

# office insight

## First Look 2015 at NYDC

Many events celebrate the design community, but one of our favorites simply embodies the design community in New York for one night. Last week we attended the 11th annual **First Look** at the **New York Design Center (NYDC)** in Manhattan. The festive atmosphere and multitude of contract showrooms displaying new products inevitably draws comparisons to **NeoCon**. While NeoCon is much larger, First Look is where the rubber meets the road in the country's largest workplace furnishings market. And this year a very large concentration of industry newbies and lifers all came out to evaluate, discuss and scrutinize the latest product introductions.

FULL STORY ON PAGE 3...



## Born & Raised at Bentley

A whole gaggle of outcomes are possible when a major rebranding campaign is realized, but one company that currently embodies a successful re-brand in the industry is commercial carpeting manufacturer **Bentley**. Since embarking on its rebranding journey two years ago, Bentley has purposefully returned to its roots – primarily by taking a wide-angle, big picture view of Los Angeles' influence on its people and products through the lens of music and fashion, and immersing itself within the city center. The company has placed an admirably equal emphasis on exploring a return to heritage and seeking the next evolution of its brand.

FULL STORY ON PAGE 13...



## Being Smart about Textiles – Part II

In the second installment of a three-part series, we continue our coverage of the **NeoCon 2015** “Smart Textiles for Modern Environments” seminar led by **Deb Barrett**, a leading window fashion design expert, trend strategist, and principal of Window Dressings. Part I focused on the basics of fabric and fabric selection. For Part II, we present a comprehensive guide to the newest cutting edge technologies being applied to create “smart” textiles, as well as examples of these new “smart” textiles.

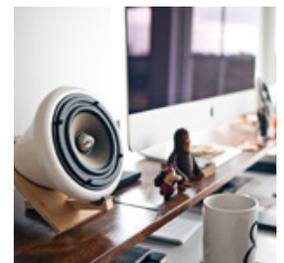
FULL STORY ON PAGE 20...



## Concurrents - Environmental Psychology: Home at Work

Recently, there has been a lot of useful discussion of the workplace “home bases” people make for themselves and the psychological value of those nests. We invest a lot of psychic energy in the care and management of the places where we work, even temporary worksites. We customize them to our professional needs and personalize them with objects that send silent messages to others and ourselves about our goals and strengths. Designers and managers should aim to provide people with a home that aligns with their personal values and their view of self-worth within an organization.

FULL STORY ON PAGE 30...



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The Gibson Interior Products showroom during the 2015 First Look at the New York Design Center

## First Look 2015 at NYDC

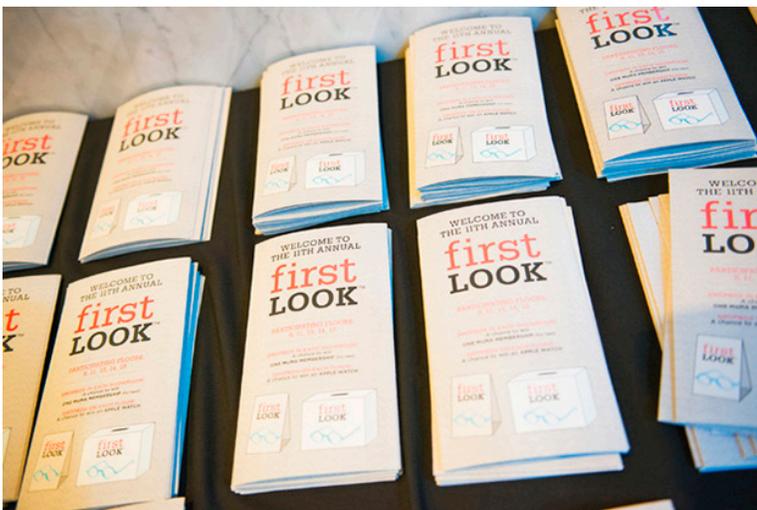
by Peter Carey

Each new generation in our industry continues to experience achievements and challenges unlike previous generations; as we all continue to grow together, one continuing factor to our success is the people; we are the glue that holds the many different aspects of interior design together. There are many events that celebrate the design community, but one of my favorites simply embodies the design community in New York for one night.

The evolution of the **First Look** event at the **New York Design Center (NYDC)** in Manhattan has been noteworthy. Occurring annually for 11 years now, First Look's festive atmosphere and multitude of contract showrooms displaying new product inevitably draws comparisons to **NeoCon**, which takes place in Chicago a month earlier.

For me, both events are essential to our industry and very, very different. NeoCon is mostly democratic; any manufacturer with enough gumption, a marketing budget and visions of success can participate in this, the largest event of contract furnishings in America. I like to think First Look is where the rubber meets the road. The largest concentration of design lifers in our industry come out to evaluate, discuss and scrutinize the latest product introductions. If NeoCon could be considered a commercial product's inauguration, First Look is the Broadway stage audition. Next stop: your name in lights.

Kicking off the event was the first-ever collaboration between the NYDC and **Interior Design Magazine**. Editor-in-Chief **Cindy Allen** moderated a panel discussion with



Designer Guides for First Look. Photo by Avery Peck



Try your luck: MoMA memberships and Apple Watches were prizes given away at First Look 2015. Photo by Avery Peck

## events

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Cindy Allen moderating discussion with Brad Ascalon, Ghislaine Vinas, Jhane Barnes, and Michael Vanderbyl. Photo by Avery Peck

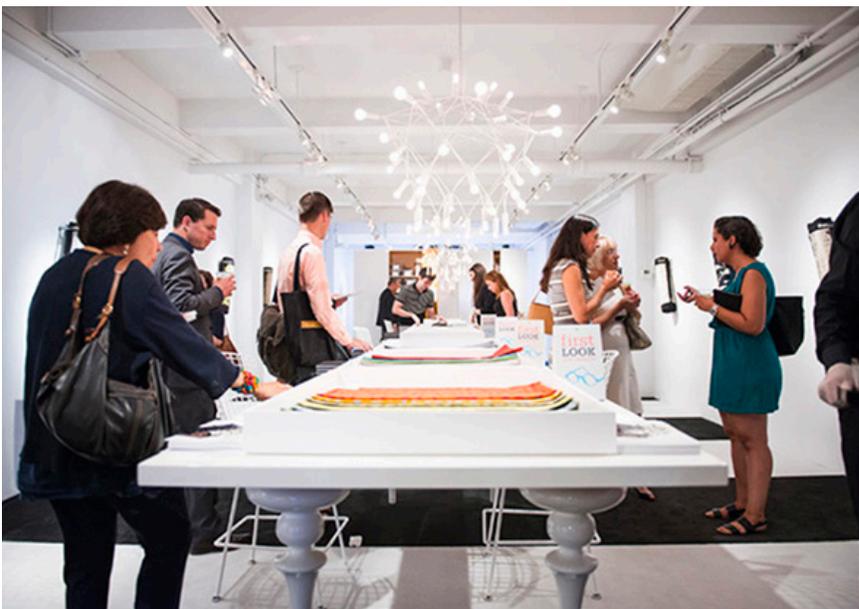
product visionaries **Brad Ascalon, Jhane Barnes, Michael Vanderbyl and Ghislaine Vinas.**

“We were thrilled to have Interior Design join us for First Look this year,” said **Dennis Cahill**, director of leasing

for the NYDC. “These amazingly talented designers sharing their ideas and insights are the perfect introduction to a night of discovery and networking.”

Indeed, with more than 1,650 industry professionals making their way to this four-hour event, an upbeat anticipation was in the air throughout the many participating showrooms.

“It was invigorating to experience such great support from across the New York design community,” said **Matt Levine**, VP of sales for **Levine Calvano**, representing such brands as **Krug, Naughtone, Stylex and Watson**. “Hopefully, this event will remind everyone that NeoCon is not the beginning and the end of our design season; New York City matters. Every contract showroom at the NYDC looked fantastic and the products on display prove that independent manufacturers are leading in design and innovation.”



Luna textiles during First Look. Photo by Avery Peck

## events

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Historically, the design community has been an avid supporter of small businesses and independent, creative thinkers. It is refreshing to see how First Look naturally brings out the small town feel in the biggest city in the country.

Just as in Chicago in June, the hallways were overflowing with people travelling between the showrooms and stopping at the numerous libation stations on each of the five open floors at 200 Lexington Avenue. Food and drink were flowing freely, and it was wonderful to bump into old friends and to see just who or what was around the next corner. Attendees ranged from designers new to the industry all the way to the who's who of the design world, including company presidents and owners. Hats off to the event management skills of **Leah Blank** and **Alana Moskowitz** at the NYDC.

Three brand new showrooms opened just in time for First Look: Italian manufacturer **Alea**, quick ship specialist **AMQ Solutions** and local surfacing company **Kinon**. Represented locally by **Primason Symchik**, Alea

has been winning some big projects recently, including almost 3,000 workstations for **Bayer** in New Jersey. I have always been a big fan of its clean and simple design, as well as the ease of installation.

AMQ's value proposition is to deliver a complete open plan furniture solution in only five days. As expected, customization options are limited, but

in New York, the need for fast and affordable furniture, especially with height adjustable capabilities, will never go out of demand.

Kinon may be a new brand name to some, but for discerning interior designers, there is nothing else quite like it. Each large-scale resin panel is cast and finished by hand, some taking upwards of one week to be fabricated



*The configuration for the Bayer project in NJ by Gensler*



*New tenant on the block: Alea at NYDC*



*Keeping it simple: new touchdown stations by Alea at First Look*

## events

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in panels up to 5x12 feet. Similar to the aesthetic properties of stone and wood, no two panels of Kinon will ever be the same. Over a large panel each image showcases numerous shades, tones and textures, and the high gloss surface has incredible depth that lends itself to millwork and furniture applications.

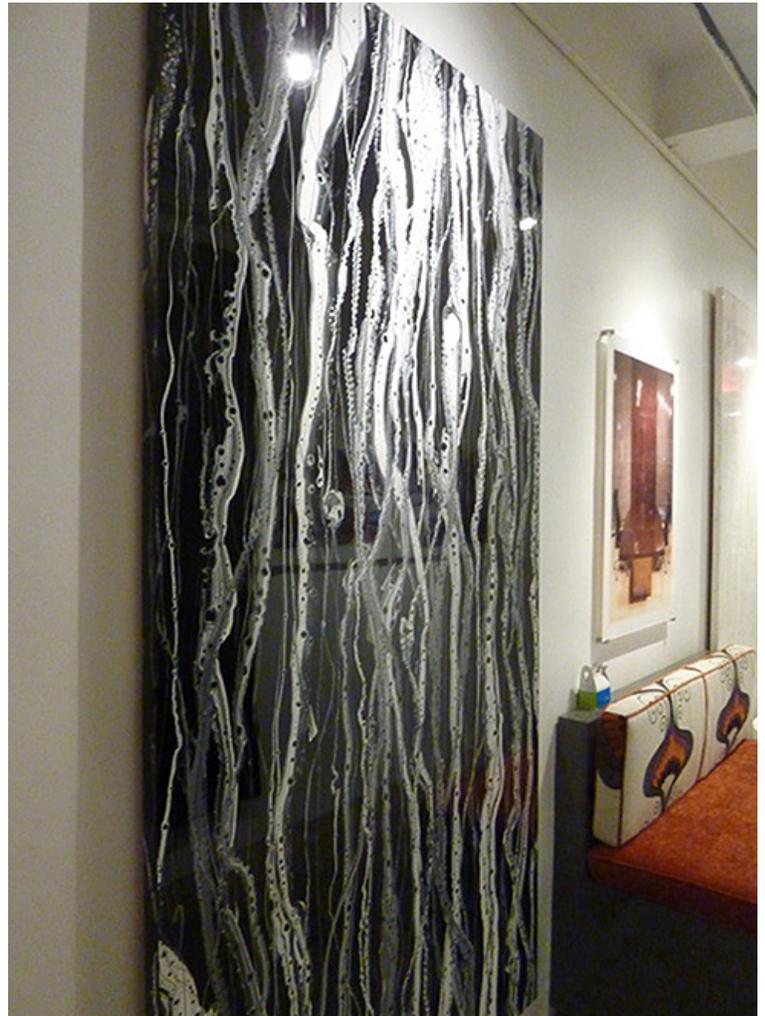
“Many of the architects and designers who visited our showroom during First Look were very engaged and interested in our products, which was a new discovery for most of them,” said **Les Satz**, president of Kinon. “We were thrilled with the showroom traffic. I am really looking forward to following



*Designers from Perkins Eastman visiting the Davis showroom at First Look*



*Entrance to the new Kinon showroom at the NYDC*



*A panel of Kinon surfacing on display*

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*Kinon installed as millwork in a high end residential application*

up with designers at firms both small and large with active projects. The grand opening of our first showroom in New York was a complete success.”

Industry veteran **Ken Gibson** and his team at **Gibson Interior Products** were in an especially good mood for First Look.

