

**Mr. DePree and me**

**D. J. DePree** founded **Herman Miller** in 1923, when he bought and then renamed the *Star Furniture Company* in honor of his father-in-law. The company has since brought valuable innovation to the world at large. In this difficult economic period, perhaps it is timely to reflect on his perspective.

FULL STORY ON PAGE 3...

**Profile: Amy Bearss of Tobron Office Furniture**

One of the many things that make **Amy Bearss of Tobron Office Furniture** unique is that she has chosen not to move on, but to move up through the ranks of the firm for whom she has worked, **Tobron Office Furniture** in New York City.

FULL STORY ON PAGE 8...

**Avoid the Conflicts between LEED EBOM and LEED CI**

**LEED EBOM** is the USGBC's fastest growing product because it gives savvy building owners a competitive advantage. It's a common misconception among tenants, real estate brokers and building owners that LEED EBOM Certification guarantees LEED CI certification. But, there is little overlap between the two Rating Systems – they are structured differently.

FULL STORY ON PAGE 12...

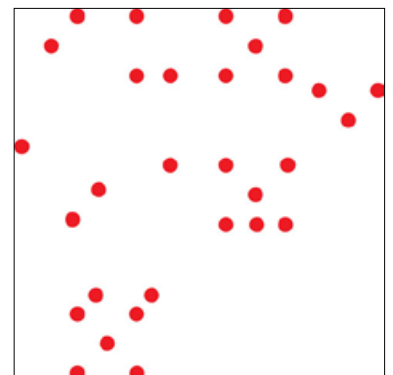


CITED:  
 "I LOSE MONEY ON EVERY SALE, BUT I MAKE IT UP ON VOLUME."  
 — CAL WORTHINGTON,  
 LA CAR DEALER

**Hum! Minds At Work: How Visual Chunking Assists with Recall**

When planning an office or workspace, creating zones where similar information can be compiled for easy recall and recognition is critical. The practice of dividing numbers or items into easily understood groups is called **visual chunking**, which takes place in one of two modes: perceptual and goal-oriented.

FULL STORY ON PAGE 14...





# GREEN LEASE REVOLUTION

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One of the nation's most knowledgeable, charismatic experts on high performance buildings and green leases, Whitson has been writing and speaking about green leases since 2004. Whitson is Chair of Model Green Lease Task Force, member of Practising Law Institute faculty, and lead instructor for the popular Turning Green into Gold® educational programs. Tap into his 40 million square feet of experience in asset management, corporate real estate, real estate development, and real estate brokerage. Whitson wrote the best sellers: *327 Questions to Ask before You Sign a Lease*, *365 Questions to Ask About Green Buildings & Smart Moves Manual*.

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Over 85% of attendees rate this event "Excellent" or "Very Good."

- Program was more entertaining than I thought it would be for a fairly dry subject.
- The balanced point of view between landlord and tenant
- Speakers holistic knowledge of topic
- The content intense nature of the first portion of the workshop and the fluid impromptu nature of the panel session. It was a great mix, the questions were excellent, and addressed very well.
- Examples were useful and interesting
- ...view that a "holistic" approach to costs which includes green practices, is on its way to becoming more the norm than the exception



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ACTION OFFICE SERIES 2

## Mr. DePree and me

by Peter Otterstrom

**D. J. DePree** was the founder of **Herman Miller**. In 1923 he bought the *Star Furniture Company* and renamed it in honor of his father-in-law, who had loaned him the money to make the deal. This was the beginning of a company that would continuously bring valuable innovation to the furniture industry and, yes, to the world at large.

In this time when we have all suffered from an economy seriously bruised by both negligence and selfish pursuit of personal fortune, perhaps it is timely to reflect on another perspective.

When I joined Herman Miller, back in the Fall of 1967, there were three “Mr. DePrees,” Hugh, Max and D.J. DePree. Hugh was president and Max was busy establishing a quality Herman Miller presence in Europe. In 1960 Mr. D. J. DePree had, in essence, turned the company over to Hugh and Max and the officer corps, becoming Chairman Emeritus. In 1967 Mr. DePree kept an office in the small headquarters building on McKinley Street, in Zeeland, MI. I was told we wouldn’t see him every day but that he was there “often” to support his sons and keep track of the needs and progress of his growing enterprise.

Time passed, Herman Miller grew and I learned a thing or two about territory management. In 1975, after eight years in sales I moved to Holland (next door to Zeeland) to become Manager of Sales Training and Development. The *little* company was now a long way from little and management had moved to the new “C” building on Main Street in Zeeland. Most of us had **Action Office** offices but there were a few private offices left; the smallest of these belonged to DJ DePree. We usually referred to him as “DJ,” but we did so with respect and in his presence he was always “Mr. DePree.”

Herman Miller had acquired and renovated an old super-market in Grand Rapids. We used it to *super-market* (sorry about that) the open plan task-support environment we had introduced in the late 60s. We called this facility *The Education Center*. Somebody told me that, one night after closing, they had seen Mr. DePree walking through the furniture display area. Asked how he felt about this *new* Herman Miller (remember that when DJ founded, the company Herman Miller made copies of traditional residential furniture) his answer was: “Amazing.”

### Fast Forward to 2010

I don’t work for Herman Miller any longer but a great deal of furniture and material from those wonderful years remains in the collected gear that accumulates in a home occupied for 29 years. One such piece is a khaki colored Lands End canvas briefcase I carried to work back in my Zeeland days. It has been moved a few times since then, but somehow never opened. So, one day last month, during a long overdue attempt at purging one’s mass accumulations, it was again discovered and this time, I opened it. **WHOA!**

Inside, was a scattered collection of letters, notes, observations and possible endeavors. Included were the hastily scribbled notes from the two one-on-one meetings I had with DJ DePree over 30 years ago. Mental compartments opened, memories refocused and joys were relived. So... Here’s what happened back then.

.....

Part of our sales training process was to begin with a history of Herman Miller’s selling process. Having heard about his walk through the Ed Center and looking for his percep-

## people

## officeinsight

tions of the ever-evolving sales process, I knocked on DJ's door one day and asked if we could talk for a few minutes, quickly adding that I could come back later if that would be more convenient. "Now" was convenient. A few minutes" became 45. There will be few quotation marks in what follows as my notes are really idea-summaries. So here, to the best of aided memory, is the essence of his gift that day:

**PO:** I have heard the story about someone who spotted you walking through the Action Office display back when the Ed Center first opened and



D.J. DEPREE

that you said you were "amazed." **Surely that wasn't your first look at Action Office?**

**DJ:** No, I had seen sketches and plans and prototypes and of course I had spoken with Bob [Propst, the creator of AO II], but that day In the Ed Center I was looking at it not as product but as a place where people will spend their workdays.

**PO: What was that like, how did you feel?**

**DJ:** I felt proud; I still feel proud, very proud. Proud that what we are doing is what we should be doing because the nature of work has asked for this. Workers have feelings and habits; they are individuals and need to be respected and responded to as such.

**PO: What did you think of the look, the finishes and colors or lack of them?**

**DJ:** Well it is certainly far different from the first design of Action Office that **George Nelson** designed for us. [George's design was a series of elegant, free-standing pieces for extremely contemporary private offices.] It has a plain and honest look; nothing unnecessary. That too is a part of our history that we can be proud of.

**PO: Is pride an important part of Herman Miller?**

**DJ:** It is good to be proud, but we must be very careful of our pride. Should we venture into complacency or hubris we would fail to recognize the responsibility of our pride. We must remember and remind ourselves that staying responsive to our customers in what we make and what we promise is a serious responsibility and I believe staying true to this responsibility is the reason we have grown and will continue to grow.

**PO: Are there guidelines or ethics regarding this responsibility?**

**DJ:** Oh yes. Our first responsibility is to provide customers with solutions to real issues, issues that exist, and to not bring out something new just to be new.

We must also make whatever we make to the best quality we can. This means that our quality must be based upon how the customer expects to use our products. You see, after we make and deliver a product it really isn't *our* product any longer, it belongs to the people who live with it and count on it.



