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INTERVIEW WITH
JIM JOHNSON
(RETIRED)
SHERWIN WILLIAMS COMPANY
Cleveland Ohio
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INTERVIEWED BY
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THE WINTHROP GROUP, INC.

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SW Co

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Its Dec 13, 1990 & we're here at Sherwin-Williams interviewing Jim Johnson.

WG: Jim, would you tell us about how you first came to work at Sherwin Williams and the different jobs you've had since the beginning?

JJ: It might take more than two hours, Pat! I was wondering how you were going to fill two hours, until that question! I have a very interesting story. I graduated from college and was drafted into the Army. When I came out of the Army I went back to my college placement office to get "help" in finding a career. The help consisted of a printed sheet of the top 25 companies in the Philadelphia area, and it was handed to me and said, "Good luck." I started at AT&T. I then went to Burroughs. When I came out of my Burroughs interview, I looked down the street and I saw a cover the earth sign. ~~[unclear]~~. I looked down my list and down around alphabetically under the "S's" was Sherwin Williams and so I walked in. We had a regional office with a store on the first level and the offices up above. I walked into the store and I said I'd like to speak to someone in the employment department. What I didn't know was they were interviewing for a truck driver and the clerk thought the guy's looking for the truck driver's job, so he escorts me to the back warehouse where they were interviewing for a truck driver. I proceeded to talk to him for about five minutes and they said, "Well, you really don't want this job. What you want is upstairs," and I stayed there the rest of the day and the next day I was offered a job with the company.

WG: What kind of job?

JJ: I was a credit manager in one of our retail stores in Phoenixville, Pennsylvania. That was 1953.

PAT: Tell her about what credit managers did.

JJ: A credit manager back in those days was the second person in the company store, and he was "the assistant manager," he was the bookkeeper, he waited on the sales floor, and acted as the second person in responsibility. Depending on how big the store was they might have several more people, but in most of our stores they wound up with only two, the manager and the assistant manager, which was in those days called a credit manager.

WG: So you walked into the second highest position in the store?

JJ: Right, and I told a story once, which I believe was true, that at one point in my early days of my career I was able to count the management levels between my job and the president of the company, and there were five levels of management between my job and the president. And naively I interpreted that to mean that promotions and I could be president of the company. Now, unfortunately I didn't count on acquisitions or expansions or all of the many things that happen in corporate life.

PAT: What year was this, Jim?

JJ: Nineteen fifty-three. I graduated from college with Bill, ~~[word unclear]~~ and went to school just a few miles away. Our two schools were -- I was at ~~[Arsinas?]~~. Ursinas.

PAT: Oh, yeah. Alright, I remember that.

JJ: And on certain sports we played with them.

WG & and Pat [in unison]: Then what? ~~[illegible]~~

JJ: I stayed a credit manager until I was promoted to a store manager, or branch manager, as they called it in those days.

WG: Same store?

JJ: No, a different store, and I was there until our regional office -- which was in Philadelphia, Bala Cynwyd, ~~[word unclear]~~ at that time; they moved from downtown -- needed a person to work in what they used to call the barometer which was a totally unique device of reporting business based upon open territory in the country. They took the entire United States and they divided it up with a county analysis and how many people were in the county and whether we had a store to cover that particular territory.

Everything was store oriented. That store would have dealers, but the store was responsible for a geographical territory. My first administrative job was to report, which was done actually every two weeks, the sales based upon the potential of that barometer. It was a barometer of our sales and it was our hand-driven method of reporting sales.

PAT: This is like the end of the fifties?

JJ: This would be 1957, '58. We had a number of ladies in the office that worked [countometers?] with their fingers back and forth and calculated the sales and then we would report them on a form and each store had a form which showed how many people in its territory and what its potential was and what its sales were. Today, of course, we have the computerized sales report, but that was the sales report of those days. I was responsible for that for approximately two years. Then we wound up that we had a real estate manager whose office was next to mine who quit, and when he quit they needed somebody with some background to quickly fill that hole because we were on a big expansion program. The company was challenged to open more stores very quickly. So they gave me that job.

PAT: Challenged by who, Jim?

JJ: J.L. Rutledge, who was the regional manager at that particular time.

PAT: He was getting instructions from -- ?

JJ: From Cleveland to open so many stores. My quota that particular year was 20 stores, and I had to open in my region, which was actually what they called the Atlantic region at that time, I was to open 20 stores in the fiscal year, our fiscal year ended in August. And I know I made 22 that year and that made me look good because my quota was 20. The bad part of that was that we subsequently had to close some of those stores because they were opened quickly and without a lot of the research, but we managed to expand into mainstream America very quickly.

PAT: Do you remember how many stores ... do you remember how many stores when they began to push?

JJ: Well, I remember a number that is just around 500 stores and then when I left, the number was like 1,100 to 1,200. My next job was, I opened so many stores in two years, that we had personnel vacancies in almost all those stores. And so they asked me if I would take a hiatus from the real estate end. They turned over that job to a clerical person to maintain the leases and so forth but quit on the expansion jobs and start recruiting personnel, and I became a personnel improvement manager for that particular region. I did that. I thought that that would be my goal in life. At one time, I thought personnel was wonderful. Until I got the job. And then I found out, this is not what it's cracked up to be. I went crawling on my hands and knees into Mr. Rutledge's office and said "What else is there? There's got to be something better than this". I was leaving home on Friday, Saturday, traveling to places unknown, small towns, running an ad in the newspaper, sometimes a weekly paper, saying I would be at the Holiday Inn interviewing applicants. And the company had started a program of testing, a very complex program, where everybody had to pass certain aptitude tests which started with an intelligence test. If they passed that, then they took an aptitude test. And their aptitude was judged against a group of people who were deemed to be the profile we were looking for. And if they didn't make it, I mean, they didn't care whether we filled the job or not, they didn't care if the man was the most successful man in town, if he didn't fit that profile, we could not hire him. So I did that for two years.

