



A Certain Temperament

By John March

When Henry Wakeman was first denied admission to the Harvard Business School, he wasn't especially troubled. To an extent, he even understood the school's position. His undergraduate degree, after all, had not been earned at an Ivy League school but at the University of Connecticut. And, as he was the first to admit, his grades at Connecticut had always reflected his strong interest in things extracurricular. All in all, he could see how the Business School had made its mistake.

Mistakes, though, are made to be corrected, and this one (which was less a mistake, really, than a simple misunderstanding) was no exception. In Wakeman's mind, the solution was obvious: to give the people at Harvard another chance.

As it happened, he had to give them several.

"I just kept showing up and saying, 'Here I am for another interview,'" recalls Wakeman, grinning. "They finally got tired of that and let me in."

Today, on the eve of his 25th reunion at the Business School, Henry Wakeman (MBA '56) still reveals the same self-confidence he showed as a young man; it's harder now, though, to find anyone who disagrees with his estimate. As the founder and sole owner of Wakeman Industries, he has parlayed a 1966 investment of \$2,300 into one of the country's most successful medical, industrial, and cryogenic gas supply companies. Headquartered in North Charlestown, New Hampshire, with fifteen branches in five New England states, the company last year recorded sales of more than \$10 million — a figure Wakeman expects to double in the next three to four years.

As impressive as such figures are, they function less to tell a story than to confirm one. The underlying story of Wakeman Industries takes a different form and can only be inferred from the balance sheet, for it has less to do with assets and liabilities than with a certain temperament, a certain cast of mind. The

underlying story of Wakeman Industries is the story of Henry Wakeman writ large.

Born in 1927 on a farm in Fairfield, Connecticut, Wakeman had an upbringing modest in material terms (this was before Fairfield became the bedroom community for New York City that it is today) but one that he remembers as happy and, in particular, honest. Like many, his father was hit hard by the Depression, and as a result Wakeman held jobs of one sort or another — from paper routes to collecting bottles at the Fairfield beach to stocking shelves at the local grocery store — from the time he was nine years old. "For as long as I can remember," he says, "I've always had a job."

At the close of his senior year in high school he enlisted in the Army, serving for three years with the infantry in Europe in the immediate aftermath of the Second World War. It was, he says, "very unglamorous work." At the end of his enlistment period he returned to the States and enrolled at the University of Connecticut, where he earned a Bachelor of Science degree in Industry, having divided his studies between business and engineering.

Armed with his degree, his self-assurance, and little else, he moved to Northampton, Massachusetts, where he started a small propane gas business, selling propane and related equipment. Although humble beginnings are said to be the rule for entrepreneurial ventures, Wakeman's business began more humbly than most. For his first business address, he could afford nothing better than a former chicken coop. Though he scrubbed it down repeatedly, he says, the building never altogether surrendered its former identity. On rainy days in particular, the air bore the suggestion — faint but undeniable — of chicken dressing.

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pressed by the young entrepreneur's energy and abilities, and in due course he asked Wakeman to sell his business and come to work for him. For his part, Wakeman was flattered by the offer but decided that, on balance, he preferred working for himself. In the meantime, however, he had met Hammond's daughter, Connie. This meeting, and the friendship that grew out of it, would later accomplish what George Hammond had been unable to do on his own.

Hammond's offer, though, did serve to bring Wakeman's own thinking into focus. He was 26 years old, and he had been in business for himself for three years. The business itself, which at first had enjoyed a satisfying rate of growth, had lately reached a plateau. To advance beyond that plateau, Wakeman saw, he needed two things: capital, and more business skills. And the availability of the former, as he knew from experience, was directly related to possession of the latter. "I didn't have the credibility I needed to raise more capital," he says. "No one was willing to take a risk on me. Yet I knew I couldn't just stay where I was."

Clearly, the time had come to further his business education, and Harvard, he decided, was the place to do it. Having persuaded the Business School that he was in earnest, he sold his company, moved to Boston, and entered the School in September of 1954.

