

FROM THE DEPRESSION OF 1929 TO THE RECESSION OF 2008

O.B. WILLIAMS COMPANY'S LONGTERM SUCCESS YIELDS VALUABLE LESSONS

From President Benjamin Harrison to Benaroya Hall, Seattle's historic woodworking company approaches Quasquicentennial year with optimism and hope

FOR IMMEDIATE RELEASE – November 16th 2011 – In 1889, only forty-three years after the settlement of the US-British border dispute establishing the United States' northern border at the 49th parallel, and the same year that Washington became our 42nd state, Owen B. Williams founded the O.B. Williams Company in Fairhaven, Washington. Over the past 122 years, they have not only survived, but thrived. And in this time of uncertainty and fear for so many business owners, O.B. Williams Company has learned to take the long view, a more than century-long view it turns out.

In 1902, O.B. Williams Company moved to Seattle, in the midst of a recession following the stock crash of 1901. However the business flourished due to a building boom lasting from 1900 to 1910. By 1911 they constructed and moved into a 40,000 square foot store and factory on First Avenue South, adjacent to the company's current SODO location. The company persevered as the country struggled with the panic of 1910–1911, a mild but lengthy recession where the national product grew by less than 1% and commercial and industrial activity declined. There would be many more financially troubled times in the century that followed and in the 122 years since its' founding. In fact O.B. Williams Company has survived a total of 26 recessions and learned valuable lessons along the way.

After Williams' death in 1924, rumor has it that he willed the company to his employees; however the court found the employees were insufficiently identified and gave the business to his widow Hannah and the real estate to his son Lawrence Williams. As the roaring twenties raged on, O.B. Williams Company continued to operate and survived the Great Depression of 1929. The business was eventually sold to Joe Burke and Ray McCoy and incorporated in 1942. The decades of the 1950's, 60's, 70's and 80's provided seven more recessions and invaluable lessons about surviving in a sea of economic uncertainty including the need to be versatile within your area of expertise without jumping ship to an entirely new field. Although over the years O.B. Williams Company's focus has changed slightly from large scale manufacturing and distribution of windows and doors to custom manufacturing of fine architectural woodwork, they have continued to provide doors, paneling, cabinets and millwork for all manner of commercial buildings, hotels and even the last great concert hall to be built in the 20th century, Benaroya Hall. And although versatility is important, they believe you can adjust your company's focus somewhat within your area of expertise, but a recession is usually a very poor time to get started on a painful and expensive new learning curve.

As the 20th century came to a close, a majority interest in O.B. Williams Company was sold to David Wick, a long-time employee. Wick is the company's current president and took the helm just in time for the Nisqually earthquake which heavily damaged Seattle's SODO district and he also faced the recession of 2001 resulting from the September 11th attacks. As the company moved forward, Wick considered adding additional staff and/or production capabilities, and looked at outsourcing where possible to help build flexibility in his organization. The ability to scale production up and down without taking on more fixed overhead and expense, allowed him to adapt during and after that recession.

In the past decade, the company has excelled at providing custom woodwork of all descriptions for incorporation into high end projects throughout the West. The recession of 2008 proved difficult for O.B. Williams Company, as for countless other companies. Under Wick's leadership the company focused on targeted strategies pertaining to financial forecasting, staying informed and strengthening its relationships with its customers and employees.

“As a company, I believe addressing these 3 key areas sustained us. We created emergency plans listing all of the steps we could take if necessary when revenue started to fall. Expenses needed to be cut, capital expenses needed to be limited and new sources of revenue needed to be found. If one segment of our business was suffering, we listed all of the other segments to focus on. We've learned above all else that understanding our company's vulnerability to recession was a key to our survival for the past 122 years. As a manufacturer and subcontractor doing business within the relatively volatile construction industry, we know we'll likely be adversely affected during a recession. We work closely with suppliers, as our partners in business. We ask for payment terms which closely match our billing cycles

and we do not stockpile materials and instead order only what we need as close to “just in time” as possible. In the past, we have usually weathered the first part of a recession fairly well as long as we had significant work remaining in our backlog. We know that our industry lags behind the general recovery due to the long life cycle of new projects coming on line as the recession ends.” Wick said.

During these times of economic stagnation, the company quickly gets “back to basics” using a sales-monitoring system to ensure that its sales people engage all potential prospects and to ensure that senior management knows how all sales activity is proceeding, providing clear accountability for all aspects of the sales team’s performance. An accurate sales forecast based on a realistic evaluation of its sales pipeline given a changing economy is paramount.

“We use our sales forecast to create projected income statements, balance sheets and cash flow projections under plausibly optimistic and pessimistic scenarios. By closely watching our sales pipeline and backlog and then seeing the first signs of change when they occur, we don’t wait for things to get better; rather we revise our plans and take immediate action. We increase our marketing activities, work the phones and call our customers in person. If we are not assertively pursuing prospects, we lose sales and market share to our competitors who do. When things turn around we need our company to be first and foremost in the minds of our customers. We don’t wait too long to act internally either, addressing staffing levels and taking advantage of available “work share” programs to allow our employees to work 3-4 days per week and receive unemployment benefits for the other days. This reduces O.B. Williams’ expenses while still allowing retention of valued staff members. Last but not least, we get outside input including meeting with reputable business consultants that provide us the perspective and new ideas we need to stay energetically engaged in moving our company forward during these tough economic cycles.” Wick continued.

Companies like O.B. Williams Company continue to operate through 26 recessions because they constantly connect with their customers. Even when their sales force becomes discouraged with a financial reality that they cannot control, Wick focuses them and the entire team on giving customers the best service possible, following up after delivery to ensure their satisfaction and making it right if it wasn’t. And they always ask for a referral. He realizes that O.B. Williams Company’s frontline is not its senior management so they stay connected to their employees as well. They hire great people, let them do their job and ask for everyone’s input, listening carefully to the suggestions. Wick makes sure to share the reality of the company’s sales requirements with their entire management team, making sure everyone knows what is needed, and gives them regular feedback on results so that goals are clearly defined. This energizes and engages the team toward accomplishing their goals.

“Times of recession are times of fear. And although it seems counter-intuitive we have always continued to invest as much as possible in training and current technology, even during recessions, in order to stay competitive. Prior training and planning pays big dividends during our lean times. We find that a good antidote to fear is to stay informed. We do this in many ways including attending economic forecast luncheons presented by our bank and we also seek out local economist blogs to stay in touch with current trends and forecasts.” Wick reflects.

What is the single most important reason for O.B. Williams Company’s success over the past 122 years? It’s their mindset. They just stay positive and focus on those things within their control.

“Since 1889, our company has survived 25 recessions, the great depression, a worldwide flu pandemic, two world wars, three major earthquakes and a whole lot of other headaches. At O.B. Williams Company, we keep our current problems in perspective and we don’t forget that we are part of the most successful, productive and prosperous economic system in the history of the world. And we never discount our own resilience or that of the American workforce.” Wick concluded

ABOUT O.B. WILLIAMS - O.B. Williams Company has more than 120 years of experience manufacturing custom woodwork. For the last several decades, our primary focus has been on providing custom architectural woodwork for high end private residences and landmark commercial buildings. 1939 First Ave South | Seattle, WA 98134

MEDIA INQUIRIES – Cindy Baccetti - cindy@cindybaccetti.com or (425) 221-3374