“This event has evolved over the years to become a major opportunity for us to show not only our new product introductions, but the depth of our client resources,” said Mr. Gibson. “Our sales team has weeks of appointments set up with existing as well as new clients, all of them working on sizeable projects. Several of them called us days after First Look for presentation requests. Very exciting!”

Representing AMQ Solutions on the 13<sup>th</sup> floor and **Arcadia, Encore, Tayco, Interstuhl, Office Master** and **Enwork** on the 14<sup>th</sup> floor, Mr. Gibson’s lines are all stylish and affordable. I especially liked the flag storage configuration in **Scene**, the new furniture system by **Tayco**. With a staggered user configuration, flag storage delivers accessible storage as well as often-needed lateral privacy in a dense environment. Looks like a good system for this market.



*ACTIV sit-to-stand tables by AMQ. Ready in five days*

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Also on the 14<sup>th</sup> floor, I was greeted by **Bob Lefferts** at **Aristeia Metro**.

“This has been a terrific year so far,” he said with his trademark toothy grin. “We saw many of our old design friends and had the opportunity to meet some new ones. The manufactures we represent supplied a host of wonderful new products for us to show. We also acquired a new line in **Snowsound**.”

Deriving its name and inspiration from the properties of fallen snow, Snowsound is a line of special acoustic panels for interiors. Winning a silver **Best of NeoCon** award last month, this is only the second time Snowsound



*Bob Lefferts from Aristeia Metro showing off a new Decca Contract casegood unit*



*Flag storage for the Scene furniture system by Tayco*



*Aristeia Metro showroom at First Look. Photo by Avery Peck*



*Pli, an acoustic divider screen from Snowsound*



*Flap, an acoustic panel from Snowsound*

## events

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has been on display in the US. Their patented technology is based on the use of a variable density sound absorbing material. Each panel achieves selective absorption at different frequencies, yet everything is made of the same material and can be recycled.

Also in the Aristeia Metro showroom was designer **Anne Lindberg**. Ms. Lindberg just finished working on the wildly successful **Pulse** pattern for the Digital Glass Portfolio by **Skyline Glass**. Bringing her belief in the symbolic and psychological power of color to a large scale, the internationally acclaimed artist creates designs that appear to be threads of color suspended in glass. At First Look, she was busy sharing her joy of the play of intensities, layers and transparency that glass as a medium provides.

Next door to Aristeia Metro is **Decca Contract**, also represented by Mr. Lefferts in New York. Decca was one of the few showrooms I also had a chance to visit in Chicago for NeoCon this year, and I was impressed to see



Artist Anne Lindberg in front of her work with skyline glass. Photo by Avery Peck



Crisscross chair by source at the Aristeia Metro showroom during First Look



Ratio by Decca Contract at First Look

## events

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how the manufacturer tailored their new offerings for this market at First Look. The monolithic **Ratio** table all the way in the back of the showroom was truly stunning; able to span massive lengths with just four legs, it is certain this table will find its way to corporate conference rooms throughout this market soon enough.

Further down the hallway at the popular **Gordon International** showroom, I struck up a friendly conversation with company president **Peter Spalding**, who was very enthusiastic about the event.

"I think First Look continues to remain a leader in the regionalization of new product design events," he said. "I love this platform for showcasing new products, and attendance is outstanding this year."

On the 11<sup>th</sup> floor, at the timeless **Keilhauer** showroom, I checked in with **Alan Primason**, our local sales representative.

"This particular First Look welcomed a younger crowd of interested dealers and designers," said Mr. Primason. "I see this new generation as a great opportunity for us to broaden our brands and target specific projects with our diverse furniture lines."

With such lines as **Andreu World** and **Prismatique**, among others, Mr. Primason and his business partner **Carol Symchek** continue to offer smart and innovative products and service to designers on any project budget.

Down the hall at **Darran**, company president **Jeff Hollingsworth** noted, "We had a lot of momentum leaving NeoCon this year and First Look gave

us the perfect opportunity to bring that excitement to New York. I felt attendance was up this year. Dealers and designers, everyone really, was talking about how busy they are. It was obvious to us because we had quote requests from attendees the very next day."

Over at the **Versteel** showroom, which was filled throughout the night with curious attendees, **Pam Mathias**, VP of sales, remarked, "This was unquestionably the best First Look. I've attended every one of them and the positive energy and outlook from the designers and the amount of traffic was unsurpassed."

As the evening drew to a close and I made my way down to the **Bright** showroom on the ninth floor, I ran into Bright rep **Chris Adam**, who was



Arc Com textiles at First Look. Photo by Avery Peck

## events



*Andreu World at First Look. Photo by Avery Peck*

hosting several talented designers on a wonderful mohair couch.

“We have had such a great opportunity to spend the evening with many wonderful clients tonight,” said Mr. Adam. “Meeting new friends and re-connecting with old ones is what First Look is all about for me.”

Indeed, it has all come full circle. People are what make this industry fun and exciting, and for the abundantly happy design professionals at First Look, it was just another day at the office. ■



*Bright showroom at First Look: Sylvester Sofa by Bright, Boulevard Cocktail Table by Kavante. Photo by Avery Peck*

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## products

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*Bentley's Born & Raised 2015 campaign. Photography: courtesy of Bentley*

## Born & Raised at Bentley

by Mallory Jindra

Companies of all sizes, shapes and cultures naturally rely on their history and brand legacy in ways that will hopefully guide and inform their futures in a positive manner. A whole gaggle of outcomes are possible when a major rebranding campaign is realized. Some efforts fall flat because they rely too heavily on legacy and fail to innovate; others swing in the opposite direction by straying too far from the existing culture and shoot down a path that ultimately doesn't make sense for the brand.

One company that seems to have found balance between the two is commercial carpeting manufacturer **Bentley**, officially incorporated as **Bentley Mills, Inc.**

Bentley has accomplished a lot of positive buzz within the industry as a result of two years of exuberant rejuvenation efforts. Scooping up two Best of NeoCon – Small Showroom design awards and two Best of Competition for NeoCon Showrooms in the past two years (read: heating up!), Bentley is well on its way to developing an exhilarating future for itself.

Why the rebrand? Well, Bentley has certainly been through its share of transitions. Acquired by Interface, Inc. in 1993, it eventually merged in 2000 with Prince Street, also owned by Interface, and rebranded as Bentley Prince Street. Then in August 2012, the company returned to its private company status. Rebranded simply as Bentley, the company named **Ralph Grogan** as president and CEO and brought back Bentley veteran **Jim Harley** as COO, and here today we have perhaps the clearest depiction of what Bentley itself would like to be.

# BENTLEY®

The company has placed an admirably equal emphasis on exploring a return to heritage and seeking the next evolution of its brand. Its people are fiercely proud of its history.

“When we entered into this industry in the late 1970s, early 80s, carpet in general was a very utilitarian type of product,” said **Sherry Dreger**, VP of Marketing for Bentley. “Bentley introduced a product with fashion, performance and luxury.”

The time and location for this type of product were both ripe for the picking. In 1979, Los Angeles culture was evolving, embracing the punk rock movement on both fashion runways (Vivienne Westwood and Alexander McQueen, to name a few) and in music clubs and garages. When Bentley opened its doors in Los Angeles, it did so in the middle of a cultural explora-

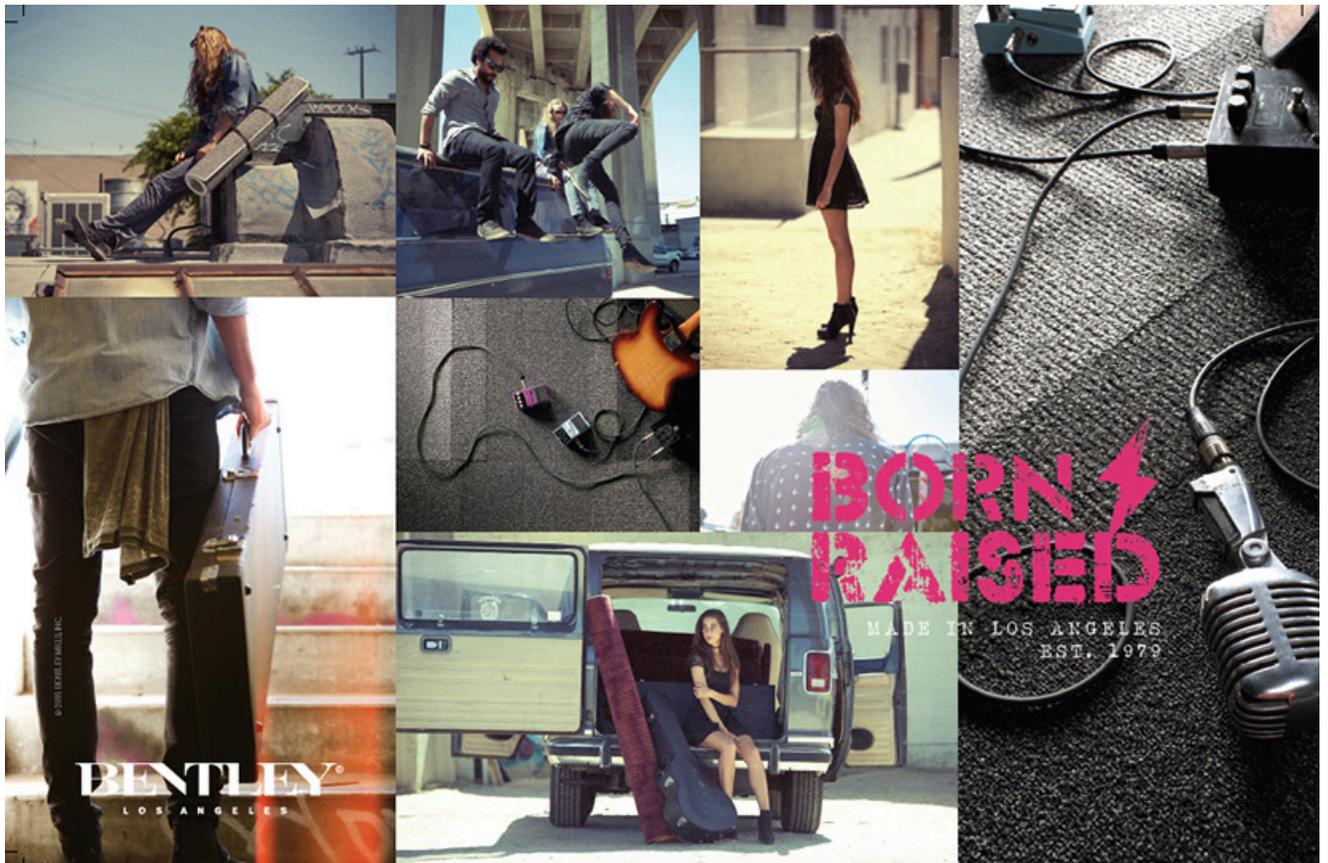
tion, leading the push to bring fashion to the floor.

“We bought different types of machinery than other companies to create our products,” said Ms. Dreger. “Our

Velva Weave machine was a very slow-moving tool that could create these very high, plush textured patterns that almost looked carved. It gave us this patterning capability that allowed us



Todd van der Kruik, Bentley VP of Design, and Sherry Dreger, Bentley VP of Marketing



Bentley's Born & Raised 2015 campaign.



