

CLIENT Williams-Sonoma

PROJECT Employee newsletter

PROJECT OVERVIEW

HomeFront is the employee newsletter for Williams-Sonoma, Inc., a large catalog and retail company specializing in products for the home. Divisions include Williams-Sonoma, Pottery Barn, Pottery Barn Kids, and West Elm.

The newsletter was created to communicate with employees, build a community within the company, and recognize the contribution of individual employees.



See below to view three sample pages from this newsletter.

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HOMEFRONT

A PUBLICATION FOR WILLIAMS-SONOMA ASSOCIATES

AUGUST 2001

Catch the Spirit!

Rewarding associates for service, excellence, and teamwork

“WHEN YOU KNOW your job and like the position you have, it’s easy to come in every morning with a smile on your face. It’s easy to give someone an encouraging word, and it’s easy to be a team player.”

That’s what Shirley Barton, Shipping Clerk in the Memphis Distribution Center says is the positive attitude that’s the secret to service excellence.

“When everything comes into play, it’s easy to ‘Catch the Spirit,’ ” she adds.

Recognizing those who uphold the highest standards of customer service, demonstrate friendliness and enthusiasm, and work well with their teams, our Catch the Spirit program has honored hundreds of associates in our retail stores over the past nine years.

“Catch the Spirit gives us a chance to recognize our colleagues who excel in serving customers well.”

And now, as the program is rolled out across the company, associates in our corporate offices, distribution center, and customer care centers now qualify for this distinguished honor.

“In the stores, Catch the Spirit has been a huge success because it gives us a chance to recognize our colleagues who excel in serving customers well,” notes John Bronson, Senior Vice President, HR.

“We realize that with catalog and Internet shopping becoming more of a share of our business, we need to find a way to honor those associates who serve customers outside of our stores. So by expanding Catch the Spirit, we make sure we don’t miss anyone who makes an outstanding contribution,” he adds.

How to win: From nomination to recognition

While the program is run slightly differently in each division of our organization, the first step to winning is to be nominated by a supervisor, manager, or another associate.

Catch the Spirit standards encompass all the values Williams-Sonoma stands for. These include, including:

- Being an excellent role model for other associates
- Providing outstanding customer service
- Demonstrating consistent enthusiasm
- Working as a team player

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John Bronson, Senior Vice President, HR, acknowledges two-time Catch the Spirit winner David Bolt at the recent Associates Meeting. David is an associate at the Williams-Sonoma Post Street store.

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Executive profile

An interview with new company CEO Dale Hilpert

MOST NEW associates here at Williams-Sonoma soon realize our company is a special one – filled with a vibrant spirit of teamwork that echoes throughout the organization.

And to our new Chief Executive Office Dale W. Hilpert, that realization came early on.

Dale says that although he's only been at the company since late April, it didn't take him long to see that Williams-Sonoma has a unique company culture.

"Even before I arrived, I always held the highest regard for the organization, its brands, and customer service. And I'm certainly not alone in holding that opinion," Dale says.

"Go ahead and ask around about Williams-Sonoma. Ask those who don't even work here. The reaction is often, 'Wow, what a great company!' That's special and it's one reason why I'm glad I'm here."

Now that Dale has been our CEO for several months, he's had the opportunity to take a closer look at the company from the inside through discussions with hundreds of associates.

Dale sees a business that, like many others, faces challenges in the years ahead. But he's confident of our ability to rise to those challenges because of the spirit that's spread throughout our organization – one he says is quite rare in organizations our size.

"We have a lot of bright people

with great ideas," Dale says, "And there seems to be just the right balance here between innovation and a healthy respect for tradition. Those concepts can be difficult to balance, but our associates seem to have an innate sense of what works."

Recognizing excellence

Dale emphasized that while many businesses pay far too little attention

"There seems to be just the right balance here between innovation and a healthy respect for tradition."

to honoring and recognizing outstanding contributions, Williams-Sonoma is an exception.

"We have an underlying passion that encourages associates to exceed, not merely meet, expectations," Dale explains. "I've always believed that companies should reward this kind of passion, so I'm pleased that the Catch the Spirit program is now being extended throughout the company."

Noting the strong energy and enthusiasm he sees at Williams-Sonoma, Dale points out that as CEO, he will be focusing on channeling this high level of energy into meeting key corporate objectives.

"In some companies, it's difficult to get people to think creatively and generate new ideas. That's no prob-



New Williams-Sonoma CEO Dale Hilpert

lem here," he says. "But it does mean making some difficult decisions. As I pointed out at the last Associates Meeting, it's more difficult to choose what *not* to do than it is to choose initiatives we will pursue."

A look at our future

Dale is certainly no stranger to meeting the strategic challenges facing growing companies. As CEO of the Venator Group, Dale led new company to increased profits and improved profit margins. And investors took notice as Venator's stock price more than doubled in the last year.

Here at Williams-Sonoma, Dale notes that the major challenge will be to come to terms with rapid growth and changes to our business methods.

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“We’re about to pass \$2 billion in revenues, which is great news, but it also brings new challenges,” Dale explains.

“When companies hit this milestone, business becomes more complex. Older solutions rarely remain effective even with a larger team. For example, even if you hire a larger staff, you simply can’t run a big hotel

“Consistency, communication, and clarity are the hallmarks of good leadership. And that’s what I promise – no surprises.”

in the same way you’d run a small inn.”

Dale points out the complexity that growing companies face. “We’ve grown so rapidly, that we now have multiple brands, three channels of distribution, hundreds of stores, tens of thousands of SKUs, and millions of customers. That’s a lot of moving parts to deal with, and we have to put the right infrastructure into place to continue to grow our business,” he says.

No surprises

On Dale’s desk is a sign that reads, “No Surprises. He explains that it’s a two-part message for those he meets with.

“In one sense, it’s a request from me,” he says. “If there’s bad news, don’t hold it back. If we’re not going to meet targets, we should know about that sooner rather than later

so we have to time to prepare – and time is a precious business asset.”

“And in another sense, ‘No Surprises’ is a promise from me,” Dale

adds. “Consistency, communication, and clarity are the hallmarks of good leadership. And that’s what I promise – no surprises.”

Six key areas of focus

At the May 31 Associates Meeting, new Williams-Sonoma CEO Dale Hilpert presented six overall objectives that the company will be focusing on in the months ahead:

1 Strengthen Pottery Barn brand

Everyone involved needs to support the Pottery Barn brand to position it for rapid growth.

2 Contain costs and improve inventory management

We need to hold costs down to meet budget numbers, develop better ways to manage inventory, and drive profit improvements wherever we can.

3 Improve the organization

Keeping our “bench strength” is a key goal. We should promote from within where possible to stabilize and strengthen our company.

4 Add new technology

While we certainly don’t need every bell and whistle, we do need steady improvements to support our core processes and plans for growth.

5 Concentrate on what counts

We need to re-center our business around what’s really important, making difficult decisions on what we’re going focus on, and what must wait until later.

6 Get to know customers better

Although we have mountains of data, we need a more unified understanding of our customers and how they see our brands.