

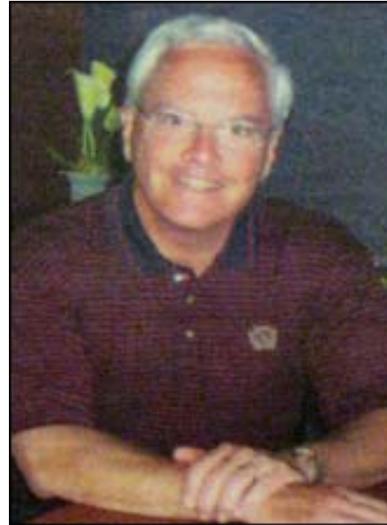
Firm builds new business from old

By: Mary Stone



Victor Merkel

Photo by Mary Stone



John Hedges

Photo by Mary Stone

One of the men behind Merkel Donohue Inc. launched a different variety of furniture business when he retired from the local office equipment firm. Today, his son-in-law leads the company, which specializes in collecting old office furniture before it heads to the landfill and finding a use for it.

Victor Merkel now works full time in real estate but launched Desk Set Ltd., which goes by DeskSet, in the mid-1980's when he retired from Merkel Donohue.

His son-in-law John Hedges took over the firm. To keep pace with growth, the company doubled the size of its operations in 2004 to 98,000 square feet, when DeskSet left downtown to move to the old Brainerd Manufacturing Co. building in East Rochester.

From keys and lock heads to landscape paintings to modular office partitions, DeskSet's inventory-big and small- covers the facility. Clients go there to see the showroom but account executives also go off-site to configure offices.

Glen Moorhouse, an account executive at DeskSet, said he interviews clients

and goes to their offices to take measurements but also oversees how people work before laying out an office.

Company officials explain it is a way to make the buying process for used furniture the same as it is for new furniture.

Clients buy from the inventory of already refurbished furniture, or they customize it: DeskSet refinishes it, changes the upholstery, paints and laminate it to specifications.

“Buy this new, and it’s \$1,000-these work stations, here it would cost you about \$300, so it’s a big savings, but otherwise every bit of this would have been thrown into a landfill,” Merkel said.

The recycled furniture also has saved some local non-profits money they needed for extra improvements to their offices.

Interior designer David McLellan worked with the Rochester Hearing and Speech Center to renovate its Webster location and used DeskSet to save on costs. Those savings were used to add more furniture to classrooms and art for the walls, and to buy plants and other extras to make the office more comfortable, he said.

DeskSet also took some of the center’s old furniture and refurbished it, McLellansaid.

“They picked it up, brought it to their shop to paint it for us,” he said. “We paid for it. They were very accommodating, they painted it and now it matches everything else. It looked like it all came together. It was very cool.”

Now he said the company is using DeskSet to furnish its new office in Greece. With 18 employees, DeskSet tied for 11th place-alongside Meadows Office Furniture Co. Inc.-on the Rochester Business Journal’s May 25 list of office furniture and equipment dealers.

Merkel’s previous company, Merkel Donohue, ranked fourth on the list as a subsidiary of FM Office Express Inc., which listed 66 current employees. FM Resources acquired the company in 2004. At the time, Merkel Donohue ranked sixth with 45 employees and FM Resources ranked 10th with 20 employees.

Based on projections, Hedges said DeskSet plans to increase employment by 30 percent over the next three years.

In 2003 the company had 10 employees and reported \$5 million in revenues, a Rochester Business Journal List in 2004 shows.

Hedges declined to reveal current revenues but said the company's depot supply level has doubled in recent years. The main reason is repeat business, he said.

There are local economic factors too.

"But they break down into two broad categories: supply of existing furniture, from firms who are replacing their existing furniture with new, or from firms who are shrinking their white-collar work forces, moving facilities out of town or going out of business," he said.

"The corollary is the sustained growth of the small to midsize firms-many with the help from workers displaced from shrinking firms,' Hedges added. "Rochester has plenty of examples in both categories."