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Interview with
Paul Voertman
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Place of Interview: Denton, Texas

Interviewer: Floyd Jenkins

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Business Oral History Collection

Paul Voertman

Interviewer: Dr. Floyd H. Jenkins

Place of Interview: Denton, Texas

Date: June 24, 1977

Dr. Jenkins: This is Floyd Jenkins, North Texas State University, of Business, interviewing Mr. Paul Voertman of Voertman's book store, Friday, June 24, 1977.

Dr. Jenkins: Lets start with your recollection of your family background as it leads up to the founding of the store and to your eventual involvement with it and maybe the extent of your family's involvement.

Mr. Voertman: Alright. My father, prior to starting the store in 1925, was a traveling salesman in the early days of wholesale, general wholesale merchandise with Blackwell-Wielandy out of St. Louis. His territory was basically in the West, Colorado, Wyoming, western states. Very quickly he ended up with a rather massive heart attack. In those days treatment for that sort of condition turned out to be a little funny. He was put in bed for a year and complete rest for a year. The doctor said that he couldn't go back to actually rather strenuous activity, physical activity in the sense that

in those days a traveling salesman carried immense trunks of samples. You set up sample rooms in any little town. In other words, when he would come into the town he might, if it was of size enough, take a hotel ballroom and set up all the samples and write orders. So that he started looking at stores all in the perimeter outside of St. Louis. One of the stores that he looked at was a little sort of drug store, ice cream parlor, a little bit of merchandise across from what was then Texas Normal or North Texas, it was a Normal College at that time.

Jenkins: This is up on the...

Voertman: No, it was across...

Jenkins: Right here. Oh, it was after the ...

Voertman: Yes. This was in 1925, and in 1925 the university was where it is and the store is where it is now.

Jenkins: So this is the original.

Voertman: The building in the center of this complex of buildings.

Jenkins: Which includes the present store.

Voertman: Yes. It is the what is now the present gift department. That little area approximately 2300 square feet or so was the original store. It had second story. The part of the building where you see where the old brick super-structure comes on out for a second story was the original store. It was a, as I say, a funny little sort of drugstore. A college hangout sort of thing.

Jenkins: Like Pender's or something?

Voertman: Right. Very, very small store. My father, of course, with the financial assistance of my grandfather purchased the store and rented the building from Mr. Hodges. Mr. Hodges had some connection with the school and owned a large rooming house west of the store. His wife ran the rooming house. Former President Bruce lived behind the rooming house in a small house.

Jenkins: Bruce was president. I remember that name.

Voertman: Bruce was the president who lived behind. I may be faulty in my recollection here. I'm remembering childhood memories. The Hodges, I'm trying to remember ----. Mrs. Hodges ran the boarding house. The university at the school at that time was ringed with big old two-story private boarding houses. The school had no dormitories as such. Those came later. basically the first dormitory that first was built in mid 30's with WPA fund, type funds, different funding that were done during the depression.

Jenkins: Is the dormitory still here?

Voertman: Yes. The first dormitory was probably McConnell, no

Jenkins: Carroll? Marquis?

Voertman: Marquis. Marquis Hall was the first dormitory. But anyway, dad began to change the store from a drugstore hangout sort of thing to what at that time was a school supplies. School supplies basically then wer bought from wholesalers. Blackwell-Wielandy. of course, was one of his major sources.

I remember as a child when the fall shipments of things from Blackwell-Wielandy came in. They came in giant wooden crates, and they were unloaded back into what was a small receiving area in the back of the store.

Jenkins: Give us the name. Black----

Voertman: Blackwell-Wielandy. It's since been in bankruptcy courts for a few years was sold out to another office supply chain-- But it's changed.

Jenkins: No longer exists?

Voertman: It still exists, stragely enough, but its now part of another what is basically an office supply wholesaler. In the South, practical drawing in Dallas, was a sort of equivalent, but wasn't of the size of Blackwell-Wielandy. It covered the Midwest out of St. Louis. Most things were not ordered direct from maufacturers in the South at that time. In other words the market was not large enough that you could do as we do and order this item from a particular company and things were bought from wholesalers. Anyway, the store prospered summer was the busiest sales period. From my father's tales, summer was the big time, because you had all the teachers coming back, the people who had their teaching certificates. They weren't coming back for graduate work, they were coming back to finally finish their bachelor's degree. In other words, with two years of college you could go out and teach if you had a teaching certificate, and then you had to come back and go

to school the next year to have renewed. In other words, teaching certificates were issued contingent on continuing your education. Summer school was equal to the fall enrollment in the late 20's and early 30's. Of course, 1929 hit and at first didn't seem to have that much effect, remembering my father's stories 1930 was a little bit of a problem, but as we hit about 31, 32, things got very rough. My father had built up some rapport with the local banker at the time, at the county bank, borrowing money at the first of the month to pay bills, paying it back part of it back by the fifteenth, borrowing again for payroll, that sort of thing. So it was a sort of constant struggle.

Jenkins: Was that Denton County National Bank?

Voertman: Denton County National Bank.

Jenkins: You have any idea who -----?

Voertman: I knew you were going to ask that .

Jenkins: (chuckle)

Voertman: I knew him as a child and I'll be damned if uh, he was president up until late 40's and

Jenkins: We both, I would probably recognize his name if I heard it.

Voertman: I know him and I can see him. He lived across the street from us. But I'm drawing a blank. His wife up until, and I assume still does, may have lived in Denton until just a few years ago. She moved back, they moved away from Denton.

Jenkins: I think I know who you're talking about, too then. I can

see him.

Voertman: She has, yeah, she developed flebitis in the 50's I guess. But anyway, my name calling ability is very, if you catch me unawares I can call people by name but the minute I start trying to think of it I'm lost. Anyway, the early 30's I remember being particularly strenuous. But at that time the store opened at like 7:00 in the morning and closed at, oh, early 30's still was closing at 9 or 10 o'clock at night. It had a fountain and sold sodas and whatnot to people in the evening. Then in the mid-30's I guess in 1935, about 35 I should have looked up some of these dates, my father bought a little building at T.W.U. at 1419 Oakland -- which became the first T.W.U. store. He paid 1700 dollars, I noticed that because we're in the process maybe of selling that building. He purchased the building from a Loan Company that had foreclosed on a mortgage.

Jenkins: Well, are you planning to sell the building and keep the store?

Voertman: No, this is the original T.W.U. store, the store we built.

Jenkins: Is not the original?

Voertman: Is not the original, no. The original store is up the street on Oakland. The building we still own.

Jenkins: North?

Voertman: Yes. North. It's the end building in that little row of buildings across from what used to be dormitories. And then

the following year with my grandfather's money again, my grandfather in the meantime had bought from Mr. Hodges the building and oh, approximately 20 feet on the west which was a driveway and then oh, 40 feet to the east, the property existing there and doubled the size of the store. Well, more than doubled the size of the store and a warehouse was also added to the back. And that was done in like 1936 in the height of the depression, and the second story which had been basically vacant or rented out most of the time to a beauty shop was turned into five apartments across the top of the store. Really a major renovation for those days. The expansion included what would now be most of what is now the school supplies, art department area and where that, where another wall has been knocked out where it sort of drops down you have that high area, that area next to it was a building that was built to rent and it was rented to, all of its life as a beauty shop.

Jenkins: Is that where Cecil and (pause) no Cecil and Helen were down on the corner?

Voertman: No, this was originally Connie Woodford.

Jenkins: Nothing rings a bell.

Voertman: That doesn't. She died in the mid-40's. But basically the store was modernized before that there had been one other addition which was a front put on, the show windows and whatnot. The store sat back from the street some 15 feet

and that area was built on to and show windows were put in and that sort of thing. If you'll remember stores always had big funny show windows. Lots of places to display things. The financing during all this period, the basic financier of all the expansions, of course, in the sense of physical ----- was done by my grandfather.

Jenkins: His name?

Voertman: Fred, Frederick Voertman.

Jenkins: In St. Louis.

Voertman: Mm Hm. and F. W., and I'll be damned if I know what the W. stands for. (chuckle) I'm sure I knew at one time. But it was always grandad.

Jenkins: And your dad's name.

Voertman: Roy Frederick.

Jenkins: Roy Frederick.

Voertman: Simply Roy. My father lived under a certain disability all this time in a sense that he had two small children and a wife and a very bad heart, and in those days not that much was really known as to what you could do or couldn't do. The only solution was that you took little nitroglycerin tablets, this was late when you had little flareups and heart attack. Doctors basically, you know, would shake their heads and say, early of course when he kept having little attacks the doctors were very pessimistic and would say, you know, "I have no idea, but you can't live very many years." It makes it really difficult when you can't

have insurance. In other words, by the time he had come to the point that people would have started buying insurance he had already had a massive heart attack and no insurance company would touch him, so that you ended up worrying and a wife and so there was a pressure to make the store successful.

Jenkins: Did this give him any problems in local financing for the store, the knowledge of this?

Voertman: I don't really think so. He had, as I say, a decent relationship with Ed Miller President of the Bank and basically he had a father who had always been very saving and when he needed money there was that. His father did it on a strictly business relationship. He owned and rented to my father the building, at admittedly a very reasonable rent. The store expanded slowly. About the time the depression was over, by the 1940's, my father felt sufficiently wealthy to go ahead and build a home on West Oak street. The home that just recently I sold that my mother lived in until just recently when she moved into a nursing home.

Jenkins: What is the address of that home?

Voertman: 2270 West Oak. A big long white house that sits way back from the street with the red tile roof, my father bought the property, oh, about 1937 I guess. Spent three, four years all told planning, drawing pictures of the house, figuring out what he wanted to do. He then contracted

the house himself, used a local contractor to supervise
--- all things were subcontracted. The house lot,
furnishings, whatnot, totalled at a little over 10,000.00.
A very magnificent house.

Jenkins: And it was bought at what time?

Voertman: The house was completed in 1940, and by 1940 you wouldn't say prosperity had arrived, but the wolf was no longer at the door. The period of borrowing to meet payrolls had passed. The store seemed to be expanding as the town, school, prosperity in general, plus the fact that my father in those days basically worked about seven days a week. He did finally concede that he would take a nap in the afternoon so he would take a two hour lunch period. He finally got to the point that after my elder brother was coming down to open up the store and help clean the floors and whatnot, that he didn't arrive at work until nine and usually left at closing. I think we closed at like eight. So he would work from about nine until eight, six days a week and only come in for a few hours on Sunday.

Jenkins: And what is the brother name?

Voertman: My brother is Bob. Robert T. Voertman.

Jenkins: And he was opening the store.

Voertman: Right. This is one of the things the children did. My involvement started I guess in 1941, and when I first started coming to work at that time I was 12 years old and before going to school in the morning I got up and came down

and helped sweep and mop the floors, and whatnot. Not supervising anyone else, I simply had to be here with the key and open the store and help sweep and in those days my father didn't believe that you could simply sweep. That wasn't enough. The store was swept and mopped at that time, by that time we didn't open until 7:30. We had shortened the store hours. The first thing that happened was the store was swept and mopped. About the time prosperity had arrived, the war started. One of the results of the war, of course, was that students disappeared in great numbers so that having had a small taste of prosperity it suddenly began to disappear for, oh, the first two, two or three years of the war. My father, however, was a very astute businessman and had built up during the depression, when many people didn't pay their bills, good relationships with suppliers so that during the war he was able to get merchandise that many people couldn't. He did things like manufacture stationery when you couldn't buy writing paper. He bought paper, had it cut, had envelopes made, and I can remember the ladies standing in the back when we weren't busy, boxing stationery.

