Coricraft Case Study

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2025

Coricraft – Local Growth through Lean Manufacturing

LSF
PROUDLY SUPPORTING LOCAL INDUSTRY

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ABOUT SERVICE PROVIDER

Dizani Consulting is a business consulting firm specializing in LEAN methodology to improve productivity and eliminate waste in organizations. They offer services such as LEAN implementation, accredited training, performance measurement, project management, and bespoke IT solutions. With extensive industry experience, they focus on sustainable, team-based improvements that create long-term value for small, medium, and international companies worldwide. Their approach emphasizes engaging staff and delivering measurable bottom-line results. They are known for their coaching style and client-centric partnerships.

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Executive Summary

Coricraft's localisation efforts have delivered clear and measurable results. Four product lines previously imported are now produced locally, unlocking an annualised R80 Millions (as of Q2 2025) in domestic manufacturing and laying the groundwork for expanded local supply chains. Productivity has increased by more than 8%, overall efficiency has improved by 38%, and a shift toward performance-driven practices has taken hold—supported by real-time monitoring, better planning tools, and lean operating principles. These changes have helped retain jobs, improve responsiveness to demand, and create a repeatable model for competitive local production that can be extended to other firms in the sector.

- The Foschini Group's (TFG) acquisition of Coricraft - part of a broader strategy to rebuild South Africa's manufacturing base and reduce reliance on imports – created an opportunity to localise production across furniture brands, including @Home.
- Localisation was driven by a deliberate plan and top-level commitment, aligning with the Furniture Industry Master Plan.
- Increasing localisation would require increased competitiveness, including addressing improving efficiencies in planning, communication, and workflow (including consistent departmental start times, performance tracking, and layout), which could support increased output and scalability.
- The implementation of lean principles (e.g., 5S, Visual Management, time and motion studies, standard times) helped reduce waste, improve planning and costing, with the aim of embedding a culture of continuous improvement.
- Through these targeted interventions, productivity has increased by more than 8% and overall efficiency improved from by 38% whilst the production process is shifting towards performance-driven practices with real-time monitoring.
- Four product lines for @Home are now produced locally, resulting in tens of millions of rands of production, the retention of jobs and the potential to support local supply chains, including for raw materials like timber and leather.
- This success is creating the impetus for Coricraft to further entrench lean principles to continue the path of localising more product lines.
- Beyond the headline results, the project established a repeatable operating system for localisation. Coricraft shifted from unit-based planning to standard times and value-stream planning, anchored by time-and-motion studies and a synthetic standards tool for new SKUs. Real-time performance dashboards and tiered visual management created daily accountability, while group metrics were used where work is inherently collaborative (e.g., upholstery). Internal logistics were

tightened through a pull system and scheduled “bus routes,” and layouts were adapted to product mix—dedicated lines for repeat @Home models and pilot cells for high-mix work—improving flow, costing accuracy, and decision-making.

- This approach is transferable to other furniture manufacturers. Start by mapping the value stream to make capacity constraints visible; plan to standard time, not units; measure performance in real time at the right level (team vs individual); and align layouts and materials flow to demand. Coupled with 5S/6S and daily leadership routines, these steps embed continuous improvement and create a scalable platform for adding local product lines, deepening domestic supply chains (e.g., timber and leather), and reducing import dependence while protecting jobs.
- Coricraft’s initial steps toward localising product lines align closely with the mission of the Localisation Support Fund which is to support companies in sectors where strong potential for localisation exists.

Introduction

More than ten years ago, the Foschini Group (TFG) made a strategic decision to begin localising manufacturing and bringing production in-house. This move — supported by government — formed part of a broader plan to rebuild South Africa's manufacturing capacity, while also improving customer responsiveness. As part of this strategy, the company acquired and expanded its local manufacturing operations, implementing lean manufacturing principles to improve efficiency and keep pace with the ever-changing retail landscape.

Fast forward to 2021: Coricraft, then owned by private equity firm Westbrooke Investments Proprietary Limited, was acquired by TFG. This formed part of TFG's broader vision to grow its homeware and furniture segment by leveraging Coricraft's local manufacturing facility. The goal was to drive efficiency and scalability, enhance vertical integration by controlling more of the value chain, and apply lean manufacturing principles to improve productivity and reduce lead times within the furniture business. The acquisition also opened the door for localising @Home's upholstered furniture production.

In short, TFG's acquisition of Coricraft (which formed part of Tapestry Home Brands) was a strategic move to strengthen its position in the furniture and homeware market, reduce dependency on imports, and bolster local manufacturing capabilities — ultimately boosting the group's overall competitiveness.

