



Tales of a Dinosaur

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Foreword

*“Sears is like a dinosaur.
If you want its attention, pound on its tail with a club.
After repeatedly clubbing the beast,
it might turn its head to see the cause of the irritation.”*

Joe Fisher began his career with Sears in 1953 writing copy for the Christmas catalog and retired as a Vice President 32 years later.

Arthur Wood was the Chairman when he started, Edward Brennan when he left. During the years I grew up I often heard the names of the Sears people my Dad worked with but I never knew much more than the names.

In my Dad’s words, “**Tales of a Dinosaur** is a series of vignettes about human frailty in a specific corporate arena called Sears”. It’s about the people and values that made Sears great, and it’s about the people and decisions that set the decline of Sears in motion.

Sears was our life growing up, and Sears was good to us. Watching Sears decline was difficult for my Dad – but he was also a prudent realist who sold all his Sears stock shortly after he left; nostalgia only goes so far!

Whether you were part of the Sears family or just bought a pair of Jeeps in your life, “Tales of a Dinosaur” is a good read. There are great insights into the personalities of the movers and shakers and snapshots of what life was like during the glory days of Sears.

My Dad passed away on May 29, 2005 after a long battle with colon cancer. He was an amazing man who taught us not only how to live, but how to face the end when everything goes against you. He will be missed by many.

Doug Fisher
June 11, 2005

Table of Contents

Chapter	Description	Page
I	The Age of Upsizing	1
II	Captain Queeg and Jack of Diamonds	4
III	In Step with the Music Man	17
IV	Are there any Questions?	24
V	Le Gran Phillippe	30
VI	Arnie, Vince, and Me	34
VII	Peter Pan and the Plumbers	39
VIII	The Age of Marketing	42
IX	The Man in the Wrinkled Suit	50
X	The Paths of Glory	64
XI	We Are They and They is Us	67
XII	On Wings of Words	73

Chapter I

“Sears is like a dinosaur. If you want its attention, pound on its tail with a club. After repeatedly clubbing the beast, it might turn its head to see the cause of the irritation.”

It was the age of “upsizing,” a time when “Big was good and bigger was even better.” It was the golden age of growth, optimism, and excess in post war America. It was the beginning of problems for Sears, the dinosaur.

We felt good about ourselves because we were the world's largest retailer, America's premier catalog merchant, a pioneer in discounting, first in sales, and leaders in the development of shopping malls. The media depicted



Gene Harmon

Sears as one of the best managed companies in America . We could do no wrong. Our public perception was a wholesome combination of apple pie, motherhood, and the flag. We were a powerful economic force, permeating the lives of employees, sources of supply, and customers. My friend, Gene Harmon¹ spoke of Sears influence

one evening during a trip to Washington, DC. He talked about the company’s impact on the economy, its leverage on manufacturers, and the influence on its employee’s lives and security.

He said, “I can go wherever men and women congregate in this country,” and if there are ten or more people, at least one, perhaps more will have a Sears connection. They could be employees, know a relative or friend who works for the company; they might sell merchandise to Sears, and if none of the above, they are customers.”

I am sure he wanted to expand on this theme but we were lost in the maze of Washington streets so we hailed a taxi to take us to our hotel.

¹ Gene was Corporate Vice President for Public Affairs at the time

“Having been a former cabbie, I asked the driver, “How’s business?” and he said it was pretty good for a part time job. I asked what he did during the day and he said: *“I am a service repair man for Sears.”*

I was hired as a catalog copywriter in 1953, eight years after the end of World War II, an era of good feelings, when the economy, babies and Sears were booming. It was a different world then. Our futures were secure and we were loyal to the company, confident that Sears would provide the good life in return for our dedication and in time we were certain we would rise up the ladder to ultimate success and wealth. Although we did not recognize the subtleties of a changing climate, changes were in the wind between February 1953 when I was hired and December 1985 when I retired.

When we accepted the realities of change, we were in shock and asked ourselves, *“What ever happened to the Dinosaur? Was it hunger, cold, or did they just grow old?”*²

Aging may have been one aspect of the problem but the troubles that lay ahead were also rooted in the glory days of the fifties, sixties, and seventies when Sears and most of corporate America indulged in the heady excesses of success, when management and employees alike believed that nothing would ever change.

The construction of Sears Tower was a marble and steel testament to permanence and “upsizing,” an ironic symbol of the “Bigger is Better,” syndrome.

Then they said, "Come, let us build ourselves a city, and a tower with its top in the heavens, and let us make a name for ourselves; otherwise we shall be scattered abroad upon the face of the whole earth."

Genesis 11:4

Headquarters was also scattered and occupied buildings throughout Chicago and other cities during the sixties. In addition to the Chicago west side complex, Sears leased space in the Time-Life building, the Mandel building, and a company-owned facility in Skokie, Illinois .

² From the words to a children’s song

There were also apparel buying offices in New York City, Dallas, and Los Angeles, so management decided to bring everyone in the Chicago Headquarters together again, under one roof.

The process began with a questionnaire asking the department managers to project their sales growth and personnel needs over the next five years. Middle managers concluded that the company anticipated big numbers so each department head turned in his estimate based on the unwritten code of cultural behavior. “*Tell 'em what they want to hear.....*”

Chairman Gordon Metcalf and his staff were astonished when they reviewed the manager’s projections but they accepted the responses because that is what they wanted to hear. Shortly thereafter the World's Tallest Building was built to accommodate the growing numbers of people employed by the World's Largest Store.

Now that edifice is Sears in name only because the downsized headquarters moved to Hoffman Estates, a suburb of Chicago in 1992.

Not long after the move to Hoffman Estates, the old dinosaur was in the hands of a new management, recruited almost entirely from outside the company. They were eager executives filled with exuberance and the promise of building a new company. But regardless of titles and experience, they are still people prone to the curse of all Homo sapiens. “To err is human.”

And that is the essence of this anthology called *Tales of a Dinosaur*. It is a series of vignettes about human frailty in a specific corporate arena called Sears.

Chapter II

CAPTAIN QUEEG AND JACK OF DIAMONDS

“He was like a rooster who thought the sun had risen to hear him crow.” George Eliot

The harsh ring of the telephone was like the intrusive sound of an army bugler at reveille. I picked up the receiver and Amelia Germano said, “Mr. Chameroy wants to see you. Right away,” she added.

The little man behind the huge desk glared at me, said nothing, and did not invite me to sit. He threw his glasses on the desk and said, “I don’t know whether you are stupid or naïve.”

I forget why I was in trouble but at least I remember the phrase, and I was probably culpable on both counts.

Arthur Chameroy was generally regarded as a tyrannical ogre disguised as a leprechaun. He was less than five feet tall, but his sizable ego compensated for his stature and he ruled his buying empire with Napoleon-like tyranny. He was my boss and a compelling force in a department where feelings toward the little giant ranged from hate and distrust to fear and deference. Someone in the “office family” summed up the feelings of the department with the phrase, “He’s a carrier of *Chameroids and Arthritis*.”

Despite prevailing attitudes, I respected Mr. Chameroy, so I disregarded his diatribes, like the “stupid or naïve” sermon. Perhaps my respect was the result of my army experience where I was trained to obey orders, officers, and bosses without question.

Mr. Chameroy was Manager of the Radio, Television, and musical instrument Buying group, one of fifty Supervisors in Headquarters (“Parent” in the old days), an elite group who were always ‘Mister’ to their underlings.

So entrenched was this formality that we presumed his wife, Clara also deferred to him as “Mister Chameroy.”

He reminded us of Captain Queeg⁴ when he jingled his pocket change as he walked through the department during early morning and late afternoon inspections, checking who arrived late or left early,

Art Chameroy appointed me as the musical instrument buyer in 1958, a year in which I was also dubbed “Jack of Diamonds.”

Bob Mueller persuaded me to be “Jack of Diamonds” for a departmental Christmas party and I pretended to be a drunken cowboy, clad in rented sheep skin chaps, cowboy hat, and guitar while I lip synched the words of the song “Jack of Diamonds,” sung by Tex Ritter on a 45 RPM record.

I practiced for days, feeling like a ventriloquist’s dummy until I could mouth the words Ritter sang..... “It's whiskey, you villain, you've been my downfall....”

The quality of my performance was irrelevant because Arthur Chameroy liked it and that was good enough for his minions who lustily concurred that my “Jack of Diamonds” rendition was second only to Chameroy's crab salad, which he traditionally prepared for the Christmas party. The Boss shouted “encore,” when my performance ended which literally meant a *command* performance, so I repeated my act at that Christmas party as well as other social functions during the year. My associates soon tired of me and “Rye Whiskey” but they knew the rules of the game so they laughed and applauded our leader's devotion to the arts whenever Tex Ritter and I did our thing.

Shortly after my Jack of Diamonds debut, Edward Gudeman, Vice-president for Merchandising was invited to a departmental reception and Chameroy's staff of buyers and sales managers stood in a formal queue waiting to be introduced.

⁴ The psychotic naval captain in the *Caine Mutiny*, a novel by Herman Wouk

Our position in the line was determined by status and sales volume of the merchandise for which we were responsible so I was one of the last to be presented.

The buyers of television, hi-fi, and radios, the big guns of the Home Entertainment department preceded me and Chameroy gave a thumb nail description of the goods they bought, their sales volume, and profitability.

Finally it was my turn and I waited for the boss to make glowing remarks about me and the musical instrument business, but instead he said, "Eddie, this is Joe Fisher. You'll have to see him do his cowboy act someday." Then he described the "Jack of Diamonds" routine. If he mentioned that I was also a buyer, it was a "by-the-way" comment. What could possibly be more important to Sears than a talent for moving lips to a 45 rpm record?

I think Chameroy perceived himself as a show business entrepreneur and "Jack of Diamonds" was the beginning of his theatrical pursuits.

One day he summoned me to his office and introduced Herb Shriner, a television star who hosted a quiz show and occasionally played the harmonica on national television. As we listened, like star struck teen agers, Shriner presented the virtues of the Herb Shriner harmonica, which he described as a "merchandising opportunity."

Shriner thought this was a brilliant idea and so did Mr. Chameroy. I had to agree. I really had to because the boss was already airborne with the exhilaration of associating with a show business star and the national television exposure that might result for Sears and the department.

The instrument was made by Hohner, *the name* for harmonicas. The *Hoosier Boy* was identical to Hohner's Marine Band mouth organ that sold for 98 cents in Sears catalog but Herb's version would be priced at \$1.98.

The instruments were identical except "*The Hoosier Boy*" featured a caricature of Shriner on the face plate. Otherwise Herb's product was a virtual clone of the original. How could the master merchants of Sears convince America that the *Hoosier Boy* was worth twice as much as its Hohner counterpart?

However, I kept quiet, instinctively following the cardinal rule for survival in that cautious Sears culture: *“Tell ‘em what they want to hear.”*

Herb mentioned Sears frequently on television and appeared in person at Sears stores across the country. Crowds blocked the store aisles and stood in line to get his autograph. Division managers were relieved when he left the store because customers did not buy television sets, harmonicas or anything else during his visit.

The promotion was a failure, not as costly as Ford’s Edsel but still a flop. We destroyed or gave away what was left, although the inventory of unsold harmonicas would have been much larger had it not been for shoplifters whose expertise helped Sears reduce the surplus.

Introducing Horizontal Accordions

The harmonica project did not live up to Herb Shriner’s promise but the “horizontal accordion” did.⁵ Many “wannabe” musicians with or without talent or training wanted to play a musical instrument during the fifties without having to suffer the rigors of lessons and practice, so do-it-yourself portable organs filled that need for immediate musical gratification.

The organ consisted of an accordion-like keyboard, powered by an electric fan or impeller that vibrated a set of metal reeds, generating the musical tones. Appropriately marked buttons, like those on an accordion, responded with simple chords when activated, and by striking a white or black key, the air from the impeller vibrated that particular reed, creating a musical tone. The chord buttons were lettered and the keys were numbered to coincide with specially arranged music. The Sears Silvertone organ was priced at \$99.95, thirty dollars less than the leading competitor’s price of \$129.95.

The metal reeds were crafted by an accordion manufacturer in Ancona, Italy, the cabinets were fabricated in Chicago, Illinois and the two separate units were assembled in Milwaukee, Wisconsin.

⁵ A name for this ersatz organ coined by my friend, Jim McCarthy

After a circuitous journey from, Italy, Illinois, and Wisconsin, the finished product was shipped from Milwaukee to Sears stores and catalog warehouses across the country.

The first organ ad appeared in the Christmas Catalog which mailed in September. Early that month, I stood in an all but empty Milwaukee warehouse where our entire inventory consisted of 12 sets of reed assemblies, all of which were defective. I could see a merchandising disaster looming, even worse than the Herb Shriver debacle and I briefly considered lip-synching records as a possible new career.

We could not possibly satisfy the Christmas catalog demand if the Italian-made parts were shipped by ocean freight so an "Italian Air Lift" appeared to be the only answer. We learned that KLM Dutch Airlines had space available for air freight from Europe to the U.S. and the airline quoted costs for shipping a plane load of organ parts from Italy. It was then that I decided to explain our impending disaster to Mr. Chameroy.

He agreed to my request for a meeting and suggested lunch at the Cart, one of his favorite Chicago restaurants. Mo Rose (the cabinet manufacturer, and my street-wise adviser) joined us.

Lunch with Arthur invariably began with cocktails and as he drank his Chivas Regal, I sipped a Virgin Mary, liquid insurance that would hopefully protect me from blowing this critical moment in what might be the end of a short career.

We explained the situation, the cost of leasing the airplanes, and what the action would mean to turnover and profitability, as well as the consequences if we were unable to satisfy catalog demand.

Mr. Chameroy scribbled numbers and symbols on a cocktail napkin which may have had significance but might have been meaningless doodles because he immediately grasped the significance of the situation and he understood the consequences if we did not follow the recommended air lift action.

Despite the relatively high cost of air freight, he said, “Do it” and we subsequently chartered five KLM 707s during the Christmas season and sold more than twenty thousand units, the maximum number we could assemble. We introduced two additional models the following year and enjoyed continuing sales success.

Then I discovered there was another A.T.C. in addition to Arthur T. Chameroy. His name was Austin T. Cushman and he invited me to visit him in his Los Angeles office. I was impressed. This A.T.C. was vice-president for the entire western region and a director on the board of Pacific Mercury, Sears West Coast manufacturer of television sets as well as producer of the Thomas electronic organ.

This was the early sixties, a time in which Sears campaigned to reach a more affluent segment of the consumer market; upscale shoppers who bought diamond rings, fur coats and other conspicuous consumption products including electronic organs.

Sears musical instrument sales now totaled twenty million dollars due in large part to the advent of portable organs but the merchandise line was still minor league compared to Sears television revenues. Both television and electronic organs would be sold by the same commissioned retail salesmen. Television meant a quick sale but expensive organs required time, home demonstrations, trade-ins, and lessons if Sears were to compete effectively with the specialists of that industry. Those were my thoughts, which in retrospect I should not have shared with Mr. Cushman.

After touring the Pacific Mercury facility, I was ushered into the vice president’s office. Austin T. Cushman rose, shook my hand, and said, “I am interested in your evaluation of the Pacific Mercury operation,” and I replied that I was very impressed, which under the circumstances seemed to be an appropriate response to a Sears officer and member of the Pacific Mercury board of directors. Then he asked, “What do you think about Sears selling thousand dollar organs?”

