

❖ Inspirational Figures ❖

Milton Hershey: Sharing the Sweet Life

One day during the Great Depression, a building contractor took his employer on a tour of their construction site. The contractor pointed to his new steam shovel and bragged that it did the work of forty men. His employer was appalled. "Take it down," he demanded, "and hire forty men."

This scene took place in the town of Hershey, Pennsylvania, and the employer was Milton Hershey, creator of one of America's greatest companies and a role model for entrepreneurs and philanthropists everywhere.

BEGINNINGS

Born in 1857 in the farming community of Derry Church, Pennsylvania, Milton Snavely Hershey entered the world at a time when chocolate was a rare European luxury. Raised by his strict Mennonite mother and daydreaming father, Milton learned to value both hard work and imagination.

He dropped out of school after the fourth grade and soon found himself apprenticed at a print shop in Lancaster, Pennsylvania. According to legend, Hershey so disliked the situation that he purposely dropped his hat into the printing press, getting himself fired.

Fortunately, Milton's next apprenticeship was a better fit with his interests. He took a job at Joseph Royer's Ice Cream & Candy Shop. Milton shone as a candy maker, experimenting with recipes and turning out delicious peppermints and caramels. After four years in Royer's shop, nineteen-year-old Milton Hershey decided to strike out on his own in 1876. He set up shop in Philadelphia, where he knew people would be congregating to celebrate the nation's 100th birthday.

YOUNG ENTREPRENEUR

Unfortunately, by the nation's 106th birthday, Milton Hershey had shuttered his shop in Philadelphia. His penny candies were popular, but unprofitable. Hershey's relatives poured capital into his business, but it failed anyway.

Hershey briefly worked for a caramel maker in Denver, Colorado, but wanted his own candy company. He tried again in Chicago, New Orleans and New York, but could not make a

living producing candy. Worse, he had worn out his family's financial support, so when he returned to Lancaster to start another company, he had no capital and very little moral support.

But a friend was impressed by Milton's determination and offered him a place to stay and a small investment to launch the Lancaster Caramel Company. Building on the fresh milk recipe he learned in Denver, Hershey created a delicious and very popular caramel that he sold from a pushcart.

Entrepreneurs are highly regarded for their independence, but every successful businessperson relies on a lot of help from a lot of people. Milton Hershey's big break depended on two extraordinary individuals: a customer from England who

placed a huge order, and a banker who broke the rules.

To fulfill his new customer's order for caramels to sell in Europe, Hershey needed money to expand his operations. Despite the candy maker's lack of collateral and history of failure, a bank officer personally co-signed Hershey's loan, taking the repayment risk upon his own shoulders. The banker saw the fire in Hershey's eyes when he asked for the loan, and he saw the glow of triumph in Hershey's eyes ninety days later, when he repaid the loan in full.

The order from England led to many more orders, and by the age of 35, Milton Hershey was one of the richest men in Lancaster. Better still, he loved his work.

Every day Hershey set about creating new caramel recipes, shoulder to shoulder with his employees. He was obsessed with quality; he wanted to make the best candy in the world.

SELLING EVERYTHING FOR CHOCOLATE

The 1893 Chicago World's Fair proved a turning point for Milton Hershey, because the German exposition featured machinery that made chocolate. How could a man with Hershey's sweet tooth not buy it? He brought the equipment to Lancaster and began producing chocolate in all sorts of novelty shapes.

Hershey's caramel recipes had been improved by the use of fresh milk. Now he thought about milk chocolate. At that time,



dark chocolate was prevalent because milk chocolate, although delicious and creamy, was too difficult to make. But Hershey was a restless experimenter. You might also call him America's first chocoholic; he was obsessed with chocolate.

In 1900, Hershey made three very bold moves. First, he sold the Lancaster Caramel Company for one million dollars, but he retained rights to the chocolate business. Second, he tinkered with recipes until he invented Hershey's Milk Chocolate Bars, which were an instant success and still fly off store shelves 108 years later. Third, having decided to become the biggest chocolate maker in the country, Hershey elected to build a new factory - in the middle of nowhere!

