

Vitsoe  
“Furniture that allows you to live better, with less,  
that lasts longer.”

## Introduction

Furniture manufacturer Vitsoe was established in Germany in 1959 in order to produce furniture designed by influential industrial designer Dieter Rams – best known for his work for the German electricals company Braun. Based in the UK since the mid-1990s, Vitsoe currently has 40 employees. Its flagship product is a configurable shelving system designed by Rams in 1960, which remains unchanged to this day and embodies principles of timeless design and quality, and through these virtues, reduced material use. The company and its products represent strong values and inspires impressive loyalty in its customers. As a result, Vitsoe’s turnover has doubled in the last three years, demonstrating that this kind of business model can thrive in the 21st century.

## Opportunities and Drivers

At one level, Vitsoe manufacture a shelving system that performs its function simply, beautifully and timelessly. It is modular, well made, and easy to repair. By virtue of these characteristics, it has an exceptionally long life, and can be moved and adapted as the owner’s needs evolve - for instance, when they move home. If the owner should want to part with it, then the product demands healthy second hand prices. As a result of the long service life, it uses a minimum of materials to deliver its function, and represents reduced environmental impact.

But at a more fundamental level, Vitsoe has a strong purpose: to improve people’s lives - those of its employees, its customers, its supply chain and the local community; championing a different way of doing things. It derives value by setting its brand apart from conventional business practice of our times, which it sees as being overly profit-focused and often exploitative – both of the customer and the workforce.



620 Chair Programme: Designed by Dieter Rams for Vitsoe in 1962

## Opportunity

- Demand among consumers for products of exceptional provenance, quality, flexibility and durability
- Interaction and connection with customers builds the foundation for continued success

## Approach

- Vitsoe’s customer relationships are founded on a single financial transaction but a connection that engenders lasting customer loyalty
- High levels of design and craftsmanship and a unique opportunity for clientele to engage in a participatory process

## Expected Impact

- Commitment to quality and sustainability has led to financial success
- Vitsoe’s turnover has doubled in the last three years and operations are set to expand thanks to novel funding through their customer base
- Products of lasting social value as well as reduced environmental impact

## Approach

Vitsoe’s business model is essentially a simple one and not, perhaps, radical in that it quite consciously echoes the business practices of over a century ago. It is based (on a financial level at least) on a simple, single transaction with the customer. Its premium products sell for more than its competitors’ wares because its customers buy into the durability and functionality of the product, and are willing to pay more for these virtues.

There is more to its appeal than just the characteristics of the product, however. In the context of manufacturing having become globalised in recent years, consumers can feel remote from products made on the other side of the world. Vitsoe taps into a demand for products for which consumers can feel a closer connection; for products that are made here in the UK using mostly local suppliers. The company encourages its customers to visit its factory, to see the units as they are being made. This close customer relationship also offers opportunities for customisation and co-creation. Vitsoe is also active in encouraging this through its brand, website and other communications.

The company has been single minded in pursuing this way of doing business - driven by the positive impacts that business

can have for its employees (who own the business), for local businesses, for supply chains and for society at large, rather than just by generating profits that benefit a small group of people such as company bosses and shareholders. In this sense, it challenges much of the business convention of our time, and indeed echoes the best aspects of industrial practice and associated communities of the late 19th century that MD Mark Adams identifies as an inspiration: from Ebenezer Howard, founder of the garden city movement, to Bournville and the Cadbury family, and Port Sunlight and Lord Leverhulme.

That is not to say that Vitsoe is not innovative. It is continually looking at better ways of doing things. Recently it has been developing a new building in Leamington Spa that employs the same ethos - it is (like the shelving system) adaptable and configurable, and makes use of appropriate materials, natural light and local low-carbon transport connections.

Consumers, then, buy into the values of the Vitsoe brand and tend to believe that having a Vitsoe product says something about them and their own values.



621 Table: Designed by Dieter Rams for Vitsoe in 1962

## Benefits and Impact

As a result of their dogged pursuit of this way of doing business, customers keep coming back for more: At any one time, 40% of Vitsoe's orders are from returning customers.

And it has seen its turnover double in three years. Thus Vitsoe's strategy has clearly led to financial success. Its products also deliver lasting social value, and by virtue of that long life a reduced overall impact on the environment.

A recent round of fundraising builds on their strong customer network, in the form of an innovative bond that has raised over £7m. This is funding their new factory, and the company is now exploring the potential deployment of the innovations developed in this new building in the form of a new product offering.

Vitsoe's is perhaps an approach that will fit certain sectors better than others - storage is one of those needs that people always have, and one that is not perhaps subject to rapid technological change. Nonetheless, their compelling story and commitment to purpose can serve as an inspiration for other businesses.



A bookish bunker with the 606 Universal Shelving System wall-mounted on exposed brickwork.

<http://www.telegraph.co.uk/finance/businessclub/10629719/Vitsoes-designs-on-its-customers-with-5m-investment-bond-plan.html>

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Image Sources: [www.vitsoe.com](http://www.vitsoe.com)

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