I “*naively and stupidly*” told him in detail what I thought, even though Mr. Cushman wanted to be told *what he wanted to hear*.

Since I perceived myself as the Sears expert on organ merchandising, I charged ahead, unaware of the dangers lurking on the perilous path I had chosen. I expressed my concerns about trade-ins, lessons, and the need for specialized salesmen and I recounted our recent success with the reed organ, commenting that we did well because the product appealed to people who wanted to play simple tunes without effort. I added that the chord organ literally sold itself and did not require a specialized sales force.

I was pleased with my discourse and awarded myself an “A” for eloquence. For a brief moment, I considered bowing before a thunderous but imagined ovation.

But Mr. Cushman was not impressed. The ambiance of his office suddenly chilled in contrast to the warmth of his earlier greeting. I sensed the meeting was over when he abruptly stood behind his desk. He thanked me for visiting and said:

“Young man, it is obvious that you are one of those Parent people guilty of “dynamic apathy.” He swiveled in his big leather chair, picked up the telephone as I departed, chagrined by my abrupt dismissal.

Several months later Austin T. Cushman became Chairman and Chief Executive Officer of Sears, Roebuck and Co. and once again I considered an alternate career path. Fortunately, there were larger issues for him to confront in his new position and that was the last time A.T. Cushman mentioned “thousand dollar organs.”

Actually he never spoke to me again about anything and I idly wondered if he had become a victim of dynamic apathy now that he was in Parent.

MAGNETIC LIPSTICK TUBES???

While organs had become a significant part of my business, guitars were even more important because of their high unit volume and profitability. The Danelectro Company was a supplier of electric guitars and amplifiers.

Nat Daniel was the founder, president and sole owner, who in addition to amplifiers also introduced the affordable solid body electric guitar in the early fifties. Today the Danelectro brand is a collector's item among guitar aficionados.

Nat was an innovator who understood the principle of "rigid control of expense," an example of which was his innovative and inexpensive guitar magnetic pickups used in electric guitars. He made them from surplus lipstick tubes, bought from a cosmetics manufacturer. He inserted the electronics in the tubes and produced the lowest cost guitar pickup in the industry.

An acoustic guitar, manufactured by the Harmony Company was our biggest unit seller in 1954, priced at \$9.95 in Sears catalog. It was a beginner's guitar and many serious amateurs, some of whom later became professionals, learned to play on their Silvertone, stock number 605.

I asked Nat if he could do something with a low priced electric guitar that would appeal to the same beginner's market as the 605. He did and we enjoyed resounding success with this exclusive innovation that included the guitar with an amplifier built in to the case, sale priced at \$49.95.

In 1995, my son, Curtis Fisher, found the all-in-one electric guitar at a music store, priced at \$300. He bought it and was assured by the salesman that in a few years it would be worth \$1000 to guitar collectors.

I think the reason I respected people like Nat Daniel was because he disagreed when he thought my ideas were off base, even though I, representing Sears, was his economic life-line. How different from the "Tell me what I want to hear not what you really think" malaise of my corporate life.

J. N. FISHER
Buyer, Musical
Instruments

"Here's a really
tremendous value..
a complete
self-contained outfit now at
the lowest price in history"

**Electric Guitar and
carrying case with
built-in 5-in. speaker
and amplifier**

Slashed \$18

NO MONEY
DOWN

\$49.95
cash

Includes valuable 45-rpm
how-to-play record, plus chart

Mo Rose was another example of sources who helped Sears become a dominant force in retailing. He was president and founder of Midwest Cabinet where he manufactured wood cabinets for home stereo players, records, and portable organs, but before he started his own company, he sold rebuilt sewing machines in a Chicago department store, and later made sewing machine cabinets.

One day I met Mo in the corridor of Department 657 and he asked, “Are you going into the portable organ business?” I said we were considering it and Mo replied, “Well, I make cabinets so maybe we can work something out.”

That brief conversation was the beginning of a multi million dollar business association and Mo's street smart counsel was invaluable because he combined superb manufacturing know-how with an innate marketing sense.

Nat and Mo were more than suppliers. They were advisers, and consultants whose opinions and advice were not conditioned by politics, job security or corporate ambition. They were symbols of another aspect of Sears corporate soul, and a priceless legacy during a time when individualists were rare commodities in my world of three-piece suits and rigid rules of politically correct behavior.

The Rockford File

Mr. Chameroy announced one day that we were going on a field trip. And so he and an entourage of buyers and sales managers descended on various Sears stores in the Chicago area. The boss called it, “an opportunity to share ideas with our field organization,” an excellent idea except we did not tell anyone we were coming. This infuriated store managers who zealously protected their independence and resented unexpected and unannounced Parent visitors. As soon as we left the first store on our itinerary, all managers in the vicinity were alerted by telephone that “enemy forces” were approaching, an action that would have made Paul Revere proud.

The final visit was Rockford, Illinois, a store managed by Edward R. Telling. Upon arrival in Rockford, we were informed that the manager had a prior commitment and was unavailable, so we conducted our review without Mr. Telling.

We finished the critique late that afternoon. Since we were usually desk bound warriors, unaccustomed to standing on our feet all day, we were tired and looked forward to the dinner party planned for that evening. Chameroy called it a de-briefing session but we knew there would be booze and good food during our review of the lessons learned from our field expedition.

As we were about to leave the Rockford store, Mr. Chameroy received a telephone call from Ed Telling who invited Chameroy to his office.

We were not privy to the actual conversation but I couldn't help but wonder if Telling delivered a "stupid or naive" lecture to our leader. Telling's reputation as the most independent of all independent store managers was legendary. The word from the "grape vine" was that Telling was furious and he told Chameroy he was not welcome ever again in any store managed by Ed Telling and that he would never forget the unannounced visit to his store.

At least the dinner party was a smashing success. I mean everybody was smashed, but our Catalog Sales Manager had the most unforgettable smash of the day. He arrived home, drove into the garage, through the garage wall, and into his family room. History does not record whether he said, "Honey, I'm home," but his wife and Ed Telling now had something in common. Neither ever forgot the visit to Rockford, Illinois by Chameroy and the boys.

Edward Riggs Telling became Sears Chairman and CEO in 1977.

When Arthur Chameroy retired, his successor was John Amato, a manager who was neither Napoleon Bonaparte nor Captain Queeg. He was a humble, self-effacing son of Italian immigrants. He was also ambitious, a little like Uriah Heep, the fictional character created by Charles Dickens.

John Amato rose through the ranks to his current high position and he was "John" to all, not the traditional "Mister" we were accustomed to.

He remarked more than once that his father was a barber, his family was poor and he added with a touch of pride, “I wear both a belt and suspenders because I am so insecure.”

Mr. Chameroy formally introduced John to our major suppliers and he invited each buyer to join them when their sources of supply were scheduled on the itinerary. I met them at the Warwick hotel in New York City, and my first encounter with John Amato immediately established that he was different. Arthur Chameroy was in the bathroom when Amato opened the hotel room door and invited me in. His first words were: “Do you know how much this goddam hotel suite costs?”

I didn’t, so he told me and then he complained about the price of room service, New York taxis, and the cost of liquor, a philosophical point of view that contrasted sharply with Chameroy’s tenet that “It costs only a little more to go first class.”

When we reviewed sales projections and purchases each quarter, John’s conservative nature was evident. For example when I informed him of the quantities of guitars I intended to put on contract, he usually said something like, “Jesus H. Christ, do you know how much money you’re tying up? Who in hell is going to buy all those guitars? And don’t forget,” he added, “you can’t put money in the bank until you’ve sold the last twelfth of a dozen.”

The review sessions often ended with this caveat. “I hope you know what you’re doing,” but I noticed that he sometimes shook his head as I left the office indicating that he did not believe I was in my right mind. But he never said “no” or recommended smaller quantities, or suggested alternatives and I felt that I would be left alone in a sinking boat if and when the bottom fell out of the booming guitar business.

He was such a nice guy, easy to talk to, friendly and outgoing, a polar opposite to Arthur Chameroy. The contrast was sharply defined between a really nice guy who would apologize if he were forced to abandon ship in a “sink or swim” situation.

At the other extreme was a diminutive dictator given to raging tirades and fits of temperament, but despite his volatile nature, Arthur Chameroy was supportive especially when he was included in the decision making. I was sure he would stay with me if my guitar boat were sinking.

“How,” I wondered, “would Amato have responded to my request to ship organ parts in chartered airplanes from Europe, before we sold the first twelfth of a dozen?”

These were my formative years in corporate life and the nine years I spent in Department 657 were a template for the lessons I was to see repeated throughout my 32 years with Sears. The experiences were more than “tell me what I want to hear” caveats because I also learned another invaluable lesson that helped me steer through the corporate maze. To be effective you have to recognize and accept the idiosyncrasies of your boss and then work around them.

Introspection and Retrospection

Historians may not view the Chameroy years as significant because the Shriner harmonica, the “horizontal accordion,” and the Rockford store visit were minuscule compared to the immensity of subsequent events at Sears, a company often described as a microcosm of America. My experiences in the Chameroy era may also have been a microcosm of Sears, a mirror of events that were to loom large in the *Decline of the Dinosaur*.

I saw arrogance and vanity in those years of “call me mister,” and witnessed the rancor between headquarters and field, characterized by Mr. Cushman's "dynamic apathy" phrase as well as the ill-fated trip to Rockford.

The confrontation between Telling and Chameroy was relatively minor, but it was symptomatic of a major source of upheaval during the seventies and eighties. It was a struggle for dominance between the headquarters and field organization but especially between Supervisors like Arthur T, Chameroy and Store Managers like Edward R. Telling.

The 657 Boys



Back Row L to R: Joe Bowser, Verne Tragesser, , Harvey (Mac) McCoy, John Amato, Art Chameroy, Bernie Wixson, Dean Den Uyl

Second Row (from top): Al Chamberlain, Alex ?, Joe Fisher, Frank Underwood, Frank Taylor, Tom Garvey, Gene Shelton, Chet Rybicki, Bob Buskiewciz,

Third Row: Doug Odell, Bob West, John Connelly, Bob Jensen, Bill Miller

Bottom Row: Dan Sullivan, Earl Wise, Jerry Brennan, Frank Weiss

Chapter III

In Step with “The Music Man”

Memorable moments in my Sears career frequently began with a telephone call, like the summons from Arthur Chameroy and his multiple choice question concerning “stupidity or naiveté.”

A new opportunity also came in the form of a telephone message from Stacey Haines.

Stacey was Director of Parent Personnel and he told me about a new opportunity in Department 603. He described the position, Buyer of Cameras, as a promotion which proved that even personnel guys at Sears were trained salesmen. Cameras represented less than three million dollars in combined retail and catalog sales, compared to musical instruments which accounted for seven times that amount. Another important lesson learned in my early years helped me make a decision.. “Never turn down a promotion” because most moves mean more money as well as a new arena in which to succeed or fail.

During the initial interview with Clem Stein, my new boss, I realized that Sears cameras were beset with more problems than an algebra text book. Clem mentioned Model 7839 as an example of the difficulties I faced. “We own 7000 of these turkeys and they don’t work,” he said nonchalantly. “The shutters are rusty and they stay open after the shutter release button is depressed.”

Vacationers carrying this lemon on their once-in-a-lifetime trip to Europe or other exotic places told us how they felt about the camera. They were furious. Due to the configuration of the self-contained flash, which was too close to the lens, humans and dogs were infected with terminal “red eye” on those rare occasions when the shutter functioned. Customers demonstrated their displeasure with both of these irritations and returned the defective cameras to a growing heap of useless goods in our New Orleans warehouse. “There is also another problem,” Clem said, and I took a deep breath.

We bought 3000 Rollei-Magic cameras in a sensational close out deal but as it turned out we were more excited than customers because we still own most of what we bought.”

The original Rolleiflex Twin Lens Reflex was a professional camera and LIFE magazine photographers were often seen in action with their Rollei. Sears thought the Rollei-Magic would appeal to amateurs because it looked like the one professional photographers used and we assumed that amateurs would prefer the automatic exposure feature because the camera was easier to operate. Unfortunately, non-professional camera enthusiasts bought neither the premise nor the camera because both amateurs and professionals using a twin lens reflex camera were serious photographers. The automatic attribute meant something to this group only if it could be manually over-ridden, allowing the photographer to choose his own settings. This was not possible with the Rollei-Magic.

We finally resolved both problems. The Japanese manufacturer assigned two men to replace the defective shutters in Sears New Orleans warehouse, a task that took more than a year and when repairs were completed, we shipped the remaining inventory of rebuilt cameras to our stores and absorbed huge losses in the process..

An English retailer bought the Rollei-Magic inventory and Sears paid the ocean freight to England, one more expense to be added to the monumental losses incurred during my first year as Sears camera buyer.

Disaster lurked in the shadows of 603 like the fabled Bad Wolf and there seemed to be was no way out of this maze of frustration. In addition to my other woes, Eastman Kodak announced a new product with the introduction of Instamatic cameras, an instant success with the “aim and shoot” mass market that sent all the box cameras we owned into an abyss of obsolescence.

The cartridge-loading feature was to the camera consumer what the “play-by-number Horizontal Accordion” was to the musical instrument market; a “no-brainer,” promising instant gratification for snapshooters who did not like to thread film.

Retailers competed for leadership in pricing the Instamatic lower than any of its competitors, now that the Robinson-Patman fair trade laws were history. Margins fell to 10% or less on this innovative new camera, barely enough to cover Sears ever-increasing overhead so Sears adopted a firm position regarding the Eastman innovation and banned the product from the stores.

A majority of Sears outlets bought the Instamatic anyway despite the Parent prohibition.

We promised our retail merchants that Sears answer to Eastman’s innovation was almost ready for market and we showed a wooden mock-up of the Easi-Load, pleading for their patience during departmental meetings conducted across the country. We repeatedly announced that the Easi-Load would soon be ready and extolled the virtues of the new product and its promise of improved profitability for the camera line. By the second or third time around with the beautifully carved wooden prototype, no one believed us nor did they seem to care.

Weeks before shipping Sears version of the Instamatic, the law department advised that Eastman's cartridge loading system was based on “prior art” and therefore the Kodak patent was indefensible so we forged ahead and did not pay royalties on the advice of counsel. When Eastman threatened to sue, we were immediately advised to capitulate and pay royalties to Eastman.

Sears Easi-Load was a fair Instamatic facsimile and despite some problems, the flaws were less severe than those of the infamous Tower 39. But the defects were enough to further dull the field’s enthusiasm and confidence in the Headquarters buying organization. Easi-Load sales were fairly good but even though the Easi-Load was priced lower, customers generally chose the Instamatic.



Supervisors became an extinct species, like dinosaurs in 1963 when their title was changed to National Merchandise Manager, although the rank and file irreverently dubbed them as Num-Nums. In this new era of informality, it is now okay to address Num-Nums by their first name.

Clem Stein, Jr., was the National Merchandise Manager of the buying department responsible for office equipment, books, greeting cards, and photographic equipment. He reminded me of “Professor Harold Hill” the con artist and lovable rogue in “The Music Man,” a hit Broadway musical during the sixties.