At the same time, key stakeholders in the furniture sector were actively working to finalise the Furniture Industry Master Plan, which was officially adopted in April 2021. This plan — developed through collaboration between the Department of Trade, Industry and Competition (dtic), the South African Furniture Initiative (SAFI), and other stakeholders including manufacturers, organised labour, retailers, and raw-material suppliers — aims to support localisation, improve competitiveness, and drive transformation across the furniture sector.

In December 2022, the SAFI formally approached the Localisation Support Fund (LSF) to facilitate the adoption of lean manufacturing principles across a cluster of furniture producers. This move marked the beginning of a collaborative effort between SAFI, the LSF, and later support from Dizani Consulting, to drive operational improvements and localisation within the sector. A year later, Coricraft approached the LSF directly with a request for technical assistance to implement lean manufacturing principles at its factory in Epping, Cape Town. The objective of this support was to improve efficiency and scale up production to enable the localisation of upholstery products. In its application, Coricraft highlighted that, as part of the broader TFG group, significant opportunities for localisation had emerged.

To support this initiative, the LSF appointed Dizani Consulting — a team of industrial engineers with experience helping businesses implement lean manufacturing solutions. Their mandate was to improve productivity and embed sustainable operational practices.

The lean manufacturing implementation at Coricraft was designed to drive operational

excellence, scale production, and improve efficiency across the manufacturing facility. In establishing strong lean foundations – whilst driving practical solutions through interventions such as time and motion studies, performance measurement systems, visual management, and planning tools tailored to Coricraft's unique production environment.

By May 2025 at the end of the technical support provided by LSF, the impact of this initiative had already become evident.

While many products sold in @Home stores are currently imported, this intervention has provided the impetus for a strategy which can change that. Coricraft has significantly increased its local manufacturing capacity — without compromising production of its own brand. Localising production enabled the company to better utilise existing facilities, streamline operations, and adapt more quickly to demand.

This shift brought measurable benefits: efficiency levels are up by 38% and productivity was up by more than 8%. In the process, the company was able to replace previously imported furniture with locally made items worth an annualised R80 Million (as of Q2 2024), save jobs (as prior to the LSF intervention the company faced rising competitive pressures) and with the ability to now reduce reliance on imports and produce locally it will have a spin off effect on utilising local suppliers which could contribute positively to the local economy.

The collaboration between Coricraft, LSF, and Dizani Consulting stands as a strong example of how industry, government, and private sector players can work together to support localisation and strengthen South Africa's manufacturing base.

Background and Context

Coricraft has its origins in a small operation that began in Cape Town in 1995 by the Yosh family. Over the years, the company grew from one store to establishing a national and regional footprint. Coricraft was bought by a private equity company, Westbrooke Investments Proprietary Limited, in 2005, and in 2015, it received an investment from Actis, which aimed to further propel its expansion and capitalise on the shift to a cash-based retail model.

By the time TFG set its sights on Coricraft in 2021, it had evolved into a vertically integrated furniture retailer and was part of the Tapestry Group, which included Dial-a-Bed and Volpes. The business had a strong focus on direct-to-consumer sales and local manufacturing. Coricraft owned several manufacturing operations and an extensive retail network both in South Africa and within the region, with a total of 42 stores. The broader Tapestry Group, including Coricraft, had its own manufacturing facilities, which allowed them to control the supply chain and offer competitively priced products.

TFG, recognising that local manufacturing could provide several strategic advantages[1], began shifting its focus toward localised manufacturing and sourcing in response to multiple challenges in the global supply chain. As part of its broader localisation strategy, TFG acquired Coricraft in 2021, which, as indicated, had local manufacturing capabilities, a customisable made-to-order product offering, and a strong national store footprint. This acquisition aligned with TFG's vision to expand its homeware and furniture segment, leverage Coricraft's local manufacturing facility to drive efficiency and scalability, enhance vertical integration by controlling more of the value chain, and apply lean manufacturing principles to improve productivity and reduce lead times in the furniture business.

As a result, Coricraft became a key asset in TFG's localisation journey, allowing for greater flexibility in the home retail space and holding the potential to enhance TFG's competitive edge by offering shorter lead times, customisation, and locally made quality products. TFG's focus on strengthening the furniture sector's manufacturing base in South Africa to facilitate more localisation aligns with the spirit and intent of the Furniture Industry Master Plan[2], which was finalised in April 2021 — a matter of days after the TFG acquisition of Coricraft was announced. The master plan serves as a strategic framework to support localisation, competitiveness, and transformation within South Africa's furniture

[1] Faster lead times and improved stock availability; greater flexibility to respond to market demand; enhanced quality control and better oversight and support for local economic development and job creation.

