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Signed Robert W. Lindsay
Date May 14, 1990

Interviewer

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Date

ORAL HISTORY INTERVIEW

with

BOB LINDSAY

at

Towson, Maryland

May 14, 1990

By Scott Ellsworth

Abstracted by Julie Weiss

For the Cover Girl Oral History Project
Interview # 21

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TAPE ABSTRACT AND INDEX

BIOGRAPHICAL SKETCH

Bob Lindsay is a native of Maryland. He grew up in the Hampden section of Baltimore, and began to work at Noxzema Chemical Company in 1941, while he was attending high school. He served in the Air Force in Italy during World War II, and rejoined Noxzema Chemical Company in 1946. He worked his way up to the position of Secretary-Treasurer at Noxell. He retired in 1988, and currently serves on the boards of Franklin Square Hospital and the Helix Health System. He is the president of Serve, a group of retired executives who work for non-profit organizations.

SCOPE AND CONTENT NOTE

Bob Lindsay recalls his early years at Noxzema Chemical Company in the 1940s and 1950s, as well as the changes in the company in the 1960s. He also discusses his impressions of the Buntings--George A. Bunting, G. Lloyd Bunting, and George L. Bunting, and offers his opinions about the recent merger with Procter & Gamble.

Abstract of interview with Bob Lindsay, May 14, 1990
Towson, Maryland
Interviewer: Scott Ellsworth

Tape 1, Side 1

0:30

BIOGRAPHICAL BACKGROUND

Bob Lindsay was born in Maryland, attended Baltimore City College, and joined the Air Force in 1943. He joined Noxzema Chemical Company in 1941 while still a high school student.

1:50

It was difficult to make Noxzema skin cream during World War II. Noxzema Chemical Company was responsible for distributing Noxzema skin cream, while Bunting Chemical Company actually made the cream. The two companies merged after Norbert Witt joined the company.

2:50

Bunting Chemical Company made a product called Noxivy, a natural antidote for poison ivy, as well as shave cream and suntan oil.

4:30

Bunting Chemical Company did not want to make products for anyone else.

5:10

Lindsay began at Noxzema Chemical Company by packaging the pieces for window displays.

6:10

Lindsay later took care of the correspondence.

6:50

Women worked on an assembly line filling Noxzema skin cream bottles by hand.

7:50

Noxzema was a major employer in Hampden.

8:40

Lindsay returned to Noxzema after serving in the Air Force. He worked in the credit department.

10:50

Dr. George Avery Bunting procrastinated, and so had a messy desk. His employees earned \$16 a week, while he earned \$3600 a month. The office was terribly crowded.

12:40

Employees ate lunch in neighborhood restaurants, or brought their lunches and bought a coke to drink with it.

13:20 When the company was small, the white collar employees mixed with the blue collar employees. There was no strict hierarchy.

14:30 DR. GEORGE AVERY BUNTING

Dr. Bunting was handsome and intelligent. He was a go-getter.

16:10 Bunting was very demanding of his son Lloyd. He was well-liked by his employees, but kept a sharp eye on them.

17:30 LLOYD BUNTING

Lloyd was intimidated by his father. He had no ego, and was able to get help running the company. He made the decisions necessary to make the company grow.

19:10 Lloyd decided to make aerosol shaving cream, which was a risky move.

20:00 Lloyd hired people who could make the company grow. He hired Norbert Witt, who helped select other people.

20:40 Lloyd realized the company needed more space. He moved it to Cockeysville, which was very far away at the time.

21:50 Now, the only land there which is not built up is owned by Noxell. The company purchased it cheaply, and now it is very valuable.

23:00 The employees at Noxzema Chemical Company were like a family. Several distinguished themselves in World War II.

24:20 Lindsay served in Italy.

24:40 Hampden was comprised of Greeks, Poles, Scots, and Italians.

25:20 Lindsay took the job at Noxell and went to school at night. He spent eleven years finishing college. He also taught at Johns Hopkins for ten years.

27:40 Lindsay moved up at Noxell, becoming Assistant Secretary and then Secretary, and eventually Secretary-treasurer.

30:10 As the company grew, he became vice president-secretary, handling insurance and pensions.

30:30 Lindsay left Noxell in 1988.

30:50 NEW MANAGEMENT AT NOXELL

When Witt joined the company, the operations changed a great deal, but for the most part, Witt and the other new managers were doing work that had not been done before.

Tape 1, Side 2

0:30 Bill Grathwohl came in to do advertising, which no one had done before at the company.

1:00 One of the first things the new managers did was to create Cover Girl.

1:40 Much of the Cover Girl development and manufacturing was done outside Noxell. It was not until Witt merged Noxzema Chemical Company with Bunting Chemical Company that the company actually produced Cover Girl.

3:00 Charles Busta is the director of Cover Girl.

3:20 Bob Duke worked in corporate development, trying to create new products.

4:10 COVER GIRL

Cover Girl was introduced with a great deal of advertising, but only a few products. It was originally pitched as a skin medication; only later was it sold as a beauty product.

5:10 Cover Girl lipstick was never very successful.

5:40 Cover Girl's success was unexpected. Noxell made more money the first year than they knew what to do with it.

6:20 Cover Girl sales eventually surpassed sales of the skin cream.

6:40 Noxell was unique because all its people worked at one site.

7:00 In 1974, when the economy was ailing, Noxell cut its dividends.

7:40 The crisis was short-lived.

8:30 When Noxell was doing well, its employees were well-paid.

9:00 Noxell became a very different place as the company grew. The newer employees were more educated than the original employees, who began to get more education.

10:50 THE PROCTER & GAMBLE MERGER

The merger with Procter & Gamble will bring in young hot-shots.

11:20 The merger was a surprise to Lindsay.

12:00 George L. Bunting sold the company because he lacked the immense capital that would be necessary for Noxell to grow. The merger will provide money for research and development and marketing.

14:10 George Bunting's sons are in their twenties, and have not expressed great interest in the company.

15:10 The Luden Cough Drop Company was similar to Noxell, because Dr. Luden's sons had no interest in the company.

15:40 George Bunting was very close to his father, Lloyd. Lloyd was also surprised by the sale of the company.

16:20 Lloyd Bunting was the pivotal person in Noxell's success.

17:30 Witt decided to change the name of the company from Noxzema to Noxell.

19:30 There were many names considered when the company changed names.

20:10 Noxzema connoted medication, which was falling from favor.

20:40 Cover Girl was sold as a medicated make-up.

22:30 Lindsay currently serves as Chairman of the Board of Franklin Square Hospital; and serves on the board of Helix Health System. He is president of the Independent College Fund of Maryland. He is also president of Serve, a group of retired executives who work for non-profit organizations.

24:50

The original jar was not blue, but amber. Colored glass helped preserve the skin cream.

BOB LINDSAY

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FAMILY PRIDE



*Profiles of Five
of America's Best-Run
Family Businesses*



Thomas
Goldwasser

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Introduction

The conventional wisdom in the United States is that, as an industrial nation, we have fallen behind other countries, especially Japan, in terms of efficiency, productivity, and quality.

This indictment of American productivity and initiative is directed at corporations of various sizes—large, well-established companies suffer from the malaise, as do smaller, newer ones. In essence, many students of American business conclude that the spirit of excellence, which was commonplace in past generations, has disappeared.

The in-depth, firsthand profiles of five family-run businesses that follow, however, show that insistence on quality and serving the customer still thrive in major segments of American business. Each of these companies has been, and continues to be, instantaneously recognized: H & R Block, Inc., Hallmark Cards, S. C. Johnson & Son, Inc. (Johnson Wax), Marriott Corporation, and Noxell Corporation (Cover Girl, Noxzema, and Lestoil).

All of these major corporations are run on a daily basis by the founder or members of his family. And, whether the firm is currently headed by its founder—Henry Bloch of H & R Block, for example—or the fourth-generation scion of a 100-year-old company—S. C. Johnson II, great-grandson of the Johnson Wax founder—it is imbued with the same spirit of hard work, ingenuity, and enthusiasm that characterized it from the beginning.

How have these companies, after many years and generations of success, been able to retain their formulae for success? Current chairmen, like their forebears, insist that their companies

deliver top-quality products and service at reasonable prices. At the same time, they realize that people—employees and customers—count most.

Corporate legacies play a crucial role. Succinctly, current chairmen of these well-known corporations are aided appreciably by what their families have done previously. They adhere to the adage: "If it ain't broke, don't fix it." This in no way implies that heads of these multimillion and -billion dollar companies have not kept up with the times. Indeed, all have been innovators. But the four who have followed in the footsteps of family elders began working at their respective businesses as teenagers. All learned that happy employees turned out good products, which made content and happy customers. Naturally, as they grew older and joined the companies full-time, that tenet continued to be an integral, even sacred, part of their corporate philosophy.

Of course, paying close attention to satisfying people is not peculiar to family-run corporations, but it is something that virtually all family businesses emphasize. Without it, the founder would never have survived, much less transformed his Mom-and-Pop business into a major corporation. As the companies grew, this insistence on caring about people became a trademark. And not one of the current chairmen considered deviating from it.

Family-run corporations leave a special legacy. Heads of these companies fully realize that they have inherited a business judged by a criterion that does not apply to companies lacking the continued leadership of blood relatives. The family name and reputation are at stake.

Among my five companies, only Noxell does not use the founding family's name in its corporate title. When Baltimore druggist George A. Bunting opened the Noxzema Chemical Company in 1917, he opted to emphasize his product's name. When the company began diversifying under succeeding generations, the name was changed. Today, while still realizing significant sales from its original product, Noxell's principal lines are Cover Girl products. The grandson of the founder, who serves

as president and chief executive officer, carries on the family tradition with a sense of pride and obligation that are not surpassed by others who have the actual name in the company title.

J. Willard Marriott, Jr., chairman, president, and chief executive officer of the multibillion-dollar Marriott Corporation, succeeded his father, who began the business as a nine-stool root beer stand in the nation's capital almost sixty years ago. "Every time I visit one of our hotels, I am struck by one overwhelming thought. It has our family name on it, and if people go away not liking it, that's not only a reflection on me but on our entire family." With that sense of family pride, coupled with the fear that every customer may not be fully satisfied, it is not surprising to find Marriott and his fellow corporate heads, whose stories are told in detail here, working indefatigably to guarantee that nothing reflects badly on their special legacy.

Heirs to large family-run corporations inherit obligations that often do not exist in small firms, in particular the obligation to carry on the family tradition. There are millions of incorporated businesses in the United States, and 80 percent of them are family owned. However, only a handful are large, household-word organizations with sales exceeding \$250 million a year. Once this rarefied status has been reached, companies make sure that they never fall back to a lower plateau. Children, grandchildren, and heirs further removed from the founding generation know from an early age that they are expected to carry on the tradition. As we will see, expectations are not always verbalized. But from dinner-table conversation to on-the-job training at an early age, scions of these families, and others like them, understand what they are to do. The sense of noblesse oblige that follows generations of Rockefellers, Kennedys, and Lodges, propelling them into lifetime public service, inextricably exists in America's best-known family corporations, guiding family members to successfully perpetuate the businesses.

The task is not easy. Compared with the seemingly insuperable obstacles confronting the founders, future generations seem to have only minor problems in picking up the mantle. After

all, the business not only has a firm and widely acknowledged reputation, but perhaps more important it has an enviable financial position. If picking up where others left off is so simple, why do more than 70 percent of these companies never survive the second generation?

Family rivalries often play a major role. Imagine how difficult, if not impossible, it would be for a son or daughter to live up to the standards of a business founder who literally built his business from scratch to fame and fortune in a single generation. The passing of the reins from founder to son reached its nadir in the Ford Motor Company under founder Henry Ford and his son, Edsel. Edsel, who could do nothing correctly from his father's perspective, initially headed the firm's purchasing department. Insanely jealous of any apparently wise move by his son, Henry Ford constantly excoriated him directly and to Edsel's colleagues. As time went on, the founder became involved in literally every decision, no matter how mundane, that his son made. Following a debilitating stroke, Henry Ford, instead of bowing out of company affairs, increased his involvement. Finally, at forty-nine years old, Edsel died, never recovering from the wrath of his father. A kind and compassionate man, with considerable business acumen, he has been identified unfortunately with the Ford automobile model that bore his name. The Edsel, perhaps the industry's all-time lemon, was not even on the drawing board when Edsel Ford died.

Other instantly recognized family corporations also have had conflicts between generations, but none has been as cruel and flagrant as Ford's. Of the five major corporations in this book, only one was characterized by acrimony as the son gradually took over the running of the business from his father. In the founder's eyes, his son simply could not live up to predetermined standards. Nevertheless, the corporation prospered and continues to do so under a succeeding generation.

