

LEADERSHIP PROFILE

Jason Smith, President and CEO of Pawling Corporation

# Poised for growth





*HV Mfg sat down with Pawling Corporation's President and CEO Jason Smith to discuss Pawling Corp., leading a family company into its third generation, the opportunities and challenges of the construction products industry, and more.*

**HV Mfg:** Tell us a bit about Pawling Corporation. You are the third generation of your family to lead the company, correct?

**JS:** That's right. My grandfather founded Pawling Rubber in 1945. He had just returned home from serving in the Navy, in the Pacific, when he saw an opportunity to make rubber gaskets. He was sort of the classic entrepreneur. In the beginning we manufactured compression seals for military ammunition cases, then as the business grew, it became more vertically integrated. We began mixing our own rubber and added several product lines such as custom rubber extrusion, floor matting, and wall protection systems. In the mid 1950s, my grandfather acquired Presray Corporation, a company that made highly technical lifting devices that used inflatable rubber seals. They then started selling these inflatable seals into other industries, such as nuclear power, food processing and powder bulk manufacturing equipment. By the time my father became president in the 1970s there were four main businesses: extrusion, mixing, architectural products, and Presray. The second generation really grew the business. My father was president and he, along with his brother Steven, and brother-in-law Bob Busby, grew the business to nearly \$60 million in annual sales by the late 1990s.

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**HV Mfg:** Now, with this third generation there are two companies?

**JS:** Yes, about three years ago we split into two separate companies. Pawling Engineered Products is run by my cousin Craig Busby and his brother-in-law John Rickert. They are still

located in Pawling and make inflatable and compression seals, gaskets, clamps and other specialty rubber products for a variety of applications in nuclear energy, aerospace and life sciences. The company I run is Pawling Corporation and we are now located in Wassauc, in the former Borden Condensed Milk factory. We have two divisions; Architectural Products include Impact Protection Systems, Entrance Mats and Gratings, Athletic Flooring Systems, Heavy-Duty Impact Protection Systems and Parking & Traffic Safety Products. Our Presray Division includes Watertight Doors & Barriers and Airtight Doors.

**HV Mfg:** Did you always see yourself in the family business?

**JS:** Well, as you can imagine, I was always around the business. Growing up, it would have been hard to escape it even if I wanted to. When I was in college I took a semester off to work in the business. I worked the second shift for the rubber mixing division, definitely one of the tougher, dirtier jobs at the time. But I liked it, not that job per se, but making product and knowing that my efforts were adding to the bottom line.

**HV Mfg:** What was your major in college?

**JS:** I majored in history at Boston University, later I got my MBA from Pace University

**HV Mfg:** Do you find that you use what you learned while earning your MBA?

**JS:** Yes, all the time. I concentrated in marketing and I think that has really helped me make good decisions to grow the business in a sustainable way. Specifically, it taught me to make decisions based on data, on solid information.

**HV Mfg:** Can you give us an example?

**JS:** One that pops into my head is on the business development side. We hardly ever do trade shows anymore because we did an analysis and



found we were not generating any leads from them. Instead, we invested heavily in our customer service and inside sales program. We also work very closely with a number of Group Purchasing Organizations, which is a major change in our traditional channels to market. Why? Because that is the way our customers want to buy our products. How do we know that? We asked them and listened to their answer.

**HV Mfg:** We talk a lot about innovation as a key to success in the region, innovation of product as well as process. What's innovative at Pawling?

**JS:** I guess our movement away from PVC and toward PETG and bio-based materials is pretty innovative. It is definitely customer driven. PVC is less expensive but it is also less environmentally friendly, so these newer materials are more attractive to our larger and more sophisticated customers. Along with the material change, we have studied our processes and made major investments over the past five to ten years in new equipment that allows for less scrap material and faster processing times. It's been challenging but we feel we are staying relevant and poised for growth as the industry continues to evolve.

**HV Mfg:** As the CEO of a company the size of Pawling, 100 employees or so, do you find the time to put aside the day to day, hour to hour issues and think strategically about the company?

**JS:** I work hard to keep a strategic view of the company. You really have to because if you don't you're not only stuck in the day to day, hour to hour stuff, but you run the risk of actually getting in the way of employees who, quite frankly, are better at the day to day than you are. With that said, you do need to stay in touch with the day to day to understand what customers are saying, what orders we are winning and which ones we are losing to competitors. But for the most part, I try to stay focused on the big picture, the view from 50 thousand feet, so to speak. I collect as much information as I can – good information – about the markets for our products, not only

new markets but trying to get the most out of our existing markets. I then try to steer the company toward providing what that information is telling us about how our products will be used and how they will be purchased.

We have also thought strategically about our operations. What are our core competencies? Can we outsource some processes to suppliers to save money without sacrificing quality? We have been able to build a network of strategic suppliers—mostly with other New York companies—that have helped us grow and made us more profitable without sacrificing quality or customer satisfaction.

I also try to think strategically about Human Resources. It is so important to put the right people in the right position and I think we have done a pretty good job with that. For instance, we have built up our customer service department over the years. We used to generate 75 percent of our sales through manufacturers' Reps, now that number is more like 25 percent. Customers want to work directly with a Pawling employee and we have done a lot to empower our customer service people. With the cost of employing people so high in New York, especially relative to where our competitors are, it is important that we get the most value out of our people.

**HV Mfg:** Do you have a philosophy of leadership, a style?

**JS:** Well, I am definitely not a "Rah, Rah" kind of leader. I like to think of myself as thoughtful and even-keeled. I try to avoid too many highs and lows. I try to gather a lot of information before I make any decisions. I try not to be impulsive. I have found that it is really hard to get out from a bad decision – but they happen and a good leader is able to recognize a bad decision, change his mind, accept the consequences and learn from the experience. The bottom line is that you don't have to with a bad decision, however painful it is to change course. I also try not to act in isolation. I have a wonderful board of advisors that are a tremendous help to me.

**HV Mfg:** You were a history major, what historical figure is your leadership style most like?

**JS:** Not George Patton, definitely not that style. I guess it would be more of an Eisenhower style.

**HV Mfg:** Your father, Roger Smith, not only ran Pawling Corp. but also once served as President of the Council of Industry. He is the recipient of one of our early Manufacturing Champions Awards as well. What have learned from your father about manufacturing, about business?

**JS:** My father is very logical and rational. He is a person who always looks for the best solution to a problem, not someone to blame it on. He also has a very calm demeanor. I always admired these characteristics in him and I hope some of them got passed along to me.

**HV Mfg:** You have been on the Board of the Council of Industry for a number of years now and are currently the Board's First Vice President. What do you think is the most valuable service the Council provides? What can we do better?

**JS:** Three things: the training that brings together companies is very effective, the lobbying and advocacy for manufacturing is important and the work you are doing to change the perception of manufacturing in the general public is vital.

As far as what you can do better or more of, I think it's that last point. Manufacturing is so important to our economy, locally and nationally, and so few people seem to understand what we do and how we do it. Getting the word out about the employment opportunities and the economic impact is something we need to continue to do.