[2] The Master Plan's focal strategy on localisation included several measures to increase demand for locally produced furniture by consumers, retailers, government, and institutions; strengthen and monitor furniture designation policies and government procurement to favour local products; use SARS Furniture Forum to track and reduce illegal, under-declared or mis-declared imports, levelling the competitive playing field and commission value-chain analysis to establish realistic baseline data and targets for localisation commitments.

sector, focusing on job creation, industry growth, and export promotion. In addition, the localisation thrust aimed to deepen domestic production capacity, curb imports, and promote inclusive participation.

Coricraft — having been exposed to the introduction of lean manufacturing practices being embarked upon within TFG and through their exposure during the SAFI webinar series — approached the LSF to support their localisation plans, which included ensuring that products previously imported would be manufactured locally. Coricraft informed the LSF that with its incorporation into the TFG stable, "significant localisation opportunities are presented to the business. Multiple products sold in @Home stores are currently imported."[3] Coricraft indicated that the majority of @Home upholstered and case goods furniture is currently imported from the East, but the plan is to utilise their existing facility and increase its manufacturing capacity so that these products can be produced locally in the next two to three years.

Coricraft explained that various lines sold by @Home, such as upholstered furniture, have historically been imported due to several barriers — including the lack of available local skills and manufacturing capacity, as well as the high cost of creating and maintaining capacity. Some of the risks identified by Coricraft that had prevented the company from producing locally included the threat of cheap imports, a shrinking local economy, a lack of technical support, and economic uncertainty.

However, being part of TFG shifted these barriers, and in view of that, the plan was to first localise the upholstered products into the current Coricraft facility in Epping, Cape Town, and thereafter localise the case goods in a second phase, possibly in a new facility.

To achieve this plan, Coricraft requested technical support from the LSF for a period of one year in the following areas:

- Implementation of LEAN concepts throughout the factory (5S, Visual Management, Waste Elimination)
- Factory layout
- Capacity building through training
- Right-sized manning levels with growth and additional employment
- Performance measurement based on standard times
- Structured approach to manufacturing including tools like Kanban

Through these interventions, the company hoped to decrease upholstery imports from 61% to 15% by 2025. The goal was to achieve a 5% increase in efficiency over the next three years and localise more of the TFG imported products, ensuring growth for the factory.

[3] Coricraft's application request to the LSF, 9 December 2023.

LSF Approach for Technical Support

Coricraft's focus on localising more of TFG's imported products goes to the heart of why the LSF was established. The Fund – a non-profit public benefit organisation funded by the private sector in collaboration with government – was launched in 2021 to assist manufacturers (across various sectors) in increasing their capacity and improving their competitiveness, with the aim of reducing reliance on imports and enabling optimal local production, primarily for export. The LSF's mission is to accelerate industrialisation by unlocking competitive localisation opportunities.

Through targeted industry research and strategic interventions[4] – for example, the deployment of technical experts – the LSF has been instrumental in supporting local industry. In the furniture sector, the LSF implemented a comprehensive skills development intervention designed to impart both theoretical knowledge and practical application of lean principles within the furniture manufacturing process. This was in response to a request from SAFI, on behalf of the local furniture manufacturing industry, for assistance in facilitating the adoption of lean manufacturing principles among a cluster of local manufacturers.

The LSF stated that "this intervention aimed to enhance operational efficiency and competitiveness in the industry and further aimed to foster continuous improvement throughout the manufacturing value chain, drive waste reduction, and streamline processes to achieve higher productivity and product quality."[5]

Support provided to SAFI and its participating furniture manufacturers included a series of webinars, conducted over a six-week period[6], introducing lean manufacturing principles. These were led by Dizani Consulting. The LSF stated that 19 furniture manufacturing entities participated in Phase One of the intervention.

Phase Two of the LSF support focused on "implementation and tracking of lean principles on the shop floor of selected participant furniture manufacturers." In this phase, participants from Phase One were given an opportunity to access dedicated on-site expertise aimed at translating the theoretical knowledge gained into practical applications. For the LSF, the goal was to help manufacturers transform their operations using lean manufacturing principles. According to the LSF's programme manager Nokubonga Frans, this intervention was "in support of the South African Furniture Industry Masterplan, whose

4 https://www.lsf-sa.co.za/reports/the-implementation-of-lean-principles-in-the-furniture-manufacturing-sector.

5 https://www.lsf-sa.co.za/reports/the-implementation-of-lean-principles-in-the-furniture-manufacturing-sector.