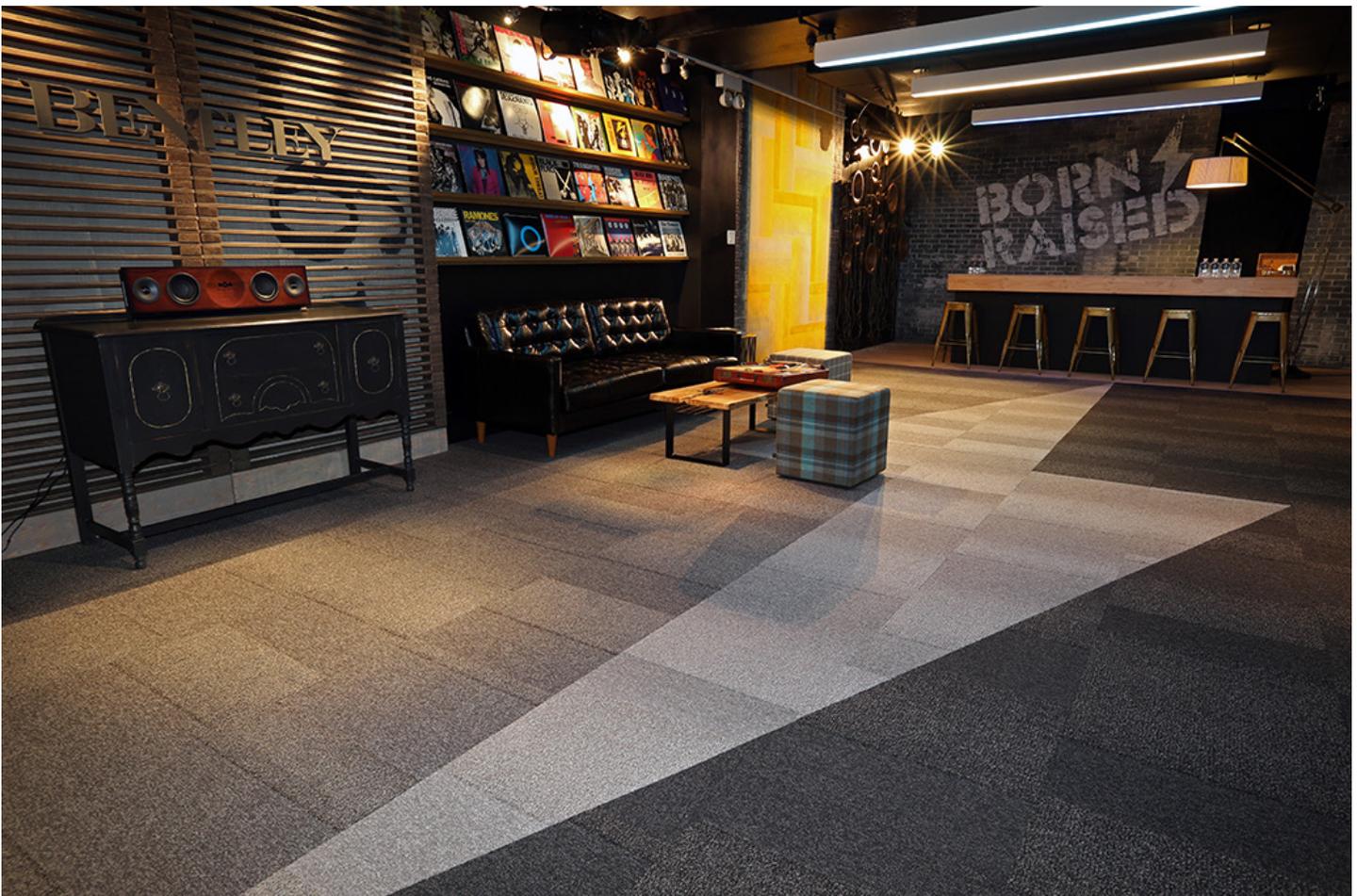
*New Bohemian: Bentley's 2014 NeoCon showroom*

## products

to move into a whole new direction. We've transitioned those patterns to the machinery we have today in order to extend that strength."

Since embarking on its rebranding journey two years ago, the commercial carpeting manufacturer has purposefully returned to its roots – primarily by taking a wide-angle, big picture view of Los Angeles' influence on its people and products through the lens of music and fashion, and immersing itself within the city center. Bentley's home in Los Angeles inspires everything the company does.

"We wanted to pay attention to legacy and history, but also take a modern look at what we want to accomplish in the future," said Ms. Dreger. "At some



*The 'Born & Raised' themed Bentley NeoCon 2015 showroom, inspired by CBGB, the iconic New York City rock club. The 10th floor Merchandise Mart showroom this year aimed to bring gritty elements of the past into a sleek, modern space.*

point, Bentley drifted and lost some of the things that made it special. We're re-centering and bringing a lot of those qualities back.

"We have seen an incredible amount of growth in the past two years. We're working hard to develop strategies to maintain that growth because we have a huge opportunity to grow. The Born and Raised campaign talks a lot about the environment we work in and our company culture. But it's not just about the company, but also about the city we choose to work in."

One would think that after having gone through more than a few layers of restructuring, Bentley would have a tough, murky road ahead. But, one marked advantage the company had was the preservation of its talent throughout years of transition. Many of the people who began at Bentley are still with the company or have returned since the rebranding.

One such man is Bentley VP of Design **Todd van der Kruik**, who returned to the brand in December 2012 and

worked previously with the company in its Bentley Prince Street days. Since the beginning of Bentley's rebrand, Mr. van der Kruik and Ms. Dreger, a former Bentley employee who also returned in 2012, have guided the design and marketing of its products to great success.

Last year's "New Bohemian" products and NeoCon showroom took

a bold stab in a brand new cultural direction by way of new-age nomadic freedom, and if a 'wow-factor' was the goal, then it was definitely a success. This year's "Born & Raised" theme embraced a more balanced exploration of past and future by juxtaposing grit and glamour in a 'dive bar luxe' theme. The 10<sup>th</sup> floor Merchandise



*Rough Idea at NeoCon 2015*



*Trance at NeoCon 2015*



*Trance at NeoCon 2015*

Mart showroom, inspired by iconic New York City rock club CBGB, brings the juxtaposition of grit and glamour into a modern space.

This year, the Bentley design team launched a few products about a month prior to NeoCon. **Trance™** and **Magnetism™**, Bentley's signature 2015 product introductions, embody a classic-to-contemporary mantra. The newest addition to the company's Curio Collection, the two highly textured styles embody beauty and sophistication.

With Trance and Magnetism, Bentley repurposed its legacy tufting equipment to create hearty, luxurious textures that are classic and contemporary. Through fiber innovation and looking at using the machines in a new way, they were able to create luxury at new ounce weights. The heavier

weight products have a lush hand feel and feature innovative use of Antron® fibers by combining multiple dye and luster levels with varying yarn processing methods.

"We used the latest tufting technology to take a new aesthetic to more price points," said Mr. van der Kruijk. "This opens us up to much broader work, rather than just the conference room and executive suite."

Trance and Magnetism's soft geometrics radiate with a palette of sophisticated neutrals: complex, complementary blends of warm and cool saturations of taupes and browns, grounded with greys and blacks.

Designed for unique flexibility, the coordinating styles can be installed individually or together. Available in carpet tile and broadloom, Trance utilizes mixed denier yarns and luster

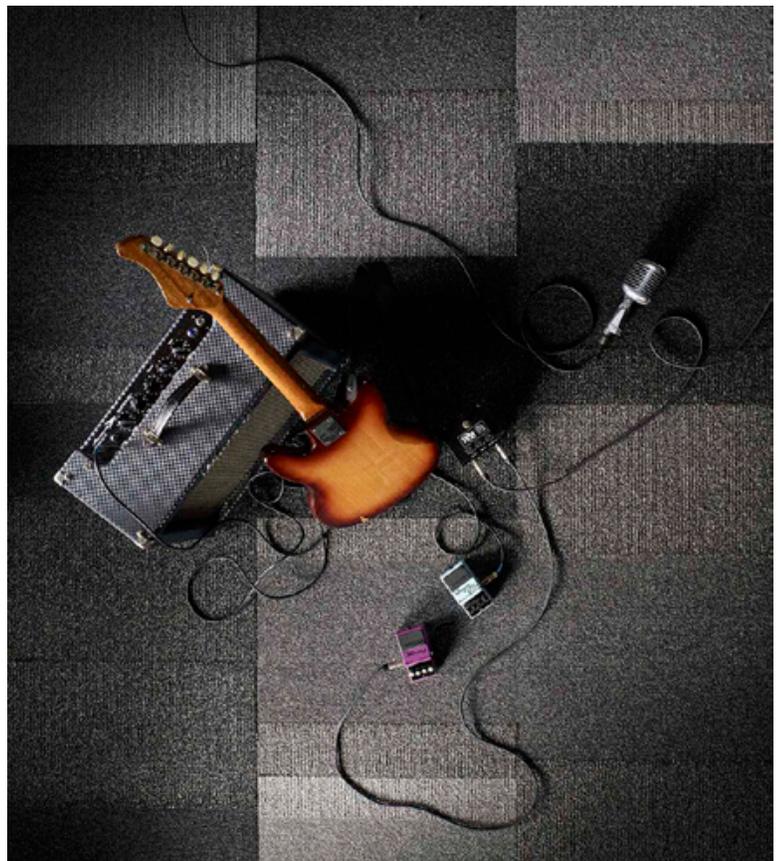
levels to create a boucle-style loop texture. Magnetism, a modular-only offering, combines two textures – a wide stripe of Trance with a lower profile companion stripe of a darker value that offers added dimension. The lower profile, level loop gives the appearance of a random, asymmetrical pattern.

The pre-NeoCon launch of Trance and Magnetism was a calculated exercise in bringing the discovery process back to the flooring industry.

"This industry used to have a very experimental quality to it, very mad scientist-like," said Ms. Dreger. "A lot of that presence has been lost. People would pull out a suitcase of what they were working on and show it to designers. With these black books, we wanted to reinvigorate that experience of discovery."



Magnetism at NeoCon 2015



Magnetism at NeoCon 2015

## products

Other products in the pipeline that were on show at the NeoCon showroom are **Subliminal** and **Anthem**. Luxe and more limited in color, these textiles take on the qualities of a limited edition collection. Anthem may be available in November of this year, and Subliminal is scheduled to debut in 2016.

All along Bentley's 30-year journey, a few notable consistencies have persisted in the brand's culture. Bentley headquarters, located in a City of Industry, CA, building in Los Angeles County, has served as home to the company since its inception. The company is obviously proud of its California origins and considers itself a leader in the sustainability values that so many companies in the Golden State proudly champion.

The Bentley building itself has experienced transformation throughout the years; it is one of the first manufacturing facilities in the nation to achieve LEED certification, and was just recently upgraded to LEED for Existing Buildings: Operations and Maintenance (EBOM) Gold certification.

"This is important to us as a California company," said Ms. Dreger. "The

fact that our product is actually manufactured out of a LEED-EBOM Gold building is pretty amazing, because this is an old, old building. We want to continue retrofitting and continue seeking a competitive edge by expanding those capabilities."

Leadership in sustainability has also been a constant in Bentley history. In addition to a steady stream of sustainability and environmental awards for both innovative products and process-

es, the company has a carpet reclamation program, was the first carpet manufacturer to install an on-site solar array to reduce carbon footprint in 1999, and produces its products to comply with many of the latest green certification systems.

At Bentley, we see a bright future ahead, if only simply for the well-rounded way they've woven their reinvention together. We can't wait to see what's next! ■



Bentley Headquarters in City of Industry, CA.



*Subliminal's wool-like field is complemented by contrasting luster loops, evoking a spirit of handcrafted artistry despite being machine made. The juxtaposition of textures – cut to loop – is unique and unexpected, mimicking the look and feel of embroidery. Ideal for any contract space seeking a contemporary yet classic design, Subliminal reinterprets legacy tufting equipment to create a modern approach to timeless product.*



*For 30 years, King's Road has lived on as Bentley's signature cut pile carpet – super dense, super sheared, super velvety. With Anthem, Bentley reinvents its classic, pushing the limits of tufting and dyeing technology to create a modern, luxurious cut pile carpet tile unlike any other. Its gradating stripes transition color across the width – an intriguing play on scale of ombré that makes a striking visual statement for the floor.*

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*Ultraleather Pro by Ultrafabrics is unaffected by even the most difficult of stains, and its surface is exceptionally durable, tested for abrasion resistance beyond a half-million rubs, and stays cool to the touch, even when exposed to sunlight. The product is also EPA-certified antimicrobial due to silver ion protection blended into the polyurethane resin. Photography: courtesy of NeoCon presentation by Deb Barrett and respective companies featured.*

## Being Smart about Textiles – Part II

by Mallory Jindra

Last week, we published the first of a three-part series on the **NeoCon 2015** “Smart Textiles for Modern Environments” seminar led by **Deb Barrett**, a leading window fashion design expert, trend strategist, and principal of Window Dressings. Part

I focused on the basics of fabric and fabric selection. For Part II, we present a comprehensive guide to the newest cutting edge technologies being applied to create “smart” textiles, as well as examples of these new “smart” textiles.

Because the “smart” textile arena was a brand new concept at one point, new methods to classify those textiles also had to be developed. Designers and textile producers can now classify “smart” textiles in two ways. The first method breaks smart textiles into passive, active and ultra categories.

> *Passive* smart textiles: can sense something about the surrounding environment and have some sort of sensor incorporated into them.

> *Active* smart textiles: can both sense and react, and usually have a control unit/power source.

> *Ultra* smart textiles: can sense, react and adapt. These adaptations can come in the form of color, shape, or volume changes, for example.



*Jakob Schlaepfer is a 104-year-old textile company known for its ‘fantasy fabrics’ such as sequined embroidery, developed back in the 1960s. This season, current designer Martin Leuthold developed cotton guipures for Prada as well as sequined ones for Miu Miu that was inspired by Schlaepfer. Clients include Cirque du Soleil, Disney and Chanel.*

# materials

A second classification method differentiates between *aesthetic* or *performance* smart fabrics. A change in appearance is the primary intention of an aesthetic smart textile. For example, a fabric could gather energy and react by lighting up, adding pattern or changing color. A performance smart textile is similar in nature to a wearable, and often measures or tracks something outside of itself. Examples include hazmat fabrics and other U.S. military textile advancements, as well as health and wellness based fabrics, including work done by sports brands like Nike and Adidas, that can do everything from provide anti-aging and moisturizing agents to the skin to time-release drugs through the fabric to the wearer.

