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### THE SUPPLY CHAIN REVISITED

The Effects To Interior Design & How I Plan to Work With Them

I am sure you see it on the grocery store shelves, whole sections just empty. I know I am. Since before Thanksgiving, my favorite snack crackers at ANY grocery store have been MIA. Do I really need snack crackers? I guess not. At least not anymore

I gave you all a report on the supply chain in my May 2021 newsletter. I am now back to give you all an update.

And the news is, drumroll... you can expect supply chain disruptions to continue for the rest of 2022 and into 2023.

Industries reliant on imports or imported parts will continue to have delays, such as kitchen and bath, with a chance of delays at some 84% and lighting at 90%. Building products such as cabinetry will struggle more, being heavily reliant on labor at 95%. In comparison, it is under 40% for stoves and ovens. And while 45% of final products within the overall economy are dependent on other industries, cabinetry's dependence rises to nearly 60%. Supply chain delays for cabinets are likely to be with us considerably longer than other kitchen and bath products.

There are ongoing raw material shortages, tariffs, labor shortages, logistics nightmares, weather closures, and a mutating virus further thinning out the already strapped workforce. Oh great!



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The report on ports.

And what about the Port of Long Beach, where container ships dock to unload tons of goods for the USA? As of mid-December, 105 containerships were straddling the Pacific shoreline, waiting for berths to open up at Los Angeles and Long Beach, according to the latest data from FreightWaves, a source of data for the global freight sector. The typical pre-pandemic fortnight's passage for ships transiting from Asia to North America is now soaking up enormous capacity, with some voyages taking longer than 45 days to berth. Many of the goods sitting on the ocean for months and months in the humidity are molding or rusting.

The White House took steps in October of 2021 to address these bottlenecks by expanding operations at the Port of Los Angeles to 24/7 moving goods during off-peak hours at night, which moves goods faster than during the day by 25 percent.

However, this is not the only issue at the ports. Once a ship finally arrives, there is not enough room for the containers to be off-loaded. The backup has filled the port yards beyond capacity, and until containers can be moved, this exacerbates the situation. To move the containers, you need trucking services.



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### Missing: Trucks and Drivers for a "flip flop on the big road."

It may not seem urgent until you realize 72% of ALL freight is moved on the nation's highways. Before the pandemic, as far back as 15 years ago, we had a shortage of truck drivers. By April 2020, we lost 88,300 additional

drivers—the most significant loss on record—due to low pay, an aging segment of drivers taking retirement, a lack of mechanics, and the unavailability of chassis and replacement parts.

We need a consistent pipeline of new drivers added to the industry for over-the-road class 8 tractors non-local drivers. Again, the White House has stepped in with the Department of Transportation, the Trucking Alliance, and the American Trucking Associations to accelerate the expansion of Registered Apprenticeship programs for drivers. There is a new 90-day plan in effect to look at retainment, retention, and compensation.

Does this mean snack crackers any time soon? Doubt it. Not unless I am willing to wait 6-9 months.

More is more and then some.

Inflation has come to the home industry folks! I see manufacturers and vendors increasing their cost of goods almost quarterly by some 7-10 percent, sometimes more. I have witnessed the cost of a single product increase by 200% since the beginning of 2020. This is on the heels of limited inventory. With high consumer demand still prevailing into 2022, Covid shutdowns, material shortages, the cost of shipping containers (from \$2,000 to as high as \$20,000 during Covid), prices continue to drive upward. **Where does that leave us?**



Interior designers are now experiencing long-lasting changes in the way we do business by rethinking suppliers and restructuring the purchasing of products across the spectrum for their clients.

I am personally finding the disarray to be an opportunity to create a paradigm shift in business practices throughout my company. The sourcing of materials, how we provide furnishings and taking a hard look at products with greater sustainability. Working with manufacturing companies in the USA and giving new, local, and talented artisans more visibility and unique opportunities in the home industry is undoubtedly within my purview moving forward.

**This is also a time to look at up-cycling and repurposing or "circular" design.**

Designers are searching consignment shops and their client's existing furnishings to see what might be repurposed. For instance, a client may own a chair that they feel is old and dated, but a designer will see that same chair with fresh eyes and, by refinishing and reupholstering, give it new relevance and a new style.

Still, it's a shell game out there and one in which I will again stress: play the long game. If you are going to remodel your home or build your dream home from the ground up, patience is the order of the day. I would allow your professionals to assign a much larger contingency to your project. Key materials used in remodeling and new construction are up 500%. Remember, they have no control over what is going on globally. But you have a partner, someone to traverse all of this on your behalf to deliver the best results possible. **Trust me; they will earn every cent.**

I am so excited when I receive a product for one of my clients. It's like Christmas for all of us! Like all of you, I hope this gets better, and I am thankful for all the intelligent, resourceful people working to make it happen, in the nation, and around the globe.

**We will sort it out.**

