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# WOOD digest

— OUT OF THE BOX —

Quality Cabinets'  
quality employees

Red Rock Casino



At the Red Rock Casino, QCFC created all of the millwork, glass, acrylic, LED lighting, stainless steel and stone work.



Red Rock Casino

"Take care of me, I'll take care of you." An architectural millwork company's new-school approach to employee/management relations.



By Jackie Roemkle

## Quality Cabinets & Fixture Company

**Established:** 1966

**Location:** San Diego, Calif.

**Product:** Architectural millwork, turnkey solutions

**Employees:** 350

**Market area:** Global

**Facility size:** 100,000 sq. ft.

**President/owner:** Tim Paradise

Tim Paradise, president of Quality Cabinet & Fixture Company (QCFC), doesn't want to talk about wood-working machinery or equipment. He won't discuss manufacturing processes or finishing departments. In his words, "there are no manufacturing secrets in this industry."

Paradise, however, will say this: "The secret to this industry is the people. You have to have great people, and, at Quality Cabinets, we have the best people and that's what offsets us from other companies."

"The bottom line is your people, and taking care of your people, and making them part of the total process," he says.

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After "spending every summer of his life" sweeping and sanding in a wood shop, Paradise reluctantly entered the woodworking industry — taking the reins from his father, Donald, who founded the architectural woodworking company in 1966.

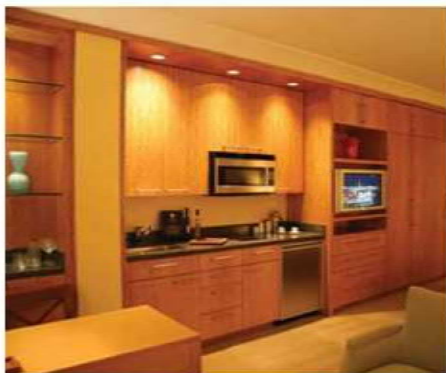
Paradise explains: "After I graduated, my father asked me to work for him; I said, 'No.' He said to me, 'You'll learn that it doesn't matter where you're managing; it's all about

managing people.' Then he offered me a package I couldn't refuse. I remember coming to work the first day with my little tie and briefcase ... He grabbed my tie, cut it off and said, 'Back to the shop.'"

In 1989, at the time Paradise came onboard, the company was heavy in retail work, with its main contracts ranging from Disney stores to Macy's department stores, and was bringing in \$7 to \$8 million annually.

Paradise went through all the departments of the company, including working in the shop for a number of years, but was kept closely involved with all the upper management and business decisions.

"I made it all the way to estimator, when my dad took me to lunch, threw me the keys and said, 'OK, I'm retiring. You're the president of Quality Cabinets.' Probably the biggest mistake he ever made," Paradise recalls. "My mistake was being so naive and thinking I could take over the world so I took the keys, thought I was invisible. I thought I couldn't get hurt; expanded the company; brought in a software system that didn't work; and was hurt by a big company financially and



« QCFC and one of its offshore partners are creating 1,250 suites for the Trump International Hotel and Tower in Las Vegas. This project has 217,000 parts for every five floors — and there are 50 floors. Recently, QCFC, a 25-year member of the Woodwork Institute (WCI), was presented with the 2007 Ralph B. McClure Award for its work on the Mia Elise Luxury Yacht.

found out that I was kind of vulnerable. I almost lost the company — which was probably the best thing that ever happened — and begged my father to come back and we eventually straightened things out. It's always good to be humble."

In the years since his reality check, Paradise has been what he describes as aggressive, but conservative about the risks he takes with the business. And it has paid off: QCFC has grown into a \$40 million global firm.

"We have been able to be very versatile in who we are, which is probably our core success," Paradise explains. "We are very strong in markets that require solutions. We pretty much don't even see ourselves as a woodworker anymore. We're probably an interior turnkey solution company. We do everything."

Forty percent of QCFC's total revenue is generated by items other than woodworking.

"QCFC is like a general contractor. We do metal, glass, stone, LED lighting — the total interior package, from the dry wall in," he explains.

All of the company's business is generated by word-of-mouth. An average QCFC project costs about \$5 million.

