

What are the company's short-term and long-term goals and outlook?

Short-term: Proactively seek new customers and remain open to working on different kinds of vessels, so that we are not so dependent on one customer or type of vessel. Seek feedback from customers (and do a better job of listening to them) about their needs and ways we can better meet those needs. Find ways to increase efficiency and improve operating profit margins.

Long-term: Sustain the success and long-standing legacy of Hendry Marine for the next 2 or 3 generations (at least). Find ways to change with the times. Identify and develop the next generation of leadership.

What does the future hold for this company?

The Hendry Marine organization is just a few years shy of its 100-year anniversary. We are in the midst of planning and implementing a series of changes to better meet the changing needs of our customers. As long as we all remain open to flexibility and new ideas in response to customers' needs and the market, the company's future is solid. The holding company (Hendry Holdings, LLC) and family owners stand committed to continue to invest in resources to ensure a long and profitable future for the company.

What is the financial status of GMR?

Every company, in every industry, goes through periods of strong profitability and periods of downturn in sales revenues and profits. The past few years have been a season where the company has been required to expend resources reserved previous profitable years to meet operating challenges. The company has been through seasons like this before; and management and owners are committed to continued investments to sustain the operation as necessary.

Is there a strong future for HMI?

A willingness to innovate and to be responsive to the changing needs of the customer is essential to the long-term success of any company, in any industry. As was stated before, investments in strategic innovation and a willingness to try new work methods and explore new markets will ensure that HMI meets the changing needs of customers and the market in future years.

Who is in charge of GMR?

The company Presidents - Ed Kinley, Tony Stokes and John Gallagher - carry ultimate accountability for profitability and operating results of their respective organizations. The company Presidents report to Mike Hendry, Senior VP and Chief Operating Officer of HMI. Both Mike Hendry and Kelly Hendry (President of HMI) report to the HMI Board of Directors; the Board and the Family Officers carry fiduciary accountability for overall profitability of HMI to the Family Owners and Trustees.

Most successful companies of our size and complexity do not have one decision maker at the top. The leadership function within HMI has (since May of 2018) been shared by our Executive Management Team. This group, consisting of the company presidents and officers, has taken on the authority for making high-level decisions on policies and procedures, allocation of funds, priorities and strategies. High-stakes decisions such as executive hires, mergers and acquisitions and capital investments must also be vetted by the HMI Board of Directors.

How is the ESOP doing? How is the share value looking for 2018? If the company goes bankrupt, ESOP is useless, true or false?

If the company goes bankrupt, ESOP is useless, true or false?

1. In part, false. The ESOP trustee holds some funds, separate from any accounts accessible to the company, to make payouts to employees. HMI is required to make contributions to this fund through 2021. These ESOP funds are eligible for employee payouts and would not have to be utilized to pay debt obligations in bankruptcy. While the reserve fund will not be able to pay every employee full value for their shares, a pro-rata distribution would pay a portion of the vested amount.
2. In part, true. In the most severe form of bankruptcy the company would be forced to sell off all of its assets (buildings, land, drydocks vehicles, machinery and equipment) to pay off what is owed to creditors. Any funds remaining after creditors and claims are paid would be available to be distributed to shareholders. Less severe forms of bankruptcy reorganize the company to make it profitable. In this scenario, the stock value would likely decrease significantly but would rebound when the company regains profitability.

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Based upon expected 2018 earnings, we do not anticipate much change in share price at the 2018 valuation.

With the cost of living increasing every year, and companies such as Amazon raising their minimum wage to \$15 an hour, are there any plans to increase the minimum wage at GMR/HMI in the near future? If not, why?

When can we expect a cost of living increase?

It has been almost two years since an increase. When can we expect an increase?

Why can't the working people (production) get a cost of living raise?

Need more money!!!

We do not anticipate changes to the entry level wage for newly hired employees. We do provide ways for employees to learn and gain new skills (for example, through the welding training school and cross-training). Higher skill levels result in an increase the pay rate. HR and QA have worked together to produce this clear hierarchy of skills classification. Pay rates increase as an employee shows the ability to perform at more advanced skill levels. Opportunities have been created for cross training, which gives you a better opportunity to be utilized during slower work periods. The more you learn and do, the more you can make. We support and reward those who show the effort and the willingness to grow and learn.

We need newer tools and more money.

Let us know what tools you need. Take advantage of training opportunities which can move you to a higher wage scale.

We are buying broken and unnecessary equipment, leaving all of our equipment that needs repair to rot. Why?

We agree that buying broken and unnecessary equipment makes no sense. The best way to explain the decision to repair or replace equipment is, we consider the maintenance cost per year of continuing to use existing equipment versus the costs of buying new equipment which has a lower cost to operate. There are also tax and accounting considerations which factor into the decision to maintain old equipment vs. replace the equipment. Productivity is also a factor; if a new piece of equipment is more reliable or reduces the time it takes a worker to complete a task, this tips the scale in favor of replacing.