As I recall events that occurred more than thirty years ago, the yellowed images may be slightly blurred but I think my memories of Clem are accurate. My snapshot shows a man wearing a Nehru jacket, swaggering down the corridors of 603 and I visualize “76 Trombones following close behind.”

Clem was a gambler both with merchandising as well as other games of chance. He just did not reflect the image of a Sears executive and he was the only Num-Num who drove a Rolls Royce to work. Others may have had one in their home garage but did not have the audacity to drive such a status symbol to the office.

How he acquired the Rolls remains a mystery.

Let's Make A Movie!

Clem introduced me to Vincent Price one evening at the Chicago Yacht Club during a reception hosted by Stein (but paid for by Sears suppliers). Price was a well known actor, art connoisseur, and gourmet, as well as advisor to Sears. Various products resulted from his collaboration including the Vincent Price art collection, a Cook Book, and an elegantly illustrated Bible, appropriately called the Vincent Price Bible, sold exclusively at Sears.

The cocktail reception at the Chicago Yacht Club lasted for several hours and the sound level increased in proportion to the volume of liquor consumed.

Because of the noise, Bob Bedessem, a Sears Buyer, Vincent, and I strained to hear Clem who spoke to us over the boisterous commotion. “You know,” Clem said to Vincent, “you are a movie actor, and my department sells movie cameras but you are not involved with that line of merchandise. I think that’s an oversight so here’s an idea that should benefit our movie camera sales.”

He paused dramatically and we waited expectantly for his revelation. “Let’s design a kit for customers that will arouse their creativity and help them produce their own movie productions, complete with makeup, scripts, maybe even one of those movie clappers. I believe such a product will revolutionize the home movie industry. Don’t you agree?”

“What a question for sycophants,” I thought, as an image of Herb Shriner flashed across my mind.

Of course we agreed. We praised Stein’s brilliant concept and babbled enthusiastically, but when Clem and Vincent moved on to other circles, Bob turned to me and said, “That is a dumb idea. I hope he forgets about it.”

Bedessem was apparently the only one who recognized a significant marketing fact. People shot home movies as though they were taking still photographs that moved and home movie reels usually consisted of moving snapshots taken at weddings, vacations, and parties.

Unfortunately for Bedessem, Clem’s inspiration survived. The next morning he strutted down the aisle to Bedessem’s office, one hand in his trousers pocket, and announced: “Bob, you’re it. You are the buyer.”

Bedessem, the chosen “volunteer” then created the Vincent Price Movie Maker Outfit and produced a beautiful four color package complete with movie clapper, mustaches, make-up, and scripts including the classic “Frog Prince.”

Customer response to the Vincent Price Movie Maker Outfit confirmed Bedessem’s premise: Home movie makers could care less about the “Frog Prince.”

It was December 15 and the Christmas season was over for catalog merchants. Clem again visited Bedessem's office.

"So, how does it look?" he asked. Bob knew what "it" meant and he said, "Disaster, Clem, an absolute disaster. We'll be lucky if we sell 200."

"And we bought how many?" Clem asked

"10, 000," Bedessem replied.

Clem considered this for a moment and then said, "Well, I guess we blew one," and casually left the office.

Clem Stein, Jr. also wrote a book entitled *Gin and Bridge Gambitry*, ironically subtitled, "The Art of Winning All the Time," but cynics called it a treatise on acceptable methods of cheating. The book was illustrated with caricatures of Sears people (all with clever pseudonyms) and published by a Department 603 book supplier

Clem Stein, Jr. was the personification of "chutzpah," a man who remained unperturbed by serious and costly problems. The 7839 camera, Rollei Magic, the wooden Easi-Load, or Vincent Price's Movie Maker outfit, didn't faze the medicine man of 603. Sears Tower film also left him undaunted. This was Sears private label brand of color film in which green was the dominant color; human faces, pets, babies, and sunsets.....they were all green.

The merchandising blunders described during my 603 days, monumental as they seemed at the time, were only minor blips in the total scheme of things, small irritations that the invincible Dinosaur barely felt because of its size. Nothing could stop the Sears behemoth. We were after all the biggest and the best. "You can't argue with success," was a standard answer to critics and we confidently knew our loyal customers would follow us wherever we led them.

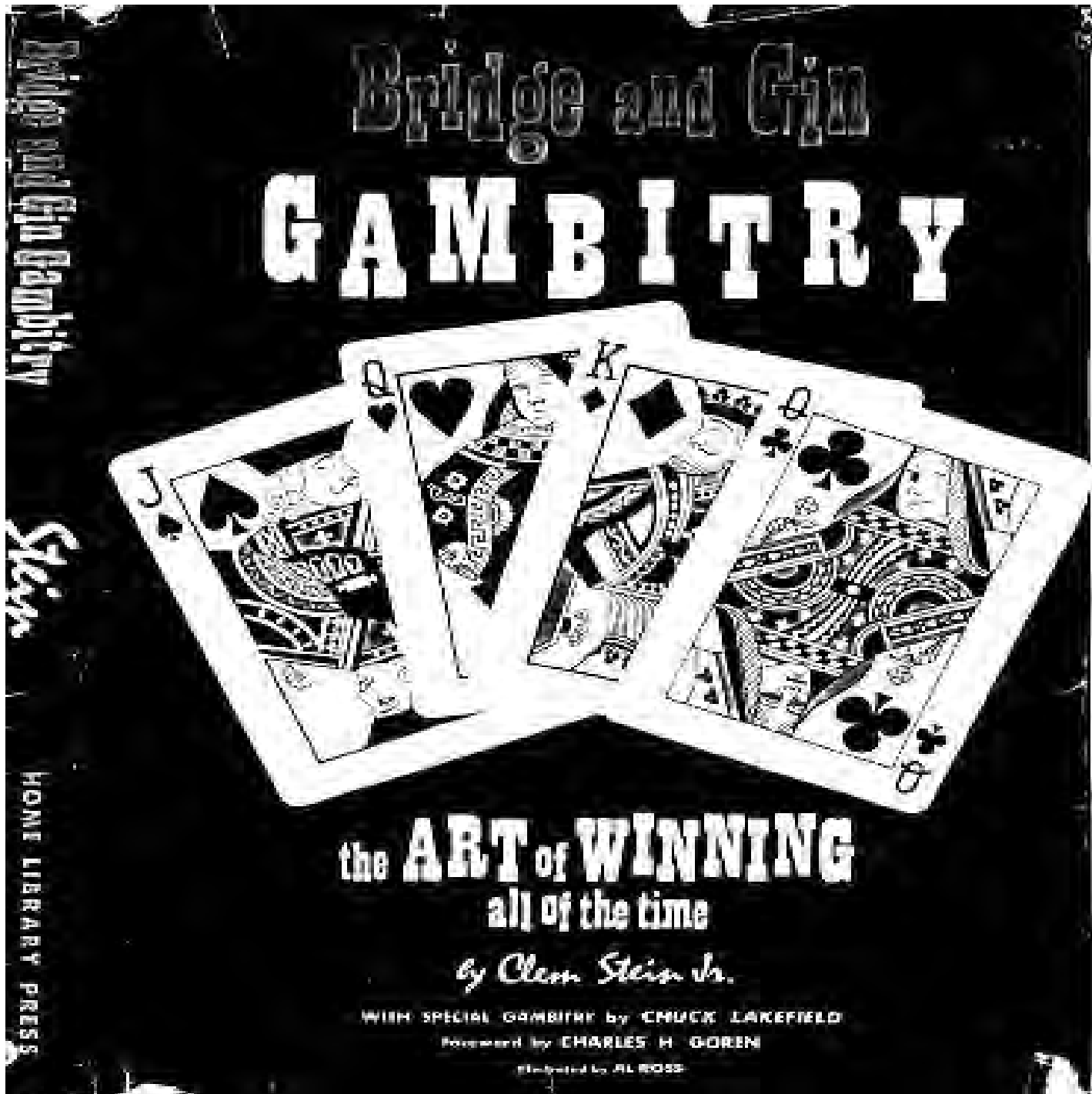
Bob Bedessem and I thought of ourselves as prudent survivors by not expressing what we really thought about the movie maker outfit or the Easi-Load debacle. Yes, we should have had the courage to speak up but survival and security, not wisdom and risk were the better part of valor.

Clem did not want an honest evaluation of his brain storms any more than Art Chameroy expected me to say the Herb Shriner harmonica was a lousy idea.

It did not matter whether the boss was a National Merchandise Manager or Chairman of the Board, the prevailing truth was still characterized by the unspoken phrase, “*Tell me what I want to hear...*”

The events of 603 also exemplified one of the giant’s weaknesses. Sears retailing growth was built on several important precepts, one of which was the development of private brands. This strategy was extremely successful in automotive, appliances, and hardware, but a disastrous path for photographic merchandise, because the industry was dominated by Eastman. They virtually controlled both the hardware and film market while we tried to compete with their power using marginal sources of supply.

No matter how hard the Dinosaur was clubbed with this fact, it refused to change its course. If Craftsman and Kenmore are good for Sears, then the Tower brand should also follow the course of private label even though this strategy may not be wise or prudent in an industry where Sears was such a minor player.



Chapter IV

Are There Any Questions??

I escaped from 603 and its problems in 1965 with a helping hand from Earl Wise, an old friend from Department 657. Earl reported to Tom Filline, Vice President for Catalog merchandising. Earl and I met for coffee one morning and he asked if I would like to join the catalog staff. I said “yes,” without hesitation, and when the Personnel Department approved the transfer, I reported to Tom Filline as a catalog merchandiser. I was a counselor and adviser to ten catalog sales managers in the home improvement group of departments where I became an overnight “expert” concerning the catalog business of my constituents, whether the subject was lawn tractors, paint, hardware, houseware, plumbing, or air conditioning products. Tom Filline expected us to know everything there was to know about the departments under our wing and he asked more questions than most of us could answer. His probing was an effective technique that demonstrated the essence of staff work where questions are its life blood. There are usually more questions than answers on any given subject, and the staff was expected to ask one question after another until the respondent capitulated or cried “uncle” in sheer frustration.

Filline was an astute manager, probably the most competent of any I knew at the time. He did not shout, nor did he rant, bully, or ridicule, a la Chameroy but even without histrionics, we knew when Filline was dissatisfied. A monthly staff meeting was the crucible where the topic never varied. “*Be prepared to talk about your failures.*” He expected us to analyze, expound and explain the results of monthly promotional media called tabloids and he wanted to know why margins were below promise and why actual sales did not achieve estimate.

We devoted a major part of our time screening and challenging merchandise candidates for these tabloids.

Then we competed with other staff merchandisers for a share of available space which was allocated on the basis of history and estimates. We were expected to challenge the numbers and to either increase or decrease projections based on history, experience, and sometimes intuition. When sales and gross profit predictions were below actual results, he always asked, “why?” His probing process was a discipline that helped us learn the business, to recognize that there is a technique to estimating sales, and to more perceptively challenge the catalog sales managers when they submitted their forecasts.

The monthly ordeal was also a platform from which Tom evaluated his staff and I looked forward to the sessions almost as much as I enjoyed Castor Oil, administered by my mother during childhood. Both experiences were probably good for me but Tom Filline’s “show and tell” discipline was almost as unpleasant as the abominable taste of Castor Oil.

I believed in the independence of the buying departments before I joined the catalog staff, convinced that the buyer was the company’s greatest strength but like unpolished brass, this image gradually tarnished during this phase of my career. Catalog sales managers regarded the staff as meddlers who interfered with their tasks while we tended to regard some catalog sales managers and buyers as loose cannons, who took unnecessary “Clem-Stein-like” risks with corporate assets. The longer the staff tenure, the more cynical we became, an attitude that mirrored antagonism between Headquarters and the field retail organization.

One of my catalog responsibilities was the Plumbing and Air Treatment department where Ed Atzel was the Catalog sales manager, a free spirit who was unique.

He was popular at communications meetings called Catalog Caravans which were conducted by Headquarters for field merchants. Atzel’s showmanship was at its best at these meetings especially when he extolled the virtues of a new toilet seat, delivering his sales pitch from the comfort of a vitreous china throne. Invariably he invited a female member of the audience to step on stage.

Then he persuaded her to sit on the seat and experience its comfort, while he ad-libbed throughout his performance. His tactics were somewhat crude, but the audience loved his performance, knowing that only Atzel could get away with such ill-mannered demonstrations and avoid censure.

Ed paid little respect to the catalog staff in general and targeted my ignorance in particular. He frequently told me I should learn about the home improvement business at the grass roots level and suggested that I accompany him on a visit to the Field where he would teach me about catalog's "real world," so I accepted his invitation and accompanied him in his Cadillac as we traveled to Catalog sales offices in Illinois and Indiana. Washers and television sets were displayed in the CSOs but customers placed their orders at the catalog desk for delivery from a centralized mail order warehouse. Some offices retained outside sales people who sold home improvement merchandise and arranged for installation through independent installers.

Our first stop was a sales office in Watseka, Illinois. Atzel reminded me of Willy Loman, the lead character in Arthur Miller's "Death of a Salesman" as he entered the store. He was by no means the tragic character depicted by Miller but like Willy Loman, Ed always carried a huge sample case containing giveaway gimmicks and mementos which he distributed to catalog office employees. They all knew him from the many meetings he conducted and CSO people enjoyed his visits to their home turf.

Atzel was overweight and perceived by some of the button-down minds in Headquarters as a buffoon but those who knew and worked with him recognized that he was a professional who enjoyed what he did for a living. He was not the perceived "court jester" in the conduct of his business where his sales estimates were always accurate, his media plans were sound, and he never missed submission deadlines.

Like Earl Wise, Ed helped me find the path to a new opportunity when he recommended me as Senior Buyer of the Plumbing lines in Department 642. I was interviewed by Peter Wickham, the National Merchandise Manager.

Staff experience taught me how to ask questions but my interview with Peter Kunz Wickham introduced a new dimension to interrogation. He preceded each new query with the phrase “Let me ask you about.....”

As I opened my mouth to respond, Pete answered his own question. He asked, and then answered throughout the interview, as though he was a ventriloquist and I of course was the other one.



Wickham apparently assumed that I was alert and a good listener because he hired me for a job that I thoroughly enjoyed for the next four years. As Senior Buyer of Bath Modernization, I was with real people who liked what they did in a relaxed and stress-free atmosphere. Stress certainly existed but Pete Wickham protected his people, absorbing most of the corporate flack instigated by tyrants like Bob Anderson, vice president for retail, and Jim Krum the Home Improvement Group National Merchandise Manager. Pete was regarded as one of the independent, old time Supervisors, a species that the new breed of management was determined to eliminate.

People in 642 liked Pete Wickham because he was the essence of the computer-age phrase, “What You See Is What You Get.” (WYSIWYG). Despite an Ivy League education and innate intelligence, Peter K. Wickham was one of the boys, an old shoe kind of guy who recognized and laughed at his own idiosyncrasies.

He demonstrated the real meaning of group consensus one day during a vote on color preferences for bathroom vanity cabinets since there were different opinions. Pete preferred off white while others liked pure white.

We indicated our choices on slips of paper, turned them over to Pete and he read the results. Pure white was the winner. So he called for another vote, and then another until we got the point. Off white was the overwhelming favorite on the final ballot.