ACTION OFFICE 1

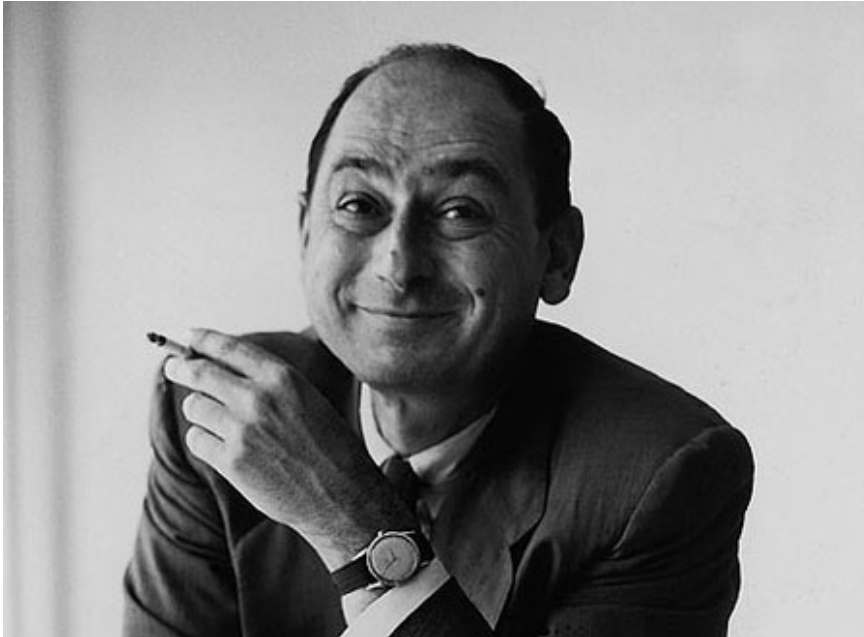


ACTION OFFICE 2

**PO: What do think about our responsibility toward guaranteeing our products?**

**DJ:** Ah, you see now why building the best possible quality is important to us. It is in our dedication to the best-build that we practice long-term responsibility.

Now, we also have the responsibility to charge fair price for our goods. There must be enough profit to be responsible for a living wage for the people who have decided to work here. They count on us to provide for them.



GEORGE NELSON



BOB PROPST, ALEXANDER GIRARD, GEORGE NELSON, D.J. DEPREE, RAY EAMES, CHARLES EAMES

Products must change, evolve, so there must be enough profit to continue the fine work Bob Propst and others have started so we continue to be responsible for providing the right products in the future.

**PO: Would you share things you suggest about our future.**

**DJ:** I believe our future is in good hands but I believe we must be willing to look at ideas beyond an automatic immediate negative reaction. There are things we do not know and can not anticipate. Listening with an open mind is a good business practice.

#### The Second Meeting

In November of 1976 **Jim Story** was a sales rep for INTERSCAPES, a Herman Miller dealer in Norfolk, VA. Mr. Story attended a sales training week and was kind enough to send a letter expressing his thoughts and gratitude. He sent a copy to DJ DePree. Shortly thereafter when I passed by his office DJ waved me in. We talked about people. We began with his question.

**DJ: When people attend a week here, the training week, what do we do to show them how to be responsible providers of our products?**

**PO:** Every product or process we show them is explained in terms of the customer benefits, such as the edging on Eames tables. It is not just a rounded piece of black polymer but rather it is a shock absorber to protect the table and the chairs as they come into constant contact.

**PO: Mr. DePree, what would you like people to feel when they leave here?**

**DJ:** We have beautiful buildings and displays. We have clean, airy plants. I would like them to know that these physical things exist so the work done here is done right and done by people

## people

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who respect what we build and how we build it.

**PO: What do you look for in a good manager?**

**DJ:** I believe that to be successful here you must surely understand what your people must do but you must also understand both how they do it and how they learn new things. To manage is not just to supervise but rather to assist in producing better output, better contribution and better pride in doing a good job. I used to meet with our managers regularly and discuss how they managed.

**PO: How do you feel about using management and planning consultants?**

**DJ:** We have worked with many business experts who have provided valuable guidance, many times more than once. Business success depends upon good information so we still work with these experts, but I am not so sure that many of them would have been able to work here.

**PO: Why?**

**DJ:** They seem to lack an appreciation for the fact that recommendations and procedures and policies affect people, people who trust in us to respect their sense of self-worth and livelihood.

**Note:** *Mr. DePree was a very religious man, a strong believer in clean living. We spoke with candor when we spoke of people and relationships. It is within that established candor that I asked the following.*

**PO: George Nelson, our first Director of Design, is a man known to be moody and a quantity smoker and drinker. How have you been able to work with him so well for so many years?**

**DJ:** What George brings to us is not his habits but his gift for design, his concerns for build quality and a charm that works so well with the design community. George was able to keep us on the right path when his predecessor passed away so suddenly. George brought to us a clear understanding of what some have called a *big city* attitude about doing business in a highly competitive market.

To look at a man based solely upon differences in beliefs can cost you progress. There can be some difficult times with personal relationships. But what is important is working to understand differences in business approach, design and investments; this is their gift. This is why George will always be one of our treasured co-workers.

The ideas and phases from these meetings with Mr. DePree were long a part of our training and remain part of our philosophy. In Mr. DePree's office I recall no awards or trophies, but, for his contributions to attitude and lifestyle, he certainly had, and still has, the gratitude of many. ■

# FACES IN THE WILD

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TOBRON OFFICE

**PROFILE:****Amy Bearss of Tobron Office Furniture NYC**

by Pete Carey

It's no secret that businesses that cater to interior design have a reputation for high employee turnover. Whether it is a design firm, manufacturer or furniture dealer, employee turnover is normal and expected. A comprehensive list of factors for this condition would be difficult to compile, but for many people in this industry moving on to work for another company is inevitable.

One of the many things that make **Amy Bearss of Tobron Office Furniture** unique is that she has chosen not to move on, but to move up through the ranks of the firm for whom she has worked, **Tobron Office Furniture** in New York City. Three years ago, she became president of the company. Tobron is the only company Ms. Bearss has worked for in

the contract furniture industry, and it is the oldest continually operating authorized **Herman Miller** dealership in New York. Thanks to her, it is also the only Certified Woman-Owned furniture dealership (**WBE**) and Authorized Herman Miller distributor in New York - an important characteristic in these competitive times.

Starting at Tobron as an eager sales representative with a lot to learn, Ms. Bearss, who grew up in Grand Rapids, MI, was familiar with Herman Miller products from nearby Zeeland, MI. "Before I started at Tobron," said Ms. Bearss, "My fear of getting into the corporate furniture world after being in high-end residential furniture sales was that I would be schlepping hundred-dollar chairs around the city. I set my sights on Tobron, largely due to my love and respect for the classic Herman Miller pieces I grew up with and the warmth of the people I encountered while interviewing."

Citing a few early projects she worked on – showrooms for fashion designers **Donna Karan**, **Joseph Abboud** and **Ellen Tracey** – Ms. Bearss transitioned to explaining a current project for one of the **St. Barnabas Health Care System** buildings in New Jersey. "We have an impact on a lot of different variables in the project process, from the selection of the color on the walls to the accommodating nature of their seating and patient areas. It is possible for us to really make an imprint on people's wellbeing, and that gives me and this organization a tremendous amount of pride."

The variety of professionals involved at Tobron, as well as the company culture in place when Ms. Bearss joined the firm, remains intact thanks in part to the legacy created by the firm's founder **Anthony Cuccolo**. Longtime employees like **Tom Francess**, **Michael Cuccolo**, **Marshall DeRisi**, **Ro-**



AMY BEARSS, TOBRON; JEFFREY BROWN, TISHMAN; DEBRA COLE, PERKINS &amp; WILL

han Chinapen, Janet Ludwin, Nicole Rinklin, Deborah Isaacson, Dale Calender and Roy Rowland have all been with Tobron for anywhere from fifteen to twenty years.

“Part of what drew me to Tobron,” said Ms. Bearss, “was that the company has never had a rigid corporate or formal attitude. We actually enjoy each other and what we do, and we are all consummate professionals. Tobron has the capabilities of a large organization, but we prefer to maintain a familiar approach with our clients.” Indeed, the range of experienced professionals who have been fixtures within the industry, like A&D Account Director **Joe Nacci**, complement the staff that also includes many talented newcomers like **Nicole Gousman** one of very few certified healthcare furniture designers.

Navigating the complex territory in the middle of a project requires keeping both the client and the design firm happy. “We have always known our place at the table and are very respectful of the A&D community,” said Ms. Bearss. “We have interacted

with so many design firms and studied their methods to solve design-related issues; we use this experience when we work on current projects. Even in a competitive bid situation,” she continued, “Tobron will always be advocates for our clients. We point out the realities of what they propose to do, both positive and negative. Trying to make the best product-solution suggestion is part of knowing that our reputation is on the line with each project.”