"It was not so much a purely intellectual experience," said Wakeman recently, reflecting on his two years at HBS, "as it was an experience in intellectual discrimination. There was always more work than you could handle, and you had to decide what you were going to do and what you were going to let go by."

In that respect, Wakeman possessed a natural advantage, for he belonged to that small minority of readers able to comprehend whole blocks of words at once. This ability had first been brought to light during an Army reading test designed to monitor eye movement. In contrast to the other recruits, whose eyes in reading moved from left to right, zigzagging down the page, Private Wakeman was found to read in a line of straight descent, as if descending a mental flight of stairs.

On June 14, 1956, Henry Wakeman, together with more than 600 classmates, received his master's degree from Harvard Business School. One week later he married Connie Hammond,

and shortly thereafter accepted the offer he had earlier declined: he went to work for George Hammond at Rural Gas, Inc. This arrangement lasted for eight years until, in 1964, Rural Gas was purchased by Phillips Petroleum. Wakeman was asked by Phillips to stay on as vice-president of the new subsidiary, and he agreed to do so. Twelve months passed, and he was then offered the opportunity to go abroad and direct one of Phillips' overseas propane operations — an offer, he says, that once again forced him to examine the direction his career was talking. "At that point," he says, "I realized that I had to decide what I wanted to do with myself." He was in his late 30s, a period in life when even the least introspective can find themselves caught up in self-appraisal. Although sixteen years have intervened, Wakeman's memory of reaching that decision is still vivid.

"I said to myself, 'Take the most remote possibility. Say you get to be president of Phillips — which I'm sure wouldn't have been in the cards, but that's not important. 'What the hell are you when you're president of Phillips? You have to respond to the SEC and to a board of directors and to the stockholders, and you have to play the politics that are inherent in any business of any size.' And I just thought to myself, 'I don't want it. That's not what I want.'"

And so thinking, he took the obvious step: he resigned. (The resignation, he is careful to emphasize, was free of bad feelings on either side.) It was the break — with the life of a large corporation, with the endless hierarchy of superiors — that would change his fortunes forever.

What he was leaving was clear enough, but where he was going, remembers Wakeman, was far less clear. There followed a period during which he "literally walked the streets," looking for an opportunity, an opening. Then one day he came upon a small gas company for sale in West Springfield. The Graves Company — which owned a smaller concern, the Merriam Company, in Greenfield — was going nowhere fast. It was just what Wakeman was looking for. His offer to buy the company was accepted (or, more precisely, the offer tendered by the newly formed Wakeman Industries was accepted), and Henry Wakeman found himself back in business. It had taken \$2,300 of his

own money, to be sure, and he had had to borrow a substantial sum from the banks, from Union Carbide, and from a group of S.B.I.C.s in Boston as well, but nonetheless he was back in business. And once again, as in those first post-college days, he was in business for himself.

Why, exactly, did he do it?

"I wanted to be my own man," says Wakeman, sounding a classic theme of entrepreneurship. "That was the whole incentive. Not to be rich, not to be powerful, but to be my own man."

The prospect of being one's own man can invoke noble images, but in Wakeman's case, it more often meant delivering his own cylinders, installing his own machines, and answering his own phone. For the first three years, in fact, the reorganized Merriam-Graves Company was rarely out of danger. Wakeman hustled, and he hustled hard.

"I would write a check to a supplier," he recalls, "because he was threatening not to sell us any more product if we didn't pay him, and then I would go to the post office to see if any checks had come in from the customers to balance off the one I had just written.

"I used to go to the post office three times a day Monday through Friday, twice on Saturdays, and once every Sunday morning. And right there at the post office I would count all the checks and mentally add up the money to see if it equalled what I was committed to sending out."

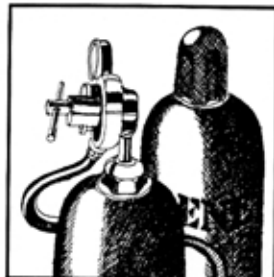
Not surprisingly, his biggest problem in those early days was a chronic shortage of capital. "I didn't have a track record," he says, "and the banks didn't want to lend me as much as I needed." In a sense, it was like trying to get into Harvard Business School all over again: he had to persuade somebody that he was worth the risk.

