



Uncompromising Excellence



A vertically integrated company that has been in operation for 88 years, Ethan Allen is a leading specialist in the creation of liveable luxury. Here, RLI sits down with company Chairman and CEO Farooq Kathwari as he explains to us the origins of the brand and where it stands today.



Much more than a retailer, Ethan Allen designs and builds most of what they sell. This began in 1932 with the manufacturing of furniture in saw mills in places such as Vermont, New York, Virginia and North Carolina.

The two entrepreneurs who founded the company had a unique concept that people should be able to see how furniture would look in a room before they bought it. In the years that followed they established Ethan Allen galleries in leading department stores such as Macy's before moving onto having their own stores, which they call design centres.

"Today we have 200 design centres in North America and 100 outside North America that are spread across Europe, Middle East and Asia," says Farooq Kathwari, Chairman and CEO of Ethan Allen. "About 60 per cent of these stores are company operated and of the 200 in North America, around 70 per cent have been deliberately relocated."

The 'new normal' has required Ethan Allen to review all aspects of its business and look closely at the combination of technology and personal service, since their entire North America store network closed in March due to the Covid-19 outbreak and only now are stores beginning to re-open.

The company has found that personal service has become incredibly important in these unusual times and combining this with technology is critical and has even allowed Ethan Allen to maintain business reasonably well considering the stores were closed.

Over the last 88 years the company has built a solid reputation across North America with strong brand recognition and a reputation for delivering quality with excellent service. The focus of the brand in recent times has been to make classic products that have a modern design and perspective.

Portfolio expansion is always on the horizon for Ethan Allen, but the nature and size of their design galleries are changing.

In years gone by, stores would be more than 20,000sq ft because there was more competition in the furniture sector and the majority of products needed to be displayed in-store. However today, because of the implementation of elements such as 3D-room planning technology, 3D augmented reality and live chat with design consultants, the size of the stores has decreased. An example of this is a recent re-launch in Green Bay, Wisconsin which re-opened at 6,000sq ft when it was previously a 15,000sq ft space.

"While North America is our major market and our main focus, we have a strong international presence with a very interior-led design focus in locations such as South Korea, Philippines, Taiwan, Thailand, Dubai, Oman and Jordan," explains Kathwari.

Over 30 years ago, current President and CEO Farooq Kathwari put in place ten leadership principles to define the company's commitment to excellence and equity in every part of their enterprise. It is these principles which have driven the company forward, built trust with customers and maintained momentum internally and externally as the business continues to grow.

The power of technology and social media has played a key role in how the business has evolved and the company has embraced it every step of the way. "Technology has played a tremendous role in all areas of the business. All of our designers are more proficient in 3D and augmented reality and it has influenced our store spaces, which are smaller today because of the increase in technology across the portfolio. Products we have previously had to display on a shop floor can be presented through tablets and large TV screens," says Kathwari.

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When considering the reasons behind Ethan Allen's long term success, Kathwari explains that to be around for such a length of time, you have to constantly work on the basics and truly discover the principles of being a good leader to help steer a company in the right direction.

"Crisis creates opportunity and I believe this is a great opportunity for us because we are very well positioned, we have motivated people and I feel the best way for me personally to help the business is to remain deeply involved and hands-on with the day-to-day operations," explains Kathwari.

"I've felt that a leader has to be entrepreneurial and disciplined, those are the two most important elements. Moving forward we have to balance being entrepreneurial and disciplined, and ensuring we always maintain quality and the company values. Finally, you must always be relevant; I have said for a long time that if you are not relevant, you are not going to be around so being relevant is tremendously important for Ethan Allen today and tomorrow," he concludes.