Heyboer, Kristi Oral History Interview: Business and Industry in Holland

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Interview with Kristi Heyboer

Interviewed by Anna Holt

Also present: Nicole Tallman

1999

AH: This is Wednesday, June 30, an interview between Anna Holt and Kristi Heyboer. Let's just start with your personal history.

KH: My name is Kristi Heyboer. I've been with Haworth for sixteen years. I started here in 1983. Prior to that, I was born and raised in Holland, Michigan, went to a local high school. I started here in 1983 after having gone to college for one year. I started in the order processing department at Haworth and worked in that function for approximately a year. I then went on to a special project where I trained the people in our department on our new automated order-entry system. Prior to that, we did not have an automated system. After that, I went into customer service and was a customer service coordinator for about six years. I did that and then moved back into the order processing group as more of a team-leader function. I then went to major accounts and was a major account administrator, which meant I handled some of our largest customers, anyone that spent probably three to four to five million dollars annually and up with Haworth. I dealt with those specific customers. After that, I went on to a special project where I was the business process owner and lead business analyst for our new order-entry system called ComStar. I came off that and was the order processing supervisor for about a year, year and a half. I became the
service manager for the West, did that for about a year. I then moved into the international side of the business and am now the international service manager, responsible for all of our dealers outside of the U.S., including Canada and Mexico, and all of our major accounts. The other side of my job is I have all the major accounts. All customers again, probably five million annually and more, are serviced by the people on my team. I have a staff of about fifteen people. Not only do we service it, but I also have collection responsibilities, so I'm making sure we're collecting from the customers we're selling to.

AH: On the international side, are you traveling to these places or are you handling the international side here?

KH: We handle the international side here, but we interface. We have a regional service hub in London, who we interact with. We also have several sales offices in the Asia Pacific region that we interact with as well. We're developing a regional service center in Brazil. We pretty much handle it from here. There is a potential that I could go to Asia or I could go to Latin America, but that has not happened yet.

AH: Do you have plants in all these countries?

KH: We have plants in several of them. Obviously we have a lot of companies that we've acquired in the last several years in Europe, Spain, Portugal, Germany, Italy. Those though, do not manufacture Haworth-named products. They manufacture the acquisition product. We do have a plant in China that produces Haworth-branded product. They do panels and work surfaces and that stuff. We are also looking at building a steel plant in China. We are looking at some type of manufacturing plant,
hopefully in Brazil, but that has not started yet.

AH: Globally, do you find that the panel system is as popular as it is here?

KH: No. I would say the panel system is probably very American. What is more popular actually outside of the U.S. is some of our other products. Castelli 3D is very big because they're not used to the panel partitions. They like the more open office concept, especially in Europe. Asia, they order quite a few panel systems. That's more common I guess there. Latin America, they order a combination of both.

AH: Is Haworth strictly into office furniture or do you do other types of furniture?

KH: No, we don't do residential furniture, just office furniture.

AH: Can you talk a little bit about when there was the campaign for the union?

KH: Yes, I can. It didn't impact our department that much, other than the concern that we would become a union shop. In customer service, it's very important that we have as much flexibility as possible in order to meet the needs of our customers. Our customers have a high level of expectation. One of the, I guess heritages, of Haworth is that we've always been a can-do company and go outside of the box to meet the customers' need, and with a union environment, that would have been much more difficult to do. We were all very hopeful, obviously, that the union campaign would not be successful because we knew it would prohibit our ability to service our customer the way that they are accustomed to being serviced. Really, other than that, we didn't have a lot of involvement in it. I know the executives were highly involved, having a lot of plant meetings, meeting with the people on the factory floor, having a lot of talks, just making sure that the members on the floor really understood
that they did care about them and that they were important.

AH: Did you find that most people weren't interested in the union?

KH: There were pockets, obviously, of discontented people that wanted the union, but, obviously, because it was voted out, the majority of the people did not want the union.

AH: Do you think the situation has improved since, maybe the management realized that there were some things they needed to work on?

KH: I think so. I think there are always going to be some people that are discontented. Overall, I think that by staying involved the executives have helped keep the members calm and relatively happy in what they're doing.

AH: How would you describe the relationship between management and members?

KH: I think for the most part, it's good. I could probably speak more from my experience than from the plant-level experience, but in our department we try very hard to keep members involved, communicate, do fun things, have fun at work. Every year we celebrate International Customer Service Week. We have a week-long activity where we do different activities all week. We do baking contests and we just have some fun. Last year, because it was our fiftieth anniversary at Haworth, what we did for customer service week that week was every day. Monday was '50's day. Tuesday was '60's day. Wednesday was '70's day. So people dressed that way and we talked about the company and what the company was like in the '50's, '60's, '70's -- that type of thing. We really tried to have fun with it because, in service specifically, it's a relatively stressful environment, so we try to keep those lines of communication
open and have fun.

AH: Can you talk a little bit about the patent infringement case?

