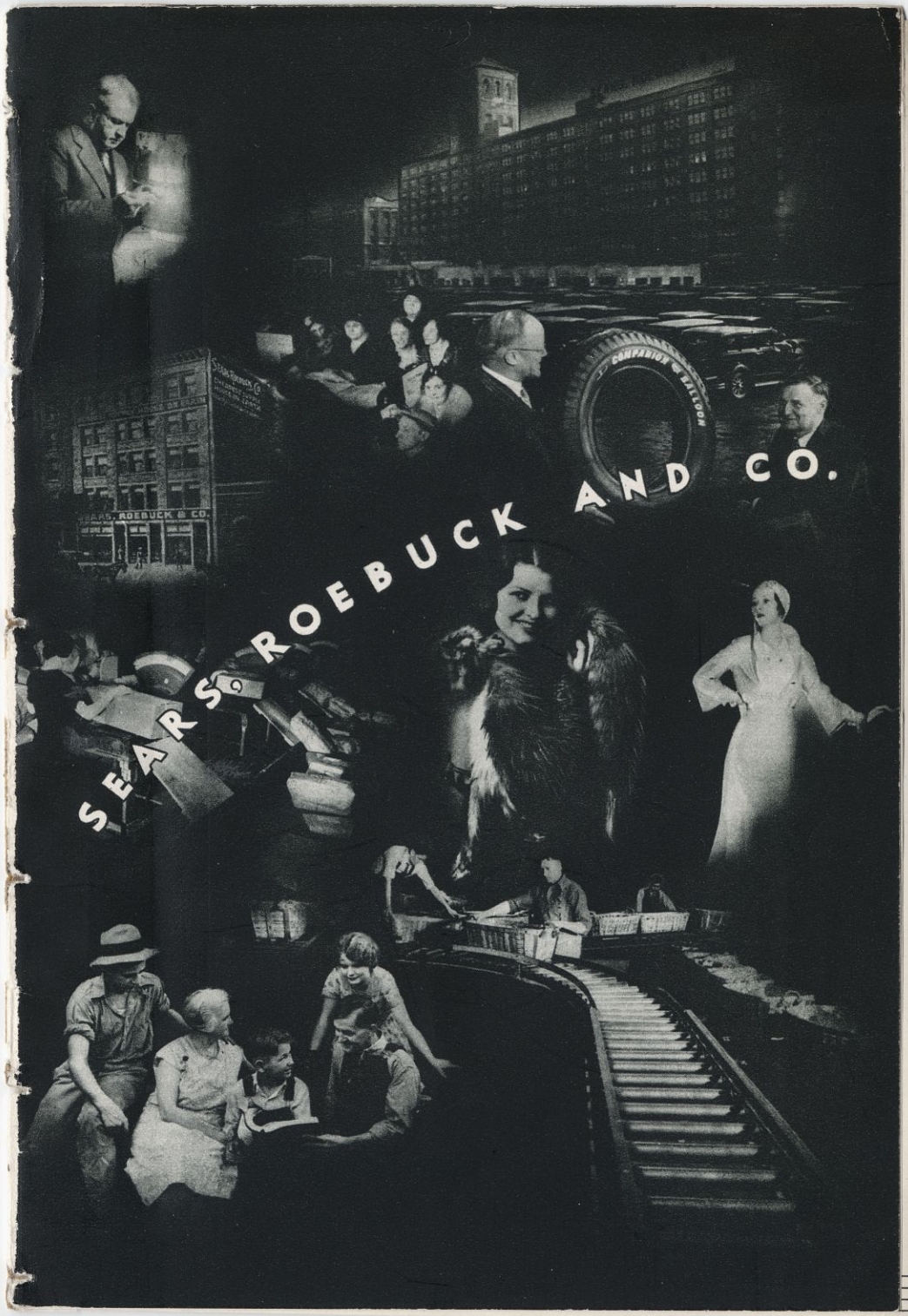

SEARS ROEBUCK AND CO.
SEARS, ROEBUCK & CO.
COMPANION BALLOON

Sears, Roebuck and Co. is a collection of ten giant mail order houses, 380 retail stores, groups of factories and warehouses—and 30,000 employes who support about that many families. Its activities constitute a vivid and enduring chapter in the great drama of distribution.

But if you look beneath the surface of this kaleidoscope of American business and industrial operations, you will find that Sears, Roebuck and Co., in a larger sense, is an idea,—it might be more correct to say, a conviction—in the minds of twelve million Americans as to where they can supply their needs, fulfill their desires for less money.

It is this phenomenon of confidence—not mortar and masonry—that forms the foundation of this sequence of buildings stretching today from coast to coast—that is responsible for these 30,000 jobs and for the buying habits of more than twelve million people.

