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Flexsreel Industries, Inc.

L. O. Cheever

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Flexsteel Industries, Inc.

Flexsteel Industries, Inc., the nation's largest manufacturer of upper-price-range upholstered furniture, was founded in Minneapolis in 1893 by Frank Bertsch and partners. It was moved to Dubuque in 1937, when 500,000 square feet of space in the Brunswick Balke Collender Co. building was made available to the firm.

Manufacturing a line of upholstered sofas, love seats, chairs, rocker recliners, and sofa-sleepers, Flexsteel has plants at Dubuque, Lancaster, Pennsylvania, Waxahachie, Texas, Harrison, Arkansas, Rising Sun and Evansville, Indiana. The plant at Rising Sun manufactures an exposed wood chair.

Flexsteel's success came through steps not usually associated with the furniture industry. Herbert T. Bertsch, son of the founder, stated one: "Fine furniture begins on the inside." That statement, uttered some 45 years ago, is still a guiding philosophy of the company. Another was the establishment of "assembly line production," at the time an extremely radical idea for the industry. Frank H. Bertsch, grandson of the founder, commented on a third:

"Ours is a vertically integrated company. We
buy lumber and steel and do all the work on our product. We even convert our own fabrics. Our product is designed from the inside, manufactured, and delivered by us."

Flexsteel leases its own timber supply, runs its own logging mills, saws its own lumber, and processes it into finished frames at its Harrison plant. These frames are distributed to the upholstery plants by company trucks. The Flexsteel metal division fashions the springs and mechanisms needed for producing the famous Flexsteel line. It also manufactures and sells specialized handling carts for the industry, bucket seats and pull down beds for the motor home field. The converting di-
vision designs, produces, and sells upholstery fabrics to the trade.

In 1927, Flexsteel began using its unique product identity namesake feature, a guaranteed-for-life blue watchspring steel base spring invented in Switzerland. Manufactured by the metal division, this spring is visible by looking underneath any Flexsteel piece of furniture.

An important factor in the firm’s integrated process is delivery to all sections of the country. A wholly-owned fleet of 120 tractor and trailer units assures three to four weeks manufacturing time and damage-free delivery on the entire line from three plant locations. Because of this some 3,000 independent dealers can give special order service on 280 styles and 1,500 fabrics, allowing for some 5,000,000 possible combinations of style, cushioning, options, colors, and fabrics.

To keep all materials in stock and flowing to the assembly lines, an IBM 360 interplant data processing system is used.

President Bertsch is aware of the huge market for furniture in the United States and his company is planning for the future. He says the atmosphere for future furniture sales is unlimited. Consumers’ education, incomes, and savings are surging as is their taste for more expensive home furnishings. On top of this the Post World War II “baby boom” is now entering the family formation stage and furniture buying cycle. He said the number of
Flexsteel production-line techniques, graphically illustrated in this picture, mean faster delivery and better quality furniture.

Flexsteel's fine furniture features high quality materials and skilled workmanship. These experienced operators carefully sew fabrics prior to the upholstery process.
households in the 25-34 age group, the highest spenders on home furnishings, will increase by 52 per cent in the present decade.

In 1937, the firm’s sales totaled $1 million. In the year ending June 30, 1971, sales topped the $31 million figure. However, in the last 10 years sales have jumped from $7 million to over $31 million and there is every indication the trend will continue upward. The company has grown at a compounded annual rate of 18 per cent in sales since 1961. This is about three times the growth rate of the industry.

Flexsteel’s long range plan is to remain a specialist in seating, reclining, and sleeping products. Recently it has expanded strongly into the reclining chair and dual purpose sofa field. It is now supplying upholstered furniture for the furnished mobile home field.

With an employee family of 2,000 people, 874 work in the Dubuque plant.

The company began planning for growth through public ownership in 1965. The first public offering of 265,000 shares was sold on November 5, 1969, and the company now has some 2,300 shareholders. Flexsteel stock, sold on the over-the-counter market, has ranged from $16 to $21.12 this year.
The Winegard Company’s plants in Burlington. (Inset) John Winegard, president.

Storage area for aluminum antenna elements ready for delivery to the assembly line.