

Interview with G.W. Haworth

Interviewed by Anna Holt

Also present: Nicole Tallman

1999

AH: This is Tuesday, June 22, an interview between Anna Holt and G.W. Haworth. First Mr. Haworth, I would like to ask you a little bit about your own personal background, where you were born, how you grew up...

GH: I was born in a sod shanty near Alliance, Nebraska, in 1911... October 9, 1911. It was quite a ceremony. I was first in the family, Mother's first child. My dad had to go eight miles to call a doctor to come in. He had to ride his horse to get to the place where the telephone was. So, you know we were pioneers, 1911 in the western part of Nebraska. My dad had taken a homestead out there. He built with his own hands his little sod shanty, which was the building in that time and that place. They had been keeping company in Iowa. They lived in Iowa when they were young. When Dad became twenty-one he wanted to have a piece of land of his own, so he took a trip out there and visited the available land that was being offered by the government at that time. After he'd built up his sod shanty and corresponding with Mother, Mother said that she would accept the proposal and come out to meet him. She came out on a train and met him at the station. They went to the Methodist church, were married and then went out to the homestead, twenty-two miles in a buggy. That's about from here to Grand Rapids. That's a long way. The flavor of it is really my

early, early years as the story is told to me. When I think of a new bride coming into a sod shanty which was very, very, small - and had to be - I think she was a brave gal. Dad was a brave guy to invite her.

AH: When did you come to Michigan?

GH: We lived around in the West quite a bit before we came to Michigan and ended up in Del Norte, Colorado, where I got my early elementary education. After I was in eighth grade, ready to enter high school, the folks moved to Michigan. We moved here down by Benton Harbor. Benton Harbor, at the time I was there, was a very nice city, good program of education. It's gone through some real rough times since that time - real, real rough. I graduated in 1930, which the depth of the Great Depression. You couldn't buy a job. But finally I did get a little job at a drugstore: I was a soda jerk. I made the syrups and I tended to the fountain. I got three dollars and seventy-five cents a week, but it was a job. The nice part about it was that that job led me into getting back into school. I was out of high school three years before I had a chance to get back. It was because my manager there took me to Kalamazoo - tried to get me a job in a sister store there. It looked like a good thing, so I enrolled. I had good grades in high school, so they gave me a scholarship and I started into school at Western Michigan University. When I applied for my job, which was arranged, I asked for the manager and another fellow came. He said, "I'm the new manger here. I don't need any help." What was I going to do? I finished off the week's work and I hitchhiked home to Benton Harbor and called on my old boss. He said, "Gerry, put on your apron and take care of your job." [laughter] So I worked

Friday nights, all day Saturday, Sunday morning, and then at noon I hiked back to Western with enough money to pay my board, room. I did the first year that way. The next year I got a job on campus and was, I thought, getting along very, very well. I liked my college education and enjoyed it. I think part of it was because I had been out of high school three years. I was so anxious to finish and get my education that it was really a pleasure for me to get back into school. Then I got my master's degree at the University of Michigan and came here to teach in the high school. I taught eleven years in the high school, teaching young men shop courses. In the meantime, I started a hobby in my garage - some power tools and making small projects. I liked it so much I decided, golly, I got to do this, getting into something different in my life. I taught eleven years and I liked my teaching. I like young people, but to get into something, you need some money. I didn't have any money. I had a mortgage on my home which I built during the summers while I was teaching. I went to the bank and said, "Mr. Banker, I want some help. I'm going to change my vocation." He said, "What kind of help do you need?" I said, "I need ten thousand dollars." That was 1948 folks, and ten thousand dollars was a lot of money then. He said, "Gerry, I can't help you. I'd be much better off loaning that ten thousand dollars to somebody who's building a nice home in Holland. If they can't make the payment on the home I can take it back and sell it. What would I do if you failed in your business?" I said, "I don't figure on doing that." He said, "I'm sorry, I just can't help you." So what am I going to do? That weekend I picked up my family and we went home. They were living just south of Benton Harbor in a place that I

had helped them build during one summer. Dad turned to me and said, "Gerry, we've got some life savings. If you think you can make a go at that dream of yours, we'll let you borrow the ten thousand." I said, "Dad, that would be high risk, I don't think it's smart for me to take that." "Oh yes," he said. "I'm going to keep working and you just take the money and run with it." Which I did. I'm eternally grateful for getting a start in something that has led to be a success. And I've had a success because I've gathered good people around us, who care and help make this company what it's become.

AH: So, you started Modern Products, right?

GH: Yes.

AH: What happened when you started?

