

Hermann Oak Leather: Transcript

Shep Hermann, CEO:

I'm Shep Hermann. I'm fourth generation here at Hermann Oak Leather, which was started by my great grandfather back in 1881. We started out in the transportation industry making harness leather.

My father came in and took us into the sporting goods trades.

Essentially, every generation has to reinvent a company, and I reinvented this one. We adopted the lean manufacturing model and essentially changed our culture.

It's one thing to produce a good product, but you can supercharge it with an exceptional culture.

We have to provide something that might be made the old way but we have to use new techniques to make it, and to make it even better than it was in the old days.

The labor is expensive. And the machinery is expensive. And when you constantly have to reinvest a very sizeable portion of your profits every year, you need to have the margins to afford that. And you need to have the capital to afford that.

Commerce Bank had been working with us for about 20 years, had been courting us, if you would. And we were very impressed with what we saw at Commerce.

Mary Alt, Controller:

They're very open. They understand that we're a manufacturing company. They understand that we need to invest in new equipment. They understand that we're asset-based, and it's all these concepts that they get.

Commerce has embraced us, and it's made us feel very welcome. They've been our solution. They've brought us several great ideas to help us. We're a small company, and therefore my staff is small, the more we can automate in that respect, the better off we are.

Shep Hermann:

We sensed in Commerce Bank the same kind of culture that we have here at Hermann Oak, one of cooperation, cooperative working, empowering people, and truly bringing people together; caring about people.

Success stories start with rising to the challenge. Commerce Bank: Challenge Accepted.®