. There has been a recent shift toward walnut, Krings said. He also must follow the fate of the handful of mills and veneer slicers, which are shutting down at an alarming rate and could affect veneer supplies if the slide continues.

Wood definitely made a comeback at NeoCon 2014 and it was also a notable trend at Orgatec. It seems like wood is a growing commodity in the office furniture industry. “It definitely goes in cycles,” he said. “If I seed wood being used out there, it gives me hope. I saw a lot of wood this year at NeoCon, but it really shifts from year to year. I am always looking for the trends and we are always open to new ideas.”

Krings still gets excited when he sees AFP’s veneers used on a beautiful project, whether it is at the U.S. Naval Academy, Bellagio Hotel & Casino, Johns Hopkins University, Wharton School of Business or closer to home, in the luxury boxes at Lambeau Field.

“When our employees see the results, it means a lot to them and it means a lot to me,” he said. “These are prized spaces and prized furniture. It is a lot better than running two-by-fours all day long.”

Many of the company’s 50 employees are highly skilled at the art of using fine veneers. There is an art to the clipping, splicing and laser cutting. Though KI owns 50 percent of the business, it is not AFP’s only customer. AFP also does veneering work for Paoli, makes Armstrong ceiling panels and continues to do the high-end jobs as well.

“There is no school for this,” Krings said, the hiss of the steam that keeps the dust down and the moisture up, a constant in the background. “You need to be able to put yourself inside the room (where the veneer products are going). It is that kind of skill that the customer appreciates.”