

Wood
Castle

*"fine people making fine furniture"
— since 1978 —*

Times

WINTER
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In This Issue...

...page 2

- Lignum Vitae
Strong as steel?

...page 3

- Christmas Party
A Good Year

...pages 4-5

- Factory Tour
From raw lumber to
finished product

...page 6

- Stickleby
A look at the man

...page 7

- Contest
- Half-Off!
Mirage, Mocha
Cascadia, Skyline

...page 8

- Storage Bed
Space-saving and
innovative
- Sneak Preview!
Elegans and Ameri-
can Ranch collec-
tions



Ron Loe
President

A new normal

There's no going back

Founded on the ideals of individual liberty and entrepreneurial innovation, our nation has prospered like no other. It has been a model to the world.

We didn't get to this prominence quickly, easily or cleanly. Wars, depressions and corruption got in the way a lot, but through more than two centuries our constitutional republic has survived. And thrived. Now, two decades after the collapse of the Soviet Union, our status as the world's only super power seems without challenge. But...

The ascendancy of instant communication (the internet and wireless technologies, to name two) has democratized development around the world. Along with smaller countries, China, India, and even Russia have shouldered their way into the race for dominance. We're not alone anymore. And, with the financial and economic meltdown of 2008 and its persistent symptoms, the United States may be in an increasingly weakened position.

Has the U.S. seen its zenith? In the context of today's shifting economic and political climates, what lies ahead for America—and for Wood Castle and other manufacturers? Are we witnessing a New Normal?

Our vast manufacturing power, so key to helping end World War II, continued to expand into the 1960s. At the same time vanquished nations—notably Japan and Germany—rebuilt their industries and produced goods that gained market respect and traction. By the late '50s a strong dollar boosted the attraction of all foreign goods. Yet despite the increasing flood of imports, our own industries held their own and even prospered, in part because "Baby Boomer" demand kept ahead of capacity.

But the 1970s saw a clear slide in our manufacturing clout. Old factories and old technologies no longer could compete easily or efficiently. Quality flagged, and costs, especially labor and regulatory costs, continued to climb.

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Meanwhile, American industry was shifting from added-value products to consumption and entertainment services. Yet even as the oil crises of that era helped focus our attention on our vulnerabilities, our standard of living continued to rise.

Today's globalized economy differs significantly than that of 60 years ago. Then, much of the world struggled with war recovery and geopolitical realignment, not to mention the metastasis of Soviet communism. The good news now is that the world is in some ways more economically stable. The Euro unites the once-warring countries of old Europe (notwithstanding recent developments in Greece, Ireland and elsewhere). India and China, of course, blaze away with scorching growth rates and swelling middle classes. Vietnam, Brazil and others show great promise. Communication advances have boosted development opportunities in distant lands. Despite political uncertainties in many countries, there's every reason to trust that emergent economies will grow at least as fast as our own.

World economic growth does not mean one economy's gain is necessarily offset by another's decline. In the United States, we're thick in the middle of an economy battered in part by a collapsed home mortgage market bubble. While we're technically recovering from a recession, many jobless families can testify otherwise. And owing to our prominence in the world economy, our ills have affected others. But this will one day pass; economies will rebalance. The question I ask: What will we be like on the other side of this "recovery"?

It's anybody's guess, but smart money says it won't be a return to the happy days of preeminent growth we enjoyed from the 1950s through the '80s or even '90s. Sadly, without a strengthened manufacturing base, I'm speculating that we may stag-

nate for many years at 8-10% unemployment. Even with more hiring, some studies show that private-sector employment opportunities will be split between highly compensated professionals (e.g., financiers, lawyers, and physicians) and low-wage workers (e.g., home health care, fast-food clerks, seasonal laborers). Jobs in the middle will continue to sail to other shores.

Even civil service jobs are in jeopardy. The burden of public-sector wages and benefits is at an all time high and, in many states and localities, unsustainable. There is simply no scenario of growth that anticipates sufficient tax receipts or borrowing leverage to cover these liabilities. Staffing freezes and cuts are likely, further adding to unemployment.

