



**Karen Hughes**  
**President and Owner**

## ***Karen Hughes, President and Co-owner Corporate Environments***

### ***Creating Great Places to Work***

Attracting and retaining talent is critical to the success of any business. Karen Hughes, president and co-owner of Corporate Environments in Atlanta, GA, has found a way to help companies do that through innovative office furnishings. She and her company of 140 employees aren't just selling and installing desks and work stations. They're creating a world of work that melds with the needs and mission of their clients' businesses and the people who bring their products and services to life.

But how did a bright and attractive CPA become interested in office furnishings? It is an interesting story. Born in Daytona Beach, FL, Karen began her college education at Auburn University. She met and married her husband while he was in law school at the University of Alabama. Karen completed her undergraduate degree and subsequently received a Masters in Accounting from the University of Alabama in Tuscaloosa. She and her husband then relocated to Birmingham.

#### ***The early years – accounting and motherhood***

For the next 15 years, Karen lived in Birmingham while she applied her CPA background at Touche Ross. She cut her teeth doing public accounting and audits and soon had the opportunity to balance her experience on the cost side of the ledger. She became a Comptroller for a manufacturing facility. She also had an experience of a totally different kind – becoming pregnant and going out on maternity leave with her first child. While she was out on leave, the company was sold and she was summarily replaced.

As luck would have it, however, this turned out to be a blessing in disguise. An ex-coworker at Touche Ross called her to do some audit work for his local firm. Her first audit was an office furniture dealer. Karen did the work and later, when the finance person was fired, Karen was offered the job. She took it.

By this time, Ms. Hughes had fallen in love with the office furniture business. And when the VP of sales left to open his own dealership, Karen helped the new CEO set up the business, gaining valuable experience which would soon be put to even better use. In 1990, Karen's husband received a job opportunity in Atlanta and along with it, a new opportunity for Karen emerged.

#### ***The right business – the right time***

A finance position with John Harris' Corporate Environments (CE) organization offered Karen the chance to grow her knowledge of the office furnishings' business. In 1990 CE had only 10 employees, but it had strong growth potential and one of the best manufacturing lines (Knoll.) In

1993, CE bought Ball-Stalker, also a Knoll dealer in Atlanta, and immediately doubled their business and revenue – now up to \$25M. The next year CE won the bid to furnish UPS’ new headquarters. By the end of 1998, revenue was almost \$40M.

As good as things were going for CE and for Karen, things were about to change dramatically. It was about this time that John Harris – for health and personal reasons – decided to exercise an “exit strategy” and look for a buyer. After looking externally for a while, John turned to Karen and made her an offer. With a little help from Wachovia, the result was a deal in which Karen would become 51% owner. Her partners would be Janet Miller and John Harris – the latter retaining a 15% position in CE. Within 6 months after the deal was signed, John turned over the reins to Karen.

“Panic,” said Karen, “ was my first reaction. But, I soon realized that I’d been doing a lot of the job already.” Karen considers herself fortunate that she, John, and Janet have always worked well together. She also says that she’s been able to maintain a reasonable balance between the company and her family – which now includes two teen-age children.

### ***Lessons in Leadership***

As a leader, Karen considers herself a “net person” who not only knows about the bottom line, but also cares about and has a good relationship with people who work with her. She’s proud of being consistently at the top in her industry in terms of service and products. She also ranks #8 among Atlanta’s top women-owned firms and #206 among the top 500 women-owned businesses in the country.

Ms. Hughes is equally proud of her personal “open door policy” with employees, her objectivity and willingness to listen to the input of others before making a decision, and the respect and trust she believes she’s earned from the people who work with her. She says she can also make the hard decisions when she needs to.

One of those decisions involved changing how installation costs were charged back to the jobs. “You have to be really careful,” she said, “when you do something that effects people’s pocketbooks.” She didn’t anticipate the reaction that she got, and although things turned out ok, it was an important business lesson for her.

Other business lessons Karen mentioned have come from being the only woman in her field early on, learning from others in groups like The Executive Committee (TEC), and simply learning to say “yes” to opportunities, even if she didn’t have 100% confidence.

### ***Lasting Imprint***

One indelible mark she believes she’s made on the business was the decision to acquire Ball-Stalker. This acquisition was a major milestone for CE. Karen was heavily involved in the transaction and the difficult melding of two very different business cultures. Recently, Karen has spearheaded the renovation of CE’s own facilities – creating a new showroom layout and a model workplace for employees, including sales teams, and designers. Karen and her partners hosted a grand an open house to celebrate the renovation.

Like all business leaders today, Karen is well aware of the importance of attracting and retaining the right people. Last year she experienced a turnover of about 20%, and was hit especially hard in the accounting department following a computer conversion.

“Also, there’s a lot of pressure and stress on the designers,” she said, “and we are everybody’s target for recruiting highly trained people. But current economic conditions – plus an emphasis on maintaining a family-like environment in our business – are definitely helping to reduce turnover this year.” Karen hopes that will be sustained as she anticipates an upturn in the economy.

Looking forward, Ms. Hughes has many reasons to be positive. She is well-positioned in her business and as a leader. She plans to continue to encourage her employees to participate in community projects sponsored by the American Cancer Society, the Georgia Council on Child Abuse, Multiple Sclerosis and other worthwhile agencies. Having been involved with the Georgia 100 Program as a mentee, she’s considering being a mentor herself in the next few years. She’s also considering becoming more involved in executive women’s groups like the Board of Directors Network (BDN).

Without a doubt, Karen Hughes is an excellent example of today’s successful female entrepreneurs. She’s intelligent, well-educated, and has a strong work ethic. She also works hard to balance family and business life, and is learning more about leadership everyday.

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