When old timers from 642 get together, they invariably mention Pete Wickham, remembering episodes from the past. For example, during the Sears Excellence award presentation to Universal Rundle, one of our plumbing sources, he was introduced by the mayor of New Castle, Pennsylvania as Mr. *Wickman*. His irreverent staff continued to address him as Mr. *Wickman* long after the incident but he also enjoyed the memory and laughed with us over the mayor's unintentional gaffe.

We also remember being summoned to Pete's office for individual conferences on strategy or tactics or other current buzz word topics. Pete did most of the talking and during my first month in 642, I was prepared to take notes on whatever subject he chose. Later I continued to carry my notebook but I did not write anything. Pete scribbled on a yellow legal pad as he talked and when he was through, he handed me several sheets of paper containing his cryptic notations. Invariably there were the letters A, B, C, etc. printed horizontally across the top of the page with sequential numbers listed vertically on the left side accompanied by other written notations. I dutifully took these sheets back to my office, looked them over, then filed them in the bottom drawer fully expecting to be asked at a later date if I had followed up on his suggestions and if so what were the results. But he never pursued the issues so I finally cleaned out the drawer.

Pete had opinions on many subjects and the gamut ran from A to Z for zippers. A zipper stuck at half mast once when he spoke before an audience and he vowed never again to own a suit with a zippered fly. This became a topic of conjecture during one of his lengthy staff meetings where he frequently leaned back in his swivel chair, moved his glasses to his brow his hands behind his head, feet on the desk, then analysed aloud a marketing or philosophic point.

Since he was sometimes forgetful, the gap between unclosed buttons generated muffled laughter among his audience. When he asked what was so funny, nobody spoke up.

Pete's incessant chattering, the democratic vote on colors, and his button down pants were memorable, but the unique aspect of Peter K. Wickham's style of management in a culture of conformity was the trust he placed in his people to do their jobs with relatively little interference. Peter Kunz Wickham was one of the reasons for my content at the time. He was neither a stereotype nor a conformist, even though "team players" were rewarded and mavericks were usually scorned at Sears.

Peter K. Wickham was the first National Manager I worked for who did not adhere to the popular theme: "*I really don't care what you think. Tell me what I want to hear.*"⁶

I was a little sad when my career as a buyer ended four years later when I was appointed as Director of Headquarters Management Development in the Personnel Department.

⁶ Except for cream colored bathroom cabinets

Chapter V

Le Gran Phillippe

His name in the real world of Sears is Francis S. Hartley, Director of Parent Personnel but when he was a magician, his stage name was Le Gran Phillippe. Frank reported to Wallace Tudor, vice president for personnel, a man who believed his people should expand their knowledge beyond the confines of business, and to accomplish this end, Wally assigned special projects to his key staff each year. He granted them one year to research the assignment, personally funding whatever expenses were required, with the understanding that the extra curricular activity would not interfere with corporate responsibilities.



Francis S. Hartley

Frank's project was “magic” and he took instruction from a professional magician for a year. When he performed for the department, he was presented as “Le Gran Phillippe,” because Tudor sometimes addressed him as Phil, for reasons known only to Frank and Wally.

Frank Hartley was a compulsive telephone addict whose umbilical cord was a long telephone cable that allowed him to pace back and forth in his sixth floor office while he conversed with his constituents. As he talked and walked, he also watched the employee parking lot observing those leaving work early while he carried on his telephone conversations.

Experiences in the personnel department may have intensified Frank’s innate cynicism because there was usually a negative comment recorded in a black book that existed only in his head. When individuals and their potential for promotion were discussed, he would often comment from his “black book” intelligence: “Yes, but that affair in Hong Kong set his career back five years;” or “too bad about his drinking. If it hadn't been for that he would have had a bright future.”

Frank's cynicism concerning Sears human comedy was probably biased because he often arbitrated alleged incidents of executive misconduct and other un-Sears-like behavior by both the brighter and lesser stars of the corporation.

Hartley was my boss when I joined the personnel department and I soon discovered that his idiosyncrasies were challenging. His "See me notes," were an example. Whenever I sent him a memo, Hartley usually returned the original note with his familiar scrawl across the top of the page with the words: "Please see me." He neglected to add a key phrase: "Find me first."

His workday usually started with telephone conversations concerning personnel matters followed by discussions in Jim Button's office on the nuances of marketing and other aspects of merchandising. Those visits helped me solve the "See me (if you can find me)" dilemma. Button's corner office was located in the Merchandise Headquarters Building in the Chicago West Side complex of buildings, a distance of several blocks from the Personnel department. When I needed his OK or suggestions on matters pertaining to my job, I followed him from his office, into the elevator, down to the street level, out the door, and down Arthington Street to the Merchandise building. While I tried to keep up with his brisk pace, Frank answered my memos. While we walked he responded to all those who greeted him with phrases like, "What do you say, Tiger?" How's it going Tiger?" or his favorite, "Keep your head down, Tiger."

They were all "Tiger" except for sobriquets reserved for selected senior executives. For example he dubbed the Vice President for Retail, Bob Anderson, as "Bobby Blue Eyes," and sometimes introduced Anderson at meetings with this irreverent nickname. It was an apt moniker because Anderson's personality matched his eyes: steel blue and cold. Anderson was a powerful force, and those who feared him, silently applauded the audacious Hartley when he called Anderson "Bobby Blue Eyes" in public.

Frank enjoyed inflicting barbs and those of us who worked for him thought he was hilarious but those who were his prey also had long memories stored in their own mental black books.

Jim Button enjoyed Hartley's sardonic wit and trusted him, a friendship that was hazardous for Hartley's corporate health, underlining the inherent risk in becoming too close to anyone who might later lose influence and status.

When Ed Telling and his staff came to power, Button's authority was in decline, and those closely identified with him were looked upon with suspicion by the new regime, while others in power sought to avenge perceived insults from the past, attributed to the indomitable Frank Hartley.

WALLY AND THE WHALE

Wallace Tudor was vice president of personnel as well as a director on Sears Board. He was a leading power broker in the politics of Sears and his approval was implicit on all promotions, even the Chairman of the board. Typical of most powerful men, Wallace Tudor was feared and disliked by many in the organization.

Tudor and I did not share a close relationship. I felt like Ensign Pulver (from the play, "Mr. Roberts") and whenever we passed in the corridors or boarded an elevator, I imagined Wally saying to himself, "Who is that man?"

Tudor was especially proud of his valuable antique coin bank collection. His latest addition was Jonah and the Whale, a bank that was priceless or so he told his staff at a departmental Christmas party in 1973. We assembled in the general office to hear Wally's Christmas message that he presented from a lectern adjacent to a large easel covered with a black velvet drape. Wally delivered his bizarre version of Jonah and the Whale and he described how he coveted this priceless bank because it was one of a kind. He related how he made countless offers to buy Jonah from a crafty New England banker who refused to sell.

Then Wally described his relentless pursuit of the prized whale until his perseverance finally paid off. He caught the banker in a weak moment, made his final offer and the banker accepted. The story was long and for a half-hour Tudor dramatized the minute details of his triumphant coup.

Secretaries shifted from one foot to the other wondering what this strange harangue had to do with Christmas. However the experienced personnel cadre stared intently as they listened to their leader. They chuckled when appropriate, smiled, and maintained eye contact with their boss, their faces masked in rapt and thoughtful attention.

When the discourse ended, Mr. Tudor removed the velvet cloth to reveal an enlarged photograph of the Whale, that priceless bank over which its new owner now gleamed triumphantly.

The meeting ended. There was no Christmas Greeting, no “have a nice holiday.” Nothing. Wally went back to his private office and we returned to our desks. We were baffled and wondered how the Whale related to Christmas. Soon small groups gathered, as each individual tried to determine how they missed the point. Was it a story about the rewards of greed, or was it a moral about spoils belonging to the victor? Or was it an allegory about Wally himself, subtly relating his successful corporate rise achieved through skillful maneuvering, conniving, and negotiation.

Maybe there was a connection between Wally's Whale and the Old Testament version. Jonah attempted to evade God's command to go to Nineveh and the story detailed God's vengeance and punishment for Jonah's disobedience. Perhaps Wally's Christmas message to Sears employees was also about revenge and survival; “Do as you are told, believe in your leaders, and you will be rewarded.”

Otherwise you too may be swallowed by a large fish.

Chapter VI

Arnie, Vince, and Me

I left the personnel department in 1974 and became an assistant to Vincent J. Graham, Vice President for Merchandise Administration. One of my ill-defined responsibilities was the administration of the 599 account, an assignment I did not fully understand until Arnold Wiener patiently explained the rudiments.

Wally Tudor's Christmas homily was about whales but in addition to those giants of the sea, there were smaller fish like Arnold Wiener who played "gotcha" in the corporate aquarium. Arnold was Mr. Graham's long time "gofer" and since he was the experienced veteran, Arnie summarized the tasks to be performed in my new assignment, stressing the importance of the 599 overbilling account. He inserted a key in the right hand desk drawer and removed a three ring binder, holding it as though it were the sacred ark of the covenant and placed it unopened on top of the desk. The book contained each buying department's history of year-end 599 credits and bold letters spelled out **CONFIDENTIAL** on the cover. Wiener whispered as though he were revealing secrets that would change the world. "There are only two of these documents in existence. One is in Mr. Graham's office and this is the other copy." Then he gestured magnanimously and said, "You are free to look at the book whenever necessary but the binder **is not to leave my office!**"

I explained that Graham gave me the responsibility for 599 and in view of that, "don't you think I should keep the *book in my office?*"

Arnie was like an army sentry conveying orders of the day to an intruder as he invoked his most persuasive argument: "*Mr. Graham said..*" and that ended the discussion. "*Mr. Graham said this book is not to leave my office, and that's where it stays.*"

"Why is this happening?" I wondered. This bureaucratic guppy refuses to relinquish information essential to my assignment, then tells me I must have his permission to review pertinent facts contained in his top secret scrolls.

I considered my options and chose temperament which I immediately lost. I told him he could keep his *blankety-blank* book and when I needed *the book*, I would remove it with or without his approval.

“And furthermore,” I said as I rose to leave, “let’s clearly understand our relationship. You stay the hell out of my office and I’ll stay out of yours,” and I stormed out the door, angry with him for being himself and disappointed with me for losing my cool.

The 599 account was not only a contentious issue between Arnie and me but was also a cause célèbre between Headquarters and Field. The subject evoked strong feelings, some major, some minor like the skirmish between Arnie and me. The Field was the bull and 599 was a red flag, an account that was established to pay for national advertising and miscellaneous promotional expenses. The “slush fund” grew as additional over billing money was added to the cost of goods and gradually the account became something even more important: a crucial component of Sears end-of-the-year net profit. In some years 599 credits were the only source of net income for the company because merchandise gross margins were not sufficient to cover overhead, a burden that included superfluous staff like Arnie and me.

National Merchandise Managers submitted their 599 estimates to Vince Graham’s office at the beginning of each year and then forwarded revisions at the end of each quarter. If the quarterly projections were below the managers’ original estimate, the deficient department managers received a note signed by Vince Graham, which stated ominously: “*Your third quarter 599 estimate is unacceptable.*”

The word “unacceptable” was a not so subtle reminder to managers that year-end bonuses were partially determined by the size of 599 credits contributed by each department to the general fund. Managers resented these messages (ghost written by Arnie) so I persuaded Weiner to discontinue the memos. Instead we visited the net-credit-deficient managers and offered to help them achieve their goals, a selfish strategy because my future assignments were uncertain and I did not want to close any doors of opportunity.

Vince Graham and Arnie Weiner were as different as the characters in the “Odd Couple,” as were most of the relationships between top executives and their lackeys.

Senior managers were comfortable with people who on command would run through brick walls. Weiner certainly fit that requirement.

Graham was “Oscar Madison”⁷ in the Weiner/Graham relationship. His appearance was as disheveled as the chaotic disorder of his office where piles of miscellaneous memos, letters, and magazines were haphazardly strewn in a disorganized clutter. He urged me to come in at any time and do whatever was necessary to reduce the pile, especially if something required immediate attention. He frequently looked for a relevant document which he never found without help, finally giving up the search as he summoned Helen Chisholm, his secretary who swooped to the rescue. She went to the paper pile and immediately pulled the misplaced document from somewhere in the middle of the muddle. “It's right here, Mr. Graham,” and she shook her head, tacitly reprimanding the boss as she left the office.

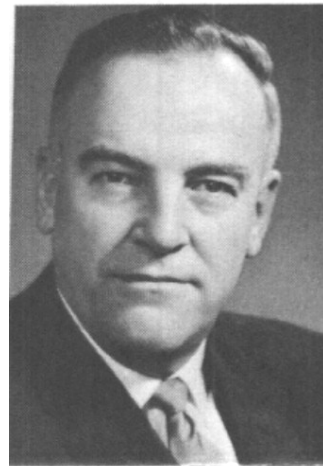
I Mean No.....Well, Maybe.....

In spite of Arnold Weiner, Vince was regarded by National Merchandise Managers as a “friend,” an expert in merchandise accounting and sympathetic to the buyer’s need for flexibility and independence.

He was also a sucker for a good sales pitch and a pushover when National Managers came to him with special requests although it was almost impossible to make an appointment.

One day Vince called me to his office to discuss promotional incentives (PMs) for retail sales people. He decided that incentives were generally not productive so he told me to advise all managers that new requests would not be approved. “No exceptions!”

Prep (George Prescott) Lane was National Manager of 603, the former domain of Clem Stein, Jr. and the first manager to ask for dispensation when the new policy was announced.



Graham

⁷ Neil Simon’s slovenly character in the “Odd Couple”

Laine said that the sale of single lens reflex camera lenses should be an exception to the “no PM” policy because extra effort was required to sell these add-ons which were more profitable than the cameras themselves. “The incentives would improve the department's bottom line,” he added.

Nevertheless I had my orders from Vince. *No exceptions*. But Prep was persistent and telephoned almost every day emphasizing the importance of his request until I yielded. Since it was next to impossible to make a formal appointment with Vince, I suggested that Prep meet me early one morning outside Graham’s office and we would try to see him before he lost himself in his paper pile. I was confident Graham would not bend because he was so firm on the subject of PMs.

Vince arrived that morning, congenial as always. He and Prep talked enthusiastically about cameras, one of Graham’s hobbies, until Prep got to the reason for his visit. He said the lenses were very profitable but their sale required considerable time and effort for salesmen to close the sale. “That is why,” Prep said, “incentives are essential.” Then he asked for an exception to the policy.

And Vincent J. Graham, the adamant enforcer capitulated immediately. He said, “Yes, your point is very well taken so I'll make an exception.” Then he turned to me. “Joe,” he said, “take care of the details.”

How could he have reversed himself so quickly, after mandating *no exceptions*? But long after this incident, I was struck with a different thought. Perhaps the issue entailed more than indecision because Vince Graham perceived himself to be one of the few defenders of the buying department’s independence, sort of a Sears “Catcher in the Rye.”⁸ Even though he was staff, he wanted to fight the continuing erosion of the National Merchandise Managers influence and demonstrated his support by making exceptions to policy for Num-Nums like Prep Laine.

Vince Graham also shared a wonderful secret shortly before I left his department. He called me to his office, closed the door, winked, and whispered, “Pete Wickham is retiring and you are the new National Manager of Department 642. Now go see Gene Harmon in Personnel for the details.” I was in a state of euphoric excitement when I arrived on the 33rd floor and walked into a glass door that I thought was open.

