clearly articulated in its organizational goals: "Steelcase aspires to transform the ways people work . . . to help them work more effectively than they ever thought they could."[1] Every employee read the company's core values statement:

"At Steelcase, We:
Act with integrity
Tell the Truth
Keep commitments
Treat people with dignity and respect
Promote positive relationships
Protect the environment
Excel"[2]

Steelcase had a history of "putting people before profits"[3] and dealing fairly with its employees. As Grueber explained, "There is very much a family atmosphere . . . I've never seen a better benefits package and it is not just executive benefits; it's all the way down the line." Tenure with the firm averaged nearly 18 years. The values embodied in Steelcase's treatment of its employees applied to other constituencies as well, including dealers, vendors, and the communities in which Steelcase operated.

As Grueber described it, Steelcase prided itself in "communicat[ing] values through actions. It's not just the corporate line." For example, shortly after becoming CEO, James Hackett voiced his concern that Steelcase's offices did not communicate the company's goal of transforming the way people work to be more effective. Outdated headquarters designs from the 1960s and 1970s isolated executives in their offices. When company management wanted to conduct brainstorming or other creative sessions, they often "fled headquarters."[4]

James Hackett challenged senior management to trade their traditional offices for a new office environment one floor below. This office overcame the existing separation and used a quarter less space. The offer contained an escape clause, allowing management to move back to the traditional offices after a trial period. But the redesigned offices proved to be an unmitigated success, increasing workplace effectiveness and becoming the prototype for a new line of systems furniture called Pathways.[5]

Internally, all members of Steelcase acted in a way that reinforced the company's message of open communication at every level. As Grueber explained, "Executives all have an open-door policy. If you came to visit our offices, you would see that our senior executives reside in an open-plan environment. They don't have enclosed offices and so, we go to great lengths to live our vision."

Externally Steelcase's strong values helped create a dealership network that was the envy of the industry and demonstrated the extent to which Steelcase's values shaped its business. Steelcase relied heavily on its dealers to support its "made to order" business model and made a point of treating them with respect, as primary purchasers of their products and as fellow businesspeople whose own businesses would prosper as Steelcase's had prospered.

## THE INITIAL PUBLIC OFFERING

During its time as a private company, Steelcase had developed a much-admired reputation stemming from its well-articulated identity, vision, strategy, and culture. Although Steelcase intended to continue its focus as defined by the original families into the future, the company also believed that it had reached a point where it would benefit from a changeover to public ownership. This change would provide increased liquidity to the company's founding families and give them the ability to diversify their holdings. As the list of Steelcase heirs grew, liquidity became more important to these private owners. Many of the family

[1] Steelcase, Inc., website, "Our Company: Overview," http://www.steelcase.com/servlet/OurCompany.

[2] Ibid.

[3] Conversation with Perry Grueber.

[4] Marc Spiegler, "Changing the Game," *Metropolis Feature*, July 1998, http://www.metropolismag.com/html/content/0798/jl98game.htm.

[5] Ibid.