

## An Idea Is Born

One evening in the fall of 1908, as Walter A. Sheaffer sat at home reading an advertisement of the Conklin pen, he was struck by the clumsy hump, or crescent, protruding on one side. Surely, he thought, some one ought to think of a filling device that was neater and more practical. That night Sheaffer scarcely slept, but by morning he had thought out a lever bar which could be operated so as to press or be released from pressing on a rubber sac held in the pen barrel. He patented his lever bar that very year. Walter Sheaffer made the world's first practical, streamlined self-filling fountain pen in his 12x14 workshop in the rear of his jewelry store. An idea was born!

Sheaffer's first lever was not as practical as it might have been. It required the expansion of the rubber sac to close the lever, and, when the sac deteriorated, the lever might not snap shut. Subsequently Sheaffer invented a lever bar that operated and held the lever in an open or closed position irrespective of the rubber reservoir. This was a great improvement over the first pen, and he accordingly took out a second patent, securing the services of a splendid patent attorney in Chicago named Frank Brown.

Walter Sheaffer was now in a dilemma. True, he had a good idea, but he also had a profitable jewelry store.

I was afraid to put my patent on the market. I had built up the jewelry business in Fort Madison until I had an income of ten or twelve thousand a year and it seemed to me at the age of 45, which I was when I went into the fountain pen business, that I would be foolish to risk what I had worked so hard to build up at that time in life knowing that the other big companies which were worth millions would begin patent litigation and I probably would lose everything I had — so I waited five years. I was afraid of the selling end; I wasn't afraid of what we could manufacture, but I was very afraid that we could not sell the pens against such great competitors. One company [Waterman] at that time had about 85 per cent of all the fountain pen business and was very powerful, and I had very little money outside of the jewelry store.

One day George Kraker, who had traveled for the Conklin Pen Company, convinced Sheaffer that he and Ben Coulson, another former Conklin salesman, could sell all the pens that Sheaffer could manufacture. A contract was entered into whereby Kraker and Coulson would do all the selling for 33 $\frac{1}{3}$  per cent while Sheaffer would get all the rest. An office was opened in Kansas City and the first sale made to the Missouri Store Company at Columbia, Missouri, in June, 1912.

It was not long before Sheaffer pens were selling faster than they could be manufactured. Sheaffer's difficulty at the start was to find a drill

sturdy enough to penetrate the Monel metal out of which the levers were made. They also had trouble making a pencil clutch that would hold an over-sized lead and then take an under-sized lead. Both these problems were finally overcome.

From the start, the Sheaffer pen was popular. Indeed, the success of the pen was so widespread that Kraker and Coulson became interested in its manufacture. On January 1, 1913, the W. A. Sheaffer Pen Co. was incorporated for \$35,000, with Walter A. Sheaffer owning 51 per cent of the stock, Kraker and Coulson 40 per cent, and James C. Brewster, a Fort Madison banker, the remainder. The earnings of the company its first year were around \$17,000, or almost 50 per cent profit on the capital invested. Furthermore, the business was increasing so rapidly that more capital was needed. Kraker withdrew from the company, and Sheaffer and Brewster increased their holdings.

By 1914 the firm was strong enough to advertise nationally, placing a full page ad in the *Saturday Evening Post* with bold words stating that:

BIG BUSINESS DEMANDS SHEAFFER'S PEN  
SELF FILLING—SELF CLEANING—NON LEAKABLE.

The whole country was beginning to hear of the Sheaffer pen!

Competitors naturally began to stir uneasily, and Walter A. Sheaffer soon was confronted with

patent litigation — an old trick to wreck an opponent. Fortunately, Sheaffer had in Mr. Brown one of the finest patent lawyers in the country. Brown's aid, coupled with his own intelligence, resourcefulness, and courage that had been tested many times in Davis County, allowed Sheaffer to fight his adversaries successfully. It was a crucial period in the young company's life, however, a time in which most budding enterprises fall in ruin. One of the most crucial moments arrived when Brown and Bigelow of St. Paul sued for one million dollars. According to Sheaffer:

We had no idea or notice in the world of this suit and it naturally scared the bankers nearly to death, especially Mr. Brewster and Mr. Joe Pollard. I called Frank Brown over the phone and had him go to Washington, D. C., at once and make a thorough search of pencil patents, which he did. As soon as he made it, he cataloged it and sent it to me and told me we had them licked to a standstill. Brown and Bigelow were probably worth twenty million dollars and I knew that even if we won the suit, it would be a terrible strain and would cost us a lot of money and time away from the business.