⁸ By J.D. Salinger, 1951

A custodian mopping the floor said, “Hey, fella, you better watch where you're going.” He must not have realized as I floated high above the 33rd floor that I was about to become a *National Merchandise Manage*, impervious to minor obstacles like glass doors.

Chapter VII

Peter Pan and the Plumbers

Department 642 was an oasis, insulated from the stressful turmoil festering within the company. There was mutual respect between the Headquarters plumbers and their Field counterparts and we were generally left alone by the top brass because those who aspired to purvey fur coats, diamond rings and thousand dollar organs, were less than enthusiastic about the prosaic products of 642. Our merchandise was he-man stuff like nuts, bolts, elbows, nipples, toilet plungers, toilet seats and heat exchangers. High fashion in the plumbing department was the introduction of a new color for toilet seats.

Merchandise innovation was often conceived in the raucous tradition of “out house” humor like the “Peter Pan” for instance, a 642 creation that fit around the base of a toilet and protected the floor from hazardous waste..

“Fun & Fancy” toilet seats were another whimsical line of goods and the product of Bob Cooper’s fertile imagination. Bob was the buyer who observed that many toilet seats returned by catalog customers were decorated with home made designs on the inside of the lids, like targets, and miscellaneous graffiti. Since there appeared to be a market for such whimsy, Cooper captured the essence of the idea and produced an assortment of seats with owls, clowns, cats, and cartoon figures that was a tremendous sales success.



Bob Cooper

There was also the infamous innovative coup known as the “Air-O-Magic” toilet, a product designed to “eliminate personal air pollution.” Unfortunately customers did not understand its contribution to environmental cleanup, which was difficult to explain so consumers bought neither the idea nor the toilet.

Many of the suppliers enjoyed mixing business and pleasure. Milton “Sody” Soderstrom, the founder and president of Northway Products was one of those who blended selling and fun with a unique style and flair.

Sody was different from my friends, Mo Rose and Nat Daniel⁹ but he shared the same entrepreneurial instincts that drew me to Daniel and Rose.

Sody was a hardware salesman who aspired to be his own boss so he began his manufacturing career in his garage where he produced kitchen counter tops which he sold to Sears and other building contractors. That success led to a new factory in Rensselaer, Indiana where he later mass produced bathroom vanity cabinets, a line of goods which ultimately accounted for the major portion of his multi million dollar business.

Like Nat Daniel, Sody was an innovator. When raw material costs escalated in the late sixties, Sears had to either raise selling prices or find a substitute material to replace wood used in bathroom vanity doors. We asked Sody to come up with alternatives so he spent nights trying to adapt polyurethane foam, a plastic material that simulated wood grain but cost much less than the real thing. After months of experimentation, he was satisfied with the result and asked Sears for a modest loan of \$10,000 to buy tools and other equipment. Sears factory department turned down his request so Sody went elsewhere for the money. He established a separate company, called it Rider Products (his mother's maiden name) and made polyurethane doors for the bathroom vanities which he then sold to Northway Products. The plastic doors helped Sears maintain low prices and continue its dominant position in the bath remodeling industry.

When Sody retired, Northway was acquired by Universal Rundle and Rider Products, now valued at several million dollars was a major aspect of the negotiation and the acquisition of his company. Like Mo Rose, Sody did not attend college but he was one of the smartest businessmen I knew, a man who relied more on his natural instincts than on high priced advisers who were school smart but lacked the intelligence and wit of the street-smart Milton E. Soderstrom.

After a business visit to Northway Products in 1976, I drove home deciding it was too late to return to the office and too early for dinner so I took a nap. My daughter Katie awakened me about 4:30 that afternoon and said,

“Dad, Mr. Button is on the telephone.”

⁹ See Chapter II, pages 10 and 11

Now I was wide awake and ran to the telephone in my underwear, unconsciously thinking, “this is inappropriate attire for a conversation with the Senior Executive Vice President of Merchandising.”

“Where have you been?” Before I could lie, Jim Button continued. “I called to tell you about some personnel changes that concern you.” He described a series of managerial moves including an attention getting announcement: “Hank Hillebrand is promoted to be the National Merchandise Manager of 642.” Then he told me that I was selected to be his Assistant on buying, with the impressively long title, “Staff Administrator for Domestic and Overseas Buying.” Those who preceded me in the assignment were usually promoted to higher executive levels so it was a coveted assignment among upward bound Headquarters people. I told Button how happy I was to be chosen and thanked him for his confidence.

When the conversation ended, I put the telephone in its cradle, and uttered a four letter plumbing word. My wife, Nadine asked, “What's wrong?”

I said, “I just got promoted,” and muttered to myself, “Why me?”

Instead of glad, I was sad, like a young man leaving home to make his way in the world. 642 was my home and I was among friends in an atmosphere of relative tranquillity, a place I would have been more than happy to stay until retirement. But that dream was shattered by the bittersweet news from Jim Button who confirmed that I was returning to the nebulous world of staff and the real Sears world of turmoil and strife.

Chapter VIII

The Age of Marketing

Memories of Air-O-Magic toilets and Peter Pans dissolved like a movie fadeout when I became Jim Button's Assistant on Buying in the General Merchandise Office. The title was almost an oxymoron because buying was no longer the operative word in Button's vocabulary. Marketing was his passion and he was determined to redirect buyer attitudes from the narrow restrictions of buying to the broader horizons of marketing.



James W. Button

The transition was difficult, partly because most buyers were unfamiliar with the new language of marketing. Usually after a minute or so of marketing plan presentation, Button posed an often repeated question: "What is marketing?" Answers ran the gamut from advertising and merchandising to salesmanship and Button interrupted the more convoluted definitions, answering his own question, reminiscent of Pete Wickham's question and answer exercises. "Marketing is knowing what the customer wants through market research," he said hoping to ingrain this definition in the minds of buyers and national managers alike.

Marketing and research were inseparable in Button's view so he increased the size and influence of the market research department and its manager, Stacey Haines.¹⁰ The department even boasted its own meteorologist who predicted weather conditions as long as six months in advance to assist promotional planning for those departments whose products like air conditioning and heating relied on climate variables.

¹⁰ Formerly Headquarters Personnel Director who told me that my move to cameras was a promotion

Marketing plans were essential to the new marketing disciplines and Joe O'Hanlon taught buyers how to write their plans. Under O'Hanlon's tutelage, buyers memorized Button's marketing definition and were conditioned to anticipate Button's second question, "How many research projects have you initiated?" Buyers responded to the question with dinosaur-like compliance¹¹ and within a few months, piles of research studies were heaped on chairs or wherever there was space in the buyer's office.

If a buyer discussed customers, industry, market share or sales potential during a marketing line review, Button, or one of his staff would ask, "How do you know?" Street-smart buyers never answered, "gut feeling," industry information, or other unsubstantiated sources because the politically correct response was *market research*.

Some product lines earned TMC or Total Marketing treatment and when all elements from research to marketing plans were in place, national advertising was launched and the campaigns resulted in impressive success stories for brands like Craftsman tools, WeatherBeater paint, RoadHandler tires, and DieHard batteries.

Jim Button shared a goal in common with those who were to succeed him. He aspired to teach and alter the minds and attitudes of the Headquarters buying organization so he established marketing and buying schools where the fundamentals of market research and marketing plans were stressed as the foundation of Sears marketing.

In addition to internal objectives, Button was determined to redirect customer perceptions of Sears. According to research, consumers perceived Sears as a store for men and cited hardware, automotive, and appliance merchandise as examples of this strength. To broaden Sears consumer acceptance, a campaign was created to convince more women to shop at Sears.

¹¹ Once the beast turned its head to see what was thumping its tail, it was almost impossible for the Dinosaur to change direction

Extensive print advertising appeared in magazines featuring diamond rings, fur coats, Vincent Price art collections, and National Treasures.¹² Cheryl Tiegs, a fashion model, spearheaded the women's fashions effort, later joined by Evonne Goolagong¹³ for women's sportswear. Arnold Palmer was the spokesman for men's apparel, and Ted Williams for outdoor sports equipment.

As the campaigns unfolded, some customers began to shop elsewhere because Sears prices were escalating and value for dollar spent was not like it used to be.

Some of the faithful went to K-Mart although the Dinosaur did not consider K-Mart as a competitive threat. To prove this point, Sears management posed a rhetorical question: "Who wants to push a grocery cart in a department store?" Sears strategists concluded without benefit of research that America's shoppers accepted metal carts in supermarkets or discounters, but not in department stores like Sears.

Sam Walton apparently was not aware of this fact.

Jim Button was also concerned with the cumbersome Headquarters organizational structure and did not believe he could effectively manage 51 different Supervisors. To facilitate more effective communications, he created Merchandise Groups and dismissed "Supervisors" by changing their title to National Merchandise Managers.

Nine Group National Merchandise Managers presided over as many as ten departments and reported directly to Button. Each Group was staffed by 15 to 17 people whose job titles included Buying Coordinators, Group Retail Sales Managers, Group Catalog Sales Managers, Controllers and various other specialists such as interior designers and stylists.

The structural change further disarmed the once powerful Supervisor and the position's influence considerably diminished with the creation of the Merchandise Groups who offered more "help" for the buyers than ever

¹² See Chapter III, "In step With the Music Man"

¹³ A former women's tennis professional

before.

Concurrently, the Field increased payroll and built an organizational structure similar to the headquarters. All store managers now reported to Group Managers, each of whom created a staff of specialists as well as additional layers of duplication in the five territorial headquarters offices.

Selling prices and margins increased in order to pay for the burgeoning overhead while K-Mart and other discounters advertised lower prices for comparable goods than Sears because their costs of doing business were so much lower.

The controversy between Headquarters and Field concerning the 599 account raged on. The Field was opposed to overbilling and Ed Telling was one of the most ardent opponents. He believed that money withheld for 599 belonged to the Field and if overbilling were eliminated, stores would benefit from lower merchandise costs and increased store margins. The debate between Button and Telling was intense and during my tenure as Jim Button's Assistant on Buying, I read a series of letters between them. Telling was then the New York Group Manager, and Button, the vice president for merchandising outranked him.

One of the letters written by Button on the subject stated that Ed Telling just did not understand the principle of overbilling. He closed with some advice. "Let the Headquarters manage what it does best while you mind the store."

Telling's memory was as unforgiving as it was when Mr. Chameroy and the boys visited Rockford, Illinois (See Chapter II). He remembered and did not forgive Button's sermon on the topic of overbilling and perceived him as an enemy of store profitability because of his 599 stance. Shortly after he became Chairman, Telling relieved James Wilson Button of his duties, selecting Joseph T. Moran as the man in charge of Headquarters merchandising.

All overbilling was eliminated shortly thereafter.

“The Old Order Changeth...”¹⁴

It was February, 1977 and I wrote a note advising Jim Button that I planned to take a two week vacation later that month. Upon receiving the message, he invited me to his office. “I may have to ask you to abort your vacation,” he said.

“How firm are your plans?” I told him the airplane tickets were in my pocket and I had rented a condo months before.

“Keep everything on hold for the time being because I may have to ask you to change your plans. That’s all I can tell you now,” said Button.

The mystery was solved when Button told me I was to be the Group National Merchandise Manager of Automotive products and Frank Hartley was chosen to replace me as Staff Administrator for Domestic and Overseas Buying. Despite the promotion, I still took my vacation

The Automotive group accounted for more than a billion dollars in annual sales and consisted of two buying departments in addition to the group staff. One was responsible for tires and accessories, the other marketed automotive accessories, including batteries, shock absorbers, and brakes with batteries accounting for more than 40% of sales. Two National Merchandise Managers reported to me and my staff consisted of a controller, retail marketing manager, catalog marketing manager and various other clerical and sales personnel for a total complement of ten people.

Consistent with the prevailing spirit of loathing for staff, the automotive National Mangers resented the presence of a group staff overseeing the operations of only two departments.

¹⁴ “The Old Order changeth, yielding place to new, And God fulfill himself in many ways. Alfred Lord Tennyson, “The Idylls of the King”

Roger McDonald, manager of the tire department resigned and accepted a position at Montgomery Ward shortly after I became the group manager, a position he felt should have been his.

This was also the beginning of a working relationship with Joe Batogowski. Joe was the Group Marketing Manager, trusted and liked by field managers partly because he had spent most of his career associated with automotive products both in Headquarters and Field. He was invaluable as my counselor and teacher and reminded me of J. Pierpont Finch.¹⁵ “One day,” I said with a trace of a smile, “You are going to sit in this chair,” an off hand remark that was accurately prophetic.

Joe was proud of his Polish ancestry and enjoyed relating an anecdote about Bob Anderson (who Frank Hartley referred to in earlier days as “Bobby Blue Eyes”). When Joe was Bob Anderson’s assistant, the retailing vice president suggested that Batogowski change his name. Joe said he would think about it and a few days later Anderson asked what he had decided, assuming his young assistant would forego his surname. Joe said, yes, he would change his name.

“To what?” Anderson asked.

“John,” replied Joe.

When Roger McDonald resigned, I recommended Batogowski as manager of the tire department. Button said, “No, he’s not ready,” but promised that Joe would be a National Manager within six months.

He kept his promise and Batogowski was promoted to the position of National Merchandise Manager in the photographic and business equipment department.

¹⁵ A lead character in the Broadway play and film, “How To Succeed in Business Without Really Trying”

This was the period in which Ed Telling was head of retail operations in Headquarters, an interim position before he was named Chairman of the Board. Telling took Group Managers with him on various trips to Sears facilities around the country in an effort to know them better. I accompanied him to Dallas one day and as I prepared to board the company aircraft, he turned to me and said, “Group Managers should be able to name their own people,” obviously referring to my effort to promote Batogowski. His message was clear. He knew what was going on in Headquarters. I also suspected that he would disagree with any decision Button made, consistent with his “never forget, never forgive” temperament, remembering his previous Field/Headquarters relationship with Jim Button.

Despite Telling’s comments, managing Department 603 was the right move for Batogowski because of the opportunity to prove himself in businesses other than automotive where he had spent most of his career. It also brought him to the attention of other officers, an exposure that boded well for his career.

This was a time of transition at Sears. Jim Button’s influence was fading and contact with the group managers was almost solely limited to informal morning coffee sessions where discussions focused on basketball, football, and golf and almost nothing about business.

James Button’s career was soon to end. He was not part of Edward Telling’s plan for a new Sears and a management that would primarily be composed of Field people in key positions.

Although the imminent change was not precipitated by Button’s written lecture on overbilling, it is safe to assume that his discourse was not forgotten.

Long memories sought revenge when the time was right, not unlike God’s vengeance wreaked on the hapless Jonah and his ingestion by a whale, a story that Wally Tudor was particularly fond of.

Chapter IX

The Man In The Wrinkled Suit

When Jim Button bowed out in 1979, Joe Moran replaced him, a man who was different from any Sears executive I had ever met.

His suits were wrinkled, his ties were stained, the brown shoes worn with his blue suit were usually unpolished. He was overweight, a non-conformist in an institution where good grooming, slender bodies, and appropriate dress were essential criteria for upward mobile executives.

*The Big Store.*¹⁶ described Moran's physical appearance in this excerpt:

"Those sharing a drink or an office chat with him were confronted by a rumpiled, abstracted, wheezing and hacking, dissipated looking, and all but toothless executive....not since the General¹⁷ had there been a senior general executive of Sears, Roebuck who displayed such a slovenly physical aspect."

