

by Chris Gigley

HILDRETH'S HOME GOODS

LONG ISLAND RETAILER IS POISED TO BUILD ON ITS RICH HISTORY

MAYBE IT'S RUNNING A BUSINESS THAT HAS been around for almost 170 years. Or perhaps it's selling casual furniture in one of the 25 most affluent counties in the nation, according to *Forbes* magazine. But Henry Hildreth III, president of Hildreth's Home Goods in Long Island's toney Hamptons, has a knack for putting things in perspective.

"My father went through the Great Depression in 1938," said Hildreth, who took over for his father, Henry Halsey Hildreth II, in 1990. "He always taught me not to go crazy. Only buy things you can put on your shelves."

But business has changed since the elder Hildreth ran things, and with patio furniture in particular, the store had plenty of inventory when the economy started going south in 2007. Henry III says 2008 was his first bad year. Suddenly, the seventh-generation owner of a store that opened in 1842 felt vulnerable.

"I'd never laid anyone off, but I looked at our inventory and was concerned," he said. "I'd had the occasional sleepless night, but never insomnia. I was worried there for a while."

Business has improved, but Henry III's outlook has changed. He's taking nothing for granted.

"You look at the economy, the stock market, the weather and even the wars we're fighting, and you realize there are still a lot of bad feelings out there," he said. "In March and April, I knew the glass was half-full. In June, I wasn't as positive as I was before. Some people are waiting for the other shoe to drop."



Kept all in the family since 1842, Hildreth's claims its right as America's oldest department store.



On the scene in Southamptton for close to 170 years, Hildreth's began as a one-shingle general store and has morphed into a three-store business with a 60,000-sq.-ft. warehouse and more than 65 employees.

Henry III isn't one of them. To keep the family business going for another century or more, he is forging ahead and sticking with what makes Hildreth's a success in the first place.

GENERATION TO GENERATION

Lewis Hildreth opened Hildreth's General Store in October of 1842 on Main Street in Southamptton, where the main store remains to this day. Southamptton was little more than a quaint fishing village back then. Merchandise had to be transported by boat to Sag Harbor, where it was then loaded onto horse-drawn wagons for the journey to Southamptton.

Lewis' sons, Edgar and Henry, took over when the patriarch died of smallpox

in 1870. Henry's son, Leon, became manager in 1914. Leon's son, Henry II, became president of the company in 1960. Henry III admits that his father always wanted him to carry on the family business, but he had other interests.

"When I was a kid, I did a million different things," he recalled. "I was a lifeguard during the day and a bouncer at a disco at night. I wanted to turn that into a career, but that didn't work out."

His parents nudged Henry III to college, and a couple years after graduating in 1978 he started working in the store's warehouse. One day, he noticed a chair that had been in storage for 15 years. When he encouraged the warehouse manager to finally take it to the store, the manager said he'd get to it when he got to it.

"I knew if the business would succeed I had to get involved," Henry III said. "Back then, a lot of people worked at the store with a laissez-faire attitude. Working there was fun, but for some people it was a bit of a hobby."

Henry III realized something else. His father's sensibilities were forged by the Great Depression, and he never borrowed money. As a result, he had never expanded the business, either.

"Luckily, I got our accountant, who was a dear friend of my father's, to explain that a new era was upon us and we had to expand and take out a loan to do it," he said.

Thus began a complete remodel of the main store in 1980 and a six-year expansion of its now 60,000-sq.-ft. warehouse. In 2001, Henry III bought

HILDRETH'S AT A GLANCE

ESTABLISHED

1842

KEY EXECUTIVES

Henry Hildreth III, President

LOCATIONS

Two stores in Southamptton, N.Y., one store in East Hampton, N.Y.

SIZE

80,000 sq. ft

NO. OF EMPLOYEES

65 total full-time

KEY OUTDOOR LINES

Telescope Casual, Lloyd/Flanders, Barlow Tyrie, TUCCI, Treasure Garden, Royal Botania, Lane Venture



Henry Halsey Hildreth III assumed the helm of the family business in 1990 and has chartered it through recent, rough economic waters just as his father did during the oil crisis of the '70s and his grandfather did during the Great Depression.

an old car dealership in East Hampton and opened a second location there. Five years later, he built a 7,000-sq.-ft. patio and clearance center across from the Southampton store.

Those moves not only grew the business — they helped Hildreth's weather the past three years.

HISTORY LESSON

These days, Henry III doesn't worry about laissez-

faire workers. He says he has the best sales staff on eastern Long Island, thanks mainly to their attention to detail when it comes to providing service.

"I have one guy who won't see customers for a year, but when they come back he recognizes them and calls them by name," Henry III said. "People really respond to that. He'll take notes and call back the next spring to see if they're interested in new furniture

that coordinates with what they bought this year."

Zerach Michel, who manages the patio furniture store, knows more about outdoor furniture than most reps do, Henry III said. Michel has worked at the store for 11 years.

"For me, this is a good work environment where you're judged on your merits," Michel said. "There are no politics or anything like that. It's a big business but it's not conducted

that way. It's a casual atmosphere and we deal with Henry on a daily basis."

Michel and the sales staff are serious about the product. They study product specs so they can quote them when necessary.

"It's important for salespeople and buyers to know the technical aspects of the furniture, even though customers aren't always interested in the details," Michel said. "What they are interested in is how long it will last. That's paramount, and we can explain why a chair or table is so durable."

Then there is teak furniture. Michel says teak pieces make up to 60 percent of its sales.

"In order to sell it well, you do need quite a bit of technical knowledge about the teak," he said. "It's good to know things like where it's sourced and why it's important to have kiln-dried teak. At face value, it's hard for customers to tell the difference."

Business appears to be back, Michel said. The inventory Henry III was so concerned about several years ago is turning with regularity again. Before July, it even sold a pair of Dedon Nestrests — teardrop-shaped sheltered daybeds that retail for \$12,000 — shortly after putting the first one on the floor.

Whatever the future may hold, Henry III has learned a thing or two about his business, such as how important longevity and locality are to today's consumer.

"People want to buy with confidence and make sure who they buy from will be around in 10 years," Henry III said. "They want value for their dollar, no question. But part of that value is the retailer they're buying from."

In that regard, a history spanning back to the 19th century is priceless. ☐