

Out of the BOX

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FROM THE President's Desk



Bob Carlson
President and CEO

If there's one word that sums up the current business climate for WPF members it's uncertainty. Turmoil in our financial markets, a fiercely contested presidential campaign and a market for office furniture that for most of us has been flat at best have all combined to create an environment that is probably about as challenging as we have faced in a long while.

That's the bad news. The good news, and it's very good news, is that in WorkPlace Furnishings we have a resource that can help us deal effectively with today's tough challenges and continue to find new and profitable opportunities.

At a time when budgets are tight for our customers, the WPF product portfolio allows us to offer value-driven solutions that represent true alternatives for economy-conscious consumers.

Over the past year, for example, Transitions, WPF's own private label systems line, has become an increasingly important resource against low-price competition, not just for my own dealership but for a growing number of WPF dealers.

The benefits of WPF membership aren't just limited to our outstanding product portfolio and rebates package. The experts listed in the Business Resource Center of our web site are available to members, on specially negotiated terms, to provide guidance and consulting services in key areas of dealer operations.

Most importantly, perhaps, membership in WPF allows you to tap the collective knowledge base of our dealer members. I've lost count of the number of times access to that knowledge base has

helped our dealership. It's a unique resource that can help us all on many different levels.

With that last point in mind, it's certainly not too early to start making plans for our 2009 Annual Meeting.

Set for April 6-8 in Palm Springs, the meeting will not only offer a chance to meet with our suppliers and learn more how they can help you grow your business. It will also provide a terrific networking opportunity to share ideas and information with your fellow dealers.

I've never left one of our annual meetings without at least one or two good ideas to strengthen my business and I'm sure next year's meeting will be no exception.

At WorkPlace Furnishings, we can't control the ebbs and flows of our overall political and economic environments. But we can—and we are—providing market-tested programs and services to help our members respond successfully to whatever business challenges may come their way.

Even if the outlook remains uncertain, there's one thing all of us can be sure of: If we make the most of all WorkPlace Furnishings has to offer, we will continue to outperform the industry and weather the storm!

Thanks, as always, for your support and Good Selling!

Bob Carlson
President and CEO
WorkPlace Furnishings

BUSINESS RESOURCE SPOTLIGHT ON HUMAN RESOURCES:

Where Has All The Talent Gone?

By Leslie H. Krieger, Ph.D., SPHR
Assessment Technologies Group (ATG)

A current rewrite of the popular 20th Century anti-war ballad might well begin, "Where has all the talent gone?"

And since in today's ultracompetitive environment talent is your most powerful differentiator, the answer to the ballad's question is critical, not just rhetorical.

Every U.S. labor market prediction for the coming decade tells us that fewer and fewer qualified people will be available to fill a growing number of increasingly demanding jobs.

So if your dealership doesn't become proactive about securing, retaining and developing great talent right now, you may find yourself singing the "talent gone" ballad much sooner than you might expect.



Fortunately, there are several steps you can take to secure, retain and develop needed talent.

Establishing internships, conducting a talent hunt, providing tuition reimbursement and offering developmental coaching certainly should be on the top of your list.

We know of one large Steelcase dealer who has established strong ties with the faculty at several local colleges and offers internships to recommended students with majors such as design or accounting.

Interns get to know how the dealership operates and become comfortable with its people. The best performing interns almost always accept the dealership's offer of full-time employment after graduation.

Perhaps some serious talent is waiting to be discovered right inside your own dealership. The more employees you have, the less likely you are to know the depth of the talent they possess.

So conduct a Talent Hunt by inviting current good performers with an interest in growing their careers in your dealership to take talent assessments on line. You may be pleasantly surprised at the talent you uncover.

Tuition reimbursement for job-related courses and programs is a basic for retaining and motivating good performers. Announce your reimbursement program quickly before any of that top talent slips out the door.

One large Workplace Furnishings member in the Northeast has recognized the value of investing in developmental coaching.

It's far more cost-effective and motivating to grow your current team players into greater responsibility than it is to recruit leaders from outside your organization.

You can avoid singing the "talent gone" ballad by seeking help with talent acquisition, retention and development programs. A call to Les or Stephen at ATG, 800-737-5622, would be a good first step.

ABOUT THE AUTHOR: Leslie H. Krieger, Ph.D., SPHR is president of Assessment Technologies Group (ATG), a full service, industrial/ organizational consultancy that has provided personnel selection, development and consulting services to contract furnishings dealers for over 15 years.

As part of the WPF Business Resource Center program, ATG offers an exclusive, WPF-members only program with special discounts for services that include sales leadership selection and development, as well as a leadership team effectiveness audit.