Aware that ultimately the level of service reflects positively on the company, Ms. Bearss and Tobron set their sights on creating and nurturing long-term relationships. “We are aware when certain conditions require us to refer a client to a designer. In those instances, we comfortably recommend many design firms with whom we have a history. At the same time, we recognize that in today’s economy, architectural firms have to keep their billable hours down; what has not changed are the demands placed on their design services. We don’t mind doing take-offs and renderings, design specs and budget analysis on behalf

of our design partners; that is how we continue to build relationships and become trusted members of the team.”

Stating that her business is not a commodity, Ms. Bearss shared a hard-learned lesson: “A relationship might get me in the door, but it is not a given that that relationship will continue just because we know each other or even because I have done a good job in the past. We have to perform on each project, and when we perform at our best, it is because we have achieved a level of trust with the client so that we fully understand their needs and the goals of the design firm, and because of our ability to meet budget.”

As Tobron’s president during some of the toughest economic conditions we have seen, Ms. Bearss points out, “My perspective is unique because I have not bounced around the industry. I have chosen to stay here, largely because of the people I work with. Without sounding corny, they are my family. We have seen trends like the dot.com boom and bust during which many tech companies left suites full of Aeron chairs behind after going belly-up. Then there were the after-effects of 9/11, which had a tremendous impact on us as New Yorkers. Tobron also had a large focus on airline and corporate lounge spaces back then; that business evaporated overnight.”

These lessons, along with many more, prepared her for the crash of 2008 and 2009. “During a recession, there will always be business sectors that are prospering or taking advantage of the situation.” During the current recession, Ms. Bearss pursued state-funded and GSA work, as well as higher education projects. “Until now,” she said, “we have never gone after GSA and higher education work. But, we recently obtained WBE [Women’s Business Enterprise] credentials and are on file for NY State and Port Authority Certification as well as DASNY [Dormitory of the State of New York].”



ANTHONY CUCCOLO, TODD OLDHAM

people

Cheerfully rising to the challenge, Ms. Bearss noted, "It's like penetrating another world, one which some of our competitors have long focused on. There was much to learn, for one thing, cash flow for those projects is very different from our corporate projects. We believe that diversification is good, but doing so without losing our core competency is the key to long-term success."

There, of course, have been other changes. "Many of the companies we knew as enduring institutions are no longer around," said Ms. Bearss. "Years ago, people would have been thrilled to say they were doing business with the likes of **Bear Stearns** or **Lehman Brothers**." Regardless of the type of company, keeping the accounting department in balance when it comes to receivables and payables is the most crucial aspect of running a business. "We are not making the desks or the chairs," said Ms. Bearss, "but we must make sure that all the players involved with us in a project are liquid and solvent."

Indeed, Tobron sells over 300 furniture lines other than Herman Miller; the potential volatility of each one of those companies could affect the firm adversely. "If a client suggests that we use a certain furniture line that we are not comfortable or familiar with, we take on the responsibility of managing that relationship. One of the fortunate things I have inherited is a business that made a lot of sound financial decisions early on. We have excellent credit and the great financial standing necessary to weather this latest storm."

Referring to Tobron's role in the current state of design and the economy, Ms. Bearss noted that, "Current technology has enabled everyone to become a bit of a furniture expert and try to commoditize dealerships as a business. While dealerships add tremendous value and service, and assume financial and performance

responsibility, we receive endless calls asking us to match the cheapest online price for furniture. For many people, it's all about getting the best deal right now and pushing relationships into the back seat.

As far as Tobron's current workload, Ms. Bearss said, "We are definitely busier in the last three to four months. We do see an uptick in engagement in the market, but that hasn't translated into an equal number of purchase orders or deposits. People are still testing the waters."

Mindful of the legacy of the company and how it built its reputation, Ms. Bearss noted, "There is a dangerous push/pull going on now between value and service. But, at Tobron, we only know how to provide quality service, and keeping a client happy can be costly. If there is no longer a value in doing that, we might just as well all work at home and communicate remotely, just emailing in purchase orders. That, however, is antithetical to how the A&D community works."

When I asked her about used furniture and its importance in our current marketplace, Ms. Bearss replied: "There are a lot of the unknowns with used furniture. You may end up force-fitting something that doesn't work. In some instances, we have seen new furniture coming in as competitively priced as used, at least by the time you refurbish it and add new electrical. A lot of the used furniture has to be reupholstered, cleaned and reconfigured. It's rare that clients move in and it's perfect. Used furniture needs a higher level of personal inspection than new furniture. It all comes down to what is best for the client. In a perfect world, would this be the product they would pick?"

Mentioning Herman Miller's **Re-Purpose Program**, which works through a third party to relieve companies of assets they no longer need and then searches out schools and other non-

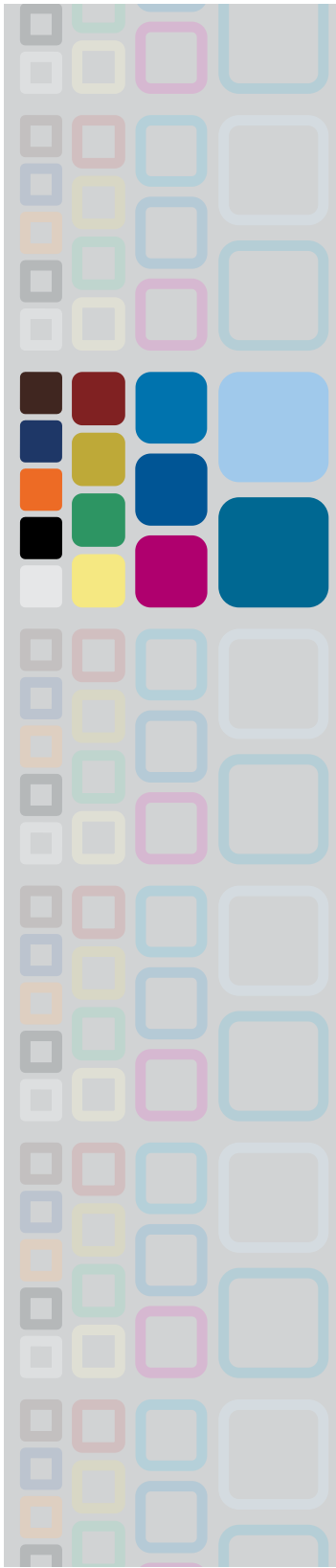
profit organizations with a need, Ms. Bearss said, "At this point, taking unneeded furniture away for a tax write-off and feeling good that the furniture did not add to a landfill is sometimes benefit enough."

Ms. Bearss is remarkably unaffected by her position as a woman in a leadership position in a male dominated arena. "You have to have a strong personality and some guts to make it in the office furniture world, but being a woman can be a differentiator. Emotionally I can empathize and I am able to relate to a variety of customers. Making people feel good about their space is just as important as how it functions. In this world, when we have all been beaten up a little bit, we try to create a nurturing aspect to the process that hopefully leads the client to believe that they have made the right decision in working with us."

Whether she gets her reward immediately is hardly the issue; it is clear that Amy Bearss's primary objective is to feel good about doing the right thing in both business and life. ■

*Peter Carey is President of Streamline Material Resourcing, a strategic partner for design firms on information management and their resource libraries. He can be reached at [pcarey@streamlinemr.com](mailto:pcarey@streamlinemr.com) or 347-351-1000.*

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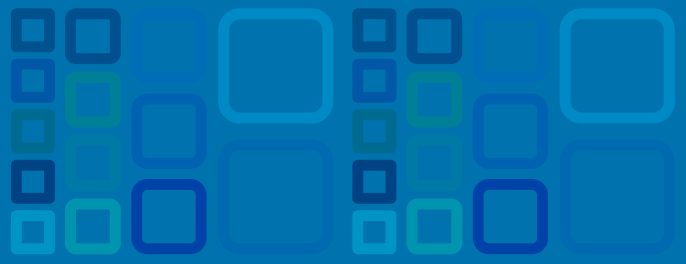


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**How to Add Value & Avert Lawsuits:**

## **Avoid the Conflicts between LEED EBOM and LEED CI**

B. Alan Whitson, RPA

The sour economy has caused construction of new office buildings to grind a halt, reducing the number of **LEED CS** (LEED Core & Shell) projects coming online. As a result, building owners seeking to green their existing office buildings has made **LEED EBOM** (LEED for Existing Buildings Operations & Maintenance) the USGBC's fastest growing product. In California, the number of LEED EBOM registered projects has jumped over 300% in the past two years.

