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Griffith, Ronald D Oral History Interview: Carl Frost Center Oral History Project

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Oral History Interview

Ron Griffith

Conducted and Transcribed by:

Ryan Harvey

August 3, 1994
1:30 p.m.

RH- First, could you state your name, date of birth, and the company you presently work for?

RG- Ronald D. Griffith, date of birth [date removed], 1940, the company is Drawform Incorporated.

RH- How long have you lived in the Holland area?

RG- I moved to Holland in 1970.

RH- Where did you live before?

RG- I come from the Chicago area, Dearfield, Illinois.

RH- Could you describe your educational background?

RG- My educational background, I went to high school in Quincy, Illinois. That's my hometown, originally. After high school, I wound up in a trade school in St. Louis called Raken Trade School. It was a two year vocational school. Similar to what Ferris State would be today.

RH- Could you describe some of your first job experiences, either during or after school?

RG- After I got out of Raken Trade School, I couldn't find a job

in my home town area. I wound up in the Chicago land area at that time. I went to work for a company called Drawn Metal Products. At that time, I spent nine years at Drawn Metal until '70. I got out of school in 1961. Then, I came to Holland with another company here in town called Transmatic Manufacturing Company. Myself and Pat Thompson went our separate ways in 1976. That's when I started Drawform, Inc. (Patrick Thompson is the CEO of Transmatic, see folder 27)

RH- Could you describe more about Drawform's beginnings and its early years?

RG- Pat and myself had two different styles of running a business. He'll tell you the same thing, I'm sure. As a result of that, we parted companies in '76. I started Drawform at that time with two machines, two older presses, a lathe, a mill, a grinder, and \$25,000 cash.

RG- Tell me about some of the difficulties in your first few years?

RG- The first few years are called survival. When you start a business from zero, basically that's what I did in 1976, I guess the biggest unknown is that you have say, "where am I going to get any business at?" You have to knock on a lot of doors in those early years to get a base established. I guess my own

personal experience was that I surrounded myself with good people. I got a lot of good talent to help me from a professional standpoint from an attorney that's still with me today, an accounting firm that's still with me today, an insurance company that's still with me today, and a bank that's still with me today. Those four are very critical issues. That's the professional side. The non-professional side is that you have to have quality people that are going to go with you. I had a bit of a following that came with me to help Drawform get off the ground. Most start-up companies, if you're breaking away from somebody else, there is a following. It's very important.

RH- Did you have a first major customer that helped your business get started?

RG- I had two first major customers that finally got me started, people that I had worked with at Transmatic. Two companies with people I had personal contacts with that became friends, you know, business acquaintance-friends sort of thing. As a result of that, it was Parker Hanafin Corporation in Onseagle, Michigan, and Holly Automotive in Warren, Michigan. To this day, Holly is still one of our top customers.

RH- Were you able to make a living in your first year with Drawform, or did you pretty much work for free?

RG- Without a doubt, you work for free. There's no such thing as making ends meet. It's called survival again, like I said. In those early years there's no such thing as a time schedule. You work whatever is required, whatever it takes to make it happen. If you get an order, you design the tools, you build the tools, and you run the production. Whatever it takes you do it.

RH- Where did you get the capital to start the business?

RG- Like I said, I had somewhat of an asset base to start with, by working on an arrangement where I had some equipment. When I got the equipment and the \$25,000 cash, I would go to the bank and pledge the whole works. Whatever you can get. The bank will give you a small amount of money. From that small amount of money they expect you to prove yourself. Once you've proved yourself on this amount, then they give you a larger amount. So, in those early years that's what we did.

RH- Did you use local banks?

RG- Used local banks, that's correct, FMB.

RH- Were there any particular reasons why you came to Holland?

RG- Why I came to Holland-- The company that I'd worked for in the Chicago area, a company called Drawn Metal Products, myself,

Pat Thompson, and another guy, all three worked together. As a result, Pat Thompson was a salesman for this particular company that we worked at. They were doing work at that time with High Q Electric here in town. Pat got to know some of the owners of that company. They talked Pat into setting up an operation in the Holland area. Basically, when I came into the business, that was in 1968, 1970 when I came, I came after the company had been founded. I went to work over there.