Moran acknowledged that his appearance reflected something less than sartorial splendor but dismissed that assessment by saying, "God gave me an ugly body but compensated for it with a massive brain."

Admirers thought he was a genius, an opinion Moran shared and publicly acknowledged. He spoke eloquently on politics, religion, basketball, philosophy, theology, psychology, or music and if there was a subject with which he was unfamiliar, he extemporized as though he were a life long student of the topic, convincing even detractors that his erudite knowledge was indeed awesome.

He wielded his power in devious and mysterious ways with mind games his specialty. His objective regardless of the arena in which he fought was to outwit less agile minds, if only for the joy of vocal combat.

He thrived on quotations, one of which was: "Knowledge is power in any institution and the only authority that anyone needs." Since this particular quote was not found in various compendia of quotations,

¹⁶ By Donald R. Katz, Published in 1987 by Viking Penguin Inc.

¹⁷ Robert E. Wood, former Chairman of the Board

we assume it was coined by the man himself.

Moran came to power in 1977, the year Sears announced a double digit sales increase but a decrease in net profitability. The new vice president of merchandising believed he had been “called” to lead his company out of the depths to which it had fallen and into a new era of profitability. He stated his objectives in Sears first five year plan, written in the unmistakable Moran style, finely tuned with figures of speech like his comparison of Sears to a battleship.

“Changing the course of Sears is like turning a battleship around in the Chicago River,” he wrote and even though he did not name the skipper, we knew who was at the helm.

The Five Year plan was disclosed in its entirety in *Crain’s Chicago Business* and was referred to as the “Yellow Book.”¹⁸ The source of the magazine leak was never revealed although Moran observers considered the possibility that Joe himself may have been the source of the unauthorized disclosure.

The “battleship” strategy consisted of many tactical maneuvers. One was the creation of a council of managers called the Merchandise Policy Committee (MPC). Membership included the nine Merchandise Group managers, Gar Ingraham, vice president for retail, Jack Kelly, catalog vice president, and Jim Krum vice president for factories.¹⁹ In a later stage of the MPC’s existence, both Kelly and Ingraham differed with Moran on various issues and shortly thereafter were no longer members of the MPC.

After creation of the policy committee, we met for one of our regular sessions and just before adjournment Moran said, “I have an announcement to make.”

Then he read the confirmation by the Board of Directors that officially proclaimed Joseph T. Moran as Senior Executive Vice President for Merchandising. We applauded. Then, still reading the formal declaration, he said, “Resolved that John Easter.....” And he continued proclaiming the vice-presidential nominations of each of the assembled Group Managers. When he finished reading, he said, “After we adjourn this meeting,

¹⁸ A title never referred to as such within Sears

return to your offices, telephone your wives with the news, then meet me in fifteen minutes on the 66th floor for a reception with Mr. Telling and the other officers of the corporation.”

The news was a stunning surprise, almost as exciting as the day I became a National Merchandise Manager but this time I did not collide with a glass door. This was the realization of the ultimate goal for most aspiring corporate executives and we jubilantly congratulated each other even though some in the organization viewed our triumphant ascension with cynicism. They were suspicious of Moran’s motives and called us pawns in Moran’s drive for power. Charlie Wurmstedt, Senior Vice President for the field always referred to us as “Joe’s vice presidents” and Donald R. Katz,²⁰ called us “Joe’s Apostles.”

Wurmstedt was Moran’s counterpart as Senior Vice President for the field and both executives personified the struggle between headquarters centralists and those in the field who sought to preserve their independence.

The struggle between Moran and Wurmstedt was reminiscent of the classic scene from Charlie Chaplin's movie *The Great Dictator* where Mussolini (Jack Oakie) and Hitler (Charley Chaplin) sat in adjoining barber chairs.



As the barbers trimmed their hair, each man pumped his chair lever higher until both their heads touched the ceiling of the barber shop. The Hitler/Mussolini episode was similar in a way to the Moran/Wurmstedt struggle but not identical because Moran reached the ceiling long before his adversary could activate the chair lever.

¹⁹ Later known as Affiliated Factory Relations and subsequently abolished during the downsizing process

²⁰ in the book, “The Big Store”

Chuck, a former retail group manager was a stranger to the hazardous political arena of Headquarters, a dangerous world of intrigue, especially for amateurs engaged in verbal combat with a formidable foe like Moran.

The second phase in Moran's strategic plan was designed to rebuild and energize the Headquarters buying departments and he needed someone he could trust implicitly to carry out his orders..

He chose Frank Tuma to enforce compliance with his encyclicals. Frank became Moran's shadow, servant, and confidante while his detractors maliciously suggested that Tuma was created by the Machiavellian Moran in a laboratory somewhere deep in the caverns of the Tower.

Frank Tuma was a robot-like creature who personified the fear and insecurity that permeated the corridors of Sears. He was Moran's right arm, an extension of the chief himself, so Tuma was not concerned with normal corporate formality when he delivered messages from the boss. He walked past private secretaries as though they did not exist and strode into executive inner offices. If there was a closed-door meeting, he knocked once, opened the door without invitation and delivered proclamations from his master.

Moran was a prolific writer and his writings consisted of simple declarative sentences, seasoned with original metaphors and similes in a clear and concise style. Among his memoranda and essays were "white papers" that were copied and circulated throughout the Tower. One of the topics concerned organizations and how they work. It was called, "The Four Myths of Management," a treatise that clearly enunciated Moran's distrust of the organization. It was a brooding exposition that triggered the opening charge in his battle to stamp out ineptitude.

“*I* *t is a myth that organizations function in practice as they do on paper; that people perform their assigned functions and seek no others; that orders once given are always carried out; and that when managers are asked to direct specific departments, their loyalties always lie with the larger interest of the corporation.”*

The Ineptitude Epidemic

A Moran “White Paper” proclaimed that ineptitude had infected all of the buying, catalog, and planning functions within the company, evidenced by late reports and other failures to meet due dates.

New rules were to be strictly followed. Frank Tuma was responsible for surveillance of buyers and their staffs, and he was to notify Mr. Moran of lapses in “on time performance or lateness.”

When due dates were missed, Tuma circulated the Ineptitude Report, naming the offenders much like country club members whose dues are in arrears.

The organization secretly ridiculed this indictment of their incompetence but the laughter was clandestine because everyone knew this was a high stakes game where jobs and careers were at risk.

A paragraph in the *Big Store* portrayed the Sears climate at this time.

“If Sears was indeed in the throes of a “revolution,” as Phil Purcell took to saying to friends during the fall of 1979, “then the Headquarters organization was in the midst of its Great Terror. A freewheeling sort of company life had turned quite suddenly into a nightmare, where nothing of the old glory seemed to be remembered and nothing at all was forgiven.”

As Moran’s confidence in Tuma increased, Frank wrote his own memos, some of which are collector’s items, coveted almost as much as Moran’s White Papers. His pronouncements were unintentionally ludicrous and his convoluted manifestos were written following instructions from his leader.

Frank Tuma also created his own unique interpretation of policies and issues as his influence became more pervasive.

One memo concerned National Merchandise Managers. The rank and file called them “Num-Nums,” and this disrespect was deemed inappropriate in view of their status so Tuma dispatched this terse memorandum:

“A campaign should be developed whereby we don’t call National Merchandise Managers, Num-Nums. They are National Merchandise Managers,” he wrote.

He also wrote instructions on the proper greeting for Chairman Edward A. Brennan during Headquarters meetings.

“...For the morning session, there should be a loud roar of good morning (unless it's the afternoon) then a loud roar of good afternoon. This should become our regular practice.”

When surveys identified low morale among Headquarters employees, Tuma dispatched a Morale Memorandum in which he identified those responsible and told them what to do: **COMMUNICATION...** “is usually the answer for improving morale,” he wrote. “There is no substitute for communication and very active communication is the best. When a person is promoted, make a big deal out of it.”

RECOGNITION ...“When people do a good job, pat them on the back. It’s even better to pat them on the back publicly.”

ATTITUDES... “The Group Vice Presidents are responsible for these.”

Tuma also wrote instructions concerning public speaking. *“Jokes; don't embarrass anyone, be entertaining, edit the humor; don't offend people.”*

As the unofficial scribe in this Tower of Babel, he delivered opinions on many subjects, all sanctioned by his leader. Sales training and its cost was a hotly debated issue raising the question of who should bear the expense so Tuma wrote a clarification with this memorandum:

“Source training at the store level should not be placed in the cost of goods. The reason is to eliminate this as an item of cost from the cost of goods.”

Tuma enjoyed his power, and felt secure, knowing that his mentor supported his actions. One day he came to my office and asked for a list of the people who reported directly to me. I asked him why and he said, “Why do I want the list? I just told you, because I want it,”

Mr. Tuma also left little to chance in his written instructions.

When he arranged a departmental luncheon, he knew what was important. Mort’s cookie values, for instance. Were they better than those sold by Sears? This comparison had to be in writing in case ineptitude was uncovered, even in the cookie jar. So he wrote this memo to the office manager.

“Can we get a special cost on 77 of the big cookies? Are these cheaper through Sears or Mort's?”

Pizza was also served at the party and the plan was carefully orchestrated. Excerpts from his instructions included:

“Coordinate the movement of the pizzas from the Wacker entrance to the Quincy/Adams Room. You will probably want to use the freight elevator and security could help. Put together a small group of people who could help move the pizzas from the Wacker Exit to the Quincy/Adams Room. Maybe you could get special dispensation and have the pizza truck deliver them to the dock and then arrange for a quick shipment from the dock to the 27th floor. The elevator should be waiting.”

In addition to the pizza logistics and cookie capers, other important events were taking shape. Downsizing was in its infancy when the first early retirement offer was announced and several Merchandise Group vice presidents accepted the golden parachute, including Les Johnson, VP of the Recreation and Leisure Departments. This resulted in the merger of Automotive and the Recreation and Leisure departments under one vice president. Joe Batogowski assumed responsibility for both groups. Moran reassigned me to the newly formed Merchandise Support Group which combined the activities formerly shared by Jim Krum and Vince Graham, both of whom opted for early retirement.

This led to my most unforgettable interview shortly before I was named vice president of the Merchandise Support Group.

It happened in 1983. Moran called me on the intercom at 5:00 p.m. and invited me to his office

Most of the staff had already left for the day and the 44th floor was quieter than usual when I arrived. Joe invited me into his office for what turned out to be a two hour discussion.

“I received your reply to the early retirement letter,” he said, “and I respect your choice but I want you to be aware of some changes that may affect your decision.

“The Automotive and the Recreation and Leisure group will be consolidated. One vice president will be responsible for both groups and you are not the one chosen.”

I forced myself to appear calm but I felt like a prisoner waiting for the judge to render a crucial verdict. Was I to be terminated or would I have no option regarding the early retirement offer?

The late afternoon sun glared from his thick glasses making it difficult to maintain eye contact and I tried to assimilate his announcement as I waited for him to proceed.

When he continued, Moran gestured upward and said “The man upstairs and I considered asking either for your resignation or suggesting that you reconsider early retirement.”

The “man” could have been God because some believed that Moran was on speaking terms with both God and the Chairman but in this instance “the man” was Edward R. Telling.

“Even though your test scores are among the highest of the MPC members, there is a *diffidence* about you that neither Ed nor I understand. You understand what *diffidence* means, don’t you?”

I confessed ignorance.

“**D**iffidence,” he said, “means one who is lacking or marked by a lack of self-confidence, a shy, timid person, but in your case, I think it is more than diffidence. You are a square peg in a round hole and you should be on a staff assignment instead of merchandising, so rather than ask for your retirement, I want you to consider another option. Think about this over the weekends, then give me your answer on Monday.

He described his concept of the new Merchandise Support Group, formerly known as the General Merchandise Office under Jim Button. Moran compared my proposed new responsibility to the Inspector General’s office in the U.S. Army.

He said the mission of the Support Group was very important and necessary to the goals he had set for the organization. He said the quality of the

goods sold under Sears brand names had deteriorated over the years, and he expected me to review our important product lines and report the investigative conclusions to him. He said the Merchandise Testing Laboratory must be more closely involved with the goods than they have been in the past. His ultimate goal was to make better those lines of merchandise that did not meet Sears quality expectations because he expected all lines to become the standard of quality in their industries.

Moran's words were often a smoke screen disguising the real meaning so what he said was not necessarily what he meant. Perhaps my new role was to be the chief in a police force designed to insure that mandates were obeyed, sort of a Judas goat²¹ leading lambs and buyers to slaughter.

When I sensed the interview was coming to a close, I asked if he had chosen my successor in automotive. He replied, "I am not at liberty to say at this time," but I knew instinctively that Joe Batogowski was his choice.

A vision of my former automotive executive chair flashed through my mind as I remembered my prediction that the chair would some day be his.²²

I left Moran's office about 7:00 p.m., convinced that his 'diffident' assessment of me and my corporate image were false. If I really fit the "round hole/square peg" assessment, why had I received accolades during my merchandising days from musical instruments to plumbing? Then I reflected on the word *perception* and remembered an axiomatic expression from my personnel experience "you are what you are perceived to be."

I was in a mild state of shock so I wrote down the exact conversation as I remembered it when I returned to my office. There was no doubt about my decision. First, I would accept the new assignment, then immediately plan my retirement which I decided would take place three years from that date and that is what happened.

"I did it my way."

Joe Moran's assessment may have been a disguised blessing. Until that moment I had never seriously considered retirement because I enjoyed most of

²¹ The goat who leads lambs to slaughter in meat packing houses

²² See Chapter IX, page 46

my jobs and my life in general at Sears. But Moran forced me to realize that nothing lasts forever and life is always a series of changes. Even the poet Ovid recognized this as early as 43 B.C. when he wrote these words “All things change.....there is nothing in the whole world which is permanent.”

The Merchandise Support Group consisted of five Headquarters support departments including the testing laboratory, Comparison Shopping Department plus seven overseas buying offices in Europe and Asia. My immediate staff included Frank Hartley, my former boss who now reported to me.

Hartley must have coined a sobriquet for Moran during his personnel days or he may have offended Moran in some other manner during past encounters. Joe's treatment of Frank Hartley was malicious and vengeful although Moran's behavior was not unusual during executive ascendancy at Sears. Like Ed Telling, it seemed there were always vendettas to resolve during the changing of the guard.

New regimes, whether political or in business, create problems for somebody and that “somebody” now out of favor was Frank Hartley.

When I was promoted to Group Manager of Automotive, Frank was Button's choice to replace me as his Buying Assistant, a position that was a traditional stepping stone to later stardom. If Button had remained as the merchandising officer, Frank would surely have become a Group National Manager because that was the natural order of progression, but fate dealt Frank a different hand.

When I was assigned to the Merchandise Support Group, Moran summarized my responsibilities and his expectations. He began with an assault on Hartley.

“He is glib, inarticulate, and incoherent,” Moran began. “He is not to be involved with the overseas offices nor will he travel to Europe or Asia or have any voice in the policies concerning those offices. That is your job.” One of Frank's responsibilities under Button as his assistant on buying was to manage the overseas offices and he enjoyed his visits to those outposts.

