



*Henry Helmuth
Reichhold*

1901–1989

Memorialized by the
Henry H. Reichhold Scholarship Fund in

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It was Sunday in Vienna, and the guard at Reichhold Chemie AG could hardly believe his eyes. There, poking among the workstations, vats, and reactors on the factory floor, was a huge man with thinning white hair, wearing wrinkled trousers and a ratty blue cardigan. The guard quickly made his way over to the figure and demanded curtly in German, "Who are you and what are you doing here?"

The large man seemed unconcerned and answered, "My name is Henry Reichhold and I own this factory."

Henry's Empire

Despite his rustic appearance, Henry Reichhold held, at the time of his run-in with the plant guard, the distinction of having had the longest tenure as chief executive officer of any Fortune 500 company in the United States. He had been at the helm of Reichhold Chemicals Incorporated (RCI) for 54 years, and had built it into a diversified, publicly owned, international chemical concern with factories in 23 states and operations in 24 countries around the globe, with sales approaching a billion dollars annually. RCI manufactured and sold the products that formed the underpinnings of our modern

lifestyle: synthetic coating and polymer resins for automobile and house paints; polyester resins and initiators for boats, swimming pools, and sinks; adhesives for bookbinding, business forms, and cartons.

Beginnings: Vienna to Detroit

The ubiquitousness of RCI's products is a good metaphor for the way Henry Reichhold operated. He was known for his tremendous restless energy, his meticulous obsession with business, and his compulsive desire to be everywhere at once. Whenever you met Henry, he was always on his way somewhere . . . else.

This energy came from having to prove himself at an early age. He was born the youngest of seven children—four boys and three girls—in Grunewald, an upper-middle-class suburb of Berlin, on July 31, 1901. His father, Carl Reichhold, was a well-known figure in the European chemical industry, especially in the area of surface coatings, and was a principal in the Viennese firm of Beck, Koller & Co. The firm had prospered and set up offices in London, Berlin, and Hamburg, and counted among their customers for their coach varnishes all the royal households of Europe.

Each of the Reichhold sons joined the firm. Henry started in the laboratories at the age of 14 and showed an affinity for chemistry. However, whether due to wanderlust or the difficulty of competing with his brothers for the patrimonial share, he decided to emigrate to the United States in 1924, after completing his studies at the Universities of Berlin and

Vienna. He arrived at the gates of the Ford Motor Company in Detroit at the age of 23 speaking a few phrases of English, and landed a job at \$4.80 a day as an assistant in the paint department. Within a year, he had been promoted to the department's technical head. But he had a bigger game in mind than working for Ford. "I started right away thinking about when I could start my own business," he said in a 1981 interview.

Ford Coup

The big break in Henry Reichhold's life was called "phenolic resin."

Automobile finishes at the time were called "coach-and-carriage" finishes and used natural gums and resins. The long drying times of these natural resins created a major production bottleneck and posed an obstacle to mass production. In the winter of 1925, Henry heard from his brother Otto that Beck, Koller & Co. had developed a heat-hardening and oil-soluble phenolic resin whose properties reduced the drying time of surface coatings from days to a matter of hours.

Quickly realizing the incredible potential for this breakthrough in the U.S. auto industry, Henry had Otto ship him twenty 100-pound bags of the phenolic resin. He named it "Beckacite," set up shop in the garage of his friend and soon-to-be employee, paint salesman Charlie O'Connor, and went into business for himself, continuing to work at Ford part time. By 1927, he had gone completely on his own—quitting Ford when they refused to give him a 40-cents-a-day raise. With a \$10,000 loan from his father, Henry bought a

4,000-square-foot paint and varnish factory in the Detroit suburb of Ferndale and became the American manufacturer of Beckacite.

Charlie O'Connor, whom Henry hired as his first salesman, recalled the early days: "Of the two of us, Henry was the visionary, the dreamer. But it's doubtful that even he could have visualized the Reichhold Chemicals of today emerging from such humble beginnings."