This story is, in effect, the biography of an idea. Its prelude tells what happened when the idea in its original form collided with an obscure young man back in North Redwood, Minnesota, in the year 1886. There may be some interest in what this young man did to the idea and what it did to him.

But the major theme of our narrative is how this idea was expanded and clarified by another man . . . how the letter "I" was added to "idea" . . . how from the ideal resulting, a new doctrine was evolved with a new concept of a firm's responsibility to its customers, its employes and to human beings in general. This, however, is getting ahead of the story.

North Redwood, railroad station, cradle of Sears Roebuck and Co.

The trains used to whistle drearily as they whizzed past North Redwood, Minnesota, in the year 1886. Only a few stopped, because North Redwood . . . though it was and is a pleasant little town . . . isn't and never was, a teeming center of commerce.

The few that did pause were greeted by young Richard W. Sears, station agent, who was, at the time, acting as host to some of the most interesting ideas of his generation. It is written that when a 20-year-old station agent, long on ideas and short on cash, is suddenly bombarded with watches, something unusual will come of it.

To young Dick Sears, this sudden wealth of watches presented the long awaited opportunity to give his ideas a workout. The story is an old one:

The watches, sent by a wholesale house to the North Redwood jeweler, weren't wanted, because the jeweler was already overstocked. They were on the station agent's hands; no provision had been made for their return. Sears wrote the wholesaler and obtained permission to dispose of the watches in his own way. Then he wrote letters up and down the tracks to railroad men he knew, offering the watches for prices far below the current levels. Railroad men need watches. Sears' supply melted away. More were ordered . .

Richard W. Sears, founder

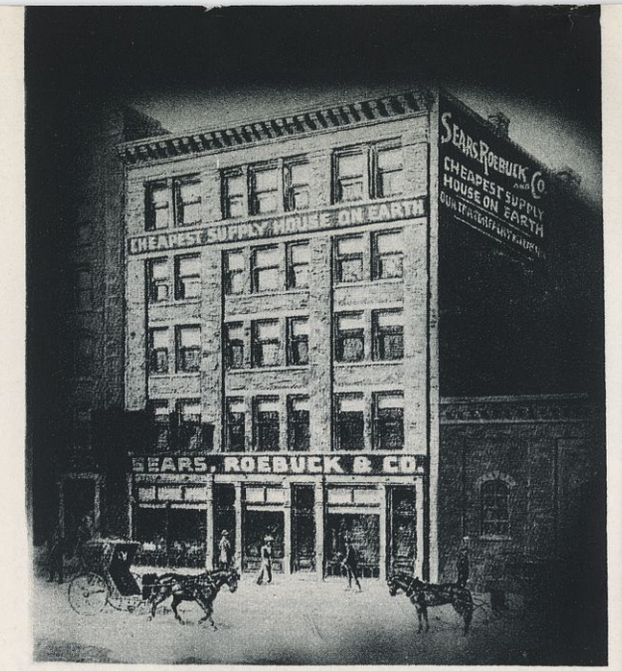
. . . He woke up in the morning and found himself in the mail order business.

He didn't know much about the mail order business. It is more important that he had an idea. The idea: "Sell honest merchandise for less money and many people will buy." Things were happening:

Files of names packed, merchandise crated, the big city invaded. A mail order house in Minneapolis . . . the R. W. Sears Watch Company. Business increases beyond his most extravagant dreams. A more central location is necessary. A bigger mail order house in Chicago. A young Indianan named A. C. Roebuck answers a want ad and goes to work as watch adjuster. Hard work and prosperity.

Only a little past the age of twenty-one . . . the founder of a successful business . . . but an exceedingly weary young man who had been working daily from seven in the morning until eleven at night, Sears is offered $60,000 for his business by an eastern syndicate. Retirement to an Iowa village for the purpose of becoming a banker. Leisure palls. Roebuck is summoned. Another mail order house in Minneap-

A. C. Roebuck, early Sears associate



Sears first Chicago plant, Adams near Halsted

olis known as A. C. Roebuck and Co. Then the incorporation of Sears, Roebuck and Co. in Chicago in the year 1893.

Business overflows from the first building on Adams street near Halsted into a half dozen buildings in the neighborhood. Continuing to increase, much larger quarters are obtained at Fulton and Des Plaines.

Success has come too rapidly for the founders to orientate themselves in the American industrial scene. They do not yet understand the significance of this new and vital system of distribution . . . they grope for a better conception of its scope and character, of its place in the sun. The stage is set for the coming of a man who will provide that vision—who will evolve principles that will become a basic part of the company's creed and an epochal contribution to American merchandising.

