

Mission Bell rings up big growth with custom woodworking

BY ERIC VAN SUSTEREN

MORGAN HILL — In a period when custom woodworking companies are disappearing, Mission Bell Manufacturing Inc. is bucking the trend with nearly 18 percent growth over the past two years.

The secret, according to one financial adviser who has studied the Morgan Hill company, is its ability to control all phases of production, its ability to handle any size project — big or small — and its use of cost-saving modeling software.

Pamela Steverango, managing director of Chartwell Capital Solutions, drew her observations after researching Mission Bell and its industry as a financial adviser to the company for its employee stock ownership program. Mission Bell CEO Clint Ramsey acknowledges the factors cited by Steverango for the success of his business. Revenue at Mission Bell has gone from \$22.9 million in 2009 to \$27 million in 2010. Ramsey expects \$30 million this year.

Mission Bell makes about 50 percent of its money building one-of-a-kind high-end fixtures such as wall panels or desks. Fifteen percent of its money comes from more generic casework, such as cabinets, and the remaining 35 percent comes from installation.

Ramsey most of all credits the company's "end-to-end" business model for its success. Mission Bell controls every aspect of the production process from design to installation — even the more obscure parts, such as locating and buying rare woods internationally.

"Every extra hand that touches the product adds more time," he said. "We're able to manage the work flow and the amount of time it takes for each part and condense it to create that end product more quickly."

This makes it easier to adapt to an unforeseen issue such as a fixture damaged during shipping or a design that places a cabinet over an electrical outlet.

Mission Bell has bucked a recession that has been particularly difficult for custom woodworking companies, said Rob Gustafson, CEO of Sacramento-based Woodwork Institute. In the past two years the Woodwork Institute has dropped from about 240 members to 180.

Gustafson said full-service woodwork manufacturers are uncommon. Most don't make their own custom designs, and few do their own finishing because of the expensive equipment required to meet air quality regulations.

MISSION BELL MANUFACTURING INC.

Headquarters: Morgan Hill
CEO: Clint Ramsey
Founded: 1959
2010 revenue: \$27 million
Employees: 145
Web: www.missionbell.com
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VICKI THOMPSON

BUCKING TREND: CEO Clint Ramsey has grown sales at his Morgan Hill business from \$22.9 million in 2009 to \$27 million last year at a time when many custom woodworking shops in California have folded up shop.

Steverango said Mission Bell's ability to integrate Building Information Modeling software makes it especially attractive to customers. The software allows all contractors — from plumbers to electricians — to integrate their designs to a single comprehensive set. This allows engineers to spot and avoid "clashes" in the plans before building begins.

Mission Bell's 103,000-square-foot facility in Morgan Hill houses equipment worth between \$3 million and \$4 million. Ramsey said the equipment is sophisticated enough to allow the flexibility to build single pieces of high-end custom furniture and complete complex multi-million-dollar projects.

Mission Bell typically completes between 250 and 350 contracts per year. Some are as small as \$5,000 and some, such as a fixture contract with Kaiser's new Oakland hospital, can be as large as \$7 million. But Ramsey said the company's "sweet spot," where it's most effective, is in the \$300,000 to \$1 million range.

"I think that's one of the reasons they're here today," Steverango said. "They have a broad range. There's really no project that's too big or too small."

During the recession, Mission Bell subsisted mainly on health care and educational contracts from customers including Stanford University. Gustafson said many of the woodworking institute's members rely on public works, making the state budget deficit a concern.

"Health care is strong for us right now," Ramsey said. "But now with budget cuts, it's shifting away from education. What's encouraging for us is that a lot of local businesses are starting to expand and grow again."

Today, Mission Bell does 30 to 35 percent of its business in the South Bay for companies such as Adobe Systems Inc., National Semiconductor Corp. and the Hewlett Foundation.

The 145-employee company has been family-owned for the 52 years since it was founded, but began to allow employees to own stock in the company in 2002. Ramsey said employees currently own 49 percent of the company's stock.

"We have this family feel throughout all levels of the organization," Ramsey said. "The success of the business has been driven by the employees, and we empower them to make decisions if they see something that's not right."