



## PARRON HALL OFFICE INTERIORS: 'A COMMITTED STAFF HAS EVERYTHING TO DO WITH OUR SUCCESS'

Even in the toughest times, there are always dealers who can find ways to grow. Case in point: Parron Hall Office Interiors, where president, Jim Herr reports "strong sales and good profitability."

Despite recession and a steep and stubborn downturn in the office furnishings industry, this San Diego, CA-based contract furnishings dealership is happily watching its business grow, largely through repeat sales, sales to the biotech and health care industries, and new government contract business, according to Herr.

"I know a lot of other dealerships are hurting, but we're doing well," says Herr, who gives most of the credit for the company's success to long-term client and employee relationships, built on the expertise and professionalism of its staff.

"We became a Knoll dealer about six years ago," Herr recalls, "and that's also made a big difference." While the company deals primarily with Knoll and Kimball, it offers products from 300 manufacturers from across the nation.

Parron Hall was founded in San Diego back in 1947, but its beginnings extend even further back, all the way to the 1880s when L.B. Herr founded an office products company in Lancaster, PA.

Jim Herr is that man's great-great-grandson and he grew up working in

the family business. Herr's father relocated the family to San Diego and later brought his industry experience to Parron Hall through a merger.

The company offers total contract furnishings services, from initial product specification and budget planning to delivery, installation and maintenance. Its customers come in large, medium and small sizes, drawn primarily from the San Diego corporate community, healthcare and educational markets and numerous government agencies.

Operating from a 25,000-square-foot central location and a 10,000-square-foot remote warehouse, Parron Hall maintains a fleet of trucks, receiving, warehouse, installation and service facilities. Its showroom features a selection of office furnishings, accessories and systems in an array of design configurations.

### LONG-TIME STAFF A POWERFUL RESOURCE

In 1997, when Parron Hall was celebrating its 50th anniversary in business, the company reported annual volume of \$14 million. Five-years later, annual sales stand at about \$20 million, no mean achievement in a market that's about as challenging as most industry people have ever seen.

"It's our reputation for outstanding service that's driving our growth, and that ties in directly to the longevity of



JIM HERR

our employees," says Herr.

Again and again, Herr credits Parron Hall's 50 employees for the company's success. The staff consists of designers, customer service specialists, experienced installers and service personnel. Sales personnel are trained to listen carefully to ascertain the needs of Parron Hall clients, while team members track orders, monitor delivery schedules, respond to customer questions and deliver and install products.

Ten of the company's 50 employees are accredited designers. These professionals have the technical expertise to work with a number of systems furniture products using CAD/CAP software to tailor services to match clients' needs.

Designers work with customers, architects, and other designers, assisting with budget programming, space planning, finish and product specifications, inventory and installation drawings.

Herr says the company partners with the design community in San Diego. "We don't compete with the A & D community; however, we do a significant amount of fee work, mostly technical services for reconfigurations," he explains.

"Our staff performs well and we're



always working to hire more good people," says Herr. "We try to find the best and hold on to them. We have great longevity on our staff," Herr says proudly, remembering that the company weathered the recession in the 1990s without laying off one single employee.

"We have ten outside salespeople, and seven of them have been with the company for more than 12 years. And the other three each have more than 10 years of experience in the industry," he adds. Holding on to these precious assets requires exceptional benefits and the best possible working conditions.

Parron Hall offers solid 401k and insurance plans. The company also pays its employees for unused sick leave. Profit-sharing is another benefit that its employees enjoy. "When we have a good year, we give bonus payments to all of our employees," Herr explains. "We've only missed twice in 20 years," he observes.

It's not always easy and it's always costly, but Herr strongly believes professional, experienced employees are the reason why the company is succeeding. "We compete with the big companies for good people," says Herr, "and if we're going to do that, we have to provide the same benefits that the big companies offer." He believes it's money well spent and the company's profits appear to support that strategy.

"Keeping a committed staff has everything to do with our success. We need to be the best place to work, in our industry, in San Diego and we try hard to be that," Herr insists.