Then Moran said Hartley could no longer remain in his present office. His space was designated as an “A” configuration which featured a separate inner office for his secretary, identical in size to those of National Merchandise Managers which Frank had been before joining Button's staff. “He is only a Staff Assistant,” Moran said and since he is on the same executive level as Frank Tuma, he will be assigned exactly the same size office as Tuma.”

Hartley was also a member of the MPC when it was first established but after the Group Managers became officers, Moran stripped one more epaulet from his shoulder and dismissed Frank from membership.

He advised the indomitable Hartley (through me) that he was no longer invited to attend the policy meetings since he was not an officer of the company.

Frank's demeanor in the face of public humiliation was remarkably stoic.

He never complained to me nor did he show resentment over the humiliating treatment by Joe Moran. Whatever his true emotions may have been, Hartley repressed them beneath his smiling public facade.

Moran's intentions were clearly apparent. He expected Hartley to resign but Frank refused to accommodate Moran's hope, fully understanding that vengeance was a fact of life in corporate gamesmanship. It was a trying time, and I recalled one of Frank's prophetic comments when he was my boss in Personnel: *“There's a lot of hate in this world.”*



Frank Hartley

I thought initially that Moran was a man of principle and a strong adherent to consistent business discipline but I began to have doubts after hearing one of his frequently repeated precepts. He preached “Rigid control of expense, good times and bad,” but it seemed that he dismissed this tenet when his nine vice presidents were ordained and he proclaimed that each of us must have a private bath room, a perk befitting our corporate status. The plumbing retrofit was an expensive project although the exact amount was never disclosed and long after I retired and the number of merchandising vice-presidents was drastically reduced, the bath room status symbols were removed or sealed.

I also wondered what rigid control of expense really meant when Moran decreed that every buying department must have at least one Senior Buyer. Each Senior Buyer managed a small group of buyers but he was not to buy any merchandise. Compensation for Senior Buyers was higher than that of an ordinary buyer and payroll was consequently increased as more Senior Buyers were appointed. Moran could not be dissuaded and he adamantly insisted that every department should have at least one Senior Buyer. Thus, in addition to another layer of payroll, one more communication barrier was established in an already over-managed company.

Now the buyer needed initial approval from the Senior buyer for anything new, but the Senior Buyer required a “go ahead” from the Num-Num, who sought approval from the group vice-president, who presented the idea to Moran who always rejected any proposal that did not further his agenda.

Love and hate at Sears were often subtly expressed. For example during the celebration of Joe’s 35th anniversary, each member of the MPC was assigned (by Frank Tuma) to cover a segment of Moran’s career. I was told to depict his life before joining the company and I asked Frank Hartley to help. How ironic that Hartley and I were chosen to pay tribute to Joseph T. Moran but in spite of personal feelings, we did it well. The creation received rave reviews and was considered to be a glowing tribute by two loyal staff members who admired and respected the man to whom we paid homage, an assessment that was a little short of the truth.

Memories of the Moran years are vivid but as I try to assess the real impact of his administration, I wonder what had really changed since the days of Art Chameroy?

The rivalry between headquarters and field was still intense, even more so than the day Ed Telling lectured Chameroy in Rockford. The difference is that those who were the Field, like Telling, Brennan, and Wurmstedt were now Headquarters and the former proponents of decentralization now espoused the need for greater centralization.

During this era I was in daily contact with management's top echelon. We ate lunch in our exclusive buffet on the 67th floor where Num-Nums, chairmen, and presidents broke bread together and engaged in small talk about basketball, football, golf, religion, and the symphony. But beneath the veneer of good fellowship there was tension. Most National Managers made perfunctory appearances but generally avoided the place fearing they would be quizzed about their business and then make a mistake in front of the brass in that unforgiving world. Those who were "diffident," carefully guarded what they said. Beneath the banter and bonhomie, fear and economic uncertainty lurked quietly in the hidden realm of executive psyches.

Beyond the Sound and Fury...²³

Problems were not solved during the Moran era and the old "battleship" was still floundering in the Chicago River. Underlying impediments to forward progress such as high overhead and too many people were recognized but there were no measurable results after various solutions were initiated.

Moran blatantly contradicted his avowed principles of "rigid cost control" and at the same time released blustering essays on discipline and loyalty, while new toilets were installed and reserved parking spaces for officers were designated.

²³ "It is a tale told by an idiot, full of sound and fury, signifying nothing." Excerpt from Macbeth, Act 5, Scene 5, by William Shakespeare

The overriding dogma first heard under Art Chameroy was still the rule under Joe Moran's iron fist with an additional caveat "***Just tell me what I want to hear and then do what I tell you.***"

Once during a particularly contentious telephone conversation with Chuck Wurmstedt, I invoked Joe Moran's name as authority for a course of action I had taken. Chuck retorted angrily, "Joe Moran is not running this god damn company," which was true but apparently nobody dared to tell Joe.

Chapter X

The Paths of Glory²⁴

Joe Moran succumbed to cancer on September 28, 1983 and Joseph Batogowski was announced as the new Senior Executive Vice President for Merchandising, a move that would have pleased Moran who regarded Batogowski as a protégé.



Batogowski

The new head of merchandising was something most Sears senior executives were not. He was young. He was also smart, ambitious, and competitive, whether the game was business or golf.

An example of his winning attitude occurred when Joe and I met with Gene Harmon in the Personnel department during consolidation of the Automotive and Recreation departments when I became manager of the Merchandise Support Group. Judy Cwik was Executive Secretary to the Automotive Vice-president. During my tenure in.... that office, she expressed a preference to join me when I went to Merchandise Support, rather than stay with the newly consolidated Automotive and recreation departments.

Batogowski declared in the meeting with Harmon that Judy would of course stay as Executive Secretary since she was the incumbent. I said there were two qualified people, Judy and Dolores, the former Recreation Group secretary who was also in limbo due to the consolidation. Under the circumstances, I felt we should abide by Judy's choice. Joe finally agreed after considerable discussion, but he was not happy with the outcome. Joe did not like second place, whether the contest was golf, gin rummy, or secretarial bartering.



Judy Cwik

²⁴ "The paths of Glory lead but to the grave..." *Thomas Gray, Elegy in a Country Churchyard*

When the session ended, Joe and I were alone in the descending elevator. Neither of us spoke, quietly lost in our own thoughts, but as the automatic doors opened, Batogowski turned to me and said, “Well, Fisher, you aced me out.”

Despite his “loss,” we continued to be friends and I relied on the friendship to speak candidly to him about Frank Tuma’s role in the new administration. I suggested that a reassignment might signal that Moran’s reign of terror was history, and perhaps alleviate the pervasive fear engendered under Moran’s ironhanded rule.

Bato said he would think about it, but he took no action and Tuma remained as the loyal ally to the top merchandising officer. Joe frequently expressed his support for Tuma in corporate meetings by asking a rhetorical question, “Isn’t he great?”

All Headquarters students of Pavlov agreed that Tuma was indeed great.

I was not surprised by Joe’s decision since every top executive in Sears retained a Tuma-like lackey. Most were polished and sophisticated but flunkies nevertheless, whose sense of achievement was fulfilling the needs of their superiors. It appeared that then higher men rose in the executive ranks, the greater the need for someone they could trust implicitly to do their bidding.

It is also possible that the Tuma decision was Batogowski’s quid pro quo retaliation for his earlier “loss” of Judy Cwik.

Despite the fact that Tuma’s presence continued to permeate the corridors like a menacing fog, I derived a certain amount of satisfaction from my Merchandise Support assignment. Departments like the Merchandising Testing Laboratory and the Comparison Shopping department were now more involved in merchandising activities, or at least more visible, because of the Quality/Value reviews.

We felt as though we contributed to product quality improvement because of the QVRs and so enjoyed a certain amount of psychic reward for our efforts.

Pressure weighed heavily on Batogowski and the strain became more visible. Sales and gross margins continued to decline and work force reduction through attrition was not working, but Joe adapted well to the old adage, “Tell me what I want to hear...” as Roger Sullivan was soon to learn.

The subject on the agenda during a Chicago meeting with Field catalog merchants was the problem of surplus and discontinued catalog merchandise.

Headquarters favored the use of regional flyers featuring distress merchandise from each of the catalog distribution centers. Roger Sullivan, Catalog Merchandise Manager for the Kansas City region raised his hand and offered this comment.

“Our experience with surplus flyers has not been very good,” he said. “When they are circulated we usually sell what we have the least of, but there is little or no movement of the goods which account for the majority of our overstock problem.”

This is not what Batogowski wanted to hear. He appeared to consider Sullivan’s comments for a moment, then said, “But Roger, you will give it the college try, won’t you?” And Roger said he would, realizing that the boss did not want to hear a negative voice of experience.

Part of Batogowski’s growing frustration was dealing with Ed Brennan, who at the time was Chairman of the Merchandise Group, reporting to Ed Telling, to whom the chairmen of Allstate, Dean Witter, and Coldwell Banker also reported. Telling was near retirement and Brennan was campaigning for the top job. In this political climate, Brennan did not want to make any mistakes, nor especially did he want senior executives, like Batogowski to embarrass him by taking unnecessary merchandising risks. Brennan wanted Joe to better reflect his own public image which was somewhat stiff and formal. The Chairman was always addressed as Mister, while almost everyone in the organization called Batogowski by his first name.

In an effort to reshape his image, Brennan insisted that Batogowski be introduced at meetings as Joseph H. Batogowski instead of Joe. Unlike Bob Anderson’s request early in Joe’s career, he was not asked to change his last name.

It was inevitable that one day Ed Brennan and Joe Batogowski would clash, an event that occurred when Joe Batogowski resigned and left the company several years after I retired in December, 1985.

Chapter XI

We Are They and They Is Us

Edward Brennan succeeded Edward Telling as Chairman of Sears, Roebuck and Co. in 1986. Like Button and Moran the two corporate leaders were different from each other, in appearance as well as style. Telling reminded me of Harry Truman, a plain speaking, no frills, down-to-earth guy who was more comfortable around the old cronies he brought with him to Chicago than he was in the Board room or in the public eye.

If Ed Telling was Harry Truman, then Ed Brennan was Bill Clinton, smooth, polished, and political whose public speaking style was carefully orchestrated with practiced gestures and phrases. Telling at the podium gestured like an untrained actor and was uncomfortable in the role of orator. Brennan knew how to work a crowd but Telling was not a natural mingler.



Edward R. Telling



Edward A. Brennan

“We have met the enemy and he is us.” Brennan said, in his first speech as Sears Merchandise Group Chairman. “No more finger pointing...let us together find solutions for the problems we face together, then move forward.”

His audiences, tired of the bickering between Headquarters and Field, liked what he said and responded with standing ovations, spontaneous gestures that Frank Tuma helped achieve by written memos that suggested such acclaim would be a regular practice.

Jim Button’s theme was marketing, Joe Moran chose discipline as his objective while Ed Brennan’s strategic word was retailing.

He set out to remind us of our retailing roots and stressed the fundamentals of running a store. Whether Headquarters or Field, he described Sears as “one Big Store.”

The basics of retailing were the essence of his campaign to change the face of Sears through a modernization program called the “Store of The Future,” a new and vibrant store that once again would be “the place America loves to shop.”

Vernon Hills, Illinois was selected as the flagship store where new merchandising concepts and visual displays were tested. Before the conversion began, even before mini stores were built on the west side, countless meetings between management and individual buying departments were conducted. Each buying department was required to justify the existence of every line of merchandise in the department, some of which were pared down and some discarded entirely to clear the way for the bold new look of the Store of the Future..

Buyers and National Managers spent more time at Vernon Hills than they did in their offices and Brennan reminded them, “You are retailers and you must get out of your offices and into the store to understand the fundamentals of the business.”

When the Store of the Future was finally ready, an inspection was conducted by Mr. Brennan, accompanied by Joe Batogowski and other officers in the top echelon of Brennan’s staff. They car-pooled from downtown Chicago to suburban Vernon Hills.

Brennan arrived by helicopter.

The final review was a spectacle of stress and mental torment for some National Merchandise Managers, even more stressful than the Roman-like promotional planning reviews staged during Bob Anderson’s regime. As in ancient Rome, Anderson’s coliseum was filled with Christians and lions where sales Managers, buyers, and National Managers were verbally humiliated.

Ed Brennan's crucible was more civilized than Anderson's venue but just as torturous for those he challenged. Brennan was more like a surgeon as he deftly asked the National Manager's about their business.

while he paced and paused at each display fixture in his exhausting critique. Dutch Aishton, National Manager of the menswear department clearly recalls that day.

When I worked on the catalog staff, Dutch was Tom Filline's assistant responsible for the ultimate composition of promotional tabloids and he was a master of the question/answer technique. During my tenure as a Catalog Merchandiser, I found it impossible to keep up with his rapid fire inquiries, let alone answer his barrage of questions.

Now it was his turn for cross examination, and it was painful to observe. Most of Brennan's questions were answered with replies like, "I don't have that information off the top of my head, but I do have it back in the office, Ed." Having once been a contemporary of Ed Brennan's, Dutch believed he was privileged to use the Chairman's first name. We all knew this was a mistake and may have contributed to Aishton's early retirement, even more so than his inability to answer Brennan's questions.

I knew from experience that formality was important to Brennan. When he was named to the temporary post of President and Bill Bass was his replacement as Chairman of the Merchandise Group, Brennan brought the officers together in his conference room and announced his replacement. Minutes before the announcement, Bass was "Bill" to me and others in the room. We applauded the promotion and I said, "Congratulations, Bill." Brennan immediately broke in and said, "Yes, we are all pleased to have *Mister* Bass on board." His interjection was subtle but I got the message and no longer called him Bill.

"Shades of Arthur Chameroy," I thought.

Vernon Hills was a spectacular success story that recorded consistent double digit sales increases that were much higher than those stores which had not been converted to the new look.

Because of this, the company planned to retrofit more stores each year until ultimately all units would undergo the Store of the Future renovation.

Sales results in the succeeding stores were not nearly as dramatic as Vernon Hills and in a majority of cases disappointing to the architects of the future. A complete roll out would have cost billions of dollars but based on the poor results of the initial test stores, future expansion plans, except for a small number of stores, were shelved.

Meanwhile Edward R. Telling initiated his own strategic plan. Having grown up in the retail field, he recognized that the outlook for Sears profitable growth was dim in the increasingly competitive retail environment. There were just too many outlets, selling the same goods, too many retail malls and not enough people to sustain them.

The success of the Allstate Insurance Company served as a prototype for his diversification plan to bring Sears to the forefront of the financial services industry. Within three years, through acquisition and independent startups, the Sears family now included Dean Witter, Coldwell Banker, the Discover Card, and Sears World Trade. Each new addition was a story unto itself, under the common thread of dealing and negotiation.

One of the new companies, Sears World Trade was a huge blunder, and directly related to the all too familiar, *“Tell him what he wants to hear,”* a phrase associated with managers at every level, including the Chairman. Ed Telling wanted to create a World Trade organization and intended to have his way regardless of the hazards and pitfalls.

A task force was organized to explore the possibilities of such a business for Sears and the committee deliberated for more than six weeks. Frequently Telling could be seen pacing the floor in front of the closed door meeting room, waiting to hear the go-ahead.

The consensus of the task force was that Sears should not create a World trade organization using Sears personnel.

Sears should instead acquire an established company but there were none available and practically none who operated on the scale of Japanese Trading companies. In spite of committee member misgivings, the task force recommended that Sears launch a World Trade company. Rod Hills, an outsider who helped in the negotiations for Coldwell Banker and Dean Witter, was named Chairman of the new entity.

