

InVision

A look **inside**.
A look **ahead**.



Service and
Satisfaction



About 37 years ago, I began my career at Leggett & Platt as a Customer Service Representative at Branch One in Carthage, Missouri. At the time, my job consisted of taking customer orders (on a land line, not even a fax – I know, I’m old), scheduling deliveries, working with plant employees to ensure products were ready to load the trucks, and fixing what was broken.

Leggett & Platt already had an excellent reputation for being the go-to source in the bedding industry, and the last thing I wanted was to disappoint a customer or damage our reputation. But inevitably, there were times when things would go awry, and my job was to fix it – quick!

As I worked at my job in the early 1980s, I fielded a call from a U-Haul employee who wanted to buy some rollaway beds. We were making those in Winchester, Kentucky, at the time, so I called the Customer Service team led by Paul Hauser. Paul followed up, and we ultimately ended up with a huge order for several thousand rollaway beds under one condition: We had to paint them U-Haul orange.

And so, we did. I’ll never forget Paul’s dogged persistence for that order, and how he did all he could to ensure complete customer satisfaction. According to Eloise Nash (a Leggett Vice President in National Sales at the time), for an order of that magnitude, we would have painted them with purple polka dots if that’s what they had wanted!

Folks, it’s all about the customer. They’re the people who buy our products and the businesses we support. They’re also our colleagues – making coffee in the breakroom or working next to us on the assembly line. Customers are why we do our jobs every day. They’re how we make a living and provide for our families.

We constantly interact with our customers every hour of every day, whether at work or at home. When things go wrong, we have a tremendous opportunity not only to fix the problem but to create an even stronger, long-term bond. I’ve seen it happen countless times. Try not to disappoint your customers, but if you do, fix it – quick!



Perry Davis, President of Residential Products & Industrial Products

Solutions with Impact: Meet the Creative Services Team

Just across the parking lot from our Corporate Headquarters, you'll find a group of 35 creative minds brainstorming, storyboarding, and each day delivering solutions to their customers. This is Creative Services, Leggett's in-house marketing team.

By offering assistance within design, websites, writing, photography, videography, printing, and tradeshow, the Creative Services team completes a remarkable 1,400 projects per year.

Keeping Up with Demand

Creative Services has come a long way since its humble beginnings in 1966, when it was a one-man shop devoted to providing logo and design services to Leggett's customers. "Although it was overhead for Leggett, the initial strategy was to help our customers sell more so they'd buy more Leggett components," says Susan Chapman, Operations Manager, who joined the department in its early years.

As Leggett began to acquire new businesses, the staff slowly increased as well, but the team was still mostly dedicated to serving clients' needs, leaving little time for our own branches. In 2008, Creative Services began to focus on creating strategic marketing for our branches, offering them everything from product sheet design to entire ad campaigns composed of videos, websites, and print and web ads.

Today, Creative Services places an even greater emphasis on serving our branches. Smaller functional teams regularly visit with branch management, sales teams, and account representatives to tour the facilities and learn firsthand about processes and products. "These branch visits have driven some recent growth for us, but more importantly, they're a way for us to provide better service through face-to-face interactions," according to Staff VP, Michael Margolies.

The team expects to see even more growth in the coming months. "Our web, video, and tradeshow services are particularly in high demand," explains Michael. "As technology trends continue to evolve, marketing is moving away from traditional print media and more online, but all channels must be supported. A lot of our energy today is focused on supporting our Business Units with digital marketing solutions."

Collaborating to Better Serve the Customer

With many of our branches taking advantage of the assistance offered by Creative Services, one single project or campaign often requires efforts across the entire team. "Collaboration is crucial in every workplace, but it plays a major role at Creative Services because our campaigns employ multiple creative processes," says Evan Younker, Senior Video Editor. "Without constant communication, the campaigns would feel very disjointed."