RH- When you started up Drawform did you ever have thoughts of moving the business outside of this area?

RG- Once you're committed, you're committed. You establish your asset base. You establish your relationships with the community. As a result of that, the thought never crossed my mind to leave.

RH- Even with your competitor, Transmatic, being so close?

RG- No, by this time you've been here for approximately six years. At that point and time, you're starting to establish yourself in the community.

RH- What are some of the most difficult decisions you've had to make over the course of the business' lifetime?

RG- Short term or long term, I guess if you look back there were

times when you're rolling right along, and you think that you got all your direction, and your future, and your main course of where you're going, and how you're going to get there. I guess I'd have to say in 1984 was probably the most difficult decision, but it actually turned out to be the best thing that could possibly happen to me. I went to Japan in 1984. I had an opportunity to go through like twelve Japanese stamping plants over there. When I came back, somewhere over the Pacific I guess coming across ocean, I said, "we're not going the right way. We're going the wrong way." I came back and I called the whole group together, my whole plant, which wasn't much at that time. You're looking at probably thirty employees. I said, "we're not even going in the right direction." I said, "we're going to shift gears and go a different direction." That was a major, major crisis. If we're not doing it right, then what are we going to do. I wasn't 100% clear what we were going to do, but I said, "we're going to do it." So, we took off. We bought the first machine, then we made a complete directional change as far as the industry is going. As a result of that, we've never looked back. It's been the smartest decision I ever made. From a decision making process, that was an extremely difficult decision to make.

RH- Was it a technology change?

RG- It was a technology change, that's correct.

RH- You continued to make the same products.

RG- We do it today, same type of products, but a different process.

RH- Has the company ever experienced a crisis situation?

RG- I would say yes. The crisis was, we've grown every year since the day we started Drawform in 1976. Two years ago this November, we were in situation when Mr. Lopez from General Motors came in. He started doing a hatchet job on all the supply base of the automotive companies. We were very involved with General Motors with different programs. We lost some business on that process. They came in and were trying to cut suppliers and their profits. As a result of it, we had to lay off twenty-five people. Never had we layed off anybody in the fifteen years of Drawform. That was probably the biggest crisis situation that we've ever had in this company. I still hear, to this day, the fears that run through the organization, the insecurities of the time that we layed off people when people were so entrenched to the fact that they were committed. You created a fear in the organization and that's taken a long time to get rid of, even though today we're going along extremely well. We're just now getting to the tail end of that. It's taken two years to get rid of.

RH- Have you been able to replace that business?

RG- Yes, many times over.

RH- How would you describe your management style?

RG- Very hands-on, shop-floor orientated, I view a desk as a very dangerous place. I feel that the people that are in your operation, whatever the business, whatever the company, if you're not a people person you're in a world of hurt, long term. Those people that work in the Drawform ranks, whatever it is, whether it's a janitor, or press operator, or a tool maker, an engineer, a sales person, an accountant person; you have to say that this is your life, these are my friends. I build my business around my relationships with my employees. Those are thing that you have to do. It becomes a style. It becomes a way of life. You cannot tell people what to do anymore. You ask them. You work with them. You suggest. You help. You nurture their growth, their goals, and their dreams because everybody out their has got their own dreams. You have to be able to analyze when people have problems and when they don't have problems. A lot of it comes from your gut. A lot of it comes from just smart business decisions, as far as being street smart, and understanding that everybody's goals and objectives are different.

RH- I know Transmatic was a Scanlon Plan company. Did you

bring any of those ideas with you to Drawform?

RG- Scanlon Plan to me means participative management. Participative management as far as the Scanlon Plan goes, my perception of it is that it is an open atmosphere. It is meetings, employee involvement. We've had that since the day we started Drawform. It's not called a Scanlon Plan, but it's a very open atmosphere. It's a very participative, "we need your ideas to help us make a decision." That is a way of life in this company. It's not called a Scanlon Plan.

RH- What changes have you seen in the market and your business in the past twenty years?

