

From Rags to Riches

The year was 1945. Pepper (his baseball nickname) owned a fledgling service company that specialized in rug cleaning and mothproofing.

In the 1930s, he developed a new product to clean rugs that minimized the shrinkage. The idea for this product came from a magazine ad about a new mordant that facilitated the dye process. With the new mordant, dye penetration into fabric was enhanced with less water. Water is the enemy of rug cleaning because it causes shrinkage. Immediately, Pepper recognized an opportunity to use this mordant to develop a more efficacious rug cleaner.

Pepper contacted the manufacturer of the mordant with his idea. Since the company already had a rug cleaner in their product line, they were not interested in his idea. So they granted him permission to pursue his idea with their mordant.

Over the next few months, he experimented using various combinations of cleaners with the mordant. Finally he found one that worked exceedingly well. Soon he was able to demonstrate to customers the efficacy of his new rug cleaner since it was far superior to any other available products.

In those days, there were few product standards. Stores tended to sell what customers would buy and customers bought what stores sold. There was little validation by either party that any product would fulfill its claims. Pepper's rug cleaner, however, was an exception. His hard work of research and development produced a rug cleaning product that was superior to those on the market.

Pepper looked for ways to build the rug cleaning business. So he began to talk with stores that sold rugs about adding rug cleaning as a service to their product offering. Surprisingly, he found no takers, but he didn't give up. For six years he continued his sales effort until, finally, one rug store agreed to his proposition.

Pepper and his new partner signed an agreement. The partner provided Pepper with the names of people who bought rugs. Pepper's salesmen contacted the customers and promoted the cleaning service. Customers called the partner to order the service. The partner then passed on the order to Pepper who provided the service. In return, the partner received a commission. The service was seamless to the customer as it appeared to be from the partner.

This arrangement worked exceedingly well, in fact, beyond expectations. Business was robust and customers were happy. Pepper's business grew and the rug company became jealous. Unbeknownst to Pepper, the partner set up a department to provide rug cleaning. The company started responding to the customers' service requests directly, passing only the overflow to Pepper.

For a while Pepper was not aware of his partner's ruse. However, since the partner did not use Pepper's rug cleaning chemical, customers soon began to complain. The cleaning chemical used by the partner was an inferior product yielding unsatisfactory results. Pepper found out about the complaints and investigated. He was stunned to discover that his partner was in breach of contract. The contract specified that Pepper would provide the cleaning service. His partner had no right to set up an in-house department to provide the rug cleaning service.

Compounding this was the fact that Pepper's sales force was generating most of the business. That is, Pepper's salesmen were stimulating the interest in the service, but the partner was illicitly taking the business without any compensation to Pepper's company.

Needless to say, Pepper and his team were livid. The contract with the partner had been breached. Their trust had been betrayed and their labor was not fully rewarded. So what was he to do? The partner was a well-established store with ample resources. Pepper's business was a small home-based financially strapped operation. This meant that Pepper needed the partner far more than the partner needed Pepper.

To understand Pepper's response, one must understand Pepper.

Pepper was born on January 17, 1898, in Pocahontas, Arkansas, into a lower-middle-class family. His father was an alcoholic who struggled in business. And his mother was a godly woman who frequently provided financial support for the family as a seamstress.

Because of the family's financial difficulties, Pepper began work early in life. He sold newspapers as a young lad and eventually went to work for a paper company. After finishing high school in 1912, he endeavored to become a professional baseball player. For the next five years he sought to find a way to make the big league. His semi-pro career ended in 1917 when the United States entered World War I, which effectively killed semi-pro baseball, at least temporarily. Soon Pepper received word that his older brother had been killed in Europe, so he enlisted in the Marine Corps. While in basic training, his mother appealed to the Red Cross for a dependency discharge. Since she was separated from her husband and had already lost one son in the war, she needed Pepper at home with her.

Pepper returned home and began to consider his future. Baseball appeared to be a dead-end; he simply was not good enough to make the big league. So he began to sell life insurance.