Kickoff meetings at the beginning of larger projects help to outline the team's overall direction and collaborative efforts. "We come together and ask the necessary questions to deliver a quality end-product," says Jesse Kinzer, Video Editor. Adds Evan: "The more creative minds we have on one task, the more likely we are to come up with a great result for the customer."

"Our team isn't just doing a job; this is who we are," says Michael. "We have an office full of masters of their craft – always studying, collaborating, and learning from each other. The team's passion about our projects translates to superior quality, and delivering superior work to our customers is like putting a signature on the corner of a master's painting."



The updated guidelines include examples of standard Leggett logos and approved color palettes. "In following the Brand Usage Guidelines, employees are making Leggett & Platt stronger from the inside," says CEO Karl Glassman.

Company Branding: One Message, One Voice

For the past several years, Creative Services has been working to standardize Leggett's company branding. According to CEO Karl Glassman, "A consistent brand is vital for Leggett & Platt, as it maintains our image of leadership and professionalism, as well as protects our intellectual property."

"Consistent company branding is extremely important," agrees Creative Director, Scott Clark. "We must make sure we're legally compliant with our marketing messages, while persistently sticking to our Brand Usage Guidelines. Randomly changing any graphic element associated with our brand weakens its impact, detracts from the uniform image we seek to project, and can leave us legally vulnerable to infringements."

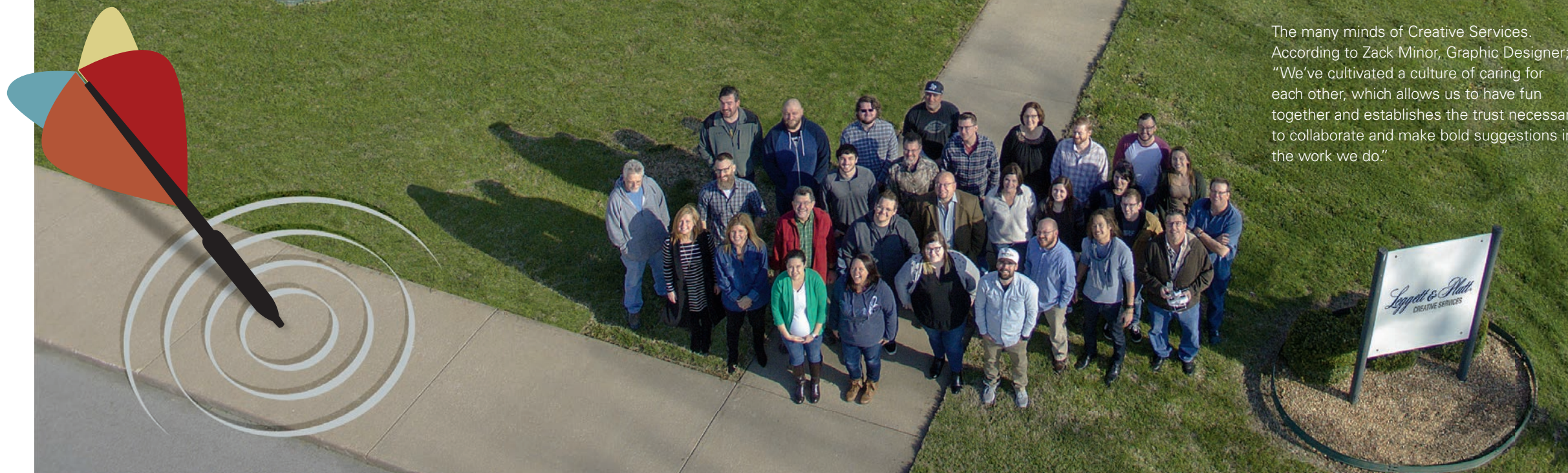
"But a bigger-picture implication," Scott continues, "is how our company culture is portrayed, both internally and externally. Consistent branding – establishing one message and one voice – helps define and unify who we are as Leggett & Platt."