Sheaffer promptly decided to go to St. Paul and attempt to avoid a costly legal battle. Many of his friends thought he was "crazy," but Sheaffer was convinced he could save both companies a "lot of time and money" if Brown and Bigelow could be persuaded to drop the suit. After several rebuffs by underlings, Sheaffer finally was ushered into

the presence of Mr. Bigelow, and after a strenuous battle succeeded in having the case dropped.

Meanwhile, the Sheaffer pen was being steadily improved. During the weeks following the invention of his pen a few dozen were made up and passed around to close friends and relatives for testing. These tests proved the pen was successful. In 1920 the first LIFE TIME pen with the white dot was introduced, the lowest priced one selling at \$8.75. The idea that had motivated the Sheaffers when they sold Hamilton watches had taken root. And the white dot has become a symbol of quality and durability in millions of American homes and offices. In later years Sheaffer declared:

No one has had to buy our product, but we have continually preached for the public to buy the best they could afford to buy. . . . The man who can afford to buy only a dollar pen is entitled to the best he can buy for one dollar. Under the system our employees worked, they would receive a smaller wage for making the dollar pen. We therefore felt that it would be better for us to take a loss rather than have them work for less money on the dollar pen.

Let us see what happened when we sold the dollar pen. Our wages were lower, the volume of our sales was lower, the salesman who sold the pen received less wages, the salespeople of the dealer who was operating on the profit-sharing plan received less wages because they did not get a bonus for selling a dollar pen, and the customer who bought the dollar pen got the best dollar pen he was able to buy and which he was entitled to.

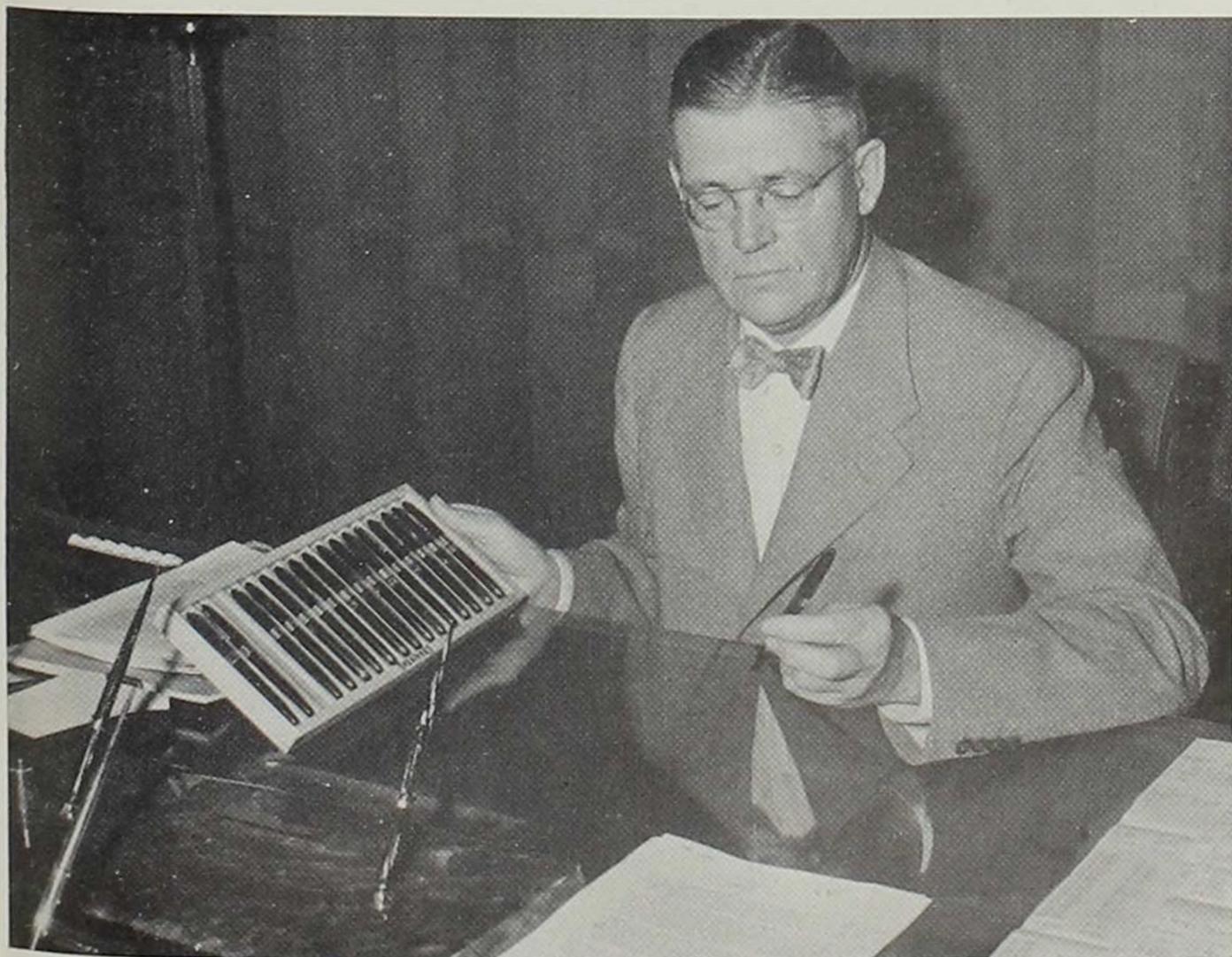
No one had to buy the \$10 pen. When a desire was created in the customer's mind to buy a \$10 pen, and he could afford to pay \$10 for a pen, immediately the wages in the factory were raised, the wages of the salesmen were raised, the dollar volume of our Company increased, the dollar volume of our retailer increased, if the dealer was operating on a profit-sharing plan the salaries of his salespeople increased. Now, was it fair to the customer who paid \$10 for his pen? We maintain that it was, for the \$10 pen would outlast ten \$1 pens; and instead of having ten cheap pens, the customer would always have the best pen there was to use. If we made only \$1 pens, we wouldn't expand employment because wages would be too low. But when we made \$10 pens, our factory workers make high wages so that they are able to spend more money; and the spending of more money makes it necessary for more people to be employed to make the articles that the higher wages allowed our workers to buy. Therefore, in making the higher-unit sale, you not only raise wages but you expand employment — which is an endless chain.