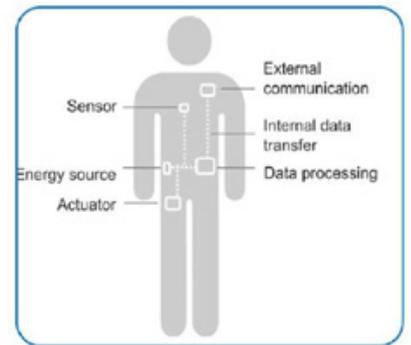
Also important to note are the three main areas of textile manufacturing that can contribute to making a textile "smart":

- > *Fiber and thread production*: extrusion, spinning, plying, coating
- > *Textile production*: knitting, weaving, braiding, embroidering, sewing
- > *Construction and connection technology*: soldering, adhesive bonding, crimping

Textile designers and engineers are incorporating several new technologies into each of those three areas of textile production, including nanotechnology, textile technology, digital printing, 3D printing, and biomimicry. These new technologies are making a big impact on the textile industries by enabling the incorporation of smart qualities.

They can manifest themselves in the form of one of six smart textiles systems/groups:

- >Sensors
- >Actuators
- >External communication
- >Internal data transfer
- >Data processing
- >Energy sources



## Electrically conductive textiles are produced by means of conventional textile processes

### Knitwear (Knitted fabrics, warp-knitted fabrics)

- Adaptable elasticity
- Dislocation-resistant lattice structure



knitted fabric



warp-knitted fabrics

### Woven Narrow Fabrics (Tapes)

- High stiffness of the product
- Perpendicular orientation of conducting fibres



broad woven fabric



narrow woven fabric

### 3D textiles (spacer fabric, 3D-fabrics)

- Functional multilayer
- Adaptable separation distance and compressive strength (pile yarn)



3D spacer fabric



braids

### Braids

- Sheath-core-structure
- Braided ropes with conductor tracks and electromagnetic shielding

## materials

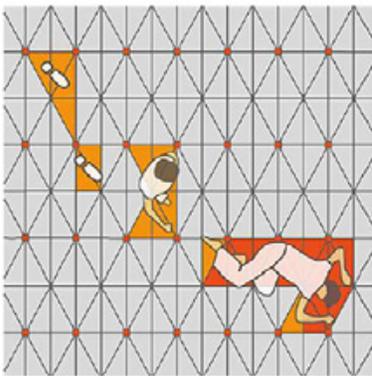
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Smart textiles have numerous applications, but the principal ones include monitoring health and wellness, illuminations, connectivity, communication, and heating and cooling. In lighting, textile technology examples include organic and inorganic LEDs and luminescent yarn; fluorescent and phosphorescent material; extensive and on the spot illumination; and integration of sensors for the control of lighting. In connectivity, textiles that store energy are being developed to use for clothing capable of storing electricity to charge personal gadgets. Engineers at Stanford University, for instance, have discovered how to transform fabrics and regular paper into lightweight batteries by coating them with ink laced with microscopic tubes of carbon.

### Nanotechnology, 3D Printing & Biomimicry

Nanotechnology, the ability to do things on the scale of atoms and molecules, will enable smart qualities in fabrics such as self-cleaning capability, water repellency, UV absorption, color fastness, controlled release of

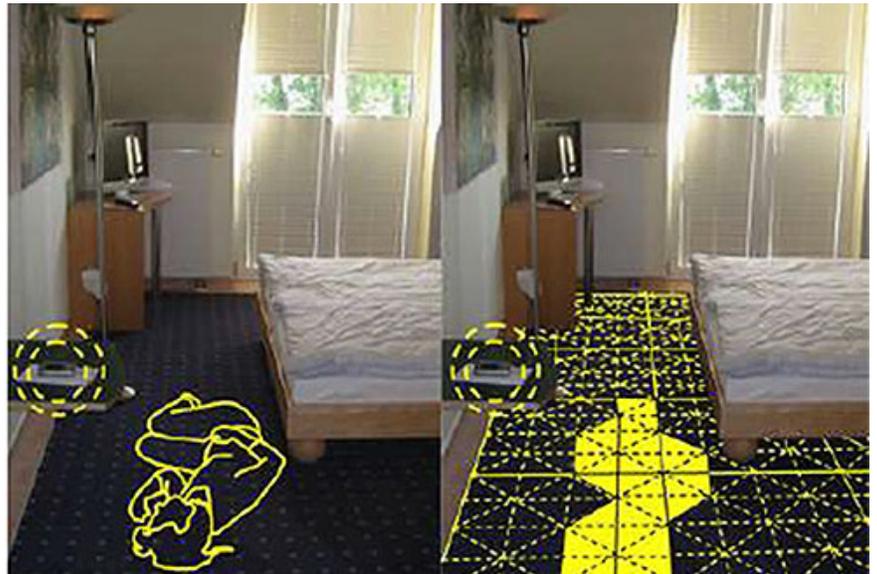
## SENSFLOOR



*SensFloor, a large-area sensor system, is based on a textile underlay with a thickness of only 3 mm. The sensor system has four integrated radio modules and 32 proximity sensors per square meter. Whenever a person walks across the floor, sensor signals are sent to a control unit and various different types of events are identified: The sensor system differentiates between a person standing or lying on the floor and determines the direction and velocity of movements.*



SensFloor



SensFloor



*Through its NANO-CARE technology, Nano-Tex non-whiskers are attached to individual cotton fibers. The whiskers cause liquids to roll off the fabric.*

## materials

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*GreenShield's multifunctional textile finish uses nanotechnology. On GreenShield's surface, functionalized silica nanoparticles are bound to fabric using one set of molecules, while another set provides water and oil repellency. The nanoparticles provide a micro-rough surface to the fabric to repel liquids in the same way that infinitesimal waxy bumps provide that function on the surface of a leaf. The textile uses benign chemistries to minimize the amount of chemistry required to deliver the desired performance, and uses eco-friendly processes that eliminate waste and reduce energy use.*

additives, abrasion resistance, anti-microbial, and fire retardancy.

Specific examples of nanotechnology textile applications include: extreme textiles/machine embroidery textiles that are incorporated into body tissue for reconstructive surgery; Gore-tex as valves and arteries; micro encapsulation that releases vitamins/moisturizers into the body; ion masking that waterproofs fabric while keeping its other properties; photochromic windows that change from opaque to transparent; self-cleaning

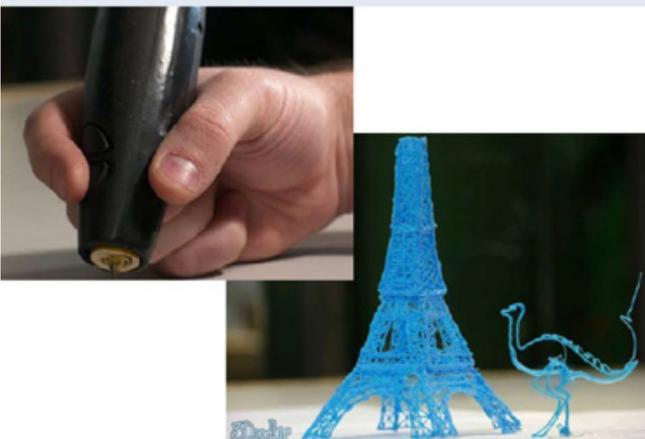
windows; moisture resistant drywall; wood designed not to rot; technonatural fabrics with micro capsules that gradually deliver essences; and metal rubber, which can be stretched without damage.

We're already seeing the phenomenal changes driven by 3D printing, with both positive and challenging results. This technology has shortened product development cycles, ignited radical new manufacturing strategies, shifted sources of competitive advantage, enabled new production capabili-

ties, increased threats from disruptive competitors, and incited greater intellectual property challenges.

Biomimicry, which refers to the use of nature-inspired solutions to challenges in all facets of life, is making a huge splash in textile design. QMilk, a German company, spins fibers out of milk to create fabrics for clothing, home textiles, and medical applications (here's an excellent story on QMilk by The Guardian: <http://www.theguardian.com/sustainable-business/sour-milk-fibres-textiles-qmilk>).

## 3DODDLER



3D Doodler



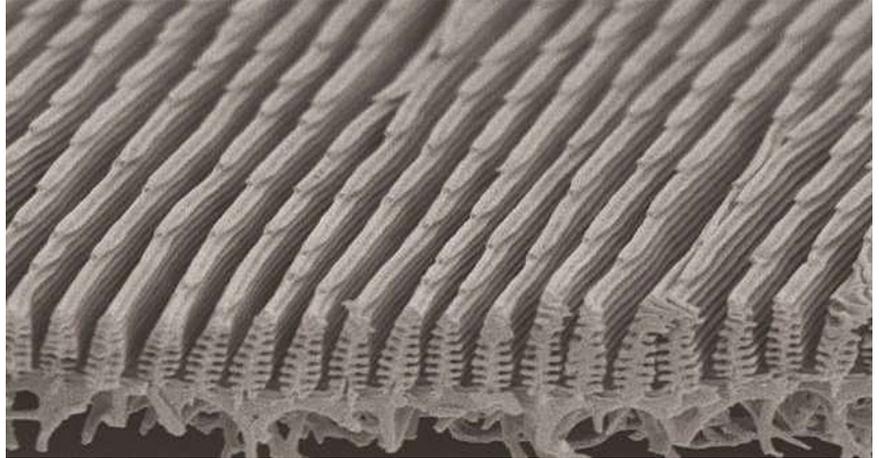
QMilk, a German company, spins fibers out of milk to create fabrics for clothing, home textiles, and medical applications.

# materials

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Morphotex, another biomimicry-based textile, is inspired by peacocks and butterflies that get their color from refracting light through repeating structures to create color; the fabric doesn't require dyes to get its colors, as there are no actual pigments in fibers.

Die Cut Ingeo, a lightweight drapery fabric inspired by the rotunda of the Frank Lloyd Wright designed Guggenheim Museum, is 100% Ingeo, a man-made fiber derived from corn, an annually renewable resource. It has a three-dimensional quality created by fusing, embossing and die-cutting the fabric with a swirling circular cut-out pattern.



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### Plug & Play Textiles

Plug & play textiles are Ms. Barrett's term for textiles that don't require hardwiring or construction. These textiles are the bridge between traditional textiles and the almost sci-fi-like things we're moving toward in the future. Ms. Barrett includes the many new innovative post finishes, which are applied to finished fabrics to meet a specific requirement, as part of the plug & play textiles set. There are two types of post finishing: lamination to the back of fabric of another material; and adhesion of liquid that solidifies like latex, flame retardant, and silicone.

The following plug & play textiles are currently available on the market and are excellent examples of products to try out.



*Die Cut Ingeo, a lightweight drapery fabric inspired by the rotunda of the Frank Lloyd Wright designed Guggenheim Museum, is 100% Ingeo, a man-made fiber derived from corn, an annually renewable resource. It has a three-dimensional quality created by fusing, embossing and die-cutting the fabric with a swirling circular cut-out pattern.*



*Textiles made from flame retardant Trevira fibers and yarns bear the trademark Trevira CS and are permanently flame retardant. Unlike fabrics that receive a surface treatment at a later stage, Trevira CS textiles offer long-term security. Specs: excellent color values and lightfastness; easy care resulting in shorter wash cycles at low temperatures, using less water, detergent and energy consumption; excellent crease resistance and shape retention; high abrasion resistance; extremely comfortable upholstery fabrics due to good air and perspiration permeability; no harmful substances – certified to Oeko-Tex 100 and ISO Standards; sustainable and recyclable; and has anti-allergenic properties.*

## materials

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*Mono Finishing is a post finish application that uses laser cutting to create amazing surfaces.*



*Super-soft, easy-to-clean and available in a bunch of beautiful colors and patterns, Crypton fabric has an integrated, impenetrable barrier that means spills, splashes, leaks and dribbles will never seep through to the padding or stuffing. With its patented performance technology built into every fiber, Crypton's impenetrable moisture barrier won't ever break down its resistance to stains, moisture, mildew, and odors. Crypton is also the only fabric on the market deemed a non-porous surface and can be easily disinfected.*



*C Zero is a finish technology by Crypton that is specially formulated for those looking for a fluorine-free solution for stain resistance on fabrics. C Zero is suitable for all fiber types, offering a full range of fabric options; however, fabrics with a smoother hand perform better than textured fabrics. Specs: Greenguard Gold Certified technology; environmentally preferable chemistry; closed-loop industrial processes that cycle waste back into production; 100% of fabric scraps recycled; free of potentially harmful levels of VOCs, PFOS, PFOA, formaldehyde, heavy metals, phenols, phthalates and skin sensitizers; no halogenated flame retardants (FRs); no PBDEs; recyclable; contributes to LEED for Healthcare credit for Furniture and Medical Furnishings; renewable energy and carbon offset credits*

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Flame retardant laser etched cork



Chicken leg skin "leather"



Tilapia fish skin "leather"



Svelte by Bolyu consists of a fabric laminated to a precision-performance backing, giving it a suede-like feel. It improves acoustics, thermo-insulation, and roller mobility versus traditional carpeting.



