

## THE BEST TO YOU EACH MORNING

W. K. Kellogg and Kellogg Company

The cereal health food revolution began in Battle Creek during the last years of the nineteenth century at the Sanitarium directed by Dr. John Harvey Kellogg. It was his younger brother, Will Keith Kellogg, who spread the benefits of this revolution to millions around the world.

### **The early years**

On April 7, 1860, Willie Keith (later known as Will or W. K.) Kellogg was born in the small Midwestern manufacturing town of Battle Creek, Michigan. His parents, John Preston and Ann Janette Kellogg, were devout Seventh-day Adventists who had been instrumental in bringing the headquarters of the new but growing denomination to Battle Creek. The seventh son in a family of eleven children, W. K. went to work at age seven in his father's struggling broom factory and on the family's farm plots around town.

Although he attended both public school # 3 near his house and the newly-established

Adventist "select school," Kellogg's formal education was minimal. He had difficulty in class, which he later realized was due to undiagnosed poor eyesight. This childhood experience contributed to his adult determination to help poor children receive early medical screening.

When he was fourteen, W. K. left school and became a traveling salesman for Kellogg and Sons broom factory. Within the next three years Kellogg demonstrated such an aptitude for sales that he was sent to Dallas, Texas, to oversee a broom factory owned by Adventist elder James H. White.

After a year in Texas, Kellogg returned to Battle Creek, anxious to receive more education. He enrolled in the Parsons Business College in Kalamazoo and completed a basic bookkeeping and "commercial paper" course in a record three months. In the spring of 1880 the twenty-year old Kellogg was ready to embark on a new career.

### **A new job at the San**

Only four years earlier his brother, Dr. John Harvey Kellogg, had completed medical school and returned to Battle Creek to assume the leadership of the Adventist Health Reform Institute. Under his dynamic direction, the institution was thriving and was on its way to becoming one of the world's foremost health and diet reform centers.

The doctor offered his younger brother a position at the Battle Creek Sanitarium, as the Health Reform Institute was renamed. For \$6.00 a week plus board and room, W. K. filled a variety of roles including, "bookkeeper, cashier, packing and shipping clerk, errand boy and general utility man."

With a new job and a regular salary, Will Kellogg was ready to marry his sweetheart, Ella "Puss" Davis, whom he had been courting for over a year. After the wedding in November 1880, the young couple set up housekeeping in three furnished rooms near the San. Each day W. K. rode to and from his office on an "old, tall-type high wheeler bicycle."

When children arrived and made it difficult to manage on his meager salary, W.K. was obliged to go into debt. He reflected in his diary, "I feel kind of blue. Am afraid that I will always be a poor man the way things look now." He supplemented his income with a commission on the sale of Dr. John Harvey's medical books.

At the Sanitarium, Dr. John Harvey Kellogg drove himself, and everyone around him, to exhaustion. In his memoirs, W. K. reported that, "Dr. Kellogg was a prodigious worker. He worked long hours and was not only willing but insisted that others work with him. ... One year I kept a record of the number of hours I was on duty for the sanitarium. This record shows that one week I was on duty 120 hours. ... Saturday [the Adventist Sabbath] was the rest day at the sanitarium. However I was expected to open the heavy mail on that day as on other days in order to have the porter meet the trains on which patients might be arriving, since some of them might require an ambulance."

W. K.'s duties included serving as "unofficial business manager," responsible for all the non-medical correspondence for the hospital and all the auxiliary organizations. As credit manager, he collected bills as well as arranged for the charity cases accepted at the San. He continually found himself torn with compassion for needy patients who could not afford the hospital's fees. He confided to his diary his wish that someday he would be "in a position to help people to help themselves." It would be more than thirty years before W. K. would have the resources to implement that dream.

### **Making and marketing health foods**

Dr. John Harvey Kellogg continually sought to develop new health foods for his patients. W. K. was intimately involved with the work of the hospital's experimental kitchen, which were established in 1880 under the direction of Ella Eaton Kellogg, the doctor's dietitian wife.