For more information, contact Les Krieger by phone at 800-737-5622 or 904-332-7227 (email: les@assessment-tech.com)

SAVE THE DATE:

WPF Annual Meeting Set for April 6-8 in Palm Springs

If you haven't yet done so, now's the time to **mark your calendars for WorkPlace Furnishings' 2009 Annual Meeting.**



Set for **April 6-8** at the **Hyatt Grand Champions in Palm Springs, CA**, the meeting will feature more than seven hours of dealer/supplier one-on-one sessions, outstanding dealer education and plenty of networking and idea and information exchange with your fellow WPF dealers.

You'll be hearing a lot more about the meeting in the coming months, as we finalize program details.

Meanwhile, mark those dates on your calendar and plan on joining us for an outstanding opportunity to strengthen your business on many different levels!

Welcome New Members

WorkPlace Furnishings extends a warm welcome to this fine dealer who recently joined our organization:

- Gregory Grier, Inc.
 - Charlotte, NC
 - www.gregorygrier.com
- Welcome:
Eddie Grier and staff



Custer Workplace Interiors:

Finding a Formula for Growth in a Tough Market

You don't need a Ph. D. in economics to know that Michigan is not an easy place to do business. It's been a state whose fortunes traditionally rise and fall with the U.S. automotive industry and movement in recent years has been anything but in the right direction.

Unemployment in Michigan currently stands at 8.7%, 25% higher than the national average. And in Western Michigan, the primary market for WPF member Custer Workplace Interiors, it's even higher: fully 9.8%.

But don't start feeling sorry for president and founder Dave Custer and his team too quickly.

The dealership posted double-digit growth last year, reports sales manager Dave Driscoll, and despite all the current gloom and doom in the overall economy, it's on track to at least match last year's sales and, Driscoll says, there's plenty of business on the board to keep the momentum going into 2009.

The groundwork for Custer's truly impressive performance in recent years was put down in 2005, Driscoll explains, when the dealership adopted a radically different sales and marketing strategy.

"It used to be that our sales reps would pretty much all go after just about anyone—from the large corporate accounts to two- or three-person offices," he recalls.

"Three years ago, largely in response to the decline of the large corporate base in our market, we adopted a new approach that divided our sales team into two different groups: our Corporate Sales Group that targets organizations with 250 or more white collar workers and the Custer Market Development Group, whose mission is to service customers with fewer

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than 250 white collar workers.”

It wasn't an easy change to start with, says Driscol. “Some of our reps were initially quite apprehensive because they saw themselves losing those good, go-to large accounts they had always relied on. But as we moved forward, we were able to identify the good hunters on our team who really thrived in a more project-based, mid-market arena and who welcomed the opportunity to get out from under all the detailed follow-up and service-intensive activities involved in taking care of our large accounts.”

Since the change, Driscol reports, Custer's mid-market business has grown every year and today accounts for fully 35% of total volume. And, he is the first to admit, membership in the WorkPlace Furnishings organization has made a major contribution to that growth.

“WorkPlace Furnishings represents a key part of our whole mid-market effort,” Driscol says. “It has a great mix of products that fit that segment. We have a handful of go-to suppliers that we like to work with and focus on and the WorkPlace Furnishings program fits right in with that philosophy.”

WorkPlace Furnishings, he contends, also helps take what in many ways is an incredibly complex business and make it a whole lot simpler for his dealership.

“WorkPlace makes it very easy for us in that mid-market arena,” Driscol says happily. “You understand up-front what your discounting is going to be, you know what your lead times are and you know what the quality is going to be. We feel a whole lot more comfortable about the

whole process because WPF has made it possible to reach out to a few good suppliers we can rely on, rather than trying to negotiate our way through a maze of 200 plus.”

But having access to a market-tested program and making the most of all it offers are two very different things, particularly in an environment as challenging as Custer's.

In addition to dividing up its sales team, Custer has also found new opportunities by targeting high-growth vertical markets. Don't stop reading if you've heard this before, but healthcare and higher education figure prominently in Custer's good news story of the past few years.

Again, increased focus lies at the heart of the dealership's success.

“It used to be that our healthcare effort was spread out across numerous reps and they all tended to approach healthcare accounts pretty much the same way they did everyone else,” Driscol recalls.

Today, the dealership has a dedicated Healthcare Group, spearheaded by Todd Custer, one of Dave's sons, with specialist sales reps in the dealership's Grand Rapids headquarters, a Kalamazoo, MI branch location and in the Market Development Group, to focus on doctors' offices and clinics and other prospects in the fewer than 250-worker segment.

