Merging For A Better Company

For years Frank Honeywell and W.R. Swann were fierce competitors with diametrically opposed personalities. On their first meeting they were none too kind to each other, choosing to adopt the stance of turn-of-the-century capitalists who hated on their business adversaries as much as rivals. And so it came as a surprise in the late 1920s when the two men merged their companies.

At the heart of business for the shrewd and proper Frank Honeywell was the Honeywell Heat Regulator, a device using mercury to control hot water and steam heat. His business had been very good until World War I, but the price of mercury was so high that the company could not longer turn a profit. A few months later Honeywell and his wife and a young man named Willard Hail recognized the company to form Honeywell Heating specialties Company in Webster, Indiana.

Meanwhile, the aggressive and astute W.R. Swann was having trouble of his own with Minneapolis Heat Regulator Company. Following World War I, many households who had heated their homes with coal converted to oil. The regulators for coal-burning heating plants were quite simple, but the control for an oil burner was more complicated and required a new control technique. In the early 1920s, Minneapolis Heat Regulator Company designed new thermostats to meet the changing needs of its customers.

By 1927 both companies were on sound footing. Honeywell Heating specialties had sales of more than $3 million and 430 employees in the Webster factory. Minneapolis Heat...
Regulator had sales of $3 million and 1,000 employees. But the two companies had patents which blocked each other from further growth. The only way for either of the two antique rivals to grow was to merge.

Suits had knocked at the Wabash door but Huff convinced Honeywell that a merger with Minneapolis was much better for the company. Honeywell was reluctant in part because of his disdain for his competitor, but finally agreed to write Sweatt a letter to arrange a meeting in Chicago. Apparently the meeting was amicable, because they met again in New York some months later when W.H.'s son, HW, returned from a European vacation.

At the second meeting, they set to work to resolve two issues: how each company would be valued and who would have what title after the merger.

After many hours of discussion W.R. Sweatt suggested to Honeywell that the decision be left to HW and William Huff. He agreed and the two older men went to bed.

The terms their protégés worked out instantly made both Sweatt and Honeywell millionaires. Then the young man turned to the matter of titles. Sweatt wanted to be president and make Honeywell vice-president, a proposal which did not sit well with the man from Wabash. Huff suggested that W.H. be chairman of the board and Honeywell be president. W.H. Sweatt vice-president and general manager. Charles, his younger brother vice-president, and Huff, treasurer.

It was a proposal which appealed to all parties and cinched an agreement to form a public company which would prosper beyond the dreams of any of the participants.

All the employees of Minneapolis Heat Regulator Company gathered for a picnic in 1927.
Birth Of A Salesman

In the 1920s and 1930s the door-to-door salesman, in his high-slit collar and pinstripe suit, neatly shined shoes and neatly combed hair was part of everyday life for the American housewife. She could count on at least one member of the membership of salesmen to ring her doorbell almost every day. This man who called on her from the Minneapolis Honeywell Regulator Company came armed with lessons they had learned from the company's sales manual and a few tricks they put together themselves.

Salesmen, the instruction book told them, were to throw away their cigars or spit out their tobacco before approaching the door. They were to make sure they were clean-shaven every morning, with clean teeth and clean hands, with pressed and brushed and clean shirts.

"It is always best to remove your hat immediately when the door is opened and keep it off during the interview," the manual's author told his students, with a wink. "Even in cold weather this should be done and is often a suggestion to the woman to invite you in from the cold."

While the manual gave the salesmen a few pointers, some of the more creative Honeywell salesmen used it only as a primer and perfected some tricks of their own. One of them was Adolph Hildenbrandt, a crack salesman from Philadelphia noted for his aggressive sales efforts. Adolph never knocked on a door without peering in the window first to see if there were guests inside. If there were, and he couldn't sit to the lady of the house, he'd try to still to the glass.

On one call he performed a man in one of the biggest office buildings in town so badly that the man threatened to throw Adolph and his then neat out of the window. Not one to be easily dissuaded, Adolph returned the man's challenge, and true to his word, the man threw him out.

With a very smile Adolph picked himself up, cleaned himself off and marched back into the man's office. "If you don't buy," he told him, "I'll see you for dessert and dinner." Adolph proclaimed. His prospect surrendered and bought.

Although Adolph was obviously effective with his craft, he couldn't hold a candle to Elmer Bausch's extraordinary door-to-door sales technique.
Basseman was a handsome, impressive man with
wavy grey hair who stood six feet tall and weighed
about 200 pounds. His initial calls were always during the
darkness when he could charm the lady of the house
without distraction. Then he would ask permission to visit
her again at night when her husband was home.

On the second visit, after a few cheerful and
complimentary remarks, he would remove an ice pick from his case
then walk to a wall which appeared to
be a likely spot for a thermostat.

"Is this where you would like it
to go?" he would ask the man of
the house.

"Well, yes," the man would
reply.

"I'd like to demonstrate
how simple it is to install the thermostat," Basseman would say
as he poked a hole right through the plaster.

Once the hole was in the wall the man of the house
could see how easy it was to join the wires for the thermostat
through the plaster and cover the whole mess with a
Honeywell thermostat.

Although the front office appreciated that the
imposing Basseman seldom walked out of a home without
the sale, it wasdecided he didn't quite fit the
gentleman image the Honeywell sales information manual
was meant for.

Indeed, the art of selling had matured by the late
1920s. As the sales information book said, "If a prospect
seems uninterested in your conversation make him
aware of your presence. Ask him to lean you the pencil, break
the pencil intentionally, then ask him for his knife to sharpen
it. It is hardly advisable to use the old method of stepping
on a man's toes to make him concentrate on what you are saying."