Jenkins: This was made right in the store.

Voertman: Well, basically not. In other words he would get a paper converter to cut to stationery size, envelopes made, and boxes made. You could only buy X amount of writing paper from the regular stationery houses, and of course, one of

the things people bought during the war was a great deal of stationery. They were writing friends and loved ones over seas and so on. And late in the war things began to look much better because by 1943 you started having officer training programs on campus. There was a Wac program at T.W.U., a little Air Force training group. These provided customers, in other words, people, young service people who had, in those days, a great disposable income, if you think of the general public, even though the wages were low all the income that you had was disposable. So they became customers for stationery, all the little things that the store had for sale. At this time with the expansion of the store gifts were added. In other words the store became more than simply school supplies.

Jenkins: And that happened about when?

Voertman: In 1936, when the store was doubled in size. That area increased the number of office supplies and gifts. The store lived through the war and came out towards the end doing quite well. Then, of course, the nice thing that happened was the G.I. bill after the war so that you had people coming back to college that had money, and had the government paying for their supplies. My father helped set up systems under which items were sold to the G.I. student. If you'll remember in the early days of the G.I. program all supplies were charged to the school.

The school had no system of keeping track of what people were buying, whatnot. You'd have to have known my father to know he was, he probably was the world's worst public relations person unless you knew him. He was the sort of person who if a lady asked him, "Do you like my new hat?" he would look and give her an honest reply. All his life the family tried to tell him that people really didn't want an honest reply. I remember, oh, when Dr. Hodgeson who later became head of the music department at North Texas built a new home right after the war. He had my father, mother and I over for dinner one evening and after leading Dad through his home he asked my father what he thought, and instead of the normal reply of "It's absolutely gorgeous, beautiful new home" Dad told him in great detail for at least an hour all of the things that he thought probably could have been done better and that he ought to have checked in to. He never could believe that some questions were asked simply as a sort of a customary greeting between people. If you asked him a question he always gave you an answer. The same thing occurred to my father early in the G.I. program for students. He was a very bad businessman in the sense that he had very Puritan views as to what was necessary for students. Having dealt with them when they were paying for thier own supplies for

the previous twenty years and to have young people come in, and suddenly be able to charge anything and everything that they wanted disturbed him. The school had not, no one had set out any rules or requirements and you had kids coming in and wanting to buy a ten dollar fountain pen and put it on the G.I. bill. My father felt that this was, you know, strictly nonsense and he simply refused. He set up his own rules as to what items were necessary, which later turned out to be correct policy. In other words, finally after the abuses of the early system, the government set in rules. You know, somebody finally set down and said you can't sell people gold fountain pens and this sort of thing. But all of those rules he simply set up when it first arrived, you know, when kids would come in and start to buy some bit of nonsense my father simply refused to sell. He said he wasn't going to be part of cheating the government.

Jenkins: But all of that was guaranteed payment by the government.

Voertman: You know, yes, payment was guaranteed. This is another little funny, but of course government payments turned out to be very slow since they were processed through the school. The school also had need of money it turned out, and so that what it finally turned out was that at one point my father found that he was financing the school and you must remember this was the 40's, at one point the

outstanding credit charged to students was an accumulation of not a few months, but three years of payments were behind and he was owed a little over \$100,000.00. You have to understand that that sort of capital was beyond the means of a small store to carry. In other words he was having to borrow from the bank and borrow from my grandfather and the school kept saying we're just being slow. Finally after talking to congressmen and finding out who to go talk to in the Veterans Administration it turned out that all that had been paid for but the checks from the school hadn't been processed. After pointing out that this wasn't quite fair, finally this was corrected. Oh, this would be like 1949 I guess. It was also in about 1949, that the school decided that it needed to have its own store. At that time textbooks were simply rented to students, a rental fee was charged each semester, and in '48, my father began to hear rumors that the school was thinking of putting in its own store. Since he had, as I say, had the experience that here was a store that had financed receivables to the extent of almost \$100,000.00, or around \$100,000.00 it wasn't a question of where it was a little store who wasn't supplying the needs of the campus and he felt that the addition of competition owned by the state was unfair. The fact that there were school stores existing throughout the country didn't make any difference to him, the point

was that he had grown with the school, provided it with goods and services, and there were other stores around the campuses also supplying the student. So he opposed the school, and started a campaign of going out and talking to the Board of Regents. Well, in talking to the Board of Regents, showing them his store, the store was for a school of its size more than ample to meet the needs by anybody's criteria. In other words, square footage per student more than met the then prevailing standards for college stores. He was quite successful with the Board of Regents, particularly after one meeting in which one of the things they did (the Board of Regents at that time governed all teacher's colleges) was discuss the matter with a couple of the schools that had college stores. One of the store managers pointed out what his losses were for the year operating a school store.

Jenkins: From another town?

Voertman: This was West Texas State College which had a college store and the manager was not the most impressive man I've ever met. I was, of course, a young man at that time, but I did help. My father, of course, was very emotional about this, so both my brother and I, I was a college student at the time, my brother graduated.

Jenkins: You were going to school at North Texas?

Voertman: No, by that time I was going at the University of Texas

and my brother was also in school, but we spent well, all told, three summers visiting with Board of Regents. Most of the talking, of course, was done by my elder brother because he was a doctoral student at the time and I was much younger. I would have been 18, 19 years old, 18, 19, 20. So, anyway, the net result was that the Board of Regents said that that was a bunch of nonsense, the school didn't need a store. In 1949, the school got its own Board of Regents. It was about that time that they switched over from a Board of Regents for all the schools. The campaign then, of course, started again. Dr. McConnell had made up his mind that they were going to have a store and we kept telling my father that there probably wasn't much to be accomplished and that all he was doing was causing a little bit of bad relations between himself and the University. But it didn't have any effect and so in 1949, we went out on our tour of the new regents, talked to them, were able to talk to everyone except Ben Wooten who was chairman of the board. Without exception they agreed with our presentation that it seemed pointless, since a school store did not exist, to start one at this time. We right up until the Board of Regents meeting kept talking to everyone, kept trying to talk to Ben Wooten who was president of Republic National Bank in Dallas but never could get a meeting with him. My father said "Well, you don't need to worry

about Ben Wooten. He spoke to my Rotary Club and this man certainly wouldn't want the state to compete with a small private businessman. He's the president of a bank and he pointed out how he grew from a log cabin to being really blessed." Part of our presentation was an analysis showing prices at my father's store -- were cheaper than comparable schools. It wasn't a case of the major supplier of the campus being a rip-off sort of thing.

Jenkins: Do you recall the arguments of Dr. _____

Voertman: No, Dr. McConnell.

Jenkins: McConnell, for wanting --

Voertman: The arguments were that the school at that time was getting ready to build its first Union Building and we had to have a way of paying for the Union Building. A purely economic argument that one system of paying for a Union Building would be to have a store in it. At the time of the Board of Regents meeting in which the subject was to be brought up, my father prepared the case for opposition to a school store and the other businesses around the campus. It had been quite content to let him do all the work involved and give him moral support but basically tended to hang back. Pressures were exerted from the school that made it uncomfortable to oppose the decisions of the administration. In other words, the administrative decision had been made that this

was to be done; therefore, anyone who opposed it was against the school. Bob and I felt that we had some hope and that we had a fairly strong committment from all of the Board of Regents. But the thing that worried us was that we hadn't been able to talk to Ben Wooten and Ben Wooten was a very good friend of McConnell's ----- We felt that that might be a problem. We kept pointing this out to my father but he didn't really believe us. The time arrived for a statement to the Board of Regents prior to the meeting. Mr. Wooten looked at us when we were finally admitted to the Board of Regents and looked at his watch and said that he would give us fifteen minutes to present our case. You know, very formal. My brother was spokesman for the little group that was standing there in front of the Board of Regents. These were respected businessmen and they were donating their time and Mr. Wooten was president of the Republic National Bank. Needless to say, my brother exceeded that time requirement. It's very difficult to present a whole case in fifteen minutes. He had hardly gotten the last sentence out of his mouth when Mr. Wooten pointed out the he had exceeded his time and that we were dismissed. No discussion allowed.

Jenkins: How did you feel?

Voertman: Well you pretty well knew what was going to happen.

We checked with a couple of the Board of Regents. The

matter was not even brought up until the end of the meeting. No discussion was allowed. Mr. Wooten simply said that there would be a college store. Everyone agreed and that was the end of it. My father found this hard to believe. He sort of struggled all his life to build up what he thought was a unique store. He simply couldn't believe that when the school was being adequately served in his view that this would happen to him. Needless to say, it did. Needless to say, he survived, but didn't survive too long. It was difficult for him to adjust to. Of course it did have an immediate impact on his sales. The store did suffer from suddenly having business literally cut back. He died two years later, in the fall of 1951, of another heart attack. He simply tried to work longer hours to make up for things. Where he had been to the stage that we had been able to convince him that he should take it a little bit easier, he suddenly found himself in a very strong competitive position. He had lived many years longer that doctors had given him a chance of living, anyway, and whether this new competition had any effect or not I have no idea.

Jenkins: About how old was he when he died?

Voertman: My father was 51 years old when he died, and no, 52, I take it back. 1899.

Jenkins: And you had known he had the heart condition for ...

Voertman: Oh, the heart condition, let's see, 1923 I guess was when he had his first massive attack. My father died in the fall of 1951. At that time the Korean war was on and I was stationed in Germany protecting Western Europe from the Russians, and the family discussion was, you know, what to be done. My mother had helped in the store in the sense of going to the bank for my father, helping with the bookwork, that sort of thing. Mother was not emotionally inclined to run a store. She really didn't like that sort of thing. We had a young man by the name of Homer Giles who was my father's assistant at that time and a young man who had helped during his years in school and then stayed on a year or two after graduation. Calvin Watson, who with my father's death happened to be between jobs. Homer came back and Calvin came back and helped Homer and my mother run the store for that year that I was still to be in the army.

Jenkins: How many people were working in the store at that time?

Voertman: Oh, at that time, boy I'd have to stop and think. Probably the main store had fifteen to sixteen people, maybe twenty counting students. Then the T.W.U. store had two or three people, three or four people, maybe.

Jenkins: Now that was in what year you're talking about?

Voertman: In 1951.

Jenkins: How many employees, do you recall kind of the growth of the number of employees that you know when it became

more than strictly the family looking after the store, for instance, and you started growing into that.

Voertman: Well, it still is the family looking after the store, probably. The store has grown gradually over the years; I took over the store in 1952 and the summer of 1953 when the estate was finally settled we set the store up as a corporation.

Jenkins: For instance, right now you have about how many people working in the main store.

Voertman: In the main store, approximately fifty.

Jenkins: How many?

Voertman: Fifty.

Jenkins: Fifty, Far more that most of us think you have.

Voertman: Right. But again even when we're talking about the sixteen to twenty, a lot of those are part time. In other words, the store has succeeded in having the sort of people that we enjoy by using a great many people who work half time. Ladies who would not consider a full time job in retailing. The pay is not that great, but who would like to have a part time job as a supplement income.