6 These webinars served as an interactive platform for knowledge dissemination, enabling participants to better understand the fundamental principles and methodologies that underpin lean manufacturing practices. In addition, they had one-on-one coaching with lean manufacturing experts and engaged in a self-assessment process to ascertain existing lean manufacturing gaps within their entities based on the knowledge they had acquired.

goal is to create local capacity and capability in manufacturing."

Given Dizani's prior involvement with SAFI, both Coricraft and the LSF supported their appointment as technical advisors for the Coricraft process. Dizani, a company with close on two decades of experience in implementing lean principles to improve productivity and efficiencies, consists of a team of industrial engineers. Dizani claims that, as a result of their interventions, companies have achieved efficiency gains of up to 40%. Dizani CEO Hannes van Heerden explains that the company's model supports sustainability through a layered approach. At the heart of it is facilitating skills and knowledge transfer to company staff so that changes can become embedded within the organisation. This is coupled with Performance Measurement Systems that allow for real-time tracking of performance, making progress visible to staff and helping to drive motivation internally, rather than relying on the traditional "big stick" approach.

Key Interventions and Improvements

The project plan agreed to between LSF, Dizani and Coricraft is reflected below. However, to get a sense of what this means in reality for the future operation of the Epping factory, some key interventions are unpacked.

Coricraft LSF Project
Project Plan

Task	Payment Milestones	Progress
Improvement of standard work and TAKT for all processes		
Understand capacities within all departments and identify bottlenecks	1	100%
Develop a future state VSM that improves current state	1	100%
Establish work content in sewing using 80/20 Principle	2	100%
Develop a system of establishing standards in sewing through synthetics	2	100%
Establish work content in upholstery using 80/20 principle	3	100%
Production Performance measurement and monitoring within all departments		
Implement individual performance measurement in sewing	3	100%
Implement group performance measurement in upholstery	4	100%
Develop a planning process based on value stream and standard times	5	100%
Per4ma Software	4	100%
LEAN foundations/principles: (5S, Visual Management, Waste Identification, Problem Solving and Training throughout all levels)		
Implement VM Level 1	1	100%
Implement VM Level 2	2	100%
Implement VM Level 3	3	100%
Train all stakeholders from supervisors upwards on LEAN Fundamentals	3	100%
Implement 5S throughout the plant	6	55%
New production lines setup for localised products (Layouts including dedicated lines for product families, line balancing and right sized manning levels)		
Implement dedicated lines for high volume products including line balancing	5	100%
Update CAD layouts with new concepts and physical changes	6	45%
Inventory Management Systems (Raw, WIP and Finished Goods)		
Implement a Pull system for selected components	5	100%
Project Finalisation		
Incorporate localised products into current facility	5	100%
Structured method of continuous improvement	6	30%

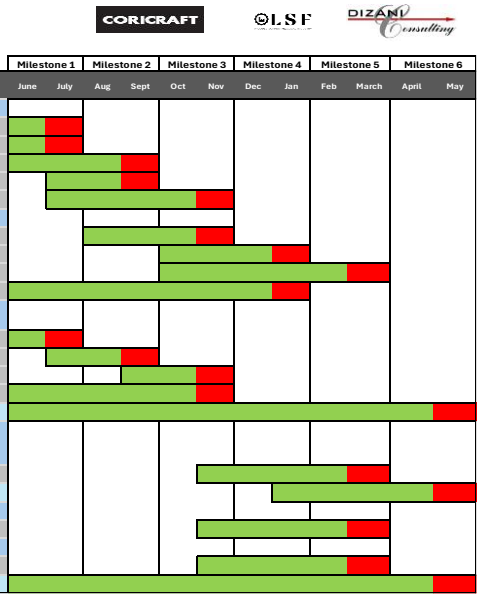

Figure 1: Project Plan

4.1 Break through bottlenecks with a clear view of departmental capacity: Use of Value Stream Mapping (VSM)

The Dizani team began by analysing process bottlenecks and their impact on factory efficiency, including why departments start their daily plans on different days, how this affects planning accuracy, the non-value-adding time between inventory handovers, and the communication gaps between supervisors and operators caused by an unstructured approach.

To identify and address these issues, the team used Value Stream Mapping (VSM) which visually captured workflows (the flow of materials) identify inefficiencies, local bottlenecks and lead times across the manufacturing process. This live, evolving document allowed Dizani and Coricraft to track changes, align production with customer demand (300 couches per day, Takt Time of 1.7 minutes per unit), and pinpoint key bottlenecks in areas like the machine shop, upholstery, sewing, cushion filling, and wrapping.