In 1895 came the accession to the vice-presidency of Julius Rosenwald, man of destiny in the affairs of Sears, Roebuck and Co. Sears' idea, stripped of unessentials, was: "Sell honest merchandise for less

Julius Rosenwald, —"man of destiny."

money and many people will buy." That suggested a question: "How can I sell for less money?" Out of the answer to this question, Julius Rosenwald evolved the articles of his company's faith:

(1) Sell for less money by cutting selling costs. Reduce the expense of getting merchandise from the producer to the consumer to the absolute scientific minimum. ***But maintain the quality.***

(2) Sell for less by buying for less. Buy for less through the instrumentality of mass buying and cash buying. ***But maintain the quality.***

(3) Make less profit on each individual item and sell more items. ***But maintain the quality.***

(4) Guarantee that the quality will be maintained and pledge to return the customer's money if he is not satisfied with his purchase. Make the guarantee the keystone arch of the company's business creed.

(5) Establish laboratories for the testing of merchandise and see that every article offered for sale can pass every test that science can devise.

(6) Treat people fairly, honestly and generously and their response will be fair and honest and generous.

Many years before Julius Rosenwald's birth, his father arrived in America from Germany with twenty dollars in his pocket. The boy was born August 12, 1862, at Springfield, Illinois, which had been the home of Abraham Lincoln. His parents knew many of Lincoln's friends and he grew up among constant reminders of the Great Emancipator.

At the age of seventeen he went to New York City to work in a retail store that belonged to his uncles. He saved enough money to start his own store. Later he moved to Chicago and formed a company to manufacture clothing. Richard W. Sears was one of his customers and gradually he became more and more interested in the unusual concern on Des Plaines street. He was eager to buy into the business on the retirement of A. C. Roebuck.

From that time the history of the company is the history of Julius Rosenwald's influence. He refashioned the business, gave new emphasis and character to its appeal, systematized its operations. Long before he had begun to grow old, he was universally recognized as one of America's very greatest business men and one of the world's greatest philanthropists.

The Rotary award, one of the many honors bestowed on him by many lands, was presented to him a few months before his death with these words:

". . . As a national figure he was called by our War President to advise respecting National Defense and by the Secretary of War to perform a mission overseas. Unstintingly he labored in his country's cause.

"In industry he personifies integrity and the responsibility of power. By pledging his fortune to protect his stockholders in the business crisis that followed the World War, he set new standards of fidelity to corporate trusts and to labor. In municipal endeavors he has aided city planning, fostered efficiency in public offices, battled against waste and for honesty in administration and, time and again, has aroused the conscience of the electorate to promote the common weal. Above all these, he has dedicated his fortune

Julius Rosenwald opens Memphis mail order plant

and his life to the well-being of mankind. In this high purpose he has devoted his wealth, his time and his guidance to manifold philanthropies. Keenly analyzed as to worth before endowed by him, and constructively observed and often directed after endowment, the objects of his bounty, from farm colonization in oppressed regions abroad and negro schools in the South, to clinics, hospitals, housing projects, museums and universities, are coextensive with the range of human welfare.

"These motives, rather than sums, reveal Julius Rosenwald. Alert, yet patient, honest and genuine, but hearty and sympathetic, Julius Rosenwald, the citizen, the leader, the humanitarian, has endeared himself to the city and nation as Julius Rosenwald, the man.

"For his achievements we esteem him, for his benefactions we acclaim him, for his leadership and example we honor him, for his ideals, his character and his human sympathy we love him."

* * *

Back in '95, his first year with the company, sales jumped from $368,298 to $657,298, and at the turn of the century had mounted to the then astonishing total of $11,000,000.

Moving toward perfection was the development of a great and permanent achievement in the science of distribution—the technique of mail order service which has saved millions of dollars for American

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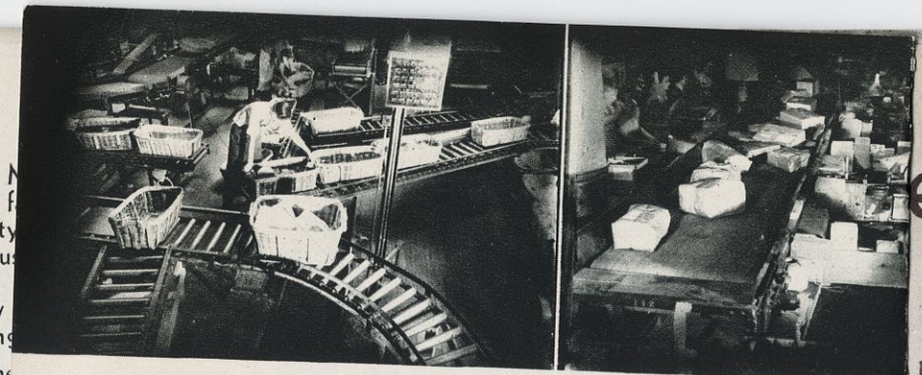


Sorting packages at mail order chutes terminal

consumers by eliminating, through a perfection of efficiency, the costly waste motions in the process of getting merchandise to them.