KH: The patent infringement case? There were actually a couple. The biggest one obviously was with Steelcase. That went on for a very long time. There wasn't a lot of communication, it was kept pretty private, but periodically we would get updates as to what was going on and where progress was in the case. It was really kept pretty private and quiet. The other infringement case was with Herman Miller, which was significant, but not nearly as significant as the Steelcase suit.

AH: What's it like to have all the competition so close by?

KH: It makes life interesting. [laughter] I think it makes you a little more cautious, when you're out-and-about in a social situation. I think that you probably don't talk about work as much as you might. I know I personally have a brother-in-law that's at a director-level at Herman Miller, so when we get together at Christmas we don't talk a whole lot about work. [laughter] But you have that a lot because it is all within a thirty-five-mile radius.

AH: What's your opinion of the business climate in Holland?

KH: I think the business climate in Holland is incredible. There are a ton of opportunities. How that impacts us though, it sometimes makes it difficult to find qualified people for positions because it is such a healthy environment. So you have to be competitive obviously, from wage, salary, benefits, in order to attract the type of workers that Haworth likes to attract. We do a very good job, I think, of trying to hire people that are upwardly mobile, that really have a strong desire to work, strong work ethic, all
those type of things. I think the business environment in Holland is as healthy as it is because of the work ethic in this specific community.

AH: Do you think that's had a lot to do with the success here at Haworth?

KH: Yes. This is definitely, I would call it, a workers' company. For those of us that are committed and have a strong work ethic, I think there are a lot of opportunities here. Because those are the type of people Haworth likes to hire. I know that has contributed to their success.

AH: What are you expecting for the future here at Haworth?

KH: Continued growth. I think we are going to grow. We are structuring ourselves so that when the world-wide recession, not necessarily the United States, but when the world-wide recession turns around, that we are in the best position of our competitors to grow internationally. The U.S. market is pretty saturated. There's obviously always opportunity, and we want to increase our market share within the U.S. But the real growth potential is outside of the U.S. I think we are doing an excellent job of building infrastructure so that we can take off internationally when the recession turns itself around.

AH: Where do you think you're going to go with product line?

KH: I think we will continue to be innovative. I think that as -- obviously, I'm not involved with product marketing, so I don't know what their plans are -- because technology and communication and electrical are all such an important thing, I think you're going to continue to see innovations from that side. I think we're also going to continue to look at how people interact. Even here, we have office space issues, I
think we'll start looking into the home office, telecommuting type of things. I think you're going to see some of that kind of thing come out.

AH: Do you think the company will stay privately held?

KH: For awhile. Right now I think it's a competitive advantage for Haworth to be privately held because our two largest competitors are both public. I also think that as long as G.W. Haworth is living and is as actively involved in the business, I can't imagine it would go public.

AH: When do you think, since you've started, you've had the time of most growth?

KH: I would say the '80's.

AH: Is that when you started going global?

KH: Yes. We started going global. We always sold into the Canadian market, but really probably the mid-to-late '80's was when we started really growing internationally.

AH: Where did that start with?

KH: Our first acquisition I believe, internationally, was Comforto in Germany. That was the first one. From there, it just blossomed.

AH: Do you see any places where you think you'll head next?

KH: Certainly there are markets we're always looking at. The market that we've recently entered with a couple of large projects, is India. We've just recently done two relatively large projects there. That's obviously a market. The other market probably, because of looking at manufacturing feasibility, is Brazil. We want to increase our market share in Brazil because it is the largest market in Latin America. We want to increase our sales overall in Latin America.
AH: Do you think, in these countries, it's going to be Haworth plants making Haworth products, or more like you said, acquisitions making their products?

KH: I think you'll see a combination.

AH: Do you know off-hand how many countries Haworth is in?

KH: We do business in more than one hundred and twenty.

AH: Can you just take me briefly through the past presidents? What things changed when the new president came?

KH: Obviously, the presidents that I've worked under are Dick Haworth and Jerry Johanneson. Dick was president for a long time and I think he has a very "product" mind. He himself holds many patents. I think he has helped the company as a whole from a product perspective, where Jerry had come in at the time we had grown a lot and we started growing internationally. I think both Dick and Jerry had to step out of the business more. I think Dick was more actively involved because it was a smaller company. I think both of them have had to obviously step outside of the business now to be the visionaries for the business. I think that is really the difference. I don't think it's because of the difference in people, I think it's because of the difference in size of the company and where we're at at this point in time.

AH: Can you pinpoint any event or anything that happened that was the biggest setback or the biggest hardship you've experienced while you were here?

KH: There was one actually that happened just before I was hired-in. It happened in the very early '80's. They implemented a new manufacturing system. That was in '81, '82. I was hired in '83, so they had overcome that and were moving forward again,
but that was a very significant event for this company. Obviously you are always going to have little issues along the way. One of the more significant things that we’ve dealt with in recent history is we moved our wood plant from Grand Rapids to North Carolina. Then we moved it from Highpoint, North Carolina, to Chadbourn. In that process of those moves, we had some similar difficulties, obviously not as widespread because it was more plant-related.

AH: Thanks a lot.