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## **WESLEY H. LOOMIS III**

# GENERAL TELEPHONE DIRECTORY COMPANY

Born in Kansas City on July 29, 1913, Wes Loomis grew up in a business environment. His paternal grandfather was an old-fashioned American entrepreneur who established various businesses including a petroleum distribution company which pioneered the concept of the tankcar. His maternal grandfather was the legendary Theodore Gary who built the famed Gary Telephone System. That system included both telephone exchanges and a telephone equipment manufacturing business known as the Automatic Electric. It eventually became a key part of the General Telephone System.

Wes' father founded an advertising agency in Kansas City. Shortly after World War I he became involved with telephone directory advertising. He also experimented with transportation advertising and was a co-founder of the National Association of Transportation Advertising.

After earning an industrial engineering degree at the Massachusetts Institute of Technology, Wes went to work as a management trainee for Monarch Services in Kansas City. From there he moved to Chicago where he first worked as a trouble shooter at the Automatic Electric Company. Then he joined the Methods and Betterment Department.

Those years at Automatic Electric proved valuable to him. They taught him how to anticipate and solve problems. And he developed a strong belief in the need to constantly search for better ways of doing business.

Follow World War II, Wes Loomis went to work for his father's advertising agency. It was to be a short association, for father Loomis died in 1946.

Wes took over the family business and set about the task of building up both the Yellow Pages advertising sales and the transportation advertising business.

In 1955 the Theodore Gary Company merged with the General Telephone Corporation. Wes Loomis was invited to merge his own advertising firm with the General Telephone Directory Company, and become president of the merged entity.

Wes accepted. In January, 1956, he arrived at General Telephone Directory Company's Des Plaines, Illinois, headquarters to begin a new career.

The company which Wes took over had some definite strengths. Founded in 1926, it became part of General Telephone in 1934. Its president, Frank Davies, had constructed a printing plant which was generally thought to be a losing proposition. But Wes Loomis eventually found it to be a valuable asset. Loomis also found a number of talented people who were to become part of the Wes Loomis success story.

But, at the time Wes Loomis became president, the Directory Company was in trouble. There was a serious communication problem between the production and sales ends of the business. Morale was low. The situation called for a turnaround expert. As Wes Loomis himself put it, years later, “The organization was fragmented. Various department heads worked behind closed doors, and were not speaking to each other. My job was to put the whole thing together. We established an open door policy and I hit the road to find out what the Directory Company really was. The people were there and once we all realized our potential, we took off. The end result is now history.”

And what a history it is! During the next 22 years the Directory Company’s sales grew 3,107 percent while net income rose 2,704 percent. The percentage of advertising revenues given to the telephone companies by the Directory Company rose from 35 percent to 54 percent. The percentage of the revenues coming from outside the General Telephone system rose from a negligible amount to over 50 percent. And the percentage of business done outside of the United States rose from zero to over 50 percent. With only 1.4 percent of General Telephone’s employees, the Directory Company contributed from 10 to 14 percent of General Telephone’s profits during the later years of the Loomis era.

All of this occurred because Wesley Loomis was able to put together an achieving organization with an awesome esprit de corps. The man who followed Loomis as president, Rhett Butler, described it this way, “I found the organization very psyched up. It was achievement oriented. There was no political infighting and there was much good will. Confidence levels were high and there was, as a result, a great willingness to change for the sake of even greater achievement.”

How did Wes Loomis achieve this amazing turnaround? Six factors appear to explain his success.

First and foremost, was the competitive spirit which Wes possessed. To him it was important for the company to excel and achieve its full potential.

“We are seeking from each employee a commitment to excellence,” he would constantly tell his people.

And then he added, “We must adopt a philosophy of change with which we will lead dynamically, think creatively, and innovate.”

An important aspect of the competitive spirit is the willingness to take risks. This was ability which Wes Loomis possessed in abundance. Many associates say that his biggest gamble was the decision to seek business in foreign countries and foreign languages. This successful venture began with the publication of directories in the Philippines. Then in 1965 and 1966 the company acquired publishing rights for Hong Kong. Those contracts required the publishing of both English and Chinese language directories. Some so-called experts said that a Chinese language directory couldn’t be done. But Loomis and his associates did it anyway. By the time Wes Loomis retired, the company was selling yellow page ads and printing directories in Hong Kong, the Philippines, Thailand, Singapore, Malaysia, Brunei, Indonesia, 6 of 7 states of Australia, The Dominican Republic, Costa Rica, Belize and New Guinea.

The second key to the success of Wes Loomis was goal setting. As one management associate once put it, “Wes established sales goals far beyond what we considered possible. But year after year the impossible revenue and accuracy goals were met or surpassed.”