The first great economies are the elimination of the middleman and his tax on the price the consumer pays . . . the direct buying from factory, the direct selling to consumer . . . the cash purchase of vast quantities . . . the cutting of costs by placing huge orders with factories during their slack periods . . . the actual manufacture of merchandise by the company when it can more advantageously be done.

Then evolved the miraculous science of mail order operations . . . the abolition of all but direct, essential motions in the handling, packing and shipping of merchandise, the opening of letters, the filling of orders . . . the famous Sears-Roebuck Schedule System which moves with the exactness and smoothness of a precision instrument . . . the endless invention of mechanical aids . . . machines that open the mail at the rate of 450 letters a minute . . . the pneumatic tubes, miles of belt conveyors, chutes, electric trucks, all performing their integral part of the acts of distributing orders to the merchandise departments and handling the merchandise until it has been entrusted to the United States mails.

Where parcels are weighed and stamped

ears, Roebuck and Co. at the ENTURY OF PROGRESS

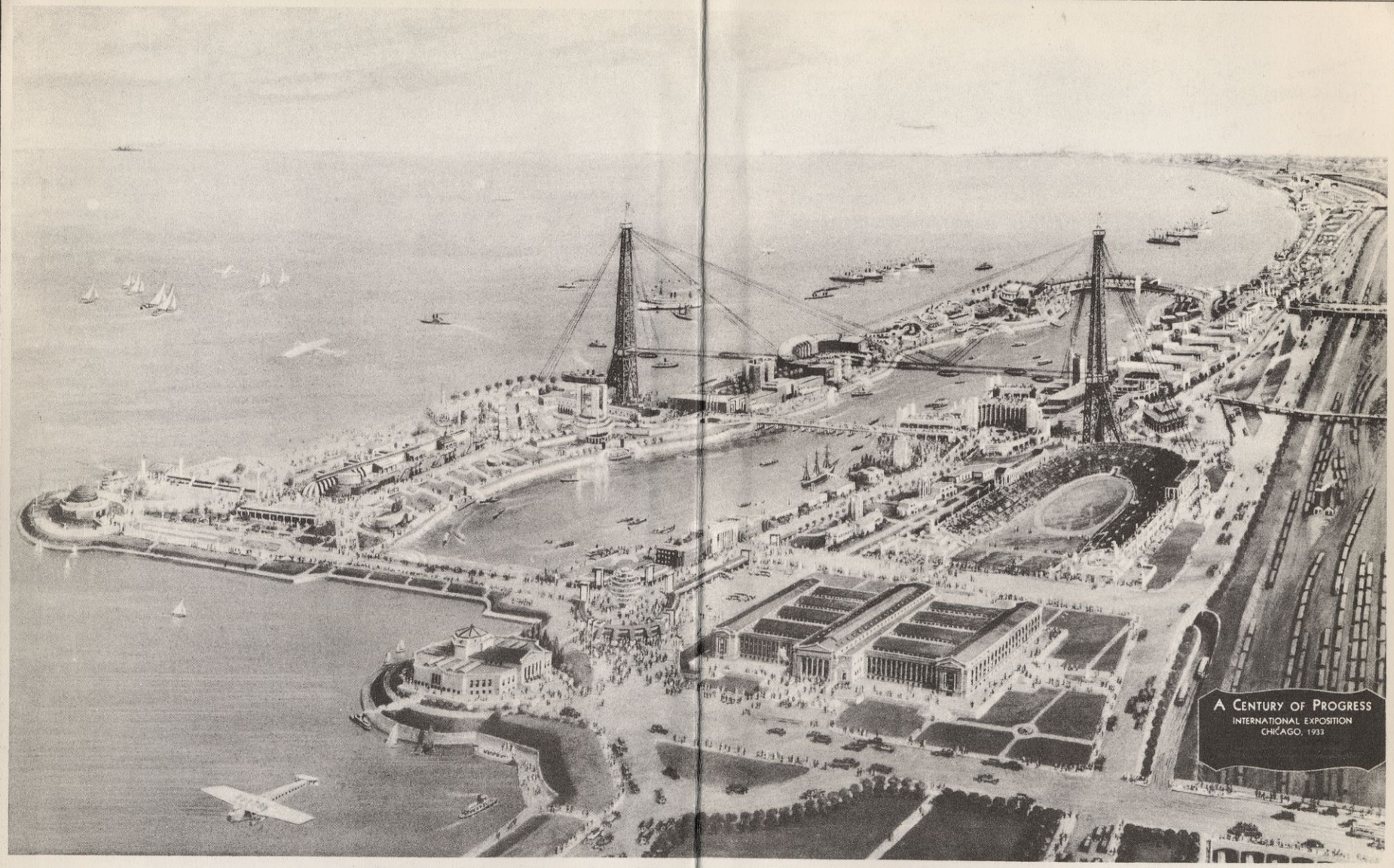
WHEN several years ago, the pioneers of A Century of Progress began classifying the constructive activities of mankind during the last century for the purpose of organizing general exhibition units, merchandising was one topic that resisted their showmanship.