The VSM process highlighted some key inefficiencies such as capacity constraints in the machine shop, outdated layouts, material shortages, and space constraints across several departments. It also surfaced delays caused by late starts in key departments, like the machine shop and sewing, which created downstream bottlenecks in upholstery. A key issue to emerge was the lack of understanding among managers about why some departments must begin work earlier than others to meet overall delivery targets.

As a result, the VSM – which has been implemented in the company as a permanent feature now serves as a visual planning and communication tool, clearly indicating when each department must start work relative to delivery dates. It supports informed decision-making around layout redesigns, staffing, and equipment needs for future growth. In addition, it has begun to improve communication and operational transparency, helping to resolve some hidden systemic challenges.

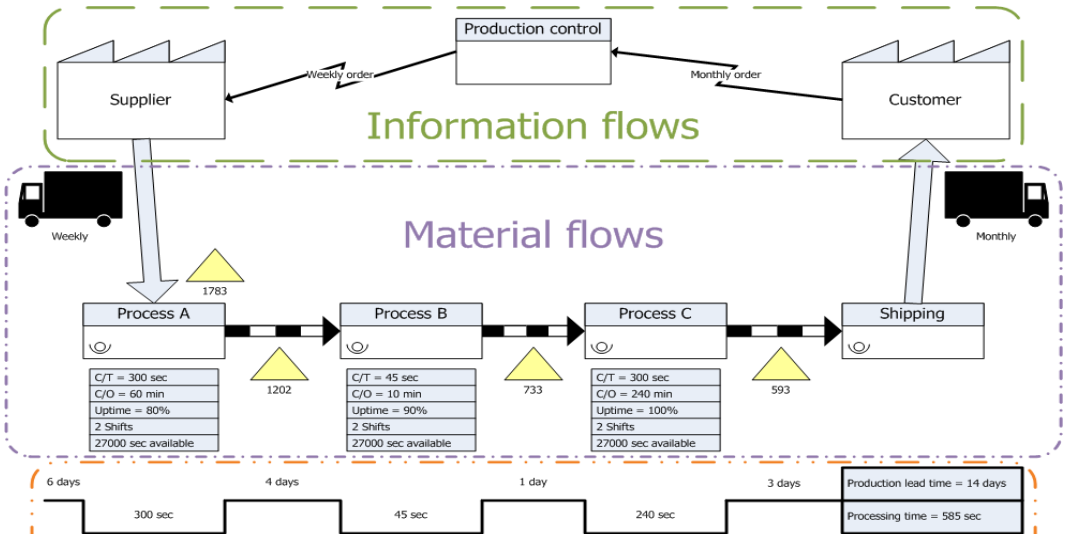

Figure 2: Value Stream Mapping (VSM), Capturing Workflows

4.2 Enhancing Sewing Efficiency and Standards

Coricraft faced challenges in accurately planning daily production and fairly measuring seamstress performance due to the absence of reliable standard times, especially in sewing where task complexity varied widely. To address this, several interventions were introduced, including performance monitoring systems in sewing and upholstery, planning based on standard times, and the use of VSM to balance workloads and optimise resource use.

A key intervention was a time and motion study, guided by the 80/20 principle[7], to establish accurate standard times for the most common products. This allowed for more accurate production planning, resource allocation, and performance measurement. In parallel, a synthetic standards calculator was developed to estimate times for new products in the prototype phase. With only a 5% average deviation from observed times, this tool proved highly accurate and now supports faster product development and more efficient costing.

Standardised work content also ensures fair performance evaluation by accounting for varying task complexity, helping identify where training or support is needed. The new system allows Coricraft to manage labour requirements more effectively and set realistic daily targets, while also improving cost control and pricing accuracy. To strengthen communication and operational coordination, Visual Management Level 2 was introduced. Morning meetings now begin at Level 1 between operators and supervisors, with unresolved issues escalated to Level 2 between supervisors and managers.

In terms of impact, these changes have begun to lay the foundation for lean initiatives and will enable Coricraft to ensure more accurate capacity planning, improve fairness and accuracy in performance management, reduce time and cost associated with manual time studies and support faster product development and improve costing accuracy and data-driven pricing.

4.3 Standardising work, measuring performance, and embedding LEAN culture at Coricraft

As highlighted, Coricraft, with support from Dizani, undertook several key interventions to improve productivity, efficiency, and communication across upholstery and sewing operations. Time studies were conducted across upholstery areas—framing, polyprop, foam up, and upholstery—to measure task durations under normal conditions. These revealed significant variations in work content between product types, highlighting the need for accurate standard times to support line balancing, workload planning, fair performance evaluation, improved costing, and the foundation for lean practices.

