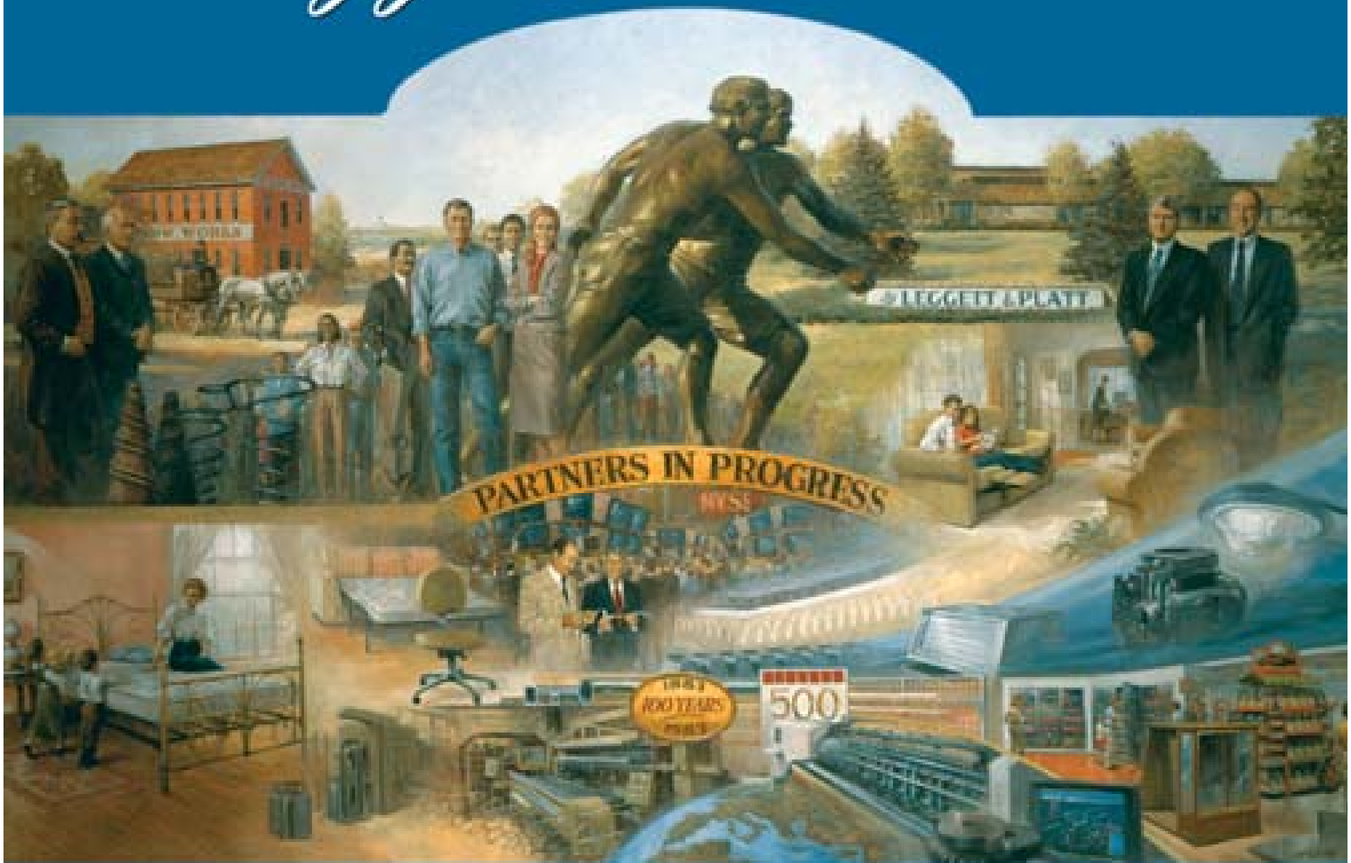
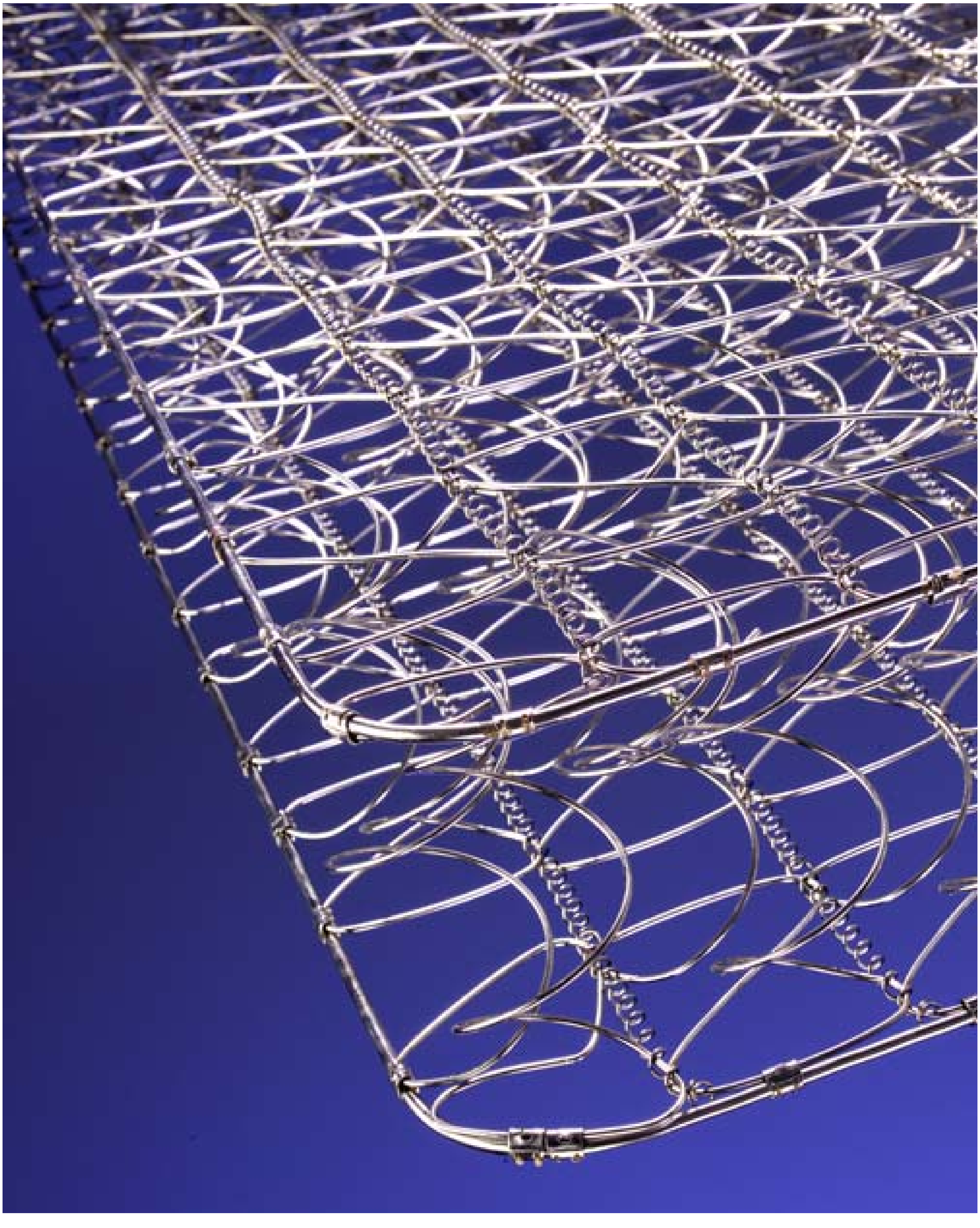
THE LEGEND OF