Four of my five companies have used extensively the managerial expertise of nonfamily, outside experts who have joined the firms. The other, while bringing in one principal corporate offi-

cial, has concentrated on its own, company-trained personnel who have acquired their skills through intensive on-the-job training.

In choosing the companies I wanted to include, I insisted on only one common characteristic: on a daily basis, each corporation is run by the founder or members of his family. All are controlled, through stock ownership, by the families. Two, Hallmark and Johnson Wax, are privately held. Stock in the others trades publicly. However, I assiduously avoided any firm in which I or anybody closely related to me had a financial or other interest.

Other equally well-known corporations could have been selected. Anheuser-Busch, Control Data, Federal Express, Levi Strauss, The Limited, Nike, Toys 'R' Us, and Wendy's readily come to mind. Readers, I am confident, will think of others.

Recently, a spate of books have described successful American corporations primarily by listing characteristics that, for the most part, have been common to them. While I also do this in part, my primary vehicle is to describe, through extensive on-site interviews with top company officials, including chairmen of the board and chief executive officers, as well as with plant workers and other hourly wage earners, exactly why these family-run corporations continue thriving from generation to generation.

Through these profiles, I have attempted to show how successful family-run corporations pass along their techniques for pleasing customers to succeeding generations. Each complete corporate story can serve as a prototype for businessmen and -women in operating their newer, smaller, and less well known companies.

his prestigious post as managing editor of *Congressional Quarterly* in Washington, D.C., to return home as director of corporate communications at Hallmark. Sixteen months later, the able, hardworking newcomer was elevated to division vice president for public affairs and communications. Don Hall rewarded skill. He did not hire a headhunter to find someone who had toiled elsewhere at the corporate vice-presidency level.

David Hughes emphatically states, "We do not intend to go down our little path blindly. Every day we make decisions concerning how to improve our product line in order for people to keep buying even more of them." Donald Hall discusses the advertising thrust. "I'm sure that we'll always emphasize special occasions, but we will also remind people why they should send cards for social expression irrespective of a birthday or other special day. People should send cards to express their warm feelings for someone else. We'll let them know how easy the trip is to a Hallmark store, too." Hall, other than referring to the acquisitions his company has recently made, will not speculate about new fields that his giant company may enter.

For the most part, Bill Johnson is sanguine about Hallmark's continued growth, but he is concerned about America's proclivity for readily accepting ersatz products. "This has always been a company based on quality. We offer more color choices, six for every card, than anybody else. Other firms don't offer that assortment in 5 percent of theirs. But maybe we put more into it than America really wants. This fast-food society isn't good for a quality company like Hallmark. Will Hallmark have the stuff to change downward if need be?"

Irv Hockaday puts Hallmark's challenge this way. "We must always preserve our heritage, reputation, and traditions. But at the same time, we must be willing to grow and spread our wings, bearing in mind always that the possibility exists that what happened in the past won't work the same way today and in the future."

2. Noxell

From Noxzema to Cover Girls

Jennifer O'Neill, Cheryl Tiegs, and Christie Brinkley rarely visit the suburban Baltimore headquarters of Noxell Corporation, makers of Cover Girl cosmetics, but they are the most crucial ingredient in selling the firm's extensive line of lipstick, makeup, and nail polish. "I always want to convey the clean, wholesome look women try to copy," observes Jennifer O'Neill over lunch at Twentieth Century Fox's executive dining room. "Above all," continues the screen and television beauty, "I don't want to threaten them."

O'Neill, thirty-eight, began modeling Cover Girl products at sixteen, and with interruptions, which included a contract dispute following her starring in the movie *Summer of '42*, has been a company spokeswoman for thirteen years. "As I've gotten older, I've started doing more ads for their Opulence nail polish, but I still have to look the same. The customer has to identify with me. My relationship with Noxell and their ad agency has been like a good marriage, and I plan to continue with them." Extending her hands to show off her freshly applied nail polish, Miss O'Neill volunteers, "I believe in their products and use them. If I didn't, I wouldn't advertise them."

Jennifer O'Neill and her lovely colleagues helped increase Cover Girl's net sales for 1985 by 9 percent over 1984, to \$233.1 million, or 61 percent of Noxell's consolidated net sales of \$382.1 million. Other well-known Noxell products include Noxzema shave and skin creams and Lestoil household cleaners.

"Our models are the key to our sales success," begins

Noxell's forty-six-year-old president and chief executive officer, George L. Bunting, Jr., whose grandfather, George A. Bunting, opened the Noxell Chemical Company in 1917. "A lot of women can identify with them; they have that clean, wholesome kind of beauty rather than a theatrical look. Yes, they're unusually beautiful, but in a girl-next-door sort of way."

According to Francis J. Harrison, Noxell's senior vice president for marketing, "Our models, Jennifer O'Neill, Cheryl Tiegs, and Kelly Emberg, for example, are examples of the type of women who use our products; as you'll notice, they are not portrayed as strong pitch users. Cheryl and Jennifer have been with us many years, with Christie Brinkley and Kelly Emberg representing Cover Girl for less time. It's a tribute to their beauty, durability, and credibility that they've been with us so long. Usually, a topflight model's career starts to wane, or even end, by the time she's twenty-eight years old, and two of our most famous ones are still going strong a decade past that. Obviously, their looks and demeanor continue to have a strong appeal."

F. Stone Roberts, executive vice president of SSC & B Inc., the New York advertising agency that makes Cover Girl's ads, emphasizes that, although beautiful, these models are not threatening. "That is true in two contexts. First, they are not threatening in terms of being overwhelmingly beautiful, especially in an elegant sense; and second, let's face it, our models could come home to dinner with you or me, and our wives wouldn't feel ill at ease."

Roberts elaborates. "Our models have a common wholesomeness, and they project a naturalness that even less beautiful women can relate to. But having beautiful women model for us is complicated. Cover Girl cosmetics are mass-marketed, as compared with buying them at high-priced department stores. The image conveyed is different, even though we and people like Estée Lauder, with a different marketing emphasis, both use lovely women."

Roberts explains the differences between what he and the

higher priced competitors emphasize in their models. "In our ads, we cannot overemphasize the need for informality. There is a lot of cheerleader in all our models; they're the type women who you wished lived next door to you. In contrast, Karen Graham, the best-known Lauder model, is always dressed elegantly, as if she's on her way to a fancy dinner party. And you probably don't notice, but there's even a difference in her facial structure. Her cheekbones will be higher and more pronounced than our women's. It's all part of appealing to a more up-scale image in a subtle way. Noxell doesn't really compete directly with Lauder, so we help Cover Girl appeal to the wide range of customers that Noxell prefers."

The SSC & B vice president explains the process by which his agency chooses topflight models for specific products. "As she's gotten older, Jennifer O'Neill has begun appearing on commercials for nail polish and replenishing cream, while Carol Alt, who's younger, appears on our mascara ads. When teenagers are allowed by their parents to begin using cosmetics, they often start with mascara. Naturally, we wouldn't use someone in her thirties to appeal to that market."

Jennifer O'Neill will not say how many days a year she works for Noxell or how much she is paid, but she volunteers that the work is grueling. "On the days that I model for them, I'm under the lights for hours, and that's very tiring. Of course, I always have to look my best." F. Stone Roberts concurs. "Everyone is so envious of these women, because they're so glamorous, and modeling seems like such a great life. But imagine spending twelve to fifteen hours a day under lights and close-up camera shots. We're choosing from the loveliest women in the world, but they must constantly work at keeping themselves virtually perfect. No late-night carousing, and their diets must remain balanced and healthy. A blemish when they're selling cosmetics, of course, would be unthinkable."

Roberts confirms that Cheryl Tiegs's most recent contract called for \$1 million over five years, and she works an average of twenty days yearly at \$10,000 a day. "Obviously, that's excellent

pay," he concedes, "but compared with the \$5 million a year contract she has with Kayser-Roth for Sears's sportswear line, it's not outrageous."

No matter how much Noxell pays Christie Brinkley, Jennifer O'Neill, Cheryl Tiegs, and the other well-known beauties, including Stefanie Powers, Cybill Shepherd, Mariel Hemingway, and Farrah Fawcett, who have sold Cover Girl and Noxzema products, it has been well worth it for the large cosmetics and toiletries company. "Television advertising is how Noxell reaches the consumer," observes Diana K. Temple, vice president and cosmetics industry analyst at New York's Salomon Brothers. "They spend about a quarter of every sales dollar on these ads, which is about two and a half times the industry average. But it obviously has paid off. Women are very familiar with Noxell's products before they go to the drugstore or mass-merchandise center where they buy their makeup or skin cream. Noxell, through their well-known models and saturation advertising, have already done their selling."

While six of every ten of Noxell's net sales dollars are derived from Cover Girl cosmetics, its toiletries, including Noxzema Skin Cream, which launched the company seventy years ago, accounted for only 19 percent of consolidated net sales in 1985. However, even though this area of the business has been supplanted by Cover Girl in terms of its contribution to company sales and earnings, Noxzema Skin Cream remains the leading facial cleansing cream throughout the nation, with significant dollar and unit sales increases over 1984.

The story of a Baltimore pharmacist's experiments eventually becoming a product that is a household word is a fascinating one.

In the mid-1890s, George Avery Bunting, whose father ran a general store in Bishopville, Maryland, on the eastern shore of the Chesapeake Bay, received a scholarship to nearby Washington College. Following graduation, he pursued an elementary school teaching career, but after six years, he became discouraged by its lack of adequate pay. Finally, he agreed to take the

advice of a physician friend to pursue a career in the fledgling pharmacy field.

There was a problem. Money. With only a dollar and fifty cents in his pocket and too much pride to ask for money, Bunting could not afford the train trip to Philadelphia or Baltimore, where schools of pharmacy were located. He noticed, however, that a round-trip ferry excursion to the Baltimore Orioles baseball game was offered for only a dollar fifty. His choice for pharmacy school was made. Upon arriving in Baltimore, the enterprising young man sold the return portion of his ticket for two dollars and fifty cents to a man traveling to the Eastern Shore.

Then, using the \$250 which his physician friend insisted on loaning him, Bunting enrolled at the University of Maryland's school of pharmacy. According to G. Lloyd Bunting, the late George A. Bunting's son, his father seriously considered medical school, but examining his first cadaver put an end to that idea.

Bunting toiled as a soda fountain attendant and errand boy for four dollars a week at a Baltimore drugstore. In 1899, at twenty-nine years old, he graduated from pharmacy school first in his class and became manager of the store at 6 West North Avenue. Business was good, and a few years later Bunting bought the store. In addition to filling prescriptions, Bunting strived to come up with new creams and medicines. He had a small success with a dentifrice paste he invented, but sales eventually gave way to commercially prepared toothpaste.

Bunting continued experimenting by combining a medicated cream with his new-formula vanishing cream. After refining his formula for five years, he blended clove and eucalyptus oils, lime water, menthol, and camphor to form Dr. Bunting's Sunburn Remedy.

The cream immediately caught on. In his store's back room, "Doc" Bunting began mixing large amounts of his suntan cream, pouring sample quantities into small blue jars.

If it had not been for one customer, George Avery Bunting's

inventive and entrepreneurial acumen might have been limited to a suntan cream. While purchasing some herbs from Bunting to help alleviate his suffering from eczema, this customer, whose name is unknown today, received a free sample of the new cream. The next day, the elated customer returned exclaiming: "That cream knocked my eczema," showing the pharmacist his healing hands.

Realizing that the medicinal qualities of his cream had potential in excess of its limited use to combat sunburn and enhance tanning, Bunting, in 1914, at forty-four years old, decided to devote more of his time at the pharmacy to the cream.

Sales began growing soon after George Bunting introduced his new cream. During the early 1900s, medicating creams were greasy and tallow-based, and the new cream was the first real alternative to them. At first, the cream was available only in little hexagonal blue jars at Bunting's drugstore, which then was in the far northern portion of Baltimore.

Bunting oversaw the entire process—mixing, heating, and pouring the medicated cream, using the same large coffee pot in which he mixed the original batch. Other druggists began stocking the cream because customers asked for it, and Bunting was promoting it vigorously. As more and more customers extolled the virtues of this new product, citing its cooling and soothing properties in addition to its relieving eczema, Bunting's enthusiasm became more pronounced. Though remaining a somewhat cautious man and never forgetting the nominal amount of money with which he set out, Bunting realized that he was on to something with great potential.

He decided that his new cream required all his attention, as well as resources. So, in 1917, Bunting founded the Noxzema Chemical Company and ended his career as an operator of a conventional drugstore. He hired only one salesman and secretary and paid himself fifty dollars a week. Sales that year totaled \$5,214.