In 1894 a series of accidental discoveries led to the development of the wheat flake. The Kelloggs left a batch of boiled wheat kernels standing overnight before putting them through rollers. When they returned the next day they were surprised to discover that each kernel produced a large flat, perfect flake after this inadvertent "tempering." When these flakes were baked, the brothers found that the resulting toasted product was tasty. This cereal, known as Granose, was served to Sanitarium guests and was sold through direct mail to former patients.

Because the Sanitarium's Board of Directors did not want to bear the expense of the experimental work on new health foods, the Sanitas Food Company was established to develop and sell the food products. The profits went to Dr. Kellogg, who used the funds to support his family of over forty adopted children, since he did not take a salary from his medical work at the San. W. K. was named manager and received a quarter of the net profits in lieu of additional salary.

W. K. yearned for the freedom to use his marketing and advertising ideas to increase the sales of the Sanitarium products. But he bowed to the dictates of his brother who believed that such promotion would be incompatible with the image of a medical institution.

W. K. later remembered that "about 1898 the health food business ... was continuing to grow. Orders were coming in so rapidly with so little effort ... that it seemed to me that there was a great future for the food business ... I recall having offered a suggestion that ... the food company would develop in such a manner that the sanitarium would be only a side show as to the magnitude of the food business. I confess at the time I little realized the extent to which the food business might develop in Battle Creek."

One of the reasons why the food business did develop in Battle Creek was the success of C. W. Post in marketing cereal-based products. As a patient at the San in 1891, Post was intrigued by the potential of several of the cereal-based health foods. After he left the hospital Post moved across town and began manufacturing Postum and Grape-Nuts. Between 1895 and 1900 his company's sales made Post a millionaire. This remarkable success inspired a host of imitators and during the early years of the twentieth century Battle Creek was caught up in a "cereal boom."

During this period, many of the would-be cereal makers tried to hire Sanitarium or Sanitas Food Company employees to provide the expertise they needed to begin production. After the Sanitas Food Company plant burned, guards had to be posted at the rebuilding site to keep competitors from learning any manufacturing secrets.

When the \$50,000 state-of-the-art fireproof Sanitas building was complete, Dr. Kellogg suddenly announced that he had not authorized the expenditure and that W. K. was personally responsible for the cost. Meeting this unexpected financial burden strained the relationship between the two brothers.

### **Leaving the San**

In 1902, W. K. finally decided to leave the Sanitarium after twenty-two and a half years and begin his own corn flake company. He told his older brother that he would "continue looking after his personal interests until his debts, then amounting to about \$63,000, were paid, and then I was going out for myself."

However, on February 19 a fire swept through the Sanitarium, destroying the buildings and threatening the very existence of the institution. W. K. was unable to walk away from the institution to which he had devoted his entire adult life. He reported, "Since Dr. Kellogg was not in town and since the sanitarium seemed part of my life work, I met with the members of the Board and offered to come back to work for nothing and board myself as long as my services were needed. ... During the building of the new sanitarium building, I was given the job, in addition to my other work, of securing money with which to pay the bills. It frequently happened that on Thursday or Friday the treasury was without funds but in one way or another I secured the funds so that the payroll was never defaulted. These two and one-half years which completed my work of twenty-five years with the San were the hardest years of my life, and no amount of money would tempt me to repeat those years."

### **The Battle Creek Toasted Corn Flake Company**

At age 46, W. K. Kellogg was finally free to establish his own company. On February 16, 1906, articles of association were drawn for the Battle Creek Toasted Corn Flake Company. The majority of the shares of stock in the new venture were acquired by Dr. Kellogg. But in less than a year W. K. purchased the outstanding shares and was the majority owner of his company.

W. K. moved across town and purchased the former Hygienic Food Company building on Bartlett Street. While that factory was being refurbished, Kellogg leased space in the Sanitas Food Company so that he could begin immediate production. In April he began advertising in regional newspapers, which produced promising results. A national advertising firm was hired and soon the small plant was manufacturing 1,000 cases a day and still falling behind on orders. In October 1906 Kellogg increased his production capacity by purchasing the nearby four-story former Norka cereal plant.