In a 1928 sales contest at the
Bigelow office, a salesman won by
scraping his competing quotes.
H.W. Sweatt,
A Restless Spirit

When Harold W. Sweatt took the reins of the company in 1894, he assumed the mantle of president. At a crucial time, Minneapolis-Honeywell had to find its way out of the Great Depression and would soon seek to build a business as a defense contractor and enjoy molecular growth following World War II. Sweatt, or H.W. as he became universally known, led the vision and the personal drive to successfully maintain a steady course for the company. Under his leadership, Minneapolis-Honeywell made the leap from a specialized firm in a small industry to a small company with world-wide potential.

He was a low-key man who fought hard to maintain a direct, informal atmosphere at Honeywell. To make his point, he would tell stories that he liked to tell on himself, perhaps with a little embellishment, because it showed that Honeywell was a place where even a top guy often speaks up to the chairman of the board.

Shortly after H.W. had hired a secretary, and what he thought was a reasonable salary, he learned that she had been given a raise without anyone telling him first. Frustrated, and more than a little annoyed, he strode downstairs to personnel to get to the bottom of the matter.

Sweatt, a tall, slender man with a slight stoop, posed seriously and quizzically through his glasses at the young clerk in personnel. With a scowling face, he demanded to know why his secretary had been granted a raise. "It's company policy," the young woman replied. "The chairman's secretary should have been started at a higher wage category." Who in hell sets company policy around here anyway?" Sweatt demanded in his high, thin voice. "I don't know," she replied, "but I know you don't!"

Sometimes, like his father, he hired people with much the same result. One day H.W. was passing by the loading dock when he came upon a man leaning against a post while he smoked a cigarette. H.W. took note of him, but passed by without comment. A little later H.W. passed by the man again. This time H.W. had a comment for the worker: "How much do you earn a day?" H.W. asked.

When the man told him H.W. dug into his pants pocket and brought out a wad of bills. "You're fired," H.W. said, as he peeled off a couple of bills and handed them to the man. The men took the money with no reply.

"When I left yesterday," the man requested, "I saw the same man leaning against the same post. I thought I told you yesterday," H.W. said to the man.

"You did," said the man, "but I work for a trucking company; I'm waiting for the truck to be loaded!"

In spite of the occasional mishaps, for more than 40 years H.W. coached, pleaded, wheedled and needed the people of Honeywell to stretch themselves to give to the best of their abilities. He once told company executives gathered for a sales meeting:

"If I had to choose, I would prefer to settle for a little less perfection today and a little more imagination for tomorrow—recognizing that in pushing this spirit of restless energy we are bound to make some mistakes and sacrifice some immediate gains.

"Whatever else we may do, we must strive always to keep it fully alive—this spirit of restless energy. If we do this, we refuse to become satisfied and content with the status quo and always strive to do better and, in the process, to do a little more imagining for tomorrow—we will preserve one of our most precious and fundamental possessions."
“Whatever else we may do, we must strive always to keep it fully alive—this spirit of restlessness.”
Tom Sawyer And
Honeywell
For many of its employees, life at Honeywell was a family tradition, with husbands and wives, brothers and sisters, aunts and uncles and cousins sometimes working side-by-side. For some, such as Carl Kindall, it is also the stuff of childhood memories.

It was a glorious sunny summer day in the 1930s when Carl's father, Axel, who would work at Honeywell for 41 years, asked him if he wanted to point the fence around with Wheat Straw's home a few blocks from the Honeywell factory in Minneapolis. Eager for some extra money, 12-year-old Carl appeared at the Straw's home.

Like a young Ben Swartz, Carl took his can of paint and his long-handed brush and headed for the fence. Standing on the corner he surveyed the fence that seemed to stretch forever. All morning he worked, dipping the brush in the paint and carefully wiping off the excess paint on the rim so as not to leave any brush marks on the fences. As he stretched up and down, up and down, about mid-morning, Mrs. Straw, a small woman wearing a shabby house dress came out to the fence, walked around young Carl inspecting his work from every angle. She said nothing, but young Carl kept at it.

When the sun reached high noon, Mr. Straw returned, with a kind smile and a plate of sandwiches and milk for the boy. "Thank you, mam," he said with a touch to his cap.

At the end of the day, Henry, the charwoman, took the three-foot-wide boy wearing an old shirt and bolted down the fence in a big, black limousine.

Bright and early every day that week, young Carl returned to his work. All day he listened to the splash of the brush against the fence. When he had done this task by himself, "Don't drip paint on the fences!" Each day Mrs. Straw brought him a plate of sandwiches and inspected his work, and each day Henry drove him home.

On Friday, Mr. Straw came out and spoke to Carl. "My wife says you've done a good job," Mr. Straw told the scaling boy who squatted into the sun. "Here: ten dollars!"

Ten dollars was a lot of money during the Depression. Too much money to pay a boy. Axel Kindell said as he ordered Carl to give the money back.

The next day when Carl was back at the Straw's home, Mrs. Straw asked him whether he had been paid. "Yes," Carl said, looking down of his scuffed shoes. "But my dad made me give it back because it was too much."

"How much did he give you?" the woman asked.

"Ten dollars," Carl replied.

"That's right!" she said as she went back to the house and returned with ten dollars. "Here it is. Keep anything Mr. Straw gave you."

The next day Mr. Straw came out again and said Carl. When Mrs. Straw asked how much he had been given, Carl replied, "Ten dollars!"

"I guess he left such a lighted thing, because I had him give you $10 to the."

Carl's work for the family took him in good stead. When he turned 18 in 1940, Carl joined his father and his uncle to work for Honeywell. He retired in 1982 after 42 years of service with the company.