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**MINORITY BUSINESS ENTREPRENEUR**

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Anniversary

**REBECCA BOENIGK**

**Neutral Posture, Inc.**







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While **Rebecca Boenigk** was growing up, her mother told her one thing over and over again. “I am your mother, not your friend, but if I do a good job as your mother, then one day I will get to be your friend.” Looking at their adult relationship, it’s clear Boenigk’s mother did her job well. Today the two are great friends, and together they are running **Neutral Posture, Inc.**, one of the most successful woman-owned businesses in the country. “Some people cringe at the thought of working with their mother,” Boenigk says, recalling the shocked looks she gets when she explains her working arrangement. “But I can’t remember a time in my life when she hasn’t supported me completely.”





**Mother and daughter  
expand their  
relationship to a  
partnership.**

# **in the Family**

**By Laura Weiner**

Boenigk [pronounced Bay-nik], chairman and CEO of the leading manufacturer of ergonomic office chairs, and her mother, Jaye Congleton, executive vice president and secretary, come from a close-knit family that never stayed in the same place for long. They, along with Boenigk's father, Jerome Congleton, a younger sister, and an older brother, moved around for most of Boenigk's childhood.

"My dad was in the Air Force, so wherever he had to be, we would follow," she explains. "I have lived everywhere from Florida to California to Germany to Texas."

As a child, she says, the moves were easy and making new friends was effortless.

It was when Boenigk was in high school that the relocations became more difficult. While in her junior year, she disliked the school she was attending so much that she decided to take advantage of credits transferred from previous schools and graduate a year early.

"School just wasn't for me," she explains. "I liked work much better than school."

Even with her varied work experience (Boenigk had several part-time jobs during her teens) and dislike of traditional education, she knew college was what was expected of her. In 1981, right after graduation, she enrolled at Texas Tech University, where her father was earning his Ph.D. in industrial engineering with his area of expertise in ergonomics. Boenigk chose to major in communications.

"I had no idea what I wanted to be when I entered college," Boenigk says. "I know I never expected to grow up and be the 'chair lady.'"

She also had no idea what it would take to earn such a moniker. When Boenigk was just 20, she dropped out of college and went to work with her parents to help manufacture and distribute the ergonomic office chair Boenigk's dad had designed for his dissertation. They named their company Congleton Workplace Systems.

The concept for the chair came from the extensive research Boenigk's father had done on a seating system that would support the "neutral body posture." NASA defined this posture, which is that of an astronaut's body at zero gravity. Her father, who is currently a professor of ergonomics and safety engineering at the Health Science Center at Texas A&M University and a consultant for Neutral Posture, designed the chair that custom fits individual body sizes and shapes and allows the body to be supported in the neutral posture and its maximum strength posture in order to eliminate the pain people often feel after

sitting in a standard desk chair all day.

"In the beginning, we spent most of our time working to get the chairs to where they were marketable," Boenigk says. "Then, in 1988, right when we were starting to get traction, we ran out of money."

The company, which had a small office and a production facility with 10 employees, went bankrupt in July of 1988. The fam-



Rebecca Boenigk and her mother, Jaye Congleton.

Darwin Hill

ily was devastated. "My parents had put everything they had into it," remembers Boenigk. Now they had lost their home and their savings after Congleton Workplace Systems was shuttered. Boenigk explains that the business failed because they had spent too much money on research, development, and inventory. They also had an investor who could no longer put money into the company.

"In 1988, there was no money to be found," she says. "The banks in Texas were going under left and right. Our major investor was in oil, and the oil bust happened that same year. When we finally did start selling chairs, we could not get the money to buy the parts to build them."

Not even the devastation of having to close that first business could stop Boenigk from setting her sights on starting another. Around Christmas of 1988, she approached her parents about starting another company that would sell her father's chairs.

"I was so depressed [when the first company went under]; I thought I would never go back to work again," remembers Boenigk. "But then one day I woke up and thought, enough of this crap. I asked my mom if she wanted to try again, and she told me I was crazy."

But it only took Congleton one night to change her mind.

"To this day, I always tell my employees to 'sleep on it,'" explains Congleton. "I realized, after thinking more about it, that we could learn from our mistakes and make this new company work."

"For me, it was less of a risk," explains Boenigk. "I had lost a lot less than they had when the first company closed."

Never one to shy away from risk, at about the same time, she met and then married her husband Bobby, after dating for just 15 weeks. "I knew the minute I saw him that I wanted to marry him," she recalls. "I just had to convince him that he was going to marry me."

She didn't just convince him to propose; she convinced his boss, who owned a local fuel distribution company where Bobby was president, to invest in the new company. The boss, who sensed something special in Boenigk, loaned her \$20,000 to help start Neutral Posture.

"We used that, and money that my dad had received for a consulting job," Boenigk says, which totaled around \$50,000.

In 1989, Neutral Posture opened its door—a garage door—at Boenigk's house where she and her mother worked.

