

'GOOGLE OF THE EAST'

D&H Distributing turns former AMP building into a workplace wonderland replete with a game room, collaborative spaces and a sliding board. It's all designed to promote employee wellbeing and productivity, the owners say.

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Having a bright red, one-story, playground-quality corkscrew slide in your office doesn't automatically qualify you as a progressive, forward-thinking workplace, but let's be honest, it doesn't hurt.

That is one of the first things you'll see if you walk into the building at 100 Tech Drive in Lower Paxton Township. Formerly home to Amp Inc., and Tyco Electronics, the building is now the fully-renovated new home for D&H Distributing, a decades-old fixture in Harrisburg that has become one of the biggest, privately-owned companies in the nation.

That bright red slide, a whimsical, gravity-powered alternative to the nearby stairs, is known as the "Main Street Express." It sits to the left and just beyond the front desk in front of a full-wall video screen, and can quickly deliver its gleeful users from the second floor to the main lobby or "Main Street as it's known."

Directly across from the corkscrew as you enter the building is a nine-tier section of stadium seating constructed of handsome, light-colored hardwood and rising from Main Street to the second floor. Artsy little metal tables are scattered about the rows of seating.

The new D&H headquarters is not like most offices, and D&H isn't like most companies. It's more like "the Google of the east," Dan Schwab said.

Collaboration and communication

The lobby area originally had a more traditional, 1970's, feel to it with less open space, more dark wood features, normal height ceilings, and a kind of "the-big-guy-can't-be-bothered" vibe.

Not anymore.

D&H paid \$8.2 million for the quarter million-square-foot space, property records show. Work on the space began in January. By Sept. 30, employees were moved in and working. Untold dollars were spent to take the space out of the 1970's and into the here and now.

The here and now for D&H isn't about small offices, isolation and closed doors. It's about large, open spaces, communication and collaboration. It's about traditions like "pizza with the presidents," a treat enjoyed by employees on their first year anniversary



Dan Schwab (black shirt) and brother Michael Schwab, co-presidents of D&H, in front of "the Main Street Express," a corkscrew slide that runs from the second floor to the main lobby known as Main Street. It is one of the unique, whimsical features of the company's new headquarters in Lower Paxton Township.

sary with the company, according to Dan Schwab.

It's about a healthy benefits, in-house programs and benefits that the Schwabs hope can improve employees' lives at work and at home, and make work a place that people want to be. It's about built-in workplace diversions that can relieve the pent-up stresses and strains that are a natural part of life in a growing, \$4 billion, employee-owned company.

The corkscrew slide, the video wall and grandstand are not only the first thing people entering the building see, they are a metaphor for a company that prides itself on doing some things a little differently.

"The design is relevant to the culture," Dan Schwab said. Everything is built to foster collaboration and communication.

"We want the physical plant to represent the excitement that we have as an organization," Michael Schwab said.

Old company, new age

There's a lot to be excited about for the 750 or so employees at D&H headquarters and the other 500 or so out there at distribution



D&H Distributing, an employee-owned company and one of the largest privately-held companies in the country, recently completed its move to its new home in the former Amp Inc. and Tyco Electronics headquarters in Lower Paxton Township.

centers in Atlanta, Chicago, Fresno, CA., Toronto and Vancouver.

D&H, founded in Williamsport in 1918, and located for the past 67 years on Seventh Street in Harrisburg, is a monster-sized

distributor of technology that ranked last year as the fourth largest privately-owned company in Pennsylvania.

It is now poised to break into the top 100 on the list of largest privately-



Conference rooms throughout the new, nearly quarter-million-square-foot headquarters have names based on movie, music, sports or superhero themes. All names and themes were chosen by D&H employees.

owned companies in the U.S. ranked by Forbes.

In 1998, D&H converted to an Employee Stock Ownership Plan and is now one of about 6,600 so-called ESOPs covering more than 14 million employees in the U.S.

A 1997 study by Washington State University found that ESOP participants made 5% to 12% more in wages and had almost three times the retirement assets as did workers in comparable non-ESOP companies.

Many of the companies on the Forbes list of 100 Best Companies to Work for in America are employee-owned, according to the National Center for Employee Ownership.

"D&H becoming an ESOP in 1998 was an inflexion point," Dan Schwab said. For 80 years, D&H had built a family oriented culture of collaboration and commitment to long term success. When the opportunity to share ownership and profits with all the employees became viable, it was an obvious solution to ensure that we maintained the great alignment and ownership mentality across everyone in the organization," he said.

