

Founded In 1886 on Unclaimed Shipment of Watches

# Sears Started In Rags, Grew To Riches

The year was 1886. The United States—all 38 of them—had a population of only 58 million, and two-thirds of the people lived in rural areas. Only a dozen or so cities had 200,000 or more residents. That was the scene when, one day in early spring, a shipment of gold-filled watches arrived at the railroad station in the small Minnesota community of North Redwood. Addressed to a local jeweler who didn't want them, the watches went unclaimed until the town's 23-year-old railroad station agent, Richard W. Sears, received permission to sell them. In so doing, Richard Sears started a new career—one which led to the birth of one of the world's largest merchandising organizations. By the fall of 1886, Sears was in business for himself, full time, selling watches. The next year he moved to Chicago and hired a watchmaker named Alvah C. Roebuck. Thus, Sears, Roebuck and Co. was born. Shortly before the turn of the century, Roebuck resigned from Sears due to ill health and a man named Julius Rosenwald, then a Chicago clothing manufacturer, purchased an interest in the firm. His business acumen combined with Sears' promotional genius started their firm on the road to greatness. By the time Richard Sears retired in 1929, the company which bore his name was doing \$300 million in business annually and had a branch mail-order plant in Dallas, Texas. Sears, Roebuck and Co. grew and prospered with the United States. By 1925, U. S. population was 115 million—and the face of the nation was changing. The automobile had come into its own, and with it people became mobile. What's more, the people were moving from farm to city, with less than half still living in rural areas. Viewing this scene, a new Sears vice-president, General Robert E. Wood, argued that Sears should open retail stores—to capitalize on the growing mobility of the people and the ever-expanding urban population which traditionally shopped in stores. Thus, early in 1925, as an experiment, the company opened its first retail store in a corner of its Chicago mail-order plant. Its success was so great that the company soon launched a full-scale retail expansion program which saw Sears' retail store sales volume exceed mail-order volume by 1931. Today Sears retail stores, numbering more than 700, account for more than three-quarters of Sears annual sales volume. Another highly important step was taken in 1932 when General Wood, by then Sears board chairman, opened a store in Havana, Cuba, the company's first permanent outlet in a foreign land. With World War II shortages of refrigerators, stoves, and the like, 1942 turned out not to be a good time to open stores. Even so, the store prospered on its clothing and other "soft goods" alone. In 1947, with war shortages disappearing, Sears opened a store in Mexico City. "Six years later," according to one report, "Sears was . . . one of the largest retail merchants in Mexico, and one of the dozen largest private corporations in the country—in gross business, in net profit, and in taxes paid." Today Sears has 41 stores and 31 sales offices in its Mexican and South American subsidiaries. Sears expansion overseas was matched in 1953 by expansion into Canada. In that year Sears joined with a pioneer Canadian merchandising company, Simpsons Limited, to form Simpsons-Sears Limited. Today this firm operates four catalog order plants, 23 retail stores, and 341 catalog sales offices in the Dominion. While General Wood was guiding the Latin American and Canadian expansion programs, he also led Sears into a tremendous expansion in the United States. From 1945 until he retired as chairman in 1954, the company spent more than \$350 million on new retail and mail order facilities. Altogether since World War II, Sears has spent more than \$1 billion improving its facilities. The company's expansion program was continued under General Wood's successors—Theodore V. Houser, Fowler McConnell, and Charles H. Kellstadt. And it continues today under Sears Chairman Austin T. Cushman and President Crowds Baker. Sears new store in Livonia Mall is proof.

## Sears Guided By Men of Destiny

Since its start in 1886, Sears, Roebuck and Co. has been favored with business leaders of extraordinary ability and vision. Three in particular—Richard W. Sears, Julius Rosenwald, and General Robert E. Wood—have proved to be "men of the hour" in



DIRECTING Sears, Roebuck and Co.'s destiny during the late 20s and early 30s were General Robert E. Wood (left) company president, and Julius Rosenwald, chairman of the board. It was Wood who convinced company officers in 1924 that Sears should enter the retail field.

