

Creatively Coping with Disastrous Conditions

Leigh Kramer, Helicopter Marketing & Communications

Last month's article "An Opportunity for Improvement" sparked a story suggestion from a reader. I sent out a query for stories of businesses that have triumphed during the most adverse times. Here are some of the best responses:

Submitted by Helen Driscoll, Invitesite.com, Pasadena, CA

Coney Island's Steeplechase Park was built at the turn of the last century by George C. Tilyou. There were 3 different parks, back in the day. Some of the facades of the attraction houses were just amazing. All those incredible facades for the various rides and attractions were built from wood, hemp and plaster. Very flammable.

During the 1907 season, Steeplechase Park burnt down to the ground -- a smoldering ruin. Mr. Tilyou lost everything.

The morning after the fire Tilyou posted a sign outside the park. It read:

To enquiring friends: I have troubles today that I had not yesterday. I had troubles yesterday which I have not today. On this site will be built a bigger, better, Steeplechase Park. Admission to the burning ruins -- Ten cents.

The park was rebuilt for the 1908 season. (I know this story from my best friend of many years, George C.'s grand-daughter.)

Submitted by Richard Kramer, Kramer-Smilko, Inc., Bel Air, MD

In 1932, McCormick Company faced a serious crisis as sales plunged during the Great Depression. On November 4, founder Willoughby McCormick died while on a business trip. Elected to Presidency and Chairman of the Board was his 36-year-old nephew, C. P. McCormick.

The younger McCormick quickly turned the tide by implementing his philosophy of Multiple Management. McCormick's guiding belief was that a company, whatever its products or services, was nothing without its workforce, and an empowered workforce made for an empowered, efficient, and successful company. Working hours were cut, wages raised and Junior and Factory Boards were established.

Within the first five years under the new McCormick system, some 2,000 separate ideas were generated and implemented by the junior boards.

In 1934, Edwin Tunis, a Baltimore architect, was commissioned to design and construct an early English Tea House on the seventh floor of the McCormick building in Baltimore. This was followed by his plans for Friendship Court, a replica of a Sixteenth Century English village. The purpose of this renovation was to provide a pleasant reception area for all who visited the House of McCormick.

I remember clearly the first time I visited the old McCormick building for a meeting. The conference room was on a floor made out like a cobblestone street flanked by shop windows displaying the company's wares, as I recall. I was told it was built during the slow periods of the Depression rather than lay off the workers. My impression was that they thought that was a very good investment.

Submitted by Megan Downey, Sanderson PR, Chicago, IL

Julian Gordon was living the good life in Boston in the 1980s as he found himself right in the middle of a speculative bull market in the construction industry.

Condominiums and high-rise apartment buildings were sprouting all over the city and Gordon couldn't

have been happier. In 1970, Gordon, an aeronautical engineer with a degree from Boston University, had founded Gordon Industries, Inc., which manufactured metal architectural products such as doors, railings, stairs and more.

"In the heyday of all this speculative building I was a prime beneficiary because I made all the stairs and railings for those buildings. Speculators were throwing money at me," Gordon recalled. "My wife and I would fly regularly on the Concorde to Europe. I was collecting old Mercedes. I didn't work on Fridays and Mondays and spent winters in Florida. It was crazy."

It all came to an abrupt end with the collapse of the Bank of New England in January 1991, a fall that had begun in the 1980s "as it aggressively expanded its lending for speculative office buildings, hotels, shopping malls and condominiums that could not pay back their loans when the New England economy collapsed," the New York Times reported.

"It all ended in 90 days," Gordon said. "I fell into this... I wouldn't say poverty, but I couldn't cash paychecks. Business fell to nothing."

Despite the weakened economy, Gordon's company survived, in part by developing new products since customers weren't buying metal stairs, fire doors or railings. He even tried building kickboxing machines to be used for martial arts training.

His most successful new products were metal ramps and due to the ongoing demand, Gordon founded American Ramp Systems in 1998. American Ramp Systems is the only franchise concept of its kind and one of a few national ramp companies in the United States. Sales growth has increased 400 percent over the last 48 months.

Sally Saville Hodge, Hodge Schindler Integrated Communications, Chicago, IL

Back in 2001, San Francisco-based Prophet, a consulting firm, saw its pipeline of engagements dry up, almost overnight. Perhaps typically, CEO Michael Dunn did lay off a substantial number of employees. But at the same time, he aggressively moved to expand the firm's footprint, investing in new offices and new business in Japan and Europe. And it worked. While other consultancies went through several years of revenue declines or flat growth, Prophet saw increases in the double digits. The risk paid off then and has continued to pay dividends. Last year, its non-U.S. growth was up by 80 percent, and its non-U.S. business accounts for between 20 to 25 percent of its total revenues. And that risk orientation is continuing despite the worsening economy.

Getting ready to write the next amazing chapter of your company's story? We can provide strategic advice and a plan of action for achieving greater visibility and attracting more business.