In 1938 Walter A. Sheaffer resigned as president and became chairman of the Board of Directors. He was succeeded as president by his son — Craig Royer Sheaffer — who happily possessed his father's wisdom, energy, resourcefulness, and courage. Under such leadership the company has continued to prosper. Sales have soared from \$3,359,327 in 1936, to \$15,187,399 in 1943, to an all-time high of \$24,122,774 in 1951. Until his death in 1946, however, W. A. Sheaffer continued to expound his philosophy of business enterprise.

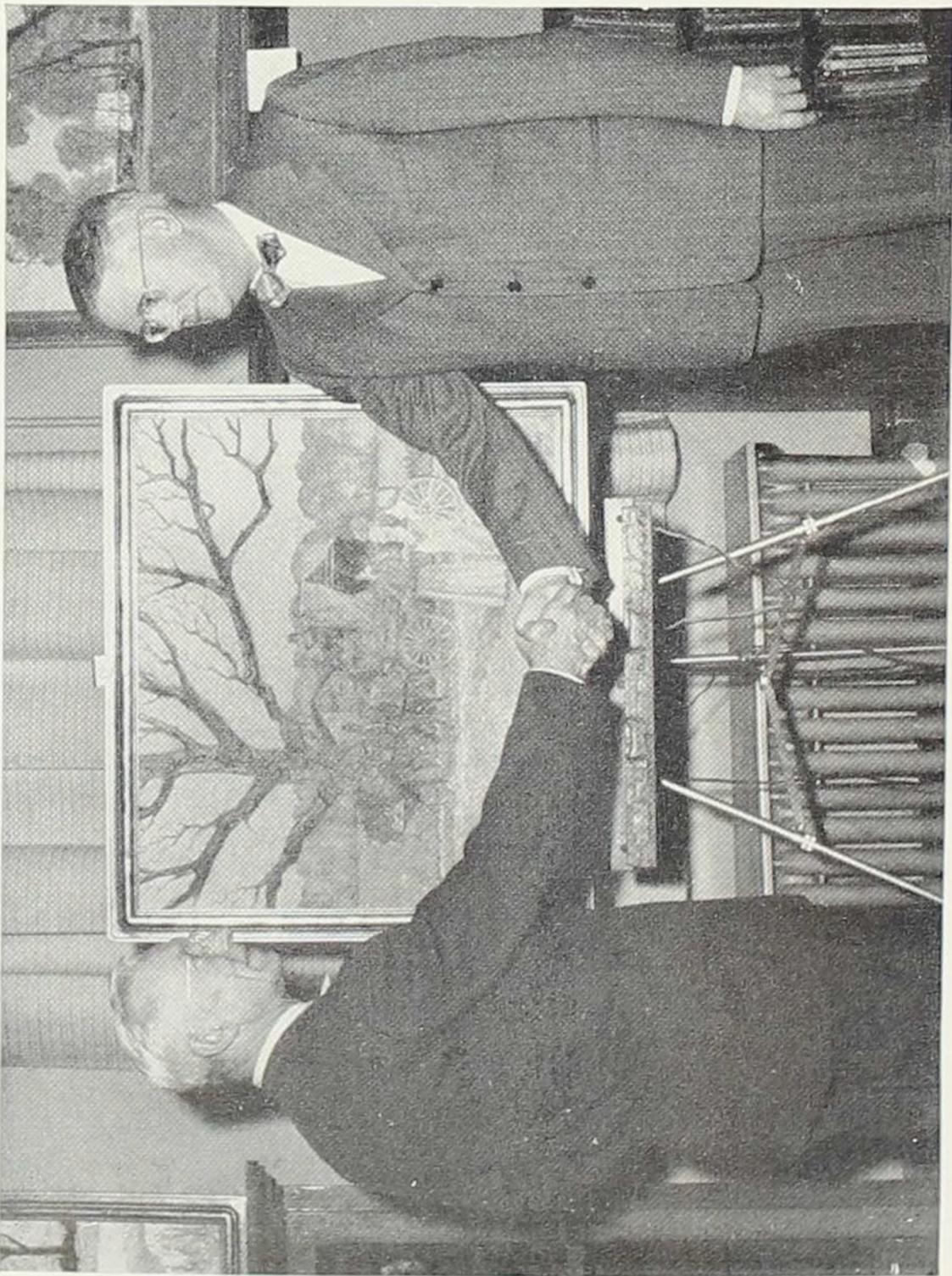
QUALITY WORK REQUIRES CLOSE PERSONAL ATTENTION



