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A Furniture Maker's Five-Month Struggle With Covid. 'You Can't Really Have a Plan.'

Since 73-year-old Century Furniture reopened, it has had to manage frightened workers, volatile orders and new coronavirus outbreaks in its plants and markets

By Bob Davis [Follow](#) | Photographs by Mike Belleme for The Wall Street Journal

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HICKORY, N.C.—The foothills of the Blue Ridge Mountains were once so thick with furniture factories that the air smelled of varnish. Wealthy families presided over companies that dated to 19th-century sawmills and employed generations of blue-collar workers.

In recent years, that world was beginning to re-emerge after years of punishing competition from China compounded by the [financial crisis](#). Furniture sales were picking up and \$25-an-hour upholstery jobs again tempted local workers. Factory managers said their biggest problem was finding skilled workers who could pass drug tests.

[After Covid-19 hit](#), North Carolina's governor in March ordered a three-week business shutdown. Furniture companies and other firms feared disaster, as did local towns that depend on businesses for employment and taxes.

By April, Century Furniture, owned by the Shuford family, one of the remaining furniture dynasties, was desperate to reopen its three factories and get its 850 workers back to shaping wood and sewing upholstery.

Managers needed to make big changes to keep employees safe. They scored gallons of hand sanitizer from a local distillery that once made whiskey, and recalled some sewers to make cloth face masks. They moved sewing machines and other equipment so they were 6 feet apart.



CEO Alex Shuford III, known as A3, in his office. "You can't really have a plan."

Efficient production—the usual standard—took a back seat to virus-resistant production. "You can't really have a plan," said Alex Shuford III, Century's chief executive. "You wake up the next day and try to do the right thing."

After more than a week of preparation, Century faced one last challenge: wrangling dozens of thermometers. Company managers needed to take the temperature of each employee daily for signs of Covid-19, and they were scarce.

Furniture Dynasty

Century Furniture is owned by the Shuford family in Hickory, N.C., an area rich with factories and mills in Catawba County.



Check every [Walmart](#) and Target within 50 miles, Mr. Shuford texted his top managers. Focus on baby-forehead thermometers, which might be overlooked.

The CEO joined the hunt, speeding from store to store. Returning to the office, he dumped a bag of the devices triumphantly on a conference room table. "Alex went completely manic," said his human-resources manager, Amy Guyer.

The thermometer scramble was one of many improvisations Century's managers made as they [dealt with a pandemic](#) that none of them were trained to handle.

In the months after reopening, they faced a frightened and rebellious workforce, Chinese competition for U.S. [government dollars](#), uncertain orders and a virus that swept through its plants and markets.

Some decisions panned out; others led to near calamities. For Century and [thousands of other U.S. manufacturers](#), there was no playbook, no clear path forward. And many of their assumptions about what would happen turned out to be dead wrong.

Mr. Shuford, 47, agreed to give The Wall Street Journal a ringside seat as he fought to save his company.

March lockdown

Mr. Shuford's grandfather, Harley Shuford, founded Century Furniture in 1947. It is now part of the Shuford-family owned RHF Investments Inc., which has eight furniture factories in North Carolina and employs 1,750 people. Century, RHF's largest subsidiary sells its \$5,000 dining room tables and \$3,000 sofas through dealers and interior designers nationwide.

When North Carolina's governor ordered a lockdown March 27, Mr. Shuford realized he needed to retrench. But by how much?

[The 2007-09 U.S. recession](#) offered a guidepost. The crisis nearly shattered Century as sales dropped by 40% over two years. In April, fearing a similar hit, Century laid off 10% of its workforce, suspended dividends to the five Shuford family owners and cut managerial salaries by up to 30%. It cashed in Mr. Shuford's father's life-insurance policy, netting \$2.5 million.

Factory hands returned to a different workplace when Century reopened April 20. Above one entrance, an image of the Greek goddess Athena, the company's logo, wore a face mask. The plant taped up punch clocks and banned smoking. Managers recorded employee temperatures and mandated face coverings.

"I wear my mask, clean my hands and pray," said Teresa Roosa, 61, a repairer who decorates her corner of the factory with religious pictures. "I pray a lot."

