

The Amazon Effect on Furniture Supply Chains

Why Visibility & Collaboration Matter More Than Ever

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AHFA 2026 Global Logistics & Supply Chain Conference • Virginia Beach, VA

WHERE I'M FROM

A Greensboro Story

I grew up in Greensboro, North Carolina — and went to high school there in the 1980s, right next door to High Point, the furniture capital of the world.

From there to Georgia Tech — then to Philadelphia and The Wharton School for my MBA, where I met my wife, Marla.

When we married 20 years ago, our first bed came from Thomasville. Delivered white-glove. Carried in. Set up. Stood behind.

That's not just a purchase — it's a supply chain.

That whole journey — sourced, manufactured, shipped, warehoused, delivered, set up, and stood behind. **Today it's being reshaped by what we call “The Amazon Effect.”**

The real question: do the fundamentals still hold? I believe they do — let me show you why.



Sourced



Manufactured



Shipped and imported



Warehoused



Delivered (white-glove)



Set up at home

What a Supply Chain Really Is

A network of people, partners, information, and resources that moves products and services from its origin all the way to the customer — and the goal is simply this: match supply with demand. It's the thing Amazon turned into a product or service anyone can rent — and the thing this industry has always done well through relationships and judgment.



It's a balancing act

Every supply chain trades off cost against responsiveness. There is no free lunch — only deliberate choices.



It's a multi-party system

No single company controls the whole journey. The product passes through many hands before it reaches the customer.



It runs on uncertainty

You must predict demand AND supply — both move. Managing that uncertainty is the whole job.

The Levers Every Supply Chain Pulls

Every supply chain is built from the same set of levers. You set each one toward cost or speed — on purpose.

FACILITIES

Where you place plants, DCs, cross-docks, showrooms.
Centralize for cost — or distribute to get closer, faster.

INVENTORY

How much you hold, and where the safety stock sits.
More buys availability; less frees cash. The push–pull call.

TRANSPORTATION

Mode, speed, routing — ocean to white-glove final mile.
The driver Amazon just moved on with full-scale LTL.

SOURCING

Make vs. buy, supplier choice, domestic vs. offshore.
This is the offshoring decision — Vietnam, the 2004 case.

PRICING

What you charge, and when — markdowns, promotions, timing.
Price shapes demand. Transparency compresses the low end.

INFORMATION

Forecasts, order status, demand signals — the visibility layer.
Improves every other driver. Furniture breaks here first.

Six levers, set on purpose — but two of them are where the Amazon effect lands hardest.

The Two Sources of Complexity

Every supply chain's difficulty comes from two places. Furniture is hit hard on both.



PRODUCT COMPLEXITY

- Large, heavy, fragile, high-value
- Many SKUs, finishes, configurations
- Long production and ocean lead times
- Damage-sensitive at every touch



CUSTOMER COMPLEXITY

- Customized, made-to-order pieces
- Unpredictable, lumpy demand
- Short patience / high expectations
- Delivery and setup are part of the sale

You don't beat complexity by ignoring it — you win by managing it better than anyone trying to standardize it away.

Every Choice Is a Balance

Those complexities don't get solved — they get balanced. Three dials, set on purpose.

Uncertainty

Demand and supply both move. You can't remove it — only buffer against it.

Lead Time

Ocean and production are long. The longer the wait, the more you commit blind.

Service Level

The promise to the customer. Higher service costs more inventory — always.

PUSH • runs on the forecast

Build to a prediction. Efficient when right, costly when wrong. Best for stable, high-volume SKUs.

DECOUPLING POINT

Where safety stock sits

Postponement pushes this point later

responds to demand • PULL

Build to actual orders. Runs on flexibility and modularization. Best for variety and custom work.

How much safety stock, and where to place it, is the decision — and it only holds when partners coordinate it together.

You Can't Be All Things to All People

Responsiveness has real value — and real cost. The fundamental choice is where you sit between the two.

