

**F**

**MONDAY**  
March 24, 2008  
inRich.com

Richmond Times-Dispatch



**MANAGE  
YOUR WEB  
PRESENCE F5**



**MOBILU B2  
HAS SOME  
EXTRAS F17**

# MetroBusiness



**Retooling  
office  
cubicles**

**Richmond company reinvents the  
workstation, expands business in niche market**

**F14**



# OLD

## Workstation r

BY JOHN REID BLACKWELL  
Times-Dispatch Staff Writer

**D**ean A. Williams is charmed by the number three. His company is the third business he has owned in the office furniture industry in the Richmond area.

HMU LLC, a remanufacturer of office cubicles, has expanded three times. Its plant on Deepwater Terminal Road is the third building Williams has owned.

At company headquarters overlooking the James River, Williams works in an office next door to the chief financial officer, Pamela Williams, his third wife. They have been together for 17 years.

He has three grandchildren, whom he hopes will someday take over the business. "Three is my lucky number," said Williams, a Colonial Heights native whose parents established Williams Business Machines in 1952.

He joined the family business in 1972 and later owned two other office furniture businesses, Williams Contract Furniture Inc. and Office Furniture Plus.

The "rule of threes" seems to work well for HMU, which started six years ago with three employees working in a 6,000-square-foot manufacturing plant.

The company expanded, rather quietly, into one of the largest office-remanufacturing businesses in the country. It employs 125 people and does well during a tough economy, as businesses look for ways to cut costs and buy used furniture.

HMU's specialty is recycled workstations, a general term for cubicles — the compartmentalized or modular work areas that have dominated most offices for 40 years or more.

Profits are fed back into the business, Williams said.

"In our first year, we did \$750,000 in business." The privately owned company is expected to have more than \$22 million in sales this year.

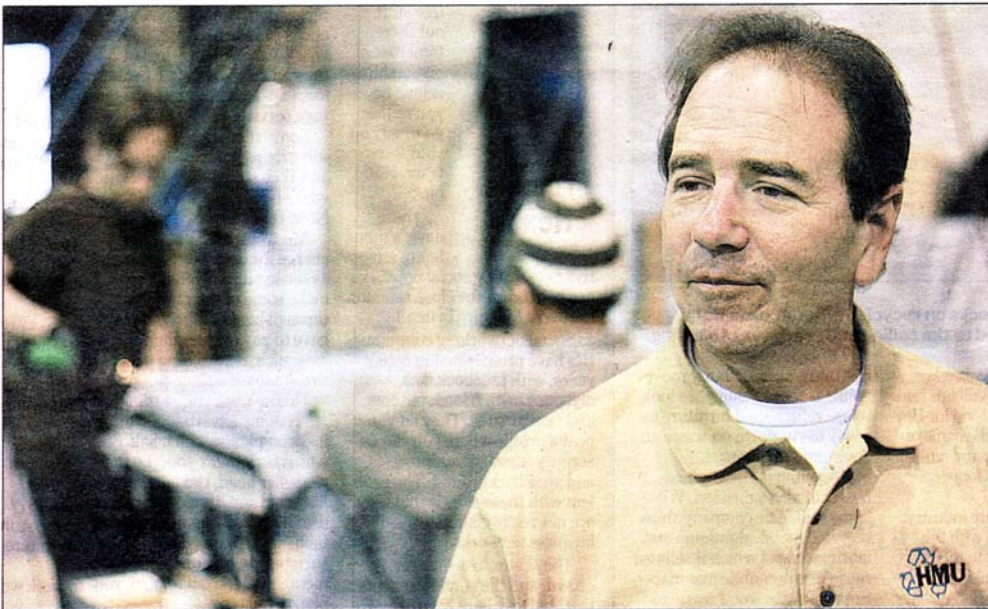
Remanufactured workstations make up a small segment of the furniture market. Its exact size isn't known.

"I don't think it is more than \$150 million," said Williams, whose company is the one of the few fully focused on remanufacturing.

The office furniture market was worth about \$13 billion in 2007, according to

# IS NEW AGAIN

Manufacturer's goal: indistinguishable from original



DEAN HOFFMEYER/TIMES-DISPATCH

**HMU owner Dean Williams looks over cubicle units that will be rebuilt and resold. The process involves a paint booth, shown in the photo to the left, in which powder is sprayed on metal pieces and later baked as a coating.**

the Business and Institutional Furniture Manufacturers Association.

HMU buys used office workstations and ships them to its plant, where employees strip the stations down to basic components, then repair, repaint, rewire and rebuild them. The company offers the stations at discounted prices, working primarily through dealers in the eastern U.S. and Canada.

"Typically, our customers will save 25 to 40 percent over the cost of new," Williams said. "Our goal is to give them something indistinguishable from brand-new."

Randy Alderson, co-owner of Smarter Interiors, a Henrico County-based dealer of new and used office furniture, said companies of all sizes use HMU products.