Jakob Schlaepfer

# materials

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### New Materials

As technologies continue to advance, we will come across entirely new materials with which we can incorporate into textiles.

Intelligent polymers are conducting polymers that create an electrical circuit and can act as sensors or actuators (devices that do something). As the properties of the textile change, changes occur in the output of an electronic circuit; as a fabric stretches or strains, a sound could be emitted, with the tone of the sound relating to the degree of change in the textile. Metal Rubber, for example, bends and stretches like rubber, but conducts

electricity the way metal does.

New materials will ignite tough questions about how other industries are affected by their presence.

For example, Phase Change, which uses polymers to regulate temperature, could potentially make HVAC systems and parts of the heating and cooling industries obsolete.

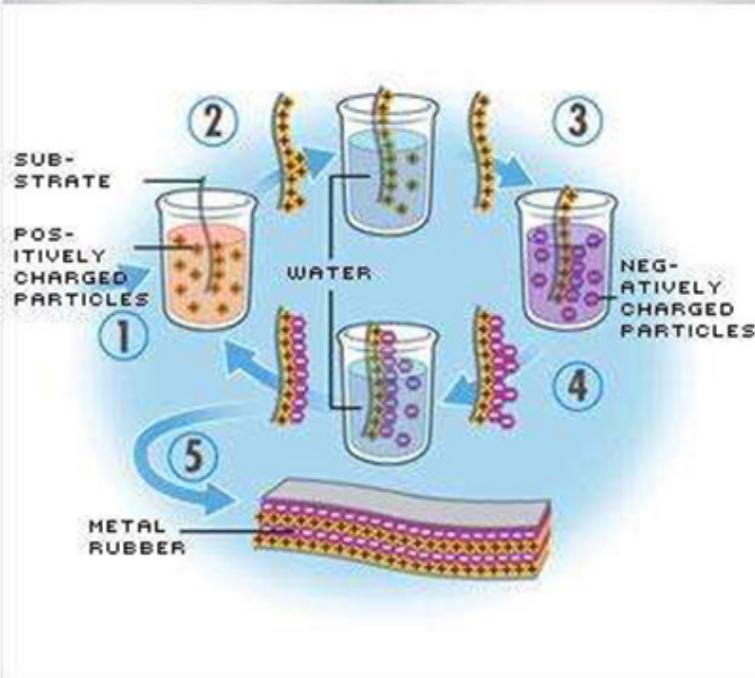
“In 10 to 15 years, products like Phase Change will be able to cool homes,” said Ms. Barrett.

All of these advanced technologies and materials also call to mind important questions about the knowledge we as practitioners of architecture, interior design, and interiors manufacturing

industries, possess.

“Are our textile schools producing textile engineers who are able to innovate and create these textiles for us?” asked Ms. Barrett. “And are we as designers and architects going to have the knowledge and skills to work with these textiles?”

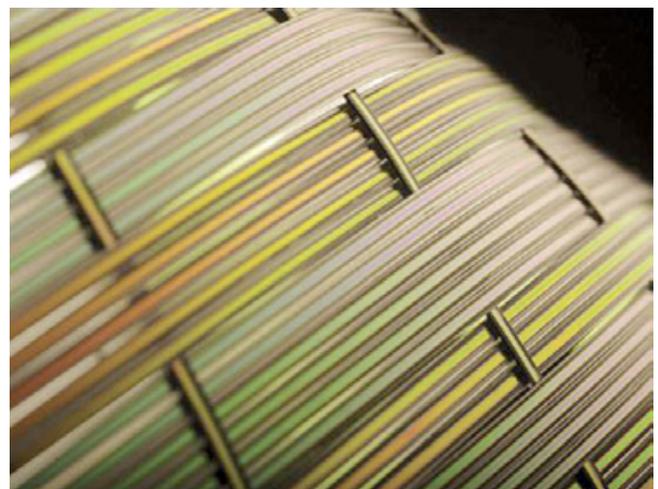
To conclude our series on smart textiles, Part III next week will address sustainability as it relates to the textiles industry. Although officeinsight has previously covered sustainability issues extensively, the textile-specific information Ms. Barrett shares is completely new ground for us, and we’re excited to bring it to our readers! ■



*Metal Rubber is a new material that bends and stretches like rubber, but conducts electricity the way metal does.*



*Phase Change, which uses polymers to regulate temperature, could potentially make HVAC systems and parts of the heating and cooling industries obsolete.*



*New acoustic fibers on the market can detect and produce sound, turning clothing into microphones, capturing speech, and having monitoring capabilities.*

## materials



*KOOLBLACK™ Technology is a patented technology that enhances dark colored yarn's heat reflectivity by increasing its near infrared reflection (NIR). While conventional dark screen fabric provides superior view through and exceptional glare control, it absorbs the energy that is created by near infrared wavelength. A dark screen fabric with KOOLBLACK™ Technology enables the fabric to reflect more solar heat, and therefore, absorb less energy. As a result, KOOLBLACK™ Technology increases the energy efficiency of dark solar shade fabrics to levels comparable with light colors.*

## TRENDS

During her seminar, Ms. Barrett shared her insights on upcoming trends in smart textiles that designers should be on the lookout for:

- >**Finishes.** Turning the ordinary into extraordinary with special finishes. "Good finishing adds emotion"
- >**Preciousness.** An overload of products has and will continue to ignite a desire for the rare and beautiful "Preciousness is the new luxury."
- >**Technical textiles.** "Wicked awesome technical textiles!"
- >**Taking chances.** "Nothing is what it used to be – boundaries are fading."
- >**Hacktivate.** The hacktivating and maker movements are both fostering the desire to invent and innovate to create something new from something that already exists.
- >**Handmade digital textiles.**



*SEFAR® Architecture TENARA® Fabric is an innovative fabric that transmits light brilliantly, folds and drapes beautifully, and lasts for years, even outdoors. Tenara is the ideal material for luminous tensioned fabric structures, retractable roofs, air inflated structures, sculptures and lightweight structures of all kinds.*

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## Home at Work

by Sally Augustin, Ph.D.

Recently, there has been a lot of useful discussion of the workplace “home bases” people make for themselves and the psychological value of those nests.

In his “p.s.” column at the back of the May issue of *Interior Design*, Murray Moss asks, “Doesn’t everyone, consciously or not, sanctioned or not, attempt to turn his work environment into a ‘home office,’ whether or not the office is actually in a home? An office needs to be serviceable to its occupant’s trade, certainly, but I believe that for most of us more is required. An office is not only the stage on which we act out our professional lives but also the place where we act out our personal ambitions, where we bare our more aggressive, competitive sides, where we earn our livelihoods and live out the most number of days. It is, by any account, *extremely personal space* [italics in original].”

As Moss indicates, we invest a lot of psychic energy in the care and management of the places where we work, even temporary worksites. We customize them to our professional needs and personalize them with objects that send silent messages to others and ourselves about our goals and strengths.

Jeremy Myerson, in his *Workplace and Wellbeing* chapter in “Wellbeing: A Complete Reference Guide” (edited by Cooper, Burton and Cooper in 2014), reports that “Office décor and design can be thought of as the visible part of the culture of an organization, just as anthropologists point to objects as the visible manifestation of culture.

“Interaction with objects is part of what creates our sense of self. Over time, people develop emotional bonds with the objects that make up their workplaces. Office design and

# concurrents



décor can therefore be considered to create ‘something like an emotional home’ for the people who work there. This use of design to promote this kind of ‘place attachment’ can make workers more satisfied with their office environment by generating emotional bonds to their workspace over time. Place attachment is an integral component of psychological comfort, which provides a platform for improving job satisfaction, commitment to the employer, performance and wellbeing.”

Myerson is echoing Moss’s comments, in a macro context.

Providing people with a home that doesn’t align with how they see themselves or feel they add most value to an organization, or one that changes capriciously – or making them homeless altogether – clearly has serious ramifications that designers and managers need to be wary of.

Sally Augustin, PhD, a cognitive scientist, is the editor of Research Design Connections ([www.researchdesignconnections.com](http://www.researchdesignconnections.com)), a monthly subscription newsletter and free daily blog, where recent and classic research in the social, design, and physical sciences that can inform designers’ work are presented in straightforward language. Readers learn about the latest research findings immediately, before they’re available elsewhere. Sally, who is a Fellow of the American Psychological Association, is also the author of *Place Advantage: Applied Psychology for Interior Architecture* (Wiley, 2009) and, with Cindy Coleman, *The Designer’s Guide to Doing Research: Applying Knowledge to Inform Design* (Wiley, 2012). She is a principal at Design With Science ([www.designwithscience.com](http://www.designwithscience.com)) and can be reached at [sallyaugustin@designwithscience.com](mailto:sallyaugustin@designwithscience.com).



## r-d connection

**RESEARCH-DESIGN CONNECTION****Current Perceptions and Prior Learning**

by Sally Augustin, Ph.D.

Anyone who's conducted design-related research won't be surprised by new research findings, published in Nature Neuroscience, linking current perceptions to prior experiences. Scientists have learned that, "From the



smell of flowers to the taste of wine, our perception is strongly influenced by prior knowledge and expectations, a cognitive process known as top-down control...results support the long-standing theory that the brain does not faithfully represent the environment but rather attempts to predict it based upon prior information." ■

"Learning Impacts How the Brain Processes What We See." 2015. Press release, University of California, San Diego, [http://ucsdnews.ucsd.edu/pressrelease/learning\\_impacts\\_how\\_the\\_brain\\_processes\\_what\\_we\\_see](http://ucsdnews.ucsd.edu/pressrelease/learning_impacts_how_the_brain_processes_what_we_see).

Sally Augustin, PhD, a cognitive scientist, is the editor of *Research Design Connections* ([www.researchdesignconnections.com](http://www.researchdesignconnections.com)), a monthly subscription

newsletter and free daily blog, where recent and classic research in the social, design, and physical sciences that can inform designers' work are presented in straightforward language. Readers learn about the latest research findings immediately, before they're available elsewhere. Sally, who is a Fellow of the American Psychological Association, is also the author of *Place Advantage: Applied Psychology for Interior Architecture* (Wiley, 2009) and, with Cindy Coleman, *The Designer's Guide to Doing Research: Applying Knowledge to Inform Design* (Wiley, 2012). She is a principal at *Design With Science* ([www.designwithscience.com](http://www.designwithscience.com)) and can be reached at [sallyaugustin@designwithscience.com](mailto:sallyaugustin@designwithscience.com).

**MATERIAL OF THE WEEK****MC# 7249-01**

*Eco-A.R.T.*: This acoustically absorbent three-dimensional (3D) wallcovering made from 100% recycled plastic bottles. The wallcovering, by Hytex Industries, Inc., has a NRC (noise reduction co-efficient) of 0.25 and is able to absorb ambient noise and reduce noise "spillage."

An antimicrobial technology (copper and silver ions) is incorporated into the root fiber, which naturally attacks microbes to reduce mold, mildew and the growth of bacteria. It is available in nine sculpted patterns and 40 colors.

Applications include wallcoverings, partitions and acoustic panels.

*This column is published in collaboration with Material Connexion. For more information regarding the material previewed, please contact Michael LaGreca at [mlagreca@materialconnexion.com](mailto:mlagreca@materialconnexion.com). T: 212.842.2050.*





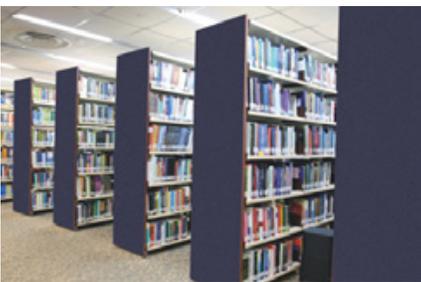
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## PRODUCT INTROS

>**Baresque, an Australian manufacturer of interior finishes, entered the North American market with its launch of Zintra™ Acoustic Panels.** Zintra panels combine noise-reduction performance with modern and versatile design aesthetics. Manufactured in 110-inch-long sheets, the panels are suitable for a multitude of applications, including walls, ceilings and screens, and joint-free floor-to-ceiling installations. Class A fire-rated, they can be trimmed with a carpet knife and adhered to a wall or ceiling using contact cement or Liquid Nails. Zintra Acoustic Panels in ½" are pinnable and digitally printable, delivering a noise reduction coefficient (NRC) of 0.35 – 0.90, depending upon installation and distance from the wall. It is also available in 1/8" rolls.  
[officenewswire.com/16721](http://officenewswire.com/16721)



>**Crossville Inc. updated its popular Color By Numbers wall tile line with four new hues:** *19th Hole*, a vibrant orange (available in gloss finish); *20-20 Vision*, a deep, true purple (available in gloss finish); *Edge of 17*, a beige-toned neutral (offered in satin and gloss finishes); and *1812*



19th Hole



20/20 Vision



Overture



Edge of Seventeen



*Overture*, a neutral of the gray scale (offered in satin and gloss finishes). The collection, for interior vertical surfaces residential and commercial installations, now has a 16-color palette of brights and neutrals for designers to create custom works of interior wall art.