Jenkins: Well, I've noticed and meant to comment over the years that the number of older, attractive ladies that you have working in the store and are they mostly just ladies who don't want to work full time to want to go to Dallas.

Voertman: Right, literally. In other words, one of the criterion in filling an opening is to be sure that somebody doesn't

want full time. In other words, we have full time positions and then we have half time and if you're a housewife and have a husband working you may, (by the time the children are in high school or out of grammar school) have more free time than you really need, are bored with simply taking care of a house and husband and children. The children don't require as much time, don't want as much. Then it becomes pleasant to meet people, do things that you wouldn't do otherwise. The hours are designed so that you can still maintain to some degree the usual things. In other words, if you work say on Tuesday afternoon then you come back to work on Wednesday morning, but then you have Wednesday afternoon and Thursday morning off. It's set so that you have blocks of time so that if you're going to entertain during the week or have bridge club, whatnot, you arrange it in those blocks of free time. In other words, if you're going to have a dinner party in the middle of the week you would have it on that evening in which you had the afternoon off and the morning off the next day.

Jenkins: Now these employees work about how many hours a week, then?

Voertman: Twenty-six hours.

Jenkins: I see. Now, do you use much student help and have over the years?

Voertman: We've always felt a committment to the student help

and still do, but percentage-wise the amount of student help probably declined as a percentage of total employment over the years. The number of students has stayed probably about the same, but as the store has grown with prosperity and within the society the student who will take the trouble to rearrange his schedule, whatnot, is not easy to find.

Jenkins: You really find it difficult, then, to get the student help that you ...

Voertman: We can have student help up to a certain point, but stop and think that if on the floor we're waiting on people, since it is still a service oriented store rather than completely self service, about the time you have a semester and the student has arranged his schedule to cover the hours that he needs, the next semester it suddenly turns out that he's got to take this particular course right at that time that you need him to work so you've got to completely rework the schedule.

Jenkins: Is this more difficult with students now than it was ten, fifteen, twenty years ago?

Voertman: Right, Thirty or forty years ago the student who had to work to go to school was in the position that he knew he had to, and he either -- if you simply couldn't arrange it any other way and there wasn't any way to rearrange the schedule, you know, then, well "I'll take that course next semester."

Jenkins: You seem to have very low turnover, though, among your permanent employees.

Voertman: We have low turnover even among our students. But you still get into that it's difficult for the person who does the scheduling for students, even with the number that we use. You can rearrange backroom schedules and just say, well, from ten to twelve we simply won't be covered, or we'll only have one person back there and they'll answer the freight bell and things will stack up until we have people on duty. In other words, the temptation has been --- and I noticed a university store has permanent employees who check in freight and whatnot simply because it's hard to schedule students. Each semester someone has to sit down and rejuggle everything and plead with people that, you know, this is available here and here, now why do you have to break up your time? But "I like that professors better than this one," etc. And then sometimes you have to be nasty and say, okay, but then that doesn't leave you anytime to work. It's very difficult to have someone come in for only an hour. In today's world: by the time you've had your coffee break in that hour there isn't anytime to work. I'm not one of those people who thinks that people don't work these days, but with prosperity things have changed. In other words, none of us want to go back to the mid-30's.

Jenkins: Those good old days. (chuckle)

Voertman: They were very miserable days, but there are periods when you do wonder at what your priorities are when you can calmly say, I have to work and I've got to work more hours and with students help we do set rules generally as to how many hours a week they can work because we find that if they get too far behind, behind in school work then you're going to be hit right when you need them. You know, "I've got to do this and this and this because I'm flunking this course" and "I haven't done my drawings for this course," whatnot.

Jenkins: What kind of training and orientation do you have for new employees?

Voertman: In a formal sense it's done, basically by the people on the floor. In other words, this has come under discussion time after time and we've never been organized enough to set up a formal training program. Part of it is again the comment you made of people tend to be somewhat permanent. The store is and this may sound conceited, but it is a pleasant place to work in the sense that it isn't something where you stand behind the counter and all you have to do is hand somebody something. It does require you to use your brain a little bit. You're dealing in all sorts of different materials, and you have to know a little bit about a whole section of the store. Years ago you had to know

something about the whole store. We've given up that to a certain degree. The people are, we've been very very lucky and the people are incredibly good, incredibly pleasant, and good people tend to keep good people. Basically we've always known that a new person coming into a department has some disadvantages in that a new person coming in is joining a, in a sense, closed little group which finally opens up lets the new member become part of the group. I mean this is the only problem. But those people are capable of training the new person as to what is expected. Within our society people tend to live up to peer pressure to a certain extent, and I think this is the nicest pressure in which one does stay pleasant. If everyone on the floor treats customers badly, the person who wants to treat customers nicely ends up finally getting to the point that they don't treat people very nicely.

Jenkins: Falling in line.

Voertman: If there is any training it is of training by example. In other words,

Jenkins: You really haven't felt a need, then, for any kind of formal training.

Voertman: No. Yes, we have. But, being very sloopily run, we've never gotten around to it. We've always run the store on the basis that the number of set rules will be held to the minimum and all set rules are designed to be broken; this is the hardest thing in the world to teach.

Jenkins: Do you talk with each new employee?

Voertman: Oh, yes. Sure, and encourage and greet and this sort of thing.

Jenkins: What sort of things do you feel that you need to tell a new employee?

Voertman: Basically, you have to go over what is expected. The worst thing in the world is to not know what are you expected to be able to do. You try to go over all the disadvantages before hiring anyone. One of the disadvantages in today's society in retailing is that you do work on Saturday. Fully half of the people that you would be interested in having literally reject you on the Saturday bit. You can tell immediately that "I have to work a half day on Saturday" becomes a real problem and you have to stress this. And if they have a family situation in which husband never works on Saturday you can be pretty sure that you're probably going to have problems. If you immediately get the question, "How long do I have to work on Saturday," you can be pretty sure that you better choose someone else because they're not going to be happy very long.

Jenkins: Do you actually talk to each employee before they're hired?

Voertman: Sure.

Jenkins: You personally pass on the hiring of each employee?

Voertman: Sure.

Jenkins: And personally have a little talk with them?

Voertman: Oh, yes. At least an hour.

Jenkins: Let's go back to about that time when you got directly involved in the company, and then when you became responsible for the company.

Voertman: Okay. My involvement, of course, something I had told my father (and my brother had also told my father) was that neither one of us could possibly be interested in running the store. It was something that he thoroughly enjoyed but that we, neither one of us felt that we would be interested. His death, of course, presented a separate problem. The store had been necessary, as I stated earlier, with his particular condition. First, he worried in raising children, whatnot. By the time we were both through school or through the major part of school in the sense of both having bachelor's degrees from college and felt capable of sustaining ourselves through graduate school. We pointed out to my father that: fine, the store was necessary to him but that he had to work out some system in which he could live with the pressures, and when he was unable to do this he presented us with a little bit of pressure in the sense that the store was not wasily salable. He had, for the times, a great deal of money invested in the stores. In other words, the total value of the store in 1951 at his death was approximately a little over \$100,000.00. The store

was incorporated in 1953 with a net capital of \$100,000. That, in today's world, doesn't sound like a great deal of money, but for 1951 \$100,000.00 was the major part of his estate. We had my mother to think about. Being purely selfish individuals, both my brother and I didn't want to find ourselves in the situation of having to help support mother. There had to be a way of selling the stores and providing an income for my mother. She was, of course, fifty years old, fifty-one, had limited marketable skills and it became a question of what did I do? And, if you go back, at age twenty-one, twenty-two, all of us are convinced that we can do anything very quickly. So, after family meetings my brother and I decided that I would come back and run the stores until we had them on their feet enough so that they could be sold. The stores return on capital was very very limited, and we felt that if they had an adequate return on capital we could, we might get their market value and then some to unload them. Well, after you've spent what you think might be a year or two getting them back on their feet (and you've already spent six or seven years) you end up, discovering you enjoyed living in Denton. I enjoyed the college community. However, at age twenty-two, one really doesn't want to come back to your own home town. I had been accepted to graduate school in Sweden and thought that that was what I was going to do.

Jenkins: What were you studying?

Voertman: I was an economics major, and don't know that I would have continued with that but that seemed like a fascinating thing to do. Besides, I liked Europe and thought that I would stay in school. Anyway, the process of making a college store economically viable really wasn't that easy. College stores are not, if they're done nicely, are not economically viable. I can sit back now and say this, and know that there really wasn't any hope no matter what you did and that it was never going to be a roaring success that you could sell. But, as you get involved, and I suppose the involvement, the nicest thing was setting up your own little society of people. In other words: it was fun to try to motivate the people I worked with to try to be what you would like the world to be. The nice thing about this group of people is that, basically, they meet all of my criterium for nice people in a society. They worry about each other when we have the little minor disasters or major disasters that occur to any group of people. They seem to come through with sort of flying colors. And the more you get involved with that the more you try to be sure that their economic needs are taken care of to a certain extent, and that means that the store has to be more successful. One of the things that you think, when you're starting out with a little tiny store, is that if we could reach a certain stage in growth, then, you could afford someone who would handle these

problems and you wouldn't have to worry with them anymore. It works up to a certain extent except that then there are some new problems that you have to worry with. Basically, if I had it to do over again, you would contain the size of a store. They are too big. I don't think this type of store can get the size that it is and be as much fun. In other words, trying to run a high service store on the margin that a discount house operates on isn't economically feasible. You have to watch too many things and try to control expenses.

Jenkins: And your margin is, you say, about the same as a discount.

Voertman: Yeah.

Jenkins: So, which is what?

Voertman: Oh, about 32%, our gross margin. Something we've been working on over the years. But back when I took it over it was like 28%. You could operate then, not terribly profitably, but you could operate. The store's return on capital, oh, has been as low as 4%. It's absolute high has been one year in which it was over 9% return.

Jenkins: What year was that? Can you remember?

Voertman: Actually, it returned 9% one year in the mid-60's. This was a surprise and we're still not sure that it's correct and that we hadn't goofed on inventory and whatnot. It returned almost 9% this last year, our fiscal year that

just ended.

Jenkins: Do you see any particular reason why?

Voertman: Oh, say this last year we held expenses: we were so sure it was going to be a disaster that we operated like it would be a disaster. When you were looking at the inflation rate, sales increased by like 4½ percent which meant that we probably weren't even moving the same physical volume of merchandise that we had moved the year before. But, as the accountant said: if we didn't goof on inventory, then our gross margin moved up by like a point and a half, and with that sort of increase in gross margin, and when you've held all expenses, it does boost profit.

Jenkins: Are your employees, outside of the corporate structure, are the employees on the floor, are they aware of these problems? Are they involved directly in trying to do these things to expenses?

Voertman: Of course. Up to a certain point. In other words, they're involved if we don't replace someone in the sense that they have to help cover. Last year we didn't replace a couple of executives so that it simply meant that the quote "executive crew," if there is such a thing in a small store, had to work harder. For the last years we've had a bonus system. The store employees receive a basic wage, a little bit better than general retailing either here or Dallas. Small town retailing salaries for

executives are basically a little bit bigger than a big city. You have to keep someone and everyone always thinks that the grass is greener in the big city, and there is the chance that you have more of a ladder to climb in a big city.

