

Ploß & Co. – A specialist wholesaler of garden and country-home furniture operating on a global scale

It took Ploß & Co. only twenty years to emerge as a leading European distributor of high-quality garden and country-home furniture from Asia. Today, the northern German company employs 50 people and has a presence in Germany, Austria, Switzerland and many other countries worldwide. Ploß & Co. is a supplier to nearly all furniture purchasing associations, renowned chain stores, retailers and mail-order companies. The company's Indonesian subsidiary, PT Ploss Asia, was inaugurated in July of this year. The new subsidiary was established with the aim of refining the local product range and ensuring comprehensive quality control.

Garden and country-home furniture represents an important growth segment of the international furniture market. Double-digit sales growth reflects the growing importance of the garden segment and the changing recreational behaviour of large population groups. Ploß & Co. was one of the first garden furniture suppliers in Germany to offer attractive furniture made from solid wood. As a result, garden furniture produced in Asia using proven production methods became affordable to large population groups at a price-performance ratio that was unparalleled in central Europe, making them a prospering market. Chairs, tables and lounge chairs made from plantation wood – mainly teak – were very successful entry-level products, which were initially produced and purchased almost exclusively in Indonesia. While Ploß & Co. initially focused on smaller retailers, the company has successively expanded its business activities since the late 1990s to include major department store chains and mail-order companies, which benefit from the product and production expertise of the mid-sized company.

In response to changing requirements and aesthetic trends, the company has continuously diversified its product range in recent years; solid wood furniture has been complemented by combinations with stainless steel, aluminium and synthetic fibres. Garden accessories were also added to the range. This expansion of the product portfolio paved the way towards the internationalisation of Ploß & Co., given that a major part of the material combinations are produced in Vietnam and China.

The furniture specialist has clearly expanded its competencies in recent years. To reduce its exposure to the seasonality of the business – approx. 70 % of the garden furniture is sold in

March, April, May and June – colonial-style and country-home furniture was added to the range at an early stage.

From the very beginning, Ploß & Co. made sure that all trading activities are environmentally and socially compatible. This is why all plantation timber used in furniture is subject to strict government control. Ploß & Co. was one of the first companies to subject itself to the complex FSC (Forest Stewardship Council®) certification process introduced after the Rio Earth Summit, making it a member of a very small group of certified businesses.

A clear service profile that goes beyond furniture

An important feature of Ploß & Co.'s service profile is the company-owned warehouse for garden and country-home furniture, which is one of the biggest of its kind in Germany. Large quantities of more than 3,000 different products are stored on a total warehouse space of 16,000 square metres, which means that both small and large quantities are directly available for delivery to the retail sector. This service strategy solves a major problem faced by many, mainly smaller, retailers, namely the need to make storage space available and to tie down capital in sufficient furniture inventory at the beginning of the season. In addition, Ploß & Co.'s own fleet of trucks and vans ensures fast and swift distribution.

In recent years, the company has also benefited from growing demand, mainly from medium-sized to large retailers, for direct container deliveries. This is mainly due to the fact that Ploß & Co. has clearly positioned itself as a “direct delivery specialist” in the Business-to-Business market.

Furniture production in Asia

Today, Ploß & Co. sources nearly all furniture and accessories from Asia mainly from Indonesia, Vietnam and China. Due to the growing demand for solid wood garden furniture, production has been expanded substantially in recent years. While production in Vietnam and China is mainly carried out by large companies, furniture production in Indonesia continues to rely on a chain of small workshops using elaborate techniques to create furniture lines based on specific models. These micro businesses supply their output to intermediaries which add further value to the products before selling them on. Thanks to many years of experience and its own local representatives in Indonesia and Vietnam, Ploß & Co. can today leverage its excellent understanding of the industry to sign up reliable manufacturers as required.

Ensuring the high quality of the products – especially of the manually and semi-manually produced furniture from Indonesia – is a major challenge for the company. While Ploß & Co. has been able to push the complaints ratio down to a good 3 % in recent years, stable product quality can be ensured only through independent controls along the complete value chain. At the same time, the company was challenged to respond to the growing demand for individualised direct container deliveries; many resellers today request so-called “mixed containers”, which contain different product groups.

Expansion of the Indonesian presence

Against this background, Ploß & Co. decided to establish PT Ploss Asia in Semarang, Central Java. The tasks of the subsidiary include autonomous production and warehousing to enable individualised direct containers, complete product control under German guidance as well as the ongoing development of the subsidiary’s local production resources.

This investment decision was largely driven by the stable political and economic development seen in Indonesia since the late 1990s. Indonesia, which has a population of 215 million and boasts annual GDP growth rates of an average 5 %, is far too often neglected by investors. The positive experience gained in Indonesia over the years greatly accelerated the company’s decision-making process.



Grand Opening of PT Ploss Asia in Semarang

A look into the future

The new production facility puts Ploß & Co. in an excellent position in a hotly contested market. Investments in the training of qualified production, logistics and sales staff will make an important contribution to the company’s sustained competitiveness. The investment is seen by the German-Indonesian Chamber of Commerce in Jakarta and by GTZ (the state-owned German enterprise supporting international cooperation) as a pilot project for mid-market investments in Indonesia. Ploß & Co. is considering similar investments in Vietnam and China.

The company has worked with HSH Nordbank since 1997. In its capacity as the company’s relationship bank, HSH Nordbank has actively supported the expansion of the company’s business activities throughout the years.

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