Mr. Shuford and his brother-in-law Brandon Hucks, the company's chief financial officer, pored over Excel spreadsheets. Century's records show it earned \$2.1 million in 2019 before interest and taxes on sales of \$118.4 million—a good year in a low-margin business.

Now, Century stood to lose \$13.2 million if it didn't make big changes, the pair calculated. That could mean losing the company to creditors.

In April, orders were running 70% behind the same month in 2019. If Century cut expenses and the country slowly reopened, they figured, sales would be down just 25% year-over-year by the July 4 break. That is when furniture factories traditionally close. For the full year, they forecast an operating loss of \$1.7 million.

Blown Plans

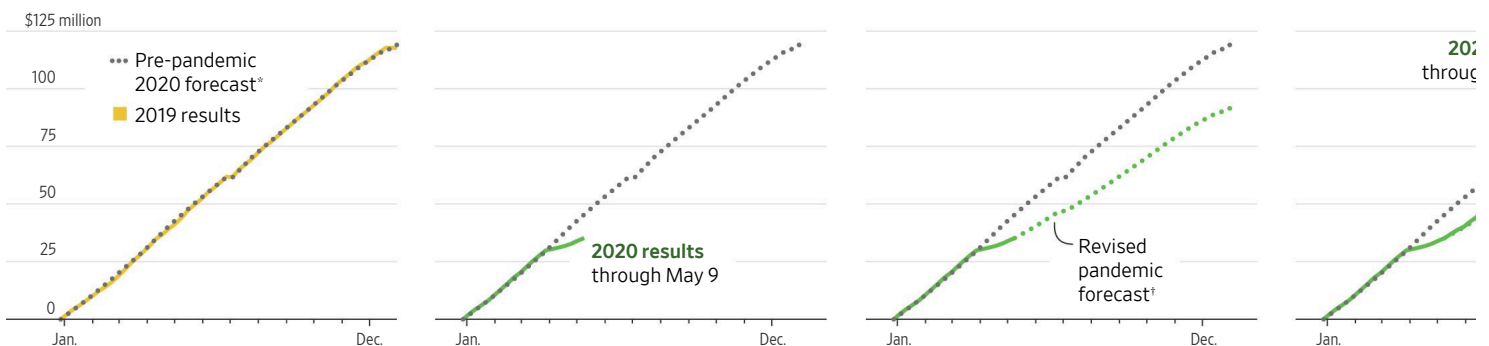
Late last year, Century Furniture figured 2020 orders would top 2019 by 1%.

But then the pandemic swept across the country and orders plunged.

The company reworked its forecasts, anticipating weak business amid lockdowns.

By summer orders p...

Century Furniture's cumulative orders through end-of-year



Note: Cumulative orders are gross sales minus any discounts.

*Forecast made Dec. 31, 2019 †Forecast revised May 15

Source: the company

Kara Dapena/THE WALL STREET JOURNAL

It would be the steepest loss in at least 15 years, but the company would survive. Falling short would force drastic measures like shutting a factory and eliminating furniture lines.

"A 10% miss would be catastrophic," said Mr. Hucks. He shot hoops in his driveway to work off stress.

Worker health

Keeping workers healthy seemed less daunting. In April, there were few new Covid-19 cases in Century's Catawba County base. Chinese competition had created social distancing on Century's factory floors long before the virus. In May, workers hopscotched from station to station on a wooden-furniture assembly line that once was staffed by twice as many.

Ms. Guyer, the 46-year-old HR vice president, had at one time managed a medical practice. She set a July 4 goal of fewer than 10 Covid-19 cases with no hospitalizations or fatalities. A marathoner, she prepared for a long struggle.

Amy Guyer, Century's human-resources chief, wanted to keep the number of Covid cases to 10, by July 4.

"The reality is, probably one of the safest places you'll visit is one of our factories because of what we're doing," Mr. Shuford told staffers via YouTube video April 28.

Not as safe as he hoped. A 62-year-old machinist at RHF's Hickory Chair subsidiary was soon hospitalized for Covid-19 and placed on a ventilator for two months. He recovered and was able to return home in August.

