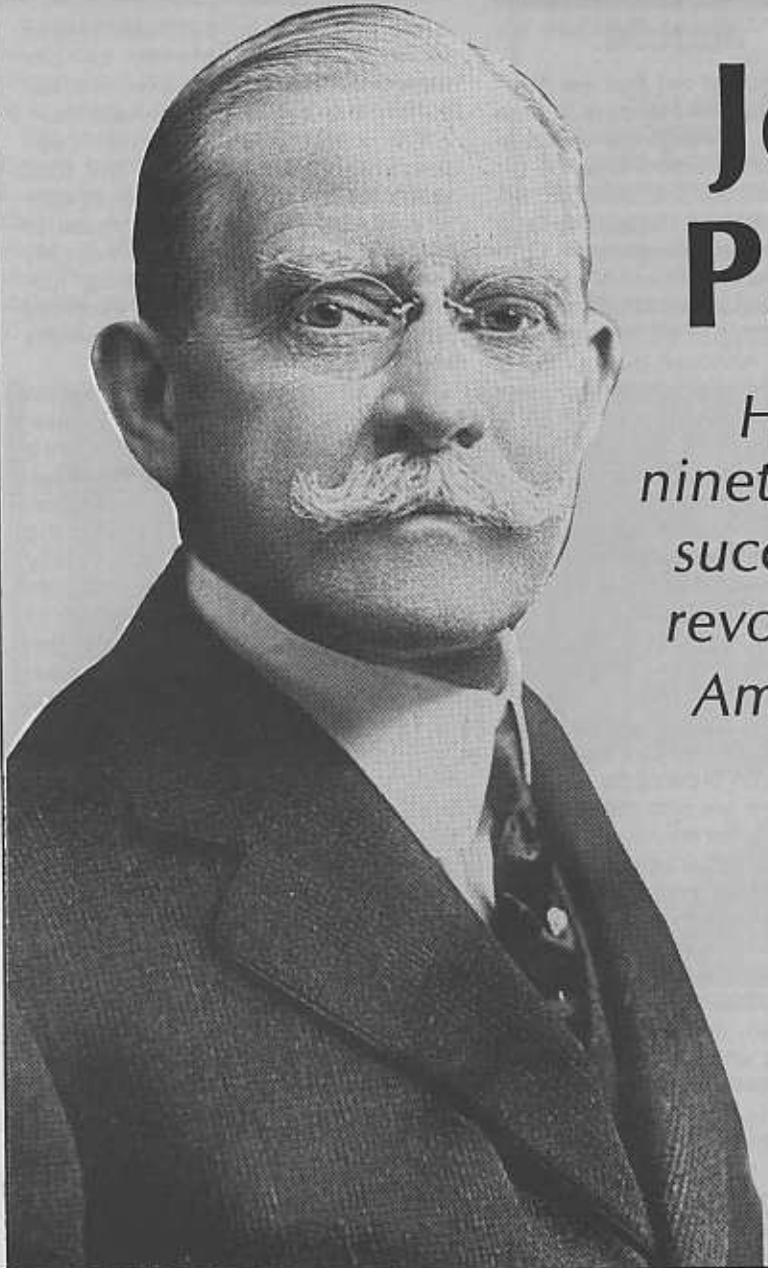


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THE VALLEY OF THE GIANTS



John H. Patterson

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nineteenth century's most
successful enterprises and
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John H. Patterson built one of the nineteenth century's most successful enterprises and revolutionized the way America did business. His personal philosophy and energy transformed the life of his factory workers and shaped the community in which they lived. He was a businessman, a booster, a philanthropist and above all, a man who "never let anything new get by him." Born and raised on the family farm (which would later be the site of his factory), Patterson went off to Miami University, served in the Union Army, and graduated from Dartmouth Col-

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lege, only to return to a Dayton which had no job for a "university man." He finally found work as a toll collector on a quiet section of the Miami Canal.