[officenewswire.com/16708](http://officenewswire.com/16708)

>**Encore's new Fling collection of guest and lounge seating by David Ritch and Mark Saffell of 5d Studio is characterized by a distinctive curved back that forms a sculpted arc.** It also features ample proportions, gently sloping arms, and memory-foam cushioning, with both the proprietary knit suspension back material and standard back upholstery possessing a firm-yet-pliable quality to deliver an added level of support. Lounge and guest seating models are available with two base options: four-leg or swivel with a self-return feature.  
[officenewswire.com/16713](http://officenewswire.com/16713)

100% glare-free light directed primarily downwards. A light guide directs a portion of the light onto the glass, which becomes softly illuminated. The edge of the glass creates a decorative light effect.  
[officenewswire.com/16722](http://officenewswire.com/16722)



Encore Fling Lounge



Louis Poulsen USA F+P 550 Pendant LED

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and bases are manufactured from recycled aluminum finished in fireproof polyester paint. Finish colors offered are Black, Satin Grey, Satin Mustard and Satin White. [officeneedwire.com/16718](http://officeneedwire.com/16718)

**>Mayline® added a fifth table line to its already robust height-adjustable family – the ML-Series.** Sleek, stylish and quiet, ML-Series is offered in a two-stage base with two legs; or in a three-stage base with an option for either two or three legs. The expandable frame can accommodate a multitude of top sizes – empowering users to change their posture throughout the day. [officeneedwire.com/16724](http://officeneedwire.com/16724)



**>Mayline's newest laminate casegoods product offering, Sterling, is now available to order.** Crafted with a contemporary décor in mind, this complete line includes desks, reception, and conference furniture. Sterling brings with it three new laminate options: Textured Driftwood, Textured Mocha and Textured Brown Sugar. "Over the past couple of years we have seen the popularity of our laminate casegood lines grow versus the veneer options," said Amy Kiefer, VP of strategic marketing. "We feel that Sterling is a great addition to our laminate



casegoods product family and brings additional laminate options to our customers." [officeneedwire.com/16723](http://officeneedwire.com/16723)

**>MDC introduced FUZE™ Dry Erase Paint, designed to turn any wall into a floor-to-ceiling brainstorm space.**

Design flexibility and commercial durability make high performance dry erase paint a popular addition to education, healthcare and corporate spaces. Available in white and clear, FUZE makes nearly any smooth surface dry-erasable. It boasts the industry's longest pot life of four hours and is Low VOC, low odor, Isocyanate-free and LEED®-compliant. It is also highly resistant to chemicals and stains and can be applied by roller or sprayer. [officeneedwire.com/16720](http://officeneedwire.com/16720)

**>SMART Technologies Inc. announced that ACCO Brands will begin marketing a co-branded version of the SMART kapp® digital capture board in North America.** The co-branded solution, *Quartet® SMART kapp®*, targets both the office and

dry-erase board that is easy and intuitive to use. It is lightweight, easy to install and a true plug-and-play solution. Customers simply secure the board to a wall, plug in the power supply, and begin using SMART kapp immediately – no need for IT integration or internet connections. [officeneedwire.com/16719](http://officeneedwire.com/16719)

## NOTEWORTHY

**>HWKN and Architizer recently celebrated the opening of their new offices located at One Whitehall Street in the heart of New York's Financial District.** The 4,600 sq.ft. open plan office



MDC FUZE Dry Erase Paint



SMART Technologies SMART kapp

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features sweeping views of lower Manhattan, the Brooklyn Bridge and the East River. Along with food, drink and music, guests enjoyed the incredible skyline and were able to see and experience Allsteel furnishings in play: Clarity seating, Stride benching, Rise collaborative seating and Beyond architectural walls. Representatives from Allsteel included members from the New York and Muscatine, IA locations along with more than 100 A&D industry guests from notable firms were in attendance, including Architectonica, DS+R, Ewing Cole, Gensler, Gluckman Mayner, HLW, HOK, Perkins+Will, SHoP, Studio Gang and others.

[officeneWSwire.com/16726](http://officeneWSwire.com/16726)

**>Kimball International, Inc. received the Great Place to Work® designation.** This recognition of the company's workplace culture is based on a review of 1,125 employee surveys focused on five key areas: Credibility, Respect, Fairness, Pride and Camaraderie. "More than four out of five employees report that they are comfortable being themselves at work and are

proud of what they do," said Sarah Lewis-Kulin, senior editor of Great Place to Work® Reviews.

[officeneWSwire.com/16705](http://officeneWSwire.com/16705)

**>KI entered a new educational furniture contract available through National IPA.** This agreement was competitively solicited and awarded by Norfolk Public Schools, VA (Contract #2015000067) and includes "piggybacking" language that allows public procurement officials from local and

state government agencies, K-12 school districts, higher education and nonprofits across the nation to utilize the agreement.

[officeneWSwire.com/16709](http://officeneWSwire.com/16709)

**>KI's Lightline architectural wall is protecting Susie the Mastodon, now on exhibit at Southeastern University in Lakeland, FL.**

[officeneWSwire.com/16725](http://officeneWSwire.com/16725)

**>The National Council of Architectural Registration Boards, at their 2015 Annual Business Meeting, agreed to simply NCARB Certification for foreign architects.**

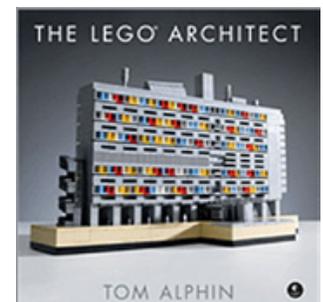
The change, effective July 1, 2016, will optimize the process for foreign architects who are licensed but do not currently meet the requirements for the NCARB Certificate. The new alternative for foreign licensees will replace the current Broadly Experienced Foreign Architect Program's requirements,

eliminating the committee dossier review and the need to document seven years of credentialed practice in a foreign country. Instead, foreign architects will be required to document completion of the Intern Development Program experience requirements and successfully complete the Architect Registration Examination® to obtain NCARB certification.

[officeneWSwire.com/16729](http://officeneWSwire.com/16729)

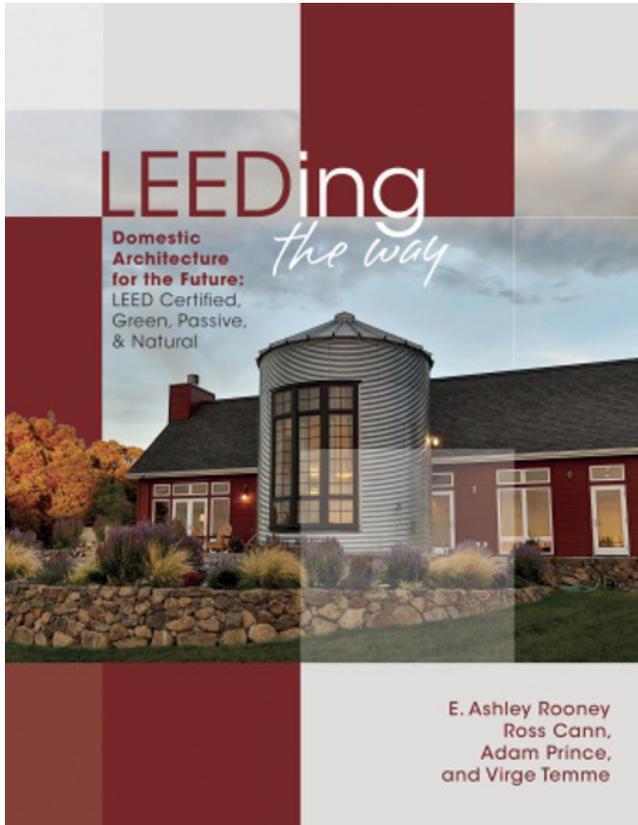
**>No Starch Press will release a new coffee-table book, The LEGO Architect, in September.** It showcases art deco skyscrapers, neoclassical federal buildings, postmodern office complexes, and sleek modern homes – all built with thousands of plastic LEGO bricks by a community of remarkably patient and visionary artists. Author Tom Alphin noted, "The official LEGO Architecture sets are bestsellers because they allow people to experience architecture hands-on, by recreating famous buildings. My book runs with this idea, but with the broader goal of exploring many influential architectural styles."

[officeneWSwire.com/16728](http://officeneWSwire.com/16728)



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>**Schiffer Publishing, Ltd., is releasing a number of new architecture titles**, including *LEEDING the Way: Domestic Architecture for the Future: LEED Certified, Green, Passive & Natural*. Co-authored by E. Ashley Rooney, Ross Cann, Adam Prince, and Virge Temme, this book takes readers on a tour of 53 homes that reflect the growing trend for environmentally-friendly houses. Schiffer is also releasing *Cathedrals Built by the Masons*, by Russell Herner; *Contemporary Home Design: 70 Plans and Projects*, by Wolfgang Bachman and Arno Lederer; and *Dream Houses on the Water*, by Alexander Hosch.

[officenevswire.com/16727](http://officenevswire.com/16727)

>**One World Trade Center was awarded the 2015 Best Tall Building Award for the USA from the Council on Tall Buildings and Urban Habitat.** The CTBUH Awards are an independent review of new projects, judged by a prestigious panel of experts. The Best Tall Buildings have been named from each of four competing regions in the world, from nominees representing a total of 33 countries. The CTBUH judges noted: "One World Trade Center is of undeniable importance to the Americas as well as the World. The building had high design expectations which the jury felt were met and exceeded."

**WSP**, a global engineering and professional ser-

vices organization, served as structural engineer for the 104-story office tower on behalf of the Port Authority of New York and New Jersey. "One World Trade Center is a unique shape, and it presented a challenge for designers," said Ahmad Rahimian, director of building structures at WSP and principal-in-charge of structural engineering for the project. "The footprint starts square, but the corners are gradually cut away from the first office level until it squares off again at 145 feet, rotated 45 degrees. The tower's height and slenderness imposed very high requirements on the structure's height and stiffness. The strength of the concrete

is 14,000 psi (100 MPa), the highest ever poured in New York City."

[officenevswire.com/16730](http://officenevswire.com/16730)

## RE-SITED

>**Andrew Cicisly joined Inscape as director of sales for northern California.** He reports to Jim Mitchell, vice



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president sales, western region. This team leads the sales efforts for Inscape and West Elm Workspace with Inscape in the western region. Mr. Cicisly has more than 20 years of experience in the contract furniture industry, including 19 years with a major office furniture manufacturer. [officenevswire.com/16712](http://officenevswire.com/16712)

**>David Fuehrer joined J+J Flooring Group as the company's new director of product.**

Mr. Fuehrer has nearly two decades of successful product design and management expertise, most recently as an associate and product design practice area leader for Gensler. During his five years with Gensler, he oversaw more than 40 manufacturing partnerships and more than 50 product development projects. He and his team were also responsible for garnering several notable industry recognitions, including five Best of NeoCon Awards. Prior to that, Mr. Fuehrer was a product designer for various manufacturers. [officenevswire.com/16715](http://officenevswire.com/16715)



**>Gerry Gatch is the newest vice president of sales at WallGoldfinger.**

A Toronto native, Mr. Gatch spent the majority of his career in the contract furniture industry in New York City. He began his career with Geiger in Toronto, then Atlanta, where he led the effort to develop a new, 120,000 sq.ft. factory, and then NYC as a designer, project manager and in technical sales. He went on to work for nine years for ManesSpace as a founding partner responsible for technical services and project management and designs. He then spent more than two decades with Meadows Office Interiors as a project manager, then design department manager, and then director of technical services. In January, Mr. Gatch and his wife moved to Vermont, and he began working at Amoskeag Woodworking in Fairfax as a designer, project manager and in technical sales until joining WallGoldfinger this month. [officenevswire.com/16714](http://officenevswire.com/16714)

**>Carol Karasek, AIA, joined Francis Cauffman as principal, science and technology.** Ms. Karasek is a practice leader with 35 years of experience in the program-

ming, design, and delivery of research and clinical facilities. Her specialty is the design of academic medical centers engaged in translational research. This emerging model integrates basic science and clinical studies, leading to more meaningful health outcomes. Previously, Ms. Karasek was a senior vice president at Cannon Design. Her work has garnered numerous awards, including a New York Construction Award for Merit for the Feinstein Institute at North Shore Long Island Jewish Healthcare System and a "Build Brooklyn" award for the SUNY Downstate Medical Center Biotech Incubator. [officenevswire.com/16717](http://officenevswire.com/16717)



**>Kim Patten, AIA, LEED AP BD+C joined Steinberg as associate principal based in the Los Angeles office.**

Ms. Patten is a passionate university planner, focused on process and strategy. Working with academic institutions across the country, she helps clients navigate complex problems with integrated research and education planning solutions to achieve

direction and clarity. Her partnership approach creates an environment to collaborate, plan, and discover paths unique to that client. Prior to joining Steinberg, she was an associate vice president and education market project manager at Cannon Design, leading noteworthy projects at Arizona State University, San Diego State University, University of Utah, and other higher education clients. [officenevswire.com/16711](http://officenevswire.com/16711)



**>Michael VanDonkelaar joined Inscape as business development manager for Colorado, Wyoming and Utah.**

He reports to Jim Mitchell, vice president sales, western region. This team leads the sales efforts for Inscape and West Elm Workspace with Inscape in the western region. With almost two decades of experience



with an office furniture dealer and as a manufacturer's representative, Mr. VanDonkelaar is knowledgeable about all facets of the office furniture industry.