Word of the infection spread quickly to Century, where absenteeism in April hit 15%, about three times the usual rate. Sewers, nearly all women, remained home at a higher rate as they cared for children and aging parents.

On May 7, National Prayer Day, about 50 people gathered during lunchtime at the company's flagpole. They said prayers for the Shufords. "Lord, may you lead us out of this pandemic and give us hope," said Paul Costner, a mustachioed product-development manager.

Mr. Shuford, who speaks with a honeysuckle Carolina accent—think James Taylor with thick hair—was born to be a furniture man. In 1880, an ancestor founded textile maker Shuford Mills. In 1947, Mr. Shuford's grandfather expanded into upholstered furniture to outfit the homes of demobilized GIs, creating Century Furniture.

A group of employees gathered in Century's parking lot in May to pray. It's an annual event, this time done at a distance.

In a brief rebellion, Mr. Shuford moved to the San Francisco area in his 20s and tried his hand at fabric retailing. He headed back to Hickory in 2002 to work with his father, Alex Shuford II, the company's then-CEO. To his friends, the younger Mr. Shuford is "A3."

He built on his father's insight that the best way to handle import competition was to offer consumers choices that Chinese factories an ocean away couldn't match. Century sofas, the company estimates, have 6.7 million combinations of fabrics, fixtures and dimensions.

After becoming CEO in 2013, he went on a buying spree picking up ailing furniture firms, although that thinned the company's cash cushion. He was frantic to reopen after the March lockdown because Century relied on bank loans to operate. Its credit line was tied to shipments.

A [Paycheck Protection Program](#) forgivable loan from the federal government would have helped. But RHF's combined workforce exceeded the Small Business Administration's 1,000-employee definition of a furniture small business. Galling to Mr. Shuford, some of his Chinese-owned rivals got PPP loans even though they were part of much larger parent firms.

That included Craftmaster Furniture Inc., 35 miles away in Hiddenite, N.C., which got a roughly \$4 million PPP loan despite being part of publicly traded Samson Holdings Ltd. in China, which employs 8,200 workers globally. "We were going into a total panic," said Craftmaster's CEO Roy Calcagne, who said the money helped him avoid layoffs.

"The fact that nearly all our competitors are 'small' and we have been tagged as 'large' now turns out to be a pretty big disadvantage for us," Mr. Shuford emailed employees in April.

Century executives brainstormed ways to keep workers employed, including making coffins or wooden doors, but scrapped the ideas because it didn't have distribution in those markets. Instead, Mr. Shuford decided to hunker down and shut his factories every fourth week.

Action Steps

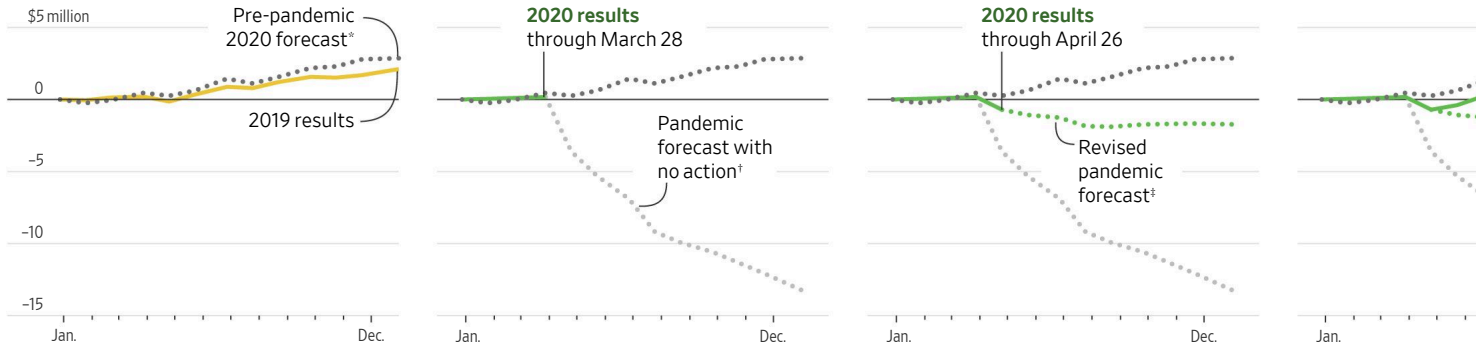
Century Furniture anticipated its 2020 profits would exceed 2019 by about one-third.