GH: Well, I made a lot of different items. We did a lot of check-out counters for supermarkets. We did displays for several companies in the Midwest. I had to do pretty much all my own selling. I couldn't afford a good salesman.

AH: How many people did you have with you then?

GH: I built up to about thirty people, in the plant mostly. Then one day, after I had been in business about three years - I wasn't pleased with what we were doing. Every job you get, it never had any repetition on it like, you'd like to have to build a business, consistently build. A young man came into my office one day: he'd been to Philadelphia and had visited an architect by the name of Stonerhoff. Mr. Stonerhoff had drawn up his concept of what office partitions were about. [He] asked me if I could make samples of these drawings. I said, "Sure. You'll have to give me some

time. I'll have to get some material which I don't have, but I'll built them and if you want to come back in about ten days, I'll have them ready for you." He came back and was quite excited about what we had done. He said, "May I take these to Detroit? I think I could sell you a good order." I said, "Be my guest." I didn't know anything about where he was going to go or anything. We put them in the back of his station wagon and off he went to Detroit. The next day he came back and laid on my desk an order which frightened me because it was much bigger than anything I'd ever done before, a four-story building full of these panels. I had to hire people right away - hired them just as fast as I could - and we worked night-and-day to get the job out because of the size of it. [We] delivered it to Detroit and then I went up to see it installed. The excitement there of people putting their own furniture in these little cubicles that these panels had made, that was their office. Their own artifacts they put on the walls and they were really pleased with it. I said, "Here is something I've been looking for." It just dawned on me that this could be something that I could start building and add to it as time went on. It was the right choice. I've been building panels ever since. The quality that we've been able to put into our product and the good people we've had to come to help us has made it very successful. I'm grateful for my dad and mother having a part and their taking a chance. Business is always risky; that was a risky venture.

AH: You continued growing and growing throughout this time, when did you realize that you had to expand?

GH: Well, our expansion just started when our business was so successful in what we were

doing. We just had to keep ahead of it. I have a story that I always tell to our new people about my dad. He lived to be ninety-seven incidently. When he was ninety-four I had just built this big distribution center back here; there's a half-a-million feet in that one building. I said, "Dad would you like to see our new building? We just finished." "Oh, yes, " he said, "I'd like to see that." I put him in a car: Dad wasn't walking so briskly anymore. I opened the back door and drove inside there. There was nothing in there, just the big shell of a building. When we got back to the door he said, "Gerry, why do you want to get so big?" I said, "Dad, I don't know how to control it. We have more customers that want our product. Unless we keep building, we can't satisfy them. We have some ambitious people working for this company; if we don't keep them busy, you just don't grow." He hesitated. Pretty soon he turned to me and said, "I guess you're right." [laughter] He just was glad to see our success. I moved my dad and mom up here, built them in back of where we lived on Twenty-seventh Street, moved them up here in their sunset days and took good care of them. I'm always asked, "Did I pay my dad back?" I built him a home! [laughter] [I] took good care of them. Yes, I took good care of the folks. They sure deserved it because they gave me the chance. I don't think I would have had the chance. I was not a good risk. Looking back on it now, and my experience with the banks, banks have to have security. They have your money, my money. They can't take it at too much risk. That's the way we got into what we are into today. It's still exciting for me. Here I am at age eighty-seven. I'm working three days a week, sometimes four, sometimes five. It's fun, being a part of things that have been a success.

AH: Throughout this period of growth you made tons of acquisitions, but do any of them pop out in your mind as really large or important steps that you made?

GH: When we grew to a point where we had such solid customers in the USA and we thought it would be a good idea to follow them wherever they are. We followed them into different areas of the globe. Motorola is a good example of it, as I come out. EDS, Motorola and some of these hi-tech people that we've dealt with have wanted our product. So, we follow them, wherever they go, build a unit and take care of them. The first plant we bought was in Germany, our Comforto plant, makes chairs. They make a fine engineered and designed chair, which has been a very good thing for us. We have two plants in Italy now. We have a plant in France, two plants in Portugal, a good sales outlet in England and in that area. A lot of that has been a lot of work over that we've done in those plants to make them successful. We put some years in there that we didn't have profits from them, but we saw the potential of them. It's starting to break over now...just a month ago we bought four different plants in Germany that make good furniture and one in Spain. That will be the main supplier of our goods in Spain and the main manufacturer in Spain of the type of goods that we will be making. Now John Amell is breaking far in southeast Asia and we're getting some foothold in there and some of the jobs that we've been getting from there are very rewarding, although it is still a big venture. We have two plants now that we built in China. I've always had my fingers crossed a little bit on getting that much investment into a Communist country. It probably will work out well in the long run. We have two plants there now; we're just finishing the second one.