## Sears Operations Are Guided By Veteran Team

A veteran team of men seasoned by years of training in all phases of merchandising heads up the retail and mail order operation known as Sears, Roebuck and Co.

The two top positions in the company's management are held by men with a total of more than six decades of service with the company. They are Austin T. Cushman, chairman of the board and chief executive officer, and Crowds Baker, president.

A native of Albuquerque, N.M., Cushman joined Sears in 1931 as an extra salesman in the company's



A. T. CUSHMAN



CROWDS BAKER

Oakland, Calif., store. The following year he was named manager of the San Francisco store, and two years later returned to Oakland as store manager.

From 1935 to 1942 he was general manager of both the Oakland and San Francisco stores. In 1945, after three years as manager of the company's California district, he became general manager of all the stores in the Los Angeles area.

Elected vice president in charge of the Pacific Coast Territory in 1949, he directed all retail and mail order operations in nine states. On May 14, 1952, Cushman was elected chairman of the board and chief executive officer—the seventh chairman in Sears history.

Baker, a native of Dallas, Texas, joined Sears mail order organization in Dallas in 1929. In 1935 he was named operating superintendent of Sears Seattle mail order plant, and later served in the same position in Boston and Philadelphia. From 1945 to 1951, he was general manager of the Boston plant.

Elected Sears treasurer in April, 1951, he became a member of the board of directors the following year. He was elected vice-president and comptroller in 1954, and has been chairman of the company's finance committee since 1957.

On May 9, 1960, Baker was elected president of Sears—the ninth man to hold that post since the company was founded in 1886.

making separate and distinct contributions to the success of the world's largest merchandising organization.

When he was only 23, Richard Sears founded the firm which bears his name by selling a shipment of unwanted watches by mail order.

Fascinated by the profitability of this distribution method, Sears began issuing his now-famous catalogs, and for years wrote much of their copy, proving himself one of the greatest promoters and advertising men in history.

When company sales expanded faster than could be handled efficiently, Sears in 1895 found a man who installed the systems and methods which solved the complex problems of mail-order distribution.

That man was Julius Rosenwald, a small Chicago clothing manufacturer, who helped make the fledgling mail-order firm a model of efficiency while bringing lower-priced and better-quality goods to a growing army of Sears customers.

A crusader of business ethics, Rosenwald originated Sears' famous "money back if not satisfied" guarantee. The third man to shape Sears' destiny was a former army officer, General Robert E. Wood, hired as a vice-president in 1924.

Noting the shift in population from farm to city and the growing use of the automobile, General Wood argued convincingly for Sears' entrance into the retail store field as the company's answer to changing buying patterns.

By the time General Wood retired as board chairman in 1954, Sears was operating 694 retail stores, in addition to 11 mail-order plants. General Wood also had established Sears retail outlets in Latin America, and in Canada, through Simpsons-Sears Limited, formed in partnership with a respected Canadian mail-order and retail firm.



THIS UNPRETENTIOUS railroad station in North Redwood, Minnesota, was the first home of a mail-order business which later spread throughout the United States. Here, in 1886, Richard W. Sears launched the business which was to make his name famous.

## Sears Has Stores In 11 Nations

Sears, Roebuck and Co.'s retail operations encompass stores in 11 nations on two continents. And a third continent—Europe—will have its first Sears stores late in 1965.

In 1942, under the guidance of General Robert E. Wood, father of Sears' vast U. S. retail program, the company opened a unit in Havana, Cuba. A success despite the handicaps imposed by World War II, the store proved American retailing methods worked in Latin America.

Following the war, Sears expanded into other Latin American countries. Stores were opened in Mexico (1947), Brazil (1949), Venezuela (1950), Colombia (1952), Peru (1955), Costa Rica (1955), El Salvador (1956), Panama (1956), and Puerto Rico (1957). The Cuban stores were expropriated by the Castro government late in 1960.