Leggett & Platt®



JEFFREY L. RODENGEN

FOREWORD BY DAVID S. HAFFNER



The Mira-Coil® continuous coil innerspring unit grew in popularity in the 1980s and was patented in 23 countries.

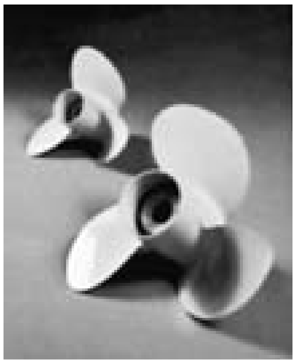
CHAPTER SIX

BROADENING ITS BASE

1980–1989

We firmly believe that service to our industry and to every customer is Leggett's reason for being and its opportunity.

—Harry M. Cornell, Jr.[1]



LEGGETT & PLATT'S 1980 SALES GREW to a new record of $229 million, resulting in earnings of $2.06 per share, a 21.2 percent increase over 1979. Issues that dampened the company's 1980 earnings included a first quarter diminished by inflationary costs and an acceleration of the recession, leading to a sharp decrease in demand in the second quarter.[2]

Though Leggett & Platt had become a company of nine-digit sales, it was also proving quite nimble. Over the course of the year, the company maintained its profitability by paying close attention to production schedules, inventory levels, labor costs, and utilization.[3]

The patent infringement lawsuit the company had battled since 1973 was finally resolved in its favor in 1980, allowing Leggett & Platt to proceed with uninhibited production of its Wall Hugger® recliner mechanisms.[4]

Furthermore, the company's research and development efforts were benefiting from output at two major facilities—the original National Technical Center in Carthage and the "Tech Center" showroom in High Point, North Carolina. The latter of these, located in the heart of the furniture industry, served as a display area for the company's full line of components.

At a corporate development and strategic planning meeting at year's end, committee members reviewed the company's objectives. Originally formulated in the 1960s, these objectives were reassessed and discussed over the years and provided broad strategic guidelines aimed at enhancing shareholder return.[5] In 1980, the committee specifically discussed the potential pursuit of acquisitions in broader market segments, including segments not particularly complementary to bedding, furniture components, or other current holdings. Although, at that time, the committee decided not to pursue such acquisitions, the members agreed that acquisitions needed to be "larger in size [and] involve more profitable companies, with good management in place."[6] Such periodic strategy discussions helped set, and sometimes modify, the vision and strategy that drove Leggett & Platt's activities.

On the bedding products side, the company had begun limited production of its long-awaited Mira-Coil® continuous coil innerspring. In 1981, the company reported that the Mira-Coil® product and the machinery for its production were patented in 23 countries.[7]

Products manufactured at the EST division for a major customer included a variety of propellers that were cast, polished, and painted.

That same year, Leggett & Platt also formed an international division, which pursued opportunities for licensing agreements and sales of machinery with international finished product manufacturers and components suppliers. The division's president, Larry Higgins, met with bedding manufacturers worldwide, spreading word of Leggett & Platt's expertise in spring-making machinery, technology, and manufacturing processes. This international scope of operations complemented the company's goal to become nationally recognized as The Components People® in the household furniture industry.[8] In the 1981 Annual Report, Felix E. Wright, then executive vice president and chief operating officer, explained how the company was prepared to meet this goal:

> *Leggett & Platt's operating style reflects the effective combination of two fundamental ingredients: first, an aggressive marketing policy complemented by various supporting services; and second, a willingness of management to commit capital as needed to gain market position and operating efficiencies, thereby improving profitability.*
>
> *Our management organization has been developed in anticipation of and responsive to the needs of growth. Strong emphasis is placed on decentralized management of operations in coordination with central policies. Operating management responsibilities generally emphasize geographic rather than product-line distinction. Corporate officers and staff administer centralized functions and provide various supporting services to group, division, and plant management.*
>
> *Internal management development is encouraged and compensation programs include the concept of profit incentives at all management levels. Approximately 570 management personnel participate in incentive programs that may reward individuals when objectives are met, as if each of them were a partner in the organization.*[9]

Above: The "Super Excalibur" display units, manufactured by the Masterack division and introduced in 1980, enlarged retail store beverage sections by 25 percent.

Right: Larry Higgins was named president of Leggett & Platt's international division in 1983. He traveled worldwide selling and leasing Leggett & Platt's innerspring production machinery.

THE FIRST 100 YEARS: 1883–1897

1883: Joseph P. Leggett develops and patents the first successful spiral-steel coil bedspring, then forms a business partnership with his future brother-in-law, Cornelius B. Platt, a blacksmith, who operates the C. D. Platt Plow Works plant in Carthage, Missouri.

1885: J. P. Leggett receives a patent for improvements on the coiled bedspring. Leggett and C. B. Platt begin manufacturing coiled bedsprings at the Platt Plow Works plant.

1895: Harry Platt, a brother of C. B. Platt, opens a franchise factory in Louisville, Kentucky.

1897: The partners move to a building on the corner of Second and Maple Streets in Carthage.

Leggett & Platt's division managers pose for a group photo in December 1981 at the company's National Technical Center in Carthage, Missouri.

End of a Century

In 1982, as Leggett & Platt approached its 100th anniversary, considerable changes in the management team occurred. The death of chairman Mack Cornell early in the year was an incalculable loss to his family, friends, and the company. Mack had served as a board member and a company leader for 47 years.[10] He was hired as Leggett's sales manager in 1935 and continued to direct the sales team after becoming president in 1953. He remained president until 1960, when he was elected chairman of the board, the position in which he remained until his death. Harry M. Cornell, Jr., was elected chairman after the passing of his father, while also maintaining his responsibilities as president and CEO.[11]

Two important leaders also retired that year—Edwin C. Sandham, president of Leggett & Platt's EST division, and Frank Ford, senior vice president of the diversified products group. Both continued to serve on the company's board of directors.[12]

In 1982, Karl G. Glassman joined Leggett & Platt as a Western division sales representative, taking advantage of the opportunity to work alongside his father, Art Glassman. Karl already had several years of experience in the business, having worked

THE FIRST 100 YEARS: 1901–1921

1901: The partnership of J. P. Leggett and C. B. Platt is incorporated under the name "Leggett & Platt Spring Bed & Manufacturing Company." The initial members of the board of directors are Caffee, Hall, Leggett, McClurg, Newell, Ornduff, and Platt; there are 16 initial stockholders, including all seven directors.