When it had begun to appear that merchandising would have no champion at the big progress show, Sears took up the challenge and appropriated a large sum of money to handle the job of flying the banner of distribution as one of the genuinely important sciences developed during the last century.

The problem was a difficult one,—how to portray dramatically and persuasively the century's progress in the sister sciences of distribution and merchandising, —how to show the manner in which Sears has adapted these techniques in its business of carrying goods from the producer to the consumer.

The committee appointed to plan the company's participation finally decided that there are two ways to dramatize merchandising, —which is to say, —service. One is to give service. The other is to adapt the best devices of stagecraft to showing the methods and results of the service that is merchandising. Both ways were adopted and the function of the Sears World's Fair Building became two-fold.

In the Sears building are organized the services which a careful study indicated would be most important to fair visitors. The company provided free checking facilities; spacious and elaborate rest rooms and lounging rooms; a beautiful restaurant; a complete general information, message exchange and travel department; a telegraph desk and batteries of telephones.



Sears [redacted] Sears

THE second function of the Sears building is, of course, more theatrical. Through its operation, the company hopes that it has produced a first rate show, —a veritable pageant of merchandising during the last hundred years.

First, is the giant map, ten tons in weight, 43 by 63 feet in dimensions, the biggest thing of its kind ever created. The moving groups on its surface representing industry throughout America were produced after many months of work by machinists and craftsmen. The lights show the channels of Sears distribution from factories to consumers through the company's mail order houses and retail stores.

The miniature stages or dioramas which portray the development of merchandising from the Indian trading post to the highly imaginative conception of the department store of the future, involved a long period of research and labor by sculptors, architects, painters, carpenters, machinists and pattern makers, not to mention historians.

An infinity of pains went into the thirty-one other exhibits which constitute a mammoth merchandise demonstration by various departments of the company. Moving pictures, talking pictures, the clavilux, miniature factories and work shops, elaborate optical illusions almost magic in their effect, ingenious demonstrating machines are the media through which this saga of merchandising is recited.

We hope you are pleased with the layout of the building, designed on a system which guides the spectator naturally through a labyrinth of broken lines, arcs and unexpected alcoves which resist the clamor of other exhibits when you are inspecting one exhibit. Every stratagem of line and rhythm is used to focus the attention on the theme of each exhibit easily and naturally.

To our friends who have made use of our building, —if we have increased your comfort or added to your pleasure while attending this great exposition, —we are more than amply repaid for our participation in A Century of Progress.

Sears, Roebuck and Co.

Sears national headquarters in Chicago

● Expansion of the business in the first few years of the new century is literally forced on the company by its customers. By 1904, the plant at Fulton and Des Plaines, like its predecessor on Adams, is dwarfed by the swell of orders.

Land is obtained along the right-of-way of the Belt Line Railroad at the intersection of Homan and Arthington on Chicago's West Side. Here the company builds in 1905 a merchandise building comprising almost a million square feet of floor space, an office building occupying half a block, a printing building and a power house. The merchandise building has to be repeatedly enlarged until today, with 3,500,000 square feet of floor space, it is the second largest business structure of its kind in the world.

In 1906 the first branch house goes up in Dallas to handle the company's southwest business. A second branch plant rises in Seattle two years later. In 1920 a new building campaign swings into action with a huge plant in Philadelphia to serve the eastern seaboard. It is resumed five years later and carried to completion as follows: 1925, Kansas City; 1926, Atlanta; 1927, Los Angeles and Memphis, and 1928, Minneapolis and Boston.

Ten giant mail order plants in operation, located in commercial "key" cities of the nation's ten great commercial regions . . . 24-hour service to customers in almost any part of the United States . . . the greatest business volume ever done anywhere in the world by mail.

With mail order efficiency reaching its peak, with millions depending on the savings it offers in order to increase their comforts in life, Sears, Roebuck and

Typical Sears department store structure.

Co. adds a chapter of powerful and lasting significance to the ageless drama of distribution.