Jenkins: So your employees, then, do have some kind of financial incentive to help you keep things...

Voertman: Yes, in the sense that they know that the store has stretched all during the inflationary period. Where we had had a period of raising wages only once a year. Once the inflation started, oh, what really hit four years ago, about seventy-four, we started a semi-annual review. So we've had salary increases twice a year instead of once a year.

Jenkins: How does that review work?

Voertman: Simply me sitting down and saying what can we afford? Basically it's been a concern, how do we keep our employees, if not ahead, at least up with inflation. For the last four years the store has succeeded in that there have been five to six percent increase at the end of the year.

Jenkins: Is this an individual employee review or is it simply an attempt to see what can we do for everybody?

Voertman: Everybody. In other words, executives are on salary, but then on a very high bonus system. And that again is reviewed by, basically Dick and Bo and I and sitting

down and saying, this person has performed best or sometimes it gets down to the point of saying, if we reward maybe this person will perform as expected instead of, so sometimes the rewards are in advance of, in expectation of.

Jenkins: Are you speaking of the pay for executives now?

Voertman: Yes.

Jenkins: How about for the others?

Voertman: The same story. But it still boils down to what the store can afford. In other words, the stores basically have been run on a strange situation in which the stock holders, being my mother, my brother, and myself.

Jenkins: But all of the stock is owned by those three people?

Voertman: No, there's a fourth person, Dick Ardoin, the manager of the text book department also has ...

Jenkins: But it is not a public ...

Voertman: Not public at all. A private corporation. The basic thing has been how do you keep everyone happy, or reasonably happy?

Jenkins: Let me clear up for a moment now. For the non-executive personnel, for the, I guess, sales, floor personnel; is there an individual judgment as to whether that person should or shouldn't get a raise or it's everyone?

Voertman: You cannot have a group of people that are happy if you're raising one above the other. This is the problem of

stores that used to have and the number of stores that still do, sales commission in which the very aggressive person tends to shove out the person who is not as aggressive, who may have good points in another area. So that the people do know (in the sense that we in store meetings point out) that we're not meeting objectives and that for the person who stays with is a year the store throws in the sort of fringe benefits that don't exist in most small retail stores. In other words, we have sick pay and we have vacation time that lengthens the longer you're with us. There are Blue Cross, Blue Shield, a very fancy policy which, once the employee's been here a year, the store pays for the employee. Originally, the store paid the premium for the employee and his family; but, over the years this began to be a little bit of a bone of contention in the sense that the employee with three children was receiving more than the employee who didn't have any children and so on. To solve this we finally had to do a pay raise and then took away part of it in a sense by providing paid coverage only to the employee himself, which is always the major part of policy's cost. And, then used a payroll deduction to cover the rest of the family.

Jenkins: Now you did, did you indicate that, though, that there is also a bonus system for those people?

Voertman: Then there is a Christmas bonus which involves down into

a very set routine in a sense that the longer you're here, the first year it is X amount of money and the following years it goes up the longer you're here. Then a few years ago we instituted an end-of-the-year bonus, which again is set on whether we have met our objectives or not. It again is designed, basically, for all the half time people and again is purely in my discretion. There is no promise to any employee that that will ever be a year-end bonus. We haven't met our objectives for the last three years as far as sales, whatnot, are concerned, but we've continued it each year because we keep thinking the idea is good and we should encourage employees.

Jenkins: In terms of basic pay, now. Is it primarily a seniority system?

Voertman: In terms of basic pay the simple thing is that the people who work half time are on one pay scale. All half time people

Jenkins: Regardless of how long they've been here

Voertman: Well, there is a starting salary and it goes for a year.

Jenkins: So, it is somewhat a seniority.

Voertman: Yes, and then everyone who has been with us a year is at the same pay scale. In other words, if you worked half time in any part of the store your pay will be equal to anyone else. Many of the people who work full time are people who are sub-heads of each department and their pay tends to be somewhat equal. The point at which you become

an executive is when (I guess if there was any rule in our little retail store) you take on something beyond selling and stocking, whatnot. People who start buying for a department, like the person who is head of the tradebook department, will have on top of their salary a bonus system based—if you're being very honest—on longevity—probably as much as anything.

Jenkins: Now, this is kind of what I was getting at.

Voertman: It's, no, it's the longevity and how well you're performing, and trying to - we have tried the last few years to try to get our salaries a little bit further ahead than they were, and whether we've succeeded or not I don't know. Reading salaries of, say a buyer for department stores, Cleveland, Dallas, New York, whatnot our people rate fairly well. We're sort of in the medium. And when you consider that we're a small town and in the south, we rate fairly well. We don't lose people to other stores for salary reasons. We may lose someone because their husband moves to New York or this sort of thing, but we haven't lost anyone on salary.

Jenkins: Let me go back and pick up a couple of places in history that I'm interested in.

Voertman: Okay.

Jenkins: Review for me, if you will, when the universities were renting books and the difference between that and suddenly when they went out of the rental business. What that did

for you?

Voertman: Okay. Of course we went into, that was a decision, would we compete in the selling of textbooks? Contrary to popular belief, this was a hard decision to make even in 1949, the year we went into this when the school opened its own and we opened a textbook department. Even in 1949, the sale of textbooks was a marginal sort of operation.

Jenkins: Was the state still in the textbook business then?

Voertman: You mean, no, in 1949 the school went out of rental and opened its store. So, needless to say, we opened a textbook department to sell textbooks.

Jenkins: Was that the year, then, that the university went into the book business was when the state went out of the rental business.

Voertman: Right. In other words, the school sold off its old rental books. It transferred those to the school stores. And needless to say, there were lots of old, old books sold. As far as the store was concerned, it was difficult to find some of the old books to sell. The decision to go into textbooks was an emotional decision as well as an economic decision. Both had a relationship and I think that eventhough the sale of textbooks was and is very marginal (well, it's not even marginal even more), it becomes an economic necessity in the sense that this is the first introduction to a college store. If you

don't sell textbooks, you were faced with the fact that most people would not be introduced to the store until late in the semester. And there was the question whether you would maintain your customers if you didn't offer them all of the things that they must buy to go to school.

Jenkins: Are you saying, then, when you say it was marginal and no longer, you actually lose money on textbooks. An attracting device.

Voertman: Right. Our textbook department during the fifties and sixties, might have a one percent profit (one percent per dollar sale profit) one year and might lose one cent the next year. In other words, the return on investment in a textbook department, if you were to make any sort of calculation, varied from a high of two or three percent to a loss of one or two cents. In the fifties it was still possible if you were very careful to make, and most of the time we made a profit on textbooks. We watched it very closely so that if you have an item that draws traffic and that you don't lose money on, and if possible can make a small profit, it was worth it. But in the fifties two things, teachers were used to rental textbooks say, in the school, and as new faculty was added, and you didn't change textbooks. In other words, it wasn't uncommon at all to use the same textbook for a course five years, six years, seven years. I kept some that were in use for ten years. Also, you know, if you were teaching B.A. 247, anyone

teaching B.A. 247 used the same book. If you changed teachers that was the book and you continued to use it. If you changed professors teaching it and he didn't like the book, then the system was that you had to give advance notice and then we would phase that book out and go to the next. But the basic thing was that a course had a book; it didn't matter who taught the course. All teachers within a course, you know. English 131 was English 131 and all people used the same books, okay. English 400 all people teaching, whether it was a Freshman course or a Senior course, basically people used the same books. They didn't change rapidly, therefore you didn't get caught with obsolescent books as often. You were able to forecast; in other words, assuming that you were a halfway decent buyer, you had as good a guess as anyone else as to what your sales ratio was. You had a general idea of what the increase in student population would be and you could hold your returns. We tried to never be over five percent or under five percent in our sales projections. The ideal, of course, would be to hit it right on the nose. But we were fairly good at that. Early, I did the textbook buying; later, Mr. Ardoin became the textbook buyer and he was quite good at it. You knew all books; at that time, you knew what everybody was using, you knew the people, and you knew if they were happy or unhappy, whatnot. Okay, all the way into the

the sixties this occurred. About the late sixties it became more and more popular to have multiple texts for a course. This one is stressed by this particular teacher and this one is stressed by someone else. This presents a few problems. You can still handle that problem. But when you start getting basic courses with teaching assistants, professors, whatnot, teaching and you allow - the committee system no longer works and each teacher is allowed to choose his own book. Then registration comes and you switch teachers. Suddenly you need to open a graduate course and you pull the teacher out and put a teaching assistant in and the teaching assistant doesn't like that book, he wants some other book. The problems of forecasting what you're going to use; that presents a problem. You don't know, looking at a schedule and trying to break down the courses that will be the most popular. It's easy to look and say, okay, the Monday, Wednesday, and Friday morning ones are going to be bigger than some other time. But then you have to try to break down who's a popular professor and who isn't. Trying to provide your customers and your professors with some sort of protection becomes more and more difficult. In other words, you always tend to overestimate it to a certain point, varying on department and your sales record. Like the English department by location, and by, I suppose, pre-election. These are people you know better than some

of the other departments and fields. You always tend to buy a little heavier to be sure you don't run out of books. In other words, part of the store's job is to be sure that the books are available. It's a nuisance to be out, but the cost of overbuying beyond a certain point is tremendous when books are changed constantly. In other words, if you over bought in the fifties or sixties the only cost was the cost of carrying. If you bought a hundred books and only sold eighty of them you had that twenty percent in dollars sitting on a shelf until the next fall, okay? So, interest on that money was sitting there in books. Today you have to return those books. You have no feeling that that book may be used next fall. The publishers, as the years have gone by, penalize you more and more if you keep the book and don't return it. But then there's the penalty of packing it up, asking for return, shipping it back. In other words, as postage rates have gone up that expense and the cost in man hours of people who are counting and returning books and whatnot, becomes greater.

Jenkins: Of your sales now; total in both of the stores, and I don't know what kind of classifications, you'll have to help me, but what portion of your sales, your profit is the non-education part.

Voertman: Oh, a great deal of the profit is non-education. In other words, approximately a third of the sales would be

considered non-education, maybe a little bit more than a third. Purely impulse, gratification of one's needs in the sense of pretties of one type or another; gifts, whatnot. I won't include, well, some of the book sales even get into that in the sense that they're gifts. Those areas of the store carry a higher profit margin; that is, they carry a higher gross margin than those items that are strictly required. The textbook department, of course, operates basically on a gross margin that is by it's very nature not only impossible to make a profit, ridiculous in today's world. It operates at less gross margin than, say your Safeway or A & P does. In other words, the margin was set up back in the thirties when the publishers quit sending books directly to professors for their distribution as stores took over that in the twenties and thirties. The margin is, you know, a twenty percent margin and you take off, oh, a little over three percent (it's fast approaching four percent of that margin) in shipping costs; shipping and quote "handling" these days more and more publishers, rather than exactly figure up postage and whatnot, it's easier for the computer simply to do a rough percentage which is sometimes in excess of actual shipping costs.

Jenkins: Whose making money on textbooks?