W. A. Sheaffer Inspects Pen in His Office.



C. R. Sheaffer Checks Japanese Peace Pens.



W. A. SHEAFFER SELLING PIANO TO D. HOCKERSMITH  
Craig R. Sheaffer (right) Greets Artist Lane K. Newberry.

He had the merits of his theory driven home on a visit to California. According to Sheaffer:

After nearly fifty years of merchandising and working to increase the unit sale and to sell the better merchandise which cost the customer more, I became very interested in an investigation. About five years ago when I was in California for the winter, I went to an annual Iowa picnic that was held in Lincoln Park. They had each county of the State of Iowa laid out in the same position that it is located on the map. I took Mrs. Sheaffer with me and went to Davis County. As there were over 100,000 people at this picnic — almost all of them were retired Iowa farmers — I no more arrived in Davis County than some retired farmer would come up and say to me: "Are you Walter Sheaffer?" I would say: "Yes." He would say: "Here's a Hamilton watch I bought from you 45 years ago. It is still running perfectly." As I stayed there for quite a long time, one retired farmer after another would come up and make the same inquiry and invariably would pull out a Hamilton watch and tell the same story that it had been running perfectly for 45 years. While selling them a watch from \$14 to \$25, instead of selling them a \$3.95 watch on which we would lose 30 cents, we not only paid the mortgage off on the jewelry store but we also benefited the farmer and sold him a watch which would last him a lifetime and would keep good time during the entire period. It proved conclusively that constructive merchandising is just as beneficial to the purchaser as it is to the merchant. We had filled this county full of good watches on which we made a fair margin of profit. In the other counties the jewelers tried to compete with Montgomery Ward and sold the people watches which were cheap, and as a result of doing this they were put out of business and their customers were not benefited.

The passing of Walter A. Sheaffer on June 19, 1946, was recorded with deep sorrow by all who knew him. Newspapers and magazines throughout the country carried lengthy obituaries and many editorials were penned concerning his contributions to mankind. An editorial in the Fort Madison *Democrat* declared:

Fort Madison and America lost an outstanding citizen when W. A. Sheaffer, founder of the fountain pen firm which bears his name, died Wednesday morning. . . .

The Sheaffer pen company no doubt has contributed much to the city of Fort Madison since it was established here in 1912 as a seven-man business in a small store building.

The company and its founder have provided employment for thousands in the years since 1912; the product made in the firm's plants has made this city known throughout the world. . . .

In his business, Mr. Sheaffer advanced far, and he attempted and did many things that enabled the people who worked with and for him to share in his success. Employee profit-sharing and a savings plan under which the firm augments deposits made by employees are two of the outstanding achievements of the Sheaffer labor plan, both staunchly supported by the founder of the business.

The W. A. Sheaffer Pen company will remain in competent hands, but no matter what its future success, the company, the city, and the Fort Madison community always will owe much to the man responsible for its beginning.

Few Iowans have contributed more to the advancement of their community, state, and nation,

than did Walter A. Sheaffer. A rugged individualist with intense ambition and almost boundless energy, he drove himself relentlessly throughout a long and exciting life. His goals were always high, but he never attempted to violate the rules of law or human decency in order to attain them. The splendid industrial plant that bears his name is a living monument to his greatness. The supremely fine products that are produced by his highly-skilled, well-paid workers are the best testimony we have of the honesty, ideals, and quality of one of Iowa's truly great men.

WILLIAM J. PETERSEN