Competitive advantage is the driver for savvy office building owners to seek LEED EBOM. The growing number of companies embracing corporate sustainability suggests that tenants will prefer green buildings to non-green buildings if all else is equal.

Providing credence to the theory was presentation by Dr. **Norm Miller**, University of San Diego, and **David Pogue**, CB Richard Ellis, at the BOMA Convention in Long Beach CA that revealed LEED certified buildings are yielding higher rents, lower vacancy rates, fewer sick days, and improvements in worker productivity.

Beyond their preference for LEED certified buildings, tenants are taking the next step and certifying their new office space. This has made **LEED CI**

(LEED for Commercial Interiors) certification, the second-fastest growing LEED Rating System.

### **LEED and the Leasing Process**

One of the issues the **Model Green Lease Task Force** wanted to address, in the soon to be released update, was how the various LEED Rating Systems integrate into the leasing process. During my research, I had the good fortune to run into **Alex Spilger**, Sustainability Manger for BCCI Construction in San Francisco. He

is an LEED Accredited Professional with specialties in BD+C, ID+C, EBOM, holds a B.S. in Civil Engineering from UCLA, and has worked on over 40 LEED projects. Alex has conducted over 40 LEED workshops and he teaches a 6-week LEED Project Management course at UC Berkeley Extension.

"It's a common misconception among tenants, real estate brokers and building owners is that LEED EBOM Certification guarantees LEED CI certification," says Mr. Spilger. "It's easy to imagine there would be some cross-over between the LEED EBOM and LEED CI rating systems. Green strategies put into action in the base building should help a tenant earn points for

LEED CI and vice versa. But, this is not always true since there is little overlap between the two Rating Systems – they are structured differently."

According to Mr. Spilger, an existing building that scores in the 98th percentile in energy performance can achieve up to 18 points for energy efficiency under LEED EBOM. Yet, a tenant seeking LEED CI in the building will receive no credit for the building's outstanding energy performance. For

another example, a building owner that upgrades the water efficiency of the base building would get a maximum of 5 points for the Indoor Water Efficiency Credit under LEED EBOM. However, a new tenant may receive up to 11 points for Indoor Water Efficiency under LEED CI without making any upgrades to its restrooms.

In another example from Mr. Spilger, a building owner may gain up to 15 points toward LEED EBOM under the Alternative Transportation credit if most of the tenants' employees carpool to work. However, if the building is not near public transportation, a tenant seeking LEED CI will receive no credit for Alternative Transportation, even if all the tenants' employees carpool.

"Understanding the interaction between LEED EBOM and LEED CI can pay off for the building owner and tenant," says Mr. Spilger. "At the same time, failure to consider the interplay between LEED EBOM and LEED CI can be costly."

When asked how costly? He recounted how a tenant signed a lease for space in an office building with an LEED EBOM Gold rating, expecting

***LEED certified buildings are yielding higher rents, lower vacancy rates, fewer sick days, and improvements in worker productivity.***

**TURNING  
GREEN  
INTO GOLD**  <sup>®</sup>

## eco-issues

that this would help them get LEED CI Gold. Instead, the tenant was shocked to discover the lavatory fixtures installed to achieve LEED EBOM Gold prevented the tenant from being eligible for LEED CI. When calculating Indoor Water Savings, LEED CI uses a stricter baseline than LEED EBOM. While the new water fixtures were adequate to achieve a 33% reduction in water use under LEED EBOM, they provided a 16% reduction in Indoor Water Efficiency under LEED CI. Since a minimum of 20% indoor water savings is a prerequisite under LEED CI, the tenant could not pursue LEED without replacing the new fixtures. This single-floor tenant was required to spend \$30,000 to replace the existing restroom fixtures to meet the prerequisites for LEED CI, on top of the \$30,000 in other LEED related cost, doubling the cost for LEED certification.

If the requirements for LEED CI were

considered before upgrading the building's restrooms, fixtures with higher water efficiency could have been selected at little or no extra cost, while creating a competitive advantage for the building. Imagine the liability a real estate broker or an interior designer with a LEED AP designation might have if they fail to explain the ramifications to their client before the lease is signed, or if this blows a lease deal for a building owner.

#### Integrate LEED EBOM and LEED CI to Maximize Value

Effectively marketing an LEED Certified office building requires educating prospective tenants on the LEED CI points the base building can provide. This is more effective than simply marketing the building's LEED EBOM certification. Post Montgomery Center in San Francisco LEED is a good

example of a building taking this approach. The building displays an LEED CI scorecard showing all the LEED CI points that this EBOM Gold building may offer to potential tenants (53 points in total).

If a building is EBOM certified or seeking LEED EBOM certification, analyze how different green strategies can translate into points for tenants interested in LEED CI certification. Then market the building accordingly. This may prove to be your competitive advantage. ■

*Alan Whitson is President of the Corporate Realty, Design & Management Institute; and Chair of the Model Green Lease Task Force. Click on [www.squarefootage.net](http://www.squarefootage.net) for a seminar schedule, books, CDs, software, and white papers on high performance and sustainable buildings. You can contact Alan Whitson at [awhitson@squarefootage.net](mailto:awhitson@squarefootage.net)*

### GOING VIRTUAL...

Do you admire the mindboggling realism of Hollywood's visual effects, or the realistic interactivity of the latest computer games? Imagine applying that technology for uses beyond entertainment. Imagine visualizing your products long before the first sample is ever created. Imagine viewing them from any angle – changing materials and seeing them interact with different environ-

ments and lighting – all in realtime. Imagine getting cash from customers before you spend cash to produce.

3D visualization makes this possible, and this new paradigm creates infinite possibilities for product design, marketing and sales. The technology is widely used by automakers and is rapidly being adopted in the Color/Materials/Finish, Apparel and Fashion industries.

RTT (Realtime Technology) has been challenging the boundaries of traditional product design and marketing with 3D visualization services for more than a decade. For more information, visit [www.rttusa.com](http://www.rttusa.com).

**Material Intersections** pod cast co-produced by RTT USA & Art Center College of Design: [http://www.accd-cmtel.com/vcmtel\\_featuredpodcast.html](http://www.accd-cmtel.com/vcmtel_featuredpodcast.html)



THIS IMAGE FOR THE INFINITI M LAUNCH CAMPAIGN WAS PRODUCED USING COMPUTERS GRAPHICS (CG) SEVERAL MONTHS BEFORE THE FIRST VEHICLE PROTOTYPE WAS PRODUCED.



FOR MORE INFORMATION ABOUT RTT, PLEASE CONTACT [MHES@RTTUSA.COM](mailto:mhess@rttusa.com)

Kimball: HUM! Minds At Work

## How Visual Chunking Assists with Recall

by Terry Carroll, Kent Reyling, and Jay Henriott

Our working memory declines rapidly, often as quickly as 10 seconds, and studies based on working memory have proven that seven is the approximate number of items the mind can hold for a short time. Therefore, when planning an office or workspace, creating zones where similar information can be compiled for easy recall and recognition is critical. The practice of dividing numbers or items into easily understood groups is called **visual chunking**, which takes place in one of two modes: perceptual and goal-oriented.

**Perceptual chunking** happens unconsciously, and takes place through a series of wired-in shortcuts in the brain. An easy way to think about this is to look at a credit card or phone number. Ever notice how the numbers are chunked into groups of three and four? Without realizing it, the brain

processes the information because it is divided into small, easily understood groups.

**Goal-oriented chunking** is a more active process. It requires the brain to deliberately identify patterns or chunks to assist the memory. For example, when trying to estimate the number of paperclips that fell onto the floor, the brain would first try to divide the objects into small groups, then add those groups to determine a total.