In 1920, he met and married Lil, his life partner. Soon they began their family. During the next decade, they would have four children. One child died before birth and another died at age three.

During the 1920s, Pepper sold life insurance, then pots and pans, and finally moth proofing services. By 1930, Pepper was broke and out of work. The depression was in full swing and the moth proofing company that he worked for went out of business. So what was he to do?

Pepper teamed up with another man and started his own business—an arduous task at the time. Nevertheless, Pepper had to support his family and didn't see any better options.

About the same time, Pepper's mother asked him to attend church with her one Sunday evening. Being a dutiful son, he agreed. During the service, the iconic H. A. Ironside delivered a powerful message regarding the importance of living by the Word of God in all of life. Though Pepper's mind wandered through much of the service thinking about how to build his nascent cash-strapped business, at one point during the message, he focused on the teaching. It was as if Harry Ironside was talking directly to him. When the invitation came, his mother asked Pepper, "Don't you want to become a Christian?"

Pepper was deeply moved by Dr. Ironside's message about the importance of living by the Bible. Though he grew up in a home where the Bible was read and prayer was a common practice, he had not embraced Jesus as his personal savior. Now at the age of thirty-two, he did.

For the next fourteen years, he was a pastor's dream—a faithful church member, Bible study leader and youth sponsor. His business struggled, however. He lived hand-to-mouth, never getting much traction, just surviving. But the whole time, he sought to honor God personally in any way that he could, but never thought much about honoring God with his company. By his own admission, he was raised in the tradition that business and religion don't mix.

Then in 1944, while mothproofing a closet in Wheaton, Illinois, the moth proofing pesticide, which he developed and named Fumakill, exploded in his face nearly killing him.

He spent the next year in the hospital, first not knowing if he would live, then not knowing if he would be able to see again. During this time he reflected on his life and realized that there was something missing. Though he was a strong Christian personally, he realized that he was a dualist, although he did not use that terminology. As a dualist, he believed that his only responsibility to God in the workplace was to be ethical and evangelize. It never occurred to him that there might be divinely ordained principles of business.

Like virtually every Christian in business, Pepper learned business from systems of thought and action that were largely disconnected from Christianity. Because of the dualistic mind-set operative ubiquitously in Christianity, business principles and practices were not widely taught in Christian churches or Christian schools. Why? Because the dualistic mind-set believed that God did not care about business, He only cared about spiritual matters and it was presumed that business was not spiritual. Even in Christian homes, there was seldom much teaching and training about the principles of business. Instead, Christians tended to learn business heuristically and pragmatically, like everyone else. Therefore, Christians typically operated in the workplace like non-Christians except they sought to be ethical and evangelize.

This was the way that Pepper operated his business and no one had challenged his dualistic presuppositions until God orchestrated the events of the day in 1944, when the chemicals exploded and nearly killed him. This was a wake-up call.

As he meditated on Scripture in his hospital room, he was impressed by Joshua 1:8, which talked about meditating on the Word of God day and night. Recognizing that “day and night” was a metaphor for public work life and private personal life, he realized that he meditated on the Bible by night—privately in his personal life, but not by day—publicly at work. He acknowledged that he operated as if God and business were mutually exclusive. So he wondered what his company would be like if everyone in the company committed to live according the Bible. What would it be like if one could find in the Bible principles of management, organizational behavior, sales, marketing, customer service, and so forth? He realized that God as the Creator of everything, including business, defined the rules for how everything works. In his meditation, reading, and prayer, he was driven to the belief that the Bible was the handbook of business. Conviction flooded his heart. He repented for his failure to see this before. Then he prayed and committed to live totally for the Lord, that is, to truly meditate on and live by the Word of God day and night.

Now Pepper understood that business was a spiritual activity and that God was very interested in the workplace. For the first time, he realized the truth of James 4:13–17, which states that business is about discerning and doing the will of God. So how does one do this? Clearly, prayer and Bible study with the intent to obey the leading of the Lord are critical components of any healthy, enduring business.

