

r'#s# ## #er:a, #,9nrs  
Approximately 2,000 words

Page 1

HAWORTH, INC.

EXCELLENCE IN OFFICE FURNISHINGS

PRODUCTS AND SERVICES FOR RESPONSIVE OFFICE ENVIRONMENTS

Written by June Grayson, Photographed by Richard Grayson

Their corporate strategy to be "the best in the eyes of our customers" has enabled them to grow twice as fast as the industry as a whole.

Gerrard W. Haworth has come a long way since he founded a

sideline business in his garage workshop 42 years ago.

Now he is chairman of the board of a multimillion dollar company with an international market.

Haworth, Inc., is the third largest manufacturer of office furniture systems in the United States. Thousands of companies rely on Haworth, Inc., design and furnishings. A majority of the Fortune 500 companies have installed these components to create a productive work environment for their employees.

.,=#= -, "- ---"-----, -.

Systems furniture is the modern solution for the efficient use of office areas, replacing both the private office with its expensive fixed walls and the bullpen office with its noise and confusion.

Groups of modular components - work surfaces, storage units, shelves, lighting, and electrical accessories - fit together by mounting on basic structural panels. The parts can be reconfigured to meet changing office objectives. This allows cost savings and convenience impossible with fixed wall arrangements.

Haworth did not even need to leave home to seek his fortune.

Indeed, his garage workshop and the present mammoth Haworth, Inc., facility are only a few miles apart in Holland, Michigan, a little town best known for its windmill and tulip festivals. Haworth, Inc., is Holland's largest employer.

Haworth attributes his success and that of his company to their adherence to the Haworth Creed, his family's summary of their personal values as well as their business principles.

"My parents were not educated or rich," Haworth explains, "but they always worked hard and gave their best. They were very religious, very moral people. I transferred those same values to my own business operations."

"Even though I grew up during the depression and got an AB in college so I could teach industrial arts, I always knew that I wanted to go into business for myself someday. It wasn't easy for me because I didn't have any capital to get started on. That was when I found out that banks only lend money to people who have money."

"Still I determined to branch out and try my wings. I started by making wooden toys part time in 1945 to sell out of my garage. By 1948 I quit teaching entirely and founded Modern Products. My parents loaned me the \$10,000 I needed to get started."

"If I hadn't been so proud and stubborn, I would have returned to teaching many times those first three years. Though I knew woodworking, I had no business skills or experience. My wife did the bookkeeping in our home. Eventually we had five little children to support and nurture. It was hard to balance everything in our lives. However, we persevered and ploughed back every possible cent into the business. Little by little I gathered the talented people I needed to make the business successful."

Haworth thinks that every successful business needs some luck along the way.

"Our biggest break was getting into the partition business. A Grand Rapids, Michigan, salesman asked us to make up some samples from a sketch done by a Philadelphia architect for partial partitions for a bank. That was a completely new idea then, we made up the samples, and the salesman sold our first installation to Walter Reuther for his new UAW-CIO headquarters in Detroit."

"Our Grand Rapids connection didn't last. I always was very

frugal in my operations and expenditures while they spent their money on big cars and other executive perks until their business failed."

"But we continued to manufacture and sell these new partitions throughout the United States. We gradually sold off our other lines and devoted ourselves exclusively to office systems."

. Page 4, #e #awor#n, oy ###

"We had to be union shop then, or otherwise our products were vandalized. Gradually, however, partitions came to be thought of as furniture. Our members then voted out the union by 76%. Since then we have been able to offer our members much more in salary and fringe benefits than ever before."

All three industry leaders are based in Michigan. Steelcase is privately owned, as is Haworth, Inc. Herman Miller is publicly held. A potential client has to weight differences in design and style.

"Naturally, we think we have the best engineered product," says Haworth. "Our innovations have certainly cast us into the forefront of this industry and have won us many design awards. We were

the first to put electricity into the base panels and to make specific arrangements to accommodate new electronic office machines. These might be the reasons we feel we are gaining in the marketplace."

"Our sales people are well-trained and aggressive and I would hope that they would sell you on the quality of the job you would get from us."

A potential client can either approach Haworth, Inc., directly through the corporate office in Holland or through one of their 350 dealers in the United States. There are also 16 regional showrooms and five international showrooms. Corporate design engineers support the local dealers as needed.

"The challenge to our industry will be to continue to produce a quality product while keeping up with new ideas," Haworth thinks.

"Even though this is still a growth industry, I think compe-

tition will become stiffer and some of the minor players may have to drop out."

"We have never had any of our manufacturing done overseas. But we have sent four teams to Japan to study their time and manufacturing capabilities and we have applied some of their ideas. For example, ten years ago our inventory turnover was about four times a year. We have increased that to 11 times a year. We are still not

satisfied. The faster we move our inventory the more money we save in financing costs. In a normal week we ship 7# million dollars worth of good every five days. "

"That is why we depend more and more upon computers. In fact, we would be paralyzed if our computers went down. We have one large IBM and at least 180 smaller computers throughout the whole facility. We use them in all phases of manufacturing and administration."

"Now that we don't need them, we have several good lines of credit at banks and insurance companies."

"Our growth rate has been phenomenal! In the last ten years we have almost averaged 50% a year compounded. In 1984, we had a 67% increase in sales alone.

Haworth remains bullish on America.

"There may be a saturation point in our industry some day but I don't see it yet. The potential that this country still has is like no other country in the world. All you have to do is go across the border either way to realize that the biggest market in

in the wor!d is right here. Our entrepreneuria! spirit is unique.

We're lucky. God has blessed this nation."

Haworth considers his fami!y a great comfort. "I !ost my

wife to cancer eight years ago so my children

and 14 grandchildren are my greatest joy. #y first grandson just

graduated from college and is going into business and computers. I

wou!d be proud if any of them wanted to work here, but I fee! they

shou!d get their education and outside business experience first."

Nepotism is not a dirty word to Haworth. "We are a

##ami!y business all the way through. In fact, our members encour-

age their re!atives to app!y for openings here so that many times we

don't even need to advertise."

Haworth still has his goals.

"I want to be remembered as a good emp!oyer and a good

manufacturer who turned out quality goods. We want qua!ity peop!e

to work here and re!ate to our customer base which is our u!timate

boss. No one wants to work for a weak company, so it is our duty to

seek to be the best to our customers as we!! as to our members. W#

a!so fee! we have a responsibi!ity to our community and I encourage

al! of our members to support loca! activites."

"I am proud to say that we have never had to !ay anyone



off because of downturns in the economy. We shortened our work week twice, however, to avoid any firings."

A few months ago one of Haworth's high school in#ustria!

..\_.\_", --- , -.

arts students, now a college president, returned for a visit. "You contributed to my success," he told Mr. Haworth. "You told me I better not plan to work with my hands!"

G. W. Haworth still works with his hands. In fact, he is not above taking his own tape measure out into the factory to see that a task is done according to proper specifications.

This may be the reason for his company's success. G. W.

Haworth has always combined the best of his hands and his head and his heart.

#####