A year later 300 employees were producing almost 4,000 cases of corn flakes daily. Although there were at least eight other brands of corn flakes on the market at this time, W. K. Kellogg's new company was creating a niche for itself and growing rapidly.

Then, on the morning of July 4, 1907, fire, the scourge of manufacturing in this era, destroyed the Bartlett Street plant. By that afternoon, Kellogg had engaged the Chicago architect M. J. Morehouse to draw plans for a new factory. W. K. also made immediate arrangements to continue production. The capacity of the former Norka plant alone was not sufficient, so again he returned to the Sanitas Food Company and leased space while his new fireproof plant was under construction. Ground was broken for the new brick factory in August 1907.

In this period the company began developing an image independent of the Sanitarium. The name "Kellogg's" replaced Sanitas on the cereal packages and the "Sweetheart of the Corn" was introduced as the company's symbol.

By January 1908 the Number One building of the present factory complex was in operation. Kellogg was finally able to consolidate all his machinery in one structure and he no longer needed the Norka or Sanitas facilities.

### **Early success through advertising**

The young firm continued to be successful. By August 1909 output exceeded 120,000 cases of cereal and W. K.'s son, John, was made plant manager. As the company entered the new decade, additional products were introduced. The first were Kellogg's Shredded Whole Wheat Biscuits and Kellogg's Krumbles, followed by Drinket, a hot drink for children, Kellogg's Bran Flakes and Kellogg's All-Bran.

Extensive advertising and distribution networks were important elements in the company's success. Shortly after his new plant opened, W. K. Kellogg made an extended trip around the country to contract with brokers to stock his product for resale to jobbers, who then sold the cereal to retail grocers. The Toasted Corn Flake Company paid special attention to this distribution system. An entire Service Department was devoted to producing ads, store displays, slides to use in movie theaters, even stationery for the grocers around the country who stocked their product.

In addition to creative newspaper advertisements, Kellogg employed a variety of promotional techniques. As early as 1903, Kellogg had used door-to-door sampling to introduce Sanitas products to consumers. Kellogg Company continued to use this technique extensively until World War I.

Before he ran his now-famous ad in the July 1906 Ladies Home Journal telling housewives that an adequate quantity of Sanitas corn flakes could not be produced, Kellogg had test marketed

the ad campaign in Dayton, Ohio. This was a very early use of this technique, which is now universally accepted.

To catch the consumer's attention, Kellogg also used novelty advertisements. A eight foot "walking ad," a papier mache ear of corn, appeared on the streets of Dayton at the same time that the newspaper ad was being tested in local papers.

Kellogg was one of the first to use large-scale outdoor advertising. In 1912 he built the largest advertising sign in the world at that time in Times Square in New York. He later installed a similar electric sign in downtown Chicago.

After working for twenty-five years at the Sanitarium, W. K. Kellogg understood the importance of eating healthy foods. But he believed that consumers would eat more of the foods which were good for them if these foods were tasty and appetizing. Therefore he decided to market his corn flakes as "the kind with the flavor," rather than only emphasizing their nutritional value. He also reasoned that there were more healthy consumers than sick ones.

The Kellogg brothers were from the same family, but they were very different in personality and in their missions. Dr. John Harvey Kellogg devoted his boundless energy and charisma to educating the world about the value of Biologic Living or the "Battle Creek Idea." He was never interested in making money beyond what it took to operate his beloved Sanitarium.

### **The Kellogg brothers**

For the twenty-five years he worked at the Sanitarium, W. K. was not free to use his creative business ideas. However during these years W. K. did learn the value of diet reform, the role of nutritional foods in maintaining health and the mechanics of the cereal manufacturing business. This knowledge served him well as he guided his own company.



