

· F R E D · REXFORD

SAYS GOOD-BYE TO THE INDUSTRY AFTER 26 TRIUMPHANT YEARS

ONE OF THE ALL-time great marketing careers of our industry has concluded upon the retirement of **Fred Rexford**, senior vice president of Elkay Mfg. Co. At age 67, he checked out on December 31, just 26 years to the day after he joined Elkay on January 1, 1957.

Fred has been such a presence in the industry, such a dynamic and charismatic leader, and his achievements so legendary, that one would assume his entire career was in the plumbing business. But actually, the first 12 years were in the appliance business. In the early postwar years, that industry was in its Golden Age, run by some of the smartest, hardest-driving marketing men in American business history, several of whom the young salesman and later product manager served under.

It was a very formative and developmental experience, and Fred brought that marketing sophistication, drive and zeal with him when he joined Elkay. Its application not only contributed enormously to the growth and progress of that company, but also indirectly to the thinking of the entire plumbing industry. Throughout his career, Fred was always a good industry man, always eager to contribute to the betterment of the industry. His dominant message was *upgrade* — increase the plumbing content of the building, better plumbing systems, fixtures and brass of higher quality. It took awhile, but he got his message across, to the enormous and continuing benefit of the entire industry.

Tragically, the final week of his great career brought infinite grief to Fred and Barbara, his lovely and gracious wife of 42 years, when their son **Douglas**, a manufacturers representative based in Jacksonville, Fla., dropped dead on the basketball court on Christmas Day. The cause of death was myocarditis, a heart condition to



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years after finishing high school, the family's circumstances had improved to the point that he could consider it, provided that he earned most of the expenses.

He visited the campus of the University of Missouri at Columbia and fell in love with it. He worked his way through, principally as the manager of a fraternity house in addition to other odd jobs. (It gives a startling perspective on prices 45 years ago compared to now to learn that the out-of-state tuition was \$143 per year.)

which young men are particularly prone. Doug did not know he had this problem, in fact, it cannot be detected until after the first seizure, which in this case, alas, was fatal.

Self-Made Man

Fred comes originally from Grand Rapids, Mich. His father was a salesman and later sales manager with the Grand Rapids Paint & Varnish Co. His father died when Fred was 14 years old. There being no Social Security and survivors' benefits in those days, the family had a tough time. Fred's mother had to go to work as a housekeeper and cook for a church, principally putting on church suppers and other congregation events.

Fred finished high school in 1932 in the depths of the Great Depression. College was out of the question, so he went to work in a General Motors stamping plant in Grand Rapids. After a few months, he was fired out of hand for bringing a wrong load of steel to a press. "This taught me," he recalls, "that often the world doesn't give you a second chance, so you had better get it right the first time."

Wanting to better his prospects in life, he enrolled in a local business school in Grand Rapids, principally studying bookkeeping, while working in a bicycle shop for \$5 a week. He still wanted a college education and by 1937, five

BY CHARLES HORTON

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In college, Fred was quite the leader and politician — what in those days was called a B.M.O.C. (big man on campus). He graduated in 1941 with a degree in journalism and advertising, plus a commission as a second lieutenant in the Army. On the next day, he was wed to fellow student Barbara Harbaugh of St. Charles, Ill. (What a beautiful marriage it has been, and is now.)

War Hero

In the summer of 1941, America's military buildup was underway. Our involvement in World War II had actually already started with the North Atlantic convoys, and it was obvious that we would soon be in all the way. Therefore, nobody would hire a freshly minted second lieutenant, because they knew he wouldn't stay for long. So to get a job, Fred went in the Army, and a fortunate move it was, because he got in just ahead of the crowd. Over the next two years, as the Army expanded tenfold, promotions came fast. In just 18 months, Fred was a major, meanwhile going through several courses at Fort Sill.

He went overseas with the 18th Airborne Corps, commanded by Gen. Matthew Ridgeway, and fought as an artillery fire control officer in the Battle of the Bulge and the Rhine crossing, receiving three battle stars and the Bronze Star for gallantry in action. By the end of the war, he was a lieutenant colonel.

Recalling his military days, Fred says it was a very developmental experience. "It taught me the importance of discipline, not only of the unit but of yourself. It also impressed on me that with leadership came responsibility to the men serving under you; and I have tried to live up to that in my business career."

Appliance Years

General Ridgeway, along with General Mathewson, urged Fred to make the service his career, and it was tempting. With glider pay, he was making \$850 a month, a

(Continued on page 143)

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REXFORD

(Continued from page 114)

lot of money in those days; and with the right sponsorship, his prospects in the military looked very good. Fred and Barbara thought it over for several days, but finally decided against it; what he really wanted was that postponed career in advertising.

