

A Message from T.I. Industries

“It Ain't Over 'til It's Over”

Hal Christensen, President of T.I. Industries

Indiana Moulding was established in 1900 and grew to be one of the industry's largest manufacturers of pre-finished mouldings serving the picture frame industry. It was privately owned until the late 1960s, when the Beatrice Foods conglomerate purchased it. During the next decade, it was moved from LaPorte, IN, to a new 50,000 square-foot facility in Lexington, NC.

In 1983 Indiana Moulding was purchased by T.I. Industries, which I had started in the early 1970s in Brooklyn, NY. The two companies merged, and during the next 20 years enjoyed double-digit annual growth. T.I. expanded the original Lexington facility to 100,000 square feet and set up two additional plants nearby totaling 370,000 square feet.

About five years ago, T.I. began to experience contractions in certain markets that we serviced. The first area affected was the furniture industry, whose rapid decline stunned the woodworking field. At one time it represented 30 percent of our volume. There were 28 furniture plants in Lexington five years ago; today, there is only one left. It is hard to replace business lost to low-cost offshore producers. The furniture industry, in a matter of a few years, either went to China or closed.

One of our biggest mistakes was thinking that the picture frame industry had greater barriers for foreign competition than furniture, with a wide assortment of constantly changing mouldings. T.I.'s business model was to provide products to several markets. Of the products going to the picture framing industry, 70 percent went to the OEM market and 30 percent to distributors.

What foreign competitors did was to target the OEMs and ultimately convince them to send their entire production to China. The same thing that happened to our furniture customers began to happen to the large picture and mirror manufacturers.

With markets continuing to contract in 2005, we began to examine our core competencies. With a plant on the leading edge of technology in the moulding industry, we looked for new markets that had not been adversely affected by imports. We found that both the hardwood flooring and custom cabinet industries had continued to show double-digit growth while the rest of the woodworking industry was experiencing declines. We designed and produced products for those markets and began to gain confidence that we could replace lost sales from furniture and pictures frames by supplying products to the flooring

and kitchen cabinet industries.

We enjoyed a certain degree of success in both areas, but due to the credit crisis and downturn in the construction industry, the gains were ultimately less than anticipated. We needed to raise capital to satisfy some of our loan agreements. To date, we have been successful in spinning off several divisions and trying to consolidate our remaining operations. We are also presently engaged in substantive negotiations with two groups interested in purchasing T. I.

If we are successful in selling additional assets and consolidating our core business, T. I. could emerge as strong and viable as ever. It is my hope for all our loyal employees and customers that this becomes a reality. I have been blessed by having the opportunity to work with many wonderful people. A sincere thank you to all who have supported me over the years. And, if the consolidation is successful, I look forward to the next chapter in the T. I. legacy.

In the immortal words of Yogi Berra, “It ain't over 'til it's over.” ■

**Add a textured finish
& your poster
looks like a painting!**



matte • semi-gloss • glossy

Gluefast

Adhesives & Applying Equipment

The Gluefast Company, Inc.

For your free sample call

800-242-7318

E-mail: info@gluefast.com