As Covid-19 hit, profits lagged and Century estimated what could happen if it didn't act.

The company estimated how layoffs and other actions could reduce operating losses.

After taking those actions and a sales surge, Century

Century Furniture's cumulative operating profit through end-of-year



Note: Cumulative operating profits are before interest and taxes.

*Forecast made Dec. 31, 2019 †Forecast made in second half of March ‡Forecast revised May 15

Source: the company

Kara Dapena/THE WALL STREET JOURNAL

With the federal government chipping in \$600 a week in unemployment payouts, factory hands could bring home as much as \$950 a week, the equivalent of \$23.75 an hour. That was more than Century paid for most production jobs.

North Carolina in April eased some rules to make the furloughs possible, but putting the plan in place taxed Century's HR managers. About 20 employees at RHF were functionally illiterate, they discovered, while 200 or so lacked internet coverage and 50 didn't have email addresses. All of them needed help filing forms and following up with the state.

Lavender Parker, a 66-year leather-upholstery sewer, said she used the time off to help care for her 87-year-old father, a former sharecropper who had dementia.

Lavender Parker, a sewer, at one of Century Furniture's factories.

Worker discontent

With orders lagging 2019's by about half through early May, Century closed the week of May 11. The following Monday, an increasingly discontented workforce started lining up at 6:30 a.m.

Some were angry Century had ended health-care payments it previously made when they went on unemployment, which they felt forced them back to work. Many workers said they hated wearing masks on hot factory floors, especially as the Carolina weather turned steamy.

Furniture work can be draining. Upholsterers must scramble around wooden frames to shape and staple into place hard-to-manage foam. Woodworkers need to concentrate while they use power equipment to shape parts. Breathing heavily into masks made the work more tiring and caused safety goggles to fog.

Century experimented with different chemical wipes to clean the glasses; none worked well. Rubbing shaving cream into goggles worked better, some workers believed, but not much.

Catawba County voted 2-to-1 for [Donald Trump](#), and the president's unwillingness at the time to wear face masks found a receptive audience. Political arguments broke out over masks, government payouts and, later, the protests over George Floyd's killing by Minneapolis police.

"People would say, 'Let Donald Trump run the whole country and this coronavirus is a big joke,' " said Matthew Rockett, a 28-year-old upholsterer, who said other workers shouted him down when he took a contrary view. "You work in a furniture factory and have a modern haircut, they'll call you a liberal," he said.

As more of the country ended lockdowns, pressure mounted on managers to boost production. Retailers reported stronger customer interest than they expected going into Memorial Day weekend. Mr. Shuford wanted Century to re-examine its health policies to see if they were too restrictive.

By mid-May, RHF reported just five cases of Covid-19, and the governor was readying an order allowing restaurants and hair salons to open at partial capacity. Although the county's number of new cases was ticking up, there were still only 10 a day.

On May 22, a half-dozen managers gathered around a maple conference table in Century's boardroom and another 10 phoned in. The managers said they considered three alternatives: Keep face masks mandatory; let workers remove masks at workstations; stop enforcing mask rules.

Inside Century's corporate office, an area features sanitary equipment and signs illustrating meeting policy.

The group quickly dispensed with the latter option as too risky. Mandatory masks got the backing of Kevin Bowman, president of Hickory Chair, whose employee was fighting for his life on a ventilator. Local shoppers may not be wearing masks, he said, but employees should.

"I'd feel better if our workplace is the safest place to be in the community" he told the group.

The company's safety and manufacturing executives weighed in with a different concern. Workers use band saws, borers and other power tools to make furniture. With safety glasses fogging up because of masks, they argued, a slip could cost a worker a finger.

"We have dangerous equipment; there's a risk," said Mr. Shuford. "That got me over the top."

