



Tom Riordan
Executive Editor

12 years passed before he got his first store

"I made up my mind I was going to stay and try to keep ahead of that manager."

Harry B. Cunningham of Bloomfield Hills was recalling his start with Kresge 50 years ago.

He had drawn a post as a stockman at a store in Lynchburg, Va. Harry's first manager was a tyrant. Harry quickly learned he was the 10th person to hold the job in five months. The other nine had quit or been fired.

Harry decided he was going to hang in there. He was showing the tenacity of character that served him so well in years to come.

The trait of dogged determination, mixed with a natural enthusiasm and an inordinate willingness to serve, carried Harry Cunningham to the top strata of retailing.

IT WAS HARRY CUNNINGHAM who became the father of the Kmart concept. He didn't originate the discount store. He simply studied it intently. Then he hammered out in his mind a plan for the faltering Kresge chain, of which he had just become president.

The Cunningham concept appears almost simplistic when stated.

Merchandise would always be top quality, no second, no irregulars. Prices would be lower than the competition's.

And topping that off would be good service and an unqualified money-back guarantee if the customers were not satisfied.

So simple. Hundreds profess these tenets. Few follow through.

Harry made certain Kmart did. That's why there now are 1,600 Kmart stores in the United States, Canada, Australia and Puerto Rico.

BUT WE'RE GETTING AHEAD of our tale.

Harry Cunningham's ascent up the corporate ladder was at first extremely slow. There was no indication he'd end up running the whole multi-billion-dollar corporation. Or even that S.S. Kresge Co. would have its name changed to Kmart Corp. in a sort of tribute to the genius of Harry Cunningham.

When Harry joined Kresge's management training program in 1928, he was told he'd end up as manager of his own store in three years.

That had been the pace during the lush and lively 1920s as Kresge opened 100 new locations each year. Then came 1929 and the Wall Street crash. Kresge, like all of retailing, was stopped dead in its tracks. More than a decade and a world war would pass before things got moving again at Kresge.

Harry Cunningham hung tight, learning the fine art of marketing and polishing his management techniques.

As an assistant manager, one lateral transfer fol-

lowed another (see list of Harry's travels). Twelve years dragged by before that first assignment as a manager was Harry's.

The store was in Grosse Pointe.

THE DELAY NEVER discouraged Cunningham.

Out of those years, a philosophy was being nurtured within him. When he spelled it out in a 1974 speech at the Graduate School of Business Administration at University of Michigan, its stark simplicity might have left students wondering why they were spending all those hours in a classroom.

Harry Cunningham told the students to:

1. Concentrate on the strengths of your associates.
2. Find excitement in your life's work.
3. Develop ways to involve other people in your achievements.
4. Be receptive to change.

Those in the audience might better have understood if they had known about one of Harry Cun-

Cunningham's Kmart career

- 1928 - Lynchburg, Va.
 - 1930 - Washington, D.C.
 - 1931 - Brooklyn, N.Y.
 - 1933 - Detroit
 - 1936 - Wheeling W. Va.
 - 1936 - Lafayette, Ind.
 - 1939 - Muncie, Ind.
 - 1940 - Grosse Pointe
 - 1942 - Highland Park
 - 1942 - Superintendent of stores
 - 1951 - Assistant sales director
 - 1953 - Sales director
 - 1957 - General vice president
 - 1959 - President and chief executive officer
 - 1967 - Chairman of the board
 - 1972 - Chairman of the executive committee
 - 1973 - Honorary chairman of the board
- SERVES ON BOARDS OF:**
- Kmart
 - Kmart in Australia
 - Kresge Ltd. in Canada
 - Warner Lambert Corp.
 - Barrington Corp.
 - Bendix Corp.
 - National Bank of Detroit
 - National Steel Corp.

ingham's mistakes while running Kmart. It had to do with MBAs — masters of business administration graduates.

"Our training program is working in stores," Harry told me during lunch at Peabody's in Birmingham two weeks ago. "Lots of long hours. One of my mistakes was to encourage the personnel department to start an accelerated MBA (management training) program."

"It flopped," he candidly admitted.

WHY WOULD IT? one might ask. Harry explains: MBAs seem to be impatient to reach the top. They want promotions and money — now. Long years of seasoning as assistant managers and managers don't seem in the cards for the average MBA.

Could that be a short-sighted view of retailing? I wonder.

One thing for certain, all people who aspire for careers in professional management could profit from the Harry Cunningham credo.

"Business is a team effort. The task of management, therefore, is not outstanding performance in specific areas, but rather the ability to see that specialists perform effectively as a harmonious group dedicated to a common objective."

That's for starters.

"Good management is to an important degree an art that defies description," says Cunningham.

Harry has boiled down to five the points he thinks best characterize successful management. He admits they may sound "trite and tired."

But who out there would dare knock the Cunningham concept, what with the amazing career he carved following them?

HERE ARE THE keys, in Harry Cunningham's own words:

1. Hard work. Excellence is always a result of dedicated and consistent effort — particularly in application to grubby, unglamorous details. Many duties may seem irrelevant to the "big picture" or the development of executive ability. But every good manager is thoroughly grounded in the handling of detail.

2. Considerateness. Thoughtful regard for the feelings, rights and needs of associates. This quality may not always be apparent, but subordinates are aware of it. They know the manager understands their problems. Because of that knowledge they are willing to accept severe criticism when warranted.

3. The art of intelligent listening. One of the most valuable and one of rarest qualities. It is not simply a matter of keeping quiet when another is talking. It is an honest reflection of genuine interest, an un-



HARRY BLAIR CUNNINGHAM
Father of Kmart concept

derstanding of motives, a certain kind of humility and mature willingness to be informed by anyone who has something to say.

4. An open mind. Management must demonstrate a constantly alert receptivity to new ideas, new concepts, new methods. The only constant in any progressively managed company is change.

5. Creative risk-taking. A quality related to the open mind. Since almost every business decision is in some degree a gamble, the manager who hesitates and frets about the dangers in every move will never achieve anything worthwhile. He or she must nurture at every level a sustained willingness to make mistakes in the pursuit of progress.

SO THERE YOU HAVE a glimpse of Harry B. Cunningham, the public figure.

Throughout his whirlwind career he never once lost sight of his personal and family responsibilities. Just ask his wife Peg or his three daughters. One might conclude from them that his score there was even higher than in the arena of the business executive.

Now that's my kind of guy.

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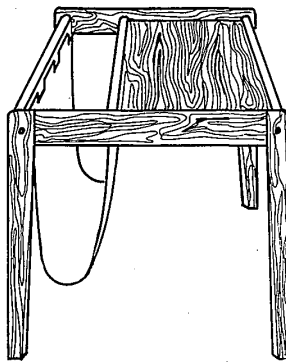
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