Some speculate that decades of easy credit spurred the decline of our economic prowess. There's blame to share around. Actions of Congress and the Fed encouraged credit-fueled spending, the hope being the resultant growth would generate tax revenues to cover the debts. Consumers, too, share in culpability, thinking that credit card interest is just another living expense, which fosters continued poor purchasing decisions. No debt—national or personal—disappears without facing difficult choices.

But I believe there are some glints of silver in these dark/darker/darkest clouds. Competition has always spurred innovation and improved methods. Now that the world economy has expanded with many, many more stable players, the race is on. While there's no guarantee the world's sole Superpower will win any contest, the U.S. has a pretty good record of performance under adversity. I might hedge my bets, but I wouldn't sell us short. It's likely a fool's wager to bet against individual liberty. Or innovation.

Who Knew? Nuclear-strong wood

IN A CONTEST BETWEEN STEEL AND WOOD, OF COURSE STEEL WINS EVERY TIME, RIGHT? WELL, MAYBE. IT DEPENDS ON HOW STRENGTH REQUIREMENTS ARE DEFINED IN SPECIFIC APPLICATIONS.

LIGNUM VITAE IS ONE OF THE DENSEST AND MOST DURABLE WOODS KNOWN. **LV** TOPS THE HARDNESS LIST OF ALL WOODS AT 4500 POUNDS-FORCE, USING THE JANKA HARDNESS TEST (A MEASURE OF THE FORCE NECESSARY TO EMBED A STEEL BALL TO HALF ITS DIAMETER INTO WOOD). TO COMPARE: RED OAK COMES IN AT 1290, DOUGLAS FIR 660, AND BALSA WOOD AROUND 100. DUE IN PART TO ITS EXTRAORDINARY HARDNESS, **LV** CAN WITHSTAND SURPRISING FRICTION/HEAT UNDER LOAD. UP UNTIL RECENT DECADES, **LV** WAS REGULARLY USED IN MARITIME APPLICATIONS, OFTEN AS PROPELLER SHAFT BEARINGS. EVEN THE SUBMARINE, THE USS NAUTILUS, EMPLOYED THE SELF-LUBRICATING, HIGH-LOAD STRENGTH OF **LV** BEARINGS. STRONG AS STEEL? MAYBE NOT, BUT GOOD ENOUGH FOR THE WORLD'S FIRST NUCLEAR SUB.

Ho! Ho! Ho! A good year.

Wood Castle's 2010 Christmas Party celebration was held in the same location as last year—the Corvallis Country Club. Yet what a difference a year made!

While not exactly balmy, we didn't have the freezing rain that iced us last year and that left those who *could* get to the party the unexpected (but comfy) lodging at a local hotel. (All got home safely the next day.)

Perhaps because of the better weather, this year's party had 100% attendance of our crew (and partners and guests), the first time we've had that happen. But another reason for the excellent attendance was that we were all happy to be working so well as a team.

And the numbers showed this. We knew it was a much better year than the deep hole of 2009. Despite the

continued fragility of national, state and local economies, our sales improved nicely over 2009. We're not out of the woods yet, but making strong gains in 2010 certainly was a reason to celebrate.

We had another reason to celebrate, too. Our crew, perhaps energized by the perceived need to work both harder and better, turned in some of the best performance numbers we've ever had since the company's founding. Several months saw production bonuses (where the crew is rewarded for "beating the budget"). But more important, for the first time ever we were able to distribute a year-end bonus. It was modest, but the point was that it was a first.

To continue to be in business is good. To grow in this economy is great. And to improve in production efficiency is cause for celebration!



Take the Tour

Join us for a stroll through our factory

Design Phase It all begins here, often from a rough sketch. Computer-aided-design software brings shape and final dimension to each component part of a collection piece. A Bill of Materials (BOM) is created that serves to describe in minute detail specifications for all materials and parts for every stage of the manufacturing process.

Production Planning Production “packages” are scheduled to maximize factory capacity. Units of lumber specific to a BOM are ordered. Current collection packages cycle every four to six weeks.

Millwork Raw lumber is inspected, cut, planed, and sanded to the rough lengths, widths and thicknesses mandated by the BOM. Ripping and chopping are followed by the glue wheel (as necessary) and planer. Visual inspection during rip and chop help cull blemishes.