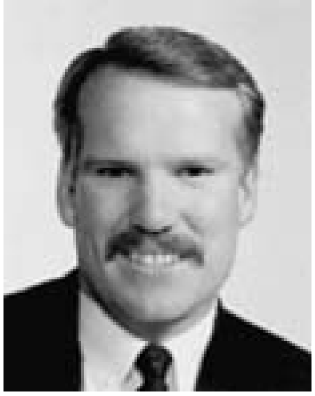
1904: Pacific Spring Bed Company of Oakland, California, begins manufacture of the Leggett Patent Steel Spring Bed.

1905: George D. Leggett (brother of J. P. Leggett) joins the board of directors and serves until 1934.

1911: Plant is established in Windsor, Ontario; C. E. "Jack" Platt, son of C. B. Platt, becomes manager.

1921: Founder J. P. Leggett dies in the spring. C. B. Platt becomes president.

for De Lamar Bed Spring Corporation of Los Angeles, a company owned by his mother's family, before Leggett & Platt purchased it in 1979. "I graduated from high school on a Sunday, and my dad said, 'Congratulations. Your shift starts at 5:30 tomorrow morning, so don't be late.'"[13]



Starting on the factory floor at De Lamar, Karl Glassman eventually became the company's production manager, a job he continued into his early college years. Although Leggett & Platt was interested in retaining both father and son, at the time of the De Lamar purchase, Karl chose to return to college full time to earn a degree in management and finance. He was already on the road to a career in banking when the sales position at his father's division became available. It was the first of several positions that Glassman would hold with Leggett & Platt.[14]

Throughout 1982, Leggett expanded its production capacity for Mira-Coil®, anticipating greater sales as the international division negotiated with manufacturers and suppliers abroad.[15]

Although the company's sales increased by 4.7 percent for the year, net earnings dropped by 23.6 percent. The company struggled to continue its past record of gains in the face of a recession. Undaunted, Harry Cornell, Jr., said in the Annual Report:

> *A decrease in earnings is always disappointing. Yet, there is satisfaction in the fact that in 1982, your company operated in the most difficult business environment of its 22-year history under current management and emerged with undiminished financial strength, industry position, and growth potential.*[16]

That "difficult business environment" was the result of a recession that lingered beyond economists' projections.[17] Rather than the recovery in consumer spending that was predicted for the third quarter, the year ended with high unemployment, and consumer spending inhibited by credit card and installment debt.[18] As a result, household furniture expenditures, as a percent of personal consumption, reached their lowest point since the 1960s, a factor attributed in part to the postponable nature of such expenditures, as well as to the lower level of price inflation in furnishings as a whole.[19]

Above: Karl G. Glassman joined Leggett & Platt in 1982 as a Western division sales representative.

Right: An attractive brass paperweight memento was distributed to various individuals to commemorate Leggett & Platt's 100th anniversary in 1983.

THE FIRST 100 YEARS: 1925–1934

1925: A new, 49,500-square-foot factory is built in Carthage on West Vine Street.

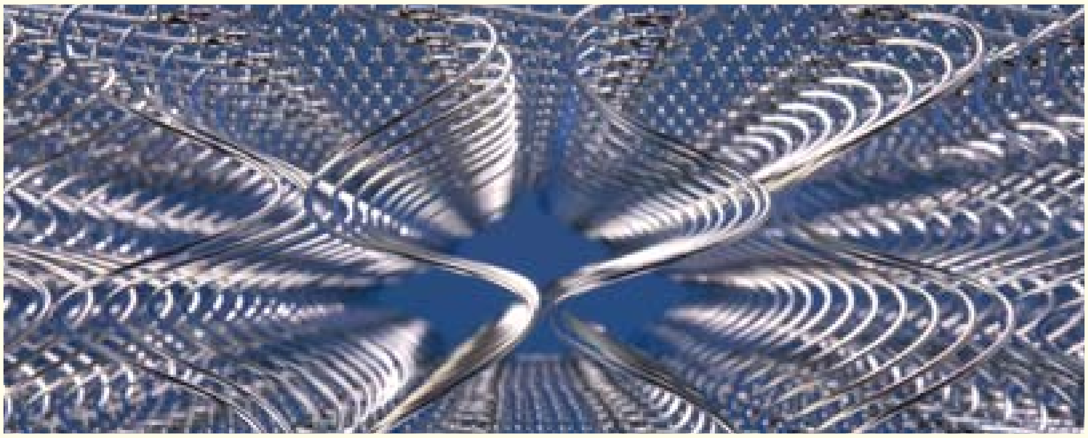
1929: Founder C. B. Platt dies. J. P. Leggett, Jr., becomes president. Frank B. Williams joins the board of directors and serves until 1947.

1932: J. P. Leggett, Jr., steps down as president due to health problems, and Frank B. Williams takes the helm as interim president.

1933: George S. Beimdiek, Sr., joins the board of directors and serves until 1959. The plant in Carthage begins to manufacture innerspring units.

1934: Harry M. Cornell, Sr. (son-in-law of J. P. Leggett) joins the board of directors and serves until 1982.

THE ARRIVAL OF MIRA-COIL®



IN 1968, LEGGETT & PLATT BEGAN WORK ON A promising new continuous coil concept for innersprings. After two years and several failed designs, Leggett hired the Frank L. Wells Company of Kenosha, Wisconsin, to help develop the product and machinery.

Tom Wells, Sr., a fourth-generation family member of the Wells Company, began working on the continuous coil project and ultimately joined Leggett in 1974. The work continued until 1976, when Tom told management that "everything developed to that point had to be scrapped. It was absolutely no good and wouldn't work."[1] Costs for the project at that time had already reached into the millions.

Leggett's engineers began again and eventually invented a spring unit and machinery that are still used today.