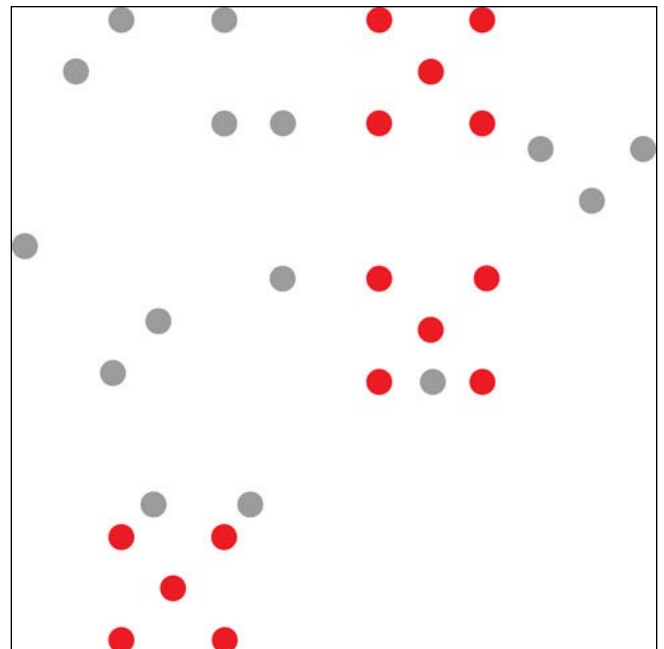
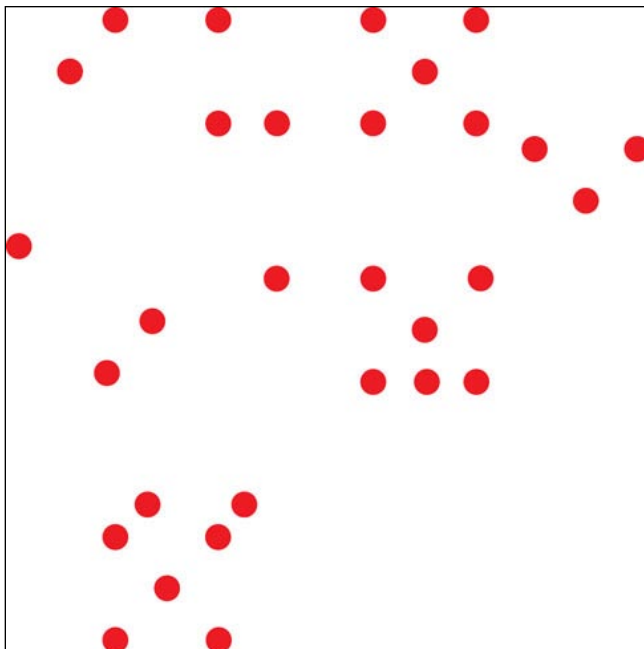
The images accompanying this article offer a good example of how goal-oriented chunking works. Figure one shows a clustering of dots. Try to estimate how many there are in your first glance? Now take a look at figure two. By identifying the three patterns of five dots that form an 'X' it becomes significantly easier to count the dots.

The brain strives to recognize patterns, shapes, and groups in order to

make sense of a larger picture. The same holds true for workspaces. By grouping people based on projects (teams) or skills (departments), and creating zones for employees to mentally unload information (files, piles, binders, etc...), successful recall and recognition about the environment and placement of materials will increase. ■

In the August 16 installment we will address auditory distractions.

*Terry Carroll is Market Intelligence Manager, Kent Reyling is Director of Market Education, and Jay Henriott is Market Requirements Designer, all of Kimball Office*



## RESEARCH-DESIGN CONNECTION

### Plants at Work

by Sally Augustin, Ph.D.

Are plants in an office a good idea? A literature review by **Bakkar and van der Voordt** shows that the answer to this question is, “Yes.” Their analysis



indicates “plants can have a positive impact on the productivity of human beings.” The presence of plants improves mood and confidence as well as “openness of the mind to the surrounding world.”

Plants also have “positive social effects in relation to alliance and morality.” Productivity was defined as “a diversity of activities such as routine work and creativity,” and the positive influence of plants on creativity is consistently seen in the studies reviewed.

A shortcoming of the research to date is that “hardly any attention is paid to the properties of the plant itself, like the shape of the leaves, colours and structures of the vascular bundle.”

[Ed.Note: And consider the effect on morale and productivity if workers are allowed to tend to plants at their own stations or surrounds.] ■

Iris Bakkar and Theo van der Voordt. 2010. “The Influence of Plants on Productivity: A Critical assessment of Research Findings and Test Methods.” *Facilities*, vol. 28, no 9/10, pp. 416-439.

Sally Augustin, Ph.D., is the editor of *Research Design Connections* ([researchdesignconnections.com](http://researchdesignconnections.com)) and the author of *Place Advantage: Applied Psychology for Interior Architecture* (Wiley, 2009). She can be reached at [sallyaugustin@researchdesignconnections.com](mailto:sallyaugustin@researchdesignconnections.com).

## SUDOKU

Fill in the empty cells so that every row, column and cube contains a digit from 1-9, without duplication. (Level: Medium)

	8		3					7
			2			1		
	5			4		9		
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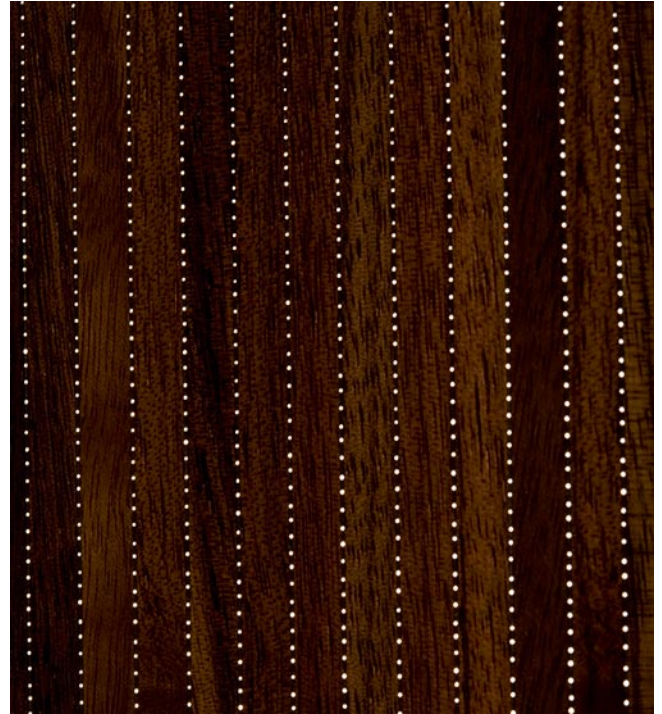
officenevswire.com

officeinsight

**MATERIAL OF THE WEEK****MC# 6438-01**

Light transmitting wood. This wood composite panel is comprised of thin wooden layers that are firmly glued together with fiber optic textile that is embedded between the individual wooden layers. Standard sizes are 9.8 x 3.3 ft (3000 x 1000 mm) and 9.8 x 1.6 ft (3000 x 500 mm) and available in thicknesses from 0.4 to 2 in (10 to 50 mm). The thickness of the individual optical fibers can vary from 0.008 to 0.031 in (0.2 to 0.8 mm) where the distance between the fibers can also vary from 0.2 to 1 in (5 to 25 mm). These panels are produced from most common wood types: Black walnut, Black cherry, Oak, Mahogany, Teak, Wenge, Maple and others. Applications include interior walls, ceilings, floors, furniture, automotive interiors, and interior aircraft fittings.

*This column is published in collaboration with Material Connexion. For more information regarding the material previewed, please contact Michael LaGreca at mlagreca@materialconnexion.com. T: 212.842.2050.*



For complete releases, visit [www.officenevswire.com](http://www.officenevswire.com). Keep current with the RSS feed.

**PRODUCT INTRO****>Dauphin introduced Perillo.**

Crafted from one continuous sheet of material, the seat surface, backrest, and armrests offer an uninterrupted line that forms this ultra modern chair. Perillo is made of thermo plastic with a high gloss finish. With a simple, but sophisticated sculpted appearance, it makes an excellent choice for lobbies, touchdown spaces and more.



“The main objective when developing the chair,” said designer *Martin Ballendat*, was to create a true show piece. In a world geared towards efficiency and economy, we came up with Perillo, a chair that offers a welcome and exciting contrast compared to the sterile linearity of many buildings.”