The company decided it wouldn't require masks at workstations if employees kept 6 feet apart. The decision put Century at odds with some rival furniture makers, which continued to insist employees wear masks everywhere.

"I couldn't live with a situation when I was facilitating one employee giving it to another employee," said Alex Bernhardt Jr., CEO of Bernhardt Furniture Co., 20 miles away in Lenoir, N.C. He said several workers quit over that policy.

At Century, some workers interpreted the shift to mean the company was easing up on Covid-19 rules. "No one is washing their hands or taking things serious," said Joshua Pope, a tattooed 29-year-old upholsterer. "When people are pushing furniture, I don't see anyone wiping down the doors."

Managers acknowledged the workers were starting to take company requirements less seriously.

The mask-optional policy went into effect May 26, [the day the New York Times identified Hickory](#) as one of 15 cities nationwide where a Covid-19 outbreak might occur because case counts were climbing. Century managers passed the article around but didn't reconsider their plans.

One day later, Century reported a wooden-furniture worker had come down with Covid-19. She commuted to work with an upholsterer in Plant 3, where Mr. Pope worked. The plant sent both home.

The quarantined upholsterer had been walking around the factory floor and had lingered at some workstations. Some in the building said he hadn't been wearing a face mask.

Within 10 days, Plant 3 was in the midst of a Covid-19 breakout. "Wear your mask," Mr. Shuford warned in a YouTube video on June 9, "It is required in that building right now."

Among the 14 people at Plant 3 that the virus struck was Mr. Pope, who quarantined at home. His fever spiked. He had chills and trouble keeping food down. He lost his sense of smell. He tired after two push-ups. "It's like my lungs are stopping me," he said.

He blamed the mask-optional policy for his problems. "They said you didn't need a mask on at your workstation," he said. "When I contracted it, I didn't have my mask on."

Joshua Pope, a Century employee, was hit hard by Covid. "When people are pushing furniture, I don't see anyone wiping down the doors."

Managers kept close tabs on the course of Mr. Pope's illness. "Obviously it's impossible to know whether Joshua was infected because of this or even while he was at work, but I am sad that he believes he was and frankly regret the decision," said Mr. Shuford. "Losing his trust pains me deeply."

Although Century health insurance covered medical bills of more than \$200,000, the company feared an increase in premiums if there were more hospitalizations. Already, the hospital bill for the intubated machinist was approaching \$1 million. Worse, it might not be able to find insurance against big losses when the policy ran out.

Plant 3 produced nearly half of the company's sales. A lengthy shutdown would make hash of Century's business plans.

On June 11, Century paid a local hospital \$15,000 to test 102 employees who worked in the upholstery part of Plant 3 and the managers who regularly walked through. Nurses wearing yellow protective gear gave swab tests in the company cafeteria. Only one came back positive, Century said. That upholsterer didn't show any signs of the illness and the plant sent the worker home to quarantine for two weeks.

The company escaped without serious harm financially, although the virus incapacitated some workers. Mr. Pope said it took him a month to feel fit again. Another upholster was hospitalized for two weeks and intubated; two months passed before he returned to work.

Masks were mandatory once again in Plant 3 and workers took the requirement more seriously, said managers. In a second Century upholstery factory, a boisterous mask skeptic changed course and began calling out workers who didn't cover up, said several Century employees.

Ms. Guyer, the HR manager, isn't convinced the change in mask policy was responsible for the outbreak. The policy applied companywide but only an air-conditioned part of Plant 3 had problems. Perhaps the air circulation there spread the virus, she said.

"The virus is not something we're trained to deal with," said Keith Nichols, Century's 50-year-old vice president of manufacturing. "It's not our job. Making and selling furniture is what we do."

Keith Nichols, vice president of manufacturing, at his Hickory office. Business has boomed unexpectedly as customers remodel.

Healthy sales

Keeping workers healthy was turning out to be more difficult than keeping the business healthy—the exact opposite of what Century had expected.

By June, furniture sales were rocking. With the stock market regaining lost ground, Century's wealthy customers were flush. Foreign travel was out, so people stuck at home turned rec rooms into home offices and spruced up living rooms.