Behind this success was the belief that most people aren't challenged to achieve up to their potential. In the case of the Directory Company, this belief proved to be correct. Once Wes Loomis began to set challenging goals, the Directory Company sales force proved able to meet and, often, to beat them.

The fundamental objective established by Loomis was simple. As he often explained it, "Our people are treated better and paid better than is the case with any of our competitors. In return, we expect our people to produce more than the competitors."

Implementing the objective required setting specific short run goals. The basic sales goal set by Loomis early after his arrival in Des Plaines was a 16 percent annual increase in net new and increased sales dollars. This goal was then broken down into easy to understand daily and weekly goals for individual salespersons. On some occasions there were even hourly goals.

Goals were also set for management personnel. Some were very specific such as the requirement that each management person come up with a least two new ideas a year. Other goals were more general such as Wes Loomis' instructions to printing plant manager Frank Broniarczyk to, "Make our printing operation a technological leader."

The third key to Wes Loomis' success was staffing.

Nowhere was this more visible than in sales. As vice president for sales Edward Jordan put it, "Wes Loomis initiated an important upgrading of the sales force and salesmen/saleswomen compensation doubled three years after he took over. Of course, their quotas also doubled, and only the best survived."

The ability of Wes Loomis to staff the organization with talented people was also apparent in management ranks.

Edward Jordan was brought in to headquarters from California and soon became a legend in his own right as the vice president in charge of building up the sales organization and making it perform.

Duncan Price was brought in to develop a public relations program and soon had communication flowing effectively, both internally and externally.

John O'Neill proved to be an effective controller. He developed a thorough knowledge of all facets of the rapidly expanding enterprise. His creative talents were of particular value in the use of computer technology to efficiently mechanize the production functions.

Ted Johnson was brought in to develop the personnel function. His performance became a source of great pride to Loomis.

A number of other talented executives were brought in. Soon, they, too, were setting new performance standards for the company.

The fourth key to Wes Loomis' success was communication. Wes had been trained as a professional manager and had learned the art of written communication. But he preferred to communicate on a person-to-person, face-to-face basis. He was constantly dropping into the office of home office workers; he regularly went out to lunch with key employees; and he constantly called salespersons and management personnel on the telephone for a chat about the company.

Wes disliked management committee meetings but made extensive use of sales promotional meetings and management retreats. At such gatherings a little bit of fun was always mixed with a heavy dose of motivational presentations.

A key communications tool used by Loomis was public relations. He often said, "I have a theory that you can take over any company with a lawyer, a controller, and a public relations man." And so, one of his first moves at the Directory Company was to bring in public relations man, Duncan Price.

In the view of Wes Loomis, public relations had two aspects—internal and external. The internal aspect involved letting employees know what the company was all about; why employees should be proud; and what they should seek to be doing. The internal public relations message relentlessly stressed the Loomis request that every employee make a commitment to excellence.

The external public relations effort had three major target groups—customers, suppliers, and the communities where the company did business. Customers were both the parent General Telephone Company and telephone companies not affiliated with General.

Another key communications tool used by Loomis was frankness. Wes believed in speaking his mind. As Ed Jordan put it, "In his speeches, Wes pays credit where credit is due. But he can also be very critical. He feels that these managers deserve to hear it like it is . . . and are big enough to take it . . . . If there is an area of the operation that requires improving, he is very blunt in pointing out the deficiency and equally explicit in outlining what must be done to correct the situation. Invariably there is also a challenge."

The fifth key to the success of Wes Loomis was motivation. The major motivational tools which he used to spur his people on were good pay, recognition, identification with a winning team, and friendship.

Wes Loomis kept his promise to pay his people more as a reward for more production. Wes himself took great pride in the resulting rise in the standard of living of his employees. As he once put it, "It's a great thrill to go into the home of one of your employees and see the material signs of their success."

Wes was at his best when it came to recognition. Sales awards, production awards, management excellence awards—whatever the employee's job classification, Wes Loomis saw that there was an opportunity to earn an award in recognition of outstanding performance.

Loomis made the awards far more meaningful by personally presenting a large number of them.

This was often burdensome. In February, 1973, for example, he interrupted very important work at the home

office in order to make a 25,000 mile trip to Kuala Lumpur, where he presented the coveted President's Trophy to division head Ken Noble. The award recognized the Malaysia Division as the best overseas division for 1972. And Loomis' trip to present the award symbolized the importance which he attached to the work that Noble's sales organization was doing.

Loomis biographer and employee, Don Briggs, once evaluated the impact of the recognition dinners and luncheons in this way, "The actual cost has been substantial . . . but their impact has been truly immense. These affairs created an atmosphere of intimacy with higher management in a rapidly growing international organization. They caused people in whatever department to set forth afterward with their spiritual batteries recharged."

Wes Loomis also often appeared at sales drive kick-offs. A typical result was reported thus by a division manager, "His impact on the sales force and client was immeasurable. How can we say it any better than when the president takes his time to appear?"