Returning to St. Charles (about 40 miles west of Chicago), he got an interview, through his father-in-law's influence, with a vice president of the Chicago office of the J. Walter Thompson agency, largest in the country at that time. Fred was advised that, if he wanted to go places in advertising, he should first get some front-line marketing experience. "Go sell for a couple of years and then come back to see me."

Again using his father-in-law's connections, he got an interview at Toastmaster Products Co. (a division of McGraw Electric Co.), headquartered in nearby Elgin, Ill. They were glad to hire him, and why not? A college man, trained in advertising, a former lieutenant colonel with a good sales personality; for \$250 a month to start, how could they lose?

He was sent to Detroit, where he sold for four years, then brought back to Chicago as regional manager, serving for five more years.

He then joined the Leeson Steel Products division of Thor Corp., located in Cicero, Ill., just down the street from Elkay's then plant and general office. His first contact with Elkay was with Paul Sternberg, later president and now chairman of the company. Fred wanted to buy a bar sink and naturally expected a courtesy discount, being a neighbor. He didn't get it; Sternberg, then as now, believes in selling through the dealer. "It's the only time in my life," says Fred, "that I paid retail for something I bought from the factory."

Over the next several years, Fred was associated with the Globe-American Division of Maytag, with Tappan Stove Co., and with Norge; each job having to do with

Lieutenant Colonel Fred Rexford



built-in ranges, which at that time was a new product. This phase of his career took him into the stores of many kitchen dealers, and it was they who sold him on Elkay sinks. Many dealers had them on display, and all praised the quality of the product. When Sternberg and Rexford again met in 1956, they talked about Fred's joining Elkay, which he did on January 1, 1957.

Concerning his appliance years, Fred says: "It was my good fortune to work for some great men who were legendary figures in the appliance business: Bill O'Brien at Toastmaster; the Hurley brothers at Thor; Dick Tappan, Fred Maytag, and Ike Chester at Globe-American; and Jud Sayre at Norge. They wrote the book on

hard-driving marketing.

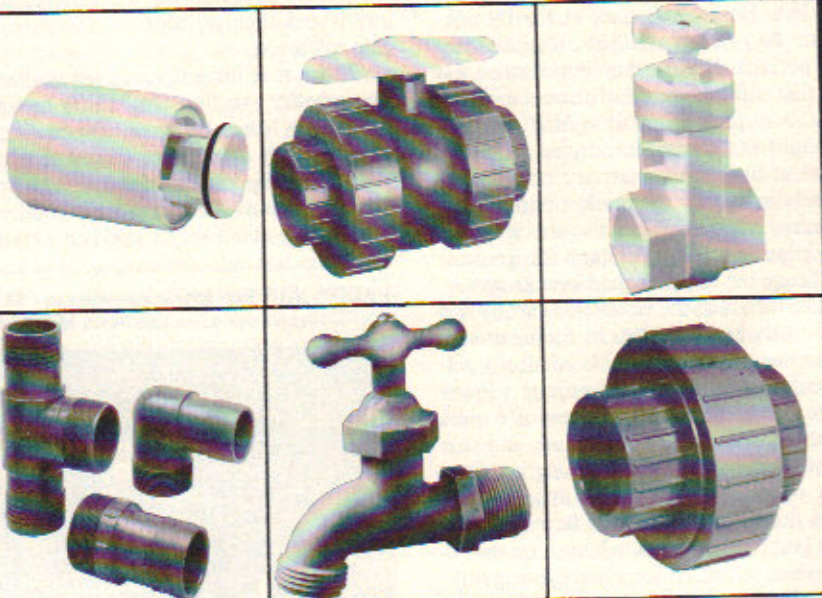
"I knew nothing but travel, always face-to-face with distributors and dealers. They were demanding bosses who wouldn't settle for less than a total effort. But they were also inspirational bosses who taught me things, and they had the quality of leadership that made me want to excel."

(As a 25-year friend and admirer of Rexford, your reporter would say that the above quote pretty well describes his own style and impact at Elkay. Fred is very demanding of his troops and suppliers. Somehow, when he demands it, it doesn't seem as unreasonable or impossible as when others of lesser leadership do. He can be a mean tyrant, and at the same time, the

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most lovable guy I have ever known.)

Early Years At Elkay

When Fred joined Elkay, the company had been in business 36 years, and was still headed by founder **Louis Katz**, who served as chairman, with his son and heir apparent **Louis Jr.**, as president. Although the leader in its field, and with much prestige in the industry, Elkay was still a small company, with sales of less than \$5 million, about half of which was custom-fabricated specification work for hospitals and other institutions.

The stainless steel sink was strictly a "Tiffany" product; all 18 gauge, low volume, very expensive, with barely 2% of the market. Enameled steel, at hardly one-tenth the price of stainless, was the mass market sink. But the stainless business was starting a fundamental change. Less than two years prior, Carrolton Mfg. Co. had brought out a mass-produced 20 gauge bowl at half the customary price. This greatly increased the market potential of stainless steel sinks, but also shook up Elkay plenty, posing perhaps the greatest challenge the company had ever known.