Parts Production Production departments each have a “customer” for whom they produce. Millwork’s is Parts. Virtually all millwork pieces need to be molded, edge profiled and/or shaped, among other processes, to define the collection style. As well, dadoes, dovetails and pocket holes ready parts for assembly. Sanding removes machine marks.

Assembly Assembly is comprised of sub-assembly and final assembly workflows. One critical sub-assembly is the internal skeletal frame that provides for precise drawer position and function, as well as overall case strength. Final assembly merges sub-assemblies and all other components. Caster bases are added under heavier case goods to provide ease of movement.

Goal: Handcraft defect-free assemblies for Finishing.

Finishing After a light sanding, if required, a sealing coat (including a stain, if specified) is applied, followed by a top-coat durable lacquer. Sanding between sealer and lacquer assures maximum adhesion and smoothness.

Goal: Apply even coatings for maximum beauty and protection.

Drawers A special assembly process, drawers are assembled after the drawer front has advanced through Finishing.

Goal: Assemble true and precise drawers to assure interchangeability.

Warehouse/Shipping Finished items come to the warehouse for final inspection, foam-wrapping, boxing, labeling and storage. Drawers are inserted prior to boxing. Boxed items are rolled onto waiting trucks and trailers for shipping.

Goals: Protect and manage finished-product inventories; perform error-free load-outs; and make safe and timely deliveries.

Product Design



No matter the item—dresser, mirror, table, etc.—the process begins with and back-of-a-napkin idea, which then is given form through a design application.

Production Planning



Each production package begins with scheduling and generating the Bill of Materials (BOM).

Drawers: special assembly



Drawers are assembled separately from their respective cases. Precisely crafted, they are interchangeable with any other same-size drawer in a collection.

Finishing: lacquer coat



A durable top-coat lacquer is applied as the final manufacturing step. The product is dry enough for handling in about 24 hours; it is completely cured in about 30 days.

Finishing: stain/sealer coat



After assembly, items are lightly sanded and then sprayed with a sealer or sealer-stain to prepare the surface for a final lacquer coat.

Raw Lumber: storing



Lumber arrives in units of approximately 1000 board feet. It is kept dry in our lumber warehouse.

Warehouse: final inspection



As drawers are installed prior to boxing, a final inspection occurs to assure customer-ready quality.

Millwork: ripping



Manufacturing begins in Millwork, where the first process is “ripping” (cutting boards into desired widths). Here the computer-programmed Opti-rip is fed boards from a unit of lumber.

Shipping: labeling



For timely and accurate shipping, all boxes are labeled with product, destination and purchase order information.

Millwork: chopping



A state-of-the-art computerized chop saw automates cutting parts in the right lengths and quantities as dictated by the BOM.

Millwork: glueing



Panels—drawer fronts, cabinet sides, etc.—are created by glueing staves edge to edge on the glue wheel.

Millwork: planing



A planer-sander trims and sands parts to their final pre-assembly thickness.

Parts: edge profiling



The “Fletcher” shapes (profiles) the edges of larger parts such as tops.

Parts: large panel sawing



The beam saw cuts large panels to precise dimensions.



Ready for the home

Sub-assembly: internal frame



A critical sub-assembly is the internal frame. Precision-crafted of hardwood, it is the supporting structure for drawers as well as all other outside components.

Parts: precision



Frequent measurement assures parts are within tolerances. Parts production processes and technologies are critical to fit, finish and strength.

Assembly: case top



Tops are carefully aligned and secured to the case frame with screws and a glue bead, assuring a case that is structurally rigid.

STICKLEY *Honest Craftsman*



WE MUST SUPPORT AN ART CREATED BY THE PEOPLE FOR THE PEOPLE: SIMPLE, SINCERE AND STRUCTURAL; AN ART WHEREIN THE DESIGNER AND THE CRAFTSMAN SHALL BE ONE AND

THE SAME INDIVIDUAL, CREATING FOR HIS OWN PLEASURE AND UNASSAILED BY COMMERCIALISM.