Through its Latin American subsidiaries, Sears today operates more than 60 stores and sales offices, which have combined annual sales of more than \$100 million.

In 1953, Sears accepted an opportunity to enter still another country, Canada, joining with a pioneer Canadian merchandising firm, the Robert Simpson Co., to form Simpsons-Sears Limited.

Simpsons-Sears now operates 23 retail stores, 4 catalog order plants, and 341 catalog sales offices in Canada.



RICHARD W. SEARS (left) was a youthful station agent in North Redwood, Minnesota in 1886 when he accepted a shipment of watches refused by a local jeweler. He sold the watches and thus launched the business which led to Sears in a new firm and Sears, Roebuck and Co. was on the road to success.

## Sears Employees Get Pre-Job Training

Members of the Sears instruction staff, which has the task of instructing and indoctrinating new employees into the company policy and procedure, have been working overtime in the past three weeks in the most intensive training program ever in the Detroit area.

The aim—to get the hundreds of new workers for Sears Livonia Mall, which opened its doors last Monday and swings into a three-day grand opening

sales celebration Thursday, ready for the big opening week.

Every new employee or person new to Sears is required to take a one-day course in orientation, Sears policy and store rules, cash register training and proper methods of making out sales slips for cash and credit sales.

Normally, the classes consist of as few as three and as many as 10 for a single day. But the

opening of one of the two largest Sears stores posed a problem of training that had the three instructors' handling classes as large as 35 to 40 each day.

The teaching staff started work with the Sears Livonia Mall personnel in mid-July and held the final class last Wednesday just five days before the pre-opening on Monday to which more than 120,000 from the area were invited to view and tour the fabulous store and to make purchases.

In addition to instructions, every worker at Sears Livonia Mall received a week of on-job training during the five days prior to pre-opening.

Each went through all of the daily routines, making out sales slips, working the cash register, learning the location of the employee parking lot, brushing up on Sears' policies and polishing up his approach to customers.

Daily throughout the week, sales supervisors called the groups together to go over all instructions, time and time again, so that by the time Monday's pre-opening every thing was in smooth working order.

As a result, the pre-opening was tagged one of the most efficient of any Sears' opening. There were a few bugs but these were quickly corrected and the entire sales staff was on the job, confident, alert and efficient for Thursday's official opening day of operation.

## Plenty of Rest Rooms

The new Sears Livonia Mall has a total of 12 rest rooms on the first and second floors. Seven are for the use by public and the remaining five are exclusively for employees.

## Photos Help Tailors Fit Custom Suits

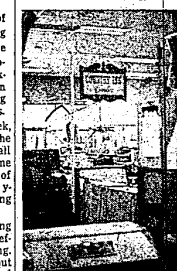
Custom made suits in the same price range as the ready-made items are available to men in the Custom Tailoring section of the Men's Wear department of Sears Livonia Mall.

But Sears has a unique method of operation in that the measurements are taken at the store and the suits are actually custom made at the central offices in Chicago.

The Sears Custom made sales staff is experienced in measuring and fitting sales. In addition, pictures are snapped of the back and side views of the customers and sent along with the measurements to the Chicago tailors. These give the tailors a definite idea of the customer and tell him exactly what must be done for perfect fit.

Satisfaction is guaranteed, and members of the sales staff report that the tailors haven't missed yet.

Stop in at the Custom made sales area and look over the samples. You'll be surprised at the variety of choices and styles.



KIDDIES DELIGHT. That's what they tab the huge candy and nut section in Sears Livonia Mall. The display is the largest in any Sears store and includes something for every sweet tooth—whether nine or ninety.



NEW EMPLOYEES of Sears Livonia Mall are shown receiving instructions in sales, receipts, cash register operation, stockroom procedure and general store policy in special classes conducted by skilled teachers. Every worker must attend classes before reporting for assignment.

Teachers were busy from morning to dusk for three weeks preceding the grand opening. They had the job of getting the several hundred new sales personnel ready to meet the public . . . well versed in Sears policies.