EFFICIENCY

RESPONSIVENESS

Lean toward efficiency

- Lowest landed cost, full containers, long runs
- The cost: slower to react when demand shifts
- Fits stable, high-volume, predictable lines

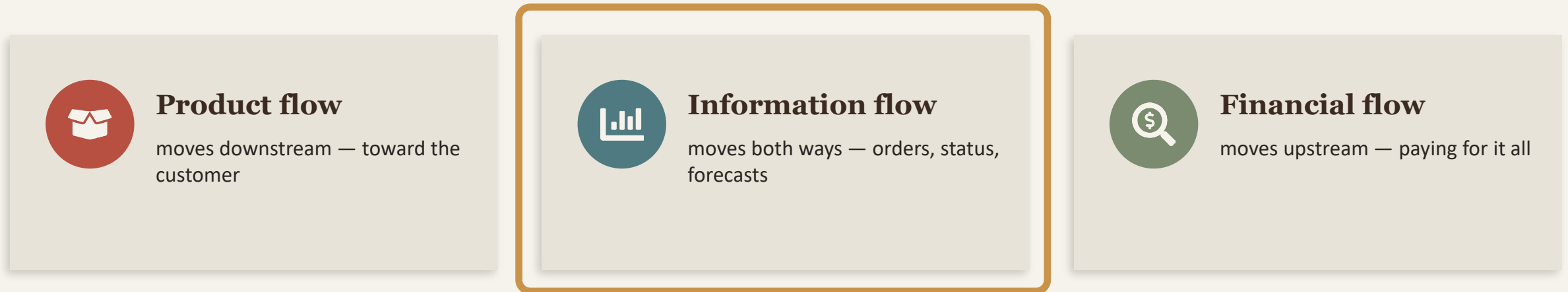
Lean toward responsiveness

- Fast, flexible, ready for variety and surprise
- The cost: extra inventory, capacity, and price
- Fits custom, lumpy, time-sensitive demand

***There is no right answer — only the right answer for your business and your customers.
The mistake is not aligning with the right partners in the supply chain who can serve the customer's needs effectively.***

End-to-End Visibility and Collaboration Reduces the “Bullwhip Effect”

Three flows move through every supply chain. Visibility means seeing all three — across partners.



Amazon owns the commodity chain — built for the box. You own the value chain — won by sharing information for enhanced visibility and collaboration with your partners.

WHERE THE VALUE LIVES

Volume at One End, Value at the Other

U.S. furniture retail is ~\$282B a year — and Amazon alone is \$22B of it. The market is a barbell, and the squeeze is in the undifferentiated middle.

COMMODITY END

Flat-pack / ready-to-assemble

Ships dense and cheap — many units per container, doorstep drop

*Won on price and availability.
Amazon's turf.*

VALUE END

Assembled / white-glove

Bulky — fills a fraction of a container, needs trucks and crews

Won on service through visibility and collaboration.

Your turf.

The squeezed middle:
undifferentiated, neither cheapest nor best-served

You don't out-Amazon the commodity end. You own the end that can't ship in a box — if you can execute it. That's where it gets hard.

Where It Breaks in Furniture

The information flow is the first to fail — and it fails at the seams between partners, where visibility and collaboration break down together.



Supplier readiness

You don't learn product isn't ready — or a sailing slipped — until the last minute.



Carrier consolidation

Fewer ocean carriers, skipped sailings, tighter capacity, less predictable pricing.



Exception overload

The standard plan holds — until reality intervenes. Then people scramble to coordinate by hand.

“It's not even an 80/20 rule — there are so many exceptions, you need a person to look and decide.” — a furniture logistics director

These are the cracks today — before Amazon, tariffs, and technology push on every one of them.

The Amazon Effect

This industry has been reshaped before — and Amazon is reshaping it again.

We've been disrupted before

The offshoring wave reshaped this industry after the 2004 anti-dumping case; Vietnam became the beneficiary. Imported wood furniture rose from 71% to 86% of the U.S. market (2010–2020).

Plants and jobs left the Carolinas and Virginia. Example: Thomasville Furniture Industries — founded 1904, stopped making furniture in 2014. This industry once assumed its position was permanent.

It wasn't. Those who failed to survive focused instead on optimizing for a world that stopped existing.