The branding efforts will be completed in phases over time. The first phase, which was announced companywide earlier this year, revealed updated Brand Usage Guidelines to develop a consistent branding message across operations. It also included a rebranding of company letterhead, business cards, and logos for all Leggett & Platt brands.

The second phase could potentially include standardizing PowerPoint templates and email signatures, as well as helping branches redeploy their signage.

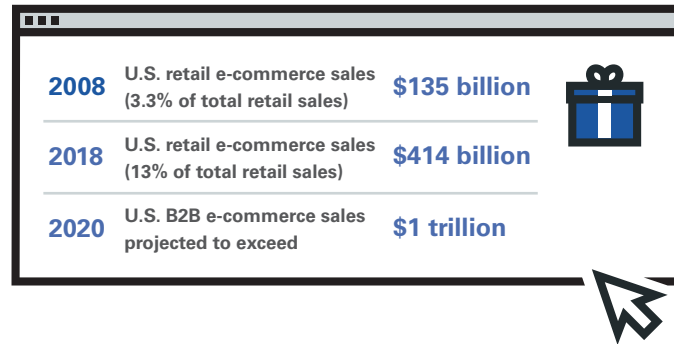
"We want to project a consistently branded company for many reasons," says Paul Johnson, Associate Creative Director. "Yes, we're B2B (business-to-business), but we also want end-consumers to know about us to a certain extent. Consistent branding is critical to how we project Leggett to the public at large."

You can view the updated Brand Usage Guidelines on the Creative Services SharePoint site.



The many minds of Creative Services. According to Zack Minor, Graphic Designer; "We've cultivated a culture of caring for each other, which allows us to have fun together and establishes the trust necessary to collaborate and make bold suggestions in the work we do."

Leggett's Solutions for Digital Commerce



Ten years ago, shopping online may have been reserved for finding a gift for that hard-to-buy-for relative or snagging the best deal on a new TV. But in 2018, many of us turn to the internet first – whether we're purchasing groceries with a click or ordering a mattress to be delivered to our home.

With an ever-increasing share of the population preferring to go online to research products, compare prices and delivery terms between retailers, and place an order from the comfort of our homes or offices, it shouldn't come as a surprise that commercial buyers are also doing more purchasing online. Roughly two-thirds of these buyers make some purchases through their distributors' websites, and over half spend a majority of their budgets there. Especially as the Millennial generation moves into these purchasing roles, businesses need to offer their customers an online marketplace where information, pricing, and purchasing can be handled easily and efficiently.

Leggett has a renewed focus on improving our digital commerce offerings. With 14 Business Units and operations across 18 countries, the Company has a wide variety of digital commerce needs. A concerted effort is being made to develop platforms, processes, and digital commerce expertise that can be deployed companywide.



John Case and Tyler Burgess are heading up the project. John, Vice President—Strategic Initiatives for the Specialized and Furniture Products Segments, has extensive e-commerce experience as the former head of Leggett's Consumer Products Group. Tyler has the technical IT background, and, as the Director of Digital Commerce Process Transformation, he's working on the project full-time.

Key Components for Digital Commerce

In 2017, Leggett systematically assessed the digital commerce needs of our various businesses, and a group of key capabilities arose.

Order Management – many Leggett products are sold to consumers through third-party online retailers, and integrating our systems with theirs is essential for reliable order processing and fulfillment. For example, a family orders an upholstered headboard from Wayfair.com to be delivered to their home. Leggett's order management system would integrate inventory information with Wayfair's system, automatically update for any pricing promotions being offered on the site, generate packing slips using Wayfair's logo and returns information, and determine which CPG fulfillment center should ship the order.

Product Information Management (PIM) – whenever Leggett products are being sold online, it's important that the specifications and images remain consistent from platform to platform. In addition, many online marketplaces have standard formats they require for product information. PIM offers a centralized solution to provide up-to-date product information across those platforms.

