

CHICAGO **Monday** AT-MARKET ISSUE

Casual Outlook

Credit, CIT Group and other factors add to industry-wide challenges

TIGHT CREDIT, weak consumer confidence and perceived values were on the minds of both manufacturers and retailers as they set strategies this year and looked ahead to the 2010 season.

Troubled lender CIT Group held the attention of many home furnishings manufacturers and dealers over recent weeks. Some expressed more concern than others as news was breaking about CIT's potential failure. A few casual furniture manufacturers who weren't directly affected were worried about their dealers' ability to survive.

Bew White, owner of Alabama-based Summer Classics, described CIT Group's struggles as a "huge game changer for the industry." He disagreed with observers who believed it would be OK if CIT Group went under. If the pool of factoring companies is reduced, it would definitely put more strain on manufacturers, he said.

"We weren't doing in-house credit before and now we are," White said. "We still have a contract with CIT, but we're not sending any early buys to them because they have a problem coming up next year that they have to get resolved."



White



Rory Rehmert, Pride Family Brands vice president of sales and marketing, was matter-of-fact about the troubled factor. "We will have to work through another factor should CIT cease to exist," he said. "We have always relied on the use of two factors, and will continue to do so."



Rehmert



Rehmert agreed. "Growth for the future can come from increased penetration into markets that have limited distribution. Secondly, furniture store retailers are beginning to show renewed interest in our category. We see this as very positive in that it is a natural fit. Lastly, the design community is, and has been, a very good area for growth for our company."