Voertman: During the sixties, during the fifties and sixties, the publishers, of course, had a heyday. Publishers showed,

Prentice-Hall, McGraw-Hill, some of the publishers became great big companies not off of their trade books sales but from their textbooks; that is, they are not showing a loss. But even publishers have had the same problems that have hit us. In other words, returns are a problem to a publisher. Publishers try to solve this by setting very stringent return policies. If they set them too stringently then they lose sales because we simply have to protect ourselves and on the publisher you will cut your purchases to the absolute minimum. And if you don't sell a student a book in the first week the chances of selling it to him later become less sure. In other words, our own experience is even though we try to check, you want to do like many many book stores. We're one of the few stores left in the country that will do reorders on textbooks. In other words, stores are simply looking at their costs and saying, we can't afford to reorder. Because on reorders eventhough there are ten students that still don't have a book when we get them in, three out of that ten buy it and then we have to return the other seven, Okay? Our problem is that we're very old fashioned and it's part of our job and I don't interfere with it. It's always a great debate in the people that do the buying for textbooks these days. It was easy when you always reordered and you weren't going to let a customer not have what he needed. Yet today we've had bad experiences, being honest

with professors. In other words, the professor isn't one who literally requires that the student read the book. He doesn't use it as a part of the course. He either digests it for the students or it is so minorly an adjunct to the course that the student decides, oh the hell with it I don't want to spend that - what is now? - ten, twelve, fifteen dollars. So the kids that bought it in the first flush of going to the first day of class and the teacher said, we are going to use the book, so then they go out and buy it. Two weeks later they've discovered that he still hasn't referred to it and they question whether they're going to read it or not, and not being that interested in the course, anyway, they don't buy it. The book buyers have to make that judgment so that we do things we never did before. There are cards that go up on some of the courses that say "special order only," meaning that you require a deposit and then we will order you a copy. This, of course, delays getting a book. In other words, during registration or the first day of classes we still do things like call in orders, all those that seem terribly important. Again, that's partly for our own protection. The quicker we can get them in, the more likely we are to sell them. But it still boils down to a sense of service, I think, on our part.

Jenkins: On the non-textbooks, do you, does somebody keep track of the types of non-paperback, for instance, that go. Have

you seen any kind of fluctuation in types of things?

Voertman: Oh yes. It fluctuates all the time. Twenty years ago, fifteen years ago, we would have said the days of the hard back book are gone. In the last few years, hard backs have become a higher percentage of our sales in dollars than they were. And what is going to sell doesn't remain constant and yes, there are areas that remain somewhat static. And there are books that sell year after year, but basically it's a changing thing of what is a fad today.

Jenkins: That's kind of what I'm getting at. What are some of the fads in public buying of paperbacks, for instance. Do you see any kind of ...

Voertman: They vary widely. Whether you're going through a period of science fiction to diet. Diet fads that can hit unbelievable number of copies of books on dieting or cooking. These things change and for that reason you're going back to textbooks. The publisher setting a discount schedule, sets a twenty percent discount on textbooks. He says, I'm selling those, my people sell those. You have nothing, all you do is distribute them. All very well, true. But we do have to stock them. We do have to buy them, and if we completely goof in our buying, have to eat them.

Jenkins: In the paperbacks?

Voertman: No, in paperbacks even, yes. Some paperbacks are textbooks. You won't ever see those out on out outer shelves.

Jenkins: What is your relationship with the publishers in paper-

back, for instance, and your buying and returning to them.

Voertman: These are known as trade books, whether paper or hard bound. There is the mass paperback company, like, oh, the Bantams, Avon, you know, that sort of thing. And then there are quality paperbacks with a quote "higher price" and a more limited market. All of them have somewhat basically the same discount schedule, same idea of returns. The discount schedule is double that of textbooks. In other words, there's a forty percent discount on books for handling. The publisher grants this because he's got to have a viable outlet for his books, and he's got to maintain - the store has to be maintained if he's going to sell books. This is what it requires, to end up with the ideal, say if you're a bookstore you want; the average trade bookstore ends up with something like a thirty-eight percent gross margin at the end of the year. Again on the justification that it requires that to pay for a service industry. Textbooks: the publishers simply say that your economic health is of no concern to us. You've got to work that out. And, say the association of college bookstores has pushed for the whole time that I've been there in this thing, for twenty-five years, has said as the years have gone, each year, that we can't afford to sell your books at a loss another year. But

again, you have no choice. In other words, we can say we can't sell it anymore and simply go out of the business. Assuming that losses reached a critical stage you would have to make that decision, and it does happen. If you'll stop and look around, how many new college bookstores have you seen go in?

Jenkins: You have no return purchases, then, on mass paperbacks?

Voertman: Oh, yes.

Jenkins: You do that.

Voertman: You still have a return privilege.

Jenkins: What kind of penalty is there?

Voertman: Actually less penalty than in textbooks in the sense that you usually just rip off the cover and send them the cover.

Jenkins: Let's look into your structure. If you'll just describe your structure for us a little bit.

Voertman: Okay. Well, the store, of course, started out as a sole ownership. My father owned the store. Remained that way until death and in 1953 the store, for a number of reasons, chose to become a corporation. The corporation, then, was owned by my mother, my brother, and myself. Tax reasons at that point were probably minor considerations. The fact was that there had to be some control over the funds of the store, and the simplest way to do that was take it out of partnership system and put it in a corporation and put people on salary and be able to

retain earnings within the business. In other words, the store had in 1953 a shortage of money, and it needed to retain any earnings that it might have. The simplest way to do this without getting into family problems was to set it up as a corporation in which those decisions, then, could be made as a corporate entity and not be on a personality basis as to whether one needed more money or not, and so it started out that way. The corporation has acted as a very conservative sort of puritanical father in the sense that everything that the corporation has made it basically has held. Oh, in the mid-sixties the corporation did, this is after it was twelve years old, start paying dividends. The first dividend totalled twelve hundred dollars return on, twelve maybe twenty-five hundred, I can't remember for sure. The store in the last fiscal year paid out its highest dividend ever and paid out a return of nine thousand to its stockholders which worked out, to be almost a one percent return on their investment. So it, needless to say, its very conservatively run. The store, basically, acts as an entity all of its own in the sense that its owners and the employees and what-not work for it, rather than the reverse, so that the store can do anything that it wants.

Jenkins: Now, review for me briefly, if you will, who the stockholders are and what officers there are in the corporation,

and of this date who they are.

Voertman: Okay, as of this date I'm president, my brother is vice-president, Richard Ardoin is secretary-treasurer. Up until this was last year, my mother was president, my brother vice-president, and I was secretary-treasurer. All those four individuals are the directors of the corporation.

Jenkins: So you became president when?

Voertman: Last year. My mother no longer was capable.

Jenkins: She was president.

Voertman: From the inception of the corporation, right.

Jenkins: And, you had told me who the stockholders are?

Voertman: The stockholders are, originally were my brother, my mother, and myself. The stockholders now are my brother, my mother, myself, and Richard Ardoin, the textbook manager.

Jenkins: Let's cover just a couple of more things here. Have you had any trouble over the years, what kinds of trouble, I suppose, in extending credit?

Voertman: Actually very little trouble in extending credit, because the store, again, is as puritan as all of this would indicate. The store has never advertised to people to come buy on credit. We all recognize that this is a foolish attitude in the days of credit spending, but it still goes back to an old fashioned idea that my father had, and that I have, that you don't encourage anyone to buy something that they really can't afford to buy. We don't offer

credit to students. In other words, oh, twenty-five years ago there were six or eight stores probably in the country, private stores in the country, college bookstores, that did offer student charge accounts. To my knowledge there are no longer any private stores that offer and the number of college owned stores that offer credit to students are few and far between.

Jenkins: Do you use credit card business at all?

Voertman: We accept both Master Charge and BankAmericard.

Jenkins: So students, obviously ...

Voertman: Still have that alternative if they want to.

Jenkins: You indicated that there, from the beginning when you came in it was the hope to get the business to the point where it could be sold. Have you had opportunities to sell over the years, and have you been tempted very much to sell?

Voertman: Oh, the only time that the store could have been sold profitably was in the mid-sixties. In the mid-sixties suddenly anything related, to colleges seemed good. From like sixty to sixty-five was the era when people started looking at how profitable it would be to be next to a college campus. And in those years, yes, we probably could have sold the store for a profit. A few offers, but nothing was done seriously because by that time, as I said, after you've built something you don't want to give it up. By the late sixties, suddenly,

being next to a college had lost a great deal of its attraction. Students no longer were the nice docile people that they were in the fifties. Economic return suddenly went plummeting as far as many college stores were concerned. In other words, students' buying habits changed as their social behavior changed. About the time that one would look at it and think 'I don't know whether I want to face those problems another day' it no longer became possible to make that decision. You couldn't have gotten rid of the monster if you tried. The possibility of selling it today probably exists. Whether you could sell it as a going entity at anything near its book value is a question in the sense that most people, including one former student who had a backer who had given him two million dollars to invest, and wanted to explore the possibility. He'd always like Denton and decided that he might like to own the stores and were they for sale, and I said that we would certainly consider it. It's always something that you're going to consider, and we sat down and he wanted to know, he said, some questions that he had set up, and that he had, he was explaining this. He was a young man, by the way, who was a CPA at this point. His salary requirements were fifty thousand a year which is a little bit in excess of what this store has been used to paying for executives, and net return on investment he felt anything above a

million dollars had to be fifteen percent. Since we've already gone into the fact that at our highest point our net return on investment has been a little over nine percent, I pointed out that I didn't think that this kind of operation was going to meet his requirements, and that I was sure that probably someone with a new outlook on the store could marginally raise the return. I question whether you could get it up to that sort of figure. I don't really think you could, but after you've done something for twenty-five years you're never really sure.

Jenkins: Well, apparently your view of the financial success of the store is probably considerably different from what the general public may think that it is; but within what you consider to be the success of the store, what do you think has contributed to the success that it's had. For what, fifty years, you're in your fifty-first year now?

Voertman: Basically, the store has never been run on an economic justification. My father ran it; yes, there was the problem that he had to provide for a family and children. My father, basically, was very conservative in his economic needs. In other words, he didn't require a great deal of money, and so any money that the store made, since he had to work with the store, his greatest gratification was the the store be nicer. The family

used to tease him about this when I was a child. I used to tease him as a young man. But it's perfectly understandable, after realizing that I wasn't going to be able to sell the store. Stop and think of it in terms of, if you are capable of setting the rules which you basically are as a sole proprietorship or as a privately owned corporation. It's possible to simply say that the most important thing is that what you're working with become the nicest thing possible within whatever economic limits that you have to set. I'm not saying that business in general sets this. I find business people as totally divorced from reality, or what should be reality or social reality, as I do sometimes college professors. There still has to be a balance in the sense that so long as we run under the type of economic system that we have, a college professor has to realize that the system must provide taxes in one form or another to support him, and businesses, like our store, must make some sort of profit. I don't find it necessary to have a fifteen percent return on investment, because we're not capable of spending that much money, you know. We, yes it might be fun if that could be done, because then you could really have a whizbang store; but the store never has, we've never been able to do that so that the net result has been that you often have to compromise. In other

words, what we would like to have in the way of a store, and what's economically feasible to have, or to ...

Jenkins: What vision, if not plans, do you have for the future?