WG: What time period are we talking here?

JJ: Oh, I would suggest that would be in the early 60's. I'm not good at times.

WG: No, just generally is good.

JJ: And, to be very honest with you, I got a little frustrated with that job too, and I again asked Mr. Rutledge whether there wasn't something and he said "Well, the Norfolk, Virginia area needs a manager", what at that time they called a "metropolitan manager". So I went down to Norfolk, Virginia, and I became the metropolitan manager, which was the main store as well as the satellite store in the Norfolk area. And I stayed there two years until we started opening up retail stores as compared to the old profile of the Sherwin-Williams store which was painters and contractors and everybody. We started talking about going into shopping centers. This was the beginning of the shopping center era. And they asked me to come to Philadelphia to set up Lit ~~[Lipp]~~ Brothers Department Stores, which was just like ~~/unclear/~~ Higbee, in Philadelphia, and I set up 10 stores.

PAT: Departments in 10 stores.

JJ: Departments stores. And we managed paint, hardware, resilient floor covering, tools, picture frames, art supplies. We had a very large department in each one of these stores. Now, the thing that we underestimated was that this was a totally union shop and Sherwin-Williams was a non-union company.

WG: You mean the department store?

JJ: Right, and the very first thing that happened was that we found out that we could not handle our merchandise. We had to hire teamsters and sales clerks, retail sales clerks, of two different unions to actually handle the stock. I could not touch the stock. I could not price it, I could not touch it. Well, we existed for less than two years. I spent the first year opening 10 stores and the second year closing the ten years and we broke our relationship with them because it was just impossible for us to do our business and, in hindsight, nobody ever thought that a union shop was what it was. You know, this was Sherwin-Williams' first experience at the marketing level with union shops. Now, they probably had some teamsters in their factories but with regard to their retail stores, this was the first experience and it was not a very favorable one. What I did gain from this was the fact that Litt ~~Lipp~~ Brothers Department Store was totally oriented toward advertising. Their whole world existed on their ads. We ran on Wednesday, and Thursday morning's business was all from that end. You ran an ad on Saturday and Monday morning's business was all from that ad. I became the only person in the whole company that was involved in advertising. All the Sherwin-Williams' stores were using advertising which was image advertising. They were doing things like the Home Decorator's magazine. But they weren't getting out and saying "On sale, $4.00 off, buy it today". Only our Acme company, which was one of our divisions, was doing it. And they were just getting involved in setting up leased departments in K-Mart. While this was going on at Sherwin-Williams, the Acme group was setting up the K-Mart operation, which was leased departments too. And so our thought was, well we would run our stores something like Acme was running their K-Mart store. So they called me into the regional office as advertising manager for the Atlantic region. We did not have advertising managers anywhere in the country at that point. And it was because I had been running ads with the department store group, plus the fact that I was interested in this, this was sort of my area of interest. And so then I became advertising manager and we did that for a couple of years, and then Cleveland decided that the rest of the country should get into more of this. That this was really the way of life and we might as well accept it.

WG: And we're talking roughly late 60's?

JJ: Well, let's see I moved to Cleveland 21 years ago. This is '90, '80, '70, this would be '69. And so they asked me to come to Cleveland as the manager of advertising, retail stores. And I reported to a gentleman by the name of Elwood [Greeble] at that particular time.

PAT: And what was Greeble's title?

JJ: He was the director of advertising for the corporation.

PAT: And what did he do then?

JJ: Primarily, he had four people working for him. He had the professional advertising, which was painting contractors, they did painter meetings and things of that nature. We published "The Home Decorator" which was our big book/magazine that we published. At one time, it was the largest publication of any single item in the United States. We published 12 million copies with Curtis Publishing Company, the publishers of the "Saturday Evening Post", and it was the largest publication of that year. It was subsequently beat by S&H Green Stamp catalogues. That's who ultimately printed more copies than we did. Now, if you stop and relate to that today, there's no magazine that prints 12 million. None. There is "Reader's Digest" prints a lot of different editions, but you have to almost say each one is a different magazine because they're totally different. But there is no magazine today. So we actually had a magazine that was in that category. But we decided that the stores needed to advertise, not the corporation. In other words, to go out and say that Sherwin-Williams paint was good paint was fine, but we needed to run an ad in Harrisonburg, Virginia that said "This weekend, we're having a sale on house paints". That's what I got involved in. And so I did that. That job led to another job in retail advertising and that job led to what they call "director of sales" promotion because they broke away the preparation of the ads from the ideas and the plans, and I did the planning and the ideas as the director of that. At that particular point, the company decided that they really needed to break the branches, or stores now, the branches away from the deal of business. This was a traumatic experience, to break the two apart. And I was offered the option of going with one or the other but could not do both. And to be very honest with you, I was sold a bill of goods that the best job was going to be with the dealer business. I have never regretted, and I don't mean that sarcastically, but I was sold because the gentleman who was trying to put this dealer business together was trying to get an organization that he could work with. So he sort of ...

PAT: Who was that?

JJ: Lambert. Harvey Lambert.

PAT: He was putting together the dealer business?

JJ: Yes. So I came over and worked for Harvey and stayed in the dealer business and I've been there ever since.