Henry Ford, who refused to buy paint from Dupont because they were a supplier to General Motors, became Reichhold's principal client, an event which not only launched Reichhold's company, but changed automotive history. Reichhold could claim credit for helping Ford realize his dreams of mass production with quick-drying paints, and for managing to convince Ford that the American public deserved cars in more colors than black. In 1926, the Model T was offered in blue, gray, and brown. In 1927, maroon and green were added. A revolution in production and fashion was underway.

A Chemical A&P

At the age of 26, Henry was on his way as the head of his own company, which he initially called Beck, Koller & Co. after his father's firm. He quickly developed the strategy that would build his company into an industry giant. During the Depression, Reichhold established research laboratories to explore the potential of phenols and other chemicals as the raw materials for synthetic resins. He tied formulators to his full line by becoming a single source for their require-

ments. He kept prices low by first improving processes, then by expanding production, followed by sales efforts to maintain the volume at modest profit.

He compared his method to that of the A&P: "No one gets excited when a business like the A&P operates on a 1 percent return basis with the aim of doing mass-scale business. That is our aim, too: to go into really big commodity selling on the basis of lower prices. . . it is simply a matter of being satisfied with a lower margin of profit, of passing along savings in costs to customers."

In order to secure his own position as a resin supplier and to make sure he could keep up with demand, he began the policy of manufacturing his own chemicals. He also began placing plants near the markets he wanted to serve in order to ensure quick and efficient distribution.

By 1938, sales had reached \$3.2 million and Henry Reichhold changed the name of the company from Beck, Koller & Co. to Reichhold Chemicals, Inc.

Not All Business

Like many self-made men, Henry Reichhold was not much of a family man. Working 12 to 15 hours a day, seven days a week, left little time for a private life. Reichhold did marry twice. His marriage to Ilsa Brewer in the late 1920s produced one daughter, Ingrid, in 1931. His marriage to second wife Sabina in 1954 produced three more daughters, Barbara, Katherine, and Susan. This apparently caused a certain degree of disappointment for Reichhold; he had hoped for a son to inherit the Reichhold mantle.

His daughter Ingrid remembered Reichhold as a warm-hearted, strong-willed father with a wonderful sense of humor, who loved to play tennis and the violin. Her childhood was spent in an affluent suburb of Detroit where the Reichhold lifestyle was more than comfortable, but never lavish. Henry Reichhold, while he believed in making money, also believed in being personally frugal, and that if you were lucky enough to make a lot of money, you should also give much of it back to society.



In 1942, with his company prospering, Reichhold

Henry Reichhold on a business trip to Mexico in 1960.

combined his love for music with philanthropy by leading the revival of the Detroit Symphony Orchestra, which had fallen on hard times and had disbanded. He became one of its big benefactors. By the end of the 1944-1945 season, the Symphony had regained firm financial footing and was receiving accolades from the critics.

The Family Business

Since business kept him away from his family, Reichhold channeled most of his paternal energies into his company. He ran the company with a firm but unorthodox hand, calling all of his managers by their first

names. Former employees described him as a man who gave his loyalty to his employees and inspired fierce loyalty in return. Perhaps because of his early independence and his thwarted desire for a son, Reichhold took great pride in being a father figure to his executives, hiring them when they were young, treating them like sons, and personally nurturing their careers. Stories like that of John Gaither, vice president of the Coating Polymers and Resins Division, are common: “Henry was like a father to me . . . he gave me my first job and pushed me up through the ranks.”

In return, Reichhold was always very demanding, expecting his executives to travel with him at a moment’s notice, dropping in on them unexpectedly (including staying at their houses), and calling them at all hours and during their vacations. Homer Dunnmon, former director of Manufacturing, recalls that in order to really take a vacation, “you had to leave the country”—at least, whatever country Henry Reichhold was in at the time, otherwise “he would find you and start asking questions about your operations.”

According to Dunnmon, it was this personal feeling and loyalty between Reichhold and his employees that built the company. The war and post-war years were bountiful for RCI. As the world demanded more and more products to satisfy construction and growth, RCI grew to meet the demand. By 1981, its sales were nearly \$1 billion and it boasted a Fortune 500 ranking. Following a strategy of bringing its facilities to the market, RCI built 30 plants across the country and in 24 countries.