At the end of four years, however, circumstances had improved to a point where the company was able to begin financing its own growth while at the same time amortizing its debts to the bank. In addition to its original product line of industrial, medical, and cryogenic gases, Merriam-Graves began to offer a number of related items (such as welding tips and asbestos gloves, liquid oxygen and sterile

water) and to develop a sales force capable of instructing its customers in the use of the new products. (Gradually, for example, this sales group has come to include a number of certified welders and licensed respiratory therapists.) The response from customers, in turn, was positive, and new accounts were attracted every week, establishing the pattern for growth which still characterizes Merriam-Graves today. With some 18,000 customers in New England — many of them small businesses with an eye always on the bottom line — Merriam-Graves operates on the principle that there is no substitute for quality service in sustaining customer loyalty. "Our job," states Wakeman flatly, "is to service better than anyone else."

Having laid to rest any concerns about his financial future, Wakeman nonetheless shows no sign of losing interest in the business. On those several occasions when larger companies have approached him with an offer to buy Merriam-Graves, he has turned them down — not because the terms have been unfavorable but because, as he puts it, he's having too much fun to give it up.

In 1978 Wakeman moved his corporate headquarters to a new building erected on the site of a former farm in the White Mountains of New Hampshire. At the same time, he and his wife and their three sons moved to a farm on the outskirts of Woodstock, Vermont.



The drive from the Woodstock town common to Sleepy Hollow Farm is a short one. The visitor leaves town on the road heading north, crosses the bridge over the Ottoquechee River (the color of pale jade, and perfectly clear), and takes the next right. A minute later the route turns left onto a dirt road, which winds upward through dark pines for perhaps half a mile. Abruptly, the view opens to the right, and the visitor finds himself looking down a steep slope into a sheltered hollow. Spread out below is a cluster of neat buildings set on a wide lawn. In the foreground lies a small pond, its surface reflecting the sunlight of a fair spring morning.

It is only so long as Henry Wakeman is out of the frame, however, that the picture remains tranquil. One imagines that if Wakeman could *continued on page 87*

Wakeman

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somehow be reduced to an ionized particle and then placed within a cloud chamber, the subsequent tracing would resemble the work of Jackson Pollock. Had he been born in that age when parents named their children for qualities such as Hope, Patience, and Charity, he might have borne the name Avidity, for he seems to bring this quality of eagerness, of appetite, to everything he undertakes — whether it is the renovation of a one-room schoolhouse on the corner of his property, or the plowing of eight-foot snowdrifts, or the management of his firm's exponential growth — whatever the activity, he brings to it the compelling exuberance of a man who, following his instincts, has beaten the odds and come out on top.

Wakeman is a big man, barrel-chested, with a shock of prematurely silver hair. His voice, by contrast, is almost alarmingly gentle. He has a gift and a penchant for talk, and he is also a careful student of the entrepreneurial life — two qualities the *Bulletin* was quick to take advantage of on a recent visit. The following examples, all of them extemporaneous, are vintage Wakeman.

On being an entrepreneur.

"To me there's no other way to live. There is, for one thing, an absolute sense of freedom. I know more people who have gone to work for large corporations and ended up latching onto the coattails of the wrong person or somehow landed on the wrong team, and the next thing they knew they didn't have a job anymore.

"There are a lot of — well, I won't say politics, but there are a lot of vagaries in those situations

that are beyond your control. Whereas when you have your own business — assuming, of course, that you try to make good, deliberate, analytical decisions — you can control your own destiny. And I don't believe in *kismet*. I don't think that 'what will be' is necessarily going to be. I don't think you can control everything, but if you don't want to get lung cancer, for instance, you can diminish the probability very much by not smoking. If you want to affect your life in many ways, a lot of it has to do with decisions you can make."

On getting started.

"First of all, the batting average on the success of new ventures is, as I'm sure most people know, very bad. I think that the best approach is to first go to work for somebody else — and preferably not a Westinghouse or a General Electric or a General Motors. Try to find a small-to-medium business that is hiring people, and then get as much raw exposure as possible.