To supplement his income and fill his considerable spare time, Patterson took up a sideline — selling coal and wood. The business prospered under Patterson's management. His innovations, like written receipts, the personal handling of customer complaints, and his brightly painted "Patterson and Company" coal wagons, turned a part-time enterprise into a thriving full-time business. The toll collector had become a businessman.

By 1884, John Patterson appeared to be at the peak of his career. Patterson and Company operated six offices, leased three coal mines, and owned the railroad cars used to transport the coal to the Dayton market. However, his real career had yet to begin, for it was at this point that Patterson gambled all he had — money in the bank, community respect, and the prospect of a secure future — to buy the rights to manufacture and sell a machine which no one wanted. At age 40, John and his brother Frank purchased the National Manufacturing Company, changed the name to the National Cash Register Company, and began the struggle to make James Jacob Ritty's "Incorruptible Cashier" part of every American shop and business.

The challenge they faced was a formidable one. They had purchased rights to a relatively primitive machine no one knew about or needed. John Patterson and his brother would thus have to perfect the machine and, at the same time, create a market for it. The prospects of financing such a project from outside sources were dim; problems in securing loans and institutional investors would plague the company throughout its early history. Yet Patterson persisted, and in doing so, literally invented the modern American corporation.



Patterson home on Far Hills was built in early 1900s

NCR was among the first companies to use direct mail advertising. Colorful, high impact brochures introduced the business world to the advantages of the cash register. Patterson's belief that good salesmen were made, not born, was proven by the success of his trained sales force. Using then innovative techniques like guaranteed territories, sales quotas, incentive systems, and rehearsed sales talks, NCR salesman consistently outsold their rivals and made the NCR cash register the nation's best-selling business machine.

Sales and advertising were only two of Patterson's contributions to American business. His colleagues thought NCR's pyramidal management structure a novelty because Patterson actually paid executives to think, plan, organize and delegate authority, rather than do everything themselves. However, the system worked, as did Patterson's use of the Suggestion Box, to evaluate worker complaints and suggestions. His remarkable employee welfare system

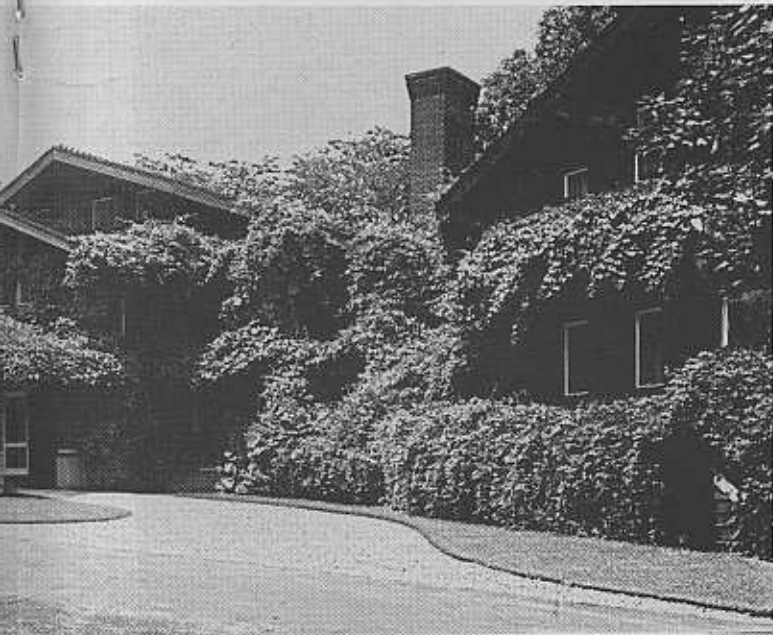
insured NCR workers a clean, safe working environment and provided them with an unprecedented benefit program, including adult education, on-site medical care, and even the opportunity to bathe on company time.