WG: When you say dealer business, since Pat knows what you mean, would you just define that?

JJ: Again, a Sherwin-Williams store, let's say it had a county, and there would be a store in that county, now that store could not cover all of the business, so they would go to the local hardware store down in the southern part of the county and sell them the Sherwin-Williams paint line, which was primarily Super Kem-T~~ile~~one, Kem-Glo. And that store became a dealer. The warehouse was the company store. The salesman was the manager of the company store, and he might have a hardware store down south and a drugstore up north and a grocery store over there, because we weren't too choosy about what we were doing at that point. We were just getting as many outlets selling our paint as we could. And then as that business grew, you would hire a dealer-salesperson and he would report to the manager of the store. And his job was to go out and beat the bushes to find more of these dealer outlets. Well, they were selling the same products and as advertising and promotion got to be very meaningful, it wound up that the company was competing with itself. We were selling Super Kem-Tone to K-Mart. K-Mart was running a sale once every two weeks. Our company store was selling Super Kem-Tone. In order to compete, they had to start running sales, and it became very obvious that we were on a collision course. The Glidden company was also on the very same course. Glidden called all of their retailers to meetings and basically said "We are going out to sell the mass merchandises, the very same products that you sell. We believe that this will help everybody. Please stay around for a year and let's try it". Sherwin-Williams Company took the attitude in the very beginning, we would never sell our products to a discount. One day they woke up to the fact that Glidden was starting to get big and we weren't going anywhere because they were out doing this and we weren't. So now, the decision was "Well, what do you do now?" And we elected to break the company into two basic groups. And today, there is only the consumer division and the store's division, but in those days, it was the dealer group vs. the store's group. And we set up a complete organization and we took products and made them ours so that the stores were selling Sherwin-Williams paint and the dealer group was selling Acme paint, [Lucas] paint, Lowe Brothers' paint, Roger's Brothers' paint, other brands other than Sherwin-Williams. Well, we soon found out that that didn't work. And so then we consolidated all those other brands into one brand under the name of "Martin-Senour". And we went out and started to sell "Martin-Senour" to all dealers. We had a program called conversion. And they would ask the dealer to switch lines, quit selling Sherwin-Williams' paint and start selling Martin-Senour. They lost some dealers. A majority of the dealers went along with them. Some eventually fell by the wayside and in some cases we lost good business to take on that dramatic shift.

PAT: I've forgotten, but about when did quit using the Lowe Brother's name, Lucas' name?

JJ: Well, I'm pulling numbers, I would say about 15 years ago. Roger Adams came in and they asked Roger to consolidate it and Bob Desjardins, those are the two names. And they were to consolidate everything into the Martin-Senour branch. ~~/unclear/~~ And Harvey Lampert.

And they tried a couple of approaches for a year or so, but the bottom line is they eliminated all those other ~~plans~~ brands and went just with the Martin-~~Seymour~~ Senour ~~plant.~~ brand And we proceeded along on this ~~force~~ course with Martin-~~Seymour~~ Senour being sold to anybody but company stores and Sherwin-Williams, just the company stores. The "discount" department store here in town decided to take us to court and said that we had no right to take away the Sherwin-Williams ~~plant~~ Paint, which was Kem-Tone and there were some legal problems with this and so we took Kem-Tone away from the company stores, which was the biggest item they had, and gave it to the dealer group. And that became the discount ~~paint~~ brand over here. It's now Kem-Tone as know it as part of the consumer. And the company stores ~~were~~ went strictly private label and Sherwin-Williams to this day is just Sherwin-Williams and the products it could make with their label. We proceeded on with Martin-Senour until it became obvious that the next change in retailing was the home center market. These are the big stores that we recognize today -- Cleveland would be Forest City, the Home Depot for one of them, and so forth. And we needed to sell these people ~~that~~ but Martin-Senour was positioned as a decorative line. The stores ~~have~~ as a private label and we really didn't really have anything to sell them. Kem-Tone was discount and Dutch Boy was in financial trouble and so we acquired the Dutch Boy company. We primarily bought the name. And that gave us a ~~brain~~ brand to go after the home center business, and we took the Dutch Boy brand into the home center. Today, the Dutch Boy brand is the dominant brand because the home center business is the big part of the business. Martin-Senour is the decorating center, Kem-Tone is the mass merchandising brand and then we have the private label programs. And of course, the K-Mart end of the business went from lease departments to K-Mart operated departments. And when they went to K-Mart operated departments, we took out some of our brands, Lowe Brothers was in there, Acme was in there. We took out the Acme brand and we put in Super Kem-Tone. And then we took that out and made it into a private label called "K-Mart Paint" and then we took that out and we brought in K-Mart paint made by Dutch Boy. So, it was an evolution so to speak.

PAT: So does anybody sell Kem-Tone now?

JJ: Oh, yes. Right now, it's primarily sold by Wal-Mart, Wa~~lnut.~~ That's our number one customer for Kem-Tone and of course, they're number two in the country, so ...

PAT: You were saying that Kem-Tone was a mass-marketer and Martin-Senour was a decorator. What was Dutch Boy again please?

JJ: Dutch Boy was the home center.

PAT: The home center, right, OK.

WG: So where do we have you now in your ...

JJ: I retired in June.

WG: So this is where ...

JJ: I have had three or four moves, but they've all been shifts. In other words, at one time I became marketing manager for the dealer company. Then when we acquired Dutch Boy, we brought in their man and now we had two guys at this job, so we broke it apart and I took the Martin-Senour and the old company business and he took the Dutch Boy business and we did that for a couple of years. And then we decided, well, that doesn't work. Why don't we take and make advertising this way and merchandising this way and we broke it apart again, and today it is advertising and merchandising. At one time it was both of those combined, but it was Martin-Senour and Dutch Boy and so now we have it broke apart that way.