- GUSTAV STICKLEY (1858 - 1942)

One of the greats in American furniture design is Gustav Stickley. And for good reason. Perhaps more than any other furniture maker, Stickley influenced an important shift in design, the effects of which continue to be significant more than a century later. The Craftsman, Bungalow and Mission styles are direct descendents of Stickley's handiwork and vision.

More important, perhaps, is that these styles represented a revolutionary approach to modern design. It wasn't just about furniture. Instead, the idea was to embrace a holistic, integrated design philosophy, where furniture was just one element of the whole home living environment, inside and out. At the height of his success, Stickley designed homes ("The Craftsman," his magazine, featured complete plans) as well as coordinated furniture pieces for those homes. A key to his designs was functional simplicity, with an emphasis on natural forms, all in stark contrast to the heavily ornamented styles typical of the Victorian era and before. An abundant use of windows invited natural light inside. Seating was integrated into walls adjacent to the hearth. His oak tables, chairs and other furnishings blended into the spare interiors. Stickley designed his houses as much to match the furniture as the other way around. For Stickley, the Craftsman era, as it came to be known, ushered in not just a "look," but a creed for family living.

But the path of development to Stickley's achievements was haphazardly paved. The Stickley story necessarily includes his four brothers (they worked with and/or against each other over the years), but it was Gustav's story that is the quintessential American tale of good planning and crazy luck, lofty dreams and lost fortunes, crafty smarts and bone headedness. As flawed a businessman as he

was, in the end he achieved an iconic greatness that quite successfully survived him.

Born Gustavus Stoeckel in 1858 in Wisconsin of German immigrant parents, Gustav (the eldest of 11 children) moved to Minnesota. After the father abandoned the family, the mother and children moved to Brandt, Pennsylvania, where Gustav, now 17, apprenticed at his uncle's tannery and chair factory.

A few years later, Gustav and two brothers set up a furniture manufacturing shop in Susquehanna, Pennsylvania, later expanding into sales in nearby Binghamton, N.Y. Not long after, Gustav left this partnership and started another manufacturing company with Elgin Simonds, an enterprising salesman.

As this new business prospered near the end of the 19th century, Stickley traveled to Europe. There, he was deeply impressed with the sentiments of the emerging Arts and Crafts movement, which reflected a growing discontent with industrialization. He was influenced by the movement's chief proponent, Robert Morris (think Morris chair), whose socialist ideology distrusted modern manufacturing, which he believed disrespected the contribution of the worker. The designer and the manufacturer were disconnected, separated like bookends by the alienated worker. A return to craftsmanship, ideally like that seen in Medieval guilds, was the only way to rehumanize manufacturing.

Returning to the states, Stickley led an emerging A&C movement in a direction less rooted in political philosophy but no less adamant in its belief that honest people deserved well crafted and affordable homes and furnishings. Stickley's Mission Oak (it was known by other names) became Stickley's signature furniture design and was characterized by simple and solid lines, lacking any adornment other than the wood and its grain. Exposed construction elements—doweling and mortise-and-tenon joinery, for example—were elevated into the design. Mission Oak proved to be wildly popular—and widely copied.

More than just a vehicle for publishing house plans, "The Craftsman," first published in 1901, fervently espoused Stickley's progressive beliefs, and his writings foreshadowed some of today's salient debates over the environment and minority rights, among other topics. Further, the magazine reported on another of Stickley's enterprises, Craftsman Farms, a somewhat utopian self-sustaining

farming tract in New Jersey.

But the vertical ascendancy of Stickley and his sundry businesses in the early 20th century slowed and by about 1915 all, including the A&C movement itself, swiftly fell out of fashion. Gustav went bankrupt in 1916 and never recovered financially. A couple of his brothers bought his furniture company in 1918. After a "retirement" of many years, in which he experimented with multiple furniture stains, he died in the care of his daughter and her husband in 1942.

Stickley's philosophy greatly influenced the focus of Wood Castle. From the beginning, Wood Castle has embraced the notion that natural wood furniture can be durable, beautiful and affordable—in short, honest furniture.