Century retailers reported sales surges. On New York's Long Island, Classic Galleries said it was booking furniture sales from city residents moving to the suburbs. Near Columbus, Ohio, Studio J was selling artwork and lamps to customers who were decorating their homes for Zoom calls. In Silicon Valley, Mark Thomas Home said it had a record June as some of the Valley's big employers gave workers generous stipends to outfit home offices.

Nationally, furniture sales more than doubled in June from April and were just shy of the sales pace in 2019, the Census Department reported.

In Hickory, Century's business was also firming. On June 1, the company canceled plans to shut for a week during the month. Soon afterward, it started reversing salary cuts. By mid-June, orders trailed 2019 levels by only 10%. That was well ahead of the company's early forecast—which once seemed naively optimistic—of a 25% decline.

Century said it posted operating profit of \$760,000 for June, far ahead of the \$190,000 loss it had forecast. For the year, it was now forecasting roughly break-even, not the \$1.7 million loss it had feared.

Talk of fresh layoffs ended. In July, the company started hiring again and spending money on new ventures.

It moved up the release of a new line of ultra-deep sofas and chaises—"snuggle furniture," some retailers called it. On Zoom calls, the 6'1" Mr. Shuford and a 5' 4" female upholstery manager took turns sitting, slouching and relaxing on "Great Rooms" furniture to show off the new line. It also experimented with wood finishes that wouldn't dull when wiped with Lysol.

Alex Shuford III's office.

Meanwhile, Chinese-owned Craftmaster was starting to regret that it had signed up for a Paycheck Protection loan, fearing it would be audited. Mr. Calcagne, Craftmaster's CEO, said he thought his company qualified because it operated independently of its Chinese parent. He said he sought SBA guidance but couldn't get a straight answer. With business picking up, he was ready to pay back the money his firm had received.

The disease and its unpredictability was proving harder to handle. Results from Ladco Design Center in Houston, one of Century's largest and oldest customers, were especially worrying. While May sales jumped 35% from 2019, June sales lagged behind by 20%, Ladco said. In July, sales firmed a bit.

What changed? A surge in Covid-19 cases and warnings by Houston's Harris County that residents should stay home, and the energy industry's continuing woes.

"That put the fear of God into everyone," said Phillip Ladin, one of Ladco's owners, who ordered an additional \$500,000 in furniture in case some suppliers had to close again because of a Covid-19 outbreak.

In Catawba County, Covid-19 was no longer a rarity in a state where the illness was spreading rapidly. In early July, the county recorded about 35 new cases daily, higher per person than the state average. Fourteen residents had died.

Century's parent company, RHF, had identified two dozen cases by then, twice as many as Ms. Guyer, the HR manager, set as a goal. That was also more than some neighboring furniture companies.

Chastened, Century required workers to wear face coverings anywhere in the factory after the July 4 holiday break and bought face shields for those who found masks stifling.

In early August, new outbreaks hit Plant 3 and RHF's Hickory Chair subsidiary. Six workers in Plant 3 came down with Covid-19. The plant sent another eight home to await test results. Production at the plant fell by 20%.

Masks weren't enough to keep the workplace safe. Century struggled to figure why. Mr. Shuford thought the problem was employees not keeping 6 feet apart. Ms. Guyer thought it might be fans blasting virus-laden droplets in the air. Some Plant 3 workers said colleagues weren't washing their hands enough after touching vending machines or fixtures.

Among those affected was Mr. Pope, the upholsterer who tested positive in June, returned to work on Aug. 4 and went to the emergency room on Aug. 10, unable to catch his breath. There, he said, he tested positive again. He and Century managers weren't sure whether he had been infected twice or hadn't fully recovered from his first bout.

The disease took a personal toll on Ms. Guyer. In mid-August, her 89-year-old grandmother died from Covid as the virus swept through her North Carolina nursing home.

Mr. Shuford shuddered at the effect a fresh shutdown would have on his workforce, which had weathered so much fear and uncertainty.

"It's like we're in the eye of a hurricane," he said. "We have to go through the other half of the storm. It scares me to death."

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