We are trying to save money, but you're hiring overhead. How is that justified? Amount of overhead seriously needs to be addressed.

Overhead is a fact of life in any smoothly running business. All overhead contributes in some way to our bottom line. Some overhead (like Safety, Legal and HR) manages risk which keeps us from being subjected to lawsuits. Finance keeps the lights on, keeps paychecks and vendor payments going out, and makes sure the payments from customers coming in. Estimators negotiate a fair price for our customers and ensure that the work we do for customers covers our costs and creates a fair profit.

Why is actual experience the most undervalued quality at GMR?

How come a person who worked their way up to get to the class they fought for from helper to Class A, then the person who gets hired comes in with no experience in the department and starts off with Class A?

My question is why is it that some are treated differently (*some of this question has been omitted to maintain confidentiality*) but family members and friends are hired in with no experience, given top pay, but guys with experience were let go, laid off and those that we brought in one month stayed.

How to advance in class? Still Class A after many years.

How come the new employees who are hired to work with experience become hired as a Class A?

Why do we celebrate employees who have zero responsibilities or work ethics and demoralize those who have a purpose?

One of the things that Mike & I have found puzzling, as we have taken on more hands-on management responsibility within the company, is the way we define worker class ratings and tie the ratings to pay rates. It seemed, to us, to be inconsistent and kind of subjective. At this time there is a team of supervisors/ production / HR staff finalizing the task of reviewing our system of class ratings and pay grades; with an objective of making them fairer and more consistent. We have an in-force policy that lays out a process for deciding which workers are laid off or retained when we have to reduce staff. This policy has not always been followed and we have educated managers about the policies and the way we expect these kinds of decisions to be made in the future. Morale within our labor force is a priority. We agree that experience, expertise and actual on-the-job contribution are the factors which need to govern who gets hired and rewarded within the workforce.

Accountability is only for hourly employees, but hourly people are who make the money here. Why can't there be equality.

Why does blue building not rotate or get laid off, or held accountable for their lack of production or performance?

This is an important question, and we are glad that it was asked. We can start with a definition of accountability. Webster's dictionary says that accountability is, "An obligation or willingness to accept responsibility or to account for one's actions." Every employee at HMI, even the executive team, is accountable for reporting to and remaining at work when they are supposed to be here; they are accountable for operating within policies and procedures; and they are accountable for meeting deadlines and performing the core tasks of their job. Many are also accountable for decisions made on the job. This accountability question is such an important question that we created a chart showing the kinds of accountability which touch different levels and functions within the organization. It is attached after the answers to Town Hall questions.

Why do you want us to stop separating blue buildings and us, but you send them on field trips and separate us with separate luncheon?

Earlier in 2018, in response to these kinds of concerns, a decision was made to eliminate a lot of “perks” like team building outings, luncheons and parties. Fair is fair. The holiday luncheons are held in separate areas mostly due to scheduling and space limitations.

You have tried listening to the people with zero knowledge, do you plan on asking the VETS now to turn an actual profit?

Why must we change and throw away tried and true practices that built this place to what it is?

We welcome your suggestions and input about what has made us successful in our past, as long as you are able to understand that, perhaps, what worked in the past was successful because it met the needs of the type of customer we had in the past. If customer wants/needs change, a business must change in response or the business will be in jeopardy. If a customer can get the same product cheaper/faster/more conveniently elsewhere, they will go elsewhere. Blockbuster Video, Toys R Us, K Mart and Barnes & Noble are all examples of formerly successful companies edged out by newcomers who were more responsive to customers’ needs. We don’t want to make changes just for the sake of change - and many of our legacy ways of working still work now - but an open mind to the possibility of change is necessary in the modern business world.

Do you plan to continue to make up positions for inexperienced friends?

No, but as we staff up our planning and operations teams we may hire folks from outside the company who have data analysis, operations modeling or other technology expertise not available within the current workforce.

Language Barrier: Anyway you can talk to all leadermen, bosses or superintendent-when talking about a job or work performance and they speak English and Spanish, but get around the leadermen that don’t speak Spanish start speaking Spanish then the person is left out without explaining what’s going on.

You are correct, and we are working to ease the communication barrier within our multi-lingual workforce.

How about a safety bonus?

This is a very good idea and we are looking into how we might implement.

There should be more time on Saturdays for school (8-2). After a 10 hr. shift on a Friday night of work it’s enough. Feel as if the time should be until 4 regarding another 10 hrs shift on Saturday.

At the training facility/school, I feel the teachers can be more hands on then being cooped up in their office.

We will make sure that the training center and the folks who manage it are aware of your suggestions.

What does WAZE stand for?

Answered by Kelly H: WAZE is a traffic app. Honestly, this high-visibility screwup was 100% mine. Yep, I was responsibility for this inaccurate (yet creative) spelling of Ways. Our Cafeteria is also known as the Ways. Apologies to all for any confusion or inconvenience.