The firm read the situation correctly and vigorously responded to it. Stainless steel sinks were on the way to becoming a volume item, but this would require a lower price, which in turn would require mass production and mass marketing, and that would require broad and strong distribution — which Elkay, for all its leadership in its little industry, did not have.

It had only 24 Reps, whom it treated as customers; as indeed some were, being buy-sell. The firm's wholesaler setup was spotty and heavily dependent on the Crane Co. branches. There was very little stocking of stainless steel sinks, being a low volume item, so orders were mostly onesy-two'sy when the wholesaler had an order. In addition, Elkay was selling many kitchen dealers direct.

On starting his new job, it was Rexford's modest assignment to change all that, and

he did, and it wasn't easy. For the first seven years, he was on the road almost constantly, four and often five days a week, 50 weeks a year. In company with the local Elkay Rep, he called on the majority of all the plumbing supply houses and branches throughout the country, presenting his zealous message of the sales and profit potential of stainless steel sinks.

He got rid of the direct dealers and broke the territories up into smaller units for more intense market coverage (24 sales offices then; 67 offices today). He also changed the Rep's commission structure. Prior, the commission rate had been higher on one than for a quantity; since Elkay had a higher margin in one, they could afford to pay more, so the thinking went. Fred changed that, putting the incentive on volume. He also developed an earned allowance program for wholesalers that motivated them to promote the product and sell more.

The part of his program most visible to the industry was "Sell Up." Elkay brought out whole lines of deluxe new products, starting with the Cuisine Center in 1959, and vigorously promoted them. At a time when enameled steel sinks were going for about \$14, and Elkay's low-end Dayton

line for about twice that, it took some big and daring thinking to offer a \$600 sink to the notoriously price-conscious plumbing trade. But he did, and he sold them, too.

Sinks were Elkay's only product line until 1969, when they brought out a line of water coolers. They were quite successful and today Elkay has a strong position in that product. Elkay had long had kitchen faucets but not of their own manufacture; their design, but made for them. About four years ago, they brought out kitchen and bathroom faucet lines of their own manufacture, and shortly thereafter got into the disposer business via purchase of Bus Boy. Both are making headway, but it has been a slow build. So even the great Rexford, for all his magic marketing touch, has had his moments of frustration and humility, just like the rest of us.

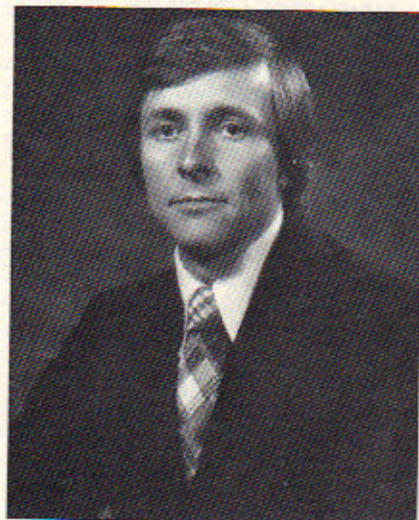
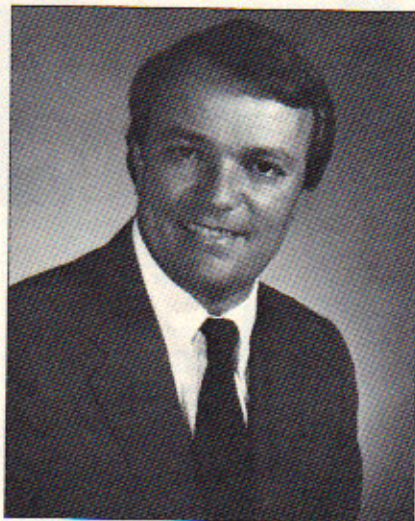
As stated earlier, when Fred joined Elkay, stainless steel sinks had only 2% of the market. Today, it's on the order of 80%. Sales were less than \$5 million. Last year, they were over \$90 million — a 2,000% increase in 26 years. The new product lines contributed, of course, and inflation was a factor, but less than one might think. As the market grew, the price kept coming down in constant dollars and, in fact, the low end of the line is priced only modestly above 26 years ago.

Credit Due

Repeatedly in our interview, Fred kept insisting that anything I write give credit to others who made possible his success; particularly Paul Sternberg, president through most of Fred's tenure, now chairman; **Mel Voight**, long executive vice president, now president; and **Ron Katz**, son of the founder, formerly secretary, and now executive vice president. (Both Louis Katz and Louis Jr. died within a couple of years after Fred joined the company.)

