

Home goods retailer mDesign sees big opportunities in online

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REPRINTS



mDesign photos

Stacey Renfro is CEO of Glenwillow-based mDesign.

You won't find [mDesign](#)'s products on the shelves of your local big box store. Or on the shelves of a nearby mom-and-pop shop, for that matter.

mDesign's home goods products are made for online retail.

Glenwillow-based mDesign is a spin-out from InterDesign in Solon, which has been selling consumer products for more than 40 years.

InterDesign sells its products to retailers, who then sell them to consumers. About six years ago, the company decided to try online retail, launching a new brand to sell its products on Amazon, said Bob Immerman, founder and chief innovation officer. Today, mDesign is bigger than the company that launched it.

"Before the online platforms, the retailers were the gatekeepers. If you wanted to sell to Americans, you had to go and sell to the large chains," Immerman said. "And the paradigm shift is that now a manufacturer can design and sell directly via an Amazon platform to the consumer. That's been a game changer."

Retailers choose which products they want on their shelves. Where a chain may have chosen three of 20 products to sell in-store, companies today can put all 20 products online if they want and let the consumers decide, he said.

ADVERTISING

MDesign officially spun out from InterDesign in June 2020. It primarily sells its products online-only, with "very rare" exceptions where the company sells something to an off-price retailer, said CEO Stacey Renfro, who joined the company in August 2020.

Today, mDesign is on more platforms than just Amazon. Renfro said mDesign sells as a third-party seller, so it has control over its pricing on those different platforms. And it sells products directly from its own website, too.

Renfro sees plenty of opportunities to continue to grow the company and its brand. It's a \$275 million-plus retailer, she said, that employs about 200.

MDesign does its design work in-house, but it relies solely on contract manufacturing to make its products.

Around 2000, InterDesign began to move its supply chain to China, where production was faster and less expensive in a wider variety of materials, Immerman said. That opened up the product possibilities available to InterDesign beyond the plastics in which it had gotten its start.

Fast forward 21 years, and the advantages to manufacturing in China aren't as strong, particularly for a company that needs to be nimble in order to quickly

adapt to consumer demands online. And that became even more true during the COVID-19 pandemic.

"This year, the logistics thing has just become an absolute nightmare," Immerman said.

The cost of containers has skyrocketed, and the time it takes them to get to the U.S. has grown. And Renfro said, even before the past year's challenges, the cost of goods in China has been rising.

Using local manufacturing allows mDesign to adapt to changing consumer demand, offering a "huge competitive advantage," Immerman said.

Customer wants can change quickly. For example, when the pandemic began, Renfro said the demand for home office goods rose fast. The company had to react, even reframing some goods such as drawer organizers for that use, she said.

At the start of 2020, mDesign had about three primary manufacturers it used in the United States, Renfro said. Today, there are 10.

Four of those are in Ohio, including Design Molded Plastics Inc., which began working with mDesign in the fall of 2020.

The Macedonia-based contract manufacturer does plastic injection molding, said CEO Keith Zeiler. The company now makes a variety of home design products for mDesign, and Zeiler said it already has become a "core strategic customer" for Design Molded Plastics. The companies work closely to rapidly adapt to changes in orders. It can be difficult to change out molds on short notice, but that ability to adapt quickly has been an expectation from the start of the relationship with mDesign, Zeiler said.

About 50% of mDesign's plastic products are now made in the U.S., Renfro said. That grew by at least 10 percentage points in the last year, she added. For the total business, about 30% of mDesign's products are currently made in the United States.

Renfro said mDesign continues to grow its domestic supply chain, with plans to add more U.S. manufacturers even just this year. And the company is looking to onshore manufacturing in different materials in the future.