The company took a different path in other ways, too, the Schwabs say.

"One of the biggest differentiators, and we've been consistent about this, is that we don't offshore any of those (sales, marketing and other) responsibilities," Dan Schwab said. Even during the Great Recession, when the Schwabs said many were taking those positions abroad, the company stayed local.

"All customer-facing interfaces are right here in Central Pa. We think that's a great value added differentiator for us," he said, adding that no jobs were outsourced to Southeast Asia or Costa Rica. "We see that as a competitive advantage having those folks right here in Central Pennsylvania."

More space

A lot happens under the roof at D&H. Buyers negotiate with manufacturers, man-

ufacturers educate sales people about the products, the marketing team educates customers. There are logistics and warehouse and finance functions. Products come and go depending on what's hot. The need for education and training is constant.

The space and tools needed for all of that activity requires space, and space is what the new headquarters is all about. In fact, the company has room to double in size, say the Schwabs.

Huddle spaces

The culture of the place has increased passion for the job, the Schwabs say. Rewarding that passion, and accommodating projected growth, are two of the main reasons why D&H fled the Seventh Street compound it had called home since 1952, and moved to the new digs.

Another feature visible upon entering the building is a museum of all of the relics that D&H has distributed in its long history from an early phonograph player to the Sony Walkman and beyond.

That's a reminder of how fast the industry changes, Dan Schwab said. "It requires us to evolve over time."

"In the 1970's and 1980's we were the largest distributor of RCA TV's and Whirlpool appliances in the U.S.," Schwab noted. "Now RCA is gone and we don't sell appliances anymore."

Up a short flight of stairs and around a corner from Main Street is an help desk where employees can take any malfunctioning device, be it a laptop or cell phone, to have it looked at. Next to the help desk is space where employees can leave everything from their dry cleaning to be sent out to packages for that need to be mailed.

Just up the hall from the help desk is "The Arena," a large room where big company announcements and other company-wide events

will be made. The room has three, 80-inch flat screens on the walls and two more on the opposite wall that are about twice the size.

SOMA was just an unfinished, windowless warehouse space prior to the D&H's arrival. Now, windows exist in many places where walls once stood.

Given the importance D&H places on collaboration, designers added so-called "huddle spaces" throughout the building; pockets of comfortable tables and chairs that allow workers from different departments to converse.

Conference room names fall into one of four themes: movies, music, superheroes and sports.

They include the "007," and "Burgundy," rooms; the "Yellow Submarine," and "Rapper's Delight;" the Kryptonite," "Gotham," "Clutch" and "Game Time."

All themes and names were chosen by employees.

The typical American worker spends more hours at work than they do at home, according to Michael Schwab.



Izzy's game room, named for former D&H CEO Izzy Schwab, is an open space with various games such as giant Connect Four, giant Chess, pinball and ping pong. Such playful elements in the workplace can help employees catch their breath and relieve stress, according to co-presidents Michael and Dan Schwab.

"The new building allowed us to ask, 'how can we do things better?'" Dan Schwab said. "Our goal is to make people want to come to work."

More evidence of a progressive mindset can be found in the carpets, all of which are made of 100 percent recycled materials. Similarly, the workstations were built with recycled steel and fabrics. All interior light is LED-based, requiring half as much electricity as the fluorescent lights that illuminated the space in the old days, according to the Schwabs.

Next to the break room, which has microwave ovens, coffee makers and other features, there is a small space called the "recharge room," a quiet, dimly lit space with the sound of flowing water or other relaxing, ambient sounds piped in.

It's the one space in the building that, quite deliberately, is more for quietly catching one's breath and less for communication and collaboration. The leather chairs in the recharge room are isolated from one another, and each has a standard electrical outlet, as well as a USB port so that devices can be recharged as the employee is being recharged.

Further on is a place called Izzy's Game Room. Izzy's game room, named for longtime CEO, and Dan and Michael Schwab's father, "Izzy,"

features, among other things, a giant chess board, Jenga, ping-pong, pool, an E-gaming station, and an old-fashioned pinball game.

But it's not all fun and games and recharging. There's a reason the company has thrived, and all of the accommodations in the new place will foster continued success, they say.

"We want people to work hard," Dan Schwab said. "But you should have fun."

The work hard, stay-healthy, keep-your-mind-clear culture has paid off, Dan Schwab said.

"D&H co-owners have incredible passion, and their dedication shows in our results," Schwab said.

"Everyone treats the business like it is their own," he added. "Because it is." ■