[officenevswire.com/16712](http://officenevswire.com/16712)

**>Niki Ward joined Ware Malcomb as senior project manager, Interiors.** In this role, Ms. Ward will lead business development and growth of the firm's interior architecture and design team in Phoenix. She has more than 15 years of experience in corporate interior architecture and the construction industry, most recently as director of business development at RJM Construction in Scottsdale, AZ, and earlier served as a marketing coordinator at Colliers International in Phoenix. For over a decade, Ms. Ward worked in associate partner, project manager and senior planner roles at McCarthy Nordburg, an architectural interior design firm in Phoenix, where she specialized in tenant improvement design projects.

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## PROJECTS

**>Perkins Eastman, in a joint venture with SSH Design and Soor Engineering Bureau, was awarded the master plan and design of a new university campus in Kuwait.** The

12,000 student campus will comprise four colleges: Technology, Business, Health Sciences, and Education. Strategically located in the Jahra Governorate approximately 24 miles (39 km) from Kuwait's capital, the 2,476,000 sq.ft. (230,000 sm) campus will be a landmark within the greater metropolitan Kuwait City.

The design team's approach for the campus is a synthesis of three main objectives:

- Create a cohesive campus and center of excellence within Kuwait that will prepare PAAET's graduates for the increasingly diversified Kuwait workforce and global economy

- Create an identity for each of the four colleges that will expand and advance their discrete studies and recruitment while overall examining the interrelationships to provide a state-of-the-art academic and university life experience in concert with the cultural heritage and values of Kuwait

- Create a memorable and responsible campus that showcases environmentally sustainable building and operating practices that sets new standards in Kuwait

[officenevswire.com/16731](http://officenevswire.com/16731)

## EVENTS

**>ASID has partnered with HOST 2015, taking place in Milan, Italy Oct. 23-27, and the Interior Designers of Canada (IDC) to bring 20 interior designers from North America to the show.**

Those who are accepted to attend (10 from ASID and 10 from IDC) will have their airfare, accommodations, and registration fees covered by HOST. HOST is an international hospitality exhibition in its 39th year that features more than 1,800 exhibitors from 48-plus countries showcasing products suitable for hotels, restaurants, and related hospitality businesses. This year, HOST overlaps with Expo Milano 2015, which has been running since May 1 and concludes on Oct. 31.

**Application deadline for designers wishing to participate is this Friday, Jul. 31.**

[officenevswire.com/16732](http://officenevswire.com/16732)

**>IIDA will host its first Advocacy Symposium in Austin, TX, Sep. 11-13.** The event will help attendees develop a more definitive understanding of what advocacy means, how to apply practical skills and proven techniques to articulate the value and mission of interior design, and to energize and encourage advocates for the interior design profession.

[officenevswire.com/16710](http://officenevswire.com/16710)

## business

## office insight

**RAYMOND JAMES BRIEF 7.20.15****KNL: Reaffirming Outperform; Margin Gains Likely; Office Furn. Outlook Positive**

Analysts: Budd Bugatch, Bobby Griffin, David Vargas

**>Recommendation: We reaffirm our Outperform rating on KNL and maintain our \$27 target price following Knoll's 2Q15 earnings release and management conference call.**

Our investment thesis is underpinned by the following beliefs:

1) with the government headwinds now in the past, Knoll's office furniture segment (~63% of sales) will benefit as industry demand improves throughout 2015/2016; and 2) management has a clear path to meaningful margin expansion over the next 6-12 months through (a) office segment organic growth, (b) ongoing supply chain transformations, and (c) further penetration into the ultra-high end, high-design residential furniture segment (spearheaded by Knoll's Holly Hunt business).

**>2Q15 recap:** As detailed in an earlier brief, Knoll's 2Q15 EPS of \$0.36 beat our \$0.34 estimate (also the consensus). That said, revenues increased 1.0% y/y to ~\$269 million, but missed our \$281 million estimate (also consensus), as project customers are extending delivery dates out over longer periods. Recall, Steelcase (SCS/\$18.52/Strong Buy) discussed the same delivery

issue on its last earnings call (June 25, 2015). At the operating line, GAAP and adjusted operating profit met our forecast, as higher-than-modeled gross margin (~\$0.02 benefit) was offset by the lower-than-expected sales and slightly higher-than-modeled SG&A expense ratio (~\$0.02 combined drag).

**>Margin game plan still intact:** As we discuss at length in our monthly BIFMA notes, the office furniture industry is inherently "lumpy" and "choppy." The timing of large project orders can and does cause noise in quarterly results. **Despite experiencing a push-out in large project deliveries, Knoll still posted a sizable (~150 bp) y/y margin expansion in its office segment** due to higher net price realization and foreign exchange savings from the weak Canadian dollar. Furthermore, management commented that **mock-up activity is "the highest it's been all year" and core North America 2Q15 office orders were in the "upper-single-digit range."** Although the 3Q15 revenue pattern seems likely to be a replay of 2Q15, the weaker Canadian dollar should be a tailwind to y/y margin comparisons.

**>Lastly, Knoll's Holly Hunt again posted record sales in 2Q15.** Likewise, margins should further improve now that it has completed its near-term showroom expansion. All in, the pathway to ~10% consolidated operating margins in 2015 and ~11-12% consolidated operating margins in 2016 and beyond still looks achievable.

## Industry Stock Prices

	7.24.15	6.26.15	3.27.15	12.26.14	9.26.14	6.27.14	%frYrHi	%fr50-DayMA
HMiller	27.9	30.5	27.4	29.6	30.4	30.7	-13.6%	-3.7%
HNI	48.9	53.2	53.8	51.5	37.0	39.0	-15.3%	-4.4%
Inscape	3.2	3.3	3.2	2.6	2.5	2.3	-15.8%	-5.6%
Interface	23.7	25.2	20.6	16.6	16.3	18.9	-7.5%	-1.9%
Kimball*	12.2	11.9	10.2	9.9	15.4	16.7	-16.4%	0.0%
Knoll	24.3	25.9	22.7	21.4	17.9	17.4	-6.7%	-2.2%
Leggett	49.7	49.7	45.4	42.6	35.5	34.1	-3.2%	0.5%
Mohawk	196.0	193.2	181.2	155.3	136.6	136.9	-3.1%	1.8%
Steelcase	17.5	19.7	18.9	18.5	16.7	15.5	-14.3%	-5.4%
USG	28.9	28.5	25.9	27.9	28.3	29.9	-7.8%	5.5%
Virco	2.7	2.9	2.7	2.5	2.7	2.3	-30.4%	-2.8%
<b>SUM</b>	<b>435.0</b>	<b>443.8</b>	<b>412.0</b>	<b>378.4</b>	<b>339.2</b>	<b>343.5</b>		
<b>DJIndust</b>	<b>17,569</b>	<b>17,947</b>	<b>17,713</b>	<b>18,054</b>	<b>17,113</b>	<b>16,852</b>	<b>-4.3%</b>	

\*Kimball historical stock prices for 9.26.14 and earlier include both Kimball Furniture and Kimball Electronics earnings prior to the spin-off of the company's Electronics segment on 10.31.14. On 11.3.14, Kimball International, Inc. began trading on NASDAQ under the ticker symbol "KBAL" and the previous ticker symbol "KBALB" was retired.

**>Estimates:** Accounting for the pushed out timing of office furniture deliveries discussed above and current currency rates (Knoll benefits from a stronger U.S. dollar), we are updating the progression of our forward non-GAAP EPS estimates, as indicated below.

-2014 Non-GAAP EPS: Q1 \$0.18A; Q2 \$0.23A; Q3 \$0.33A; Q4 \$0.35A; Full Year \$1.09A

-2014 GAAP EPS: Full Year \$0.97A; Revenues (mil.) \$1,050A

-2015 Non-GAAP EPS: Q1 \$0.36A; Q2 \$0.36A; Q3 \$0.33; Q4 \$0.41; Full Year \$1.46

-2015 GAAP EPS: Full Year \$1.46; Revenues (mil.) \$1,106

-2016 Non-GAAP EPS: Q1 \$0.33; Q2 \$0.40; Q3 \$0.38; Q4 \$0.46; Full Year \$1.58

-2016 GAAP EPS: Full Year \$1.58; Revenues (mil.) \$1,164

**>Valuation:** KNL currently trades at 16.8x our forward-four-quarter EPS estimate of \$1.48, compared to the five-year median forward multiple of 16.1x. Our \$27 target price is based on our estimates of intrinsic value and represents 17.1x our 2016 EPS estimate of \$1.58.

## RAYMOND JAMES BRIEF 7.22.15

**HNI: A Mixed Bag: Adj'd EPS Beats, Sales Misses; Guidance: 3Q Misses, Year OK**

Analysts: Budd Bugatch, Bobby Griffin, David Vargas

**>After Wednesday's market close, HNI reported 2Q15 results. 2Q15 GAAP EPS were \$0.52.** Excluding ~\$0.7 million in restructuring/transition charges, HNI's \$0.53 normalized EPS (non-GAAP) beat our \$0.52 and \$0.50 consensus estimates. Adjusted EPS also beat the top end of management's \$0.47-0.52 guidance.

**>While normalized EPS beat and total sales increased ~12% y/y to ~\$568 million, sales missed our \$583 million and consensus \$582 million estimates.** Likewise, sales nearly fell short of management's guidance of "+12% to +16%." Organically, sales grew 7% y/y.

**>Normalized operating results** (excluding ~\$0.7 million in non-recurring items) **beat our model at the operating income line by \$0.03**, as the lower-than-expected sales (~\$0.01 drag), were offset by lower-than-modeled SG&A expenses (~\$0.04 benefit). Adjusted gross margin improved ~26 bp y/y, as a result of higher volume, better price realization and improved

operating performance, partially offset by unfavorable product mix. Normalized SG&A ratio leveraged ~105 bp y/y to 29.4%, below our 30.0% estimate. The y/y decrease in SG&A as a percentage of sales was driven by higher volume, partially offset by strategic investments and higher incentive-based compensation. Adjusted operating income was \$40.2 million (7.1% of sales) versus \$29.3 million (5.8% of sales) in the prior year and our \$38.3 million (6.6% of sales) estimate.

**>Versus our model, office revenues accounted for the revenue miss. Office Furniture segment sales increased 6.4% y/y to \$450.6 million** (below our \$465.8 million estimate), with growth across both channels (supplies-driven and contract business). Despite the revenue miss, **normalized office segment operating income increased 25.1% y/y to \$40.0 million (8.9% of sales)**, slightly below our \$41.3 million (8.9% of sales) estimate. Increased volume, greater price realization, and strong operating performance across both channels drove the notable profitability improvement. Impressively, despite missing sales, the ~\$27 million y/y revenue differential yielded a 29.5% normalized contribution margin, nicely above our expectations (~22%).

**>Hearth product sales improved 37.2% year-over-year to \$117.6 million**, in-line with our \$116.7 million estimate. Organically, sales increased 8.0% y/y, driven by an increase in the new construction channel and the retail gas portion of the remodel/retrofit channel. Hearth EBIT improved from \$8.5 million (9.9% of sales) last year to \$11.7 million (9.9% of sales) in 2Q15, above our \$9.8 million (8.4% of sales) estimate. The ~\$32 million y/y revenue increase yielded a 10.0% contribution margin, versus our 4.2% estimate.

**>Adjusted unallocated corporate overhead was \$13.4 million** (2.4% of sales), up from \$13.2 million (2.6% of sales) in the prior year (excluding a ~\$1.3 million asset sale gain) and below our \$14.7 million estimate (2.5% of sales).

**>HNI guided 3Q15 revenue growth to the range of +5-9%, implying \$645-670 million**, compared to our \$680 million estimate and the \$674 million consensus. The 3Q15 revenue guidance includes sales from HNI's Vermont Casting Group acquisition (October 1, 2014). In addition, management expects 3Q15 adjusted EPS to be in the range of \$0.84-0.89, compared to our \$1.00 estimate and the \$1.01 consensus. Lastly, management narrowed FY15 adjusted EPS to \$2.55-2.65 versus \$2.50-2.65, previously.

**>We will have additional commentary and refreshed estimates following management's 11:00 a.m. (ET) conference call.** On its call, management typically offers more color to allow us to better reframe our model.