"My father kinda plagiarized the Z in the name," admits G. Lloyd Bunting, who eventually would become the head of

Noxell. "Around the corner from his place was the Lozak Milk Company, which had a red z. Dad borrowed it and of course combined it with 'nox' and 'ema,' as in 'knocks eczema.' "

Bunting set up his first factory in a small rowhouse at 102 Lafayette Avenue in 1920. His office was the living room, with the manufacturing plant in the kitchen. The rent was twenty-seven dollars a month.

The company would not turn a profit until 1923. In order to remain solvent, Bunting paid his bills with ten-dollar stock certificates. Many friends and pharmacists bought the Noxzema Chemical Company stock in blocks of \$100. Soon, sales began climbing rapidly. By 1925, the company was well received, not only in the Baltimore area but, at least by reputation, elsewhere. Sales reached \$100,000 on a volume of 900,000 jars.

Bunting and his colleagues decided to test Noxzema Skin Cream nationally with initial expansion to New York. Accompanying this bold move into the nation's largest city were heavy promotional efforts. Advertisements stressed the multiple uses of Noxzema. In addition to serving as a sunburn remedy and a cure for eczema, it could be applied to burning and tired feet. In fact, it was advertised as a fragrant, soothing cream with myriad purposes. Quickly, it became a year-round, regularly used product.

The uniqueness of this cream caught on along the East Coast. Word of mouth testimonials augmented the intense advertising campaign, and Noxzema began realizing a great deal of repeat customers. This emphasis on advertising, with special attention directed at attracting and perhaps most importantly guaranteeing repeat customers, remains a cardinal rule at Noxell.

Demand became so great that the firm was forced to build its first factory in Baltimore. Expansion moved it to Chicago and the Midwest in 1928, and it was available on the West Coast two years later. In 1932, the Noxzema Chemical Company of Canada was set up, even before the entire United States was covered. With the opening of the Prairie and Rocky Mountain states in 1938, Noxzema was available nationwide.

For a long period of time, Noxzema print advertisements featured testimonials from American housewives. Long before the influx of large numbers of women into the work force, these customers emphasized how smooth the cream made hands after washing dishes.

A nurse tagged the "Angel of Mercy" stressed Noxzema's medicinal functions, and later Noxzema introduced the "ten-day beauty plan," exhorting customers to use the medicated cream every day.

During the early years, Noxzema salesmen would often dip into a jar and taste the medicated cream in order to demonstrate its purity. And to demonstrate its greaseless quality, they would rub the cream into their suits as customers watched. Much attention was paid to the fact that, during his famous expedition to the South Pole in 1929, Admiral Richard Byrd agreed to take a case of Noxzema to test under severe conditions.

When Noxzema reached the national markets in 1938, its product line included a shave cream, suntan lotions, and cold cream. The shave cream was inspired by a barber in the Atlantic Coast community of Ocean City, Maryland, who discovered that by using the original cream he could shave a customer's sunburned face.

Bunting's first advertisement on a national radio show was on the "Professor Quiz" programs for adults. In one season, sales jumped 40 percent, demonstrating not only the immense power of advertising, but Noxzema's ability to command brand loyalty.

Noxzema went on to sponsor the "Quiz of Two Cities," followed by Lionel Barrymore's popular "Mayor of the Town." This wide exposure contributed to sales reaching \$3 million in 1944.

During World War II, Noxzema supplied Noxzema Skin Cream to GIs, while the firm battled with its outmoded production facilities. By the end of the war, the company was operating a \$4 million business with a factory and office facility geared to handle only one-third that volume.

In 1949, construction began on a 44,000-square-foot addition

that allowed the installation of a high-speed, gravity-flow production to fill the seemingly unending flow of little blue jars.

Ironically, expansion coincided with a leveling off of sales. Aerosol shave creams threatened Noxzema's shaving product. And even the skin cream, which had dominated the market for thirty years, had serious competitors.

Consequently, Noxzema began to refine its advertising, marketing, and packaging techniques. It also began investigating new products, as well as possible expansion beyond Canada. About 1950 one of the firm's employees casually mentioned to an executive that she routinely used Noxzema to wash her face, because the product did not irritate her skin as soap did. Advertising strategies soon incorporated this added use as a successful cold cream.

In 1955, the company decided to concentrate much of its advertising on television. It cosponsored the well-received Edward R. Murrow "Person to Person" program, and the following year it underwrote a full minute of alternate Perry Como shows. With the extreme popularity of television as a medium, coupled with the large audiences of these two shows, Noxzema began again to set sales records. Each week, 45 million American homes were tuned in to television, and half of them saw Noxzema commercials.

G. Lloyd Bunting, who assumed the presidency in 1949 when his father, the company founder, became chairman of the board, decided to enter the cosmetics field. His first entry, in January 1961, was a makeup called Cover Girl.

While nobody realized how prescient the founder's son was in branching out into Cover Girl, other top company officials welcomed the departure. "Of course, I was not with the company in 1955," begins the current chairman, George L. Bunting, Jr., "but things were getting stagnant around here, and my father decided to do two major things; first, he would bring in nonfamily members, people with professional expertise in cosmetics, skin creams, and the packaged goods business; and second, he would not put all his eggs in one basket. When I say stagnant, I

don't mean to imply that Noxzema was doing poorly—quite the opposite. But Dad knew that sooner or later, competition in the Noxzema lines would become fierce and that any product, no matter how well-received or useful, begins to mature.”

Even though G. Lloyd Bunting was exercising his own business acumen at the time, he was not completely on his own. His father, in his eighties, was still looking over his shoulder. The founder's grandson explains. “Remember, my grandfather was the classic founder-entrepreneur—a workaholic whose whole life was devoted to his business. As you might expect, he was doctrinaire and not easy to work for or with.”

G. Lloyd Bunting emphatically confirms his son's assessment. “Dad served as president through 1948 when I took over. But he remained as chairman. Believe me, my years with him were very tough, and it was impossible for me to fill his shoes. If I had had a choice, I would have done almost anything else. Dad was a great businessman, and he found fault with almost everything I did. Professionally, at least, he treated his son badly. It wasn't the way for me to gain a great deal of confidence.”

Browbeaten by his father, Lloyd Bunting admits that he learned a great deal about running a company by paying close attention to him. “You must remember that I got married in the fall of 1933, and my father gave me a chance to learn the business. So I had sixteen years of on-the-job training before I became president. And Dad must have had some confidence in me, because it was really I who started hiring the professional managers, and that wasn't until 1955, when Dad was already eighty-five. However, he and I started thinking seriously about going outside the family for experienced, successful managers a long time before that.”

Lloyd Bunting, now retired at seventy-seven years old and spending winters in Florida, reflects on life with father at Noxell. His story serves as the classic example of how the passing of power from a pioneer of industry to his son can be uncomfortable, even painful, for both, but especially for the offspring. Unfortunately, this rocky transition is common in

American industry. And in the case of Lloyd Bunting, the pleasant prospect of a legacy, albeit financially rewarding, became a virtual nightmare.

“Perhaps I should have known that I could never live up to my father's expectations,” observes Lloyd Bunting. “Maybe no child of his could have, especially me. I always hated discipline and regulation. That's why I was so unhappy at Staunton Military Academy in Virginia, where I was sent. I did manage to graduate and move on to Washington College. But I never graduated from there or the Baltimore Business College where I transferred. I showed up for the classes I liked and skipped the others. We weren't required to take exams, but I still didn't bother getting my degree.”

Young Bunting met a fellow student at the Baltimore Business College who did receive her degree. They were married one month before his twenty-fourth birthday, and he went to work for his father at an impressive salary of \$21,000 a year. “He gave me \$6,000, and he invested the remaining \$15,000. There's no way I could have matched that anywhere else. I was hired with the title of vice president of the company, which had sales of about \$700,000. I wasn't really doing a vice president's job, and Dad looked over my shoulder constantly, and that never changed.”

From the beginning, Lloyd Bunting realized that he could never satisfy his father. “No matter how much I tried, he was never pleased with what I did. He kept a very tight rein, and I was always afraid to buck him. It was very unpleasant, and I'm sure that, if I had not gotten married, I would have quit. I could be pretty stubborn myself.”

Bunting admits that, at least during the first three or four years, he was fairly ignorant about business; even the terminology was foreign to him. “Not only was I ignorant, I was also blunt, which of course telegraphed to everybody how little I knew. For example, someone asked me about taking a product on consignment, and instead of stalling until I got some advice, I blurted out that I didn't know what he was talking about.

Come to think of it," continues the seventy-seven-year-old retired chairman with a chuckle, "with a son like that, no wonder Dad watched over me all the time."

Lloyd Bunting did admire his father's business acumen, especially his shrewd methods of avoiding cosmetic taxes. "In the Thirties, if your product was called a cosmetic, you had to pay a lot of taxes. Dad always maintained that it was a medicinal product, and the directions said that it should be used as a night cream. Years later, the government wanted \$500,000 retroactively in taxes; we settled for \$100,000, which wasn't so bad. Half a million would have ruined us."

Not unlike most founders of companies making innovative products, George Bunting ran the Bunting Chemical Company autocratically. On the other hand, he realized during the firm's first decade that even he, the indefatigable entrepreneur, needed assistance in some areas. According to Lloyd Bunting, his father visited a large New York advertising agency in 1924, where he was first informed that the Baltimore firm would be too small an account. On second thought, however, the agency head decided that one of his young employees could gain valuable experience by serving the Noxzema account.

Consequently, every Thursday Ray Sullivan took the train from New York to Baltimore, where he spent the night. The young account executive performed so well that George Bunting began delegating more responsibility directly to him. After serving in the top echelon of the Noxzema hierarchy for more than three years, Sullivan opened his own advertising agency. He had two accounts, Noxzema and Smith Brothers, makers of the famous cough drops.

George Bunting subsequently hired two additional key aides who not only relieved him of much of the burden of running the company on a daily basis, but who also watched closely over Lloyd Bunting. Mrs. Cooper Buck became the general manager, and former University of Maryland chemistry professor, Dr. John C. Bauer, helped oversee the technical side of the business. "Both these people kinda took me under their wings and

tried to teach me about the business world," points out Lloyd Bunting. "But I didn't like selling, and for a long time my dad, and even I, thought that I was a lost cause."

Officially, George Bunting was not paying close attention on a regular basis to his son, for in addition to regular contact with Buck and Bauer, Lloyd Bunting reported directly to the board of directors. "But Dad had control over the board, and he knew everything that I was doing. I tried going behind his back, but that never worked very well."

With all the obstacles, Lloyd Bunting finally began learning the business. And he began having serious disagreements with his father. Foremost was his desire to spend even more money on advertising, to expand the firm's products and markets, and to bring in more expertise from other major corporations in the soap and packaged goods fields.

"I knew that Dad wouldn't be here forever, and I also realized that I didn't have the one-dimensional interest in every phase of the business that he had. I didn't want to work as hard as he did either. We had started a family, and I definitely was not going to spend twenty-four hours thinking only of this company and spending hour after hour here."

There was only one sensible alternative, and Lloyd Bunting convinced his father to follow his advice. Lure top people from major competitors who had already received their training and had made their mistakes.

In 1955, Bunting hired Norbert A. Witt away from Lever Brothers. He not only was to lend his expertise to the skin cream lines, which he knew well, but was also to come up with viable ideas for diversification and expansion to build upon the \$7,500,000 Noxzema company.

Norbert Witt, seventy-eight years old, lives in North Palm Beach, Florida, but as the retired vice chairman of the board he makes regular trips to Noxell's Hunt Valley, Maryland, headquarters. Like Lloyd Bunting, he keeps abreast of corporate developments and has what seems like total recall of important corporate history.

"Bear in mind that George Bunting had always continued to run his business like a one-person family business. But as things progressed, he began to see that it was getting too big for him to control everything. Like many founders of companies that became very successful, he didn't want to let go of much, but he realized that he must divide some of the duties. By the time I joined the firm, Lloyd Bunting was already president. Lloyd's father never had much confidence in him, so how would you expect Lloyd to have much confidence in himself? I was brought in to give Lloyd a hand."

When Norbert Witt joined the company, Noxzema accounted for 85 percent of its revenues, but as Witt observes, "It was obvious to most of us that we had better start diversifying, and cosmetics was a logical area. We had expertise in the basic chemistry, and our distribution and marketing techniques were easily transferable to cosmetics. In fact, when we came out with Cover Girl, we played up the medicated quality; not only were cosmetics good for your skin, they also inhibited the growth of bacteria and covered up blemishes."

Witt emphasizes that, from its earliest days, Cover Girl utilized cover girls from leading magazines as its spokeswomen. "In all the so-called women's magazines, *McCall's*, *Good Housekeeping*, and *Ladies' Home Journal*, we used their models in our ads. Charley Revson, the head of Revlon, had a fit, and we eventually stopped doing that."