B2B Portal – most of Leggett's products are not finished products sold to consumers, but engineered components sold to other businesses. Offering an online B2B (business-to-business) portal can streamline the ordering process and replace cumbersome manual orders placed by phone, fax, and email.

These and other digital commerce projects are being run concurrently during 2018 and beyond. By developing a "Leggett solution" to these common digital commerce needs, we can lower the cost of implementation at our various businesses and pool the cost of ongoing maintenance and eventual upgrades. Training and technical support will be consistent, and we'll have in-house expertise that can be shared as our businesses tackle the challenges of shifting to an increasingly digital marketplace.

Powering Potential with Precision Hydraulic Cylinders

As you shop the aisle of the local grocery or relax on the back patio of your house, hydraulic cylinders are probably the last thing on your mind – but this critical component is working behind the scenes in a variety of ways to make these things, and much more, possible.

"From construction applications to materials handling, we're making people's lives easier on a global basis," explains Chris Barclay, President of Precision Hydraulic Cylinders (PHC).

Leggett & Platt's acquisition of PHC this past January resulted in a natural fit between company cultures and methods of operation. Like many L&P products, PHC's hydraulic cylinders comprise a small but vital piece in several end-products. They are essential to the functionality of equipment like dump trucks, forklifts, truck-mounted cranes, and aerial platforms.

Always Right, Always on Time

With over 45 years of experience, PHC has proven design and technical support capabilities. But the hydraulic cylinder market also requires highly flexible manufacturing capabilities. Given the large number of configurations available on just one single forklift model, it's not surprising that PHC's customers require short lead times on a large product line that is usually built to order.

"PHC is selling a lot more than a high-quality hydraulic cylinder at a good price – we're offering complete integration with our customers' manufacturing process," says Chris.

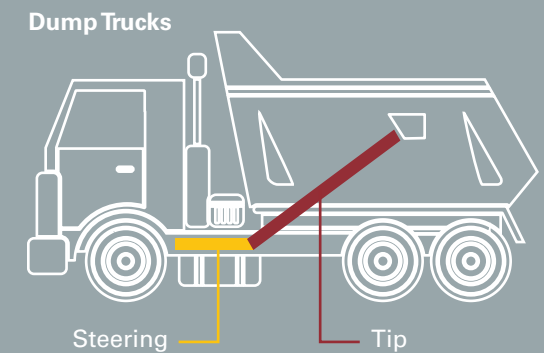
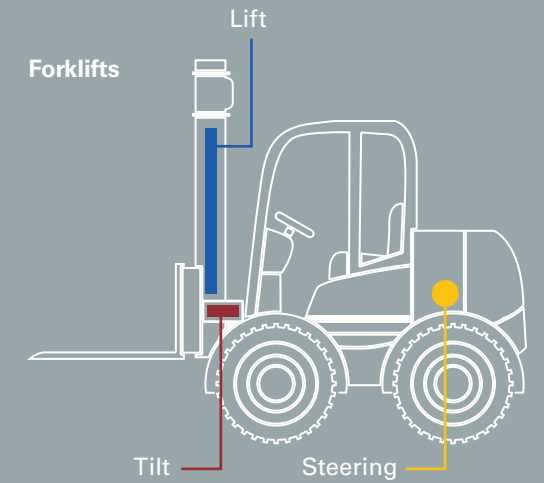
Providing just-in-time delivery for customers' assembly-line style manufacturing requires a lot of coordination and sequencing within PHC's own manufacturing process. But PHC's commitment to provide the right product on time has enabled them to continue to capture and dominate within the market.

Platform for Growth

The recent boom in e-commerce, and the resulting increase in distribution centers, is driving higher demand for hydraulic cylinders for materials handling equipment. The rest of the hydraulic cylinder market is equally rife with opportunity and PHC is poised to benefit. With manufacturing locations in North Carolina, the United Kingdom, and India servicing mostly regional customers, PHC has a lot of room to grow in other regions of the world.