PAT: Did you have anything to do with all the myriad of private labels?

JJ: Yes, but each one of the private labels was a company, so they all had their own staff until we started bringing them together.

PAT: I don't mean Lowe Brothers, etc. I meant the private labels that we make for different companies.

JJ: Oh sure. But as an advertising person, what we sold a private label was a bucket of paint. It had no label, it had no advertising, no color card, it was a bucket of paint. Now each customer decided what else they wanted. One customer would say "Well, I want the label". So we would then design a label for them. The next customer would come along and say "Well, I want color cards". So we would design a color program for him. The next customer would come along and say "Well, I want advertising". So we would do an advertising program. But when we did a K-Mart, for instance, we never did advertising. K-Mart said "All I want is the bucket of paint and the color system. We'll do the advertising". But when we sold another company, they wanted us to do the advertising too. So each time it would be a little different because of the way private labeling was sold.

WG: What's the difference in paint between private label and Sherwin-Williams?

JJ: Well, in theory, there are thousands of formulas. And when you go to a customer and you pull out a formula to meet his needs, coincidentally, it might be the same formula that we're selling someplace else under some other name. But it also could be a formula unique just to him. If for instance, he said "I need a house paint to be competitive to the guy down the street. I want my house paint to sell for $7.95 a gallon". We reach into the formula bank and find a house paint that can sell for $7.95. Now that might be the same paint that the stores are selling or that Dutch Boy is selling or that Martin-Senour is selling. But it's purely coincidental, because our product managers work out of the master reqs file and they pull the formula to meet the need of that particular market. When a company, let's say like Martin-Senour, would develop a stain and they would have success, well the man over at the store's group is watching Martin-Senour and saying "We happen to have that kind of stain, too". He may go in and pick that same formula. Or he may say "I want that, but I want it a little bit different". So in theory, some of our products are parallel, but many of our products are unique.

WG: When you had your last job as the person who was in charge of all the brands on the advertising side, and this is between advertising and marketing, or merchandising, excuse me, how did you differentiate between all of the different brands? I mean, was it in a sense that you mentioned that Martin-Senour was ...

JJ: Well, it's simpler than it sounds. The reason it's simpler is because we approached the marketplace in advertising differently for each branch. In the case of Dutch Boy, the vast majority of the money was spent on television. That was by far the biggest budget.

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WG: Why was that?

JJ: Because the retailers that we deal with, the major retailers, are very much oriented to television-type of advertising, and they're dealing with mainstream America, and television is the best vehicle to reach them. And Dutch Boy generated enough advertising dollars to become the big part of that business. When we went to Martin-Senour, we were dealing with independents who are not big enough to dominate and what they really want to do is to capture the neighborhood. They don't care about the south side of town. They've got a nice neighborhood here, it's about 3-4 miles around their store and that's where they want to sell. They don't use television. They're interested in direct mail, circulars, magazines, other ways of advertising. Then when you went to Kem-Tone, you will find that the retailers there do not want the manufacturer to worry about advertising. Give me the money and I'll do the advertising. So we did advertising for Kem-Tone differently. So the bottom line was, although they all were in our budget, and although we were responsible for all of them, we treated each one of them a little differently.

WG: I understand. Then, at what point are the labels that Pat just mentioned, Lowe Brothers, Lucas, those are bound by this time, or they're consolidated into ...

JJ: Or changed. In the case of the brands we mentioned, the automotive paints maintained their identity and Martin-Senour automotive paint is a captive brand for NAPA, the National Association of Auto Parts. The Roger's brand went to another group of customers. The Acme brand went to another group of customers. But at the consumer retail paint level, they were all consolidated.

PAT: Jim, do we ever use Lowe or Lucas any more?

JJ: To the best of my knowledge, neither one of those names is active any more.

PAT: And Lawrence we don't use any more.

JJ: Lawrence we don't use any more.

WG: Even in the automotive side.

JJ: I don't think so. Rogers we do, Martin-Senour we do, Acme we do. But I don't believe we use the others. But again, I've gotten away from those things. I used to know all these answers, but as the company has grown and as you find your little niche or what have you, you sort of lose it. We might be up in Canada, for instance, may be [Doe] is using one of those names, I don't know.

WG: What were the issues that cropped up for you from your perspective as an advertising person? What were some of the problems that you dealt with or challenges?

JJ: I think the Sherwin-Williams company started out as a very innovative company in paint. We came up with some ways of painting, like the roller coater, that were unique and innovative and we were on the leading edge of consumer use. But we probably failed to keep pace with where the marketplace was changing. And we lost some time and allowed the competition, Sears and Roebuck and the Glidden Company, but primarily Sears, to become dominant. When I started with the company, Sears was nothing in paint. And just a few years ago, Sears was the number one leader in consumer paint. Sears is beginning to lose it again. But you miss a turn in the road and you sort of fall asleep at the switch so to speak and you turn around and go "Whoops, what happened here? How come Sears now has 25% or 30% market share? Where did they come from?" And the answer was very simple. We continued to sell only to small people that were fair traded, would not discount, whereas Sears got out there and said "We're going to have paint on sale every week". And we said "That's not the way of the market place". Well, we were pretty wrong.

WG: What about Glidden? What were their competitive strategies?