THE FAIRYBOOK FACTORY TOWN

Milton Hershey's dreams led him right back to the place he was born: Derry Township. He chose the place for its open space, clean water, nearby railroads, and cows. Hershey was going to need a lot of milk to become the biggest maker of milk chocolate, so building his factory in the middle of dairy farms made sense, but how do you staff a factory located so far from the city?

Hershey's answer was to build a factory, and then build a town around it. But unlike the other barons of his era, Hershey did not build a ghetto for his workers. Hershey built one of the loveliest towns in the world. Instead of building row houses, he

ries of John Maynard Keynes, but during the Great Depression, he did for the town of Hershey what the federal government would eventually do for the nation. Hershey commissioned numerous building projects and civic improvements to keep people working. During the Depression, no workers in Hershey, Pennsylvania lost their jobs.

Near the end of his life, Milton Hershey got yet another opportunity to help others. He and his coworkers developed a Field Ration chocolate bar for the United States Army. Essentially, this was a vitamin-fortified chocolate bar that did not melt. Many WWII vets would tell you that D Rations were much more than a source of nutrition; they were a source of happiness amid the horrors of war.

Cynics might question the nobility of Hershey's behavior during the depression, since saving the town and factory was a way of saving his own fortune. What few people know is that Hershey had already given away his fortune.

GIVING IT ALL AWAY

During the early days of his success, Hershey liked to visit the candy shops selling his Lancaster Caramels. At one store, he met a young sales clerk named Catherine Sweeney. He fell in love with Kitty, and they were married in May of 1898. Milton and Kitty had no children, and in 1909, Kitty suggested they provide a home and school for needy children. Milton

“Give them quality. That’s the best kind of advertising in the world.”

— *Milton Hershey*

built cottages with yards, and required the builders to vary the designs so the houses did not all look alike. Milton Hershey figured out that happy workers do better work, and his business and his town flourished. He built parks, golf courses, trolley lines, and even a zoo.

In order to qualify for a post office, the town needed a name, so Hershey held a contest to let his workers name the town. The winning entry was Hersheykoko, but the postmaster rejected it, insisting on the shorter Hershey. Today, Hershey, Pennsylvania is one of the most visited tourist attractions in America. By 1905, the factory and town were humming, and by 1907 the company introduced Hershey's Kisses.

In addition to his manufacturing and management innovations, Milton Hershey also excelled in marketing. He understood the power of market share before the expression was coined, and ramped up production to lower his costs. He sold his candy bars and kisses for pennies, using new distribution channels to saturate the market. While others sold their candies in candy shops, Hershey distributed Hershey Bars and Kisses to newsstands, bus stations, and grocery stores - anywhere someone with a few cents might want a treat. As a result, the name Hershey became synonymous with chocolate.

DEPRESSION AND WAR

We doubt that Milton Hershey ever read the economic theo-

agreed, and they started the Hershey Industrial School at the Hershey Homestead.

Sadly, Kitty took ill shortly after they started the school, and she died in 1915. Grief-stricken, Hershey in 1918 honored the great love he felt for Kitty by donating his entire fortune - approximately \$60 million - to the school. The press was not notified.

The continued success of Hershey's company led to additional philanthropic activities after Milton's death in 1945. The Milton Hershey School still serves needy children to this day, and the Milton S. Hershey Medical Center of The Pennsylvania State University was founded in 1963 with a \$50 million donation.

WHAT CHARACTER BUILDS

Parents often tell their children that hard work and adversity build character. These things do build character, but *Milton Hershey's story reminds us of what character can build*. Hershey worked hard, embraced new ideas, and earnestly desired to see people happy. These traits helped build one of the world's most successful companies - for over 100 years! They also built a town, a school for needy children, and a medical school. Moreover, Milton Hershey brought smiles to soldiers far from home and to chocolate-loving children - of all ages - all over the world. ▲