And the bar just moved again

Amazon is now the #1 furniture retailer in the U.S. — \$22.1B in 2024, more than Wayfair and Walmart combined. It turned its own supply chain into a service anyone can rent — and in June opened full-scale LTL freight to every business, competing directly with the 3PLs and carriers in this room.

It reset what customers expect — “right, and now” — even when furniture can't move at parcel speed.

But you don't need Amazon's scale to meet that bar. You need the fundamentals — done well, together.

The principles don't change. The cost of ignoring them does.

Tariffs: A Double-Edged Sword

Amazon is a competitive threat you must answer. Tariffs cut both ways — a cost shock for importers, a possible tailwind for domestic makers. Discipline decides who wins either way.

THE COST SIDE

25% tariffs on imported upholstered furniture took effect in late 2025, set to rise to 30%.

The stated goal: bring furniture production back to the Carolinas, Michigan, and beyond.

A reshoring push — meeting the offshoring wave head-on.

THE OPPORTUNITY SIDE

For domestic makers, tariffs can be a tailwind — and upholstery, the least offshored category (~42% imported), is best positioned to gain.

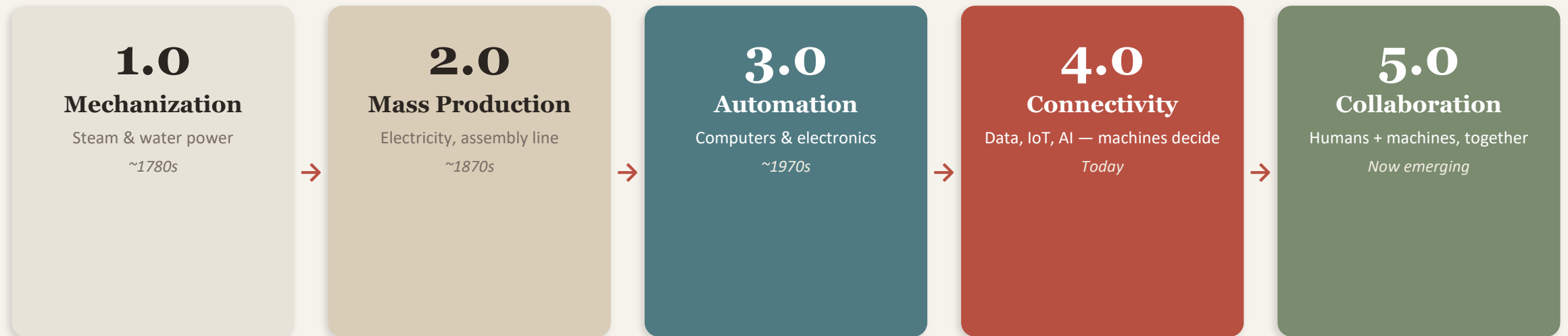
But even domestic producers run on a global supply chain. Reshoring doesn't remove complexity — it relocates it.

Either way, the winners are the ones with supply chain discipline.

Tariffs change the math, not the fundamentals.

Technology Has Always Been the Disruptor

Every major disruption in this industry has been a technological inflection point — steam, electricity, computers, connectivity. Each one reset the game, and the winners were never the ones with the most technology. They were the ones who adapted the fundamentals to the new toolkit. We're in the middle of the next inflection right now — the difference is how well you *see, connect, and decide*. Amazon didn't invent the fundamentals — it's just the latest force forcing this industry to adapt them.



The fundamentals never changed. What changed is the toolkit available to deliver them.

Industry 4.0 | 5.0 : The Toolkit That Fixes the Breaks

Machines can now make decisions. These technologies address the visibility and coordination failures we just named.



IoT & Digital Threads

Sensors and connected data across partners — so information flows don't break at the handoffs



Shared Visibility Platforms

Control towers, supplier portals, TMS — one source of truth across manufacturers, carriers & retailers



Predictive Analytics & AI

Forecast demand and supply; flag the exception before it becomes a crisis — not after



Robotic Process Automation

Automate the repetitive manual coordination: bookings, status updates, manifest reconciliation



Digital Twins

Model the supply chain before committing — test scenarios, simulate disruptions, de-risk decisions



Connected Ecosystems

APIs and platforms that let your systems talk to partners' systems — removing the manual middle

Industry 5.0: Machines and People, Together

4.0 asked: what can machines do for us? 5.0 asks: how do machines and people work best together?

