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## HEALTH QUARTERLY

### Health Care Furniture: A Hot Market

By Jake Himmelspach  
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New hospital construction is projected to “stay hot” until 2012 before leveling off, said Brian Bascom, principal of Velocity Partners, a product marketing and innovation firm.

According to information compiled by McGraw-Hill Construction Data, there is more than \$23 billion in construction of new acute care hospitals, which Velocity Partners believes could translate to more than \$3.1 billion in health care furniture sales in 2008 and 2009.

“You’ve also got acute care hospital expansions and renovations, and there’s more being designed right now than entire new hospitals,” said Bascom. “You’re looking at a situation where hospitals are going to increase their demand for furniture and furnishings, and administrative spaces, and lobby and lounge, as well as in clinical.

“What’s happening today in the industry is, you’re starting to see a bit of a shake-out — and you’ll continue to see more,” he said.

Bascom said over the past 30 years, office furniture manufacturers have sold standard solutions and competed based on price, but that won’t be the case in the future. “Instead of a general office furniture market, it’s really not that anymore. It’s really the health care furniture market and the higher education furniture market. It’s become very specialized.”

Bascom said some smaller companies have done well by finding a niche, and larger companies have succeeded by leveraging their size and creating “stand-alone” specialized divisions. He gave the example of Nurture by Steelcase, which focuses on the health care industry. Another example is Steelcase’s Laboratory Solutions.

Laboratory Solutions, according to its Web site, “focuses on developing insight-driven architecture, furniture and technology products for laboratory environments.” Its résumé includes the Van Andel Institute and the Lemmen-Holton Cancer Pavilion. In July, the company formed a strategic business alliance with 30-year-old Lab Crafters, a New York company that has an extensive portfolio of products for the lab environment.

“We’re not large; we’re a very small division within the company that actually aspires to grow and grow quickly over the next three to five years,” said Dean Witting, general manager of Laboratory Solutions. “We are finding avenues and connections to our existing and newly developing client base. They have lab space within their facilities and the clients are driving us to help support their work, not only in the



FILE PHOTO

Velocity Partners principal Brian Bascom says the construction of new hospitals, along with hospital expansions and renovations, have created a hot market for health care furniture.

office but in the lab as well.”

Bascom commented on the importance of niche markets.

“The furniture industry right now is much like the “Tale of Two Cities”: It’s the best of times, it’s the worst of times,” said Bascom. “The middle part of the market is disappearing. Basically, you’re being left with what we’ll call lower-end, lower-priced furniture that’s really not distinctive in style. It’s just everyday furniture that’s less expensive and is very mature or tired in its design, and so the only way they can compete is based on price.”

Laboratory Solutions, which experienced much success with its product Lab Bench, has put itself in a unique position to serve both the health care and higher education markets.

“Within hospitals and healing environments, there are these laboratory testing facilities. We have applications specific for that hospital-type lab that helps Nurture respond in a holistic way, and that’s how we fit within health care and Nurture by Steelcase. That represents, today, about 50 percent of our business,” said Witting.

“Steelcase also has great relationships with higher education — universities, colleges all across the country. On campus at any given time, there are research facilities and teaching laboratories and experimental laboratories, and that represents about 30 percent of our business right now.” The final 20 percent of business, Witting said, comes from corporate labs, testing facilities, pharmaceutical and bioscience.

The Lemmen-Holton Cancer Pavilion contains Laboratory Solutions’ most recent Grand Rapids installations. The top floor of the building is home to three separate laboratories for cytogenetics, flow cytometry, and molecular diagnostics.

Kim Collison, the laboratories’ manager, said it was difficult finding furnishings. She even had her team partner with Symbiote, a technical furniture manufacturer, to design a microscope desk that would better accommodate employees.

“They sit literally for eight to 10 hours looking in a microscope, and, as in any area, you’ve got men and women of different heights and sizes,” said Collison. “In our old location, you’d see one person literally sitting on phone books, and microscopes tilted by using foam rubber and books and pads of paper just to get it right, because they have fixed oculars. More and more (employees) were getting neck and back problems.”

Collison and others worked with Steelcase to come up with the best solutions for the laboratories.

“The idea is that Steelcase Laboratory Solutions can touch and support many, if not all, of the different vertical markets that we currently enjoy or that we are currently pursuing,” said Witting. The company’s partnership with Lab Crafters, Witting believes, will help them.

“We are in this strategic business alliance because we believe the expanded product portfolio is critical to our success, along with the knowledge and expertise and credibility that Lab Crafters enjoys with the lab industry.”

Lab Crafters is a stainless steel and steel casework, furniture and fume hood manufacturer for the laboratory industry. The two companies have entered a three-year agreement with options to continue in what Witting calls a “strategic partnership”

“We both have found that our strengths for each company complement one another and provide solutions for each company’s shortcomings. The combined power of our expertise of how people work and the research methodology that Steelcase utilizes and the power of our brand along with the technical laboratory products and expertise that Lab Crafters has is truly a great combination.” [HQ](#)