NCR, under Patterson's management, was an immensely successful operation. By 1920, NCR had 90% of the nation's cash register business, and had established itself as one of the world's first international corporations, with sales offices in nearly every country in the world. Though the success of NCR during this period can be attributed to improved business practices and efficiency, the Company, like most 19th century industries, was "the lengthened shadow of one man." The man was John Henry Patterson, a man who showed that innovations paid.

After the turn of the century, Patterson applied his philosophy and the resources of NCR to a larger, more complex area — the Dayton community. Ever the improver Patterson's vi-

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OF THE GIANTS



900s and is of Swiss architecture



Patterson as a youngster



Patterson at age 17, just before joining Army during Civil War



Patterson just before his marriage

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sion did not stop at the factory door.

One of his first projects involved the rehabilitation of a factory neighborhood, known as "Slidertown." Using cash incentives, beautification awards, and other factory-proven techniques, Patterson transformed this tumble-down area south of the city into South Park, a pleasant neighborhood of freshly painted houses, and landscaped lawns.

Over the next twenty years, Patterson and NCR took on larger and larger projects, each designed to improve the Dayton environment. The list of such projects is long and varied, but all reflect a major concern of Patterson's — the importance of education. A city-wide kindergarten program (financed by NCR) was established, as were the Boy's Gardens and Boy's Box Furniture Company (which kept idle young hands busy learning a useful skill). The Company's mammoth School House was used for Saturday morning children's programs and educational lectures for the public.

Patterson himself participated in the educational process, personally crusading at the public gatherings, speaking to civic groups, and arguing before the city fathers on Dayton's needs. His favorite topics included the need for an efficient city government and a means to control the unpredictable Great Miami River. Patterson viewed himself as an educator and NCR as a giant visual aid. He taught by example. What worked for business, would work for Dayton.

Perhaps the only list more amazing than "projects undertaken" is the list of projects successfully completed. At the time of his death in 1922, John H. Patterson, had, in the words of one author, "rebuilt the city in his own image." Kindergartens, as well as manual training and vocational education, were established parts of the Dayton Public School system. The city had a number of spacious green parks. A nationally recognized commission-manager form of government had been operating for over seven years, and the final touches were being applied to the last of the five earthen flood control dams that have protected the Miami Valley from flooding for nearly 60 years.

Like most builders of major corporations, John H. Patterson's image in his own community is larger than life. He was the subject of countless eulogies in his own lifetime and following his



Patterson memorial for his civic leadership stands at Hills and Dales Park

death, his name was attached to a number of streets, schools and institutions. Yet his legacy is something much greater than these commemorations. John H. Patterson provided more than employment for Dayton — he provided community goals. And he worked harder than anyone to achieve those goals. His many successes are indelibly stamped on today's Dayton.

Although he spent a lifetime in "doing good" for his fellow man, John Patterson's finest hour came during Dayton's disastrous flood of March, 1913. As the waters of the Great Miami rose and spilled over makeshift levies, Patterson, long familiar with Dayton's flooding problems, took action. At this NCR headquarters, south of downtown, Patterson turned the factory and office into a huge flood relief station. Carpenters built hundreds of flat-bottomed rescue boats, and employees rowed out to rescue stranded Daytonians clinging to utility poles and huddled on rooftops. Back at the plant, production buildings

were swiftly transformed into infirmaries, dormitories, and cafeterias, as the first wet, exhausted and frightened refugees began to arrive. Patterson, factory and family went to work with son Frederick helping his father supervise rescue operations and daughter Dorothy pitching in to feed and administer to hundreds of disaster victims. During the crisis, Patterson's foresight and initiative and the hard work and bravery of his employees saved hundreds of lives. Indeed, when General Leonard Wood's National Guard Troops arrived to establish order and help repair the damage, they told Patterson, "We can do no more than you have already done."

Patterson, however, could do more. In the months following the flood, he spearheaded a local fundraising drive to finance the construction of a flood control system for the upper Miami Valley. The five earthen dams, eventually completed in 1922, have protected Dayton from flooding ever since.