Voertman: After you've done one thing for twenty-five years, I'm quite content that people after twenty-five years in the same job ought to be forced to retire and go do something else. Whether that's teaching school or running funny little store. I wouldn't take the chances that I took even fifteen years ago. I wouldn't go into debt. When your talking of financing, in the mid-sixties when we were in a period of expanding right and left, we had a banker I enjoyed and trusted. I had trust in him and apparently he had trust in me. At one time I had on my personal signature a line of credit of, well, we owed like three hundred thousand dollars to the Denton County National Bank. Once Bill Drenner was removed as president, we quickly turned that into (well, actually, prior to his departure) we turned that into a long-term secured debt because I wasn't content with being at the mercy of the new owners of the Denton County National Bank. And we, I guess in the first part of 1973, we paid off all of that and the corporation at this stage doesn't owe anyone anything; has not had any new borrowings in the last years, financing everything from retained earnings. All in the seventies, even the expansions that were done in the seventies were all

paid for.

Jenkins: From what you indicated earlier, then, you really don't feel that you need, want, or that the store would be better by expanding.

Voertman: Oh, its going, even right now it's going to expand. We're getting ready. The little building to the west of the parking lot on Oak Street will become the annex to the store. That's going to be a new little venture which we haven't even really figured out. We're trying to clean up the building and whatnot. Probably it's going to be sort of casual furniture and expensive gifts that we can't show well in the store, and can't afford to handle with the kind of traffic we have.

Jenkins: Well, how does this fit with what sounded like earlier to me, that you didn't think ...

Voertman: Oh, I don't, you don't really think so; but, again, if you're running something, nothing can stay absolutely static.

Jenkins: Have you ever considered opening up in other college towns?

Voertman: No. In other words, a well run, the, part of the basic problem is that --- that it's something that (end of first hapf of tape.)

Jenkins: Let's just start and go back and talk a little bit about plans for expansion. I think we were talking about ... I had asked you the question I had remembered earlier in

the interview that you didn't seem to think that getting bigger was necessarily getting better, and I ...

Voertman: I don't think it is, except up to a ... in other words, all decisions are made sort of peace-meal, or ours have been. It doesn't bear any relationship to, in thinking, anyway, to an economic return, really. It's caused ... some of the decisions to expand were made on the thing, if we were a certain size, then we could spread out the work on this or that. I think if you were completely honest you would say then I can avoid doing these things that I don't enjoy doing and do something else. The other reasons for economic expansion probably, that is, growth in the size of the store is that "if we only had more space, if we only had this, then we would do a nicer job and we would " ... it would be more fun if you didn't do it, in your view, in a limited way but can do it completely. Uh, if it wasn't for the fact that physically the store is hemmed in a sense, the store is the original building and my father's one major expansion. The store is that store, that original building, the building he tacked on. Then the wall between those two that existed originally. In other words, his addition was an entire separate building separated with the wall down the center with one doorway in the middle of it and only at the front connecting the two. That wall had to be removed. Then, to the rear of that existing ... I'll show you. Hey,

you might find it interesting, it's kind of fun ...

went to storage area that had been added on too. The storage area was incorporated into the store; to do that required removing that wall. What had been the beauty shop that I mentioned in the 30's, when that was taken over it was first incorporated as a separate building that then housed the textbook department and required steps going down ... it was in a lower level... When it was finally incorporated into the main part of the store, then that was filled up and the wall removed again. Then, actually, that back storage area was added on to X number of more feet, an additional twenty feet, I think, something like that was added to. Then the area we are in right now, which is gift storage and offices: this was added as a separate building. The area across the back that houses now the textbook department and tradebook department was the major expansion that was done at one time and was some 5, 000 square feet, added as one big unit across the back of the store. Then as we added later, we took ... at the time we took the wall out from what had been the beauty shop, we took the ... actually took it out before we did that, I get confused. What had been a walkway and drainage area, part of the building is built over that with a ... is built like a huge bridge, you know, it's a concrete, giant concrete conduit that carries the water out. Then the building next to it was taken in as

storage unit which had been another beauty shop with an entirely separate building. Then as we expanded the gift area and started going into direct importing more, we added another warehouse which goes off to the West of the store back here, so that you have this conglomeration of buildings that are all tied together, makes it difficult to decide to expand in the sense that there is no way, no really economic way that you could possibly rip out, at this stage, the last two remaining walls of the original existing store. They are big ...

Jenkins: You had mentioned, and we may have missed it on the end of that other tape, that you are planning an expansion in which you may ...

Voertman: This is an entirely separate ... it will be a little one called, oh, at this point I think we've planned to name it "The Annex", which will be part of the store but it's physically not tied to it at all and the idea will be that it will be another shopping experience when you come to Voertman's, why, then there will be someplace else to go.

Jenkins: Even different from the gift center, the gift shop out at ...

Voertman: Right, it won't try to be that sort of store at all.

Jenkins: By the way, when did that come in?

Voertman: Oh, the gift shop we added in the ...

Jenkins: The University Center.

Voertman: In University Center, I guess was added in about '64, that date. Early 60's.

Jenkins: How does the return from it compare to the bookstore?

Voertman: The gift shop counts for, oh, about eight percent of total sales of the three stores. It accounts for eighteen percent of the total profit.

Jenkins: So, getting out of the book business is profitable.
(chuckle)

Voertman: It's a very profitable operation. Per square foot it returns double, more than double what the return is here. But part of that, of course, is having an absolutely fascinating manager. She is marvelous. The managers of ... we were talking of incentive and whatnot. The managers of the two other stores are on a strictly profit sharing, that is, there is a base salary and then their bonus is not decided by me at all. It's simply decided on purely how profitable the store has been. In other words, twenty-five percent of the profits of the store go to the manager and ...

Jenkins: Now, I had asked you earlier whether you had any plans to go into other university towns, and you had said "no". I wonder if you have any thought about expanding further in Denton like that other, the shopping center out South. What would we call it?

Voertman: No, that was presented to us at the time it was built. That shopping center has basically been an economic disaster. If you'll notice the coming and going of businesses. I'm sounding terribly bright, but we looked

at it and felt that it didn't ... was not an economically viable shopping center.

Jenkins: On what basis did you decide that?

Voertman: Oh, of course, the first basis, the rent that they wanted to charge equalled that of the shopping center in Denton Center. A shopping center next to a campus didn't by the time it came along, didn't seem very attractive to us and we already had an experience of what you could expect out of university students at that point. The only group that you would attract would be evening students, if you wanted to stay open in the evenings. In other words, by it's location against a bank of dorms, that would be the time that you could hope to have shopping. That's an expensive time to try to gain customers, and its appeal to townspeople seemed to us to be very limited in the sense that it was difficult to get to, the stores that were going into it didn't look like the kind of stores that would attract the kind of customers that we would want to appeal to, and... if you've noticed, even big stores have come and gone since it was opened. So I think that our analysis wasn't completely erroneous. No one, with the exception of, say, Buddies supermarket, perhaps Skillerns and both of those are set to accommodate the college student in the sense that evening hours for Buddies, whatnot. In other words, I don't know how successful, how viable, that outlet is. I question whether it's as profitable,

say, as some of the others. But there are no other grocery stores for the university student to use, so it does have a point.

Jenkins: But in the foreseeable future, you don't see any other locations in Denton for Voertmans?

Voertman: No. Three stores in one small town is too many, anyway.

Jenkins: Well, you, you had mentioned earlier before we started the tape, some ideas concerning long-range planning and some doubts that you had about how long-range anyone's business plans can be. Could we record some of those?

Voertman: (chuckle) No. When we're discussing the little shopping center, we looked at it for a month and debated it and you finally get a sort of gut feeling that you don't think that it looks like what ... that it looks like it is well done enough to be something that you'd want to be involved in. But I don't think ... I couldn't say how did you make the decision? I don't think there was any formula that we could use. Obviously there wasn't any good formula in that nationwide chains moved in. Chains that have come and gone. In other words, the stability other than Skillern's and Buddies, those are the only two stores that were in it originally that are still there, including what was it, Mitchell's which was chain, came and went. The things the we have toyed with doing and talk about poor decisions: we toyed with, at the time North Park went in, putting in a store in North Park. And it hit

at a time when we already had lots of money owed, borrowed, and being innately conservative we finally said that we really didn't want to borrow that much more money and do that. I think, yes, you know, it was something we should have done. It would have been the sort of outlet that we could appeal to and could do well.

Jenkins: Are there others that you have actually considered out of town and failed to ...

Voertman: That's been the only major ... one. Oh, we get calls once a month from shopping centers here and there, but the only one that we've really seriously considered and really debated on was North Park. And that was during a period when we talked of a Dallas store. Not a bookstore, but a gift outler in Dallas.

Jenkins: Now you have a degree in economics from ...

Voertman: University of Texas.

Jenkins: University of ... one or two?

Voertman: Just one.

Jenkins: One.

Voertman: _____ done the graduate work that I had to do _____

Jenkins: We may never know these things, but in your own judgment, how much of your idea about long-range planning comes from your personal experience and how much of it comes from your training, and is there any conflict necessarily between the two?

Voertman: Oh, I don't think there's any true relationship ... what

I'm saying is that, yes, I'm sure there are people who set down economic goals, set down business reasons, you know, and I think it, basically, from Neiman Marcus to the hamburger stand that's a Mom and Pop operation on the corner that has disappeared with McDonald's and whatnot ... as much as anything else a retail store sometimes reflects what your ideas are. In other words, if you're simply looking at it as a means of making a living, that is, ans setting as the young man did to me, "I expect a return of fifteen percent and whatnot." Yes, we've always run the business on the basis that it had to make money because it either had to pay off the debt or it had to grow in some sort of fashion that would allow us to maintain an interest in it. But it's never had anybody, any owners, that set wild economic goals. In other words, in the early years of the store of course there was a different problem in the sense that you were trying to set very very low, that is, for a owner, managers because the store needed all the money. As you finally decided that you could ... in other words, in those days I used to laugh at college professors -- needless to say most of my friends were on the faculty complaining about the low salaries. And I was making a hell of a lot less than they were. And it's only been in the last three or four years that I can sit back and say I make as much as a full professor does, okay? It isn't that I couldn't have

(particularly in the last ten or fifteen years) set my salary higher, but there are always other uses for the money. We had already spent it or wanted to spend it on something else. And, the ... you know, how much money do you need for personal consumption? I had been fortunate in the sense that I'd let my living standard rise always after my income had gone up, rather than the reverse, and this is different than lots of people. I happened to be recipient of the sort of training that one didn't spend what one didn't have and as a consequence, as my income has grown all of the necessities basically having been paid for as they were done ... in other words, by the time my income started growing I had already paid for my house, had already set rules of where you didn't borrow to buy cars, you had to save the money ahead of time, so if you didn't have a backlog there didn't seem to be any giant necessity to raise income greatly because you weren't spending all that you made anyway. As the house was paid off it was transferred to buying stocks and bonds or property or this or that, so that there's never been the pressure. The only pressure has been to provide, say, for my mother or provide ... the store is a, you know, a viable entity ... provide for any emergency within the family. And the family includes the employees as well as the store, so that the store has been run on that basis and the only thing that has been

an economic necessity had been how do you make the store a little bit more fun -- something that you can be a little bit more proud of? So that it basically boils down to this: this thing of businessmen as economists, whatnot, and a economist who says that the society will only respond to economic stimulus, it's wage, whatnot, is no more valid and is no longer accepted. But I mean, if you take one theory or another people respond to social pressures as we were talking of earlier on the employees. People do things because it's more fun, it's pleasant, the peer pressure that exists, because as a group they like everyone there. In other words, the people are pleasant to you as a customer because they are pleasant with each other.