Norbert Witt was the quintessential professional manager on whom Noxell was to depend so heavily, beginning especially in the mid-1960s. His experience first at Procter & Gamble, the nation's leading developer of managers in the packaged-product industry, and then at Lever Brothers was to prove invaluable at Noxell. Unlike the expert managers who would join him a decade later, Witt did not hold a master's degree from one of the nation's leading business schools; he did not even have a college degree.

Following high school graduation at Muskegon, Michigan, in 1927, the eighteen-year-old Witt joined Procter & Gamble as a

salesman based in Port Huron, Michigan. He worked with some of their best-known products, including Crisco, Lava, and Oxydol. After five years, Witt decided to leave. "I got tired of traveling, and I thought that there would be less of that at Lever Brothers. Also, although P & G has a reputation as a good place to work, in terms of the way they treated their employees, I didn't find it that way."

"Morale was low at P & G, and I think a lot of that was due to the way they treated their employees," he elaborates. "When they decided you were getting too old, they cut you loose. I remember they fired one old guy right before Christmas because he had outlived his usefulness. They could be ruthless." He compares that situation with Noxell. "This was a family-run business, which meant, when I came, a company run by old Doc Bunting. Even though he could be tough and demanding, especially on his son, he in many ways was an easygoing Marylander."

Witt's hope of avoiding traveling at Lever Brothers was partially fulfilled. But, as sales supervisor for Michigan, he did have to travel from his base at Grand Rapids. Later, he supervised a five-state district out of Chicago. He also was transferred to Detroit and returned to Chicago as a divisional manager. Finally, in 1950, Witt was moved to the headquarters in New York, where he remained for five years. "Lever Brothers was a good place to receive training that supplemented what I had learned at Procter & Gamble. They both, of course, were giants in the packaged-goods field, and I couldn't help picking up lots of information and skills working for them."

In 1955, Norbert Witt came to work at Noxell as the vice president for sales. "It was obvious to me that there had to be some changes at the Noxzema Chemical Company, as it was called then. Doc Bunting wasn't taking a lot out of the business himself at the time, and he wasn't fast in giving raises to salesmen, which of course did not help morale."

There was another problem, too—Bunting's treatment of his son. "Basically, Lloyd was a very fine and fair person and

learned things quickly, but Doc Bunting had hovered over him so much, pointing out every mistake, no matter how small, that frankly Lloyd had a bit of an inferiority complex. Bear in mind," continues Witt, "Lloyd had become president of the firm in 1949, when Doc Bunting moved up to chairman. But in reality, Doc still called many of the shots, and Lloyd was a bit frightened of him."

Although Lloyd Bunting's role as president was not limited to figurehead status, it did not carry with it the authority usually associated with the presidency. There was the distinct possibility at the time when Witt was hired that the second generation of a family-run business would slide into the pitfall of perceived incompetency. Lloyd Bunting, at least in part, began believing that he might not be able to follow in his father's footsteps, even though, through accident of birth and his father's determination to keep what he founded and nurtured in the family, he sat in the president's chair. He welcomed the expert assistance that arrived with Norbert Witt.

With Witt's aid, Lloyd Bunting led the Noxzema Chemical Company to additional growth. Other key staff positions were filled. William Hunt was hired from Mennen, where he had received high marks in product development, to direct the marketing operations. The advertising department was bolstered with the addition of William Grathwol from Colgate-Palmolive Company. By 1966, when Noxzema celebrated its fiftieth anniversary, Lloyd Bunting, Norbert Witt, and colleagues had increased sales to \$38,024,842. In looking back, Witt attributes the success, in general, to lessons that were learned early: the value of an all-out effort in public promotion, through advertising, of the company's products, and the willingness, coupled with administrative self-control, to channel large amounts of money into new product areas that were not guaranteed successes.

Difficulties in dealing with his father and living up to his often unrealistic expectations made Lloyd Bunting determined to succeed, not only in terms of sales and profit figures, but also in his father's subjective assessment. While professing not to be a

workaholic, the younger Bunting spent many hours at the firm. Even during the years of World War II when, admittedly, "Someone was pulling strings for me, and I stayed around Baltimore," he put in virtually a full day at the Noxzema factory before fulfilling his military obligation, working in the shipyards, from 3:00 to 8:00 P.M.

By then, Lloyd Bunting was the father of three children. In addition to the current head of the company, George Bunting, there were two daughters. Mary Catherine, a former nun, is now a nurse working at a Baltimore hospital. Dorothy Ellen "Debbie" Duffy, who graduated from Washington, D.C.'s, Trinity College, now lives in suburban Virginia. "I'm not Catholic, but my wife is," Bunting says, "and that's why the kids were raised in that faith. My mother was not pleased when Mary became a nun, but I didn't mind. I've never been too devout in terms of church attendance. I don't believe that George is too religious now either." With unabashed pride, he adds, "If I must say so, my wife and I are quite proud of the way the kids turned out."

One realizes that Lloyd Bunting also is pleased with his accomplishments at Noxzema, where he served as president from 1949 to 1963, when he assumed the duties of chairman of the board. Norbert Witt was elevated to the presidency, knowing that upon his retirement at sixty-five, another Bunting would assume the mantle.

In summing up his years under the aegis of his father, Lloyd Bunting, perhaps mellowed through age and being away from the daily operations of the business, volunteers, "Perhaps I should not have argued or disagreed with Dad; after all, I knew, and so did everyone else, that I had time on my side. On the other hand, maybe I should have done exactly as I wanted all the time without telling him. Sure, he would have found out later and screamed bloody murder. By then, it would have been a *fait accompli*."

The seminal accomplishment of Lloyd Bunting during his reign as president of the Noxzema Chemical Company, which

did not become the Noxell Corporation until 1966, three years after he relinquished the presidency, was the introduction of Cover Girl cosmetics in 1961. "Diversifying into cosmetics was a logical, but not necessarily simple, decision," he explains. "Remember, we were a rather cautious company, and we certainly had no guarantee that we'd do well with another line of product. And I must add, a bit immodestly, that Cover Girl did not become the success that it is by accident. We have worked extremely hard at it. We never take things for granted. Right now, George and the other leaders around here are making sure that things continue to go well. The competition out there is keen, and resting on our laurels could be a real disaster."

Before launching Cover Girl, Noxell decided to continue its emphasis on mass marketing and mass advertising. The customer was expected to be very familiar with Noxzema toiletries before he or she entered the drugstore to buy them. Noxzema did not intend to compete with companies selling products that were in a much higher price range than theirs. Consequently, the firm did not expect customers to depend on the expertise of a point-of-purchase salesperson—whose salary would have to be at least partially provided by a higher selling price—to explain and extol the qualities of Noxzema that were not evident in competitors' products.

In essence, Noxell sold Noxzema in advance, primarily through saturated advertising in magazines, newspapers, and eventually on television. Consequently, the company dispensed with any ideas of marketing specialty products that would not generate high-volume sales in the mass-consuming market. Noxell also has never deviated from its basic principle of offering its entire line of products to the widest possible range of consumer outlets—drugstores, supermarkets, variety stores, and mass-merchandising centers, for example, K-Mart. Through its extensive advertising, Noxell preeducates the customer. But, of course, these efforts would be wasted if one could not readily buy the product at a competitive, moderate price. Noxell remains a leader in offering myriad distribution points and ensur-

ing that stocks are regularly maintained. "Wouldn't it be self-defeating," begins Noxell's senior vice president for marketing, Francis J. Harrison, rhetorically, "to presell our products heavily, offer them in the widest range of stores, and then not have them in stock when the customer asks for them?"

Noxell's sales strategies, which served them so well for so many years with Noxzema, have been continued assiduously with Cover Girl. The watchword remains "Advertise," and while Cover Girl products account for nearly two-thirds of every net sales dollar, its advertising budget commands even more of the lion's share. The company's latest advertising expenditures through fiscal year 1984, 85 percent of which are devoted to national television, rank it toward the end of the 100 largest advertisers in the nation. This is especially impressive for a company whose net sales for 1985 were just above \$382 million. "Of course, you can't compare Noxell's total ad budget with Revlon's total, because Noxell competes with the Natural Wonder portion of Revlon," points out Salomon Brothers' Diana K. Temple. "But when you compare apples with apples, Noxell comes out ahead. Remember, all Cover Girl products are moderately priced and presold. On the other hand, since Revlon's mid-priced products also are often sold at department stores, Revlon must allot a certain percentage of its promotion [advertising] to in-store activities. A salesperson, presumably with some knowledge of cosmetics, is being paid. Consequently, a little less, percentage-wise, is spent on television." With Pantry Pride's takeover of Revlon in November 1985, certain key changes were implemented in the company's operations, but national television advertising was maintained at a significant level.

Let's look closer at the advertising figures. For fiscal year 1984, Noxell spent \$78,045,000, and according to Richard Van Den Bosch, senior vice president of New York's William Esty Company, which handles the Noxzema and Lestoil accounts, only \$2 million was spent on Noxzema instant shave cream. Company officials will not confirm advertising expenditures on specific product lines, but nobody disagrees that Cover Girl is

allotted the overwhelming majority of funds. "We have only one basic commercial a year for the shave cream, and our budget is okay," observes Van Den Bosch. "Of course, one could always use more money, but we have done well with Noxzema. When we first got the account in 1965, it had a 6-percent market share; now that's more than doubled, to 13 percent." Lestoil, with an even more modest budget, is a recent account for the Esty firm, which also oversees a new Noxell acquisition, Wick Fowler 2-Alarm Chili, a Texas firm with strong regional appeal.

Absolute advertising dollars don't tell the entire story. Bear in mind that Noxell has always relied heavily on television advertising. In 1980, the company spent \$49,094,000 to advertise nationally, but only four years later the outlay skyrocketed nearly 60 percent to the \$78 million figure. Figures for fiscal years 1981 through 1983 were: \$53,042,000; \$58,408,000; and \$71,490,000. Cover Girl receives at least 95 percent of these funds, with 97 percent of American women seeing at least one Cover Girl message an average of once a week.

Before scrutinizing the Cover Girl strategy, we shall describe Noxell's and William Esty's advertising methods for Noxzema, which saw sales climb significantly in 1985 over the previous year.

"I've worked with the Noxzema account for fifteen years, and one very welcome aspect of it is that Noxell doesn't interfere with us. Don't get me wrong, their chief marketing people down in Baltimore contribute their views, but in the final analysis, they leave the commercials to us. It's nice to know they respect our expertise." Van Den Bosch also points out that a thirty-second, prime-time television ad costs \$100,000 and that Noxell is very efficient in its media buying. "In no way are they cheap about it, but they weigh things carefully and are selective. During the pro football season, they'll do a spot during a Redskin game, for example, but it will not be repeated like a beer ad."

Richard Van Den Bosch admits that persuading men to buy Noxzema is not easy. "We know that half the men don't care

which brand of shaving cream they use. They don't even pay attention to what they're using. In addition, resale takes place only every two or three months. It's not being sexist, just realistic, to say that Cover Girl, which we don't do, has a much better appeal in terms of brand and frequency of resale. Of course, there's a lot of competition out there for them."

Noxell and the William Esty agency do not attempt to alter these men's habits through advertising, however. Historically, the spots have been somewhat avant-garde, if not suggestive, but Noxell executives acceded to the agency's wishes and allowed them to run.

Beginning in 1965, Noxzema, utilizing Gisella Knudsen, a Swedish beauty queen, admonished men to "take it off, take it all off" with Noxzema. Also, to the classic David Rose striptease music, for which Noxell purchased the rights, the tag line was, "The closer you shave, the more you need Noxzema." Surprisingly, according to Van Den Bosch, "Gisella didn't attract particularly large audiences or sales. Yes, it was a bit suggestive, but we obviously didn't think that it was inappropriate for the audience, or the times. Well, maybe slightly ahead of its time."

In the early 1970s Esty and Noxell turned to an American sports hero, Joe Namath. As the New York Jets quarterback was using Noxzema shave cream, a voice directed the viewer to "Watch Joe Namath get creamed. Let Noxzema cream your face so the razor don't." Correct grammar aside, the ad was used successfully for more than three years. Namath, long identified as a man about town with charm and a boyish, mischievous grin, was a likable foil, and the advertising agency had no doubt that the ad was in good taste. "We hardly ever got a letter of complaint, and Noxell didn't either."

Toward the end of the decade, Noxzema decided to use attractive actress-models again. They turned to Farrah Fawcett, who was already well known to American television viewers. And they did not play down her sex appeal. In one frequently used ad, Fawcett notices a man who emerges from behind a tree. She announces that he is manly, and she adds that he has not seen a

woman in nine years. The wild forest scent of course enhances his manliness and his appeal to the seductive nymphet.

Noxzema's ads moved with the mores of the times. From 1981 to 1983 situations using physically attractive male and female models gave no hint whether the couple was married. For example, one spot, featuring shaving cream, has the man receiving a good-morning kiss from a well-known actress on daytime television. "We purposely left it ambiguous, and, of course, neither the woman nor the man wore a wedding band. They were young, perhaps what would be considered yuppies today," explains Van Den Bosch.