In the sewing department, a performance measurement system was introduced. Standard times from time and motion studies were integrated into Per4ma software (which Dizani introduced), enabling real-time tracking of individual operator performance. This allowed for the measurement of efficiency, units produced, downtime, and performance against targets. Since implementation, *sewing productivity has increased by 5%,* with employees reporting greater motivation because they are visually able to see and monitor their performance. Live dashboards now give both operators and supervisors immediate access to data, allowing for real-time feedback and quicker corrective action.

To strengthen communication and daily management, Visual Management (VM) was implemented at three levels. Level 1 supports daily meetings between operators and supervisors to track targets and training; Level 2 involves middle management in monitoring metrics such as absenteeism and 5S; Level 3 focuses on senior managers resolving cross-department issues and driving strategic improvements. All supervisors and managers were trained in lean fundamentals to reinforce a culture of continuous improvement and accountability.

The VSM exercise helped identify process bottlenecks and highlighted the importance of planning production based on actual work content. Coricraft is now transitioning to using synthetic standards and standard times for more accurate planning. With real-time monitoring through Per4ma and structured

[7] By applying the 80/20 principle it was possible to determine standard times for 75% of their production volume by only timing 25% of their ranges. We now have accurate standards that can be used for production planning and to determine the manning required.

communication through VM, the company is positioned to maintain momentum in improving productivity, reducing waste, and aligning daily operations with strategic goals. Ongoing lean training and daily engagement across all factory levels is key to ensuring these practices become embedded, supporting ongoing performance improvement.

given Coricraft real-time visibility into operations, strengthened accountability, and supported continuous improvement. These changes are driving more informed, data-based decisions and reinforcing a culture of measurable performance across the factory.

Figure 3: Structured Communication and Training Session

4.4 Implementing group performance measurement in upholstery

The team implemented group performance measurement in the upholstery department after recognising that its collaborative and interdependent nature made group-based tracking more appropriate than individual measurement. Like in the sewing department, performance is now monitored using the Per4ma software. This enabled the collection of data on assembly and upholstery efficiency, as well as executive summaries and unit production metrics. Coricraft has since expanded the use of Per4ma across all departments to monitor, calculate, and control key performance indicators. Additional tools, including real-time tracking through scanners and systems for monitoring efficiency, utilization, and ORE, have also been introduced.

The shift from individual to group performance measurement in upholstery has improved the accuracy of performance tracking. The integration of technology such as Per4ma, line control systems, and scanning solutions has

4.5 Transforming operations to support localisation

Coricraft successfully integrated the production of localized @Home furniture into their existing operations without compromising their own brand by expanding capacity and improving efficiency. To support this, they overhauled their planning process, shifting from unit-based planning to a system based on standard times and value streams. This addressed inefficiencies such as unbalanced workloads and poor scheduling and was supported by a new planning dashboard that enables real-time, data-driven adjustments and improved coordination.

A key intervention was the creation of a dedicated production line for @Home couches—a high-volume, consistent product—using line balancing methodology which addressed for example, the distribution of tasks across workstations and ensuring correct manning levels. This sought to reduce worker overload, improved flow, and enhanced quality and scalability, all while supporting localisation efforts.

During this process, the Coricraft and Dizani teams deliberated over which approach best suited the production environment, beit it a "line"[8] or "cell"[9] approach. Van Heerden explains that the line or cell manufacturing approach works in different contexts and rightly it is not about one size fits all. At the time, he indicated, the data was pointing towards the fact that some models were being repeatedly produced which then lended itself towards a line approach. The cell approach works best when making different models. In such instances, the corresponding skills are required. Ultimately, there are several variables to factor in when deciding on the approach.

In addition, the team introduced a pull system (a production strategy where work is initiated based on actual demand rather than forecasts) with a structured bus route[10] to ensure just-in-time (JIT) delivery, reduce waste, and avoid overproduction. In effect this is to align production with actual demand as it allows for increased responsiveness to fluctuations in demand. Overall, these changes strengthened lean manufacturing practices, improved resource utilisation, and created a scalable foundation for localised production.

4.6 Driving efficiency, standardisation and continuous improvement

In the final phase of increasing capacity and embedding changes into existing operations, Coricraft focused on solidifying lean practices through several key interventions. A major step was the implementation of 5S[11] across the plant—expanded to 6S with a focus on safety—guided by a dedicated committee, digital audits, and clearly defined areas of responsibilities. This created a culture of accountability, identified priority improvement areas (notably in safety and standardisation), and laid the foundation for continuous improvement.