With this new understanding from God, Pepper left the hospital knowing full well that his healing was divinely orchestrated and that his revelation about business was just as divinely orchestrated. No longer could Pepper operate his business like a non-Christian, or in worldly ways, now he would operate his business by seeking the Lord in prayer and studying the Word of God to discern His operating principles and practices.

When he returned to work in 1945, he shared with his workers his new-found conviction and commitment. He asked if they were willing to be part of a company that was dedicated to operating according to biblical principles no matter what the cost. To a man, all agreed little knowing that their profession would soon be tested.

Now returning to the story of the unscrupulous partner, Pepper and his men discovered the price of their new-found commitment to biblical principles. To be true to their commitment, they had to

respond to the corrupt partner according to biblical principles. At the same time, they faced the real threat of financial ruin if they lost this business. Without regard to the financial implications, Pepper and his team maintained their integrity and determined to respond to the unscrupulous partner in accordance with their commitment to biblical principles.

Pepper and his key leaders gathered to discuss options. Their conclusion was to forgive the partner and terminate the contact even though they could not see how they would financially survive. To minimize the impact on the customers and to allow the partner time to build up his service department, Pepper continued to provide backup services for a period of six months. Though this action seemed to be fraught with financial risk, Pepper noticed that as they phased out of the business with the partner, new business came in. Interestingly, when the year was over, Pepper and his team realized that they enjoyed the best year ever.

This solution reflected the heart and commitment on the part of Pepper and his team to truly operate the business on biblical principles, even when abused, and even when financial provision appeared to be at risk.

From 1930 to 1947 Pepper operated as a sole proprietor. He worked out of his home with a small group of men providing first mothproofing services and then later rug cleaning services. For both services, Pepper developed the requisite chemicals since the products available at the time proved to be ineffective. Pepper was determined to deliver quality service; hence, he was driven to develop the best chemical products possible to serve his customers.

After returning to work in 1945 with his new commitment to building his company using the Bible as his handbook, he began to look for people aligned with his vision. He found two in particular whom he hired to help run the company—Ken Hanson and Bob Wenger. Both men proved to be wonderful partners.

In an effort to summarize the key principles adopted by the company, Pepper developed a motto that contained the four key concepts that would shape the company. His motto was:

1. To honor God in all that we do;
2. To help people develop;
3. To pursue excellence; and
4. To grow profitably.

Because of the commitment to operate biblically, Pepper's struggling little company began to grow and prosper.

In 1947, Pepper incorporated the company under the name of Wade, Wenger and Associates. Every worker in the company was given stock as a tangible demonstration of the gratitude of Pepper toward all the people who made the company what it was.

Others noticed the growth of the company. And in 1952, the company became one of the early franchisors in America.

Soon, Pepper realized that the name of the company was awkward and did not convey what the company did, so a search was made for a new name. As Pepper, whose real name was Marion Wade, reflected on the nature of the company as a service business and the philosophy of the company being shaped by the Lord, he realized that the essence of the business was service to the Lord or Master. Hence, he settled on the name ServiceMaster.

In 1962, ServiceMaster became a publicly traded company.

In 1973, Marion Wade died at the age of seventy-five, greatly prosperous as a man who had learned to meditate on the Word of God day and night. His story was truly a 'rags to riches' story, which was only possible because of his commitment to reject dualism and to live holistically according to the Word of God.

In the early 1980s, the company added industrial and educational services to its product offering. ServiceMaster continued to grow and prosper as the company was faithful to its spiritual heritage. The legacy of the service now includes a wide variety of service brands such as TruGreen, American Home Shield, Terminix, Furniture Medic, and Merry Maids.

In 2007, the company was acquired by the private equity firm Clayton, Dubilier and Rice, Inc.

The future of ServiceMaster is yet to be written. But if the biblical philosophy of Marion Wade is followed, there is no doubt that the company will enjoy a bright future.

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