"Why do I say that? Well, when I sit in my chair at the office I have to be a banker — and by that I mean I have to relate to my banks — I have to be an accountant, I have to be an engineer, I have to be a marketing man, I have to be a salesman, and I have to be a personnel man. I don't mean that I, personally, have to do all those jobs, because obviously I don't. But when you have a medium-small business such as mine, you have to have an understanding of all these things.

"If I were to do it over again, I would do almost the same thing: go to work for a couple of companies, get some exposure, get some experience. I was enor-



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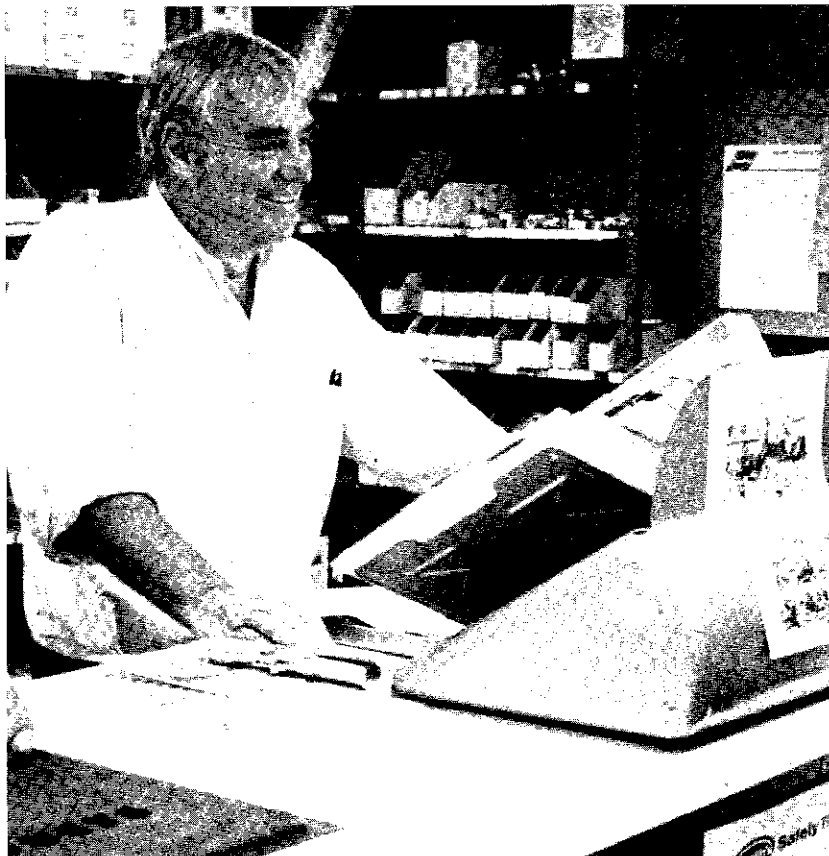
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engineer formerly with Union Carbide, he is now learning the ropes at Merriam-Graves.) Everything about the office — indeed, everything about the entire building — feels new, and is. Outside the window, a row of white pines catches the sunlight of early afternoon. On the wall by the door hangs a framed declaration entitled "My Creed," the work of someone named Dean Alfange. "I do not choose to be a common man," it begins. "It is my right to be uncommon."

Recently Wakeman has become interested in buying a small company in an allied field — a company that, as it happens, is also being eyed by one of his competitors. The owner of the company, a stranger to Wakeman, is also an entrepreneur and is said to be thinking of selling. Wakeman is nothing if not

straightforward. He picks up the phone and calls the man. "We're both reasonable people," he says. "Let's talk."

And so they talk. Gradually, a look of concern comes over the chairman of Wakeman Industries. Something is bothering him.

"How old are you, anyway?" he breaks in. The answer comes back. "Fifty-one?" He can't believe it. "And you want to get out now?" He still can't believe it. Wild horses couldn't drag him from his business, and he's fifty-four.

"Don't do it!" he exclaims reflexively, the would-be purchaser urging the prospective seller not to sell. "My God, man," he roars. "You're too young. Don't do it!"

Catching himself, he begins to laugh. ■

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