

Child Craft buys Keller facility in S. Indiana

Keller downsizes, moves operations to Louisville

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Nearly washed away by a May flood that pushed the company to the brink of bankruptcy, Salem, Ind.-based Child Craft Industries Inc. is on the rebound and on the move.

The manufacturer of children's and youth furniture traces its roots to 1911 and has called Washington County home since it was founded. On Nov. 1, the company purchased a former Keller Manufacturing Co. Inc. plant 23 miles away in New Salisbury, Ind., and plans to relocate to Harrison County.

Child Craft paid \$1.3 million for the 185,000-square-foot Keller manufacturing plant and surrounding 45 acres, according to officials with both companies.

Child Craft, currently located in a 850,000-square-foot facility on 22 acres of flood plain near the Blue River, closed briefly this summer after flooding destroyed \$12 million of equipment and supplies.

All of the company's 250 employees initially were laid off, according to Child Craft President and CEO Bill Suvak. During the summer, some gradually were brought back as the company salvaged what it could and began filling furniture orders again.

Employment now stands at 130, said Suvak, whose sons, Mark and Greg, are among the workers.

In the late 1990s, the company had 650 employees, according to its Web site, [**www.childcraftindustries.com**](http://www.childcraftindustries.com).

SBA loans keeping firm afloat

Child Craft stayed afloat after the flood by relying on two emergency loans from the U.S. Small Business Administration worth a total of \$8.9 million.

The company used some of the loan money to finance the acquisition of the Keller plant, according to Bill Suvak.

Staying in the flood plain was no longer a safe option for Child Craft, he said.

Suvak said he explored "every option" to keep the company in Salem, but it "didn't make business sense" to build a new plant in the Washington County community.

"My company has been in this community for years and years and years," he added. "It was a very difficult decision for me to make."

Suvak said Child Craft plans to renovate and modify the 35-year-old New Salisbury facility and move to the space by the end of February, if all goes well.

"The key to us, of course, is to do this without interrupting the flow of product to our customers," he said. "We've already caused them enough pain this summer with the flood and the fact that it wiped us out so totally."

Child Craft's large customers include Babies "R" Us; Sears, Roebuck and Co.; and numerous specialty retailers across the country.

Keller moves operations to Louisville, slashes work force

Keller Manufacturing, which has downsized significantly during the past two years, vacated its New Salisbury plant on Oct. 29, according to David Richardson, the furniture company's chief operating officer. The firm still has 40 acres of vacant land for sale just west of the facility, he said.

Keller has eliminated all manufacturing and now is building its core business on the distribution of products imported from three factories in China, Richardson added.

Previously, Keller, which dates to 1895, made wooden bedroom, dining room and occasional furniture. The company markets its products through retailers in all 50 states and in Canada, Japan, Europe and the Middle East.

The company has moved all of its remaining operations and its 25 area employees to Louisville, he said. The firm also has 25 independent sales representatives in other cities.

Keller remains an Indiana corporation, according to Richardson, but now is doing business as Keller Furniture.

The company has moved its corporate offices to the bCatalyst Advisors LLC headquarters building at 124 N. First St. and is leasing 50,000 square feet of warehouse space at Parker Commercial Storage and Distribution Center, 2900 S. Seventh St., in Shively.

In the past two years, Keller has laid off 350 workers, gone private and closed plants in Corydon, Ind., and Culpeper, Va.

Richardson said the company plans to hire distribution workers and customer service and sales representatives next year, although he declined to say how many.

Broker says interest in facility was strong

Suvak, of Child Craft, said Keller's New Salisbury facility -- though much smaller than the company's existing plant -- will more than adequately meet its needs while giving the manufacturer room to grow.

Steve Lannert, a broker and partner with the Louisville commercial real estate brokerage firm Harry K. Moore Co., represented Keller in the transaction.

He said he believes the New Salisbury plant will be "a lot more efficient" than Child Craft's current facility.

"It is in very good condition," he added. "It's a real good location. It puts them fairly close to Salem, where most of their work force can drive over."

Lannert said he showed the property to "a number of companies" before Child Craft signed a contract on it.

"There was a lot of interest," he added. "From the time we put it on the market until we sold, it was 90 days, which is rare."

'We're a tough bunch'

Going forward, Suvak said, he hopes to bring back more laid-off Child Craft employees, but that will be contingent on how business grows. "Business has not been bad considering" all that has happened, Suvak said. "Obviously, that was something that we were very, very concerned about because we plain cut our customers off as a result of the flood for a while."

He declined to provide specifics about company finances.

"At this point, the orders are significantly stronger than I was fearful they might be," Suvak said. "I'm still looking forward to more growth. That's a function of how quickly we continue to get product out."

Suvak praised his employees for persevering through what has been a very trying time.

"It's not been a good year, but we're still breathing," he said. "We've got some tremendous people, and they work very, very hard."

The flood and its aftermath "is something that I wouldn't wish upon anybody and certainly don't want to live through again," he added. "It's pulled us together, and we've shown what we're made of, I believe. We're a tough bunch up here in Salem."

Child Craft Industries Inc.

Type of business: Maker of children's and youth furniture

Current location: Salem, Ind.

Future location: New Salisbury, Ind.

Current employment: 130

President and CEO: Bill Suvak

Web site: www.childcraftindustries.com

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