Before they succeeded, however, the design team faced some additional complications. Wells recalled a demonstration meeting intended to convince nearly two-dozen VIPs from a major mattress company (and its parent company) to use the continuous coil unit for their best-selling mattress. In preparation for the meeting, the engineers worked nonstop for almost two days, only to find that their efforts were useless:

> *The machine wasn't going to work, so I sent the other four guys home. Then I went home and put on a suit and a tie because I was the ringmaster who was supposed to demonstrate the machine.*
>
> *[The] contingent arrived, but after an hour of standing around and wanting to see the machine run at least one cycle, Leggett's managers had enough embarrassment for the day and called the group back to the boardroom for lunch. During that lunch, which I was not a part of, the customer's researchers and engineers told Harry Cornell that the concept was no good and would never work.*
>
> *Harry called me up after they left and told me what they'd said. He asked, "Tom, will it work?" I said, "Yes," and then all he said was, "Well, get after it." No failure was ever fatal with him.*
>
> *Eighteen months later, we sold an improved and fully automated product to another of the national mattress companies. It's still part of their flagship line.*[2]

Wells explained that Leggett named its first continuous coil unit Mira-Coil® because the vice president of sales at the time, Ralph Johnson, said, "It's going to be a miracle if that thing ever works."[3]

Mira-Coil® proved a miracle in more ways than one: It used about 35 percent less wire than other innerspring products used at the time of its initial introduction to the marketplace, and continues today to provide the same resilience and firmness as a traditional mattress.[4]

Celebrating 100 Years

In 1983, Leggett & Platt celebrated 100 years of continuous service. In a brochure distributed to employees, customers, and family members, Harry M. Cornell, Jr.—chairman, president, and CEO—attributed the company's achievements to the loyalty of its customers and its employees:

> *We firmly believe that service to our industry and to our every customer is Leggett's reason for being and its opportunity. In celebrating the company's centennial year, we offer our most sincere appreciation to our loyal customers for their business and reassure each one of them, large and small, that our commitment to unparalleled and constant customer service in every respect will continue to be our goal.*
>
> *We also want to express our deepest pride and appreciation for all the loyal people of Leggett & Platt and their families, who over these 100 years have been responsible for our company's success. From inception, management and employees, too numerous to name, have continuously demonstrated a dedication to success based on the entrepreneurial spirit of partnership with which our company was founded and which today continues to be strongly encouraged.*[20]

THE FIRST 100 YEARS: 1935–1942

1935: Harry M. Cornell, Sr., joins the company as a vice president and sales manager. By a narrow margin, stockholders vote against the proposed sale of Leggett & Platt to the L. A. Young Spring and Wire Corporation of Detroit.

1937: The Great Ohio River Flood swamps the Louisville plant, which ultimately moves to 25th and Maple Streets.

1938: F. B. Williams steps down as president, but continues as board chairman. George S. Beimdiek, Sr., is named president, treasurer, and general manager. A factory in Dallas is opened, and Leggett & Platt acquires the equipment of the Daltex Company, a small Dallas-area bedspring manufacturer, to use in the plant.

1942: Leggett survives World War II by working on defense contracts.

Opposite: In 1983, Leggett & Platt's centennial year, Andy Thomas of the company's marketing services department painted an oil-on-canvas mural. Now an established painter and muralist, Thomas still considers himself a member of the Leggett & Platt family. According to Thomas, the detail of the machinery in the mural was some of the most difficult imagery to capture on canvas. The original company owners, C. B. Platt and J. P. Leggett, are pictured sitting at a table. Later partners Felix E. Wright and Harry M. Cornell, Jr., are to the right holding a ticker tape. Other people include various members of the board, management, and employees. *(Painting printed by permission courtesy of Andy Thomas.)*

The company completed four substantial acquisitions in 1983. In January and February, Leggett & Platt purchased the stock of the Nachman Corporation of Des Plaines, Illinois, a competing manufacturer of bedding components. At the time of the acquisition, Nachman had seven manufacturing plants and a product lineup similar to, and in some cases overlapping, that of Leggett & Platt. Though Nachman's sales reached $24.3 million the year before the acquisition, the company was struggling to make a profit.[21] Following the purchase, Leggett & Platt began to consolidate corporate functions, plant facilities, and products to improve efficiencies in Nachman operations.[22]

By mid-summer, Leggett & Platt had purchased the operating assets of the Cyclo-Index Corporation of Cleveland, Ohio.[23] The company's Cyclo-Index® mechanical motion control system, which improved the operating performance of manufacturing machinery, had been used by Leggett & Platt in recent years,

EXCEPTIONAL SERVICE


THE NATIONAL ASSOCIATION OF BEDDING MANUFACTURERS

gratefully presents to

HARRY M. CORNELL, JR.

ITS EIGHTEENTH

AWARD FOR EXCEPTIONAL SERVICE

For his dedicated service to this Association as Vice Chairman of the Associate Membership Committee, 1968-1969, General Chairman of the Suppliers Council, 1969-1971, member of the NABM Long Range Planning Committees, 1974-1976 and 1980-1981, current membership On the Robert MacMorran Memorial Award Committee, and Many years' service on the Innerspring Construction Committee of the Suppliers Council.

For his leadership and integrity as a key member of the Bedding industry, and for his valuable participation in numerous activities of NABM and the NABM Suppliers Council.

And for his outstanding and continuing contribution of time and talents in service to his community and its people.

Done this 19th day of March, 1983, at its 68th Annual Convention assembled.

Hubert F. Grossman
Executive Vice President

ON MARCH 19, 1983, HARRY M. CORNELL, Jr., received the "Award for Exceptional Service" from the National Association of Bedding Manufacturers (NABM), which is today known as the International Sleep Products Association (ISPA).[1]

THE FIRST 100 YEARS: 1945–1959

1945: Leggett purchases a warehouse in Winchester, Kentucky.

1947: Leggett sells its Dallas property and moves to Ennis, Texas.

1950: Harry M. Cornell, Jr. (grandson of J. P. Leggett) joins the company as a sales trainee in Louisville, and transfers to Kansas as a commissioned salesman in 1952.

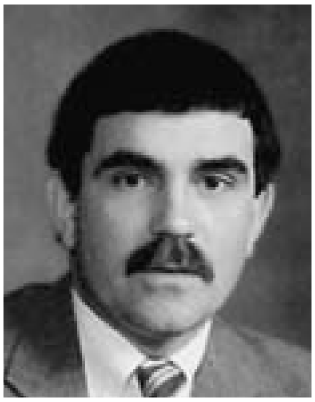
1953: Harry M. Cornell, Sr., is elected president, following the retirement of George Beimdiek, Sr., while Harry M. Cornell, Jr., becomes manager of the Ennis, Texas, plant.

1958: Harry M. Cornell, Jr., joins the board of directors.