Identification with a winning team was the third motivational technique used by Loomis. He created the winning team image through a stream of up-beat newsletters, sales meetings, management retreats, and the biannual publication of a "yearbook" which reported all of the success stories over the past two years.

In the 1960's Wes and Ed Jordan conceived the idea of linking the company performance with the story of the then world champion football team, the Green Bay Packers. The Packers had been a losing football team until coach Vince Lombardi arrived. Lombardi quickly turned the team around and made it a perennial world champion. He did it with techniques similar to those used by Loomis. Hence, the analogy seems appropriate and Wes Loomis sought to have Directory Company employees see themselves as the Green Bay Packers of the directory company industry.

Friendship was the fourth motivational tool which made Wes Loomis an effective leader. Wes came from a wealthy and prominent family and was prominent in his own right. Yet, he was humble and caring in dealing with his employees.

Close associates marveled at his ability to write letters of thanks, send congratulatory birthday cables, or make a special telephone call to extend his sympathies in an employee's moment of family illness or death.

One representative incident is the following story reported by Herb Markley, head of the Madison, Wisconsin, division:

"In 1970 the GET Board of Directors and Stockholders were holding their annual shareholders' meeting in Madison, Wisconsin. I met Wes at the airport to transport him to the Sheraton Hotel where the meeting was taking place.

My wife, Yvonne, had a short time before suffered a fall which resulted in a brain concussion. For a long time she was between living and dying. Wes must have known of this because, immediately upon getting into the car, he said, "Herb, I heard about Yvonne's accident. Let's go directly to your home so I can see her and tell her personally how happy I am that she is recovering so well. The GTE shareholders meeting will have to wait.

Wait it did. What empathy! What timing! We still get choked up when we think of it.”

The following year the Madison Division won the coveted president’s trophy. Yvonne Markley, having fully recovered, attended the award ceremony, and in a moving speech at the ceremony said, “We won this for you, Wes.”

One benefit of Wes Loomis’ cultivation of friendships with employees was his ability to ward off unionization attempts. Four times during the Loomis years union elections were held. All four times Wes Loomis actively opposed the union by making the election a contest between himself and the union. “Nobody can take care of you as well as I can,” he would say. He won all four elections.

It would be a mistake to view Wes Loomis’ cultivation of friendships as a calculated management technique. The man truly cared about people. This is evidenced by the fact that he would often look up people who had been terminated by the company, and encourage them to have faith in themselves.

The sixth and final key to the success of Wes Loomis was his system of controls. He insisted that performance measurements be made frequently and that lagging performance be quickly corrected or the performer removed from the job.

He would not tolerate a successful employee resting on his or her laurels. A person who had produced in the past but who began to slip would be moved to a less demanding assignment. A person who failed to perform from the beginning would quickly be terminated.

Wes Loomis expected commitments to be carried out. Printing plant manager, Frank Broniarczyk, put it this way, “If you gave him a date, that date was kept. I remember one occasion when the printing plant was falling behind schedule due to problems beyond our control. I went to Wes and told him that we might not be able to make delivery on time. I expected a sympathetic ear. Instead, he said, ‘I’m sure you will have it done on time!’ I did.”

A competitive spirit, goal setting, staffing, communication, motivation and control—Those six factors were the keys to the success of Wes Loomis at the General Telephone Directory Company.

There were, in addition, two facilitating factors that are an important part of the story. One was the presence of Polly Loomis. Wes’ wife, Polly was an active participant in the countless social functions which Wes used to build organizational spirit. Hundreds of the friendships which Wes forged with employees were also friendships between the employee and Polly Loomis.

The second facilitating factor was Wes Loomis’ unique power position. Although Wes was employed as head of a subsidiary of the General Telephone and Electronics Company, his position was actually more like that of the president and owner of an independent company. This was partly due to the fact that the Loomis family was a large holder of General Telephone stock. Hence, top management at GTE had to look at Wes not only as a hired manager, but also as a stockholder. More important in enlarging Wes’ power base was the fact that he committed himself to a permanent, long-term tenure as president of the Directory Company. Wes had no interest in “moving up” to an executive job with the parent company. Hence he could base his actions solely

on what was good for the Directory Company, with no regard as to what would help him obtain a promotion.

When he retired in 1978, after 22 years of leadership, Wes Loomis made one last contribution to the company which meant so much to him. He found a successor who could lead the company successfully into the new competitive environment of the 1980's. Then Wes Loomis left the premises for good, in order that new president, Rhett Butler, could lead with full authority.

Wes Loomis was the right man, in the right place, at the right time. He seized his opportunity and made the most of it. In doing so, he created the opportunity for hundreds of other persons to achieve success in their own right.

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This article was written by Dr. Richard Hattwick.