

IT TAKES A WORLD TO CREATE A PALLISER

Palliser is a company, Palliser is a community of people and Palliser is every product we deliver to our customers. We are no longer alone in the world of materials, people or markets. In every possible way we intersect with forces that shape us, that sometimes threaten us but that also create opportunity if we have courage and the ability to work hard and to work together.

Every company in the world has access to the same technology, to the same materials, to the same design possibilities and to the same markets. The only difference is us – the people of Palliser. We are a team competing with every other team in Canada and every team around the world. We often use the expression that “People are our greatest assets”. The reality is that people are our greatest asset or our greatest liability – because most other factors of competition are very much the same.

Tonight we celebrate this strength. Palliser would not have grown to its pre-eminent position in Canada and a highly respected position in the North American and global marketplace without the competence and commitment of its people.

We will not win just because we put 5000 people onto a team called Palliser. There are many factors that determine the outcome of the game we know as the “Furniture Industry”. Sometimes we can forget that almost every event in the larger world somehow affects us, affects our strategy and our opportunities.

I have just returned from the recent World Economic Forum in Davos, Switzerland. For the past several years speakers boldly proclaimed the imminence and benefits of globalization or a more interconnected economic world. Suddenly there was a backlash in Seattle, Prague and even at Davos when many people in this new world began to say very loudly and persuasively that unless globalization benefits more than a minority it was not a good thing. We are part of this phenomenon both as a participant and in terms of the competition we face.

For the past several years industries such as furniture were being labeled as part of the “old economy” – implying that our best days were past. Suddenly the dot.com of last year has become the dot.bomb of this year. It matters, because some point to the collapse of the internet and technology sector as being to blame for the US recession that will inevitably affect companies such as our own.

We read about trade agreements, the World Trade Organization, trade conferences and trade wars. They matter. They matter to Palliser. If China becomes part of the WTO it will make them more secure as a source of furniture and competition. The trade war between Canada and Brazil about aircraft subsidies matters since Brazil is our most important source of leather. The rise or fall of the Euro versus the dollar matters since our largest competitors for leather furniture are shipping from Italy.

“It takes a world to produce a Palliser”

We buy leather from Brazil, Uruguay and Italy. Our metal frames and decorative metal come from Mexico. Drawer slides and many handles come from Asia. Decorative paper comes from Japan and Germany. Drawer sides come from Indonesia. Occasional tables and other components come from around the world. The United States is our most important source of lumber, fabric and many other materials. Several very important products even come from Canada!

Our designs are influenced by what the competition does, by what we see in Europe, by our designers from several countries and by our own imagination.

Our customers are increasingly outside of Canada. This year we expect to ship less than one third of our output to Canadian retailers.

Finally, Palliser is also becoming part of the global production system with plants in four countries and contracting relationships in many more.

But we are here tonight to talk about people. It also takes a world of people to produce a Palliser – or a piece of Palliser furniture.

Another feature of our changing world is that it is no longer easy or even desirable to place labels on people or groups of people. Some even argue that those countries or communities that are best able to attract, assimilate and energize the mixture of peoples in a way that is productive will have a strategic advantage over those places that do not accomplish this. They point to the energy of a California, New York or London to prove their point. Japan, one of the least homogenous nations on earth is struggling to adapt to this more diverse and global reality.

Does it matter that the people of Palliser come from 70 countries and speak 40 languages? Is that a good thing or a bad thing? It certainly represents a challenge at times, but we would like to take the view that we are at the edge of a global phenomenon where the world will look increasingly like our company. If we can make this a strength then we can compete even better in that global marketplace of which I spoke a little while ago. Palliser recently received a national award for our “literacy in the workplace” program and I want to compliment those who teach the program and the many who are eager learners. This is a small part of how we turn our diversity into our strength.

On January 24th a new soul entered the world. His name is LEO RUEBEN NUSSBAUM. He was born in London, UK to a father who is an American citizen of Swiss origin. The mother is a Canadian citizen, born in Bangladesh but ethnically from Nepal. Both parents have been raised in the Mennonite religious tradition. Who is LEO? Is there a pigeon hole on any national or other census that would adequately describe who LEO is at this moment – much less who he will become in the future? Well there is one category he can never escape. I will always be his proud grandfather!

Who is a Canadian? A former premier of Quebec started his presentation at a breakfast meeting of Manitoba business leaders with the statement that “Canada is composed of the two solitudes – the French and the English.” I looked around the room and then pointed out to him that not a single person in the room would qualify as being from either of those traditions. Did that mean that our stories, our histories were not part of the Canadian fabric? Canada is becoming something new in this world. Many of us are hyphenated Canadians but our children are becoming something more. They will be a generation that will benefit from their roots but will also have the freedom to move beyond those roots to become part of a national and global community that will look beyond language, beyond race, beyond tradition. If we are to benefit from the opportunities of our new world we need to celebrate tolerance, encourage participation and create open communities.

What is true for Canada is equally true for Palliser. We are a microcosm of this new culture and possibly new world. I am genuinely proud of the harmonious way in which so many diverse people work together to produce a great product and service for our customers. On the other hand, we have a long way to go. We need to assure that every person has access to opportunity for learning, for development and for the chance to take on more responsibility. When we fail to promote someone with ability we become less than the best that we could be.

We have given recognition for years of service for a long time but tonight is different. We have raised the profile of this event in many ways. This is to signal to each of you and all of the other members of the Palliser family that the development and inclusion of each person is very important to us philosophically but is also important to our success in the marketplace.

The majority of awards relate to years of service. This reflects loyalty, knowledge, stability and trust. We thank each of you for your part in making Palliser a growing success story. We also trust it has given you and your family stability and opportunity.

In addition to these service awards we have also added four new awards where the candidates are selected based on their very individual contributions. These awards were designed to signal some of the characteristics that make a community of people work well together and also signal our responsibility to those outside of our community.

The INNOVATION AWARD signals that in a changing world we must always be open to the new, the better and the faster. There are many people who have contributed in this way but with the help of your peers and your leaders we have identified several who will be noted for their contribution and one will be given the honor of being the innovator of the year.

The award for CUSTOMER CARE reflects the reality that we live and die by the response of our customers. Many of you do exceptional things to please our customers during the year. The examples that will be cited should help all of us to become more oriented to those who provide our income and security – the customer.

The PALLISER COMMUNITY AWARD looks inside at how we treat one another. This is the glue that holds us all together. We have identified several people who are exceptional in how they treat those around them. They will be an example to each of us.

Finally, we have a responsibility beyond our boundaries. The A. A. DEFEHR AWARD will recognize several people who have given of themselves to help others in the community.

The world out there is tough and unforgiving. On the other hand it is full of opportunity for those prepared to seize it. The quality of our people and how we deal with each other internally and externally is one of the few variables in this world. Tonight we celebrate the contributions of many who have been a part of making Palliser a success in that world.

Remember: "IT TAKES A WORLD TO CREATE A PALLISER"

Art deFehr

February 6, 2001