"When we set it up and walk away from it, most people don't know that it is not new," said Alderson, who has sold



See HMU, Page F16

**Insulation to help absorb sound in the work environment is glued onto recycled panels. The plant is located on Deepwater Terminal Road.**

## How Dean Williams started HMU

**1952:** His parents, Bill and Louise Williams, establish Williams Business Machines in Colonial Heights

**1972:** Dean Williams joins the family business, which changes its name to Williams Office Supply. He becomes president in 1976

**1979:** Williams forms Williams Contract Furniture with an office in Shockoe Slip and moves it to West Broad Street in 1986

**1989:** Open Plan Systems is incorporated by a group of investors to remanufacture office workstations in Richmond

**1990:** After closing Williams Contract Furniture because of declining business, Williams and Perry Tomlin open Office Furniture Plus at 7925 W. Broad St.

**1993:** Pamela Williams, his wife, joins Office Furniture Plus

**1996:** Office Furniture Plus is sold to The Supply Room Cos., which changes the name to Mega Office Furniture

**1996:** Open Plan Systems goes public at \$10 a share

**2001:** Dean and Pamela Williams found HMU LLC to sell used office workstations

**2002:** Open Plan Systems files for bankruptcy protection. The Supply Room Cos. buys its assets

**2003:** HMU acquires a building at 4700 Deepwater Terminal Road. The company grows to 35 employees

**2008:** HMU acquires Open Plan Systems from The Supply Room Cos. Jay Bryson, a former Open Plan Systems executive, joins HMU to lead the sales team

## HMU's business

**Buys:** Used office workstations

**Ships:** Old cubicles to a plant in Richmond

**Fixes:** Workstations by stripping finish, repairing and rebuilding

**Sells:** The product through dealers at a discount to businesses and government agencies

## HMU

From Page F15

several million dollars worth of HMU products in the Richmond area.

Customers include businesses, government agencies, hospitals and colleges.

"I have been a big believer for a long time," he said, citing the cost savings and benefits of recycling.

Williams calls the company's 225,000-square-foot plant "a little jewel in manufacturing" in the Richmond area. The plant is tucked away near the Port of Richmond on Deepwater Terminal Road.

HMU's focus is remanufacturing Herman Miller workstations, a higher-end brand of office furniture credited with setting off a revolution in office design in the 1960s.

HMU is not affiliated with the Herman Miller company. However, it specializes in the brand because of its consistency and quality.

"We are like a used-car dealership that chooses to sell Ford," Williams said.

The workstations evolved as computers became commonplace and attitudes shifted from closed offices to collaborative work areas. But the same basic components are still used, Williams said.

HMU recently expanded by acquiring Open Plan Systems, a Richmond brand associated with office workstations. Open Plan is in its third incarnation as a Richmond business, fitting nicely into Williams' "lucky three" rule.

A group of investors founded Open Plan in 1989 as a remanufacturer of workstations.

The company went public in 1996, selling shares for \$10, but it fell on hard times after expanding in the late 1990s and filed for bankruptcy in 2002. The company assets were acquired by The Supply Room Cos. Inc., an Ashland-based owner of Supply Room stores and Mega Office Furniture.

HMU acquired Open Plan from The Supply Room Cos. in January for an undisclosed amount. With the Open Plan acquisition, "we believe we are the largest [company] by volume in the country in the remanufacturing business," Williams said.

One reason HMU bought Open Plan Systems was to have a brand name that is known in the market.



DEAN HOFFMEYER/TIMES-DISPATCH

**Dean Williams checks on recycled office cubicle walls, which are stacked to the ceiling and ready for rebuilding.**

"It is a more recognizable name than HMU," Williams said.

HMU originally stood for Heyworth-Miller Used, the name of two brands the company remanufactured, but it no longer stands for anything.

The office furniture industry in general fluctuates with the economy, according to the Business and Institutional Furniture Manufacturers Association. The group is projecting a market decline in 2008 and 2009 after several years of growth.

In good economic times, sellers of new and used office furniture benefit as businesses expand and invest. But a slowdown can work to benefit remanufacturers such as HMU.

As companies cut expenses, the remanufacturing and refurbishing business becomes more affordable, said Thomas Reardon, the trade association's executive director.

"Budgets are tight, and we need to be more efficient."

The changing business cycle helped HMU grow in its early years, especially after an enormous supply of office furniture hit the market with the dotcom bust of the early 2000s. The industry eventually worked through that supply — except for used workstations. The amount of used workstations for sale still far exceeds what HMU can use.

Another plus for HMU is the

rise in the sustainability movement, as more businesses look to use refurbished furniture as a way to cut down on waste and environmental impact.

Recycling is HMU's business, but also a mission, Williams said. The company ships recycled metal, aluminum and fabric, some of which it sells for reuse in automobile manufacturing. It uses wood waste to heat the plant.

"On any given week, we bring in 60,000 pounds of used product, and we only send 1,000 pounds to the landfill," Williams said. "We are as much about recycling as we are about selling."

Williams said his strategy is to grow cautiously, avoiding an aggressive expansion plan like the one that helped sink Open Plan Systems in its first incarnation.

"We are not going to be a multibillion-dollar company," he said.

His opportunity, he said, is being a \$50 million company.

"The way that a lot of manufacturers can succeed in the future is by being a small and niche player," he said. "You don't have to be a 2,000-employee company. You can open up and be a 150-employee company. I think we will see a lot more of that in the future."

• Contact John Reid Blackwell at (804) 775-8123 or [jblackwell@timesdispatch.com](mailto:jblackwell@timesdispatch.com).