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Thanks to cheap labor, U.S. wood-furniture manufacturers like [Bassett Furniture Industries](#) often import their products from Asia — making their logistics providers crucial partners in controlling other expenses.

With 100 of its own dedicated stores and contracts with about 600 department stores and independent furniture retailers, not to mention its online sales catalog, Bassett Furniture Industries can honestly style itself as a complete home furnishings solution provider throughout the U.S., Canada and Puerto Rico.

“We furnish the total home,” is the way Jeb Bassett, vice president of the company's wood division, puts it. What he means is, when it comes to case goods, upholstered product, area rugs, wall art, lighting, window treatment and other accessories, Bassett has a long line of offerings. And for every room in the house, including the home office.

Bassett describes the targeted customer demographic as households with income north of \$100,000. “There's no specific age we're looking at, but we look to sell in the medium to upper-medium price range to folks.”

What the furniture manufacturer and retailer doesn't do is logistics. For that, it has turned most of those functions over to its lead logistics provider, [American Global Logistics](#).

Founded in 2007, American Global Logistics delivers customized logistics solutions through its proprietary cloud-based technology. Its menu of services include air and ocean import and export operations, domestic transportation, customs brokerage, compliance consultation, warehousing, distribution and purchase order management.

Those services are of immense value to Bassett, which is headquartered in a Virginia town of the same name. Revenue last year of the publicly traded company topped \$452m. “Seventy-five percent of all that we ship or sell is domestically produced,” Bassett says. “But 25 percent is imported. And it's the 25 percent that's imported where AGL does such a good job for us.”

The relationship goes back at least 10 years and has grown closer as Bassett, like every American wood-furniture manufacturer, has had to weather some severe economic storms.

He and the company CEO visited Asia for the first time in 1994.

Lower-wage countries were churning out exports that ate into the profits of furniture manufacturers throughout the U.S. Many factories, including a number run by Bassett Furniture Industries, simply couldn't withstand the competition; operations ceased in many places, not least in the Blue Ridge Mountains, where many manufacturers, including Bassett, employed thousands.

“We visited several countries and realized that something had to be done,” Bassett says. “We couldn't just sit still. Some tough decisions were made in late '90s to early 2000s to survive. We ceased some domestic operations and started importing.”

Bassett describes multiple trips to China, Malaysia, Indonesia, Thailand, Taiwan and The Philippines, “riding the countryside” and meeting with hundreds of potential suppliers until the right relationships could be developed.

The extremely hard work of forging relations with contract manufacturers across such a diverse lineup of countries was followed by the difficult “manual research” of comparing shipping rates back to the States.

Bassett admits that no one in the company had expertise in overseas transportation or customs compliance, so management was totally reliant on freight forwarders.

“The manual tracking of multiple shipments from multiple factories and countries, the different customs brokers, the constant bidding or monitoring of pricing — it was all just extremely time consuming. And it was difficult to monitor how efficient or inefficient we were,” says Bassett. He says the company seldom found itself being proactive.

“At that time, we saw that it sure would be nice to streamline our operation where efficiencies would be gained with the different factories or companies that we dealt with. If we could only develop some best practices and some uniformity, then definitely some efficiencies would surface, and that would save time and improve service, and probably at less expense.”

So the partnership with American Global Logistics began. Initially, the provider was one among several that Bassett relied on, but gradually management felt AGL separated itself from the rest of the pack. “In the last three years, we've had pretty much gradual implementation where they now are for the most part a sole provider. We probably have a few odd contracts here and there with some other provider, but even there, AGL manages them, so, yes, they are 100 percent our lead logistics provider.”

In addition to handling all international shipping and customs entry for Bassett, American Global Logistics flows product to stocking stations in the U.S., in California, Virginia, Texas and North Carolina. A fifth stocking operation is planned for Mississippi. Moreover, there are 50-plus remote retailers that receive container-direct shipments. Those are managed by AGL as well.

What started out as one of limited services had to evolve, says Blake Shumate, COO at American Global Logistics. He says the furniture company initially used different NVOs and freight forwarders, but service problems continually cropped up because few understood Bassett's business. Some of those providers were either good on customer service but poor on cost savings, or the other way around. There had to be a balance, and when the economic downturn hit in 2008, Bassett — like every manufacturer — needed a partner who could help it keep service levels up while reining in expenses.

For his part, Shumate sees a lean (and small) logistics team at Bassett. What it needed was a partner like acts like a “funnel” — capturing all information, documents and invoices, and which handles the client's auditing and holds vendors accountable.

“Because we capture their data, we're able push back on carriers and vendors and get certain fees waived,” Shumate says. “We keep really tight hold on invoices that come through.”

And the headaches — and hiccups — in the supply chain belong to American Global Logistics, not Bassett. Two cases in point, says Shumate: AGL was able to find favorable alternative routing for Bassett when the U.S. West Coast port strike disrupted the docks years ago, and more recently, when explosions and fires shut down the Port of Tianjin in China.

The U.S. furniture manufacturing industry has had a hard enough time economically over the past 20 to 30 years. It's a good thing it doesn't have to worry about logistics as well.

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