JJ: Well, I think Glidden Company's competitive strategy was to get out there first with all of the major retailers. And when we woke up to what Glidden was doing, most of the good customers were carrying Glidden paint. And now it becomes a difficult time to replace Glidden or to also get ours in alongside of Glidden. There were a number of years there that we just watched Glidden go into these major retailers and we almost laughed and said "Watch their dealer business go down the tubes". What actually happened was that became the dealer business. The small, independent stores dried up. And you no longer went to the corner store for your paint, you now went the big stores. We just sort of let that happen. Our philosophy at that time was very much profit-oriented, and when you had a sale, you gave away profit. We could sell paint without a sale. The bottom line was, the guy came in and put a sale on alongside of us and the first thing you know, where did our customers go and for the time we started to change our way of marketing, the company in my opinion, and this is on the record but it's off the record, but my opinion is that the company was manufacturing and financially driven and not marketing driven. And by the time we got around to becoming a marketing company, we had missed a lot of turns in the road.

WG: Why was the company historically emphasizing these other ...

JJ: We were very successful doing it our way. And you always hate to change your pattern of success. If you go back, people that have headed up this company, most of them came out of the financial end. They were the type of people that said when you invest money, you invest it safely, you make a maximum amount of profit, you don't take any risk, you don't go out with any crazy ideas, you're safe. And we were very slow in changing over to what I would call a marketing view of the company.

WG: And was there a set of key events that brought it home that it was time to do something with Sears?

JJ: I think one of the key events, from my point of view, would be the success of the K-Mart organization. When we went into K-Mart, we were going to operate a Sherwin-Williams store inside a K-Mart store. We were going to run these just like Sherwin-Williams stores. K-Mart started to teach us how to be a retailer, and as K-Mart grew and our business grew, I think it was very impactful on our management to say "We've got to be aware of this", and the company store situation took on a lot of tests and they had Decorating World, and they had other ventures, all of which were designed to see what they could do with the company store part of the business. But I got myself out of that over into the dealer business. But I think the company store program had the same kind of problems. They failed to realize that the consumer was changing. And I think the consumer changes all the time. My personal opinion is that today it's going back to the specialty stores. I went Christmas shopping last week. I did not buy at the big stores. I wound up buying at the specialty stores. I think that more and more you look down and you see the specialty stores coming back into their own. And it's fun to go into a store where the sales clerk wants to talk to you and help you. And you're tired of trying to guess what product you want and so forth. So I think there is a trend back. And I have to come back and say Sherwin-Williams Company has to be on top of that. And we've been a conservative company, only rarely in our career that I know of have we been willing to take risks. We usually sit back and watch and so forth. I think we are awake now because I think we were watching. The advent of the computer and so forth allows us to be closer to it. But back in the old days, we sat back and got the shock. Like "Where did Sears come from? How come suddenly they're number one? We used to be number one". And it was almost like a shock. It was a surprise. That couldn't happen as much today.

WG: How did Sherwin-Williams even get interested in going into K-Mart? That must have seemed like a pretty strange venture at the time.

JJ: I have to be truthful and tell you I don't know, but I believe the answer was that K-Mart came to us. K-Mart said "We don't know how to operate a paint store". K-Mart's initial approach to marketing was to lease each department. Almost everything in the K-Mart store in the beginning was leased except for the Kresge business, the Five-and-Dime business. They took a Five-and-Dime store and they added on all these other departments and that's how K-Mart came into being. Then they came to us and said "We want someone to operate our paint stores". Well we said "We know how to operate stores, we've got thousands of them around the country". We went in and we set them up just like our paint stores and then K-Mart started to teach us retailing and we had some people like Nick Nichols, who would be a wonderful person to interview. Nick lives out in West Lake. Nick was the person who started the K-Mart business. He was a very important person. Today he knows about more this business than most people would have forgotten. He's forgotten more than they know. But Nick Nichols was given the job of setting up these stores and then one day K-Mart came in, as was K-Mart's practice I believe, and said "Well, thank you for doing a good job, but that's it. We no longer need you". And all of a sudden, we find ourselves out in the street. Well, of course, we scrambled and we came up with the idea of "All right, we'll continue to sell to you, and we'll act as a consultant for you, but now you take over the running of the stores". And they took over the paint departments. But I think that would be very instrumental in the change and that would be not the only one, but that was the dominant one for our company at that particular time.

PAT: All right, like when are we talking?

JJ: 20 years ago.

PAT: Just after you ...

JJ: Just after I came here which is /unclear/. See I opened up the ~~Lipps~~ Litt Brother stores and we opened up the K-Mart store.

WG: Why didn't K-Mart, when you were putting up ...

JJ: I was in Philadelphia and I was at ~~Lipps~~ Litt's and I went to Detroit and I met with the K-Mart group and found out what they were doing. Al White was doing was the buyer, and that's another name you definitely want to talk, Al White. He's right here, and Al White was the buyer and I went in and I was supposed to be setting up the ~~Lipp~~ Litt Brothers, patterning us after what they were doing at K-Mart.

PAT: So that makes that, when we into K-Mart, makes it 19 ...

WG: '70?

JJ: '68, '69, somewhere around there.

WG: And does that movement tie in with any larger thrust within the company to ...

JJ: There was a thrust which is probably not well known called "Retail One". Retail One was where we selected a number of stores in the best retail locations and we expanded our product line from paint and wallpaper. Most of our stores were paint stores. They sold wallpaper and painting tools. A few sold art supplies. That was probably our first venture away from paint. But Retail One decided that to be a retail store you had to give the customer more. Now, that ultimately led to carpeting, wall coverings, draperies, and goodness knows, we got into selling Christmas decorations and everything else.

PAT: This would be under Baldwin's administration?

