

John Gideon "Jack" Searle was born March 18, 1901. Jack was the grandson of Gideon Daniel Searle, a druggist who began manufacturing his own drugs in 1890. By 1908, Gideon Searle's company "had carved out a special niche in the pharmaceutical business" (p. 58) and formally incorporated the name G. D. Searle and Company. Gideon Searle's "special market was a group of doctors that made their own medications for their patients" (p. 58), rather than sending them to a drug store. The business operated from Iowa to Ohio, and in Missouri and Kentucky, and carried many different products. Gideon Searle's son, Claude Howard Searle, became president when Gideon died in 1917. Claude Searle then began to emphasize research in order to improve existing products.

Jack Searle began working for G. D. Searle and Company at age 14. His first job was removing cascara from granulating pans, among other duties, during the summer. Throughout high school and college, Jack spent his summers working at Searle. When he graduated from the University of Michigan with a degree in pharmacy, "he had first hand knowledge of a wide variety of jobs in the company and knew every employee personally" (p. 59). Jack became a buyer at Searle in 1923, and then was appointed office manager and treasurer.

In 1931 Jack became vice president and general manager of Searle, a position he held until 1966. Searle was facing a crisis about the time Jack became general manager. Sales dropped significantly during the Great Depression beginning in 1929, and "the federal government suspended the company's license to manufacture arsenical chemicals" (p. 60).

Instead of cutting back production, laying off workers, and waiting for better economic times, Jack Searle used a different strategy to deal with this crisis. Only about 30 of the more than 2,000 products made by Searle were profitable. So Jack reduced Searle's product line to these 30 items. Jack then expanded Searle's marketing effort nationwide. This began with the marketing of Aminophyllin, a product used to treat heart problems. Jack also directed company research efforts towards unique products that could be marketed nationally.

Jack firmly believed that the markets sought by Searle "should fill product niches not being serviced by the other pharmaceutical firms" (p. 61). Jack realized that Searle did not have the financial resources to directly compete with product lines offered by larger pharmaceuticals. He resisted direct competition, even refusing to enter the popular penicillin market during World War II.

Jack Searle's strategy was largely successful because of the company's ability to develop new products. One of these products, Metamucil, was introduced in 1934. Metamucil was the first laxative that was effective but not irritating. Metamucil was a money-maker for 45 years, and was the largest selling laxative in the U. S. as late as 1979. Another new product was Dramamine, developed originally as an antihistamine. After a Doctor at Johns Hopkins Hospital found that it was effective against motion sickness, Searle launched a new research effort to test this finding. In 1949 general practitioners began prescribing Dramamine. Both of these products met customer needs, were very profitable, and had little research competition from other pharmaceuticals.

After adopting this new strategy, Jack began "selecting several key executives to implement his grand vision" (p. 61). Although Jack "was a man of strong will who insisted on involving himself in most decisions" (p. 61), he chose finance, research, and marketing executives who were equally strong. "The four men then proceeded to work together as a colorful, yet effective team" (p. 61).

Jack hired Paul E. Tillman to manage Searle's finances. Tillman had been working at a prosperous contracting, which was "wiped out by the Great Depression" (p. 61). He learned accounting "by taking evening courses at the Walton School of Commerce and the Y.M.C.A. in Chicago" (p. 61). Tillman's ability to control costs "may well have been the key factor enabling Searle and Company to avoid bankruptcy" (p. 62) during the 1930's.

In 1936, Dr. Albert L. Raymond, an excellent research scientist with a Ph.D. in chemistry, was brought in to "organize and direct the revised research program" (p. 62). Raymond's first assignment "was to restore the company's honor by solving the problems that led the government to suspend Searle's license for arsenicals" (p. 62). Although he accomplished this task, Searle never marketed the product. Jack Searle wanted only to "restore the company's good name" (p. 62). Raymond's long-term assignment "was to develop patentable specialty products that fit the new company strategy" (p. 62).

In 1942, when Jack became dissatisfied with the marketing effort of the company, he asked an old friend, Franklin P. O'Brien, to become head of Marketing. O'Brien was a "college graduate and an Ex-Army officer" (p. 62) and was working in real estate when Jack offered him a position at Searle.

"O'Brien, Raymond, Tillman and Jack Searle made a highly effective management team" (p. 62). Even though Jack "ran the organization with an iron hand" (p. 62) and made all the final decisions, he also respected and relied on his key executives. They, in turn, accepted his management style. "The result was rapid growth and impressive profitability for many decades" (p. 63).

"By 1950 Jack Searle's strategy had proved to be a winning concept and the company had grown to the point where it was ready to make a public offering of its stock" (p. 64). The company was later listed on the New York Stock Exchange. Searle was one of the most profitable companies in the pharmaceutical industry, and its stock was considered "high grade" (p. 66) in the 1960s. Sales revenue had risen to almost \$33 million by 1958, and with "the success of the birth control drug, Envoid, sales almost tripled, reaching \$113 million in 1964" (p. 66). In 1966 Jack Searle's son, Dan, assumed the presidency of Searle and Company.

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