

- He gave up success and security in a big company, bought a country hotel by going into debt. He's done so well in four years that security is catching up with him again.

FROM BIG BUSINESS TO SMALL SUCCESS

The average U.S. businessman is proudest of his success if he has fought his way to the top in the rags-to-riches tradition of Horatio Alger. But Eugene J. Kenney is one successful businessman who doesn't share that dream. In fact, he walked out on his own Horatio Alger performance around the beginning of the third act because he found it too boring.

Kenney found the main weakness in his plot to be too much security. So in 1944 he voluntarily gave up a big job and a big future in a big company. With his small savings plus a loan, he bought the business of a small country hotel and started out on his own.

Kenney is worried once more about security catching up with him. A quick look at his books showed that business at the 25-room Ber-

nards Inn in Bernardsville, N.J. (pop.: 3,500) had been 20 per cent better in the first eight months of last year than it had ever been before in its history. At the same time, business at many other New Jersey hotels had slumped 60 per cent below 1948.

Kenney is naturally pleased that he has been able to make a success of his new venture. But it bothers him a little bit, too. "My greatest ambition is not to make as much money as possible, but to try to live on \$300 or \$400 or maybe \$1,000 a year," he says.

Kenney was getting \$13,500 a year when he quit Standard-Vacuum Oil Co. in 1944. Then 39, he was the company's assistant treasurer, had been offered the job of treasurer, and was sure of getting a good pension when he retired at 58.

But none of this seemed to make Kenney really happy, so he traded it all for almost nothing. He knew "not a damn thing" about running a hotel. He had a wife and four children to feed. His \$15,000 savings were not even enough to start out in the hotel business; he had to borrow \$10,000 more. To top it all, the hotel was all but on the rocks when he took over. It looked as if Kenney now had all the insecurity he could possibly ask for.

But at this point, Kenney really began to spend money. He redecorated the hotel, improved the food, raised all his employees' salaries, gave them Christmas bonuses.

The money was well spent. Three years later, Kenney was able to take up his option to buy the hotel building for \$65,000, giving \$20,000 cash towards its purchase. Besides that, he had spent \$22,000, on repairs and redecoration and paid off \$4,000 on his original note.

In four and a half short years, Kenney had really lifted the Bernards Inn off the floor. For January, 1945, Kenney's first month on the

job, the inn's gross sales were \$4,684. In May of last year, they stood at \$20,300. Yet during the interval, he raised his food prices only 16 per cent — far below the national average — his liquor prices 2 per cent, and his room rates not at all. At the same time, he quadrupled the number of employees (there are now 42 on the staff).

What accounts for this tremendous success? "That's an embarrassing question," says Kenney, "because I don't know." But there is an obvious reason: Kenney is a highly intelligent, competent businessman. He was graduated from high school in his native Canada at the age of 14. Too young to go to college, he got a job at the Canadian Bank of Commerce at a salary of \$300 a year. Three years later he was making \$600 and was a teller.

At 17, he got a job with Imperial Oil Co. at \$25 a week. A year and a half later, Kenney found out that the man at the next desk had been with the company for 20 years and was making only \$35 a week. So he quit and went to Syracuse, N.Y., where he got a job at \$40 a

week with the Crown Oil Co. and married a local girl. To his wife's "loyalty and encouragement" he attributes much of his success.

While working at Crown, he studied accounting. Result: At the age of 22, Kenney was treasurer of Crown Oil Co. And he was getting a salary of only about \$70 a week. ("My age had always been against me when it came to making a big salary.")

When Standard Oil Co. of New York bought Crown Oil in 1928 Kenney moved to the comptroller's office in New York City.

In 1934, the formation of Standard-Vacuum Oil Co. brought together Socony and Standard Oil Co. (N.J.), Imperial's parent company, to handle foreign marketing and storage. Kenney picked to go with the new company thus finally had a service credit from Imperial, Crown, and Socony — a total of 21 years. "In spite of trying to evade security all my life," he says, "I was a victim of vicious circumstances."

By the time he was 28, Kenney was assistant secretary of Standard-Vacuum.

His main job was to help perfect the company's pension plan. He became an expert in pension plans, was sent abroad to set them up in the company's foreign subsidiaries and branches.

The more he became acquainted with pension plans, the less Kenney liked them in general. "Pension plans have a certain enervating quality — your future is all set, so why worry?"

"Pension plans are a tool of management which some companies use for rather subversive ends — to make employees docile, prevent turnover. Too many companies try to buy their employees' loyalty with pension plans instead of giving them more of a feeling that they are an important part of the setup.

"I really feel that business should constantly stress the dignity of the individual worker.

"Workers are the same as bosses as far as I can see; they both wear pants and have arms and legs."

Right now, Kenney is trying to find someone to take over more of the responsibility of running the Bernards Inn because "I don't want

to be an innkeeper all my life." He is by no means ready to give up the Bernards Inn. But if it ever offers too much security, his next step would probably be to seek greater insecurity on his 63-acre Bucks County, Pennsyl-

vania farm. The idea appeals to him mainly because he doesn't know any more about farming now than he used to know about running a hotel. — *Condensed from Business Week.*

PROFANITY

Profanity is both an unreasonable and an unmanly sin, a violation alike of good taste and good morals; an offense against both man and God. — Some sins are productive of temporary profit or pleasure; but profaneness is productive of nothing unless 'it be shame on earth, and damnation in hell. It is the most gratuitous of all kinds of wickedness — a sort of pepper-corn acknowledgment of the sovereignty of the devil over those who indulge it. — *Tryon Edwards.*