On February 1, 1925, Sears, Roebuck and Co. is the world's largest mail order house whose fame is brightest on the farms and in small towns. Its catalog is the stand-by, the old reliable of rural America.

By six p.m. on February 2nd, the complexion of the company has subtly changed. It is still the world's largest mail order house, but it has issued inferentially a promise to become something vastly more. An event of profound moment in the company's history has taken place. Sears has opened its first retail department store.

Installed tentatively in the side of the giant mail order house, seat of the company's national merchandise departments, the store's success is instantaneous and of such proportions as to confirm the company in its long studied plans for a coast-to-coast system of retail units.

Three months later, a second store in Seattle . . . a third and fourth during August in Dallas and Kansas City . . . on October 5th, the first Sears retail store outside a mail order plant starts operations in Evansville, Indiana.

The great campaign of retail expansion is on, unparalleled in the history of retailing . . . reaching a two-year peak during which stores were opened on the average of one every other business day.

Although more slowly and more cautiously, the campaign continues into and through the depression years. In 1931, for the first time, the sales of Sears retail stores pass those of mail order. Across the

Interior scene, Sears State Street store, Chicago

broad expanse of the nation is a network of Sears retail units, passing on to millions of Americans the savings inherent in volume buying . . . in the nth degree, efficiencies of nation-wide massing and distribution of merchandise, of retail operation and over the counter service.

The same disregard of unproved traditions, the same original attack on problems affecting efficiency of operation, the same elimination of costly waste motions, the same relentless reduction to a scientific minimum of all expenses usually transferred to the ultimate price of merchandise to the consumer—which is to say, the same kind, of thinking that characterized the development of Sears mail order organization, guides its retail planning.

Lower overheads are obtained by locating stores outside the high rents of the cities chief business districts . . . free automobile parking is thus made possible for customers at many stores . . . the direct-to-the-user theme permeates the interior layout . . . wide aisles . . . displays designed to give the merchandise opportunity to sell itself . . . the appeal of orderliness and beauty coordinated with the highly specialized devices of service and with accommodations that look toward the maximum comfort and convenience of the customer.

By the first of January, 1932, Sears is operating department stores in almost every city or metropolitan area in America with the exception of the New York City area. In March of that year, with building activities hovering around the depression low, Sears explodes a bombshell with the announcement of a $4,500,000 store building and opening

Mrs. Franklin D. Roosevelt opens Sears' Brooklyn store

campaign in Hackensack, N.J., Brooklyn, N. Y. and Union City, N. J.

That same month the company has spectacularly opened its first downtown department store in Chicago on State Street, one of the first large Sears retail units located in the heart of a large city's business district. The novelty and originality of this store's layout, display and merchandising plan has rocked the most famous and blase retail street in America.

* * *

Heralded with enthusiasm by the New York press, the company's metropolitan area campaign reaches its climax in late October and November of '32. Governor Harry A. Moore of New Jersey heads a welcoming committee of prominent New Jersey citizens to open the Hackensack store on October 27th. He makes the first purchase recorded in the new institution from Lessing J. Rosenwald, son of Julius Rosenwald, who has taken his father's place as chairman of the board.

Mrs. Franklin D. Roosevelt, wife of the then Democratic presidential nominee, making her last public appearance before her husband's election as president of the United States, performs the same service at the opening of Sears Brooklyn store on November 5th.

The Governor's Lady, Mrs. Harry A. Moore, and a delegation of New Jersey mayors, officiate at the Union City opening on November 10th.

Athough the weather ranges from heavy fog to downpour and hurricane, big demonstrative crowds,

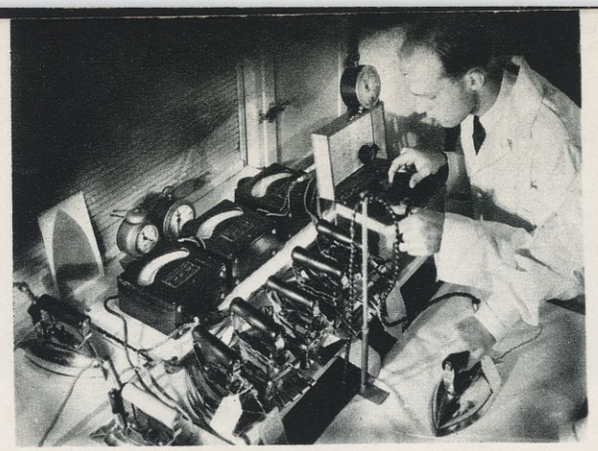
Lessing J. Rosenwald, chairman of the board

numbering 20,000 at Hackensack, 30,000 at Union City and 50,000 at Brooklyn, welcome Sears retail stores to their communities.