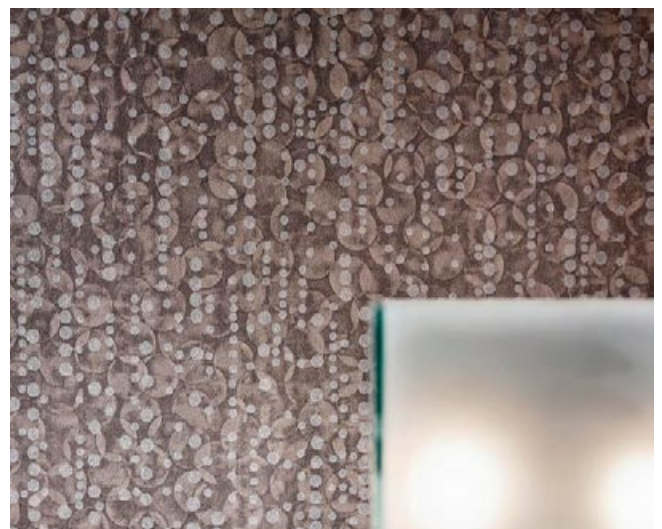
**>Carnegie has added Urban Metallic Collection to its Surface IQ Wallcovering Line.**

The latest aesthetic introduction in wallcovering technology and design, the five patterns in this new collection utilize metallic inks to create an array of styles and looks, each suggesting a shimmer of light coming through wall surfaces.

The *Urban Metallic* line features stylishly graphic

patterns that give walls a sophisticated, rich appearance. The collection is the first *Surface IQ* line to use metallic inks, adding a new aesthetic dimension and a new style to this popular wallcovering choice. *Surface IQ* offers a

high performance and affordable alternative to vinyl wallcoverings. It is one of only two wallcovering products on the market to receive both MBDC Cradle to Cradle Silver and SCS Indoor Advantage Gold third party certifications.



CARNEGIE: SURFACE IQ: HELIOS

**Helios:** Helios was a Grecian god who was crowned by the sun. The Helios pattern pays homage to the sun god by layering metallic circles that create an eclipse-inspired effect that suggests sunspots sparkling before the viewer's eyes. Highly metallic, smooth in finish, and rich in depth, Helios is a truly inspirational design choice.



CARNEGIE: SURFACE IQ: META

**Meta:** Designed to work as a coordinate-accent pattern, Meta gets its name from the Greek prefix which means "after," "beside," or "among." The Meta pattern utilizes no metallic inks, but makes the perfect complement to the other patterns in this Surface IQ collection. The palette directly relates to the Glint



CARNEGIE: SURFACE IQ: MIDAS

pattern, but is strong and distinctive on its own.

**Midas:** In Greek mythology, King Midas was known for his ability to turn everything he touched into gold—he had the "Midas touch." Using this as a point of inspiration, the Carnegie Design Team created the Midas textile for the Urban Metallic collection. Architectural, modern, and chic, Midas is beautifully lined and adds a touch of glamour and style to any environment. Available in hues of metal, gold, silver, bronze, and platinum, Midas transforms anything it touches.

**Glint:** The Glint pattern features clean graphic lines which intersect, echo, and reflect one another. Offering a glint of metallic shine and shimmer, the pattern is available in seven standard styles, each in an eye-catching palette.

**Splendor:** The large scale, contemporary style of this pattern was created as a celebration of the splendor of nature. Its magnificent design features digital metallic branches that dance among a polka-dot pattern canvas, suggestive of *Alice in Wonderland*.

All meet or exceed all ACT standards for Wallcovering. For further information on Carnegie, visit [www.carnegiefabrics.com](http://www.carnegiefabrics.com)

**>GLOBAL Total Office has introduced Marche.** This chair is a contemporary wood seating series that can be utilized within guest, hospitality and lounge applications. Marche's has a sleek Italian curved plywood back, available in three styles, closed back, open back and upholstered back. GLOBAL's complete pallet of 11 wood finishes is available to coordinate with any interior scheme. Marche COMES in two different frame designs; a four leg chair as well as a bar height stool. Frame finishes include brushed chrome, chrome, black and tungsten. Legs are standard in Black (BK), Tungsten (TUN), Chrome (CH) and Brushed Chrome (BCH) are available at an upcharge. Bar height stool models will be introduced later.



## NOTEWORTHY

**>Lisa Barday, Teknion, was promoted to Seating Program Manager.** In this new position, Lisa will manage Teknion's seating portfolio, working with Teknion's dealer network and sales force, the architect and design community and Teknion clients. Previously, Ms. Barday was the A&D Market Manager for the greater Philadelphia market for Teknion. Ms. Barday has a Bachelor of Science Degree in Interior Design from Drexel University, and has twenty years of industry experience. She is a LEED accredited professional and a member of the IIDA.



**>Thomas Wang was appointed International Sales Manager for WAC Lighting.** Brother of President Shelley Wang and son of co-founders



Tony and Tai Wang, Mr. Wang will be based in WAC Lighting's International Offices in Shanghai, China. He will be responsible for residential and commercial sales, working with sales agencies, distributors, designers and specifiers throughout Asia, Europe and the global arena.  
[www.waclighting.com](http://www.waclighting.com)

**>Architectural Systems, Inc. (ASI) announced an e-commerce addition to its website, [www.archsystems.com](http://www.archsystems.com).** The site, a comprehensive catalog of ASI's complete offering of interior finishes, with the ability for architects and designers to order samples for their projects, now has seven introductory material collections available for purchase through the new e-commerce platform, ASI Online. Sculptured Collection, Tin Ceilings, ASI Eco Porcelain, ASI Hardwood Flooring V, and ASI Organic, Spa and Wood Vinyl Collections are in-stock products that can be shipped immediately. <http://www.archsystems.com>

**>Atlas Ergonomics, Grand Haven, MI, now offers on-site ergonomics consulting to employers and workers in more than 1,500 communities.** Atlas also will expand training options for its service provider network. Atlas training covers pre-employment physical function screening, essential function development, individual office ergonomics, call center ergonomics, transportation and warehouse ergonomics, transportation wellness, in-

dustrial ergonomics, patient-handling risk analysis, on-site early intervention and on-site physical therapy.  
[www.atlasergonomics.com](http://www.atlasergonomics.com)

**>BULBRITE released a video with new energy efficient products.** Effective January 1, 2012, the standard household light bulb will no longer be manufactured. U.S. Congress mandated that all general service light bulbs, produced as of this date, must be up to 30% more energy efficient than current standards require. The video shares many of the BULBRITE products which comply with the new legislation. To view the video, click on <http://tinyurl.com/29fvnqe>

**>EMCOR Services Northeast, along with J.C. Higgins and BTE, presented a \$10,000 check to the National Center for Missing & Exploited Children at the EMCOR In Greater Boston 3rd Annual Golf Invitational.** EMCOR's national "Taking KidSafety To The Street" program was launched 5 years ago in partnership with NCMEC and partners in Canada and the U.K. Since that time, EMCOR has

helped recover 186 children throughout the U.S. EMCOR has donated over \$750,000 to NCMEC since 2006.  
[www.EMCORGroup.com](http://www.EMCORGroup.com)

**>Inscape Corporation hosted an event in New York City to introduce the Tisch table-based system.** Guests were able to look over the Tisch system while enjoying cocktails at the Glass Houses in the Chelsea Arts Tower. Tisch is a simple and flexible system for desk, benching and conferencing applications. Its modular components enable Tisch to be easily reconfigured and its cable management system provides fast and easy access to power and data.  
[www.inscapesolutions.com](http://www.inscapesolutions.com)



**>KI was awarded a new contract by The National Joint Powers Alliance.** The contract covers KI's complete portfolio of furniture and movable wall system solutions,

now including *Spacesaver* and *Pallas Textiles*. The contract allows purchasing professionals from local and state government agencies, K-12 school districts, higher education and nonprofits nationwide to select a wide range of furniture, storage and fabric solutions at favorable pricing. "KI is proud to build upon and expand its unique partnership with NJPA," said Brian Krenke, president, KI. "This all-encompassing contract will allow greater accessibility to KI's complete product portfolio and services while making our furniture even more affordable for all qualified purchasing agencies."

**>Kimball Hospitality, a brand unit of Kimball International, Inc. opened a new manufacturing facility in Martinsville, VA.** The 60,000 sq. ft. facility will house administrative offices, a showroom and production operations to make upholstered seating products for the company's custom, program and catalog offerings for hospitality guestrooms and public spaces.  
[www.KimballHospitality.com](http://www.KimballHospitality.com)

**>Kimball Office was recognized for the second consecutive year, by the Office Furniture Dealers Alliance as the Bronze Aligned Manufacturer of the Year Award.** "We are honored to receive this award as it is a direct reflection of how the dealer community feels about Kimball Office," said Jeff Fenwick, Vice President and



General Manager of Kimball Office. "This award reinforces our commitment and dedication to our dealers."

>**Maine produces 99% of all the blueberries in the country making it the single largest producer of blueberries in the United States.** Also known as *bilberries*, *whortleberries* and *hurtleberries*, these berries are one of the few fruits native to North America.