RG- Changes in the business. The changes that have been the most drastic as far as creating the quality of any company today, and I'll say in our business, is definitely the quality issues, the quality standards that the customers have demanded, not asked for. As a result of that, you either have accepted the challenge to comply with the new specifications that are required, tighter tolerances, more documentation, more lot traceability, traceability of any type of product throughout your whole system, much more systems driven. It used to be we used to make parts for a living. Today, that is a very small part of the final invoice that you send out to a customer, because of the requirements that go along with that part. I'd say engineering

changes of quality levels have reached an all time high. If you aren't willing to accept the challenges, then you're going to be left behind in the long run. We at Drawform have chosen to be the leader, and we accept the challenge on an ongoing basis. Whether then it being a defensive mode, we've taken the style and the position that we're going to be on the offensive rather than the defensive. Saying, "don't react, make it happen up front."

RH- Have you seen the competition increase much over the years?

RG- Competition has increased tremendously. I'm sure Pat (Thompson) would say the same thing, that Pat and I are the reason that the competition has increased because we split up. We went our separate ways. We've still got a great working relationship. We're friends. I've had lunch with him a couple of times, dinner with him a couple times. As a result of that, I've had people break off from me. Pat's had people break off from him. We've created a network of small shops that supply all the competitors in the area. As result of it, we even had another competitor move into the area that came from Connecticut that tried to buy myself and he tried to buy Transmatic. Neither one of us sold, so what do they do? They open up a plant here. They're not here to better the community, in my opinion. All they've done is come to raid out. If you ask myself, Pat, where they're at today. They have not come out here and helped promote the community, all they've done is take labor from both of our

plants, that's not right. It's just one of my own personal gripes.

RH- Do you think the market will become flooded with too many suppliers?

RG- No, there's so many new products that are being designed on an ongoing basis. We have turned down multi-million dollar contracts in the last two to three years because we cannot take the work. We are so busy, so overloaded. I can go into one of the reasons that expansion of our businesses would be very vital. It all come down to talent. Bottom line is we all need quality technical people. The main limiting, controlling growth factor for our business is that you can't grow tool and die makers, and tool designers, and C & C operators, and manufacturing engineers fast enough.

RH- Have you gotten into any international markets?

RG- Yes, we are doing a lot of work in Europe at this moment. We have chosen not to go into the Asian market.

RH- What major changes have you seen in the Holland area's business climate as Holland has grown and developed?

RG- If you look in the Holland-Zeeland area, the major changes,

this thing has just exploded as far as growth. I'm amazed myself when I try to get home at night, and try to figure out how to get there at times. The road systems are just really strained. What does that say? It says that everybody's busy. The quality corporations in this area are very well respected in the country. I think that says a lot for the community, the type of people we have. All of a sudden we've become recognized to the point where there's virtually zero unemployment. Anybody that wants to work has got a job. That's putting a very definite strain on local industry, and it will not go away in the near future. What it has also done is create an inflationary situation from a marketing standpoint. We have gone through, in the last few weeks here, and done a complete market test on all of our wage structures in the area. We found out that within the last year that probably every classification we have has gone up 20%.

RH- Do you have trouble finding qualified employees?

RG- We do have trouble. We work very hard at it, to find the qualified people. We're finding them, but it is a process that takes a lot more effort than it has in the past.

RH- Do you have to put a lot of training into new employees?

RG- The training that we put into our people is ongoing. It's a never ending process in our operation. We're not doing enough

yet. We have to do more, but it's one of those things that you can't stop. You can't look back. You can't say what you didn't do, instead say what am I going to do. Yes, training, in my mind, is one of our top goals and objectives in this company.

RH- Has the business turned out the way you originally envisioned it?

RG- I guess when you're in the trenches and your in the start-up mode or those early years. Like I said, it's survival. I use that word a lot, but that's exactly what it is in those first years. As far as, did the business turn out the way I envisioned it? I guess in my wildest dream I never saw it as complicated as it has gotten. I'm prouder than I thought I would be by establishing something that is world-class. It's an individual pride, I guess, in that it has turned out so well. To say that I could have envisioned what this thing looks like fifteen years ago, I couldn't have.