"Turnover is very expensive, including the loss of business that goes with a loss of employees." Among other detriments, he enumerates the cost to train new people and the possibility of losing some clients when there is not a familiar face calling to touch base with these important customers. To compete in today's market, "You really need to have continuity of staff," Herr argues.

#### A GROWING CUSTOMER BASE

While employee expertise and retention may be responsible for Parron Hall's success, attention to enlarging the company's customer base has certainly made a contribution.

Herr says the company generally targets clients in growing industries, with customers running the gamut from the

biotechnology industry to financial, educational, and high-technology firms, "...despite the recent declines in the technology sector," Herr notes.

Parron Hall also reaches into the mid-market sector. "The last recession taught us that targeting mid-market clients was a good way to expand. About 10 to 15 percent of our business today is mid-market," Herr notes.

Government contracts are another lucrative arena. "It's been a growing part of our business in the last five years and, with the recent award of a very large

### FAST FACTS

**Location of Business:** 820 West Ash St., San Diego, CA 92101

**Year Business Established:** 1947

**Services Offered:** Office furniture, specification, design, reconfiguration, inventory, space planning, installation

**Product Mix:** 40 percent systems furnishings; 40 percent casegoods and seating; 20 percent filing and ergonomic products, services and miscellaneous.

**Annual Sales:** \$20 million

**Web Address:** [www.parronhall.com](http://www.parronhall.com)

**Personal Information:** Born in San Diego; graduated Magna Cum Laude in Finance from University of Utah in 1978; married to Denney; daughter, Trevi, who is almost seven.

**Professional:** Born into the industry; joined Parron Hall in 1978.

**Hobbies:** Fine art photography; running; skiing; scuba diving; playing with my daughter.

project, we are assured that it will grow again this year," Herr comments. And that's no accident—of Parron Hall's 10 salespeople, three do a significant share of their business with the federal government, navigating their way through the sometimes complicated maze of the government procurement process.

Herr says there's no shortage of competition in the area. However, Parron Hall lays claim to being the second-largest dealer in San Diego, "and that's not typical for a Knoll/Kimball dealer," Herr claims.

Steelcase, Herman Miller and Haworth generally have that honor, according to Herr, and he is proud that his company comes in as the second largest.

"We offer a diversified product mix," says Herr, adding that last year, the

firm's mix included 40 percent systems furnishing, 40 percent casegoods and seating, and the remaining 20 percent in filing products, ergonomic products, services and miscellaneous. "Systems has been a greater share of our business in the past, and it will be again as our industry recovers from its present downturn," Herr predicts.

#### HARNESSING TECHNOLOGY

No one disputes the fact that technological advances can contribute to the success of any business and Parron Hall has taken full advantage of technology. "We've had a fully integrated business system for the past 20 years," says Herr.

The company uses advanced computer technology to expedite orders, tracks all information pertaining to projects, and is fully networked. The company outsources network maintenance and works with consultants to keep abreast of new developments and solutions that might enhance its existing systems.

"But we don't offer online ordering," says Herr. He prefers the one-on-one interchange with customers, giving his employees the opportunity to strengthen and confirm those all-important relationships through face-to-face meetings. "Besides, there are just too many SKUs in most projects to make it feasible to order online," he points out.

Herr worked with an outside consultant to build the company's website, located at [www.parronhall.com](http://www.parronhall.com), and says it's designed to educate and inform clients about the company's products and services. "We put a lot into it. People can dig as deep as they want to learn about the company," says Herr. And for those who'd like to know what customers think about Parron Hall, there are some 40-odd unsolicited client comments on the site, praising the company and its employees. A partial client list and descriptions of corporate projects can also be viewed on the website.

Taking care of existing clients is as much a priority as finding new ones, says Herr. "You have to retain your base business and keep adding to it. You have to hang on to the business you've earned and keep getting steady growth." At Parron Hall, the best way to do that is through the hiring and retention of the best employees out there. ♦