>**Syska Hennessy Group was just ranked #1 in Data Center consulting by *Engineering News Record (ENR) Magazine.*** ENR's Top 500 Design Firms Sourcebook List is published annually and ranks the 500 largest U.S.-based design firms, both publicly and privately held, based on design specific revenue. Within the last seven years Syska Hennessy Group, has ranked either 2nd or 3rd in Data Centers, and rose to the #1 position this year. The firm's success can be attributed to their Critical Facilities (CF) practice, which consults on strategic planning, infrastructure design, engineering, facilities management and commissioning for their clients' mission critical operations. According to *James Coe*, PE, senior vice president and director of critical facilities, "Despite a tough economic cycle in 2009, our Critical Facilities (CF) Unit has continued to successfully implement strategies that have further distinguished us as the industry thought leaders. Moving along in 2010 and beyond, we plan to enhance that distinction."

## RE-SITED

>**Andrew Cicisly joined Teknion as its new Regional Manager in Northern California, Northern Nevada, Hawaii and Guam.** Mr. Cicisly has over twenty years of industry experience, most recently assuming the role of Vice President of Sales for Sidemark, a Teknion dealer.  
[www.teknion.com](http://www.teknion.com)



>**James McEnteggart was named a Vice President of Primary Integration Solutions LLC, the Charlotte, NC-based commissioning business of Primary Integration.** He will be responsible for ensuring delivery of commissioning services to critical facility clients throughout the U.S. Mr. McEnteggart has over 17 years of experience in mechanical/electrical/plumbing (MEP) design and commissioning for mission critical and healthcare facilities. Prior to joining PI, he was a Vice President at The Dome-Tech Group, a national energy consulting firm.  
[www.primaryintegration.com](http://www.primaryintegration.com)

>**Eric McNew** was named by Crossville, Inc. to the position of **Creative Services Manager**. Previously, he was Creative Director at Jessup & Associates, the national sales office for the W.R. Case & Sons Cutlery Company. In his new position, Mr. McNew will work with Crossville's Director of Marketing to oversee the development of the company's collateral materials, packaging, Web site, advertising and other online and print needs to extend the brand image of Crossville, Inc. **Creative Services Manager**. Previously, he was Creative Director at Jessup & Associates, the national sales office for the W.R. Case & Sons Cutlery Company. In his new position, Mr. McNew will work with Crossville's Director of Marketing to oversee the development of the company's collateral materials, packaging, Web site, advertising and other online and print needs to extend the brand image of Crossville, Inc.



>**Pamela Royer Pusateri was hired by Allsteel as an Architecture and Design Specialist for the Midwest region.** Ms. Pusateri brings 14 years of industry experience, most recently working as an A&D Market Manager for OM Workspace.  
[www.allsteeloffice.com](http://www.allsteeloffice.com).

>**Stephen Tsou was named as Associate by Ted Moudis Associates.** His architectural experience covers more than 30 years both nationally and internationally. Mr. Tsou will be responsible for directing and overseeing his team's work on assigned projects.  
[www.tedmoudis.com](http://www.tedmoudis.com)



## PROJECTS

> Alphonso Architects designed an exhibition, theatre and retail space created especially for the installation of **The Chihuly Collection in St. Petersburg, FL**. Alberto Alfonso, working closely with Mr. Chihuly, transformed a 10,000 sq. ft. concrete shell into 12 individual environments which reflect the theory and basis of Chihuly's art. His glass and works on paper exist on a pathway of apertures, anticipatory views, kaleidoscope reflections of fluid light and undulating curves. There are no barriers to the art, but rather recessed steel troughs delineate a boundary.

[www.alfonsoarchitects.com](http://www.alfonsoarchitects.com)

## EVENTS

>DEGW will host a forum on**Responsive Environment-son Monday, August 5th at 6pm** , at its offices at **580 Howard in San Francisco**.

This Think+Drink will provide guidance regarding the question of which new monitoring technologies will optimize our building environments for sustainability and responsiveness to occupant need, and how and where will they be best applied?

>**The Facilities Management Workshop will be held Aug. 26-27 at the Omni Shoreham Hotel, 2500 Calvert Street, Dupont Circle, Washington, DC**.

The theme of the two day event is, "Achieving Organizational Objectives Through FM," and will address on the first day facility management best practices, asset management and new perspectives on managing government facilities, and on the second day energy management and sustainability. Representatives from the U.S. Air Force, Navy, Defense Department and General Services Administration, along with leading private sector and non-profit personnel, will speak. The workshop has been coordinated with IFMA's CFM Exam Review Course, immediately preceding the conference Aug. 24-25, also at the Omni Shoreham Hotel.

[www.ifma.org](http://www.ifma.org)

## BUSINESS AFFAIRS

>**Accenture reported that 54% of large U.S. businesses that reduced staff in the past 12 months plan to rebuild their workforces to pre-recession levels within two years.** According to the company's 2010 High Performance Workforce Study, released July 19, only 13% of U.S. executives surveyed said that they plan to reduce their employee base over the next 12 months. "The survey confirmed that companies are shifting their focus away from cost control and returning to growth," Accenture said, forecasting that U.S. companies focused primarily on cost control will decrease from 41% in mid-2009 to 18% in 2011. The percentage of U.S. companies focused primarily on growth-oriented activities such as hiring, on the other hand, is expected to increase from 24% today to 37% within the next 12 months. [http://newsroom.accenture.com/article\\_display.cfm?article\\_id=5034](http://newsroom.accenture.com/article_display.cfm?article_id=5034)

>**Companiesandmarkets.com during July published a number of new company profiles on office furniture manufacturers.** Available for \$125 each, the new reports include Financial and Strategic Analysis Reviews of **Herman Miller, Inc.; HNI Corp.; Inscape Corp.; Kimball International, Inc; Knoll, Inc.;** and **Steelcase Inc.;** and a Strategic Analysis Review of **Haworth, Inc.** Search by company name at <http://www.companiesandmarkets.com/>

>**Interface, Inc.'s Board of Directors declared a regular quarterly dividend of \$0.01 per share,** payable Aug. 27 to shareholders of record as of Aug. 13.

>**Interface, Inc., on July 28 announced its 2Q10 results** (dollars in thousand except EPS):

<b>3 Mos. Ended</b>	<b>7.4.10</b>	<b>7.5.09</b>	<b>%Ch.</b>
<b>Net Sales</b>	\$226,587	\$211,297	7.2%
<b>Gross Profit</b>	\$80,134	\$69,106	16.0%
<b>Op. Inc.</b>	\$21,466	\$20,866	2.9%
<b>Net Inc.</b>	\$8,008	\$3,799	110.8%
<b>EPS (dil.)</b>	\$0.12	\$0.06	100.0%
<b>6 Mos. Ended</b>	<b>7.4.10</b>	<b>7.5.09</b>	<b>%Ch.</b>
<b>Net Sales</b>	\$443,778	\$410,605	8.1%
<b>Gross Profit</b>	\$153,508	\$132,275	16.1%
<b>Op. Inc.</b>	\$35,221	\$23,940	47.1%
<b>Net Inc.</b>	\$10,114	-\$224	
<b>EPS (dil.)</b>	\$0.15	-\$0.01	

Prior-year second quarter operating income included income of \$5.9 million from patent litigation settlements and a restructuring charge of \$1.9 million; excluding these items, 2Q10 operating income improved 27.4% over 2Q09 adjusted operating income of \$16.8 million.