Today, Noxzema prefers not using suggestive advertisements. "Everything is so open and explicit on movies and on television today that we'd get laughed at if we were merely suggestive. Teenagers today begin being exposed to directness earlier than ever, and they feel that they are very savvy and sophisticated. If we showed the old ads, we'd insult them. Our ads do what the customers want—get them results without embarrassing them."

Elaborating on his agency's strategy, Van Den Bosch points out that "We must go beyond calling for someone to buy our products primarily because he'll get a close shave. Our 'morning kiss' ad emphasizes tenderness and sharing. And we know that people consider this sharing to involve tactile senses. Someone who loves you wants to, and does, touch you." In its ad for shaving cream for women's use on their legs, Noxell shows a woman emerging from a shower. She and her partner chat about her close shave. Then, after an obvious hint at making love, the woman replies that they must go to work. The man concludes that he hates Mondays.

Van Den Bosch, not unlike his counterparts in other major advertising agencies, feels that his profession is at the cutting edge of communication skills. "People are sophisticated today, and they don't want to be hit over the head. They're more skeptical now than they used to be, so we don't expect them to accept sports' stars so readily. Hero worship is out."

Anticipating a reporter's question, Van Den Bosch points out

that his advertisements' primary targets are middle-aged men. "Remember, 50 percent of all male users don't really care about brand. That's especially true of men in their twenties, who don't see our television ads much anyway. Surveys show that they don't watch much sports on television; they prefer participating. So we try to build brand loyalty in the thirty-to-forties age group. Bear in mind that we have strong competition. Gillette, of course, is a giant. Johnson Wax, which makes the gel edge, is tough, and Barbasol [made by a Pfizer division] practically gives the stuff away price-wise. But we're evidently doing something right. All our recent surveys showing motivation in these age brackets tell us that more consumers are willing to buy our product than ever before."

While toiletries (Noxzema and RainTree) accounted for 19 percent, or \$72,604,000, of Noxell's net sales for 1985, its household cleanser line (Lestoil) sold \$15,288,050, or 4 percent of the total. A look at Noxell's acquisition of Lestoil in 1969, the product's wide recognition, history, and performance vicissitudes, tells a great deal about Noxell's corporate strategy.

When Noxell bought the rights to Lestoil, the well-known household cleaner, on the surface it did not look like a wise business decision. During the preceding decade, due primarily to unwise marketing methods, Lestoil steadily lost market share. Many grocers who had carried it for years did not rush to replenish their shelves when Lestoil finally sold out. George Bunting, the third generational family member to head the firm, defends the move. "I didn't head the company then, but it really was a logical acquisition. It was an extremely well known product to the American consumer, and our expertise was marketing such a product, Noxzema. It wasn't the quality that fell down, only the way it was marketed to the consumer. And nobody was better at that than we were."

Lestoil was the result of the entrepreneurial spirits of Jacob Barowsky, a Holyoke, Massachusetts, dry cleaner, and a friend of his who taught chemistry. Barowsky decided that it was absurd to run his clothes through the cleaning system twice, once

for water-soluble dirt and again for oily stains. Lestoil solved that problem. The product caught on modestly, and in 1954 a television time salesman suggested spending \$1,000 promoting the new product as a household cleaner.

"It's so easy when you use Lestoil" became widely recognized. Expansion throughout the Northeast, Florida, and mid-western cities ensued. By 1959, as his cleaning product's sales jumped to \$25 million, the sixty-eight-year-old founder decided to retire. He sold out to a medium-sized household cleaning company, which decided that it was not necessary to bolster sales with extensive advertising. As larger companies began pushing liquid household cleaners, not unexpectedly, sales became stagnant and began declining rapidly.

There remained a sizable number of customers, however, who insisted on using Lestoil. Why was Lestoil so special? Being oil-based, it was unique and was noticeably effective in cutting grease. Even today, it has appreciably more active grease-cutting ingredients than competing products. But in 1969, how was Noxell going to persuade new customers to try Lestoil? Noxell was convinced that, like Noxzema Skin Cream, Lestoil excelled in performance and people would recognize that quality. Its twofold advantages were stressed. It was the best general-purpose cleaner on the market, as well as the best at ridding the auto mechanic's pants and shirts of embedded grease stains.

Lestoil rebounded well and has continued its good sales performance. Noxell has begun to market it extensively in the nation's Sun Belt, in addition to the East and Middle West. "We haven't been dissatisfied with Lestoil's performance," Noxell's second in command executive vice president and chief operating officer for domestic products, Marvin L. Hathaway, observes. "It compares successfully and is a good profit contributor to our company. It does quite well internationally, too. Actually, it looks better to us internally than it does to the outside world." He describes the firm's frustration in its attempts to develop other household cleaning products. "We're constantly trying to come up with products to go along with Noxell. But it's hard to

come up with really new products and then convince the consumer that she needs something new when there are already so many good products out there. We're concentrating our research on specialty items."

New specialty products must fill a marketing niche that competitors have either not noticed or have deemed to be not worth much effort. For example Noxell discovered that dog owners did not want to discuss odors caused by their own pets' accidents on living room rugs. But they readily mentioned, and complained, about unpleasant smells in friends' houses. They could buy effective room deodorizers or rug shampoos, but not both in a single aerosol can. Lestoil Deodorizing Rug Shampoo, accompanied by the usual well-directed Noxell advertising, caught on quickly, causing other companies to join the bandwagon.

Noxell has also added lines that have nothing to do with cleaning a floor, moisturizing a face, or applying cosmetics. In April 1983, it completed its acquisition of the Austin, Texas, Caliente Chili Company, makers of Wick Fowler's regionally popular 2-Alarm Chili ingredients, which constitute a special dry mix of seasonings. While comprising only 1 percent, or \$3,820,000, of net sales in 1985, the chili purchase promises to be a hot acquisition. "That acquisition was more synergistic for us than a departure into a high-priced cosmetic line," emphasizes George Bunting. "It fits neatly into our channels of distribution—mass-marketed packaging, which of course we'll do in food stores. In comparison, if we bought a high-priced cosmetic firm, we'd have to deviate significantly from what we have always done so well. And selling the cosmetics in fancy stores would require a sales force, which would also drive us way up the pricing scale; 2-Alarm Chili sells for a dollar and twenty-nine cents a package, which is more expensive than other inferior brands, but we're still talking about an inexpensive item—that is widely distributed."

Richard Van Den Bosch describes the strategy. "We are trying hard to expand the line to overcome the regionalism and seasonality of the product. Texans have always considered themselves gourmets when it comes to chili, and Wick Fowler's has

always been very popular there. The founder's son is doing our advertising spots. But we'd like to change some eating habits of non-Texans. It would be nice to convince New Englanders that eating canned chili just doesn't measure up."

Van Den Bosch then addresses the seasonal issue. "Packaged chili is an October to April product in most parts of the country. That is, a food store will let you stock its shelves with the product in October, but if it doesn't sell well or out by April, you may not get a chance to try again the following fall. So we've got some real selling to do ourselves trying to convince the retailer and the customer that, like in Texas, chili can be eaten all year. So far, it looks like our message is penetrating quite well."

The departure into chili has shown the Noxell management that the company can diversify quite satisfactorily. Marvin L. Hathaway stresses that specialty foods represent only one of four areas Noxell is considering. "We also have looked seriously at environmental surface cleaners, grooming products, and over-the-counter, or proprietary, drugs."

In 1983, Noxell created a separate department devoted entirely to developing new business opportunities. Picked to head the new endeavor was Robert G. Duke, who had been with the company for nearly twenty years. The fifty-one-year-old graduate of Baltimore's Loyola College and the University of Pennsylvania's Wharton School describes his duties. "We've been pleased with the chili business and will put our expertise in advertising and mass-marketing to work elsewhere." He agrees that the four areas already mentioned by Hathaway are high on his list but does not preclude entering other fields. "I'd be foolish if I didn't look into many avenues with an open mind. You can be sure of one thing. We have a great deal of self-confidence and know exactly what we do well. But we are very careful. We are going to look at something for a long time, and very, very closely before we decide to jump in and spend lots of money."

As we've said, Cover Girl accounts for over 60 percent of

Noxell's sales. The monumental success of that product line is linked inextricably to the marketing techniques of the professional managers who were brought to Noxell beginning in the mid-1960s.

Since the beginning, January 1961, Noxell has utilized the beautiful faces of its models to sell Cover Girl. The fresh, wholesome, and nonthreatening appearance of these lovely women has worn so well that Noxell continues one of the longest-running advertising campaigns in the country.

When Cover Girl was introduced, the beautiful women were viewed by prospective customers as enthusiastic new users of lotions and powders sold at moderate prices. They still are. Noxell made sure that its products were shown as enhancers of every woman's beauty. Obviously, identification and projection were what the makers had in mind. As the saying goes, their efforts worked beyond their fondest dreams. By the end of that first year, sales were 74 percent above company predictions.

Sales climbed steadily year after year. In 1964, Noxell introduced Cover Girl lipsticks. Cover Girl's line jumped to forty-one items by 1970, and the following year a woman could select from six varieties of Cover Girl Eyes. SuperSheer Make-Up was also available. Soon afterward, MoistureWear Make-Up and Cover Girl NailSlicks were on the market. RainTree, a successful skin moisturizer, also made its debut nationally in 1976, following a two-year regional trial.

Today, a woman or teenage girl can select from literally hundreds of Cover Girl products in a seemingly limitless variety of colors and shades. To bring out the natural beauty of her eyes, she has options of various forms of mascara, eye shadow, and eyebrow and liner pencils. There are twenty-five shades of lipstick from Really Red to Passion Pink. Luminesse lipsticks come in a range of more than fifteen shades. Passion here is primrose, with radiance coming in roseberry. The beauty-bent woman can also choose from ten colors of lipblush. Nails, too, come in virtually any color to suit any taste, from Raspberry Sherbert to Beige Pecan and Chocolate Soda.

"Yes, we offer many, many selections for the consumer," says Noxell's senior vice president for marketing, Francis J. Harrison, "but we have to. Remember, there are millions of women out there with many different favorites in terms of colors. Other companies like Revlon offer more than we do. Revlon franchises in department stores. Our franchise is the American and foreign consumer. We stay close to her and try to find out exactly what she wants. If we don't, she won't be pleased and obviously will go elsewhere."

The fifty-four-year-old Jamestown, New York, native, who received his degree from Johns Hopkins University following a stint at the University of Alabama, defines his target consumers as between the ages of twelve and forty-five. "Sixty-eight percent of the women in our targeted area work. They're busy and have lots of demands on their time. That means we better have reached them before they go into that store to buy cosmetics. They have to be inclined to seek out our products at our displays beforehand. We've already sold the product or we've probably lost her. I have to give her specific reasons like quality and price in advance. Yes, we've made mistakes, and I think we've learned from them. The rest of the management team has been here twenty-plus years, just like I have. We work hard and know each other and the business well. That's why our products have done so well."

Harrison, whose reddish complexion and easy smile make him look younger than he is, speaks cautiously, carefully guarding information that could aid a competitor. "I can't emphasize too much that our hardest task is to get women to buy our products in the first place. And our worst sin is losing her once we've gotten her to buy. Nothing is automatic. She's very intelligent, knows what she wants, and there are plenty of other guys out there willing to sell cosmetics to her. We know that, if we maintain our quality and listen to the consumer, we won't lose her. We fully realize that our customers may also buy other firms' products, too, even higher priced ones like Estée Lauder,

but we want her to keep coming back to buy more and more of ours."

Harrison, who toiled for two New York advertising agencies and did market research for Nestle's before joining Noxell's market research department in 1964, assesses his firm's tremendous success with its Cover Girl lines. "We have very aggressive people who pay constant attention to getting and keeping customers. We do many specific surveys and do them often so that we have little or no chance of not being plugged in to what prospective customers want. And a lot of that is possible because of the atmosphere around here and the attitudes of George Bunting and those of his father before him."

Harrison, like his colleagues in Noxell's top management positions, has a lot of freedom to try new ideas that may lead to new products. They often brainstorm about newer and better systems for getting their sales messages across to the customer. "George Bunting knows this business very well but he would never make unilateral decisions. He brought good people in here, and he relies on our ideas and opinions. He always asks us what should be done. That's not only very important for allowing us to know that we can really use our expertise, but it is also great for the ego and team morale."

The marketing vice president gives much credit to the prescience of Lloyd Bunting, who recognized the need initially to bring management experts aboard. "He recognized in the mid-Sixties that this was no longer a relatively small, but successful, one-product family-run business. Things were growing, and if they were to continue expanding at a good pace, he would need expert help."