INDUSTRY 4.0

- Machines can do the work
- Machines can make decisions
- Automate everything possible
- Efficiency through technology
- Data replaces judgment

INDUSTRY 5.0

- Machines amplify people
- Humans keep the judgment calls
- Automate what doesn't need care
- Resilience through collaboration
- Data informs judgment

The future of furniture is people equipped with the right technology to make better judgments on where the value is won — while machines manage the information that makes visibility and collaboration possible.

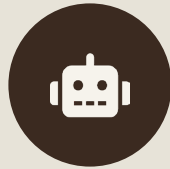
Technology Without Groundwork Fails

The most common digital transformation mistakes — and they're avoidable.



The Frankenstein Effect

Scattered, disconnected digital efforts — technology bought without a shared vision. The tools don't talk to each other, and the chain still can't see itself.



Technocentrism

Becoming so focused on the technology that the real problem — process, trust, data quality — never gets fixed. A great dashboard on bad data is still wrong.



Unscalability

Pilots that work but can't grow. The real test of any digital initiative is whether it survives contact with your messiest partner, your worst quarter, and your highest volume.

Technology works when:

Processes are clean

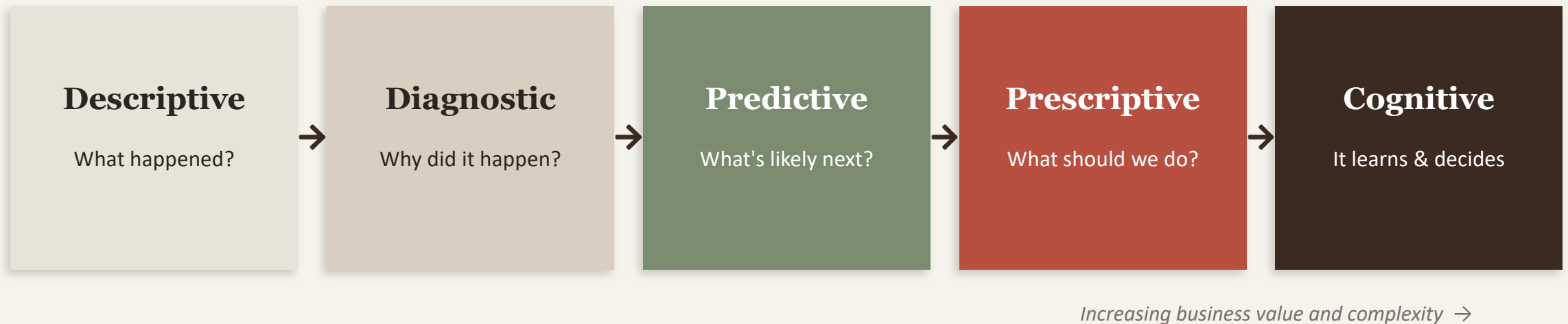
Partners share trust

Data quality is maintained

Decision rights are clear

Turning Visibility & Collaboration Into Action

Data only matters if it drives a decision — and shared across partners, it drives better ones. That's the analytics ladder, and where AI honestly fits.



Where AI honestly fits

Furniture runs on exceptions and manual coordination. That's not a weakness in the age of AI — it's exactly where it earns its keep: flagging the exception, connecting partner data, augmenting people. AI handles the data; humans still make the call. It augments; it doesn't replace. Amazon built this in-house — you can reach it through partners.

It All Comes Back to Visibility and Collaboration

The fundamentals only win when partners share them — visibility and collaboration, enabled by technology. In a global supply chain, that's the only way to win.



Know the trade-offs

Rely on the fundamentals
Cost vs. responsiveness — chosen
on purpose, with partners



Build visibility

See all three flows, early, across
every handoff



Synchronize

Move as one from a shared view
— a control tower can enable it,
but the sharing is the point



Act together

Routines, not heroics — and AI to
augment the people

None of this requires Amazon's scale — a synchronized supply chain where everybody wins. In the end, it's still people, relationships, and care: the things furniture has always done best.