We planted wood manufacture in the first one and steel in the second one. We're just equipping the steel plant right now. That type of risk that you take in business that pays out in the long run if you work at it right. We have a lot of good people who can do that.

AH: About what year do you think it was that you started going global?

GH: I'd say it's been ten, twelve years, but that's been a slow progression.

AH: I was reading some of the information we have over at the Archives and I read about a couple of campaigns there were for a union in Haworth. Can you tell me about that?

GH: I can tell you the union story. It goes like this. We were manufacturing at one time a lot of floor-to-ceiling partitions. We were putting them into the big cities, where we had installations. What happened folks, we were not union and union was very strong and belligerent and they didn't like it because they had to handle the non-union product, so they were abusing it. Actually they were kicking holes in our panels and mutilating some of the work that we did. I decided that we'd have to join the union to get our panels and our merchandise installed in these highly metropolitan areas. I told the fellas, "Listen, let's call in the carpenters and jointers and see what we can arrange for a label, so that we're labeled to put on our product." They came in, organized our set-up, told us what the dues would be and everything. I agreed to pay the dues if they would join up. I knew that union wasn't very popular around this area at that time. I kind of had to do a sales job on that. As time went on, the type of work that we did, we got away from the floor-to-ceiling work and we did what you

see out here, the less-than-ceiling-high partitions and furniture. It's more like a total furniture job now. The installation doesn't have to be done by carpenters necessarily. In some cases it still is, but not what we had to deal with originally. It ended up in a strike. They were asking more; I couldn't stay in business and pay what they were asking me to pay. They went out on a strike for a couple weeks. I told them when they left, "Listen, I am going to go on vacation, too, and when I get back, we'll talk." When I got back they were knocking on my door, "Do you belong to the union anymore?" I said, "No, if they felt that we could operate, I think we could have operated very nicely with the type of product that we were making. I can't do much for you. I can tell you what to do." I told them they'd have to make an application to NLRB and then call in the union and have a vote by the company, and if the company voted for union, we'd have to stay the union or go out. I told them very frankly that if I had to pay what the union was asking that we would be out of business. We did that. We called in and at that time, seventy-six percent of our people voted for the company. The union left and we haven't had too serious problems with the union anymore. I'm thankful because it is so much more pleasant to deal with your people directly. Union was always in on too many of the decisions. It was a pretty impossible operation that way. So, we voted out the union, thank goodness. We try to keep our people happy and do the best job we can of supporting them and being competitive in what we do. That was the end of the union.

AH: Can you tell me about the patent infringement case against Steelcase and Herman Miller?

GH: When Dick (my son) came in out of the service and came into work for me, I knew Dick would be a good help in the area of product development. I assigned him to this first engineer that we had hired, Harold Wilson. They worked out the patent on the pre-wired panel. Before, all these units had cables coming underneath and they were just a mess all the time to bring service into the machines that were in them. So, they were going to engineer the electric into the panels, which they did. We got patents on them, spent quite a lot of money developing it up. When we showed them in Chicago. They were so exciting. The people saw what we had done. Immediately all of our competitors felt that they had to do this. What was to be done was to copy what we had done. Of course, that brought in the fact that we had to have some patent protection. We notified Steelcase, Herman Miller and all of our competitors that we were going to protect our patents. Of course, we had to get a real good attorney. We got a good attorney from Washington, D.C. who had been recommended to us and we started on Steelcase, almost ten years to win that. We spent many, many thousands of dollars, many millions of dollars protecting that patent. When Steelcase gave in and paid off pretty handsomely, the others had to be contacted and they paid off. We did collect. An adjustable keyboard pad, we were the first in that, we got quite a nice settlement in that type of patent. We own a number of patents today, some of them much more valuable than others. We find out it is necessary. Number one, it costs a lot of money to patent things, but it costs a tremendous amount to protect those patents, costs a lot more. It is a system that we are thankful for, to protect your own developments. That's what we've done.

AH: How has this local competition affected your business?

GH: Steelcase was in the metal business. Herman Miller was in the domestic furniture business, fine furniture. Then when we came out with the panel system, I think we were the first to come out with this type of panel that we came out with. Then Miller came out with an improvement on AO2, their office system, and then Steelcase got into the act. We've had people work here that worked at Steelcase and vice versa, Herman Miller, back and forth. It's a lot of competition that's affected us. We have good competition. I think competition makes you a better company, tougher, more aware of little things that you can do to make your company better, to stand out as innovators. That's what we've tried to do. Yes, it's affected us. We have to respect good competition. We just have to work so that, even in competition, we can still make a little profit or we don't stay in business. That's our goal, to keep our costs down. We keep our inventories low because, if you need the material, you don't need it before you work on it. We don't built up a lot ahead so that we've got it there to work on, we keep it scheduled so it comes in when you need it, so you don't have that cost on your back all the time. We've tried to work around and continue to be a competent company with competition at our door all the time. That's the way we've done it and we've worked it out pretty well.