1959: Felix E. Wright is hired by Harry M. Cornell, Jr., as a sales trainee at the Ennis facility.

resulting in a 20-percent increase in the manufacture of coil springs.[24]

That summer, Leggett & Platt also acquired Parthenon Metal Works, Inc., of La Vergne, Tennessee. Parthenon was a manufacturer of welded steel tubing and a significant supplier to Leggett & Platt. The purchase of Parthenon brought Leggett & Platt a new internal source for raw materials such as steel tubing and slit coil steel.[25]



Before the year ended, Leggett purchased Bedline Manufacturing Company of Los Angeles. Bedline, which manufactured and sold steel bedding products and convertible sofa mechanisms, broadened Leggett's network of nationwide manufacturing and distribution facilities for bed frames and sleeper fixture hardware. It also accelerated the growth and development of an earlier acquisition, Signal Manufacturing, another Los Angeles–based producer of sleeper hardware.[26]

Two other major events in 1983 included a 2-for-1 stock split (resulting in the issuance of 4,040,852 new shares) and the hiring of David S. Haffner, a Carthage native, as a group vice president of operations.[27] His first responsibilities involved overseeing the company's Wisconsin-based aluminum die-casting operations. In the decades to come, he would become a pivotal member of the Leggett & Platt management team.

In 1983, both sales and earnings rebounded dramatically. Sales were up 21 percent to more than $354 million, and earnings had skyrocketed by 58 percent to $15.6 million.[28]

For the savvy few who invested in the company's initial public offering in 1967 and held the stock, the financial rewards were sensational. In 1967, one share of Leggett & Platt stock initially sold for $10; an investment of $1,000 would

Above: David S. Haffner joined the Leggett & Platt ranks in 1983, overseeing the company's aluminum die-casting operations in Wisconsin.

Right: With the 1983 acquisition of the Cyclo-Index Corporation, Leggett & Platt obtained a mechanical motion control system that improved the operating performance of manufacturing machinery. This photo shows the control system in 1989.

THE FIRST 100 YEARS: 1960–1967

1960: Harry M. Cornell, Sr., becomes chairman of the board. Harry M. Cornell, Jr., becomes president and CEO, and begins implementing a new corporate strategy to broaden the line of component products for the bedding and furniture industries, expand geographically, and offer compatible products directly to furniture stores. Felix E. Wright becomes manager of a new branch factory in Phoenix. The company acquires C. A. Bissman Manufacturing Company, a case goods manufacturer in Springfield, Missouri.

1963: The company adds a spring factory in Oklahoma City.

1967: Leggett & Platt carries out its initial public offering of 50,000 shares of stock (at $10 per share) and $1 million of convertible subordinated debentures; the stock is listed over-the-counter.

have bought 100 shares of the stock. With additional shares received from stock splits in 1969, 1973, 1978, and 1983, those initial 100 shares would have grown to 750 shares. On March 1, 1984, each share was valued at $18.75, so 750 were worth $14,063. On top of that, the investor would have received cash dividends of $2,013 over time, more than twice the cost of the original 100 shares. Thus, over those initial 16 years, investors enjoyed a compound average growth rate of approximately 19 percent per year, based on a 16-fold return of their investment from stock appreciation, splits, and dividends.[29]

Continuing to seek out complementary acquisitions, Leggett & Platt acquired Gordon Manufacturing Company of Grand Rapids, Michigan, in January 1984. Gordon manufactured chair controls and steel bases, primarily for use in office furniture, which brought Leggett & Platt opportunities for new products and markets.[30]

In 1984, Leggett & Platt also acquired the National Fibers division of National Bedding and Furniture Industries of Memphis, which made insulator pads and synthetic and cotton cushioning materials for bedding and furniture manufacturers.[31]

Leggett & Platt refocused some of its resources in September 1984 by selling its packaging division to a North Carolina company. At the time of the sale, the division consisted of five plants in North Carolina, Arkansas, Massachusetts, and Texas, and was producing flexible furniture and bedding packaging, along with a variety of unrelated items such as coin wrap, meat and poultry pads, and moving van pads.[32]

In a 1984 interview, Harry Cornell, Jr., explained the reason for the sale: "Although the packaging division has continued to be profitable, we believe we can better invest the proceeds from this sale in other operations that currently fit more closely with our long-term growth and profit objectives."[33]

Office workers nationwide use Leggett & Platt products. The woman in this photo sits in a chair whose base and column were produced by the EST division.

Making the List

In 1985, *Fortune*® magazine added Leggett & Platt to its annual listing of the 500 largest industrial companies in the United States. That April, *Fortune*® ranked the company as the 489th-largest U.S. industrial corporation, based on its 1984 sales figures. Leggett & Platt attained top-100 status in three of the magazine's categories: in "Return on Shareholders' Equity for 1984," the company ranked

The First 100 Years: 1968–1970

1968: Leggett & Platt acquires Motor City Spring Company in Detroit; Flex-O-Loc Corporation in Lawrence, Massachusetts; and Kenyon Manufacturing Company in Kenyon, Minnesota.

1969: Leggett & Platt and Armco Steel Corporation build a wire-drawing mill in Carthage. Leggett & Platt also constructs a sawmill in Naples, Texas. Acquisitions include the J. R. Greeno Corporation and its affiliate, Butler Manufacturing Company, both of Cincinnati, Ohio, and the Dalpak Corporation of Dallas. Leggett & Platt announces a 5-for-3 stock split and later issues an additional 175,000 shares of common stock.

1970: Leggett & Platt acquires the Signal Manufacturing Company of Los Angeles. Factories are built in Georgia and Texas.

Cornell Conference Center

Dedicated to the Memory of Harry M. Cornell, Sr., and Marjorie Leggett Cornell

In 1991, Leggett & Platt's board of directors dedicated a new conference center on the company's headquarters campus in Carthage, Missouri, to the memory of Mr. and Mrs. Harry M. Cornell, Sr. A large plaque commemorating the building's dedication reads, in part:

> *Mack and Marjorie, as Mr. and Mrs. Cornell, Sr., were affectionately known to their hundreds of friends from all walks of life, served Leggett & Platt faithfully for many years.*
>
> *Mack was an Officer and Director for 47 years, eventually serving as President of the Company for several years and then as Chairman of the Board before retiring in 1982. Marjorie—the daughter of J. P. Leggett, who cofounded the Company in 1883—served as an active and then Honorary Director for 21 years. Through these 68 years of combined service, Mack and Marjorie, by their personal example, set standards of courtesy, fairness, and sincere concern for others that shaped the character of this Company.*[1]

Harry M. Cornell, Jr., son of Mack and Marjorie, and then CEO and chairman of the board, received letters from many individuals recalling his parents' influence on their lives. Portions of a few of those letters are printed on the following page. The letters, plaque, and portraits of the Cornells are housed at the conference center that bears their name.

It is difficult for me to express, in writing, my sincere love and appreciation for your Mother and Dad. Mr. and Mrs. Cornell … gave to me … an opportunity … doing what most boys would then, as now, rebel about: yard work.