Alongside 5S, the factory layout was strategically redesigned to enhance flow, productivity, and space efficiency. This included the introduction of new CNC equipment, streamlined wood-cutting operations, a dedicated line for @Home couches, pilot cellular manufacturing cells, and a relocated wrapping area that enabled a new quality control zone. A central Visual Management Area was also introduced to support daily performance tracking and transparent communication.

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[8] Line approach: A sequential assembly layout where products move through specialised stations in a fixed order—ideal for high-volume, repeatable models.

[9] Cell approach: A compact layout that groups equipment and multi-skilled operators to make a product end-to-end within one area—best for high-mix, lower-volume work.

[10] Implementing a structure bus system provides for consistent and predictable delivery; minimise inventory waste; optimise material handling, reduce labour costs and enhance communication and coordination and creates some certainty as to when production staff should expect delivery of raw materials.

[11] The 5S system is a workplace housekeeping and discipline methodology. Businesses are introduced to the different types of waste and taught how to identify and eliminate them. Teams are set up and regular meetings are established to enable problem-solving at the point where problems occur.

Impact of LSF's Support

Coricraft stated in their application to the LSF that by localising "we should be able to reduce costs and improve competitiveness. This is in line with the furniture masterplan and contribute towards our drive to improve our BBBEE rating."

Within three months of the completion of LSF's support, Webb states: *"thanks to LSF, everything has changed – from production processes and costing accuracy to workplace culture and local sourcing. We've seen a remarkable turnaround in just six months, setting the foundation for sustainable growth and operational excellence."*

These changes culminated in the adoption of the lean manufacturing principle which both Dizani and the LSF believes has positioned Coricraft for sustained efficiency, better project execution, stronger employee engagement, and data-driven decision-making—ensuring long-term impact and scalability in support of localised production.

Webb indicated that productivity has risen by more than 8%, and efficiency levels increased from by 38% whilst Van Heerden indicates that the improvements are ongoing. LSF's Frans and head of operations Leon Naidoo indicate that the company is now producing four products for @Home which were previously imported. Frans points out that "for us as LSF we are now seeing the realisation of our support of localisation in action."

Taking a close look at some of the significant changes:

Operational efficiency: These were achieved for example, in terms of improvements in sewing efficiency, as a result of the introduction of better tools (for performance measurement and monitoring), standards (development of standards times for planning and measurement), and structured processes which were introduced. Dizani together with the Coricraft team ensure that (through the time and motion study), proper costings and production standards were introduced which facilitates more streamlined and accountable factory operations. For Webb the introduction of standard minutes per product and proper costing systems has enabled Coricraft to accurately cost products, track performance and effectively increase individual efficiency by more 8%. As the motto: "If you can measure it, you can manage it" is becoming a reality.

Boosting local production: Previously imported products (like upholstered couches) are now more cost-effective to produce locally due to proper costing mechanisms, which has allowed for tens of millions of rands of annual furniture production shifted to South Africa. This shift will reduce reliance on imports, allowing Coricraft to offer better prices to local consumers and going forward the plan is to localise the sourcing of input materials, including fabrics which could boost local value chains. Coricraft is exploring using local suppliers for upholstered products which could increase demand for pine, plywood, foam, dacron and leather.

Cultural and organisational change: Webb acknowledged that a cultural shift was necessary, especially as the ownership moved from a private equity-driven "investment" approach to the TFG approach, which is one of a more holistic and people-focused one.

With the bedding down of lean principles, the company now has some space to focus on a range of staff improvements whilst at the same time focus on building a performance-driven culture.

Key Learnings

This case study has surfaced some key learnings in terms of supporting localisation strategies, the role of change management, factory operations, and programme implementation. These insights are valuable for both future localisation initiatives and broader industrial transformation efforts.

Cross-cutting lessons other furniture manufacturers can apply:

- **Map the flow and plan to demand**. Start with Value Stream Mapping to visualise material and information flow, expose bottlenecks, and make capacity gaps explicit by department. Use the map as a living tool to align production schedules to customer demand, set department start times relative to delivery dates, and inform layout, staffing and equipment decisions.
- **Standardise work and measure what matters.** Build reliable standard times via targeted time-and-motion studies (focus on the 20% of products that drive most volume) and use synthetic estimators for new SKUs. Plan to standard times, not units. Pair this with real-time performance tracking (dashboards for operators and supervisors), shifting to group metrics where work is inherently collaborative (e.g., upholstery). This improves fairness, highlights training needs, sharpens costing/pricing, and accelerates product development.
- **Choose the right production model for your mix.** Match layout to demand patterns: dedicated lines for high-volume, repeat models; cells for high-mix, lower-volume work requiring multi-skilled teams. Introduce a pull system with disciplined internal logistics ("bus routes") to feed work just-in-time, reduce WIP, and smooth flow across departments.
- **Embed lean daily management and tidy the workplace.** Implement tiered Visual Management (operators → supervisors → managers) with short daily huddles, clear KPIs, and rapid escalation. Combine with 5S/6S (including safety) and pragmatic layout changes—e.g., relocating quality checkpoints, right-sizing space, and adding the right machines—to lock in gains and make problems visible. Make sustaining these practices a daily habit for everyone involved, with

