

The Cutting Edge

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A Tacoma, WA, company uses technology to increase its productivity.



This closet system fabricated by Closets Etc. features Candlelight melamine, RTF doors and drawer fronts, oil-rubbed bronze knobs, Synergy knobs and a Synergy pull-out double hamper, pants rack and shoe fences.

In 1992, Ken Jepson started Closets Etc. of Tacoma, WA, with pretty humble beginnings — a nail gun, a Skil 77, a borrowed, beat-up station wagon and an unemployment check.

Ken says, “That was the first time in my life that I couldn’t find a job. I always thought that if you wanted to work, you could find work.”

But he made the best of his situation. The unemployment check was used to purchase a Yellow Pages ad. Ken says that when he started advertising, he knew the phone would ring. “That is exactly what happened, and we’re still thriving today,” he says.

Ken originally worked for Creative Closets in Seattle, WA, which became California Closets.

According to Ken, that owner was one of the first to adopt the 32mm system in the industry. “Everything was a cleat system, nailed in, and there was no adjustability. There were no adjustable holes. There were no laminates. It was all plain particleboard,” he explains. “The owner that I worked for really did a lot of pioneering work to get the 32mm system in place for closets and branching out into additional materials.”

Ken adds that the owner’s vision was to supply the whole country with precut parts, as companies switched over to the new 32mm system with holes.

After Ken left that company, he started Closets Etc. His father, Truman, and brother Kevin Jepson, came on board in 1993. Although Ken is no longer officially with the business, he currently works with them and other closet companies as a business coach and consultant.

A small business usually requires that its principals are versatile in handling all aspects of the business. In this case, the Jepson family has all the skill sets necessary for the business to thrive. Ken brought his knowledge of the closets industry to the family business. Kevin has a background in woodworking. He came into the business mostly as an installer, with the understanding that he would be a partner with Ken and Truman, who has a background in business operations.

“It was helpful to be able to combine [my experience] with their skills in woodworking,” Truman notes.

Closets Etc.’s first location was in a “tiny, little 200-square-foot shop. We upgraded to a nice carpenter’s saw, about 2-feet square, and we built a huge table around it so we could cut 4-by-8 sheets of wood. We drilled every hole by hand. It was just work-intensive,” Truman notes.

The company then moved to a large warehouse, where the Jepsens roped off approximately 1,200 square feet for themselves to cohabitate with other occupants in the large shipping facility.

The move brought about a small investment in equipment. “Shortly after we moved into the larger space, we were able to find a sliding table saw that was for sale. We still have it today, but it is more of an icon than a workhorse.”

Closets Etc. is currently located in a 10,000 square-foot facility, including the office and showroom.



The purchase of this Busellato CNC 3-1/2 years ago allowed the company to increase its productivity.

On the Cutting Edge

The Jepsens credit their embrace of technology with helping the company to grow over the past few years.

Truman says that they have been creating computer drawings since 1992, and a few years later purchased a database system to keep track of clients and calendars. “It has been extremely helpful,” he says. “We use Goldmine and it serves us well.”

Kevin adds that a few years ago, they went to a server base so that all of their computers could access the same data. “We recently upgraded to a much larger server base, so all of our designers can work from home or wherever they are. They can connect and have real-time access to our database of customers,” he says.

“We have one designer that I’ve only seen once in the past seven years,” laughs Truman. “This is the beauty of the system. They can access everything.”

According to Ken, another feature of the system is that it allows the owners to make a price increase on the server and, “It goes out automatically to all of the closet designers. At a lot of closet companies, you have issues where the designers drag their feet if you need to increase prices, especially in this economy. They will say, ‘No, we can’t do that.’ Then they will try to sell at the old prices. But with this system, we just update the server and everyone is on the same price-point, which is a nice feature.”

The company’s reliance on technology has improved its productivity, he adds. “It’s all about efficiency.”

“And, we needed to be at the leading edge of it if we were going to be able to compete,” Truman says.

According to Kevin, about three years ago Closets Etc. was having problems with bottlenecks in the shop. “We didn’t have flow capacity,” he says. “Every time we hired someone, we had problems with people not showing up to work — typical employee problems. So we started looking at going to a beam saw, where we could cut a lot of pieces at the same time. As we were shopping, we ran across CNC equipment, which is where we ended up going.”

Initially, Kevin says that they thought investment in a Busellato CNC machining center from Delmac Machinery Group would be too much money for them. But it turned out to be the catalyst for the company’s growth.

“It gave us the ability to produce so much material in such a short period of time. We had time to hire people and bring salespeople up,” he says. “Before that we had cycles. When we hired someone, while we were training them, sales would go down. And then, all of a sudden we couldn’t keep them because sales were down and we weren’t out selling. We looked at the CNC and saw that it could really replace about eight people in the shop and still do the same work.”

By purchasing the CNC, the company also was able to get rid of approximately six pieces of machinery. In addition, the company increased its volume and income over the last 3-1/2 years. Truman says that the machine has “pushed them over the wall” and given them the “capacity to produce.”

Not only can they create standard pieces faster, but the CNC also allows them to create custom pieces.

“In an economy where people are struggling, there are still people who want things just the way they want them, and they are still out looking for it,” Kevin says. “As the economy slows down, that’s where we find more and more of our income.”

Kevin describes his clientele as mostly high-end, with more clients requesting backing, crown and decorative mouldings, floor-to-ceiling units and granite countertops for islands.

“For a long time, most of our closets were \$2,500 or less,” he says. “A lot of the closets we are now doing are \$10,000 and above, with some projects reaching over the \$50,000 mark.”



Features of this walk-in master closet include Wild Cherry melamine, solid wood doors and crown moulding stained to match, brush nickel knobs and handles, solid cedar drawers with dovetailed joints and Blumotion undermount runners.

Some of the trends among their high-end Pacific Northwest customers are a preference for dark colors, oil-rubbed bronze and brushed nickel hardware and, “We also see round poles instead of oval poles, although we still sell oval,” Truman says.

Also, polished chrome is another trend that is coming back, Ken notes.

“It’s become cyclical,” says Truman. “You have to be versatile to keep track of what people want. You can’t over-buy. We still have stuff that people wanted 15 years ago. We over-bought, and then the industry changed. We haven’t had time to get rid of it.”

Kevin agrees saying, “Because of that, most of the stuff we buy, we buy on an as-needed basis — just in-time delivery. That’s made a big difference, allowing us to offer more options.”

Common Goals

The Jepsens would like to see the company grow a little larger.

“We’re very positive, despite what other people might think about the economy,” says Ken.

“Our goal is to become the elite closet company in the Seattle area. That’s where we see our business going,” Kevin says.

“We try to be a responsible company,” adds Truman. “We try to give excellent value and the best product for the price and market served, to be responsive to our people’s needs.”