I remember your Dad … we spent many an hour and day together … trimming the lawn, pruning trees, weeding the peonies … I always looked forward to "sale day," the cattle auction at Red Oak. Mr. Johnson always had potatoes to send to Carthage with us, and we'd deliver them, along with the cherry tomatoes we'd pick from Mr. Cornell's 75-100 plants, all over Carthage to those who your Dad knew were in need. This quality of your Dad's, of caring about people and wanting to help them, was one of the most important.

Mrs. Cornell … was constantly sending goodies out to me, so I have not only my Mom, but my "second Mom," to thank for my healthy frame today.

Mr. and Mrs. Cornell were such positive, delightful, caring people to be around, and I consider the opportunity of working for them directly for five years a true blessing. I sincerely believe they both inspired, in one way or another, everyone's life with whom they came in contact.

– From Jim Crocker, then National Accounts Manager
for Leggett & Platt; recently retired after 41 years

I am very pleased by the action of the board in naming the Cornell Conference Center in honor of Harry M. Cornell Sr. and Marjorie Leggett Cornell. Back in 1949, as young newly-weds, my wife and I moved onto the same block where Mr. and Mrs. Cornell lived. Their many acts of kindness meant a great deal to us and we soon came to know them as Mack and Marg.

Mack was the most complete "people-person" I have ever known. It was just his nature to be interested in people and to care about others. Whether it was his banker or his yardman, he was always ready to help. Of course, he had this same interest and concern for all the people at Leggett & Platt, be they executives, machine operators, truck drivers, salesmen, or custodians.

Marg was different—more reserved, dignified, always the lady. To her, courtesy and proper etiquette came naturally, and this was her way of showing respect and concern for others. She was the perfect balance and supplement to Mack's more exuberant nature.

Together Mack and Marg made a tremendous impact upon Leggett & Platt. Through their long years of service and many contacts with hundreds of Leggett & Platt people, they did much to produce this same courteous, unselfish, caring attitude throughout the company, and in this way made an invaluable contribution to this company's success. It is most appropriate that we name this fine building in their honor.

– From Herbert Casteel,
board member from 1960 to 2001

It is very difficult—perhaps impossible, for me to translate my deep feelings for Mack and Marg Cornell into written words. They were truly unique—best examples of a generation that made our country great. They both exemplified qualities that I am fearful we are losing—self-reliance, love of God, respect for traditions, sanctity of marriage, cherishing of family values, patriotism, and above all, unimpeachable integrity. My life was enriched and blessed from having known them. I still love them—always will.

– From Jim McCormick,
board member from 1965 to 1995

Mr. and Mrs. Cornell have had a major impact on my life. They changed me in ways I've only just begun to discover. … Mr. Mack was looking for some part-time help and asked me to come by after school to help him take care of his yard. … Mrs. Cornell was always feeding me and trying to keep me from overheating or freezing to death.

They constantly asked me what I intended to do after I got out of school and whether or not I had considered working at L&P. … It soon became apparent that any company run by people who cared this much, would have to be a great place to work. So, I clocked in.

Several years later, I came to realize that Mr. Mack and Mrs. Cornell were my mentors. They helped me set personal goals, showed me how to realize them and … never asked for anything in return.

– From David Harris, a 22-year employee;
then Sleep Quality Engineer for Leggett & Platt

That was the first time Harry Mack, Sr. and I laughed. We would laugh together many more times in the nearly five years Mack had remaining and particularly on those three or four occasions each year when he would stop by my office to "just talk." … He was a man with large doses of good humor, optimism and openness. He cared deeply about and loved family, friends and country. He was a sentimental man with enough strength to show his deep emotions. And in that aging body and in the fabric of all that he did was a rare youthfulness, gentleness and kindness of spirit.

Mack was a modest man who lived unencumbered by his material possessions. Had fate snatched away all that Mack owned, his wealth would have been little diminished and he would have remained one of the richest men I have known.

– From Robert A. Jefferies, Jr.,
then General Counsel of Leggett & Platt;
28-year employee; board member from 1991 to 2002

I understand that in the very near future we will be dedicating the Cornell Conference Center. As you know, I knew both Marjorie and Mack very well personally and enjoyed serving with them on the Board of Directors. I believe that naming the new Center after them is very appropriate. In the future the Center will host meetings with employees, customers and shareholders. Both Marjorie and Mack were above all "people persons." They had the utmost concern for every customer and employee and in my years of knowing them it was very evident to me that others were always placed before themselves. This dedication to others began a tradition at the Company which has survived both Marjorie and Mack. Today one of the great strengths of Leggett & Platt is its loyal base of employees, customers and shareholders. This tradition works both ways and it began with Marjorie and Mack Cornell.

I hope that I can personally use the Center for years going forward and I will constantly be reminded that it was Marjorie and Mack that dug the foundation upon which the Company and this Center rests.

– From Richard T. Fisher, board member
from 1972 to present;
currently Chairman

Leggett & Platt's Middletown division manufactured mechanisms that allowed a chair to recline into several positions.

84th; in "10-Year Earnings Growth," the company ranked 57th; and in "10-Year Total Return to Investors," it ranked 52nd.[34]

In January 1985, Leggett purchased Northfield Metal Products, Ltd., of Waterloo, Ontario. As a leading manufacturer of chair control mechanisms and steel chair bases for customers in the United States, Canada, and Europe, Northfield expanded Leggett & Platt's territory and product line.[35]

That year, the company also purchased Nashville-based Steiner-Liff Textile Products, a major buyer of woven textile cuttings that Leggett & Platt used as feedstock in manufacturing non-woven felt, cushioning, padding, and automotive soundproofing. Steiner-Liff was considerably diversified when Leggett & Platt purchased it, with activities that included: the processing of textile fibers used as filler for decorative pillows, sleeping bags, stuffed toys, outdoor furniture, and sporting goods; fiber sales to manufacturers of fine writing papers, stock and bond certificates, and bank notes; and the manufacture and distribution of disposable sanitary wipes.[36]

In the spring of 1985, Felix E. Wright became president of Leggett & Platt while maintaining his responsibilities as chief operating officer. Harry Cornell, Jr., continued as chairman and CEO.[37]

That summer, Leggett & Platt announced it would acquire Kay Springs, Inc., of Syosset, New York. Founded in 1911, this privately owned company manufactured springs and wire components for the bedding and upholstered furniture industries. It employed 750 people in 11 plants across 10 states.[38] By September, however, Leggett began new discussions regarding the purchase because of the U.S. Department of Justice's disapproval of the acquisition.[39] By year's end, with the issue resolved to the government's satisfaction, Leggett & Platt acquired all assets of Kay Springs, Inc., except for the company's Los Angeles bedding operation.[40]

Gary Krakauer, a fourth-generation member of Kay Springs' founding family, joined Leggett & Platt through the acquisition and became president of

THE FIRST 100 YEARS: 1971–1973

1971: Leggett & Platt stock is listed on the NASDAQ stock exchange, and the company achieves more than $1 million in net earnings.