Although the Bunting family still controls 83 percent of the voting stock, which is traded over the counter, as Harrison points out, "George is the only family member here now and who knows what his children will do. There really isn't any nepotism here. It's run like any other public company that isn't run by a descendant of the founder. Performance is what counts. George readily

takes input from all of us, and there's no atmosphere at all like a boss-owner company where he is all-knowing."

Harrison defines the management style as a reflection of the chief officers' personalities. "You'll never hear anyone yell and scream around here. George and the rest of us wouldn't stand for it. That just isn't part of our style, not part of any of our personalities. Of course we have disagreements, but they're worked out in a careful, gentlemanly way. Nothing is ever confrontational around here."

All key officers are situated in lines of offices running along two opposite walls. In addition to the telephone, anyone can contact another key player in five minutes by a short walk. Reaction time is virtually immediate. "I don't believe in management by memo," proudly announces George Bunting. "Why do I have to? I can talk with anyone I want immediately. When a memo is sent, I don't even keep a copy of it. That may sound silly, but I know my people well and what area they cover. If I have a question, I'll just call them or go see them. They'll remember everything, so why should I have to ask my secretary to dig out a memo, which might be out of date anyway?" The family aspect of the business is discussed further by Francis Harrison. "You know, there's a low profile here. Even in Baltimore many people have no idea that it's still a family business. I know this sounds corny, but we see ourselves like a big, happy family that handles its affairs very well."

A young woman who sometimes acts as receptionist in the lobby of the expansive, modern Noxell headquarters in suburban Baltimore's lush Hunt Valley tells another story. "This place is really something. My sister was here not too long ago around five, and this elderly looking man comes up and starts talking to her. He was waiting around for someone to leave with him, and she was relieving me for a couple of minutes. He couldn't have been nicer, she said. How long had she been here? Where had she gone to school? Things like that. When I came back, we all three started to chat. After a few minutes, he left. I turned to my sister and said, 'Do you have any idea who

that was?' She said, 'No.' It was Mr. [Lloyd] Bunting. She couldn't believe it. He was as nice as anybody's grandfather. That's what I like about this place. Everyone's nice to everyone else, no matter what job you do."

Robert G. Duke, senior vice president for corporate development, who has since left the company, also characterizes the management style and atmosphere as calm, with decisions made following agreement by the principal executives housed at the Hunt Valley headquarters. "We don't yell and scream around here," he says, echoing Francis Harrington. "Of course, that's a reflection in large part of George Bunting's personality. He's low-key and self-effacing and about as egalitarian as anyone worth probably \$40 million could be. We have no private executive dining room, and George stands in the cafeteria line like everyone else. Sure, I hear that his grandfather was very demanding and difficult, but I guess the founder of a business has to be a bit of a bad guy." Following an extended pause, the affable, straight-talking executive said, "If I had to succinctly tell you what this company is like, I'd say that it is gentlemanly and people treat one another with a great deal of respect."

Duke gained invaluable experience in studying the distribution of packaged goods at Benton and Bowles, one of the nation's premier advertising agencies. For three years, he was an account executive for Procter & Gamble, concentrating on their liquid Prell shampoo. Another three years was spent on Chesebrough-Ponds Vaseline products. "I guess I was one of what you'd call a professional management type that was brought in here in 1965. I was the second product manager Cover Girl ever had. We all paid a lot of attention to mass merchandising and plenty of effective advertising."

Duke reflects about the reasons for Cover Girl's successes. "We have been good at predicting trends. I'd say we're smart people but not brilliant. We're very, very steady and don't panic easily. If a certain market gets soft for a while, we don't rush out and cut the ad budget. We always keep in mind that this is a publicly run business, and the public, who of course are our

customers, can have temporary changes in tastes. We always have risen to the occasion and intend to keep doing so. You know, I think we're nice people, and it's nice to have good things happen to us. Keep in mind that around here reaction time can be very, very quick. We're all here, and there's no big bureaucracy to cut through. But a number of people are involved in every key decision. We are not committed to a tiered method for making decisions."

Marvin L. Hathaway was another of the experienced managers who joined Bunting's team in 1965. "It's a matter of people around here who have been responsible for our company's continuous growth over twenty years. Without being immodest, I feel that, beginning with choices made by Lloyd Bunting, we've put together a good group of key people. They've all been here around twenty years, and you can't substitute for this continuity of management. We know each other very well. Know how our colleagues will react to certain situations. And we're all right here, with the exception of the international operation in New York. That's only a phone call or an hour's plane ride away." Hathaway's office is no more than ten yards up the hall from George Bunting's, and "We get lots of exercise popping up and talking with each other."

The sixty-year-old Akron, Ohio, native, who received a degree in economics from Michigan State University in 1950, followed by work at Harvard's School of Advanced Management thirty years later, also is an alumnus of Procter & Gamble, in addition to Helene Curtis. "As you can see, I had a lot of experience with selling packaged goods at a reasonable price to the consumer. I've learned three main points, which I've never forgotten. First, know what the customer wants and make quality products to satisfy his needs. Second, let him know over and over that you've got that product for him. That means advertising—good, effective advertising. We do that. We've got one of the highest ad-to-sales ratios in the nation. Third, know your appropriate channels of distribution, and get your product to the consumer."

In essence, the tall, stately looking executive who plays tennis regularly adds a fourth key element. "Be flexible. Not only should your key people be that way in order to react fast, but also don't be so wedded to certain ways of doing things or to certain products that you can't change things if something goes sour." He elaborates. "Even Cover Girl products could become mature in terms of demand and sales someday. If they did, we'd look carefully into what steps to take. We've already been looking into other areas to add to and complement our product lines. Environmental surface cleansers, specialty foods, grooming products, and over-the-counter health products are possible candidates."

While Noxell's flexibility does allow fast reaction time, the firm combines this ability, when needed, with caution before making major decisions, especially ones pertaining to departures into new products. Marvin Hathaway explains. "We can assemble all our important people with five minutes' notice because we're all here. But remember, that doesn't involve too many people. We believe in a lean top-management staff, and we have only five division heads. But most decisions involve a long time to investigate, and we don't pour in a lot of money. Let's take Wick Fowler chili as an example. We spent five years deciding on what to do with it. We did lots of research, investigating. We had to get on the learning curve, and you don't want to bet the farm learning."

Hathaway agrees with George Bunting that branching out into a specialized food with regional appeal was not a bold departure for this Baltimore-area firm. "Our channels of distribution are the same, so we already had the expertise in getting our message and product to large numbers of customers. We started with a small base, but the chili subsidiary registered a 34-percent increase in sales for 1984 over the year before. Yes, we're happy with that, and we expect it to continue improving at a very solid rate."

As Marvin Hathaway points out, his firm "never acts for only the short term and we never act on whim!" Has Noxell been un-

able to acquire a firm that, after careful scrutiny, it decided to pursue? "Yes, indeed. A couple of years ago we bought 13 percent of Neutrogena's stock with the idea that we'd acquire more later. It makes skin creams too and was a logical acquisition for us. However, after a period of time, we sold back our 13 percent and got out of the running. I wouldn't call that a flagrantly missed opportunity, but I wish that it wouldn't have happened to us." Independent observers believe that Neutrogena was offered a much higher price for their stock than what Noxell was willing or able to offer and took it. Hathaway does not disagree with this assessment.

The Noxell vice president reflects about his firm's decision-making process and candidly observes, "No matter how devoted you are here or with another major corporation, over the course of the year, you probably make no more than half a dozen decisions that have a great effect on the company. But you feel a great deal of satisfaction not only about those but about the many seemingly smaller ones that allow the company to run and grow on a daily, monthly, and yearly basis. All in all, there's pressure, responsibility, and a lot of people's paychecks dependent on a few major people's decisions. And it's nice to be part of the group making them."

Although the bulk of Noxell's sales dollars are accounted for by Cover Girl products, which are solely for female customers, Noxell's hierarchy is not top-heavy with women. Of course, the firm's chief officers maintain that discrimination has never had anything to do with the absence of women in top decision-making positions. Some do admit that perhaps they did not attempt assiduously enough to recruit top-notch women as far back as twenty years ago, but they do so now. Women at the company concur. Marie G. Bowers, marketing director for cosmetics, the third-ranking person in the firm's marketing division, is not only justifiably proud of her career but is sanguine about women's roles there. "They promoted me to this position, I believe, because of ability. They didn't do it because I was a woman, just as they would not deny it to me for the same reason. Be-

sides me, there are three women in the marketing department, all product managers. Those are definitely very important spots, and there is no doubt that we women are getting there." Two women sit on their board of directors.

Bowers, forty-two, joined Noxell eleven years ago. The New York City native joined a well-known advertising agency as a secretary following high school graduation. She later moved to an equally prestigious agency. Both agencies told her that she could never break into the higher levels of their businesses. She attended Brooklyn College at night but never received a degree. She spent two years at a Los Angeles-based subsidiary of General Foods and then joined Noxell. "The people have always been great here. That's one of the major reasons the company keeps doing so well. It's definitely a people-oriented place. People are efficient, and we all know that if we keep the employees happy that will be reflected in their work. That, of course, will be passed on to the products. When people perform well here, they are rewarded." A nonunion company, employees at various levels within the firm succinctly explained why unions were unnecessary. Benefits were at least as good as any union firm, and they did not want to be bothered with shop stewards and other union officials.

Marie Bowers points to the fact that Noxell has families working there for three generations, and she plans to stick around for a long time. She's very proud of Cover Girl. "The name, the image stands for something good. It's clean, brisk, and wholesome. As you know, that's conveyed not by accident. I go to New York weekly to keep in touch with the ad agency. We're very careful about choosing the right models and using them for the most appropriate products, age-wise. Women think of our models as women they'd like to have as friends."

The cosmetics' marketing director feels that, "It's very important to have a woman's input at my level. We're familiar with the products. We're the users and instinctively have a feel for them." But intuitive and visceral reactions to Cover Girl are complemented by hard work and scientific surveys. "We're al-

ways ahead of the game spotting and even contributing to new trends. You must always be a part of that." Surrounded by sample bottles of new products and shades being tested, Bowers re-emphasizes that staying ahead of the trends is crucial. "You never want something to become less popular, with sales dropping, and then be forced to react to the market situation."

After living in New York and Los Angeles, Bowers was apprehensive about joining Noxell, not because of the company but because it was in Baltimore. She now maintains that she likes living there and loves being associated with the company. "My husband and I and our four-year-old son are well situated here. But, you know, I also think of my products as my children."

If proximity of top management plays an integral role in Noxell's success in suburban Baltimore, how does it affect the one key player who's located in New York, 200 miles north? Sears W. Ingraham oversees the company's international operations as executive vice president. He presides from a modest suite on the forty-fourth floor of the Pan Am Building. The debonair, fifty-nine-year-old Rhode Island native with a degree in English from Brown University shares the space with a professional assistant and secretary. He has been known to climb a ladder to change a light bulb. That's the Noxell spirit. In 1984, his total cash compensation was \$193,000.

When Ingraham joined Noxell in 1962 to introduce an international division, there was not enough space for him in Baltimore. The New Englander who had served Colgate-Palmolive as export manager did not quarrel when he was assigned to New York. "This is the heart of the international trading world as far as this country is concerned, and it was logical for me to stay here. I already knew the ropes, too."

International business now accounts for 14 percent of Noxell's business, but when Ingraham set up house the situation did not appear auspicious. "I was given free rein, but it took me a good two and a half years just to get things in order. Noxzema has never really done well abroad. Nothing is better as a cleanser, but I couldn't sell it in Europe. There's something about the

odor that Europeans don't like." Toward the end of the 1960s Ingraham decided to emphasize Cover Girl abroad. "Our success has been terrific. I know a lot about corporations, and I can't find another United States company with sales under \$500 million annually that made a success in Europe." Except in West Germany and the United Kingdom, Noxell has found that it can profitably use local models to push Cover Girl. In addition to its European operations, Noxell sells its products in South America, Mexico, and South Africa. Its Canadian subsidiary is especially strong, and its operations extend to Thailand, Barbados, the Dominican Republic, Panama, and Puerto Rico also have facilities.

"I sure feel vindicated," Ingraham observes. "After the first year, I wasn't sure we'd make it. We were pissing up a rope. But the people in Baltimore had confidence in me. They've always hired people to whom they can delegate responsibility. The company has well-trained executives who don't feel pressure from above. In my case, no one said unless you opened up Bolivia by a certain date, you'd be fired. Of course, any idiot who would say something like that would get someone who would open up on time even if they weren't ready."

Looking out his office window at the panoramic view of the city, Sears Ingraham is pleased. "As a company, we've come a long way internationally, and I'm proud of everyone involved. Two guys in Canada served as my right arm there. Confidence and the ability to delegate responsibility to capable people have paid off. I like to think that things would have been no different if I had started in Baltimore. We're all part of a first-class outfit."