JJ: This would be under Baldwin's administration, yes, it sure would. And J.L. Rutledge was an advocate of this and back in those days, the regional directors were very powerful and her husband was one of them. They were powerful within this company. They ran the store organization. Rutledge was an advocate of, this is the way to go. One of his counterparts, Billy Davis, was an advocate of contractor business as the way to go.

END OF SIDE A, TAPE 1

BEGINNING OF SIDE B, TAPE 1

It was almost a test. You wouldn't call it a test, but that's what it was and out of this we began to learn things like, we can sell some carpet, you're right, we can sell some picture frames. We can sell some other things. This would be the time that Bill was in Europe and we were in Newark back in that region.

WG: OK, so whose brainchild is Retail One?

JJ: I don't have any idea. I would suggest Mr. Rutledge and a gentleman by the name of Boris Irwin who was one of Rutledge's division managers at that time. Boris Irwin subsequently became the advertising manager and then he became manager of the Decorating World store in Charlotte, North Carolina, but he was always a believer in retail and he didn't have the position to make it happen because he was not at that level, but he was out selling all the time.

WG: Interesting. Now, what about some of the really positive things that motivated you about your job at this time. I mean, we've talked about some of the issues and problems, what were some of the really good things?

JJ: That's a good question because there definitely is something that I felt. I believe that Sherwin-Williams always managed to give you more responsibility that you would normally have gotten at the pay level or at the career level. I came to work for the company, and two weeks after I came to the company, my manager went to training school in Cleveland for one week. I had been with the company two weeks. That was not at all unusual. If a man was given a new job or territory, many, many times he was told "Well, don't go past that street, but everything here is yours. Go". And there's a challenge there that most other people, I came out of college, I was going to be the president of the company. My background was management, my parents. And the thing they did with me was always have that carrot out far enough in front of me, and it was not a financial carrot. If I had any sense at all, I would have left the company. If I had any guts at all I would have left the company. Because I am convinced that I could have made it much more financially but they always managed to challenge me and to this very day, the way we manage is those people who want responsibility can handle as much as they want. Now that's a negative for a lot of people, but for others it is an absolute motivation. When my boss today calls me in and says "We're going to have a sales meeting". That's probably all he's going to tell me. Now, he'll turn down some of my ideas, but he will never tell me what to do. And that today is the reason why I'm still with the company. I retired and I'm working more days now than I did before and the reason is I love it. I'm crazy enough to think this is a good job. And I say that very sincerely. They always kept you hungry. They never paid you enough that you got cocky or self-confident but they always gave you that challenge and to this very day, I think their method of management has been that way. There were times when that was not true.

WG: Such as?

JJ: Such as a new management team coming and saying "We're too top heavy" or "We're spending too much money. Chop 25% of the jobs or eliminate the losing departments". And then there's fear. Then you sit back and you tremble, waiting for your job to be cut or chopped or whatever. And there's that uncertainty and so forth. But with the exception of those times, they always managed to challenge you and all of the people that I know, and I talk about Jack Wallace and I talk about your husband and so forth, have been challenged. And I think have sort of said "We probably should have gotten out". But at the time, "Well, I'm not going to give this up. This is exciting". And I know that's true. And as I talk to my friends and counterparts, it was always that. When I was personnel manager and hiring new people, I had a story that Sherwin-Williams never laid a person during the depression. At that time, that was a true story. It's not quite as true today, but basically that was what they said. They also said that if you ever wanted to be in business, you could be in business with Sherwin-Williams Company on our capital and we will share with you the reward. We'll put you in the business. We'll finance you and we'll share the reward. And you know, that's a wonderful story. And today, that's a story that people would really jump on. The ability to be in business. And back in the old days, it was not a dictatorial problem. If I wanted to go out and bend the rules a little bit, as long as it was successful, I could do it. When I went and the company said "Here's a book. If it's in the book you can buy it. If it isn't in the book, you can't buy it". And then there was a form that if it wasn't in the book you were supposed to fill out the form. Well I happened to know the very most successful managers ignored that and when out and bought carpets or bought picture frames and took the chance and said to themselves "I can sell picture frames". And when they did, nobody criticized. That's motivation. That takes a young man who feels that he's confident, or a young woman, but most of them were men in those days, and challenges them and says "If you've got guts enough to try this, then try it". And all you had to worry about was success. Because if it was a failure, then you had to eat it. And the auditor would come around twice every year and he'd right you up a big long story and say "Well, you aren't following the company rules. I found in the back room a whole bunch of pillows and you had no authority to buy those pillows". He never wrote it up if they were successful. He might say "We could not locate the paperwork on the pillows, however, they were selling well". And that's the way it was handled. But it got a little more dictatorial. I go back to the fact that today that anybody who tries to figure out how many management levels between them and the top man, unless he's Mr. Breen himself, will have a tough time figuring it out because of the way we are broken off and divisionalized and all this kind of thing. But you used to be able to chart your path. I reported to a division manager. He reported to a regional director. He reported to a vice president. I could count the five steps, there they were.

WG: And when did that start to change?