"Not only is there potential for geographic expansion, but PHC has a breadth of capabilities that enable it to further penetrate adjacent growing markets, including construction equipment, cranes, and aerial work platforms," explains Ryan Kleiboeker, Director of Business Development for Specialized Products. "L&P has the global operating expertise to help guide PHC's expansion into these areas, as well as a willingness to invest in the technical manufacturing capabilities to make PHC even more competitive."

Chris adds, "Being a part of L&P affords us an opportunity to grow the business in a more aggressive way and with confidence that we can effectively support that growth globally."



Hydraulic cylinders are used for many applications, including critical movement functions in forklifts and dump trucks.

The Right Fit

Hydraulic cylinders were identified as a possible business platform for L&P during a recent review with Boston Consulting Group (BCG) of L&P's Styles of Competition. The Company's predominant style is Critical Components – that is, a product that is essential to the end-product's functionality but makes up a small proportion of its cost. L&P businesses, like the newly acquired PHC, compete best in this area through long-term customer relationships based around co-design of products, flexible manufacturing that allows custom specifications, and continuous improvement to increase profitability.

According to Julie Kampling, Director of Corporate Development, "The acquisition of PHC is an exciting first step toward executing one of L&P's growth strategies."

Exceeding Customer Expectations in Brazil

Business for Leggett & Platt Brazil grew an impressive 37% in 2017. While many factors likely contributed to the increase, it's no surprise that a commitment to quality and great service helped distinguish this bedding operation from its competitors and kept customers coming back.

"We believe our customers value exceptional service and unquestionable quality more than having the best price," says Gustavo Lemos, South America President of Leggett & Platt Brazil. Eric Rhea, Bedding Group President, adds, "L&P is known for its innovation, and when coupled with high-quality products and great customer service, we win customer loyalty and grow successfully."

Going the Extra Mile: A Service Strategy Redefined

Over the past two years, Gustavo and his team have transitioned to a more proactive customer service strategy. The customer no longer makes the first move because the Customer Service team actively engages customers to ask, "What can we do for you?" This shift in strategy not only enhances the customer experience, but it also builds long-term trust and loyalty between L&P and our customers.

Knowing and anticipating customer needs has afforded the team at Brazil a strong brand reputation. "In the bedding market, we're constantly spending time predicting what the customer will buy," Eric says. "We want to know what they're going to need and when they'll need it – and we want to know that better than they do."

The branch uses this insight to manage its inventory and serve customers right away. Gustavo explains, "It's not uncommon for a customer to call and ask for a truck filled within the hour. Our customers know they can count on us, and that reputation has been pivotal to our current success and ability to retain customers – even if at a higher price – because they trust our service."

A Business Built from the Inside Out

A strategy can only be well-executed within the right culture and by the right people. Gustavo has worked to cultivate a superior customer service culture by hiring the right employees, setting goals, holding them accountable, and rewarding them when goals are achieved.

"We have a fantastic team. Although it's been a long road to establish the culture, we're proud to prioritize customer service across all roles and departments," Gustavo explains.

The Customer Service team, for example, consists of knowledgeable and experienced employees who establish targets and work diligently to meet them. They also meet weekly with management to remain fully engaged in the business and have an opportunity to voice concerns or contribute ideas.

Eric summarizes, "Gustavo has really helped to solidify the L&P culture in Brazil. The business, the management team, and the employees are all aligned toward the same goals, and it works."



L&P Brazil's Customer Service team from left to right: Gilvania Maria, Marilia Prado, Fernanda Christina, and Edson Malta.



9 Principles for a Stronger Company Culture

These nine principles are posted throughout the Brazil operations and help to guide the collective attitude and branch culture.

1. Customers have priority
2. We work as a team and are cordial with one another
3. We daily aim for a work environment of mutual trust
4. We practice transparent communication in all levels
5. We lead by example
6. We have the courage to support what we believe
7. We are demanding with ourselves
8. If we promise, we deliver
9. We fight the issues, not the people