Jenkins: You don't, then, seem to run into much of a problem of, with your employees, of actual worries, dissatisfaction, concentration on their pay as a factor, as a factor involved in their work?

Voertman: No. That's my worry. In other words, I'm supposed to do that. You know, the way this store is run that isn't true. But it's my worry that, how do we work it so that they can be paid always a little bit better than their counterparts someplace else? It's particularly difficult being next to a college because in the last few years particularly, decisions can be made as to what is socially desirable, even whether it's economically viable or not.

In other words, you can set pay scales for, say, our competition "The University Store" that bear no relation to pay scales in general at all. They are more relation to what are pay scales in the college? Right?

Jenkins: You don't seem, you don't, then, hear much at all from your employees about dissatisfaction with their pay? It simply doesn't seem to be much of an issue involved in their work?

Voertman: It hasn't been, no. Yes, you will have, say, executives, again, because within that group their pay is all the same and their concern is whether it goes up each year, right? It has to go up. Within executives the only time we've had problems have been never on whether they were being paid comparable within the society as a whole. But the only times we've had problems are when the discussion between an executive here and an executive here and the decision is made that this person needs to be rewarded more than this and then you get into problems because no one ever sits down and says that person really is worth more than they are. But it's very seldom you know, and , yes, we have ... I'm not saying that that doesn't present a problem and we occasionally lose someone who decides that they would, they will change from being a full time, I mean a part time employee and make a great deal more money. In other words, no one denies that when we set, say, that our payscale is for retail employees is better than any

other retail employee, that doesn't mean that it's as good as a secretary is. In other words, it's not the pay -- same pay scale that you would make as a secretary in the school.

Jenkins: You were talking a few minutes ago about the attitude of lots of businessmen as economists and economists and it reminded me of what we were talking about before we ever started the tape, some ideas about education for a business, and I wonder, for instance, if you were considering -- a hypothetical question -- if you considered hiring a new executive to come in, whether you would pay any attention to the educational background of a person and if so, what kind of attention would you pay to the educational background of that person?

Voertman: If, you know, if assuming that we were, we were growing at a rate and you wanted to bring someone from outside of the store ... in other words, the store also tries to promote from within if possible. A technical background, and this is my own personal bias, leaves a great deal to be desired in a small business in the sense that we had, we've had one executive who is now a manager of a college bookstore, by the way in Arlington. Bill was a business graduate and upon graduation moved into the store. His technical background posed problems in dealing with people, which anybody's main job in a small business, main desirable character, characteristic. In other words,

within a small organization the ability to relate to the people you're dealing with as customers and people that you're trying to motivate as employees. As good as our people are in comparison with other retail stores, that doesn't mean that they, by any means, live up to what would be that ideal or perfect person. And the only way you improve is try to motivate them to see the same, the same sort of vision that you have as to what is nice and what they should do to people and what they should do for the store and for themselves, whatnot, and their fellow workers. And the person who has, oh, we'll say an employment form that Bill did, we, none of us ever could figure out why he had all the funny questions that he had. They bore no relation to how we hire people. Really don't care about somebody's height or weight or whatnot, that doesn't ... you make that visual judgment if, I suppose, that you would decide if somebody was terribly fat and sloppy. And then there were all sorts of hieroglyphics at the bottom which we never could get explained to us as to what all they meant, so no one ever could ever use them. The people that didn't ... Bill at that time helped interview and to my knowledge Bill never checked any of those, but they had, they came out of a textbook and they were all these things at the bottom of the form and, you know, I'm just, that's being bad, but we couldn't figure out why put them there

if you couldn't say to us what we were supposed to check on the interview. Basically these days Beau, does all the interviewing. She handles personnel and she does the preliminary interview, and if someone is attractive enough to her that she wants to seriously consider them for employment then we have a joint interview. Either Bo and myself, or Bo and the department head of where this person is going to go, so that it seems to me an employment form has to have something that Bo can understand and make checks that she can later refer back to...

Jenkins: Who is Bo?

Voertman: Bo is my secretary and personnel manager, whatnot, and she holds the position as being in the next office and being secretary I suppose. Except that she isn't because she handles all the money and handles the people. Bo has this nice empathy with people. People like her and so when I goof up and ruffle feathers or something, why then she goes back...

Jenkins: What kind of educational background does she have?

Voertman: Bo finished high school. A high school education.

Jenkins: You had indicated before we started the interview some ideas concerning, I forget, what we call whether the liberal arts or the humanities or whatever as a basis for education for, for business, small business, I'm not sure what you said.

Voertman: My own feeling is that an indergraduate program, you know, this is purely mine, that an undergraduate program in any one of the trade schools leaves a great deal to be desired. By the time you get through with that sort of technical education, society has changed enough that you've simply got to change to a new machine anyway, and that basically you want to educate people to have a nice broad liberal arts background. Whether you do that as a two year program and have the last two years of a four year college as some sort of specialization of those skills or whether you ideally as the society gets wealthier have a four year, have a four year liberal arts program and then some sort of two year post graduate program in business, whatever. Music becomes a little bit more of a problem in the sense that some of those skills must be maintained and it would be more difficult to do, I suppose. But I'm still not too convinced that, that turning out stupid musicians is any more desirable for the society than turning out stupid business graduates. And, you know, I realize that within a highly structured, and it's going to get more structured as the years go on, that the temptation to educate people for a particular slot within the society the pressures are going to get greater and greater. But I'm not too sure it's desirable for the the society as a whole. I think that the liberal arts graduate, one of the discussions you read in business

magazines is that the liberal arts graduate that then ends up as a brick layer is going to be terribly dissatisfied within the society. It hasn't always worked out ... in other words, when the society decides that it will spend more money on education, sometimes it's simply decided to spend more money on education. I don't think that we've therefore gotten more education.

Jenkins: Have you, as a bookstore manager, have you ever wondered about the amount of money that you put into textbooks and the result of it? Have you ...

Voertman: Oh, yeah. But you know, this is a basic problem with education. Are you going to use, how are you going to use the textbook and how do you influence the student? And I ... it's quite evident, you know, you can ... and it's been a long time since I've bought textbooks, but you can, you knew which teachers used the textbook in the sense of used the textbook as I see a textbook which is a supplement to the teacher. In other words, it isn't up to the professor as far as I'm concerned to adjust the book for the student. The most boring professors I can remember as a student were ones who went chapter and verse down the textbook and literally digested what was in the book. If you were going to do that why waste the time ... it's an immense waste of time on the part of the professor to spend that much time on what you should be able to figure out assuming that you are able to

read which is more and more of a question mark as far as students are concerned. The professors I enjoyed said that, you know, we will read these books, if you have any questions, as you go along we'll discuss them in class. If you're not able to figure out what the, what the person ... yes, you have to do the sort of pressure for students that you do for anyone else. The professor who said you're to read this and then never referred to it, never tested you on it, if you were lazy or didn't enjoy that particular book even a good student can decide I won't, why bother. I don't really like that and he doesn't know whether I've read it or not. His tests only cover you know, this whole bit of testing is simply a, as far as I'm concerned, a prod to make you do what, what logically you're paying the money to do in the first place.

Jenkins: As best you can guess, and it's a guess by anyone, but you've been sitting here watching people buy books for a long time; as best you can guess, are students probably doing more or less reading of their, beyond, you know, textbook type?

Voertman: I would say, strangely enough, probably about the same.

Jenkins: Hasn't changed much over the years.

Voertman: We've gone through periods. In other words, I would say in the, in the early sixties and late sixties there probably was more. There was a period in which social

awareness grew to the point that kids were reading things. Social pressure to have you read became great enough that kids were reading, but it really wasn't down to that small percentage of students that are truly interested.

Jenkins: You think even that, that we've tapered off since the late sixties to early seventies?

Voertman: I think so, yes. I don't think that's a terribly educated, but yes, but it, yes.

Jenkins: Not pursuing the issues of the world as much as (chuckle)

Voertman: Probably not. There has been a temptation to go back to what is necessary for my own survival sort of idea in the sense of survival indicates my own happiness, my own, you know, what am I going to have out of this? Again, this from my own view and we're talking about the store or ... which I make no, no attempt to say that I represent let's say the business community. As far as I'm concerned, the only excuse for this store is that it is a part of society's experience and we want it to be a very nice experience. The sort of thing that pleases me and pleases my ladies on the floor is that they can sit back and say that of it's type of store there aren't very many that look as nice, okay? Yes, the store has to provide a minimal level of economic sustenance to everyone. Yes, if possible, it has to provide a little bit more than the place down the street. Obviously, if we paid

the lowest wages in town it would, even if we were the prettiest store in town, it would be hard to ... Uh, it would be hard to, to justify to the employee.

Jenkins: Yeah.

Voertman: But, part of their pleasure is that they can go to other towns and compare other stores ... they're the first to tell me how do, how does so and so operate, the people are terrible there when you walk in, etc. I mean, they ... it is something, yes, we discuss, but the basic thing is that they make this decision, you know. Oh, I'm not saying that, occasionally an employee won't have a bad day and then have someone who is equally bad, a customer who has had bad experience all their life with people and they are having a bad day and they start out by being a little rude and the customer, I mean the employee, can instead of trying to calm them down or whatnot can respond. But we have that happen very very seldom.

Jenkins: You get very few complaints about your employees or your service from the general public? You just don't hear from us.

Voertman: Oh, yes, occasionally, yes. At least once a month someone has a complaint and when you really investigate down to what happened, sometimes it's the sort of customer that with all honesty, how anyone could wait on, and being charming is difficult. We have our, you know, our "oh

my god here comes so and so" customeres. But they're still customers and they're still human beings and we all discuss the fact that they have problems and we shouldn't add to them, ..., all this sort of good talk. But, you know, on a really bad day I can, I can be just as bad as they are, if you hit me at the wrong time and you have what we consider an unreasonable request that we probably would ordinarily go ahead and do, I'll tell you no. If you want to return something that there is no way that we feel that we're in any way fault, even though we have a rule to always take it back well we'll, you know, so long as it's within any reason we'll break that rule and say "no" even though it's gonna cost us a customer because it's a bad day and you do that sort of thing. But over all they handle most problems pretty well. Over all we have less returns than most stores, have less problems, probably, than most stores because part of it is there is no attempt to try to sell somebody something that they don't really want. In other words, the time that you get returns, say, even at Christmas, is when you high pressure people into "you've got to buy a gift" saying "let them return it if they don't like it." That doesn't seem to be a very sensible thing to do. I'm sure it's better for sales but we don't do that.

Jenkins: I've covered all the questions that I have down and have written down as we went through and we've been here

for three hours which I can't quite believe, but I would like to ask, you know, one last thing. Are there any highlights or are there any things that you see that I've failed to ask that you would, that you would like to throw in? Before we started this, I loved the discussion about your grandfather. If you, if you would stretch a little bit about him ...