Next, **Dick Swain**, vice president/sales and Fred's long-time "right hand, and also my legs." Fred has phlebitis, a vascular condition that causes blood clots in the

FRED'S SON Bill (left) is co-owner of MACO of Florida, a Tampa-based M/R firm. Another son, Douglas, was associated with MACO before his sudden death last December.





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legs. It is very painful, and also dangerous, since it can lead to an embolism at any time. Fred had it in one leg before he joined Elkay, so all that travel and accomplishments were achieved despite a painful handicap. About 10 years ago, he had a really bad attack which put him out of action for several months, and the phlebitis also appeared in the other leg. From then on, it was impossible to walk any great distance, and agonizing to stand on his feet for long periods at conventions and trade shows. So Dick had to take on Fred's ambassador duties in the industry, while continuing to discharge his own many responsibilities as national sales manager.

Fred made a very special request that we acknowledge the incalculable contributions of **Rose Ver Halen**, his secretary and administrative assistant. "None of this would have been possible without her," he says. Rose took care of everything, including his correspondence. Fred swears he never dictated a letter the whole time he was at Elkay. He would simply tell her to whom he wanted to write and what he wanted to say, and he never read the letters before signing them.

Industry Service

Throughout his career, Fred was a good industry man, with a strong and sincere commitment to its betterment. It is his philosophy that an executive should devote

thirty percent of his time to the service of his industry.

And he insists this is not altruistic. "You can't have a successful career in a decaying industry, and you can't have a healthy company in a sick industry. What's good for the industry is good for Elkay, and good for me."

So he was always willing to serve and work. This found various expressions. Throughout his career he was in demand as a speaker at wholesaler and contractor conventions, and made scores of them. He would travel hundreds of miles, even to appear on a panel before a small audience, and never considered it beneath him.

He was also active in the Producers Council (manufacturers who supply the construction industry) for years, and served as president for one year. His most notable service was his 10 years as director,

FRED CAN BE A MEAN TYRANT, AND AT THE SAME TIME, THE MOST LOVABLE GUY I HAVE EVER KNOWN."

— CHARLES HORTON

committee man, and in 1968, president of the Plumbing-Heating-Cooling Information Bureau. This was the right vehicle for projecting his "Sell Up" philosophy to the entire industry, and project he did.

He came up with the "WATERright Home" concept — lots of fixtures and faucets all through and around the house, with adequate piping throughout. In addition to the standard pieces — bar sink, slop sink, laundry tray, bidet, frost-proof hydrants, lawn sprinkling, water and drainage in the garage for washing the car.

And always, always "Sell Up" — top-of-the-line fixtures and faucets; the best value because they last longer, are functionally better, and bring esthetic enrichment to life. The purpose of it all, of course, was to increase the plumbing content of the building, and thereby create more business for the industry.

It was quite a message, and badly needed in that era of cheap, cheap, cheap. And it really did make a difference. The standard bathroom 20 years ago was 5' x 7', with a steel tub, wall-hung lavatory, and wash-down closet. What a difference today with its spacious bathrooms, high-style fixtures and beautiful brass; together costing five times the standard package of yesteryear. A lot of companies and individuals contributed to this blessed transformation, but beyond any question the point man for the industry was Mr. Fred W. Rexford.

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Fred and Barbara have had a condo in Holmes Beach, Fla., on the west coast near Bradenton, for the past eight years. They will spend about seven months a year there, returning to their apartment in St. Charles from May until October.

This allows them to stay close to their two surviving sons. The oldest, **Bill**, is an equal partner in MACO of Florida, an M/R with Elkay among its lines. Bill lives in Tampa, less than 50 miles from Holmes Beach. Their youngest son, **John**, is with Continental Bank in Chicago, so they will be seeing lots of him when up north in the summertime.

Fred has no consuming hobbies. He plays golf and bought a boat about three years ago. He's not very good at either, be-

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cause he never had much time, or for that matter, interest, in anything outside his family and his work.

Fond Farewell

Fred is a sentimental and emotional man. At the conclusion of the interview, when I asked him to express his "farewell" to the industry, he was obviously deeply moved and a little choked up at times. The gist of his reply was:

"My career in this industry has been extremely rewarding, and in a lot of ways beyond income and the satisfaction of accomplishment. I leave with a lot of precious memories. Mentally, I can never leave. There are too many people out there, hundreds of them, who have made my life easier and more enjoyable. The thought of any one of them brings immediate mental pictures of him sitting in his office or his showroom, as well as his home and wife, because I have been the recipient of no end of warm hospitality throughout this country.

"After all the involvements I have had with the people, you can't just pull the switch and say, 'That's it, boys! Nice to have known you!' And who would want to?"

If this article strikes the reader as an unusual piece for SUPPLY HOUSE TIMES, you are right. But then, Fred Rexford is an unusual man. And he sure did do a job. And he sure did leave an imprint. ■

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