1972: The company acquires its Masterack division, which produces institutional beds and wire display racks. Other acquisitions include Kraft Converters, Inc., of High Point, North Carolina; Metal Bed Rail Company, Inc., of Linwood, North Carolina; and the EST Company of Grafton, Wisconsin. Leggett & Platt issues an additional 175,000 shares of common stock.

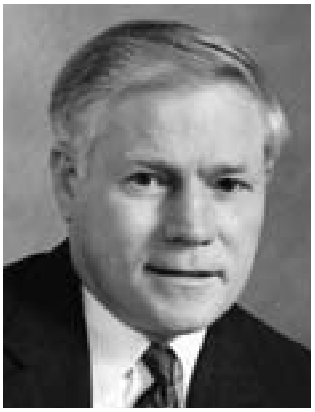
1973: The company's stock splits 3-for-2. Leggett & Platt acquires Paramount Paper Products Company of Alma, North Carolina, and Middletown Manufacturing, Inc., of Simpsonville, Kentucky. Production is under way on an innerspring urethane-foam mattress core and on the Lectro-LOK® box spring unit.

bedding components for the company's Northeast division. He recalled what it was like folding his family's company into the larger corporation:

> *First off, we were one of the largest acquisitions that Leggett had made at that time, and they spent a lot of time integrating us into their system, working with us and exchanging information. They had a great integration team. They tried to retain as many management and sales people around the company as they could. They valued the intellectual properties we had and personnel that we had—terrific company to work with right off the bat.*
>
> *We learned about their generous stock programs ... and the fact that even [then] Leggett had a very strong pay-for-performance policy, with annual incentive bonuses going right down to the foreman level in the factories, so that everybody felt that if you performed, you were rewarded as part of the team. It was a great experience. I think Leggett is a great employer.*[41]

Leggett's management anticipated that the Kay Springs acquisition would contribute approximately $18 million to the company's sales the following year.[42]

Although Leggett & Platt's size was increasing every year, the company's strength did not just come from its acquisitions. According to Wayne Wickstrom, who had joined the company in 1973 as a division sales manager and served as vice president and director of marketing in the mid-1980s, retaining good people was just as important as acquiring new businesses. He explained:



Hired in 1973, Wayne Wickstrom served as a Leggett & Platt vice president and director of marketing and sales for the furniture components group from 1985 until his retirement in July 1999. To many furniture industry customers, Wickstrom was Leggett's recognized ambassador.

> *I have always felt that the people Mr. Cornell surrounded himself with ... were really the strength. The growth was not [all] through acquisition, because during my entire tenure, we grew about half internally and half externally. So it took a lot of growth just internally to keep that pace. ... I think it was really the people that we had, and as we did acquisitions, we always kept the people.*[43]

Full Circle

In 1986, Leggett & Platt operated in an environment similar to that of the previous year, with sluggish growth and modestly increased sales in the home furnishings industry. Even so, the stock continued to do well, and the company issued a 3-for-2 stock split in March.[44]

In May, Leggett completed its first acquisition for the year—MPI, Inc., of Fort Worth, Texas. MPI was a leading manufacturer of bonded foam carpet

THE FIRST 100 YEARS: 1974–1977

1974: The Texas sawmill is put up for sale. Foothills Manufacturing, Inc., of Forest City, North Carolina, is acquired. A new technology center is built in Carthage. The Masterack division begins a move across town in Atlanta.

1976: Leggett & Platt exceeds the $100 million sales mark for the first time. The company acquires the Phillips Foscue Corporation of High Point, North Carolina.

1977: Felix E. Wright joins the board of directors. Leggett & Platt takes half ownership of Globe Spring and Cushion Company, Ltd., of Toronto, and acquires Adcom Metals Company, which has operations in Jacksonville, Florida, and Nicholasville, Kentucky. Construction begins on new corporate headquarters outside Carthage.

TOGETHER, AGAIN

Jack Crusa has served Leggett & Platt in various capacities since 1986. In 1995, Crusa was named Leggett & Platt vice president and head of the automotive and tubular products unit. He became a senior vice president in 1999 and served as head of Industrial Materials from 1999 to 2004. Crusa became president of Specialized Products in 2004 and assumed the responsibilities for the company's procurement efforts.

IN OCTOBER 1988, LEGGETT & PLATT purchased Flex-O-Lators, bringing the family of cofounder C. B. Platt back into the company. C. B. Platt's son, Jack, established Flex-O-Lators in 1942, and Jack's sons, Thomas and John, became president and chairman of the board, respectively. The company operated facilities in Carthage; High Point, North Carolina; and Azusa, California. Its product lineup included wire insulators, springs, and suspension systems; plastic and paper furniture edgings; and specialized packaging materials.[1]

The Platt brothers were second cousins of Harry Cornell, Jr. Their grandmother, Willmetta (Leggett) Platt, and Harry's grandfather, Joseph P. Leggett, were brother and sister. Over the years, Harry had maintained a relationship with them, introduced them to Felix Wright, and even arranged for the companies to co-develop a product. When the Platt brothers decided to sell their business, it was only natural that they contacted Harry and Felix.[2]

Jack Crusa, a certified public accountant, joined Leggett & Platt as a group specialist in 1986. He was responsible for the due diligence process and the integration of Flex-O-Lators. After the transition was complete, the new operation reported to him. Jack recently explained some of the history and significance of this acquisition:

> *Jack Platt worked for L. A. Young Spring and Wire until he retired. … He came back to Carthage where a lot of his family still lived. …*
>
> *The Williams brothers, Harold and Frank, were part of a family-run industrial lighting business in Carthage. They held the patent for a product that would be used as a barrier between the springs in a mattress or car seat and the cotton padding material, to keep the padding from poking down into the springs.*
>
> *Jack Platt worked with the Williams brothers and started Flex-O-Lators, primarily to supply that barrier product to the automotive industry. His sons—John, Tom, Muff [Robert] and Fritz [Frederick]—joined Jack at the company after the war ended.*
>
> *When we acquired Flex-O-Lators in 1988, John and Tom Platt were heading the company. Other family members active in the business included four of Jack Platt's grandsons: George, Nick, and Tom Platt, and Jeff Grundy. Nick and Tom still work for Leggett today. Completing that acquisition was sort of like bringing the Platt and Leggett families back together. … That was a great story and a great reuniting of the families who were here in Carthage.*[3]

Although Flex-O-Lators was originally operated within Leggett & Platt's furniture components group, the acquisition would ultimately serve as a springboard for Leggett's growth in the automotive business. David S. Haffner, vice president of operations, and Jack Crusa had established a broader business plan that eventually blossomed into a much larger operation in the company's portfolio.