RH- Is it still a privately owned company?

RG- Yes.

RH- Would you like to keep the business in the family, or will you sell the business?

RG- Those are issues that I have explored. I have been approached to be bought-out. I've explored the possibility of selling the business. After I've gone through that head game with myself, I think most people in a privately owned business have gone through that at some point in their life, I've decided not to do that. I've approach the concept, and the idea of looking at an ESOP program, that's still a possibility down the road. I've explored the possibility of an IPO (Initial Public Offering). That's something I'm going to leave my options open to at some point down the road. But as far as being a privately owned business today, if the other areas do not prove out to me to be constructive in the long term, I'll stay the way I am.

RH- What course would you like to see the company take in the future?

RG- I think we've set our course. We've had a tough time over the last two to three years of trying to figure out what our strategic plan really is, and what this means, a long range vision. We've gone from a point of saying we want to be multi-companies to different types of processes. We have explored that. We've done some of it, not to our fullest expectations. We have not been very successful in some of these outside ventures other than what we currently do. We have decided that the best long term interests of Drawform is to continue to be a niche company, to be the best in that niche, and to do it from an

international marketing standpoint of saying that we want to be well known world-wide. We are, and we will become much more well known as we continue to go forward. I would say that's my course.

RH- Is growth one of your major goals, or are you more concerned with maintaining business?

RG- Along with being world-class, it forces you to grow. We are building at this moment a 150,000 square foot manufacturing plant about a half a mile down the road here on Fairview. We're building 35,000 square feet of new offices. So we've got a 185,000 square foot building going up right this minute. I just bought 96 acres in the industrial park here in Zeeland. We're going to develop probably 38 to 40 acres of that into Drawform's complex. I had a chance to buy the whole thing, and I did. Yes, growth is definitely there. We will double again within the next two years beyond that, it goes on up from there.

RH- If you could change any of your business decisions, would you make any changes?

RG- I guess that I can honestly say that I probably would not change anything major. If I could short circuit some of the growing pains of a business that everyone goes through, I'd do that in a minute. As far as would I make any changes, I can't

say that I'd make any major changes.

RH- When you first started out of trade school, did you see yourself as someday owning your own business?

RG- I guess in those days, back when I was young and naive I didn't know what I was going to do. I was pretty confused. When your twenty years old, some twenty year-olds I know have got their direction set pretty well, but others that I know are still trying to find themselves. I guess at that point in time I was still trying to find myself.

RH- What advice would you give to a young entrepreneur?

RG- Get the education. Whatever college you go to, I don't care what it is, you'll find, in my opinion, higher education gives you the ability to reason and think things through. Most of the things that you study in school, you will not use in your daily lives in the future ever again. However, if you get the ability to make decisions, and to reason through on a problem solving process, it's the most valuable tool you can have. Then you can do anything you want from there.

RH- A lot has been said about the "work ethic" in West Michigan. Do you feel this is true, and if so, has it affected Drawform?

RG- The work ethic in West Michigan has helped Drawform tremendously. We would not be as successful today if we'd been somewhere else. There's no doubt in my mind about that. The work ethic is incredible. I truly believe it's changed drastically more so in the last five years than it ever has in the last fifty years because of all the growth that's happened. It's never going to be the same again as it was five years ago, everybody has to be aware of that. The values that are here are deep rooted and I think for the overall community, it's incredible. The reputation of that deep rooted work ethic is so entrenched. That is why there are a lot of corporations, and companies, and people moving into this area.

RH- Has your company been involved in any community service projects?

RG- Yes we have, many of them over the years. We're in community service projects, Holland Chamber, Zeeland Chamber. I've been on the bank board for the local bank. All of our employees are involved in different aspects of the community.

RH- In your own words, what would your mission statement be for Drawform?

RG- Mutual trust and respect for all employees. I say that meaning mutual trust and respect. It's a two way street. Our

employees have to trust what we're doing. We have to trust what they're doing. As a result, once you've built the trust, your business will flourish beyond belief.

RH- Unless you would like to add something, that takes care of all my questions.....thank you.