The adroit application of the once revolutionary mail order doctrines to the new retail stores—namely the tireless pursuit of an efficiency whose perfection would mean savings to millions of families that have learned to depend on the company for such savings, the jealous guarding of the guarantee, the new standards of responsibility to customers—are carried through smoothly because most of the major executives of the company were under the influence of the later years of Julius Rosenwald and received much of their training directly or indirectly from him.

Those who came to the company in the last decade are trained administrative technicians whose leadership in other companies had been won through conspicuously effective efforts. Taken together they represent a striking cross-section of American business and industrial authority.

Gen. R. E. Wood, president

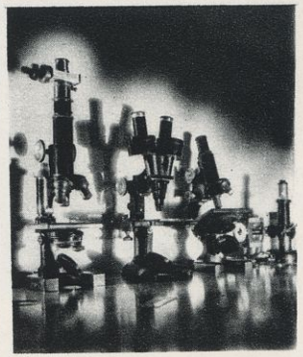


Corner of the electrical labyrinth, Sears' laboratories

The chairman of the board is Lessing J. Rosenwald who, following the death of his father, Julius Rosenwald in January of 1932, succeeded the latter as board chairman. Starting in the shipping rooms, he worked in almost every important division of the company, learning by hard work and practical experience the right to direct the organization his father had created.

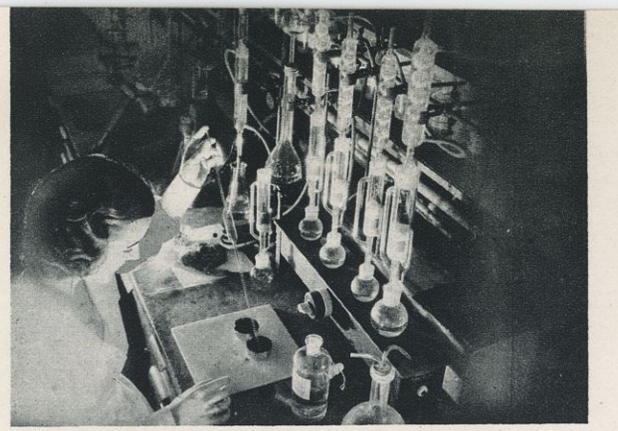
The president is General Robert E. Wood whose distinguished service in the United States army during the building of the Panama Canal, later with the American Expeditionary Forces in France and still later in outstanding positions in American industry, preceded his connection with Sears.

They have inherited the job of preserving the company's traditions of service pledged in the guarantee, that historic step in merchandising ethics taken by Julius Rosenwald before the dawn of the new century.



High-powered microscopes in the testing laboratories

The great corollary of the guarantee is the testing laboratories, which for nearly a quarter of a century have been protecting the guarantee's integrity and parenthetically giving the millions

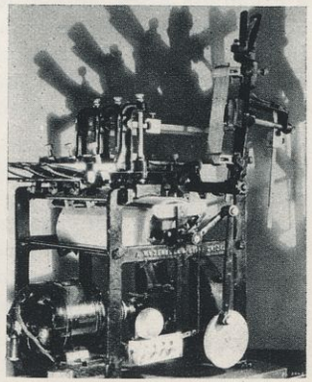


Chemical analysis used in tests of leather

of Sears customers the assurance of science that the merchandise they buy from the company will satisfy every claim made in its behalf.

The laboratories are a phantasmagoria of weird machines and mechanical contrivances presided over by skilled physicists, chemists, mechanical, chemical and electrical engineers whose equipment comprises microscopes, sun machines balances, furnaces, abrasion and tensile strength devices . . . all the instruments of mechanical and chemical annihilation.

The purpose of these presiding genii of the laboratories is to destroy merchandise and to tabulate the process of destruction in such a way as to know beyond peradventure of a scientist's doubt what may be expected of the merchandise in terms of the service it will give, in terms of what substances are in it, in terms of its construction and functional excellence.



The abrasion machine tests wearing qualities

Weeks, months, even years of hard wear are concentrated in a few hours of treatment given Sears merchandise on these formidable engines of testing.

Day by day they check the claims of manufacturers to ascertain if goods offered the com-

pany are just what they are claimed to be . . . they compare analytically similar merchandise from different manufacturers to give buyers accurate information upon which to base selection from the standpoint of both quality and price . . . they check delivered merchandise against original samples . . . they analyze merchandise to provide an honest basis for advertising copy . . . they determine the suitability of products for their intended purpose . . . they check against government standards.

