

## Grand Award – Medium Company Chapter 2, Inc.

Everyone loves a story about climbing the ladder to success, but this one is unique. Tim Johnston began his career at Chapter 2, a contract manufacturing company in Lake Mills, at age 15, mowing the lawn. Sixteen years later, he was CEO, and with his wife Tracy, the company's owner. In the years since taking over in 1989, Tim and Tracy Johnston have greatly expanded the company's offerings and increased the number of employees tenfold. And in just the last decade, sales have literally gone through the roof. Time and again, they have added square footage to accommodate new services.

Started as a tool and die shop in 1973, the company added machine design when Tim and Tracy took over. In 1996, they added high volume production, and in 2005 they added assembly to their services. In 2010, the company added a 14,000-square-foot paint facility and 10,000 square feet for welding and fabrication.

When Tim and Tracy took over the business, their kids, Kali and Kyle, were just two and three years old. They rode their tricycles around the shop floor and played in a sandbox out back. A few years later, they were promoted to counting parts, and then they worked their way through college. Now, Kali and Kyle and their spouses, Mike and Amanda, work for the company, and three grandchildren are now riding trikes and counting parts. This is truly a family business.

To what do the Johnstons attribute their success? Two words: "*Family Values*". They treat each other with respect, and they treat every employee, customer and vendor the same way. At monthly meetings, employees are kept up to date on the latest business news. Employees are encouraged to express ideas and suggest efficiency improvements. The Johnstons know all of their 80 employees by name, as well as their families. The Johnstons also like to share company successes with the whole company. After winning Supplier of the Year from one of its top customers, Tim placed an article in the local paper thanking each employee by name for their hard work.

Hiring practices at Chapter 2 are a little bit unconventional. New hires are made based not on previous relevant experience, but rather on willingness to learn something new and work hard at it. This, they believe, is responsible for the company's positive work culture.

Community is also important to Chapter 2. The company sponsors several local sports teams, the Lake Mills Optimists Club, and the Watertown High School Manufacturing Club, among others. It also contributes to the Lake Mills EMS, Police Department, and Fire Department, as well as the Lake Mills Food Pantry.

Judges took special note of the company's tremendous but solid growth, strong family values, community involvement, and a solid transition plan.

The Grand Award in the Medium Company category goes to Chapter 2, Inc., of Lake Mills.

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