Voertman: My grandfather, if you're talking about my attitudes, or how the store is run, whatnot.

Jenkins: Yes, and where a lot of it came from.

Voertman: You know, I'm not being, I'm a fairly conceited individual. In other words, basically I'm sort of proud of the store. Okay, that attitude and the way it arrived came from my grandfather in some respects because here was a man who was always very proud of what he did. Grandad lived until he was 99, didn't quite make it to a hundred. He worked up until, by worked, literally went to work, well, in the later years only five days a week because the office that he worked in was only open five days a week. But he, prior to that, had always worked a six day week. At 97 my grandfather was still completely mentally alert; physicalt, had some problems in the sense that he had a cataract on one eye he wouldn't have removed but had the cataract removed from the other eye and so he was capable of getting around. Handled all of his affairs, never had made a large salary. His economic earning

probably hit i's high in the late 40's, early 50's when he made as much as a thousand dollars a month.

Jenkins: What was his work?

Voertman: My grandfather was a wood engraver. In other words, he worked with his hands, he sold wood engravings to ... at the turn of the century, prior to photo engraving, whatnot, most illustrations were done, a photograph was projected onto a block of wood and then that wood was engraved with fine tools of print. Even after photo engraving, photo engraving on the cheap paper that was used in catalogs, newspapers, whatnot, many things did not photograph and reproduce well. When you wanted fine detail work you still had a wood block, a wood engraving made, that went into the slug of things. Grandad did this all his life. He had apprenticed in the 1890's, started his own firm in the early twentieth century.

Jenkins: Where was this?

Voertman: In St. Louis. At his death was, I think, he was the last remaining commercial wood engraver still alive.

Jenkins: In the United States, you mean.

Voertman: In the United States. I think we may ... I know a few years prior to his death there were only two living wood engravers that had been commercial wood engravers. Very, you know, we're talking about a man at 97 when he retired. He was still capable of handling the fine tools, hand was much steadier than mine. This involved great precision.

He did have to wear giant magnifying glasses, whatnot, to see to still do his work but was still, as he said, able to work even though in his later years his greatest laugh was that he was drawing Social Security after having put into it only for three or four years, and you know, on this individual ...

Jenkins: Yes.

Voertman: He loved that. He thought that was the funniest thing in the world, but it was the nicest thing that ever happened to him. Had always been the sort of person, as I have stated earlier, probably the kindest person, to me, of anyone I've ever known in the sense that at age 22 when I took over a store most of the money that I spent in the early years from, as a matter of fact, from 1952 until 1963 all of the physical expansion of the store was paid for by my grandfather, and some even after that. In other words, when we wanted to do funny things the main part of the building belonged to him.

Jenkins: He owned the building?

Voertman: He owned the building, yes, until his death. He loved it in the sense that I wrote him weekly reports as the what was happening. I got notes from him. When we, when we would decide to add to the building or whatnot, I remember when we took in the upstairs and this involved a freight elevator, my grandfather immediately had researched and I sent him the plans of what we were getting

ready to do. He kept an account in the Denton County that only I, well actually my father and I, wrote checks on. My father prior to myself. As the years went on I, you know, all of that money disappeared and he had to keep transferring money out of his account in St. Louis to cover the expansion program of his grandson, In the major expansion of 1963 in which we added across the back, his land ran right through the center of where that building is, the land that he owned and property we had bought back in there. So when we got ready to make that expansion he either had to buy our property, the store's property, and build a building or we had to buy his property. And so I went up to explain this. By this time grandad was in his eighties and my uncle felt that we couldn't do this. He simply said you can't expand because grandad, grandad doesn't want to do that sort of thing. So I went up to talk to grandad and I thought that probably we would buy his property and build the ... so I presented the proposal of what we wanted to do. It involved spending, all told, like \$100,000.00 between the property and the additional property we were buying; the parking lot, the building, and \$100,000.00 for one addition to the store in those days was a lot of money for us to think of. That's just for the physical building, not fixtures, merchandise and whatnot. But here is a man in his mid-eighties and I went

up and explained and he asked some questions and then asked was this really important for me to do and I explained that it really was, that this was going to be very pretty and that I really wanted to do it, and so he said, okay, we're talking \$100,000.00 or more. I hadn't given him a figure as, you know, he'd looked ... and he said, as I take it I have two options - I can do the expansion and add on to the existing store. He said, what are the problems if you own part of that building and I own part of it? And I said the lawyers said that we might have some insurance problems but they would be handled, but that I did have to buy his property or he had to buy ours, and he understood that. And he said, "Paul" you know, "at 85, I don't think that is a very justifiable expense on my part." He said, "It's a long range investment" and he said "at 85 I don't, I don't know that that would be a good investment for my money." But he said, "Either way you want to do it. If it's really very important for you to do and you can't afford to do it, then I'll pay for it." You know, the man was just unbelievable in the sense of everything you presented to him he would sit down and calmly say what you should do, what he thought, then when it really came down to it, do anything that I wanted to do. He transferred the same trust that he had for my father to me and he would trust me to do it. He did expect that, that it

work out. It wasn't a case of ... he enjoyed getting reports that we gave him. In his later years when he was in his late nineties he didn't really believe our sales figures. He would, he would talk to me and I would call and talk and he would, he would point out that he thought maybe I had made a mistake in my report. As I started to say, when we built this thing was a freight elevator, and our early investigation into it we went to a freight company, I mean big elevator builders. Otis, you know, all the people that we knew and ... and the lowest bid we got on a freight elevator to go from here, was something like 14,000.00. Well, that was in the late fifties. It seemed like an ungodly amount, but we couldn't figure a way to use it. I had written grandad. I told him the building cost, the estimated building cost, whatnot, and our problem on our freight elevator. We hadn't decided this yet, but, you know, these were what we had gotten. Bot back a note the next day saying "What about (that sounded too much money for a freight elevator) what about, have we considered the use of a dumb waiter. Had we considered the sue of a, you know, the chute type. All the, all the questions that we had already gone through, you know, before I presented it to him but the sort of quick analyzing as to how could you avoid this, and is this really necessary, whatnot. Which I know was very ... we're talking about a man in his

eighties.

Jenkins: Well, what, what I'm wondering is other than this business and the actual, you know, skill of being an engraver, was he engaged in business?

Voertman: No. My grandfather, as I said ...

Jenkins: Where did he, how did he accumulate the money that he used?

Voertman: He accumulated his money by never spending all that he made. It goes back to a very, the same thing we were talking about earlier. My background has been that you always, that things are always paid for after you have the money rather than doing anything else. My grandfather, yes, made wise investments in the stock market. He bought stock during the thirties ... fortunately, granddad again made the decision in 1929 to sell. He sold his stocks, a great many of them, which my father didn't do. In other words, Dad got hurt a lot worse than Granddad. Granddad decided that things were getting out of hand and he sold some of his stocks. He then was able to rebuy in the thirties very cheaply, and he accumulated a fairly decent ... we're not talking about a giant fortune by any manner. Granddad, with an income that, that at it's highest, you know, from his labors, made a thousand dollars a month. My grandfather left an estate of a little over a half million dollars. Most of it, half of it in cash. Not in invested things, but in his later years

my uncle convinced Grandad that the main consideration Grandad, is to have enough cash to pay your inheritance taxes, and Russ is, the worst manager except that he's as conservative as Grandad so he'll, he's not going to starve to death. Also as a corporate lawyer, quite good and had, you know, three times the income my grandfather ever had, I think. Russ was making maybe \$50,000 a year when he retired which is a lot of money and has then, therefore, corporate pension, whatnot. But Russ is a chip off the old block in the sense that he just loves saving money. Grandad thoroughly enjoyed saving money, yet was charming in the sense like, oh, one of the things I did was build a house that I couldn't afford. I built a house out on the lake and had to borrow the entire amount of house, lot, the whole bit. One of the little advantages of being in a small town and owning part of a store. My grandfather came down to see it. I expected him to just give me holy hell because I couldn't afford that house anymore than a man in the moon, not that it was that extravagant. We're talking about house, lot, the whole thing cost like \$18,000.00, okay. But \$18,000.00 in the mid-fifties, remember.

Jenkins: Oh, yes. (chuckle)

Voertman: Was a lot of money, you know, and well, the time I built that house I had an income of \$300.00 a month and I was

paying house payments of \$150. I set the house payments quite high because I wanted to pay it off. I did have to hit the store for a raise to \$400.00 a month because by the time you took taxes and whatnot off, it was pretty difficult to live. But even at 400 there wasn't a lot of money to throw around, okay. But that's digressing. My grandfather came down, took him immediately to the house, he sat down, he inspected everything, sat back and philosophized that it was the sort of house that he'd wished that he'd built, you know. He liked the house, he liked the way it was done, whatnot, and went on to say, instead of getting a lecture about being a spendthrift ... and this is at a time, remember, also, that anytime we wanted money I had to hit grandad up for it. He still was able to sit down and say how nice the house was, how he wished that he had done it, but that, you know, when I would suggest to him, "Grandad you ought to do so and so" ... Grandad had talked for years of going to Europe. I said "You can afford to do this" and he said yes, he could. But he said after you've spent a lifetime saving money and suddenly you're at the age that you can do these things the desire is still there but you don't want to face the effort of doing it and don't want to spend the money on it. But here is a man who hated to, you know, Grandad really hated to part with money. I mean, cash was ... stocks, cash, whatnot, was

much more secure than a building. But here was a man who, if it was important to me, could turn loose of something that he valued as much as he did money. He wasn't a bad guy at all and he turned loose of a lot of money during those years ... he spent eighty to a hundred thousand dollars of his money on this building which wasn't worth a great deal more when he died. This building that he had spent all his money on was appraised after his death by a professional appraiser at more money than it could have been sold at, to be quite honest. Russ was very insistent in the division of the estate that the building went to Bob and I and it had to be appraised at its quote "full market value" for dividing the estate. The building was appraised at like \$65,000.00, so Grandad hadn't made wise investments and hadn't done well for his investing.

Jenkins: Except in his people.

Voertman: But he had done it in a sense that wherever, you know, I thought was best he would go along with it. That sort of man he was, he was basically a nice, kind, hard working man. The amazing thing was that he did work till he was 97 years old, and remained interested, remained bright, read, whatnot which kept him alive. How many people do you know that are in their nineties, that can walk six blocks to a bus, ride a bus downtown, all of these things taking care of himself and could get on the train in his

nineties, got on the train and would come down to visit me, always in a chair car.

Jenkins: Did he ever fly?

Voertman: No. It cost more.

Jenkins: Sure (chuckle)

Voertman: Time wasn't that important. Besides, you could take the train at night. After you got off work you could get on the train and, well, he didn't, he wouldn't take a Pullman, he would sit in the chair car. But he could, as I said, he could nap in the chair car, come down, and then could visit for a couple of days and get on in the evening and go back.

Jenkins: We're gonna run out of tape again. Thanks for a delightful interview. I don't have any other questions, do you have any other highlights that you can think of?

Voertman: It's been a sort of rambling thing and I don't ...

Jenkins: That's great, that's the way we like it and I know a whole lot more about Voertman's than I ever did. (chuckle)
So officially we'll stop it here unless you can think of something that you'd like to throw in.

Voertman: Absolutely not. No, I've rambled on.