JJ: I think it started to change when we opened all of those stores. Because we basically doubled the number of stores in a short period of time. And when you do that, it becomes a real difficult time to put the type of manpower in those stores that you have confidence in. In other words, when I was hired, it was, "See if you can find a bright, young college boy and we'll mold him in the Sherwin-Williams pattern". That was the way it was. But after we opened all these stores, it was like "Hey, we've got to have somebody by Friday". And so they would hire somebody and a lot of cases they didn't have confidence in them, they weren't patient with them. And "He'd better produce pretty soon, too. Because we just made a big investment and we expect to see a return on that". So as a result of that, then the stronger management said "Well, I really can't afford to let these guys all go off in their own different directions. I'm going to have to start bringing them in and telling them how to operate". And we started doing things like reporting the time we opened. I remember the first day that the auditor reported me, I drove up to the store and the car was sitting out front with the auditor sitting and waiting to see what time I was going to open up the store. That was the auditor's responsibility at that particular point in his career. Now up until then, the company's attitude was "Well, we know very well you'll open up at 6:00 in the morning if there's business. We don't even question that". And now all of a sudden, they're questioning "Is he opening according to plan?" Whatever the plan was. I remember that if you wanted to close Wednesday afternoon because everybody in town closed Wednesday afternoon. No problem. Everybody in town closed in Wednesday afternoon. And then all of a sudden we get the letter that says "Paint is used in the afternoons too and we do not believe it is necessary for anybody to close Wednesday afternoon". Now, there was a reason for doing that, because a lot of people were abusing it. But in the old days, it was almost like, nobody would have abused it. Because they were a part of that community called "retailers" and if the retailers decided to close down downtown on Wednesday afternoon, they would have been ostracized if they hadn't closed. They belonged to the Lion's Club or whatever it was and they all did the same thing. Then all of a sudden you find "Well, K-Mart didn't close". There was no K-Mart. Who's K-Mart?

WG: So we're talking mid to late 60's?

JJ: Well, I think earlier than that. The beginning of the 60's. I really do. In that particular part of the business it was early 60's where we started to get more dictatorial in our store operations.

WG: What was another significant point of change do you think?

JJ: In more recent times, I would suggest that with the acquisition of the Dutch Boy line, we began to have two brands that were household names. Up until then we really only had one brand and now we've got two. And the decision to take the dealer business out of the stores was probably one of the biggest major decisions of the company. And I'm sure it's being second-guessed to this very day, but it was a major, traumatic thing to say that the company owned store would have their own paint and the famous Super Kem-Tone, Kem-Glo line would be sold by dealers. That was traumatic.

WG: So if you were looking back over the past decades in your career with the company, would those be the things you would identify as the major turning points at different points, or were there others?

JJ: Well, I have to be honest with you and say that the major turning points were always my career versus the company.

WG: That's fine.

JJ: You know, when I changed jobs, that was a major changing point irregardless of it. I also had relationships, I think, that were very effective. At one time, the regional director and again I go back to Brill's day as a regional director, that was the key man. I think there were five at that point, I may be wrong on that. And those five men came to Cleveland and met with a vice president, Dick Bull was the one I remember most, and Dick Bull either told them what he wanted them to do or he listened to them and they decided what they wanted to do and then they went back to implement it. And the company had a much stronger direction. It wasn't always the same. In Texas, Billy Davis was going out and doing this, Bill Eldridge up in New England was doing that. But those areas had direction. And then we came to a period in management when that direction was taken over.

WG: When was that?

JJ: Well, you know that Pat.

PAT: I'm sorry, what are you referring to?

JJ: When Bill stopped being a regional director. What year was that?

PAT: Well, he came in here in 1972 I think.

JJ: So early 70's. And the regional director became a less important person. At that particular point, I think the company went into a less focused position and they tried an awful lot of things for the next 10 years or so and they didn't have a direction.

WG: Because these people lost the ability to ...

JJ: No, I think it started at the top. I'm not being /unclear/, but I think the top people weren't sure that they couldn't do a better job. And so when they took it over they started to do some things and I think that with the egos and personalities and all that kind of thing that ~~the~~ corporations ~~fell~~ go through. It lost direction.

PAT: The void then that was left from the regional directors not being /~~unclear~~ Powerful/ was taken over by corporate?

JJ: Corporate. In my opinion, from my perspective.

PAT: And then what you're talking about is the Spencer era.

JJ: Yes. And, I think we lost a lot of good management. A lot of people who were both loyal Sherwin-Williams people ...

WG: Did people leave?

JJ: Either left or were pushed out or pushed over. And then we got into the financial problems for a couple of years, and that put a real crimp on everything. And then Breen came in and it took him four or five years to clean house and get back into what I'll call stable management again. And I now see focus again, which I didn't see for a period of years in my mind.

WG: And by focus you mean ...

JJ: What the company really is. I'm not talking about diversity. I'm talking about, do we want to be a company that's proud of its products or a company that makes anything that comes along? Do we want to be a company that is dominated by the company store or do we want to be a company that goes out in several different ways to the market place, all equally committed? So it was a period of time when the stores received all the commitment. And then there was another period of time where may be the dealer business was heavily committed, so nobody knew right where we were going, what we were trying to do. The unfortunate part is, during that period, the growth acquisitions and so forth interfered, so when we finally got back the focus, we were so darn big then that it wasn't as obvious as it was in the beginning. But that's just from my perspective.

WG: What do you see as challenges facing the company? By the way, what kind of consulting work are you doing for the company now?

JJ: Meeting planning, that's my primary role. Working on meetings and other activities, things like that. 125th, things of that nature and so forth.

WG: What do you see as the challenges facing the company in the future?