After their paths diverged, the brothers turned to the legal arena to resolve their differences. A series of lawsuits contesting the rights to use the Kellogg name in marketing flaked cereal were filed between 1910 and 1920. Horace Powell, W. K.'s biographer, described the legal conflicts in which the brothers "alternated as plaintiff and defendant" as a result of "two able, ambitious, and uncompromising men [who] had equally sincere claims to the use of the Kellogg name in the field of food merchandising."

In 1922 the name of the company was changed from the Battle Creek Toasted Corn Flake Company to Kellogg Company. Three years later W. K.'s son, John L. Kellogg was named president. During that decade the company marketed products around the world. Sample packages were printed in more than a dozen languages, including Hebrew, Danish and Chinese.

### **The sense of stewardship and philanthropy**

As the company expanded and W. K. Kellogg's personal fortune increased, he became increasingly mindful of the obligations which wealth imposed.

In 1930 he spoke to longtime company employees, recalling: "In the early days we passed through many strenuous times and had many anxious hours, not always knowing where funds were coming from to take care of the next week's payroll. I never, at any period of my life, aspired to become wealthy, but the fierce competition perhaps developed a fighting spirit, and in the effort to secure our share, the business has succeeded. It is my hope that the property that kind Providence has brought me may be helpful to many others, and that I may be found a faithful steward."

This sense of stewardship took several forms. W. K. had made many private and anonymous, gifts to employees over the years. However by the mid 1920s he decided to "invest his money in people" on a larger scale. In February 1925 he asked three friends to organize the Fellowship Corporation to study the needs of the children in the community.

Over the next five years W. K. funded almost a million dollars worth of projects in the Battle

Creek area, including the Associated Boys Club Building, Altrusa Day Nursery and the Boy Scout camp at Sherman Lake. As a result of a childhood accident which permanently injured his grandson, Kellogg funded a program at a local elementary school to mainstream handicapped children. The Fellowship Corporation also supported a variety of activities related to health and agriculture.

It was soon apparent that a full time organization was necessary to administer the breadth of Kellogg's charitable interests. In 1930 the W. K. Kellogg Child Welfare Foundation was established with a million dollar endowment. A few months later the name was changed to the W. K. Kellogg Foundation. Before he died in 1951, Kellogg donated approximately 45 million dollars to be used around the world addressing educational, health and agricultural needs.

As the Depression worsened, Kellogg's concern for his employees, his company and his city deepened. In 1931 he returned as president of the company and guided the business through dangerous times with daring and compassion. Despite progressively worsening eyesight, culminating in eventual blindness, W. K. continued to be actively interested in company affairs until his death.

### **The legacy of W. K. Kellogg**

On October 6, 1951, W. K. Kellogg died at the age of 91. His body laid in state for three days in the main lobby of the company office building so that workers of all shifts could pay their respects. After a private family funeral, he was buried in Oak Hill Cemetery in Battle Creek, next to his wives and two infant children. ]

His close friend and business advisor Arch Shaw appraised W. K. Kellogg's approach to business. "The essence of W. K. Kellogg as a businessman was simplicity, for Mr. Kellogg,

along with his business genius, had also some of the traits of the artist -- certain intuitions and sensitivity through which he could 'get the feel' of a matter. ... He had intuition which told him when to act and how to act. He arrived at his best decisions through such intuition. Business, then, was an art to him and he achieved rich satisfaction out of his work over and above the money he made from it. In a tactical victory he gained a confirmation of his imagination and his instincts -- great satisfactions to a creative man."

W. K. Kellogg was indeed creative, as a businessman and as a philanthropist. He participated in the discovery of one of the important food products of the modern era. He developed the world's largest cereal and breakfast product company. He used his wealth to improve the lives of literally millions of people around the world through the philanthropies of his foundation.

The flaked cereal health food developed at the end of the nineteenth century at Dr. John Harvey Kellogg's Battle Creek Sanitarium was spread around the world by the companies formed by C. W. Post and W. K. Kellogg. In their different ways, each of these three good men contributed to, and benefited from, the success of Battle Creek's "golden" flakes.

Every morning we enjoy the results of their efforts to bring a convenient, nutritious and tasteful cereal to our breakfast tables.