each team member taking ownership of continuous improvement in their area

Shorter, phased support: All the parties agreed that a one-year intervention with KPIs set at the outset did not allow for much flexibility in view of potential market and internal company changes. In view of that the LSF, Dizani and Coricraft agreed that shorter interventions (such as three to six months) should be pursued and then once such deliverables are met, the process can be reviewed for a further period with related KPIs. Webb indicated that setting targets upfront without understanding the factory context could be counterproductive. Instead, both he and Van Heerden believed that KPIs should be reviewed and reassessed based on the emerging environment.

Localisation requires the adoption of a deliberate strategy: Localisation will not just happen because someone says we need to localise. Naidoo points out that the Coricraft example shows the clear and deliberate actions from top management. “It will happen if there is clear intent on the part of management”, he argues. At the same time however, embarking on such a process does require technical support and expertise. As such, this requires of management some level of maturity to understand how to engage with such support so as not to see this as a threat or attempt to undermine their authority.

Successful localisation gives boost for more: Naidoo points out that the success of one attempt to localise products is a “confidence booster” to localise more. In the case of Coricraft, it is exploring further technical support from the LSF to build further capacity through lean, so that it can bring begin to localise additional product lines.

Change management: All parties agreed that introducing lean manufacturing principles effectively amounts to a change management process and as such requires several elements to be in place:

- Key to this is ensuring the whole management team is on board as to the reasons for the intervention as well bringing people along and how it would ultimately benefit them all. For example, production workers need to understand that their jobs have been saved because they are now producing couches which were previously imported and made by a worker in the East. Hence, change management is about ensuring the whole workforce is involved.
- Capacitating supervisory and middle management is crucial for successfully implementing lean manufacturing principles. While top management sets direction and strategy, it is middle management and supervisors who are responsible for implementation. Van Heerden emphasises the importance of not underestimating middle management and “showing these guys some love”, as their role is critical in making the system work. Supervisors, however, often lack basic leadership and operational skills, such the Dizani team pointed out that they lacked skills in tracking production or using visual management tools. This skills gap at the supervisory level is a widespread issue, not limited to a single company, and represents a significant barrier to lean implementation.
- Introducing lean manufacturing, as has been alluded to by various parties, requires a rethink as to how management styles should be evolving. Webb noted that with the change in ownership, the focus was becoming more people-centred and hence, a key part of organisational change is exploring the “modernisation” of how management manages factoring in a changing environment.

Concluding Remarks

Coricraft's localisation journey was given a kick-start after joining the TFG group, transitioning from manufacturing solely for its own retail stores to becoming a production partner for @Home. With support from the LSF, Coricraft has made significant strides in boosting local production.

The intervention by the LSF played a key role in enabling Coricraft to scale up manufacturing without compromising its core brand identity. By beginning to localise, the company was able to optimise its existing facilities, streamline operations, and reduce dependency on imports—making local manufacturing more cost-effective. These efforts not only safeguarded jobs during economically challenging periods but also positioned Coricraft as a potential contributor to local economic development.

This case study demonstrates how improved efficiencies can enhance competitiveness. Coricraft now manufactures four product lines locally—a testament to what is possible. While the path to localisation is not without its challenges and requires robust and flexible management and workers, this example shows that competitive manufacturing is achievable in South Africa and can play a role in reducing the national import bill.

Finally, furniture is a priority industry for localisation because it is among the most labour-intensive manufacturing sectors and has strong upstream linkages that induce manufacturing output and employment across inputs such as timber, board, foam, fabrics, leather, hardware and logistics. Local production also lets retailers and manufacturers respond faster to customer needs—shorter lead times, smaller batches, more made-to-order options and lower markdown risk than long import pipelines.

The Coricraft case offers transferable lessons: map value streams, plan to standard times (including synthetic standards), use tiered visual management with real-time performance data, adopt pull logistics, and choose line vs cell layouts to fit the product mix. Taken together, these practices can lift productivity, deepen domestic supply chains and expand competitive South African furniture manufacturing.

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PROUDLY SUPPORTING LOCAL INDUSTRY

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