JJ: I think number one is remaining close to the market place. I think we have, because we are so big, we have the ~~authority~~ ability to lose touch with the market place. I think the second challenge is to give equal support to several directions and not let one direction take over, be that stores or international or any other group become the dominant group, but to continue to let this store over here while this store is over here too. That's a challenge because it ties up your resources. It would be easier to say "Well, stores are the only thing that's important. Let's take all the money and all the brains and put them over in the stores". I think that would be a real challenge for the company. I think bigness is a challenge. I am constantly shook up by companies like Continental Airways going belly-up twice in 7 years. I am constantly concerned by acquisitions, by leverage buy-outs, and by things of that nature. I would think that, ~~[illegible]~~ Mr. Breen, and /~~unclear~~/ Commie and Ivy and those people must almost live in fear that tomorrow the thing is going to change again.

Something is going to come out of the woodwork. That would be a scary part of the business. That's a real challenge. I wish we were smaller. I would be very happy to be less than a $2 billion dollar company that had good ethics, good products, good quality, good people. I hate to see us get so big that we lose all these controls and so forth. That to me is a fear. I don't why, but I'm much happier a little bit smaller.

WG: It seems like the company's been growing all the time you've been a part of it, correct?

JJ: Oh, absolutely. But not necessarily more profitable and not necessarily a better company, just bigger. Bigness is not necessarily the same as better. The heritage of the company is what I married and I hate to say it, but I miss a little bit of that. I miss the fact that the vice president of this company used to walk down the hall and shake hands at Christmas time with every single employee from the mail clerk up.

WG: Who was this?

JJ: Dick Bull. And wish them a Merry Christmas. Or where the top people in the corporation knew employee's families or knew who was sick and so forth. When you get so big, there is no way that can be done. I'm not saying it should be done. It can't be done. But that's the thing that's missed. The world recognition gets to be ... You know, we have the President's Circle, ~~[illegible] of~~ Inner Circle. Now that take's a couple of hundred people. When the corporation was only 5,000 people, that was big. Now with 15,000 or 20,000 people, that's not such a big group any more. And it's hard for recognition. There's a lot of good people in this company that are stuck off in the corner some place. I don't think it will ever change. I wouldn't know how to change it. Give me the top job and I wouldn't know what to do about it. But I do find that is a real concern. I also think that, like the acquisition of the company DeSoto. ~~[illegible]~~ We brought in some awfully good people I think. And I think we're going to come out ahead on that. I think that's going to a very good thing for this company. If nothing else, if the brand never goes anywhere ~~[illegible]~~ the people that came with it will be good leaders for this company. I really feel that ~~well.~~ way

PAT: Good. Approximately how many people came over?

JJ: Well, I'll put a number off the top of my head. I heard 50 and that's total. Right here in my office where we are, there's probably two dozen at the most. But it was good management and I think that they will work well with us. The company has gained something from it.

WG: Are there things that would want us to know or you would want to be part of the history that we haven't asked you?

JJ: I think one of the things I think that is important to young people joining the company today is the heritage. I think it's very important to go back to Henry Sherwin's code of ethics, product, innovation, items we introduced. I think, for me, it's exciting to say "Well, we were the one who invented the roller". We were second with Latex paint, we weren't first, but at least we were second. Those kinds of keystones are very important to me. I think they should be stressed. The innovative things we came out with, the new approaches, the new directions for marketing and the fact that the company's constant concern for quality and maintaining good products and so forth. I think the negative side is to tell them how big it is. The fact we have 53 plants or 27 plants, if anything tells me that there's an awful lot of people out there trying to get ahead and competition is going to be tough. So I don't want this history to talk about the big powerful, I want it to talk about people and innovation and breakthroughs, consumer reaction, the fact that we have two trademarks that are in the top 25 in the world. Two of our trademarks are in the top 25. That's pretty important. That's really a fantastic story. And only Proctor and Gamble and a couple of others can do that. I think the book should stress that. I also think it should talk about the future. I think we ought to have in there somewhere Mr. Breen or the board of directors to make a statement about the future. I realize it has to be generic.

WG: What do you mean, how they see ...

JJ: How they see the future. Whatever they say, I think there should be something that's out there that's dangling in front of me and if I'm an employee of the company, and this book by the way that you're writing, is primarily for employees. I think there should be something out there to grasp for. And I'd like him to come back and say that my part, I remember the day when it was said that the company was no longer going to promote within. We were now going to the outside and start to hire people outside.

PAT: What time was this?

JJ: This was about the time Mr. Breen came. That they actually, whether did it in writing, I don't know whether it was in writing or not, but there was a definite time that wor~~l~~d went out that we were no longer going to promote from within as the primary source. I'm not sure it didn't come out in a bulletin, that either Mr. Breen or somebody said we could no longer be con~~cerned~~strained and we are now going to start to look at the outside world. Now that was meant as a positive but it was interpreted by many employees as a negative because they had been hired and led to believe that promotions from within was the way the company built their leadership. And it became very obvious. I mean, just look around the group. There's hardly anybody that has been promoted from within. There's an awful lot of people who have been brought in from Glidden and this company and this company. There was a time, 20 years back, when no one was brought in. And so you have to be concerned that you don't make it sound like there's no future and no opportunity.

WG: The other thing we need to know is, may be you've all ready talked to Pat about this, but do you have any pictures or memorabilia that ...

JJ: I have turned over to Pat everything that I had except for a couple of personal things which Pat has. Like I have the jigsaw puzzle and a couple things.

WG: But photographs?

JJ: I really don't have hardly anything. I'm sorry. Not even that much. I'm not into that stuff, so I didn't make an effort to keep a lot of that. We also had two major floods and one time we lost all of our college memorabilia, a complete loss. Yearbooks and yearbook pictures, and a corsage from the dance, and all that kind of thing. It all went out in the flood.

WG: Well, OK, thank you for this interview. It's been great. We've learned a lot.

JJ: I don't know if you've learned anything.

WG: Yes, we have.