“Grand Rapids is transitioning from a manufacturing base to a bio-sciences and research and development-driven economy and that's really been where a lot of new growth has come from,” Driscol reports. And how has Custer responded?

“We lead first of all with in-depth knowledge,” answers Driscol. “It's a huge advantage to have sales reps who understand the healthcare business and who are really immersed in that business.

“We also spend a lot of time and effort targeting members of the A&D community who also in healthcare and make sure they understand the kind of resources and support we offer. And of course, our partnerships with companies like Steelcase,

Nurture and Global give us access to some outstanding products and market research that provide competitive advantage on several levels.”

On the higher education front, president Dave Custer plays a key role, says Driscol. “The office furniture business for all its complexity is still very much about relationships and Dave maintains a high profile in the community as a leader who's committed to ensuring our local colleges and universities get the support they need.”

Currently, Custer serves as chairman of the GRCC Foundation, which works to provide scholarships and other educational assistance for students at Grand Rapids Community College.

Custer himself spent time at the college before finishing studies at Western Michigan University and has maintained strong ties there for many years. “I need to pay back and assure that what (GRCC) offered to me is offered to other people,” Custer told his local newspaper on being named chairman earlier this year.

Evidently, the lessons he learned as a young undergraduate have stood him in good stead ever since. The dealership Dave Custer founded back in 1981 has grown to become a genuine success story, despite all the challenges of operating in a difficult local economy.

He and his team—which today includes sons Todd, Mark and Scott, as well as wife Karen who serves as unofficial director of fun—have built a business that carefully balances disciplined management with a willingness to embrace radical change and new directions when market conditions make it necessary.

It's not an easy balance to strike, perhaps, but as the past few years at Custer demonstrate, the benefits when it works can be truly impressive!



The Mayline Group

Niche Marketing, Outstanding Support Yield Rich Dividends

It's hard to believe but the company now known as the Mayline Group started out as a manufacturer of just one product—straightedges for architects and engineers—and a distribution network that consisted almost exclusively of specialty blueprint and reprographics companies.

Mayline has come a long way since then. Today, its product mix covers a broad spectrum of office applications—from traditional casegoods to the mailroom, the computer room, training and conference facilities, high-density storage and more. And those products reach the market through an equally broad spectrum of distribution channels.

A series of shrewd acquisitions that began in the 1990s, combined with an aggressive new product development effort and equally aggressive moves into new distribution channels, have transformed Mayline from a small manufacturer serving a limited, niche market into a growth-oriented, \$100 million business.

“Our strategy over the past 20 years or so has been a very simple one: to evolve the company into a major supplier of niche products,” explains Mayline VP of sales Don Clements. “We wanted to surround the office, but not compete for the systems furniture in the office.”

As it looked to the future back in the 1990s, Clements recalls, Mayline made a clear decision to avoid competing with the major systems manufacturers like Steelcase, Herman Miller and Haworth. Instead, the company would seek to serve the niches that complement and support systems product in any organization.

Those niches, says Clements, are small and for the most part hold little appeal for the major systems manufacturers. But cumulatively, he is happy to point out, they represent significant opportunity and Mayline has taken full advantage of it.

As Clements himself notes, “I started with the company 17 years ago and today we are probably 5-6 times larger than when I came on board.”



⇒ Inventory Availability



⇒ Track Orders



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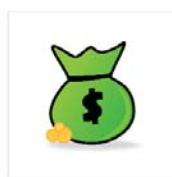
⇒ Factory Closeouts



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But acquisitions and product development are only part of the Mayline story.

Clements is quick to recognize the company's distribution partners—particularly its office furniture dealers—for their contribution to its growth over the years.

“One of the keys for any successful manufacturing company is good distribution,” he contends. “We participate in a number of different channels but our Number One channel today and the one we see offering the biggest growth opportunity going forward is the contract furniture dealer.”

And that makes the dealer members of WorkPlace Furnishings a critical resource for Mayline. “WorkPlace Furnishings has some of the premier office furniture dealers in the industry,” Clements points out. “Our participation in WPF gives us a focused audience we can partner with on the niche categories where we have market leadership. WorkPlace dealers have an extraordinary ability to build strong relationships with their end users and use our products to fulfill all the specialty requirements of their customers.”

Mayline, maintains Clements, offers the WorkPlace Furnishings dealer a different kind of partner.