[Epilogue: The legacy company associated with Gustav Stickley struggled after the brothers bought it. It was virtually an empty shell when, in 1974, the wife of one of the brothers sold to Alfred and Aminy Audi, a New York couple with passion for the brand. They largely resuscitated the company, focusing in part on contemporary styles. Then, out of nowhere it seemed, the A&C style, dormant since before WW I, made a surprise comeback in the 1980's. A Stickley sideboard, one of just a few made, sold at auction for more than \$300,000. The buyer: Barbra Streisand. The Craftsman look—and the Stickley name—was back.]



The Morris chair was one of many designs produced and popularized by Gustav Stickley (and others) in the so-called Mission Oak line. The original design is attributed to William Morris, a Scotsman who heavily influenced the Arts & Crafts movement in Europe.

CONTEST JUST FOR THE FUN OF IT...

As some may recall, our last contest featured a doubled-up reward for the winner. The previous contest winner, Jac Hoj (Plummers store in North Hollywood), generously offered to decline his winnings, but instead allow us to "pay it forward" to the next contest. So this time around, the winner gets double the normal \$250 credit toward whatever Wood Castle produces for retail sale. So, without further ado, the winner of last's edition's contest is...

... **Krystal Whitaker**, who hails from the San Rafael Scandinavian Designs store. For those who care: we first culled the wrong answers from the stack of entries, assigned a unique number to each correct entry and then drew from a set up numbered, crumpled up notepad sheets. There were the same number of numbered sheets as there were correct entries. Our able contest drawing assistant (aka, Kim) randomly selected the number assigned to Krystal. You talk about exciting!

She correctly calculated (guessed?) the answer to "How many seconds are there in a year?"—24. She could have said 12 and been equally right, since there's both a second and a twenty-second day of every month, yeilding 12 or 24 for a year. OK, maybe not high-level math, but fun, we hoped. And our winner wasn't the only one to hit the answer(s) unfailingly, but clearly her Mojo was sufficiently strong enough to influence our Unreproachable Team for Random Drawing (aka, Jerry and Kim). Honorable Mention to everyone else (sorry, no T-shirt).

Note: The Contest will take a break until our next issue.

Retired collections — Mirage, Mocha Cascadia, Skyline

Half off! Such a deal!

Enjoy a **50% discount** on any item in inventory from

Mirage • Mocha Cascadia • Skyline

*Mix & match! Fill your bedroom! Call now! Inventory is limited!**



Mocha Cascadia



*Limited to quantities on hand. All sales final. No returns.

Storage Bed ... like having a dresser in each side rail

Four drawers, two cubbies ... and a concealed space

Store clothes, bedding, books and more!



At the headboard end a storage cubby hides behind a lift-out false drawer front.



Reflections Queen-Size Storage Bed



Normally concealed by the mattress, a "secret" storage area nestles between the two side-rail storage units. A removeable middle section of the platform provides the access.

Space limited? Extra storage a must? Our **Storage Bed**—the perfect solution.

Wood Castle's **Storage Bed** provides lots of storage, including two drawers and a cubby per side and—*Wait, there's more!*—a "secret" storage area that runs the length of the bed between the side-rail storage units.

Available in Queen, Eastern and California King sizes, the **Storage Bed** includes these features:

- Roomy storage options include, per side, two drawers (25w x 15d x 6h) and one cubby (18w x 16d x 6h)
- False-fronted cubbies allow access without moving nightstands (see picture)
- Additional concealed storage in large center space below platform (see picture; width and length varies with bed size)
- Most Wood Castle beds (excluding Calvin) can convert to **Storage Bed** (only side rails and slat-support system change)
- **Easy assembly:** install self-standing side-rail sections the same as conventional side rails; install hidden center space floor piece, followed by its top to complete the mattress-only platform frame.
- Same Wood Castle Limited Lifetime Warranty

**COMING
SOON!**

**SNEAK
Preview**

Elegans collection



American Black Walnut with Oregon Maple Inlay Oregon Maple

Wood Castle Furniture woodcastle.com

Wood Castle announces two new collections for 2011. The Elegans Collection for the bedroom, in solid walnut or natural maple, features a refined, contemporary, mid-50s look. American Ranch—tables and bedroom—feature American white oak and reflect the rustic spirit of the West. Coming soon!

the **AMERICAN RANCH** collection