The Global Grocery

Paradoxically, but typically for Henry Reichhold, RCI maintained a reputation for familial intimacy even as it grew into an international giant. A Harvard MBA sent by the Navy during WWII years to study RCI as an example of American business practices, subsequently reported to his superiors that “everything I have learned here deviates from the accepted business procedures I was taught at Harvard. RCI operates like a small grocery store—but on a big scale.”

The personal touch also extended to Reichhold’s and RCI’s business dealings. Reichhold extended to all of his customers his personal pledge to “send to your plant, to assist in the solution of formulative problems, any member of our technical staff, and with sufficient time at his disposal to remain on the job until it is completed, whether it takes an hour, a day, or a week.”

All this personal attention meant a lot of traveling—something for which Henry Reichhold was legendary. He often logged as many as 11,000 air miles a month in the U.S. and abroad, keeping an eye on his operations.

Where His Heart Lived

While Reichhold had adopted the U.S. as his home, his heart was never far from Europe. As Reichhold grew older he spent more time there, visiting an average of once a quarter for several weeks, watching over his European operations and visiting his second

family. (His second wife Sabina lived permanently in Hamburg, and his daughters by Sabina grew up in Europe.)

In the summer of 1966, Reichhold purchased Castle Feistritz on Wechsel just outside Vienna—a castle of considerable historical importance, having withstood attacks from Turkish invaders in the 15th century, with parts of it dating back to the 10th century. The castle had fallen into disrepair and Reichhold had it restored into a showplace, using it as his Vienna home.

Money and Responsibility

Because Reichhold believed in giving back to society the opportunities it had provided to him, he continued the philanthropic activities he had started with the Detroit Symphony. He contributed \$1 million to build a cultural center for the Berlin Academy of Arts. Dedicated in 1960, it was called a “dream house of the arts,” with exhibition buildings, concert halls, experimental theater, and interior courts for small concerts.

With 250,000 shares of RCI stock, Reichhold set up the Henry Reichhold Foundation through which he contributed generously to other causes. After he bought Bluebeard’s Castle Hotel in the Virgin Islands, he became involved in a number of civic projects there. He became an original member of the Board of Overseers of the College of the Virgin Islands and contributed to the founding of the college and to the construction of its cultural Center for the Arts. In 1976, the Intra-Science Research Foundation of Los Angeles conferred its

Louis Pasteur Humanitarian Award on Reichhold for his “personal commitment to science and progress and their application to the improved quality of living.” And in 1979, the legislature of the Virgin Islands passed a special resolution awarding the Virgin Islands Medal of Honor to Reichhold in recognition of his gifts to the College of the Virgin Islands.

Call It Retirement

RCI was bought in 1987 by Dainippon Ink & Chemicals, a Japanese chemical giant led by Katsumi Kawamura, an old business associate of Reichhold’s. Reichhold expressed satisfaction at the deal. He approved of the Japanese policy of long-term growth versus concerns with short-term gains (typical of American business) and the Japanese corporate culture’s stressing loyalty and seniority—two qualities that Reichhold had himself instilled in RCI.

By then, Henry Reichhold was a “retiree.” He had retired in 1982 at the age of 81. Up until his last year, Reichhold was still keeping a busy schedule of eight-hour days at the office and four trips a year to Europe to oversee operations. He served as a consultant to the company and a board member until 1985. He also spent time managing his own sizeable private investments, including a cedar mill in Newport News, Virginia, that he ran with fellow “retiree” Homer Dunnmon. “Business was his whole life,” recalled Dunnmon, “so he was completely lost when he retired. He wasn’t just going to sit around, so he bought a mill!”

Plagued by failing health, however—arthritis and congestive heart failure—Henry Reichhold cut down on his activities in the late 1980s until he died at his Armonk, New York, home on December 11, 1989, at the age of 88.

Back in July 1966, business associates and friends of Henry Reichhold had marked his 65th birthday and the 40th anniversary of RCI by creating the Henry H. Reichhold Scholarship Fund to provide scholarships and other educational assistance for children of RCI employees. Since that time, grants from this fund have helped hundreds of young people attend college and work toward the fulfillment of their dreams.



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