cushioning, sold through a distributor network in 32 states. The company also produced polyurethane foam for bedding and furniture manufacturers. The MPI acquisition included six plants in Mississippi and Texas, with annual sales of $47 million, and brought Jack Morris, former chairman and principal owner of MPI, to the Leggett & Platt board of directors.[45]

During the year, Leggett & Platt also formed a partnership with a publicly traded Australian company, Pacific Dunlop, to create a new entity known as L&P Foam. Leggett sold its foam plants in High Point and Newton, North Carolina, and Tupelo, Mississippi, to the joint venture. This new partnership then completed a tender offer for the common stock of Crest-Foam Corporation, a polyurethane manufacturing and fabricating company located in Moonachie, New Jersey. Some two-thirds of Crest-Foam's annual $50 million in foam sales were derived from a wide variety of products sold in bedding, furniture, and carpet-cushioning markets.[46]

In 1987, Leggett & Platt rose to 427th on the *FORTUNE®* 500 list of the nation's largest industrial corporations. The company also made *FORTUNE®* magazine's list of "America's Most Admired Companies," ranking second among the nation's furniture industry corporations. This latter recognition was achieved despite Leggett's relative obscurity, as most people outside of the company's key industries had never heard of it. The "Most Admired" designation stemmed from the company's rating in eight categories: Quality of Management; Quality of Products or Services; Innovation; Long-term Investment Value; Financial Soundness; Ability to Attract, Develop, and Retain Talented People; Community and Environmental Responsibility; and Use of Corporate Assets.[47]

At the end of 1987, the company reported net sales of $649.2 million, which marked an unbroken, 20-year record of increased sales.[48]

In 1988, Leggett climbed to 406th on *FORTUNE®* magazine's list of the nation's largest industrial corporations.[49] The company's acquisitions that year began with Collier-Keyworth Company of Garner, Massachusetts. This family-owned operation was a leading manufacturer of chair controls and metal bases for office and institutional furniture.[50]

Leggett next acquired the Berkshire Furniture Company and its manufacturing affiliate, Allegheny Steel and Brass Corporation, both located in

Leggett & Platt's acquisition of MPI, Inc., brought the company six plants that produced bonded foam carpet cushioning and polyurethane foam for bedding and furniture makers.

THE FIRST 100 YEARS: 1978–1980

1978: The company settles two civil antitrust lawsuits, which requires the sale of the J. R. Greeno facility in Cincinnati and the Hominy, Oklahoma, plant, as well as restrictions on future acquisitions. The stock splits 3-for-2.

1979: Felix E. Wright, executive vice president, becomes chief operating officer. Leggett & Platt is listed on the New York Stock Exchange. The company's purchases include shares of the Missouri Rolling Mill Corporation of St. Louis and assets of the De Lamar Bed Spring Corporation, based in Los Angeles.

1980: A patent infringement over the Wall Hugger® mechanism is resolved in Leggett & Platt's favor. The long-awaited Mira-Coil® is now in limited commercial production.

Chicago. Berkshire was a leading supplier of brass and white iron beds and wood and metal daybeds to retail businesses. Allegheny manufactured Berkshire's products and supplied related components and semi-finished products to other home furnishings manufacturers.[51]

An interesting acquisition in 1988 was Wilcox Industries, Inc., dba Indiana Chair Frame (ICF), which made chair assemblies, and later office panel systems, for federal and state prisons. These seating and panel systems, assembled by inmates, provided safe and meaningful work for those who qualified for work programs. Their pay served as restitution for victims or was used to offset prison-housing costs in addition to saving the federal and state governments untold sums of taxpayer dollars.[52]

Atypical of previous acquisitions, ICF reported directly to Lance Beshore, a member of the corporate staff. With a doctorate in political science, Beshore had joined Leggett & Platt in 1980 as the company's first manager of public affairs. In that role, Beshore pursued the company's legislative aims, building strong relationships with legislative leaders at the state and federal levels. Following the acquisition of ICF, Beshore guided the development of Leggett & Platt's governmental sales, expanding those sales in the United States and into the United Kingdom.

End of a Decade

In the spring of 1989, Leggett & Platt purchased one of its longtime suppliers, Culp Smelting & Refining Company of Steele, Alabama. The smelting operation produced aluminum ingot (from aluminum scrap), which was sold to a wide variety of customers who used the material to make die-cast, sand-cast, and permanent-mold aluminum products. The acquisition was a natural fit for Leggett & Platt, providing it with an additional resource for raw materials and substantial purchasing leverage in secondary aluminum ingot.[53]

Also, in the spring, Leggett & Platt acquired Webster Spring Company, Inc., and Webster Wire, Inc., of Oxford, Massachusetts. Webster Spring produced wire components used by mattress and box-spring manufacturers. In addition to its Oxford facility, the company made bedding components at plants in South Carolina, Pennsylvania, Texas, California, and Kentucky. Webster Wire was the drawing mill component of the company's operations, supplying wire to Webster Spring plants as well as other wire fabricators.[54]

Sandy Levine, a son of Webster's founder and the leader of the business, approached Leggett & Platt with the acquisition idea. Levine had known Harry Cornell, Jr., for many years, and the two enjoyed a cordial relationship. Leggett & Platt and Webster served territories that only slightly overlapped. In fact, according to Levine, the idea to create

Lance Beshore joined Leggett & Platt in 1980, establishing the company's first public affairs function. He is currently vice president of public affairs and government relations.

THE FIRST 100 YEARS: 1981–1983

1981: Leggett forms an international division to pursue opportunities overseas.

1982: Harry M. Cornell, Jr., president and CEO, becomes chairman following the death of his father, Harry M. Cornell, Sr. Karl G. Glassman joins the company as a sales representative.

1983: Leggett & Platt celebrates 100 years of operation. The company sells 313,500 shares of common stock from its treasury and later issues a 2-for-1 stock split. Acquisitions include the Nachman Corporation of Des Plaines, Illinois; the Cyclo-Index Corporation of Cleveland, Ohio; Parthenon Metal Works of La Vergne, Tennessee; and the Bedline Manufacturing Company of Los Angeles. Harry M. Cornell, Jr., and Felix E. Wright hire David S. Haffner, who joins the company as a group vice president of operations.

the Webster Wire mill to serve the Webster Spring plants grew out of a visit he made to Leggett & Platt's wire-drawing mill in Carthage.[55]

At the end of the decade, *FORTUNE*® magazine listed Leggett & Platt as the 371st-largest industrial corporation in the United States. Leggett's acquisitions in the 1980s exposed it to new markets and greatly broadened its operations, but the coming decade would bring greater expansion than ever before.