George Bunting and other top executives at Noxell will not discuss market share, but Bunting admits that in overall sales of kindred products, his firm ranks second to Maybelline, which sells its cosmetics at lower prices than Noxell and other manufacturers. In terms of unit sales, Noxzema Skin Cream is the largest seller, but Oil of Olay tops Noxzema in terms of total revenue. Gillette's shaving creams, Johnson Wax's gel product,

edge, and Barbasol, the lowest priced product, rank ahead of Noxzema's shaving creams in dollar sales.

Leslie G. Schek, Noxell's senior vice president for administration and finance, attributes Noxell's continued success to two main factors: "First, no one in this business could know everything there is about it, and we've put together top-quality people with a lot of different skills. Internal rivalry and jealousy don't seem to exist. Consequently, the end result is success. Second, we never lose sight of the fact that the customer is our business and the retailer is the channel of distribution. We must satisfy both of them, and we do."

Industry analysts agree. According to Jack L. Salzman, first vice president of Smith Barney, Harris Upham & Company, "Noxell's philosophy has always been, let's sell our retailer as well as the customer. They were more innovative earlier than any of their competitors. They also seem to have better control of their channels of distribution than the others. I can't overemphasize how well they service their accounts. Our fragrance and cosmetic buyer survey of chain and independent drugstores released in March 1985 showed that Noxell was only one of two mass merchandisers who ranked exceptionally high."

Jack Salzman pauses, spends a moment reflecting, and adds, "You know, Noxell has always maintained strong financial control. They like to be the low-cost producer and always have—even at a time when others were pretty confident and were willing to produce at higher costs. Put it this way. Overall, Noxell knows what they're doing. They're shoemakers who stick to their laces."

Diana K. Temple of Salomon Brothers also gives high marks to Noxell's distribution system. "Cover Girl's distribution to more than 120,000 outlets, including 110,000 food stores and 7,000 mass merchandisers such as K-Mart and Target, is the most extensive in the industry. This should help Cover Girl to reach working women, who have limited time to shop and increasingly prefer the self-selection of cosmetics from mass merchandisers to department store shopping. Even such prestige

brands as Ultima and Estée Lauder are being forced to expand their distribution from the core of 2,000 department stores to selected drugstores—even discount drugstores—to reach the customer."

Emma W. Hill, who follows the cosmetics industry for Wertheim & Company, sees Noxell as having strong earnings growth, which she attributes primarily to Cover Girl. "Look at them in 1985. Cover Girl accounted for 61 percent of sales, and I predict that it will continue doing at least as well. Unlike many of its major competitors, Noxell is not a small part of a conglomerate. Noxell is Cover Girl, and the firm pays close attention to the line. They're not saddled with lots of people at the top with red tape. Making key decisions doesn't take forever. They are capable of acting very quickly and do when it's necessary."

George Bunting concedes that his management style is informal, and as he puts it, "Experts cringe for my being so informal and seemingly laid back. Maybe I am. At meetings I'm usually just an onlooker. And I've been in Europe on vacation for two weeks and haven't even had to call the office. Sure, it's easier for me than it was for my grandfather, who put his whole life into the business. He had to be the real entrepreneur. But Dad and I have carried on pretty well."

Bunting, forty-six years old, expects to be at Noxell for another twenty years. His three children—Jeffrey, nineteen, Mark, seventeen, and Christopher, fifteen—are too young to make career decisions. Their dad doesn't encourage them to work for him in the summer, reserving those positions for employees' children and needy inner-city kids.

But nobody bets against George Avery Bunting's great-grandsons someday carrying on the family tradition. The expectation is understood.

6. Strategies for Success

Eighty percent, or 6.4 million, of the nation's 8 million businesses, are family-run. Seventy percent of them do not survive to the second generation. This staggering mortality rate further emphasizes how remarkably well the five principal companies profiled here have performed. It is clear that H & R Block, which is still run by its founder, has begun making the smooth transition into the second generation, while at Johnson Wax, the fifth generation of the founding family has made its way successfully into the company.

These are not the only major American corporations to have operated peacefully and profitably through succeeding generations. Dunkin' Donuts, Florence Eiseman's children's clothes, Stop and Shop, Tootsie Roll Industries, and Wang Laboratories are also primary examples.

Others, like London Fog, continued to operate under the leadership of the family even after being bought by a conglomerate. In 1976, Londontown Corporation, which is still located in Eldersburg, Maryland, was sold to Interco, a diversified St. Louis-based company. Israel Myers, founder and chairman-emeritus of the firm that has become synonymous with raincoats, continues to visit his office regularly. And Interco officials consult the eighty-year-old industry pioneer about new ideas.

Myers's son, Jonathan, who at twenty-nine years old became the youngest person in the nation to head a New York Stock Exchange company, ran the firm with autonomy through 1981, five

years after it was sold to Interco. He left the firm where his father had been since 1923 to pursue other interests.

Relinquishing family ownership sometimes does not remain satisfactory for members of the family. In 1928, butcher Isadore Pinckowitz, a Rumanian immigrant, bought a small New York shop in bankruptcy. For forty years, as sales rose into the millions, Hebrew National Kosher Foods remained in the family.

In 1968, the company, which was then led by the immigrant butcher's son, Leonard Pines, was sold to a Houston-based food firm. Leonard Pines remained in the business. Eight years later, Colgate-Palmolive acquired the parent firm, Riviana Foods. In 1980, Pines and his son Isadore (Skip) Pines bought back the company. Today, Skip Pines runs the privately held family business, which has \$120 million in annual sales. He owns 75 percent of it, and his father owns the rest.

A feeling of paternalism dominates the best-run and most successful family corporations. For example, Wal-Mart Stores, a chain of discount stores based in Bentonville, Arkansas, had its beginnings as a five-and-ten-cent store in 1945. By 1962, the owner, Sam Walton, presided over fifteen stores. Today there are 800 stores in twenty-two states throughout the South, Southwest, and Middle West. Sales have skyrocketed to more than \$8 billion, and in 1985, Walton was named the richest American by *Forbes* magazine. Walton's son, Robson, sits on the board of directors and visits company headquarters regularly, but it is the sixty-eight-year-old Sam Walton who spends four days a week flying from store to store, overseeing his empire and making sure that his employees continue to offer the one-on-one customer service for which his company has been known.

Longtime Wal-Mart employees, especially those who purchased stock in the early years, have done very well financially. In Bentonville, an estimated thirty-five families are millionaires. But income from equity is not the primary reason for the loyalty of Wal-Mart employees, or those in other family-operated businesses. They realize that companies operated by the families who founded them have a stake in perpetuating the image, as

well as the profitability, of the firms. Sam Walton, as he visits his stores, calls employees by their first names, asks them what items are doing well and what company practices should be changed or improved. He waits in line with customers asking them what they think of the service. They have no idea that they are talking with the store's founding father, who is worth at least \$3 billion.

Half a century ago, Ellen Gordon's father gained control of Tootsie Roll Industries, which is now ninety years old. Today, Ellen Gordon is president of the family-run operation, and her husband Melvin serves as chairman and chief executive officer. Each week, they commute from their Boston home to company headquarters in Chicago. They oversee virtually every detail of the operation and maintain a loyal following of employees who know that the Gordons have long resisted attractive offers to be taken over. Perhaps the impetus of a new influx of cash provided by a larger corporate entity would send already successful sales and profits to even higher levels, but Tootsie Roll employees prefer that the Gordons continue owning more than 47 percent of the publicly traded company.

Newer family-owned and -run businesses also realize a strong sense of loyalty from their employees. For example, former Marine Tom Monaghan borrowed \$500 twenty-five years ago to open a pizza shop in Ypsilanti, Michigan. Today, the chain of Domino Pizza stores has made its founder a multimillionaire who also owns the Detroit Tigers.

A cadre of company employees called Dominoids regularly sing company songs and serve as "running ambassadors." The company's national sales director believes, "Every Dominoid feels that he or she will work their whole career at Domino's. Actually, they don't feel that what they're doing is work. They're getting paid for having fun." This intangible feeling of loyalty to a company pays many dividends, not only to the employee but perhaps most important to management and the ultimate consumer. As Bill Marriott observed, "Happy employees make good employees. And good employees give good service."

Most of all, employees of these and other family-owned companies know that management cares. And given today's thrust toward corporate takeovers, friendly and otherwise, this sense of family pride, family caring, is foremost in employees' minds. Such characteristics as paternalism are no longer common to most American companies, especially those impersonal ones that are only small cogs in multidimensional, nonfamily conglomerates. As Harvard University industrial psychologist and management consultant Harry Levinson observes, "The womb-to-tomb concept is dead. People used to be able to count on the organization and its stability. But the myth that institutions will take care of us has been shattered." Noel Tichy, a professor at the graduate business school of the University of Michigan, concludes, "Companies are now saying to their employees, 'We'll take care of you as long as we're winning.' That's a tremendous shift from the old paternalistic system."

It is no accident that the top executives of the five major corporations whose stories have been told here strongly emphasized the feeling of closeness, the sense of family, that permeates their companies. Employees repeatedly stressed that their added sense of pride, culminating in a desire to perform well, in order to cast a favorable light about the firm to outsiders, would not have been so intense in a nonfamily corporation.

They see the chairmen and chief executive officers around the office regularly. Many employees are addressed on a first-name basis. Their mothers, fathers, grandparents, and siblings oftentimes have worked and continue to work for the same company. This special legacy is not restricted to the top executives who are related to the founder. In a real sense, it is shared companywide. Employees, too, through generous profit-sharing plans, benefit more financially as the company prospers.

Of course, this sense of family that is felt by all employees is just one of the similarities of family-run companies that are especially identifiable in the five companies that have been chosen as prototypes.

Regardless of whether they are publicly or privately held,

each of the five is characterized by an insatiable desire to exist, and prosper, over the long run. Continuity is paramount. No family member, the founder or his successors, has as his primary goal making a great deal of money, then unloading his company.

One cannot overemphasize the importance of family in contributing to continued success. All the current heads of these exemplary corporations are immensely wealthy. All except Henry Bloch came to their positions never knowing anything but extreme wealth. None of the four heirs had to join his family company in order to make a living. In fact, none had to work at all. However, each knew from an early age that he would eventually take over the family business. George Bunting at Noxell toyed with the idea of pursuing a career in advertising, but his heart was not in it. Running Noxell and carrying on the family tradition were.

In the best-run family businesses, people count most. Top management must never lose sight of what their customers want, and employees must know that they are appreciated and that people at the top care about them. In a family-run business, especially where a generation or more of company concern, attention, and communication have been well-established, succeeding leaders have the advantage of the years of goodwill that have preceded them.

However, companies cannot afford to become complacent. Their well-deserved reputations are perpetuated only by continuing their concern for people. They guarantee that their employees continue complying with the adage, "The customer is always right." Employees listen to their customers, and top management listens to its employees. Heads of successful family companies allow their employees and customers to register their dislikes, as well as what appeals to them. They do not surround themselves only with colleagues who automatically agree with management decisions. Dissent is encouraged.

Oftentimes, founders of companies never bother setting down a list of guiding principles to which employees should adhere.

In the absence of such tenets, others must infer what the company is all about. Those companies that prosper the most with a minimum of misunderstanding in future generations are the ones that have specific guidelines to follow. Joyce Hall and J. Willard Marriott, Sr., for example, delineated specific rules governing the running of their businesses and their sons and lower level company employees have continued to adhere to them. Consequently, even though Hallmark and Marriott have evolved into multifaceted, giant corporations they have continued to be run as family businesses, never deviating from the ideals of their founders. And, in the eyes of their customers, this continuity of purpose, coupled with service and products, has perpetuated the image of a caring family concern.

The best executives of the most exemplary family corporations do not take their family's or company's good name for granted. They do not insulate themselves in a fancy suite removed from the actual delivery of services and products. They get out and see firsthand what is happening. And if there are problems, the right people hear about them promptly.

There are certain pitfalls that heads of successful, well-known family-run corporations must avoid. Although not peculiar to this type of company, these pitfalls are often harder to resist than they are at firms with no family tradition. Most entrepreneurs who transform a small business into a nationally and internationally known corporation are hard acts to follow. Many continue to run their enterprises as one-person shows long after it is advisable, or even possible, to do so.

It is not difficult to understand why. Literally building their concerns from nothing, they not only are hesitant to hand over any power or decision-making authority to anyone else, including their progeny, but also are scared to do so. After all, only they know how to nurture their businesses. The company has been an integral part of their lives for many years, rivaling, and sometimes surpassing, their families in importance. So why take a chance on relinquishing the authority to make any meaningful decisions to anybody else?