Ergonomics was a relatively unknown concept at the time, but many of Boenigk's and Congleton's former customers had already bought into the concept and wanted to buy more chairs for their employees. "It was much harder to start a company in an industry we had already been in, rather than to start one fresh," Boenigk recalls. "We had to go to the same companies as before and convince them to trust us again."

Working day and night, side by side, Boenigk and her mother assembled the chairs that they say can prevent injuries and help people achieve equidistant spacing of the vertebrae, therefore creating the ideal balance for the muscles, tendons, and ligaments.

"I think a lot of mothers would have insisted on being the boss, but she has never done that," Boenigk says, "and I believe that is why we have been so successful. She always felt more comfortable being in the background. She is very task-orientated and doesn't mind sitting at a desk all day, and I am better at selling and putting myself out there."

After six months, Boenigk and Congleton hired their first sales representatives, all of whom worked on commission. And after just one year, they paid off the loans from Bobby's boss and Boenigk's father.

Neutral Posture operated out of the garage for 14 months before moving into



## All in the Family *(continued)*

an 8,000-square-foot office space with an area for assembling chairs. With the larger space, Boenigk and Congleton were able to hire their first few full-time employees.

"We would sit at a table in the middle of this huge space, and when the phone

"I thought, this is great, we can hire more people and really get this company going," Boenigk recalls. But that excitement turned to anxiety when Intel called back to order 3,000 *more* chairs. She knew that it would require 10 months to produce the order.

"We decided *not* delivering was not an option," Boenigk says. "We worked with our vendors to bring in the parts that we needed faster, we trained new people quickly, and we shipped all the chairs on time." They manufactured and delivered the chairs within 90 days.

The company thrived because of deals like that. UPS has purchased more than 60,000 chairs from Neutral Pos-

ture since becoming a customer in 1994. That same year, Boenigk and Congleton expanded again, leasing a 7,000-square-foot building that shared a parking lot with their existing facility in Bryan, Texas. In 1996, they purchased and moved the company to a 60,000-square-foot facility also in Bryan. Today the company has 85 employees in addition to more than 600 dealers who sell the chairs throughout the United States, Canada, and Puerto Rico.

Boenigk owns 50 percent of the company, her mother 44 percent, her sister 4 percent, and the company's president, David Ebner owns 2 percent. He has worked at Neutral Posture for 15 years and runs the day-to-day operations at the company.

In 1996, the company was certified as woman-owned by the Women's Business Enterprise National Council. "It gets us in the door," Boenigk states. "Sometimes procurement people need a push to even see us. They need someone to say, 'You should speak to this company.' If we can get even 10 percent of a company's business, we are happy."

While the majority of their customers are ergonomic-conscious employers, global office superstores like Office Depot, as well as local office furniture stores like Houston-based Office Pavilion, now carry

Neutral Posture products. Currently, the company offers 15 product lines. Each chair can have a custom back, seat, arms, armrests, mechanisms, and fabric.

"There are just a few screws, and we send all the materials needed to put a chair together," Boenigk explains. "It is very easy for the customer."

The challenges Boenigk and her mother have faced, however, have not been easy.

"The hardest thing for both companies has been access to capital," Boenigk says. "When we first started Neutral Posture, my husband had to cosign on everything. We didn't have a tax attorney and ended up owing the IRS \$78,000. But these are all things that most new business owners go through."

However, the most difficult period in their business history was in 1997 when they took the company public.

"When you are an entrepreneur, that is the pot of the gold at the end of the rainbow," Boenigk explains. "Everybody makes it sound like it is so good, but what they don't tell you is all the *bad* that goes along with it."

She says an outside board of directors, which was chosen by the investment banking firm that took Neutral Posture public, was directing the company in a way that she wasn't comfortable with.

"It was very hard because I have a very entrepreneurial mindset," Boenigk says. "They said 'no' to everything I suggested. I am a very strong person, but before board meetings I would be stressed, knowing what a horrible situation I was walking into."

Although Boenigk and her mother had the authority to fire board members, they knew it would make their problem even worse.

"It would have caused such a big stink," Boenigk explains. "There would have been a shareholder lawsuit within a week. In fact, when we told the board we wanted to go back to being privately held, two of them quit immediately. It left us in a horrible position because we had to announce to everyone that they had resigned, but we weren't ready to announce that we were going private."

The company was publicly held for four years, with an opening stock price of \$6.00 per share. With the right law firm and cash in the bank, they were able to buy the company back, at \$2.27 per share. "I am very proud of the going-private transaction," Boenigk explains. "For most companies, it would be the opposite, but



Rebecca Boenigk and Jaye Congleton with employees at Neutral Posture's Bryan, Texas, headquarters.

would ring, I would answer," remembers Congleton laughing. "I would act like a secretary, and when they asked for Rebecca, even though she was right next to me, I would say, 'hold one moment,' and she would wait a second and then pick it up like she was in her office. We had to get creative to get customers to think we were capable of handling big contracts."