The operation of the guarantee and its corollary, the laboratories, brings to consummation the last provisions of Julius Rosenwald's business creed which became through the years the creed of Sears, Roebuck & Co. They throw into relief the triumphant summary of these articles of faith:

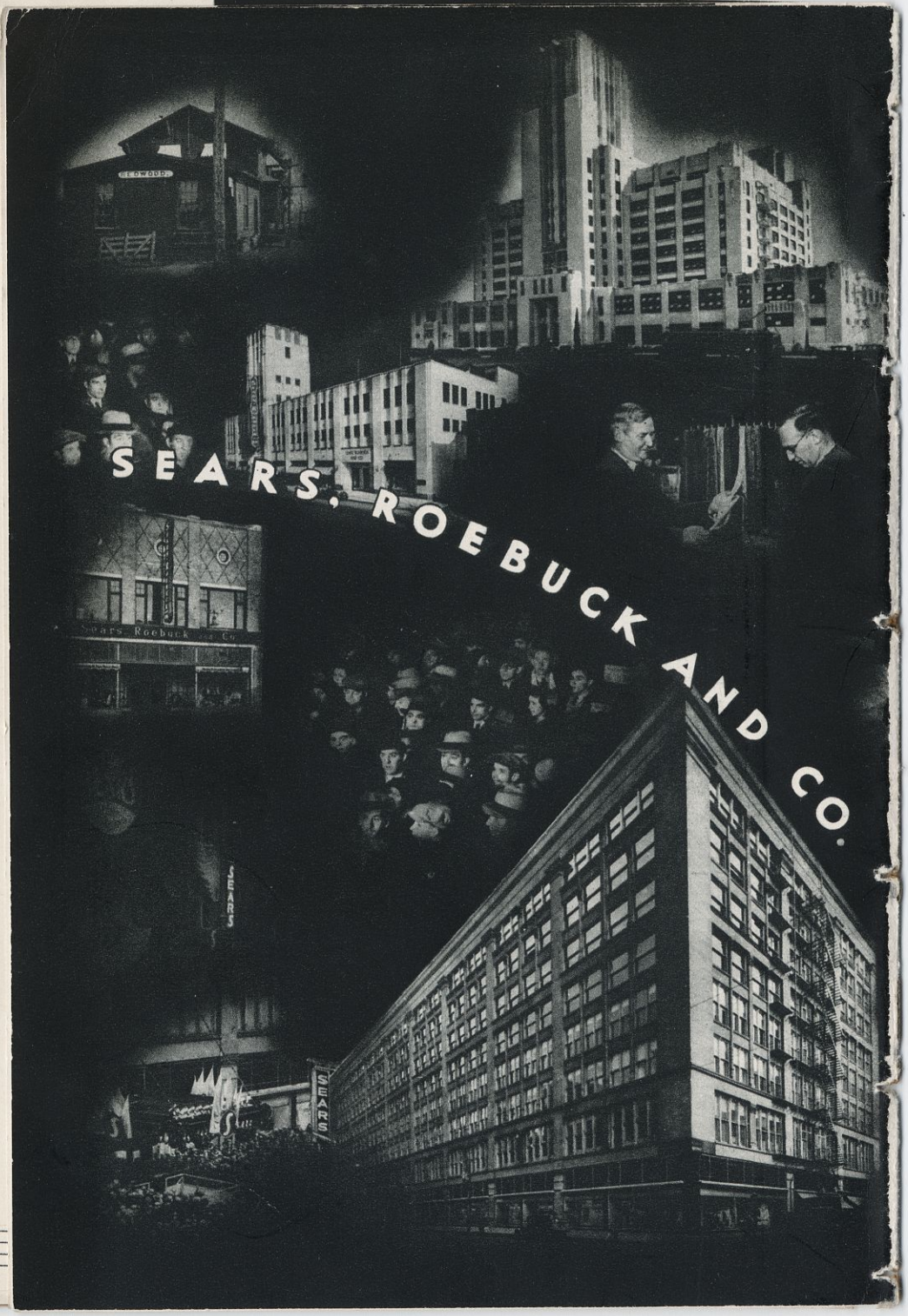
"Treat people fairly and honestly and generously and their response will be fair and honest and generous."

● So ends the biography of an idea and that idea's natural progeny. So ends also the story of the man who conceived it and the story of the man who developed it, who elaborated on it and glorified it.

Wendell Phillips once said, "Give it the fulcrum of a Plymouth Rock, and an idea will upheave a continent." Herein, we have traced an upheaval wrought by an idea across the face of a continent . . . and an upheaval wrought in the means and the techniques of providing that continent's dwellers with their goods.

Herein we have enumerated today's manifestations of that idea and today's monuments to its sponsors—a collection of ten giant mail order houses, 380 retail stores, groups of factories and warehouses, the livelihoods of 30,000 employes—and the buying habits of twelve million consumers.

Sears, Roebuck and Co., 1933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