"We had a strong second quarter that built upon the momentum we created at the start of the year," said Interface President and CEO **Daniel T. Hendrix.** "We saw significant year-over-year increases in sales, margins and earnings, as

## Industry Stock Prices

	7.30.10	7.2.10	4.1.10	12.31.09	9.25.09	7.2.09	%frYrHi	%fr50-DayMA
<b>HMiller</b>	17.2	17.9	18.4	16.0	16.7	14.2	-23.6%	-7.5%
<b>HNI</b>	25.8	26.0	26.3	27.6	23.0	17.3	-26.8%	-6.3%
<b>Inscape</b>	1.9	1.8	2.0	2.0	2.6	2.0	-28.9%	3.9%
<b>Interface</b>	12.4	10.5	11.7	8.3	8.3	5.9	-13.8%	8.3%
<b>Kimball</b>	6.2	5.7	7.1	8.5	7.6	6.3	-34.9%	7.0%
<b>Knoll</b>	14.0	12.7	11.4	10.3	10.1	7.4	-6.8%	3.1%
<b>Leggett</b>	20.8	19.5	21.7	20.4	18.8	14.6	-17.1%	-1.7%
<b>Mohawk</b>	48.9	44.2	54.7	47.6	47.5	34.0	-26.9%	1.2%
<b>Steelcase</b>	6.9	7.5	6.5	6.4	6.2	5.6	-27.0%	-5.8%
<b>USG</b>	12.0	11.9	17.3	14.1	16.1	9.9	-53.0%	-11.4%
<b>Virco</b>	2.9	3.0	3.7	3.7	3.0	3.4	-28.3%	-1.6%
<b>SUM</b>	<b>169.2</b>	<b>160.6</b>	<b>180.8</b>	<b>164.9</b>	<b>160.1</b>	<b>120.5</b>	-	-
<b>DJIndust</b>	10,466	9,686	10,927	10,428	9,665	8,281	-7.5%	-

we continued to realize the benefits of our end market diversification strategy and cost control initiatives. Importantly, the recovery in the corporate office segment that began in the first quarter has continued, and we also saw solid growth in the retail, institutional and hospitality sectors. Performance in the Asia-Pacific region remains excellent, and demand in North America also showed strength, led by the corporate office segment. In Europe, we saw significant profitability improvement, as sales held steady in local currency terms while manufacturing efficiencies and the benefits of our restructuring activities gained traction. The emerging markets, particularly China, Latin America, Russia and India, also delivered solid results. Perhaps most exciting, orders for the second quarter improved to \$257 million, our highest level in seven quarters, with Europe making the turn and posting a significant order increase.”

**Patrick C. Lynch**, Senior Vice President and CFO, commented, “As sales grew year over year, we continued to generate significant expansion in profit margin as a result of the tight cost controls and improved efficiency in our operations. We continued to balance reducing our fixed cost base with selective reinvestment in the business, namely capital expenditures related to our China manufacturing facility and strategic investments in sales and marketing to advance our end market diversification strategy. In addition, reducing our debt level remains a strategic priority. As a result of the prudent actions that we took as the downturn hit, we believe that we are now in a strong financial position to execute against our strategic plans and capitalize on the opportunities we see in the marketplace.”

For the first six months of 2010, approximately 3% of the sales increase was related to fluctuations in currency exchange rates relative to the first six months of last year. Excluding a previously announced \$3.1 million restructuring charge in the first quarter of 2010, operating income for the six-month period was \$38.4 million, or 8.6% of sales. This compares with an adjusted operating income of \$25.6 million, or 6.2% of sales, for the first six months of 2009 (excluding second-quarter items described above and a previously announced restructuring charge of \$5.7 million in 1Q09).

Mr. Lynch noted that Interface’s gross profit margin for 2Q10 was 35.4% compared with 32.7% in 2Q09, an improvement due to the company’s restructuring initiatives. SG&A expense for the second quarter increased from \$52.3 million last year to \$58.7 million this year, reflecting “ongoing investments in our end-market diversification strategy,” he explained.

Backlog as of 7.4.10 was \$132.7 million, versus backlog of \$115.1 million on 7.5.09.

## business

### Results by Segment (dollars in millions):

3 Mos. Ended	7.4.10	7.5.09	%Ch.
<b>Modular Carpet</b>			
<b>Net Sales</b>	\$202.7	\$186.6	8.6%
<b>Op. Inc.</b>	\$25.4	\$17.5	45.1%
<b>Bentley Prince Street</b>			
<b>Net Sales</b>	\$23.9	\$24.7	-3.2%
<b>Op. Inc.</b>	-\$1.1	-\$2.0	
6 Mos. Ended	7.4.10	7.5.09	%Ch.
<b>Modular Carpet</b>			
<b>Net Sales</b>	\$396.7	\$363.0	9.3%
<b>Op. Inc.</b>	\$42.6	\$24.2	76.0%
<b>Bentley Prince Street</b>			
<b>Net Sales</b>	\$47.1	\$47.6	-1.1%
<b>Op. Inc.</b>	-\$2.6	-\$5.0	

For Bentley Prince Street, Mr. Hendrix noted that “the demand for high-end broadloom remains very challenging, but the actions we have taken to adjust product mix, reduce inventories, control cost, and increase efficiencies resulted in a more narrow loss from this business during the second quarter, and June was a profitable month.” He added that carpet tile is now 35% of Bentley Prince Street’s business and growing, while the broadloom side of the business has continued to decline.

The company’s FLOR residential consumer business, meanwhile, is seeing double-digit sales growth driven by the web and catalog channels, Mr. Hendrix said. “Our FLOR store in Chicago is exceeding our expectations, and we just completed site selections for two new FLOR stores.”

Investment priorities for the remainder of the year include startup of Interface’s new manufacturing plant in China, now scheduled for the fourth quarter, as well as additional sales and marketing initiatives “to further expand our segmentation strategy in Europe and North America,” said Mr. Lynch. “Debt reduction will also continue to be a focus.”

“We are very pleased with our results for the first half of the year,” Mr. Hendrix concluded. “Our recent sales growth is evidence of share gains and improving demand we are seeing for our products, but even more encouraging is the 16% increase in orders during the quarter, which reflects growth in demand across all geographic regions. While we are encouraged by our recent performance and optimistic about the opportunities ahead, we realize that we are operating in an uncertain environment in which the outlook remains challenging to predict. We will continue to be vigilant in monitoring any shifts in market conditions and flexible in our approach. At the same time, we will focus on building on our current position as a leader in the marketplace while also investing to continue driving the market’s secular shift to carpet tile.”

The full text of Interface's 2Q10 earnings release, along with an archived replay of its July 28 conference call and webcast discussing the results, can be accessed at the company's website: <http://www.interfaceglobal.com/Investor-Relations.aspx>.

**>Michael A. Dunlap & Associates, LLC reported "solid signs of recovery" in its July 2010 office furniture industry trends survey.** The MADA/OFI Overall Survey Index was 54.93, the highest since October 2007's Index of 55.62. According to MADA owner and principal **Mike Dunlap**, the highest recorded overall index was 59.72 in July 2005, and the lowest was 41.45 in April 2009. July 2010 indexes showing improvements included gross shipments (64.44), order backlog (61.73), employment (52.96), hours worked (52.48), capital expenditures (56.04), and tooling expenditures (57.25).

The latest MADA/OFI report is the 25th since Mr. Dunlap began conducting the quarterly survey in August 2004. It is based on responses to more than 600 surveys sent to office furniture manufacturers and suppliers worldwide. Mr. Dunlap noted that almost 62% of the responses came from top-level executives (Chairman, CEO, COO, or President) of their organizations. For more information, please email Mr. Dunlap at [mike@mdunlap-associates.com](mailto:mike@mdunlap-associates.com)

**>USG Corp. on July 28 unveiled its new SHEET-ROCK UltraLight Panels.** Described as a "milestone achievement in wallboard history," the new lightweight gypsum panels are said to be up to 30% lighter than the competition while offering significantly higher strength-to-weight ratio and improved sag resistance. <http://phx.corporate-ir.net/phoenix.zhtml?c=115117&p=irol-newsArticle&ID=1452864&highlight=> ■

# business

**At National, we pride ourselves in having a world-class team that champions growth, diversity and operational excellence. We're creating an environment that inspires an insatiable desire to learn, stretch and do things better every day. We have immediate openings and are seeking individuals to be key players on our team.**

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- Have a sound foundation in report analysis with excellent understanding of sales and marketing functions
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- Possess a Bachelor's degree in business management or related field

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Must be a team player, flexible, detail oriented, comfortable with speaking to customers and have an outgoing helpful demeanor.

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Jodi Turkus  
ERG International  
jodit@erginternational.com  
805-981-9878 Fax

**Desks Inc - Chicago, IL**

Desks Inc. – Chicago's premier Knoll office furniture and Dirtt architectural solutions dealer, is seeking the addition of an architectural solutions sales representative. The sales position will focus on the development of successful partnerships with major end users, architects, designers, real estate brokers, and general contractors. Our goal is to bring to our team a motivated sales leader who is capable of promoting the Desks architectural solutions portfolio including Dirtt (walls, floors, technology solutions, power distribution systems), Lencore (Sound masking), Aurora (high density storage products), Signage and related support services.

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- has the drive to pursue business opportunities,
- has the experience of developing effective solutions and
- is an effective communicator of the value of those solutions.

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