Much of the new business came from free trials and personal demonstrations given by Boenigk and her employees. It is still the company's number one method of selling chairs.

"You just have to get someone to sit in the chair for three or four days and they will never want to give it back," Boenigk says excitedly. "They would realize that their bodies didn't hurt at the end of the day."

Purchasing managers took notice of Neutral Posture, and large corporations like Intel started to order more chairs than the company could produce.

"They wanted to start providing chairs for employees *before* they started to feel pain from sitting in other chairs," Boenigk explains.

After an initial order of 100, Intel requested an additional 680 chairs, which would typically take two months to produce.

when we got the chance to go private again, we jumped at it.”

The company was still able to grow, even during that 4-year period. In 1998, Neutral Posture bought, through bankruptcy court, certain assets of Harvard Interiors, a company that produced lower-priced chairs. It was located in St. Louis, and Neutral Posture moved the assets, the bulk of which was inventory, to Texas.

“We were looking to enter the mid-market area and this was an easy way to do that,” Boenigk explains.

In 2002, Neutral Posture expanded into Canada, where they opened a plant outside of Toronto. Boenigk’s husband, also an entrepreneur who had recently sold his business, runs the Canadian division. A subsidiary of Neutral Posture, it has six employees and seven representatives throughout Canada.

“Canadians are very loyal,” Boenigk explains. “They want to buy products from a firm in Canada, not Texas.”

She insists the risks they have taken while expanding don’t scare her; they excite her. Her fearlessness has also helped her to allow employees to handle parts of the company that she can’t. “Entrepreneurs have a hard time understanding how to delegate tasks and how to relinquish responsibilities,” she explains. “At some point you have to sit back and realize you can’t do it all, so I just do the things that I am best at.”

Boenigk also questions whether working more than 45 hours a week is really the best way to improve productivity, or if ensuring quality and efficiency isn’t a better way to get things done, and without overtime. Neutral Posture became even more efficient 10 years ago when it earned ISO 9000 certification.

“It was a difficult process, and this year we converted to the new standards,” Boenigk says. “It was hard to become even leaner, because we thought we were already doing as much as we could.”

In 2008, the company had to lay off four people. “That was absolutely horrible,” she says. “One of the people had been here 10 years, and I cried. That is the worst part of being a business owner.”

In the meantime, Neutral Posture con-

tinues to invest in product engineering and design. The company has a contract with Jerome Congleton for 30 days a year, and also utilizes other contract engineers. “To be able to work with my father is amazing,” Boenigk says. “He is one of the leading ergonomists in the country.”

The N-tune Seating System is the latest product produced by Neutral Posture engineers. This chair and its accessories (keyboard tray, monitor arm, etc.) can be set at stool height or higher, so workers can easily transition from sitting to standing while they work. Boenigk explains that if employees stood for two hours every day, which burns around 280 calories and is equivalent to walking on a treadmill for 1.5 hours, they could lose 20 pounds a year, according to Dr. Mark Benden, an expert on obesity in the workplace.

“People are getting larger,” says Boenigk, who has already lost 22 lbs since starting to use the chair last year. “If a company could just get employees not to gain weight for a year, that would be wonderful for both for the employee and the company.” By losing weight, the user can also decrease blood pressure, decrease the risk of stroke and heart attack, and significantly reduce the risk of diabetes.

Boenigk says ideas like this motivate her to help even more people. “It is inspiring to speak to people who use our chairs and now feel better,” she says. “I love what I do.”

She is happy, even though the company isn’t as big as some of its competitors.

“Herman Miller [a large, global furniture manufacturer] is a \$2 billion-dollar company, which makes us just a rounding error for them,” quips Boenigk, whose company earned \$15 million in revenue last year and plans to reach \$18.5 million this year. “One of the biggest challenges in this industry is that the larger companies own the distribution and it is difficult to break through that. Five companies are doing 80



Rebecca Boenigk  
relaxes in  
Neutral Posture's  
"Balance" chair

percent of the  
business in our  
industry.”

As president of the Business and Institutional Furniture Manufacturers Association (BIFMA), Boenigk, now fights for other small furniture companies. “I am a little fish in those meetings [the CEO of Herman Miller is a former president], but because I’m there, they take into account the effect that changes in the industry have on small companies. I never thought this would be the way my life would turn out,” she continues. “But now, when I think about it all, I am so proud.”

Her mother is quick to express her pride as well.

“The company is definitely a little bigger than we thought it would become,” Congleton says, as she and Boenigk share a laugh. “She was always better at being the head of the company. Besides, she is younger, smarter, and prettier than I am, so it works best that way.”

“Typical mother,” Boenigk says with a giggle as her mother compliments her. “I don’t think very many people in this world have the kind of love and support that I get from my mom,” she adds. “She makes me feel like I can do *anything*.”

And it’s clear that their relationship is anything but typical. ♦

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