



# Rich Tradition, High Performance

BY DEANA NUNLEY

Left: Bob Ballard Jr., general manager of the Steelcase Athens plant, with some of the company's office panel systems product.

When Steelcase, Inc. recently commemorated the 25th year of manufacturing in Athens, Ala., 58 of the 120 original employees who started at the plant in 1979 were still working there. "It tells you a lot about their loyalty and willingness to stick it out and make a career here," says a company executive. "This is one of the most loyal work forces I have ever worked with. They want to see the company succeed."

Today, 25 years later, the company continues to manufacture panels and

Steelcase Inc., the world's leading designer and manufacturer of quality office furniture, celebrates its 25th anniversary in Alabama this year

movable walls at its Athens facility.

Headquartered in Grand Rapids, Mich., Steelcase says it provides the "environment and the tools to help people work more effectively while helping organizations use space more efficiently." The company says it has led the global office furniture industry

in sales every year since 1974, reporting fiscal 2004 revenues of approximately \$2.3 billion. Steelcase has 14,000 employees worldwide and manufacturing facilities in more than 35 locations.

The Athens plant produces the vertical panel systems that serve as parti-

## Rich Tradition, High Performance

tions for people who share offices. The north Alabama facility makes steel- and fabric-covered systems in a rainbow of colors. Steelcase Athens product lines include tackable acoustical panels, non-tackable steel panels, power panels, curved panels and glass panels.

Athens employees performed most of the work on a roughly \$6 million contract awarded to Steelcase last year to outfit the Federal Aviation Administration building in Washington, D.C. That work is nearing completion.

“Over the years this plant has a very rich tradition of high performance in all of the manufacturing measures. A lot of that has been driven by the fact that when we opened the plant in 1979, we hired almost exclusively from the local area,” says Bob Ballard Jr., general manager of the Steelcase Athens plant. “The local people actually made this plant what it is.”

Only five people transferred from



Ellis B. Chensault

**Only five people transferred from Grand Rapids to form the Athens operations — the rest were local hires. “The local people actually made this plant what it is,” says General Manager Bob Ballard Jr.**

Grand Rapids to form the nucleus of the Athens operations and the rest were local hires.

The Athens plant has 490 permanent employees and is in the process of converting 160 temporary workers

to full-time hires. Steelcase independent dealerships in six Alabama cities employ several hundred more people. The Athens plant, one of the top five employers in Athens-Limestone County, is located on an 84.8-acre site. Manufacturing space occupies

about two-thirds of the 890,000-square-foot plant, which also includes a 150,000-square-foot distribution facility. Many of Steelcase’s suppliers have relocated close to the Alabama plant to reduce lead times and improve quality control.

“Steelcase has meant so much to our community. They are one of the most important members of our industrial base,” says Tom



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Hill, president of the Limestone County Economic Development Association Inc. “Providing quality jobs and support to the community as they have for 25 years has been a marvelous asset to Athens and Limestone County.”

Hill was part of a contingent of state and local officials who provided an incentive package to bolster the Steelcase Athens plant a few years ago. The office furniture industry declined as a result of economic recession and the 9-11 terrorist attacks. “We went to Grand Rapids to express appreciation for having Steelcase and offer support for any kind of expansion project they would want to do,” says Hill. Steelcase corporate leadership chose to undertake \$10 million dollar expansion, according to Hill.

Ballard says the officials did an outstanding job of positioning Alabama as a place for Steelcase to do business and offered some very attractive incentives to the company. Ballard and Hill said the outstanding performance at the Athens plant was the major contributing factor, but both agreed that the Alabama officials’ extra effort influenced the Steelcase decision.

For Ballard, it’s just one more reason to appreciate doing business in Alabama. “The people have a very good work ethic and they’re very flexible,” he says. “An example would be if a person has a regular job and anybody in the leadership group asked them

to help in another area for a day, a week or a month. There’s never a question asked. People are very willing to flex with the workload and flex to other jobs in other areas of the plant.”

The proliferation of computers in the workplace has dramatically changed office furniture design over the last 25 years. “We’ve had to add more cable capabilities through the movable walls. Early on, computers were bulky and heavy and took up a lot of space. We used to have to design our products to accommodate that. We’ve also seen a shift as the economy got better to redesign workstations to accommodate technology as well.

“As a company we do a ton of research into customer needs all along the way,” he says. “We continue to do that research to find out what we

actually need to be for our customers.”

Ballard says their extensive research showed the need for more collaborative team space in the work environment and Steelcase has migrated toward designing office space to accommodate collaborative work.

“We were traditionally making furniture, but what we found was that the market changed and customers asked for more. We started venturing into architecture, furniture and technology. And so, not only do we offer furniture, but we began to offer architectural products like raised floors, posts and beams. On the technology side,” he says, “we offer a range of products like electronic whiteboards and computerized devices that will reserve conference rooms. So we’ve branched into technology and cable systems that power our furniture.”

The Steelcase Athens plant has introduced statistical process controls to enhance quality and is actively engaged in manufacturing concepts that include employee involvement teams that use knowledge and insights of the work force to ensure quality products.

“Over the last year we have rationalized as a company a lot of our capacity due to improvements we’ve made in our manufacturing processes. Specifically with ‘lean manufacturing,’ we’ve just gotten better at what we do,” says Ballard. “We utilize much less manufacturing space. We’ve taken the majority of our vertical wall systems and moved them



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## Rich Tradition, High Performance

into our Alabama plant in Athens from other locations around North America.”

Steelcase moved six products manufactured at other locations to the Athens plant, adding 60 permanent hourly production jobs.

“We’re not automated to the point of an auto manufacturer with a lot of automation and robotics. We use a moderate amount of automation in the areas of laser cutting and some robotic welding,” Ballard says. “With lean manufacturing, we found that we need to be more flexible. While automation plays a role, it doesn’t play a dominant role. We don’t want a lot of automated, heavily capitalized equipment that ends up being a monument sitting in the factory.”

He says the market was very different in the ’80s and ’90s “We geared

up to run really high volumes of parts and high inventories. We scaled that back a great deal to become more flexible and faster with less inventory in the system and that’s been a transition over a 12 to 15 year period.”



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The Alabama Wildlife Federation awarded Steelcase Athens its Air Conservationist of the Year award this year. The award program was developed to recognize specific conservation achievement within the state of Alabama.

Steelcase Athens received the award because it replaced its wet solvent paint system with one that uses powder-coating technology. Since completing its conversion to powder coating, the company says the facility’s volatile organic compound emissions have been reduced by more than 75 percent. Additionally, the firm says, retooling of paint operations in 2003 totally eliminated volatile organic compound emissions from the plant’s paint process.

“Steelcase’s reputation among the community is one of a responsible and environmentally friendly corporate citizen,” says Susan Fogg, president of the Athens-Limestone County Chamber of Commerce.

“I think Steelcase in Alabama has a bright future,” Ballard says. “The company made a large commitment when it decided to move the six product lines into this plant. That commitment was based on 25 years of stellar performance. This plant is going to be the majority supplier of panel systems for Steelcase in North America, and from my perspective, that’s going to last a very long time.” ■

## The Beginning

Steelcase began operations in 1912 as The Metal Office Furniture Company. The company received its first patent in 1914 for a steel wastebasket — a clever innovation at a time when straw wastebaskets were a major office fire hazard. That led to metal desks, and the company has been a leader in office furniture product innovation ever since.

Gen. Douglas MacArthur and Japanese officials signed the surrender documents ending World War II on a Steelcase table aboard the USS Missouri.

The company officially changed its name to Steelcase in 1954 and became a publicly held company in 1998.