“We're not just about one or two product categories,” he says. “Mayline operates as a genuine single-source provider of solutions across a broad range of applications—we're a single point of contact and a single binder for the mailroom, the filing room, the training room, the conference room, private offices, the engineering department, the break room and more.”

That broad product mix, he maintains, allows the dealer to serve as a comprehensive supplier to their customers and fulfill their total requirements, while at the same time garnering business in niches where pricing pressures are not quite as intense as the systems market.

It's not just about increased margins, however—though with most of Mayline's niche products offering a GP in the 30-35% range, that's a compelling argument in the company's favor just by itself.

It's also, says Clements, about maximizing the value of every customer and eliminating opportunities for competing dealers to gain a foothold by offering their own niche products.

When dealers buy into the basic Mayline approach to the market, Clements says they can be confident they will find a broad range of service and support initiatives to help them make the most of what the company offers.

“We've made major investments in customer service and support services over the past three years to make it easy for the dealer to sell and support Mayline products,” he points out. The result:

- A fifteen-person team of customer service reps at Mayline headquarters in Sheboygan, Wisconsin, supported by additional product experts for specialty applications.
- Free design and specification services for high density filing and storage, as well as for computer room and mailroom applications—usually with just a 72-hour turnaround time.
- A quick-ship program that ships 60% of orders in just 72 hours.



SHIPPED IN **72** hours

- Casegoods
- Modular Workstations
- Tables
- Seating
- Reception & Lounge
- Height Adjustable Workstations
- Filing & Storage
- Mailroom Furniture
- Network Enclosures & Racks
- Drafting Furniture
- Small Office/Home Office

Kwik-Ship

MAYLINE GROUP

Effective July 1, 2008

■ A network of 20 different rep organizations, providing close to 100 sales people and 12 different showrooms for Mayline products nationwide.

And, says Clements, there's even more to come.

Mayline recently introduced an online design configurator for its CSII workstation line to make design and specification easy and also launched a web-based Dealer Dashboard program that gives its dealers 24-7 access to real-time information on inventory availability, order tracking, promotions, factory closeouts and more.

Also coming later this year—and, says Clements, a major new point of differentiation for the company—is a Fast Freight program that will provide next-day or two-day delivery service on Mayline's stock product in most of the continental United States and three days to many areas of Canada.

These new programs, says Clements, are typical of the way Mayline continues to move aggressively to respond to new market opportunities and find new ways to help its dealers.

And after that? “We're going to continue to broaden our product line and add more services and support to make it easier for our dealers to work with us and make it more profitable for them,” says Clements. “It's what we've been doing for over 20 years now and it's been working very well for us and for our dealers.” That's not a bad niche to pursue by any measure!



What Could You Sell Your Clients If Budget Restraints Were Not an Issue?

What company doesn't need money when they are planning on moving or expanding and purchasing new equipment? As any business owner knows, there are unexpected expenses that occur that put a crunch on cash flow.

With that said, Workplace Furnishings has partnered with Horizon Keystone Financial to help you offer your clients the means to purchase the furniture they need.

Horizon Keystone Financial, a provider of outstanding financial programs, has specialized in the furniture industry since 1994. The programs offered will enable your products and services to be financed with a variety of flexible options and terms.

Horizon completely understands the furniture sales cycle from long lead times, various manufacturers, advance deposits, and time restraints of your client.

In order for you to place the order quickly and easily, Horizon can advance 50% of the total project cost upfront to the dealer!

Unlike some other lease/finance programs, there is no additional charge to your client for this convenient program.

In addition, we have one of the industry's highest "App Only" programs. What that means is we can consider most requests up to \$200,000 without slowing down the process, and asking your client for tax returns and/or financial statements.

This gives you a huge advantage in time, as well as responding to the concern of many clients who are private companies and prefer to remain that way.

These additional value added sales tools will assist your clients with their purchases without being limited by budget restraints.

Another very popular sales tool this time of year is the 2008 Economic Stimulus Act. The government tax credits derived from the Section 179 could enable your client to depreciate 100% of their purchase this year.

Our new dealer website www.totalofficeleasing.com offers more details on the tax benefits, along with a great marketing piece to share with your clients. Cash, Lease, or Finance, your client can take advantage of the Section 179 deductions.

If your dealership is not currently offering a turnkey proposal by including a financial solution to all of your clients, you could very easily be missing opportunities and losing sales. Horizon is available to help you and your sales team better understand how easy and effective this sales tool can be.

For more information on our new quote system or the 2008 tax benefits, contact Janeen Waddell directly at 800-606-0049 x124

(email: janeen@horizonkeystone.com) or visit our dealer site at www.totalofficeleasing.com