The managers of our European and Asian buying offices who reported to me, were suspicious of the new company and the people who were hired as managers but they fully cooperated with the new venture. The trading company shared our buying offices and clerical personnel and expected one day to take over the buying office functions as well as the buying and selling activities of the world trading company.

We cautioned our people to be cooperative in every respect and help the fledgling organization get off the ground, but in spite of everything done to help, Sears World Trade was a financial disaster from the beginning and was the first of the new acquisitions to be abandoned.

When Telling retired in 1986, Ed Brennan replaced him as the “super chief” of the various companies and several years later, Brennan and the board divested all the companies that had been acquired by Telling, even including the granddaddy of them all, Allstate Insurance. Shareholders pushed for this divestiture because they believed the merchandise company’s performance could not be measured and the real value of the stock was not accurate.

The decision led to a significant question:
“Why does Sears need a super chairman now that only the merchant remains?”

History looks at the facts and can only conclude that the Brennan/Telling strategies were failures. The Store of the Future cost time and money but the return on the investment was negligible.

**SEARS
SPINS OFF
ALLSTATE
INSURANCE**

Dean Witter and the Discover Card were on the other hand good investments, especially after Discover was folded into Dean Witter. The grand design was to offset the outlook for poor retail profitability through expansion of a financial services network, a long range plan that ended with the complete divestiture of all the subsidiaries.

Perhaps it was too little, too late at this point in Sears history for CEOs to be accountable. The damage had already been done over years of excesses and the tradition of selecting executives like Telling and Brennan from within the company for the top spot tended to cast shadows on objectivity because they grew up in the narrow confines of Sears world.

Both leaders would likely dispute this conclusion but their strategies were nonetheless failures. Perhaps they should be reminded of the plaque on President Harry Truman's desk that captured the essence of top management's accountability. Sears employees would agree that as far as the two Eds are concerned,

“The buck should have stopped there. “

Chapter XII

On Wings of Words²⁵

Joe Batogowski and I were 37,000 feet above the Pacific Ocean, headed for Tokyo, Japan. In the middle of idle conversation, he abruptly asked, “When do you plan to retire?”

I considered the question carefully, as I recalled an unpleasant discussion with Joe Moran concerning my departure from the company.²⁶ My time schedule was now two years away and I wondered if Batogowski intended to alter my plan. So I hedged my answer.

“Are you trying to dump me?”

He said, “Absolutely not,” Then he continued.

“As you know, Sears will celebrate its hundredth anniversary in 1986 and we want it to be a really big event. Ed Brennan and I were talking about you and your creative presentation at Joe Moran’s 35th anniversary.²⁷ We think you have the right balance of

creativity, talent, experience, and leadership to make the hundredth celebration a success.”

I savored the flavor of his words as I considered his offer. I said I planned to retire at the end of 1985.

“What a way to go!” I thought. “Even if the event is a total flop, I’m out of here and it will take another hundred years for someone to do it better, assuming there is a 200th year for the Dinosaur. So I said “yes”. How could a diffident guy like me refuse the offer after hearing complimentary words like “leadership” and “creative talent?”



²⁵ Our words have wings, but fly not where we would. George Eliot

²⁶ See Page 56

²⁷ See Page 58

My career had now come full circle, from the “Jack of Diamonds” gig on a small stage to impresario of an epic celebration involving thousands of Sears employees from across the world.

The planning process began modestly. My new



Jim McCarthy

office was like the old, including a bathroom but there were only two of us, me and my able assistant/secretary/advisor, Beverly Ann Olson. As plans began to take shape, Jim McCarthy joined us and before



Beverly Ann Olson

we were through every person in Headquarters was working for me, (at least figuratively) preparing for a worldwide meeting that was to begin on

October 22, 1985. When it became generally known that Sears was planning a 100th Anniversary extravaganza, we received countless inquiries and offers to “help.” One offer was from Johnny Carson’s²⁸ lawyer and business manager, suggesting that Carson would be an ideal emcee for our presentation. I went to Los Angeles several times exploring the possibility but ultimately I was chosen instead of Carson, because his fee was one million dollars. The aging “Jack of Diamonds” was a lot cheaper.

We also met with other show business personalities, including David Wolper who created the opening and closing pageants for the Summer Olympics held in Los Angeles in 1984. After sifting through all the possibilities we decided to produce our own show.

There were some false starts, one of which was a preview of the big October event. We invited everyone in Headquarters to attend a meeting in the Auditorium Theater in the Spring of 1985.

²⁸ Former host of NBC’s “Tonight Show”

We hired a producer/writer who enlisted professional actors to impersonate past Sears leaders like Richard Sears, General Wood, and Alvah Roebuck. The presentation focused on ghosts of the past who wanted to make certain we did things right for the centennial celebration. Several dignitaries dropped by to see how the dress rehearsal was going.

The visitors were Ed Brennan, Bill Bass,²⁹ and Joe Batogowski, a trio referred to by the rank and file as the “Killer B’s.” Like most dress rehearsals this was a little rough. The actors muffed their lines and there were frequent interruptions from the writer/director who sat alone in the vast auditorium.

After a few moments into the skit, Brennan decided it was corny, amateurish, and inappropriate. He turned to Joe Batogowski and said, “Kill it.”

Joe felt Brennan was not giving the segment a fair chance and wanted the show to go on as planned.

But Ed Brennan was adamant and when the “Killer B’s” left, I said to the producer: “Pay the cast. The skit is canceled.”

Programs had been printed featuring the “New Century Players,” but when expectant Sears people filled the Auditorium, all they heard and saw was the music of a small U.S. army band and speeches by Brennan, Bass, and Batogowski. Nothing was said about the “no show” New Century players and the audience wondered why they had to come to the Auditorium to watch their leaders deliver three speeches, most of which they had heard before..

Batogowski was more upset than I by the arbitrary decision to cancel “The Ghosts From the Past” skit but his disappointment was only a small part of the estrangement developing between him and Brennan.

After the Spring Auditorium theater debacle, Tom Rossi, a Sears employee signed on as producer of the opening ceremonies and one of his ideas was to enlist 100 Headquarters people, who became known as the Centennials.

²⁹ Bass was now Chairman of the Merchandise Group. Brennan was the President reporting to Telling

We were swamped with volunteers so we held auditions with Dr. Richard Rosewall a professional choir director who selected 100 employees from departments representing all of Headquarters.

We reserved the Palmer House and several other Chicago hotels to accommodate managers from across the world and set up a Sears trade show in the Palmer House. The merchandise departments displayed their wares, then presented New Century product innovations to celebrate the Centennial year.

An important feature of the plan was the recognition of employees and their importance to the company. What we had been and what we were to become depended on the loyalty, and dedication of our people so we called the campaign “I Am Sears” and employees in every store in the country wore the “I Am Sears” logo on their name tags.



After months of preparation and logistical planning, the big day arrived and thousands of store managers, all the headquarters executives, and buying office managers from across the world gathered in the historic Auditorium Theater for the opening ceremonies.

The house lights dimmed to almost total darkness and Johnny Harmon, one of the Centennials sang the first few lines of America the Beautiful without accompaniment from the upper balconies of the huge theater, joined shortly thereafter by the 100 voice choir and the Chicago Chamber orchestra. The curtain remained closed as big screen slides and motion pictures displayed the grandeur of America, from the Statue of Liberty to Mount Rushmore, interspersed with shots of Sears and its growth over the Century. When the curtain opened, there were the Centennials who lustily sang the final stanzas of “America the Beautiful.”

It was spectacular and the spontaneous ovation was gratifying to us all. Some of the singers also danced (coached by a professional choreographer) to a popular and rousing tune of the day, “Celebration.”

The finale was a rendition of a Sears television commercial, “There’s More For Your Life At Sears,” interjected with clips of the morale building film, “I Am Sears” featuring Sears people from across America.”³⁰



The opening ceremonies closed with a dazzling laser light show and when it ended, a standing ovation honored Tom Rossi’s production and the voices of the Centennials.

When the curtain reopened, I welcomed the audience to Chicago, then introduced the officers of all the Sears companies.

Speeches by Ed Brennan and Bill Bass followed. Brennan spoke of the whole of Sears being greater than its parts and said, “We are a Sears more united and more vital than ever. We are ready, willing, and able to capitalize on a host of opportunities.”

Bill Bass, Sears Merchandise Group Chairman asked the audience to take home one special message that would last another century. “Your people,” he said, “are the real future of Sears.” It is their spirit and their dedication that will propel this company forward.” Bass closed with a promise:

Sears second 100 years will be even more spectacular than the first.”

³⁰ Written and produced by Curtis W. Fisher

When the speeches ended, everyone walked from the theater to the Palmer House where they attended product presentations and tours of the Great Hall of Merchants. On the final evening, we convened for a spectacular banquet in the Palmer House that included all the officers, and celebrities representing the company.



Arnold Palmer



Stephanie Powers



Evonne Goolagong



Mary Lou Retton



Cheryl Tiegs

I received many letters from those who attended the three day celebration, praising our efforts and I basked in the afterglow of the moment, believing we had contributed to a new era of renewed dedication and a bright future.

But then, the "day of reckoning" arrived.

The "morning after" was delayed for several years but when it dawned, I realized how shallow were the words and the promises we made to employees during those magnificent three days in October.

"You are the real future of Sears," said Bill Bass as he saluted each and every individual because "*you make a difference.*"

Then came the rude awakening, reminding us again that nothing lasts forever.

Newspapers across the country described what was happening at Sears with headlines like **Sears Planning To Reduce Jobs by Thousands, The Big Store Gets Smaller, and an American Icon, Catalog To Be Killed.**

The lead paragraph in one article began, “The soul of an American institution, if not its heart was cut out Monday when Sears, Roebuck and Co. announced the closing of its money-losing catalog division and the demise of the storied Big Book.”

It was impossible for long term Sears employees not to be emotional, then angry, when they recalled the words of hope heard from the podium of the Auditorium Theater in October 1985, later to face the catastrophic events that followed when Sears began to downsize. Our heads knew that some drastic steps had to be taken to reduce spiraling costs, but in our hearts, we truly believed that Sears benevolence would take care of us as the company had done throughout the first 100 years.

Nor was it comforting to know that other major corporations were undergoing similar trauma as corporate America raced for the gold of increased profits, or clutching for their very survival.

The praise I received concerning my part in the October 1985 spectacular was a hollow ring that tolled sadly in my mind, like a funeral bell, as the trusted Dinosaur became a shadow of its former self.

Joe Moran said, “We intend to change the face of Sears but not its soul.” He was wrong.

“Sears changed its face but in the process lost its soul.”

The End

Eulogy for my Father
Joseph N. Fisher
June 3, 2005

I always knew my dad was a successful man as I was growing up.

He worked for Sears, Roebuck and Co. The only thing more solid than Sears back then was the United States Government.

And K-Mart was just a second rate discount store with flashing blue light specials.

During his 32 year career, he rose from writing copy for the Christmas catalog to a Vice President of the company. As a buyer, he introduced America to the electric guitar and chord organ through the Sears catalog.

As National Merchandise Manager – or Num Num – in the plumbing department he helped make Sears a player in the home improvement business.

He didn't know a spark plug from a tire when he became Num Num of Automotive, but he knew how to be a merchant. Toward the end of his career he was involved in the administrative side of the business.

Although he was first and foremost a merchant, he was also a natural showman who was at his best center stage.

His final assignment for Sears was to produce the company's world wide meeting celebrating its 100 year anniversary in 1986.

It was a magnificent show held at the Auditorium theatre in Chicago that brought all store managers, buyers, officers and directors of the company together along with the celebrities who represented Sears at the time.

Shortly before he entered hospice he and I watched the videotape of the production together in the den. I glanced at him a couple of times and I remember how much he was enjoying watching it again – I think for maybe just a few minutes he was able to go back to a happier time and relive one of those forever moments.

He was not just successful at Sears; he succeeded in life because his character earned the respect and love of all those he touched. People wanted to be around Joe Fisher.

I was trying to think of a way to illustrate this point when I received an email Wednesday from Tom Rossi. Tom worked with my Dad on the 100th Anniversary project, and this is part of what he wrote me:

“I had the pleasure of working with Joe on the Sears 100th Anniversary project. As a writer/producer in Sears AV department, I must confess I was scared witless when I got a call to come to Mr. Fisher's office. I mean, a VP wanting to see ME? I was even more intimidated when I saw he had his very own private bathroom!

And then I met your dad. I believe his first words were, "Call me Joe." His second sentence was

"I hear you're pretty good so I want you to work on this project with me."

My feet barely touched the ground as I walked out of that office. I think I stayed that way for the year it took to complete the project. Each day, I got to know Joe a little better. Each day I was privileged to see what a wonderful, humane individual he was.

After 20 years of working for some of the most pompous, arrogant executives on the planet, I was lucky enough to be in the company of someone who treated me with respect; with humor and with friendship.

As the curtain of the Auditorium Theater came down on our Anniversary event, I knew my business association with Joe was ending and I thought to myself that my job would never again be that rewarding.

It never was."

My Dad was there with me when I went into business for myself, and he was there for me when I went out of business.

He told me that businesses fail, not people, and that life is full of potholes. Everybody trips. It's what you do after you fall down that matters. A few months ago my family was in the living room talking about my dad – their Grampa.

I asked each of them to tell me one thing they will always remember about Grampa. My daughter Jenny said, "D-Day". Grampa drilled that day into her head when she was in high school and asked every time he saw her, "What day was D-Day?" And she would quickly reply – June 6, 1944.

My youngest son John saw Blackhawk Down so many times he started speaking Somalian. After saying a few Somalian words he learned from the movie, Grampa said – "OK, now I'll teach you some Italian". And he shared his vast knowledge of the Italian language with John – which consisted of one word. And every time he saw John, the two of them conversed with the one Italian word they both knew – Prosciutto.

My other son Joe thought a second and said he really didn't have one thing that stuck out in his mind. There were so many things.

Then he got a look on his face, smiled and said, "I've got the one thing no one else has. I've got his name. I'll always be Joe Fisher".

I did overhear him one day tell Dad, "You know, I'm the real Joe Fisher."

I am a very lucky guy because my dad was also my friend.

Those of you who met Joe Fisher - knew Joe Fisher.

He was without question the master of his fate and the captain of his soul.

I want to leave you with my favorite quote, which are the words of Joseph Epstein. It's my favorite because this is how my father lived his life, and this is what he taught me:

"We do not choose to be born.
We do not choose our parents.
We do not choose our historical epoch, or the country of our birth,
or the immediate circumstances of our upbringing.
We do not, most of us, choose to die;
nor do we choose the time or conditions of our death.
But within all this realm of choicelessness,
we do choose how we shall live:
courageously or in cowardice,
honorably or dishonorably,
with purpose or adrift.
We decide what is important and what is trivial in life.
We decide that what makes us significant is either what we do
or what we refuse to do.
But no matter how indifferent the universe may be to our choices and decisions,
these choices and decisions are ours to make.
We decide.
We choose.
And as we decide and choose, so are our lives formed.
In the end, forming our own destiny is what ambition is about."

I will miss him greatly.
As I know all of you will, too.
God bless you, Dad.

--Doug Fisher – June 3, 2005