**RAYMOND JAMES BRIEF 7.24.15****HNI: Many Moving Parts, But 2015 Outlook Remains Strong; Reaffirm Outperform**

Analysts: Budd Bugatch, Bobby Griffin, David Vargas

**>Recommendation: We reaffirm our Outperform rating and nudge our target price on HNI up to \$55.00 following HNI Corporation's 2Q15 earnings release and management conference call.** Although revenues missed our model (and consensus), adjusted EPS beat our model (and consensus), and the contract office furniture channel grew by double digits (+13%). The revenue shortfall was driven by the supplies channel side of the office furniture segment, as that channel continues to face some disruption. Nonetheless, management continues to execute well and raised the low end of its 2015 guidance. Our bullish stance on HNI reflects: (1) the positive office industry dynamics that we see continuing into 2016; (2) HNI's solid management team and historically strong execution; and (3) the company's lean manufacturing discipline, which affords it with a significant opportunity to continue to improve margins and deliver meaningful shareholder value. Thus, we continue to see reason to own this issue.

**>2Q15 Adj. EPS Beat/Sales Miss:** After Wednesday's market close, HNI reported 2Q15 GAAP EPS of \$0.52. Excluding ~\$0.7 million in restructuring/transition charges, HNI's \$0.53 normalized EPS (non-GAAP) beat our \$0.52 and \$0.50 consensus estimates. Total sales increased ~12% y/y to ~\$568 million, but missed our \$583 million and the \$582 million consensus. Normalized operating results (excluding ~\$0.7 million in non-recurring items) beat our model at the operating income line by \$0.03, as the lower-than-expected sales (~\$0.01 drag), were offset by lower-than-modeled SG&A expenses (~\$0.04 benefit).

**>Analysis: HNI's contract office business remains strong, with sales up 13% y/y, likely exceeding 2Q15 industry shipment growth. While the supplies channel business (~50% of office revenue) was below expectations, 2015 growth is still expected in the low to mid-single digit range.** Given last year's strong growth and the recent decline in oil prices, the biomass portion of HNI's hearth business continues to face challenging comparisons (down 8% in 2Q15). Nevertheless, new construction growth continues to accelerate, helping offset the decline in biomass sales.

**>Unpacking Guidance:** As briefly detailed in an earlier note, the progression of HNI's forward earnings guidance (3Q15 & 4Q15) was well off from our previous expectations (and historical trends). **Management expects 3Q15 adjusted EPS to be in the range of \$0.84-0.89**, versus our prior \$1.00 estimate and the \$1.01 consensus. Nonetheless, management **narrowed its estimated 2015 adj. EPS to \$2.55-2.65** from \$2.50-2.65. This sizable shift in 2H15 earnings (from 3Q to 4Q) is

being driven by the following factors: 1) the timing of certain investments are pressuring 3Q15 margins, while the returns from prior investments are starting to bear fruit, aiding 4Q15 margins; 2) a favorable business mixed in the fourth quarter, as last year's contract office business included more larger project business (lower margins); and 3) the Vermont Casting acquisition is fully lapped by the beginning of 4Q15 allowing for better operating leverage and profitability.

**>Estimates:** Our 2015/2016 EPS estimates go to \$2.60/\$3.06 from \$2.56/\$3.05.

**>Valuation:** Our \$55 target price is supported by our intrinsic value analysis.

**BUSINESS AFFAIRS**

**>AIA reported that the Architecture Billings Index increased in June to 55.7, up substantially from a mark of 51.9 in May.** The new projects inquiry index was 63.4, up from a reading of 61.5 in May, and the design contracts index was 52.5, down slightly from 53.4 in May. "The June numbers are likely showing some catch-up from slow growth earlier this year," said AIA Chief Economist **Kermit Baker**, Hon. AIA, PhD. "This is the first month in 2015 that all regions are reporting positive business conditions and aside from the multi-family housing sector, all design project categories appear to be in good shape. The demand for new apartments and condominiums may have crested with index scores going down each month this year and reaching the lowest point since 2011."

Regionally, the Midwest scored the highest three-month average ABI (57.2), followed by the South (54.9), West (50.7) and Northeast (50.4). By sector, institutional had the best score by far (59.1), followed by mixed practice (54.7), commercial / industrial (51.6), and multi-family residential (47.0). [www.officenewswire.com/16704](http://www.officenewswire.com/16704)

**>HNI Corp. on Jul. 22 reported its second-quarter fiscal 2015 results** (dollars in millions except EPS):

3 Mos. Ended	7.4.15	6.28.14	%Ch.
Net Sales	\$568.2	\$509.1	11.6%
Gross Profit	\$206.1	\$181.1	13.8%
SG&A	\$167.3	\$155.3	7.7%
Op. Income	\$39.4	\$16.9	133.0%
Net Inc.	\$23.9	\$9.7	146.4%
EPS (dil.)	\$0.52	\$0.21	147.6%

6 Mos. Ended	7.4.15	6.28.14	%Ch.
Net Sales	\$1,091.7	\$961.3	13.6%
Gross Profit	\$390.6	\$336.3	16.1%
SG&A	\$336.0	\$300.5	11.8%
Op. Income	\$54.8	\$35.3	55.2%
Net Inc.	\$32.3	\$20.7	56.0%
EPS (dil.)	\$0.71	\$0.45	57.8%

Non-GAAP net income per diluted share improved 35.9 percent from the prior year quarter to \$0.53, which excludes restructuring, impairment, transition costs and gain on sale of assets.

Compared to prior year quarter, the Vermont Castings Group acquisition increased sales \$25.0 million. On an organic basis, sales increased 6.7%.

“We are pleased with our results for the second quarter,” said HNI Corp. Chairman, President and CEO **Stan Askren**. “We delivered strong sales growth and significant earnings improvement. Office furniture business performance was led by sales growth in the contract business and solid operational execution. Momentum continued in our hearth business with strong sales growth in both the new construction channel and the retail gas portion of the remodel/retrofit channel.”

Non-GAAP gross margin increased 20 basis points compared to prior year driven by higher volume, better price realization and strong operational performance, partially offset by unfavorable product mix.

Selling and administrative expenses, as a percentage of sales, decreased 110 basis points, with the benefit of higher sales volume partially offset by strategic investments, higher incentive-based compensation, and acquisition impact.

Restructuring charges for the quarter were favorable \$0.6M due to lower than anticipated postemployment costs. HNI recorded \$1.3 million of transition expenses included in cost of sales in connection with previously announced closures, acquisition integration and structural realignment. Second quarter 2014 included \$4.8 million of restructuring and transition costs of which \$3.4 million were included in cost of sales. The prior year quarter also included a goodwill impairment of \$8.9 million and a \$1.3 million gain on the sale of assets.

#### Office Furniture (dollars in millions):

<b>3 Mos. Ended</b>	<b>7.4.15</b>	<b>6.28.14</b>	<b>%Ch.</b>
<b>Net Sales</b>	\$450.6	\$423.4	6.4%
<b>Op. Income</b>	\$39.8	\$18.2	118.1%
<b>6 Mos. Ended</b>	<b>7.4.15</b>	<b>6.28.14</b>	<b>%Ch.</b>
<b>Net Sales</b>	\$858.1	\$781.8	9.8%
<b>Op. Income</b>	\$59.9	\$34.7	72.6%

Sales for the quarter increased in both the supplies-driven and contract channels. Mr. Askren noted that sales in HNI's supplies-driven business were up 2%, while sales in the remaining office furniture businesses increased 11%, led by 13% growth in the company's North American contract business.

Second quarter non-GAAP operating profit increased \$8.1 million or 25.2%. Increased volume, higher price realization and solid operational performance were partially offset by unfavorable product mix, strategic investments and incentive-based compensation.

#### Hearth Products (dollars in millions):

<b>3 Mos. Ended</b>	<b>7.4.15</b>	<b>6.28.14</b>	<b>%Ch.</b>
<b>Net Sales</b>	\$117.6	\$85.7	37.2%
<b>Op. Income</b>	\$11.2	\$8.5	31.6%
<b>6 Mos. Ended</b>	<b>7.4.15</b>	<b>6.28.14</b>	<b>%Ch.</b>
<b>Net Sales</b>	\$233.7	\$179.6	30.1%
<b>Op. Income</b>	\$23.7	\$20.2	17.3%

Compared to prior year quarter, the Vermont Castings Group acquisition increased sales by \$25.0 million. On an organic basis, sales increased 8.0% for the quarter driven by an increase in both the new construction channel and the retail gas portion of the remodel/retrofit channel.

For the quarter, non-GAAP operating profit increased \$3.2 million or 37.9% due to increased volume and higher price realization.

#### Outlook

“We delivered very strong results during the first six months of 2015,” said Mr. Askren. “I remain confident in our ability to grow sales and significantly increase profits for the remainder of the year. Our office furniture and hearth businesses are performing well and we continue to make investments to drive long-term profitable growth and shareholder value.”

HNI estimates sales to be up 5% to 9% in the third quarter over the same period in the prior year, including sales from the Vermont Castings Group acquisition. Non-GAAP earnings per share are anticipated to be in the range of \$0.84 to \$0.89 for the third quarter and \$2.55 to \$2.65 for the full year, which includes the Vermont Castings Group acquisition results and excludes restructuring and transition costs.

The full text of HNI's 2Q15 earnings release, including all tables, plus a webcast replay of its Jul. 23 conference call, including slides, is available at [www.hnicorp.com](http://www.hnicorp.com) (under Investor Information – Webcasts). A telephone replay of the call will be available until Thursday, Jul. 30, 10:59 p.m. (Central) at 1-855-859-2056 or 1-404-537-3406 – Conference ID 76049525. <http://phx.corporate-ir.net/phoenix.zhtml?c=98627&p=irol-news>

## business

## office insight

**>USG Corp. on Jul. 23 reported its 2015 second quarter results** (dollars in millions except EPS):

	6.30.15	6.30.14	%Ch.
<b>3 Mos. Ended</b>			
<b>Net Sales</b>	\$970	\$948	2.3%
<b>Gross Profit</b>	\$183	\$175	4.6%
<b>SG&amp;A</b>	\$79	\$77	2.6%
<b>Op. Profit</b>	\$105	\$98	7.1%
<b>Net Income</b>	\$79	\$57	38.6%
<b>EPS (dil.)</b>	\$0.54	\$0.38	42.1%
<b>6 Mos. Ended</b>			
<b>Net Sales</b>	\$1,879	\$1,798	4.5%
<b>Gross Profit</b>	\$336	\$318	5.7%
<b>SG&amp;A</b>	\$156	\$154	1.3%
<b>Op. Profit</b>	\$181	\$164	10.4%
<b>Net Income</b>	\$103	\$102	1.0%
<b>EPS (dil.)</b>	\$0.70	\$0.71	-1.4%

The corporation's adjusted operating profit was \$118 million in the second quarter of 2015, compared to an adjusted operating profit of \$87 million in the second quarter of 2014.

On an adjusted basis, net income of \$78 million and diluted earnings per share of \$0.53 increased more than 80%. Adjusted results exclude results from Gypsum Transportation Limited (GTL), a shipping operation that the Company has exited, included in the Gypsum segment.

"All of our businesses expanded their margins and contributed to our strong second quarter," said **James S. Metcalf**, Chairman, President and CEO. "We generated the highest level of net income since the fourth quarter of 2006 when demand was 50% higher."

The corporation's **Gypsum** segment generated \$98 million of operating profit in the second quarter of 2015. On an adjusted basis, operating profit in the Gypsum segment improved by \$20 million, led by the **US Gypsum** business which realized

310 basis points of improved operating margins. Wallboard provided \$14 million of improved operating profit and the surfaces and substrates businesses contributed \$9 million in total incremental profit. Favorable pricing and improved volumes coupled with lower natural gas costs and operational efficiencies drove the margin expansion in the US Gypsum business.

"In the second quarter, our Gypsum segment realized its strongest operating margin in over eight years," Mr. Metcalf said. "We are focused on expanding our margins and growing our non-wallboard portfolio of products in this business."

The corporation's **Ceilings** segment earned \$25 million of operating profit in the second quarter of 2015, led by the **US Ceilings** business, which drove operating margins higher by 150 basis points through lower costs and increased sales of higher performing, higher margin ceilings products.

The **Distribution** segment earned \$9 million of operating profit and more than doubled its operating margins to 2.5% in the second quarter of 2015. Same store sales increased 5%.

"We made strides in all three phases of our Plan to Win in the second quarter by strengthening our core operations, diversifying our earnings base, and differentiating USG through innovation. The outlook for all of our businesses is bright," Mr. Metcalf said.

The full text of USG's 2Q15 earnings release, including all tables, along with a replay of the company's Jul. 23 webcast, is available on the USG website, [www.usg.com](http://www.usg.com), in the Investor Relations section. In addition, a telephonic replay of the call will be available until Thursday, Aug. 6, at 1-888-843-7419 (1-630-652-3042 for international callers); pass code 40172695. <http://phx.corporate-ir.net/phoenix.zhtml?c=115117&p=irol-news&nyo=0>

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