"The strength of Quality Cabinets has been our ability to find new markets and new customers that require a win-win solution," Paradise says.

### THE OPEN BOOK

"This business is not about the equipment. It's about the people," Paradise explains. And this mantra runs deep to the core of QCFC's corporate culture.

Overall, the company's philosophy is simple: believing in the people. Paradise describes it as "fault-free management," where in a fault-free environment the employees can make their own decisions and are educated to do so.

"Basically, I believe in an open book environment where all information is shared with your employees," he says. "In such, they have to be ready and trained to be able to understand the information."

All 350 QCFC employees are schooled through human enrichment programs, like Dale Carnegie

classes, Stephen Covey and self-actualization training.

"The equipment and processes are easily explained throughout the woodworking business, but the processes where people rarely get trained are the human processes," Paradise notes.

According to Paradise, these values have brought QCFC into markets he never imagined, made possible through hooking up with clients/partners who believe in a similar culture and methodology.

"We, as people in woodworking, are very old world about operations," he says. "The people running all these companies — at least in architectural woodworking — don't pay their people a lot. Because of this, there isn't a great draw for new people to enter the business. Here, the whole industry, overall, is really failing."

### CREATING A WORKFORCE

Being based in San Diego, a city with one of the highest costs of living, poses a particular challenge: Paradise has found it difficult to find employees.

"Pay isn't the issue. I'll pay my people more than the average wood shop would," Paradise explains. "If I can make money, everyone makes money — it's kind of my business philosophy — but I still couldn't find people to work for me. I decided I'm not going to move the company, but I better figure out a way to find people. So we opened a facility in Mexico."

QCFC's Mexico-based facility operates with 60 employees. Here, the company has experienced much success — but not for the reasons typically associated with doing business across the border.

"It all still comes down to my philosophy," Paradise explains. "My goal — even though I'm in Mexico and it's cheaper labor — is to ensure all of my people have a home, have a car, have health-care, and they can take care of their families. Yeah, they're not making as much by U.S. standards, but they are definitely making 10 times more than an average Mexican citizen makes in a factory. Why? Because they are valuable, and they are working in a trade that no one in my market wants to work in."

"Hence, my whole philosophy is about people, and taking care of people," he says. "If I take care of my people, then they will take care of me."

Thirty percent of QCFC's bottom line is paid out in bonuses, exemplifying the company's commitment to its workforce.

"For some people, half their salary is made up of bonuses," Paradise explains. "It's a totally different management technique than the old woodworking mentality of my father's generation."

It's all about personnel, he notes, being able

to find people that really want to be in the business and being able to provide them with a good salary.

"Most woodworkers are operations people, and they want to squeeze the last nickel out of everything — including their people," he says.

Paradise's version of the Golden Rule also applies to QCFC's dealings with its overseas partners.

He says: "My concern is, yeah, we buy these products from China, but how are the real people being treated? What's the sacrifice? So when I do go overseas, because I do have a partner in Singapore, I want to make sure that they're taking care of their vendors and their clients."

Paradise is "watching everyone" down his entire supply chain.

"I'm getting into certain businesses that want me to provide certain products for very low prices," he notes. "They are saying, 'Well, your competitors are in China ...' and I'm saying, 'Well, maybe I don't want to get into this business at all because maybe I don't agree with the ethics of what's going on.'"

### WIN-WIN TOTAL SOLUTIONS

Paradise is passionate about fulfilling a design expectation for the client, while also fulfilling its logical business format, capturing both the design criteria and business sense.

"We get brought in to make things float in mid-air," Paradise says. "A gravity-free solution — and, in the high end, they always want it, and we somehow figure it out."

The "right client" is also key in the success of the partnership.

"We have a lot of clients out there, but we need to find the ones that have the same culture goals that we do," he says.

In the future, Paradise sees the company where it is today — with the best 5 percent of clients who share the same values.

"We select our clientele for a win-win relationship. And when it's not like that, we can make decisions that all clients may not be the right clients at that time, and move on," Paradise explains. "And the same thing with clients, they may not require all my services, so they may not require me." **WJ**