Founders-entrepreneurs often feel that they will guide their businesses forever. Obviously, they know better but will not admit it to anybody, especially to themselves. Consequently, they avoid the essential ingredient for future success—training somebody to take their place. In most cases, they assume that leadership will remain in the family, which historically has meant a son, but they refuse to pass the baton gracefully to the person coming behind them. Even if an attempt is made to groom a successor, he is considered at best an ersatz leader and administrator.

Other founders are more realistic, but even they have some doubts about the abilities of those who follow them. Joyce Hall and Bill Marriott, Sr., were not exceptions. How could Don Hall continue the tradition of caring enough to send the very best? What would happen if young Bill Marriott had diversified into hotels and people didn't stay in them?

There is an inherent conservatism, in terms of expansion and adventurous business practices, that characterizes these entrepreneurs, especially those who grew up in poverty or hard times. The elder Marriott's aversion to entering new fields and greatly expanding old ones was couched basically in his fear of another Depression.

Joyce Hall and Bill Marriott, however, knew that if their companies were to grow and thrive in the future, there must be three primary elements. First, a competent, well-trained son must take over, with the idea of training his own children. It seems likely that Johnson Wax will be the first of the companies described in detail here to elevate a woman to the top spot, where she may be a co-equal with her brothers. Sam Johnson has not unequivocally decided how to divide the company, but he has made it clear that although three of his offspring will run a separate fiefdom within the firm, only one will control its coffers. And that could be his daughter.

Second, even though expansion should come slowly, and diversification must entail utilizing skills and expertise that have already been demonstrated, each is inevitable. Third, as compa-

nies grow, regardless of the abilities of future leaders and other family members, they cannot run giant endeavors alone. Outside expertise must be brought in to complement them.

Founders of family-run corporations that continue to succeed accept and encourage the utilization of these precepts. They recognize and admit that change and adapting to new situations are necessary. They give their offspring adequate time and distance to grow in the business and to learn it, teaching through example and words of encouragement. Above all, as in nonbusiness, family situations, self-esteem and the feeling of accomplishment are nurtured by praise, not by readily pointing out every mistake that the child makes. Too much captious behavior can lead to disaster as it did with Edsel Ford; or to a lesser degree, as Lloyd Bunting so candidly described at Noxell, it can make life miserable for a son following in his father's footsteps. Bunting admits that he felt trapped in his early days with the firm, and he believed that he could not escape. Fortunately, for him and the company, he persevered, but he does not look back at the early period with nostalgia.

Internally, serious combat must be avoided. That does not mean that healthy competition between father and son or brother and sister cannot exist. However, in the exemplary corporations described here, such competition in no way has led to the internecine warfare that has literally torn apart other family businesses. For example, after nearly seventy years of family ownership and operation, Barry Bingham, Sr., the patriarch of *The Courier-Journal* and *The Louisville Times*, announced early in January 1986 that these properties were up for sale. After concerted efforts to settle fierce disagreements among Bingham, his wife, their son, and daughters, intransigence persisted, exacerbating family and business relationships.

Sibling rivalry has not caused serious problems with the businesses portrayed here. Only Marriott has brothers working side by side, and the procession to the throne was decided long ago. It would be primogeniture. Given that, Dick Marriott, according to those closest to the situation, has never considered him-

self to be a direct rival of his older brother. Running the huge restaurant portion of the company, a sizable task, satisfies him, and he and his brother see no major reassignment in the near future.

It is clear, from close scrutiny of these five companies, that smooth transitions do not occur automatically. They must be planned. At Johnson Wax, as each member of the succeeding generation advanced to the presidency or chairmanship, he began laying the groundwork for his children to follow him. And at Hallmark the current chairman of the board had the invaluable experience of working side by side with his founding father. Bill Marriott had the same opportunity. Such well-paved avenues for smooth transitions have also occurred in other successful well-known American family businesses; among them are Kelly Services, Schwinn Bicycle Company, and Safeway Stores.

Laying the groundwork and providing for an orderly transition within a family business sometimes does not succeed even with good intentions. Ironically, Howard Johnson is an example. In many ways it is the antithesis of its new parent company, Marriott. In addition to the customary generational disagreements concerning company expansion and diversification, Howard Johnson suffered from another serious, sometimes fatal, problem. The founder's son had neither the expertise nor inclination to take over the business and lead it into new areas.

All of us, as members of families, know firsthand the emotional commitment we make to one another. There is something special about being part of the family. Within a business, however, this special feeling and relationship can impede progress. When key business judgments are made, one must be able to step aside, so to speak, and evaluate them objectively. Even more difficult is having to admit that a family member made a mistake and should be criticized, reassigned, or transferred to another position.

Bill Marriott, Jr., once he assumed the presidency of his father's business, had the unenviable duty of telling members of

his father's family, who had been with him for a long time, some from the beginning, that it was time to step down. The decision was not easy for him, and his father did not like what was happening. But the latter did admit, with remorse, that his son was making the right moves.

Long before Sam Johnson was old enough to take over at Johnson Wax, his father had realized that, in the ever-increasing complexity of American and international business, nobody could master all the key elements. And even if such mastery were possible, no human being had the time and energy to oversee adequately all areas of the business.

Consequently, outside experts were brought aboard. At various points in their development, expansion, and diversification, all these companies formed successful, symbiotic relationships between family members and outside experts.

Bringing in the outside expertise has been crucial. In addition to utilizing the skills of executives who have received on-the-job training at other well-known and successful firms, family-run corporations benefit directly from utilizing nonfamily executives. They can observe and state objectively and forthrightly that the emperor wore no clothes.

On the other hand, outsiders, or management experts not related to the founding fathers, have certain disadvantages. Primarily, even though during certain periods they may be elevated to the company presidency, these people know that no matter how gifted they are, they serve for a limited time, usually to fill a hiatus before a son or daughter becomes of age and gains the requisite experience and skill.

Historically, if family members have not been encouraged or were discouraged from seeking high office in their family business only because they were women, that is no longer true. Companies have come to realize that daughters, as well as sons, not only are capable of filling their fathers' shoes but also should be encouraged to do so. Inevitably, Sam Johnson's daughter will join her two brothers as part of the ruling triumvirate at Johnson Wax.

Of course, women already head major corporations. In addition to such well-known and successful family businesses as Estée Lauder, Mary Kay Cosmetics, and Tootsie Roll, other newer, albeit innovative and successful companies, come to mind. For example, Judi Sheppard Missett, a transplanted Southern Californian who holds a degree from Northwestern University, is founder, president, and full-time overseer of Jazzercise Incorporated. Someday, perhaps, one or both of her daughters will take over the reins of this nationally franchised organization.

While nothing is certain in this age of acute change in corporate America, we have seen that the road to succession of upcoming generations has been carefully paved. What advice will the newcomers receive from their predecessors concerning how to perpetuate a proud and successful family tradition? Each company has answered that question for itself, but there are principles common to them that should be upheld at any corporation that intends to remain successful. Old-line corporations, as well as those that have only recently been established, would benefit from following these crucial tenets. Would-be entrepreneurs who soon will turn the keys of their businesses for the first time also should pay close attention to, and adopt, these cardinal philosophical ideas and operating doctrines.

Throughout this book we have cited exemplary practices to be followed. There are others that are equally important:

Companies should decide what they do best and should not deviate significantly from those endeavors. That does not mean that a firm cannot or should not expand and diversify into different areas, but any such move should not involve a radical departure. Johnson Wax, for example, branched out from housecleaning products into shampoos then into fiber supplements, all consumer products. They did not embark on heavy manufacturing activities. Noxell entered the closely related beauty field, only a stone's throw away from its initial revolutionary product, Noxzema Skin

Cream. All of Marriott's endeavors involve direct, one-on-one contact with people, providing services and delivering products. Life-care facilities for the elderly focus these services on a specific, growing segment of American society. Crayola, a widely used, inexpensive consumer product fit into Hallmark's lifelong area of expertise. H & R Block, which revolutionized income tax services for middle and low-income Americans, decided to do the same for legal services.

Every new product line or customer service will not be an overnight success. Companies should delineate specific goals and methods of accomplishing them. Time schedules should be spelled out, and firms should know where they want to be at the end of a specific time period in terms of dollar volume, market share, and number of units. They must be realistic.

Corporations must be able to admit mistakes, cut their losses, and get out of bad projects. Johnson Wax shelved certain personal care products when people were not buying them. Shoe polish, for example, got the boot in the United States because Americans stopped shining their own shoes. Marriott divorced itself from theme parks.

Companies must be willing to modify a service or activity if it does not perform as well as expected. Federal Express, the leader in its field, incurred large start-up costs for its zap mail innovation. It did poorly, draining earnings. The company modified the procedure, changed its marketing techniques, and improved zap mail's performance.

Without deviating from its area of expertise, a firm must come up with innovative sales and advertising techniques when a product or group of products stop performing well for no apparent reason. Given the unprecedented rise in running activities, Nike became one of the nation's fastest-moving companies. However, during 1984 and into 1985, the glut of competing companies and products cut significantly into Nike's swift rise to the top. Not giving up, Nike

continued concentrating on what it knew and did best—producing and distributing running shoes. However, it adopted a new sales and advertising thrust. Nike signed the newest professional basketball sensation, Michael Jordan, and named a shoe after him. It then saturated the airways with television advertising and raised its sales and earning figures to new heights. Admitting mistakes is never easy, especially for top executives, whose egos are not accustomed to being bruised or deflated. After all, when they took over ongoing, thriving businesses, defeat was not part of their ancestral lexicon or corporate culture.

Corporations must remain versatile. Today, and in the future, given the whirlwind climate of American and international industry, nothing remains static. While maintaining the goals, ideals, ethos, and overall corporate culture that have been so successful, company leaders cannot be afraid to take chances. Innovation allowed Noxell to be named the best-managed company in the cosmetics industry by *Investment Decisions* magazine in the spring of 1985. A few months earlier, *Dun's Business Month* ranked Marriott one of the five best-run companies in any field.

Firms must be judicious, but they have to continue experimenting with new ideas and products. Nothing is perfect, even in successful companies whose products or services are instantly recognized by everyone. Competition is keen. Competitors are always out to improve their businesses at the expense of key companies who make the same type of products or deliver similar services. Stagnation is anathema to a thriving company, and lack of initiative often is fatal.

While firms should hire colleagues who readily fit into their corporate culture, individual initiative and entrepreneurial ideas, even those that initially appear too "far out," must be encouraged.

Logical, sensible, and realistic lines of succession must be planned years before they are scheduled to occur. Con-

comitant, long-term training should be offered to the apparent heirs. Fluid transition, free of never-healing wounds among family members, must be encouraged.

Once chosen, heirs to family-run companies that are leaders in their fields should not pay close attention to comparisons with previous company leaders. To begin with, when children take over, the odds are stacked against them. If company performance lags, they are unfavorably compared with those who ran things before them. On the other hand, if their firms continue to thrive, especially at a faster and more impressive pace, they are not given commensurate credit. After all, didn't they receive the opportunity on a silver platter?

Conscious of expectations and chock-full of family pride, the heads of the five major firms described here, as well as many like them across the nation, are determined to carry on and enhance their special legacy. And when they step down, they will insist on passing the baton to the next generation, ensuring that the companies' fortunes will endure.

While continuing and improving company sales, earnings, and dividend figures is imperative, success cannot be measured solely by such tangible means. Most importantly, these families must never lose their good names. Not only would it be bad business, it would lower the esteem of entire families.

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Thomas Goldwasser

The best run family businesses have always upheld the principles of quality, serving the customer, and treating employees with respect. Business critics of American industries are today looking at these companies with renewed interest and regard. Five such exemplary corporations, all run on a daily basis by the founder or members of his family, are Hallmark, Noxell Corporation (Cover Girl, Noxzema), Marriott Corporation, H & R Block, and S.C. Johnson & Son (Johnson Wax). Profiled in depth in *Family Pride*, their corporate stories serve as models for businessmen and women in the management of their own companies and for entrepreneurs.

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Ronnie Nemens Haber

THOMAS GOLDWASSER, a Washington writer, was born in St. Louis and grew up in Benton, Illinois. He graduated from Washington University and received a master's degree in comparative government from the University of Illinois. His corporate profiles, opinion pieces, book reviews, and articles on political and social issues have appeared in *The New York Times*, *The Washington Post*, *Los Angeles Times*, *Baltimore Sun*, and other publications. Mr. Goldwasser is married and has two daughters.

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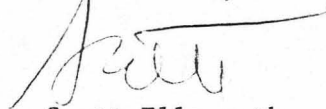
Dear Bob:

Thanks so much for the great interview earlier this week. You shared some important memories and helped clarify some important issues for me.

Thank you, as well, for the use of Family Pride. It's a source I had missed, and I'm happy to have found it.

Hope you have a great summer!

Best wishes,


Scott Ellsworth
Historian