

Grayson Enterprises Ltd.

Page 1

First NA Serial Rights
1,500 + words

JAMES GILBERT

THE PLEASURES AND PROFITS IN THE PEN BUSINESS

Written by June Grayson

Photographed by Mary Gilbert

At the age of 44, James Gilbert jumped the corporate fast track and laid the family fortune on the line to buy his own manufacturing company.

"I have never had so much fun in my whole life," says

Gilbert, ten months after buying the Waterbury Scribner Pen Company of Bridgeport, Connecticut.

"The highs are higher and the lows are lower but there is no other feeling like it in the whole world - to know that you can really make a go of it out from under that corporate umbrella."

Gilbert had more than twenty good years under the corporate umbrella. After graduating with a business degree from the University of Maryland, he tried the insurance business but did not like it.

u#L, #ames ##:oerr, page z

Fortunately, Kraft Foods recruited him as a salesman. He started at the bottom, calling on grocery stores, checking the shelves, and writing up the cheese orders.

Kraft knew a winner when they saw one. In six months they transferred him to the institutional sales force and in another eight months appointed him regional supervisor of institutional sales.

Next International Playtex, anxious to get their products into

the retail distribution chain and looking for someone with a grocery store background, recruited him for sales. He rose quickly through the ranks: sales, administrative assistant, district sales manager, merchandizing manager, West Coast regional sales manager, Canadian sales manager, and finally back to the United States as a vice-president and the number one sales man at Playtex.

"During the next five years with Playtex some neat things happened," Gilbert says. "We took a twenty million dollar sideline

business and turned it into a one hundred million dollar business, # mostly just as a function of expanding distribution. We took the

Jhirmack hair product line out of the beauty salons and put it into retail

stores all over America. Having Victoria Principal as a Jhirmack

spokesperson certainly helped. We were fortunate to sign her as a

relatively unknown actress. So Jhirmack's fortunes grew in proportion to

the popularity of DALLAS, the television series in which she starred."

Mergers and buyouts changed the nature of Playtex. "I wanted to own my own business because I thought I had some good

ideas that would be easier to put into practice on my own than

through a big corporation. I had been looking for a long time for

a small consumer package goods company but could find none I could

afford. Then the fates smiled on me when this company became available," Gilbert says.

Waterbury Scro!! Pen Company, started in the 1940s, originally manufactured machine parts for other pen companies. Eventually it developed into a company that made pens on its own. Its business was built on the basis of supplying the universal pen needs of big companies such as AT&T. It also developed other retail pens sold through stationery stores.

A mechanical engineer bought the company in the early 1970s and successfully automated the machinery and manufacturing processes to the point where it was efficient enough to compete with bigger pen companies. The new owner also developed a new part of the business called CHART PENS, disposable pen tips used with scientific recording devices. This part of the business became so successful that he wanted to sell off the part that produced the hand held pens.

It was that part of the business that Gilbert was able to buy in October, 1986.

"I formed a company to buy these assets - the trademark, the name, the machinery, the customer lists, and the employees (if you can say that you can 'buy' employees)," explains Gilbert. I used the money from my profit-sharing plans. Through a series of

negotiations we arrived at a mutually agreeable price. I gave

GEL, Gilbert, page 4

the previous owner 50 percent of the purchase price and signed a promissory note to pay him the other 50 percent over a period of years."

"The part of the company I bought never did over one million in sales a year. We were excited to exceed that figure only ten months into our first year with two months left to go. My personal goal is to exceed five million in sales within three years," Gilbert says. "That will depend on the success of a variety of new products we hope to introduce."

"We do business with virtually all of the Fortune 500 companies and our biggest customer is still AT&T. We have not made any major changes in the company and our plans are to maintain our business with our old customers. At the same time we hope to go forward into a number of different areas."

"In fact, we have more promotional ideas than we have time to implement. We will prioritize them on the basis of which

seem most feasible and will provide the biggest return."

"We are testing some new concepts in retail markets now.

One is called CUSTOM PRINT. Most imprinted pens are sold by mail

order. We want to put a system in retail markets to make it

easier for the customer to see and order what he needs. We also

may offer imprinted pens as promotional items packaged in a

"cookie" jar. These are only two of the three dozen ideas we have

in our project file."

In reality, Gilbert has two companies: the Hartman

group, the manufacturing arm of the company with 20-25 employees, and the sales company called Waterbury Marketing, Inc., with five

people. He leases the building in which they operate. "If this

GEL, re Gilbert, page 5

company achieves the potential of which I think it is capable, we

may have our own corporate headquarters someday. I would

even not rule out a public stock offering, although it is still too soon to say," Gilbert says.

"This change has been thrilling for our whole family,"

continues Gilbert. "When you work for a big company, your children

only see you when you come home to relax. Now we are all involved

in seeking the success of our new business. My wife has been very supportive and comes in whenever needed to help out. My daughter is in college and my son in high school so they work here during vacations. They see me now at my best and at my worst. And I think that is healthy for all of us."

"My advice to young people starting out in corporate life today is to take every job they offer you, particularly in different areas, because it is a part of your education, and will help prepare you for opportunities later on," says #.Gilbert. "Corporate life is a good background for anything."

Gilbert thinks it is important to identify your strengths and weaknesses. "My biggest asset is my ability to manage my business through other people. I think I am good at delegating responsibility and assisting my employees to accomplish goals and experience satisfaction."

"If I have any weakness it is that I want to do too much too soon. You must learn to pace yourself to the people and machines around you."

Bridgeport is one of the largest cities in Connecticut. It had its difficult years but is now on its way back. "We have no plans to move our business. A lot of exciting things are

GEL, re Gilbert, page 6

happening here and we are going to be a part of a great community," says Gilbert. He likes to work with young people and wants to become involved with community service projects, such as the United Way, with which he worked in the past. He likes to play tennis and golf when he has time.

"I like to start things and make them grow," Gilbert says. "I would not be happy just sitting back and watching.

However, I can't imagine that that will ever happen. There is always a better way to do something. And there are a lot of people in this world who are receptive to good products."

When you have your own business you experience every emotion. "Wonder, fear, panic, depression, stimulation, exhilaration - you name it," Gilbert says. "I have more problems than I have ever had and I am busier than I ever was. It's a Wonderful life."

#####

...