



Secrets of Success

Parron Hall Office Interiors: A Model of Consistency

Jim Herr, president of Parron Hall Office Interiors in San Diego, doesn't take long to reflect when asked to identify the reasons for his company's success. "Longevity and consistency," responds Herr. Longevity and consistency in staff, clients, and the manufacturers it represents. Makes sense considering the company has been around for 61 years.

Parron Hall has 51 employees with an average tenure of 11 years. Average tenure on the sales side is a bit longer—12 years—and nearly 15 years for employees who work in its distribution department.

"In terms of tenured sales staff, we bring real expertise to the table that often puts us at a competitive advantage," maintains Herr.

"There's a complexity to this industry that everybody on the contract side recognizes and the way we dealt with that was to really do all the things necessary to keep our staff consistent. Our management team has almost 15 years' average tenure and that's been key as well."

One reason why people like working for Parron Hall is the confidence they have in management. "We have a very elastic cost structure that means we don't have to lay off employees during a downturn," explains Herr.

The company smartly handles major installation projects by outsourcing those functions as necessary. "Not being in that cycle of staffing up and laying off, we're viewed by our people as a stable place to work," says Herr.

A cash-incentive bonus plan rewards employees at the end of the year and the company contributes to employee's 401k's. In 2006, a peak year for the company, Parron Hall paid out \$270,000 in cash incentives and 401k contributions.

"When you put up that kind of money, you're saying, 'You're an important part of the team and you are what's made this great year possible,'" says Herr. "I think that speaks volumes and gives people loyalty so that when times aren't so good, they're committed to being part of the team that's going to make it a better day."

Herr has been with the company for the past 30 years. Although Parron Hall has some significant tenure in the market, it wasn't always the market leader it is today. What's changed? To start with, 12 years ago, the company became a Knoll dealer.

Thanks to the Knoll line Parron Hall's government business is growing like crazy, Herr reports. This year he expects government accounts to make up 20-25% of overall business.

Education and healthcare are also two key verticals and two of the area's largest healthcare clients are among Parron Hall's five largest clients. Speaking of longevity, Herr, then in college, was delivering furniture to those very same healthcare clients more than 30 years ago.

While consistency is the hallmark of Parron Hall, the ability to evolve with the industry and the market remains instrumental to its longevity. And after 30 years, Herr still loves it.

"I just enjoy the strategic and marketing sides of the company," says Herr. "From adding architectural products, to classroom furniture, to becoming a Knoll dealer, getting into the government market... doing all those things and seeing them successful over time has been very satisfying to me, as are all the great people I've worked with for so many years."

- Management:
Jim Herr, president;
Victoria Needham, vice president
- Office Furniture, Architectural Products
- Employees: 51

- Revenues: \$26.3 million
- In business since: 1947
- Premier Partners: Knoll, Kimball, National, DIRRT.
- Web: www.parronhall.com