AH: Much is said about the work ethic and the strong values in Holland, do you think that has been part of the success of your business?

GH: I certainly do. I think our guarantees and our word is our contract with our customers. We try to do it in a professional way, in a way which is honest, honest

dealing. I think we have a reputation for a just, good company. We try to be aware of our limitations, we pay as well as we can in our areas of labor, and turn out a quality product. That's what we've become known for. Quality people make quality products and quality service, that's the way it goes. That's what we want to stand for. Our customer is so important. We don't build a company on the first order, we build it on repeat orders. If we don't do a good job on the first, we don't get the second. With big companies that keep coming back and back to us with big jobs for us to do, it gives us a real thrill to service them and to do the job we're asked to do. They can depend on us, our word is that we will stand behind our product. It's guaranteed and we fulfill those guarantees. If we have any failures any place, we make it good. It's what's kept us going.

AH: When did your son become president?

GH: Well, he became president when my first wife contracted cancer. We knew that she had limited time to live. I said to Dick that I would like him to take over because I wanted to give some time to Mrs. Haworth while she was living. I took more time off and I said, "I would like you to take over the presidency of the company and you will be in a place that you can carry on." That's what we did. The date on it...I can give you the date, let me see here... [looks through papers on his desk]

AH: 1976?

GH: I think you're right. [finds paper he was looking for, reads from it] 1976 - Dick president. We sold our Florida Ceiling business. Our sales that year were fourteen million. We had just gotten into the systems business. Next year it was twenty-two,

the next year it was thirty-one, the next year it was fifty. We just stepped up, up, up, up. It was a nice progression of business that was very strained because of the needs of a growing business. It worked out. Dick and I have always worked very close together. Not every father and son can live as close together as we have and get along well. That's gratifying. Dick's son is in the business now, doing a good job. We're pleased with his input in the company. But folks, we are more than a family company today. We have people like Jerry Johanneson who had far more exposure to large business than we had when we got him in here.

AH: And he's the president now?

GH: Yes, so it isn't a family president, it's a company president. People in finance and sales, all these people are making a big dimension in what we do. We haven't any real yen for the family to run the whole thing. It's there and we've made available these jobs to people who are capable, have more experience. That's what's happened. And being an educator, my background, I had a lot to learn those first few years in business. I have many remembrances of some of the things that I had to learn and the experiences I had to get to do a good job here. It was on the road. Dick was there to help take over, we've just had a successful time together.

AH: What do you see as the future of Haworth?

GH: The future kind of depends on the product that you come out with. I don't see any revolution in the product line, I see an evolution. It's refining, catering more and more to the customer. What do they need? What's going to make them efficient? What is going to make them a good company? If we can make our product to help

our customers I think we'll always have a business. Whether we'll be making panels and equipment like we're making today, I think you'll find out that ten years may make a difference in what we are selling, to a degree. We have to be very mindful about the needs and what people will need. It's an ever-challenge. The people who develop products here are so important to us and what they come out with and how we market that to the outside. Our sales conference in Chicago (NeoCon) was very successful, I think. We had some nice products there for people to see and to experience. I thought it was a very good show.

AH: Do you believe that you will remain privately owned?

GH: As long as I am living. There's no reason for us to go public. We can keep secrets away from our competition that they can't keep away from us. We read their reports all the time. It's legitimate. We can do that. I can't say that some day, for some reason, we might go public. It's not in our plans, no. I'm sure Dick feels the same way about it right now. If he changes his mind, it's ok.

AH: Well, from a garage business to one of the largest privately owned companies, one of the best companies to work for, that's quite impressive.

GH: Well, thank you. It's been a thrill to see it develop. I always say: To see people who grow up in a company and take increased responsibility is one of the biggest thrills that I get. And the vice versa of that, to see people that don't do it, is very disappointing. We've had some people that we couldn't keep because they didn't measure up. That's kind of sad. You have no choice when you have that kind of people who don't make a contribution to the company. Then you shouldn't keep

them. It's not only against the company, but it's against their life. They ought to get into something that they like and feel like making a contribution. That's the way we do it.

AH: Wonderful, thank you so much.