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Kimberly-Clark

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Introduction

Kimberly-Clark stands as a testament to the transformative power of American industrial ingenuity. Founded in 1872 in Neenah, Wisconsin, the company began with little more than a vision shared by four forward-thinking partners and a \$42,000 investment. In the years since, Kimberly-Clark has evolved from a regional paper mill operator to one of the world's most influential multinational consumer goods companies. Its products—from the humble tissue to advanced hygiene solutions—have woven themselves into the daily fabric of billions of lives across the globe.

The history of Kimberly-Clark is not just a story of business expansion but also of continuous innovation. The launch of cellu-cotton during World War I ushered in a new era of disposable products, changing health and hygiene standards forever. The subsequent introductions of iconic brands like Kotex, Kleenex, and Huggies were not merely commercial successes; each one redefined its category and revolutionized how people approached personal care and convenience.

Yet, Kimberly-Clark has also faced its share of challenges—natural disasters, economic downturns, and the ever-evolving demands of a global marketplace. Its resilience in the face of adversity speaks to a corporate culture rooted in adaptability, entrepreneurial spirit, and a steadfast commitment to its core values: caring, ownership, and action. These guiding principles have enabled the company to not only survive but thrive through decades of change and uncertainty.

In the contemporary era, Kimberly-Clark's influence stretches far beyond the factory floor and retail shelves. The company's forward-looking approach to sustainability, innovation, and social responsibility reflects its understanding of the interconnectedness of global markets, communities, and ecological systems. Ambitious goals for waste reduction, materials sourcing, and climate resilience have become central to its promise of "Better Care for a Better World." Such commitments underscore a recognition that profitability and responsibility are not mutually exclusive, but rather, mutually reinforcing imperatives.

This book explores the rich tapestry of Kimberly-Clark's journey—from its inception in 19th-century Wisconsin to its current status as a global leader in the essential products industry. Each chapter delves into the pivotal moments, strategic decisions, and key individuals that have shaped the company's destiny. Along the way, we examine both the triumphs and the obstacles, the legacy of innovation that defines its operations, and the evolving challenges of competing in a fast-changing world.

As Kimberly-Clark charts its course into the third decade of the 21st century, its story

offers valuable lessons on persistence, reinvention, and the unwavering pursuit of excellence. In understanding the history and ongoing transformation of this remarkable American company, we gain insight not only into its products and profits, but also into the broader currents that have shaped American industry through times of both crisis and opportunity.

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CHAPTER ONE: Foundations: Neenah, Wisconsin and the Gilded Age

The year 1872 was a fascinating moment in American history. The nation was still piecing itself back together after the Civil War, industrialization was roaring to life, and the vast expanses of the West beckoned with promises of fortune. This era, later dubbed the Gilded Age by Mark Twain, was a period of immense economic growth, technological advancement, and burgeoning fortunes, often shadowed by social inequality and political corruption. It was into this vibrant, sometimes chaotic, landscape that Kimberly-Clark emerged, not from the bustling metropolises of the East, but from the seemingly quieter, yet equally ambitious, heart of Wisconsin.

Neenah, Wisconsin, in the late 19th century, was far from a sleepy backwater. Situated on the Fox River, which offered abundant water power, the town was already a budding industrial hub, particularly for flour milling and paper production. Its location also provided access to the vast timber resources of the Great Lakes region, a critical ingredient for the burgeoning paper industry. The spirit of entrepreneurship was palpable, with individuals eager to harness natural resources and technological innovations to build new enterprises. It was an environment ripe for those with foresight and a willingness to invest.

The founding of Kimberly, Clark and Co. in Neenah was not an isolated incident but rather a product of these converging forces. The town itself offered a ready-made infrastructure for industry: the Fox River provided the necessary power to drive machinery, and the surrounding forests supplied the raw materials. Furthermore, the burgeoning railway network was increasingly connecting Wisconsin to wider markets, making it feasible to transport manufactured goods across the nation. This confluence of resources, location, and a pioneering spirit created fertile ground for industrial ventures.

The decision by John A. Kimberly, Havilah Babcock, Charles B. Clark, and Franklyn C. Shattuck to pool their resources and establish a paper mill was a calculated one, a bet on the future of an industry that was still relatively young but showed immense potential. Paper was no longer just for books and official documents; it was becoming essential for newspapers, packaging, and a myriad of other uses as literacy rates rose and commerce expanded. The demand for paper was growing steadily, offering a promising market for new entrants.

Their initial investment of \$42,000, a significant sum in 1872, underscored their serious commitment and belief in the venture. This wasn't a casual undertaking but a

substantial financial commitment from four individuals who clearly saw an opportunity and were prepared to take a calculated risk. The sum itself speaks volumes about the scale of their ambition, signaling their intent to build a considerable operation, not just a small-scale local mill.

The choice of Neenah as their base was a strategic masterstroke. Beyond the immediate practicalities of water power and raw materials, Neenah was a community that embraced industrial development. Local authorities and residents were generally supportive of new businesses, understanding that they brought jobs, prosperity, and growth to the region. This welcoming environment, coupled with the availability of a skilled labor force, further cemented Neenah as the ideal birthplace for Kimberly-Clark.

The early operations focused on producing newsprint from linen and cotton rags. This might seem primitive by today's standards, where paper is largely derived from wood pulp, but in the late 19th century, rags were a primary source of cellulose fiber for papermaking. It was a labor-intensive process, involving the collection, sorting, and processing of discarded textiles. This reliance on rags also highlighted the circular economy of the time, where waste materials were repurposed into new products.

The shift towards wood pulp as a primary raw material would come later, but in these formative years, the ability to efficiently process rags into high-quality newsprint was a key competitive advantage. The founders likely understood the nuances of sourcing and processing these materials, skills that were crucial for success in the early paper industry. Their initial focus on newsprint also indicates their understanding of the growing media landscape and the increasing demand for printed materials.

The Gilded Age was characterized by rapid expansion and consolidation, and Kimberly, Clark and Co. quickly embraced this trend. The company's rapid growth was not merely organic; it was fueled by strategic acquisitions of additional mills. This aggressive expansion strategy allowed them to increase their production capacity, gain market share, and reduce competition. It demonstrated a clear vision for growth from the outset, moving beyond a single mill operation to build a more substantial enterprise.

By 1880, a mere eight years after its founding, the company reorganized and incorporated as Kimberly & Clark Company. This formalization of their structure reflected their increased scale and sophistication. It was a sign of a maturing business, moving from a partnership to a more robust corporate entity, better positioned for further expansion and potentially, attracting more capital for future endeavors. The change in name also subtly reinforced their growing identity and brand.

The rapid ascendancy of Kimberly & Clark was evident by 1886, when it proudly claimed the title of the leading paper producer in the Midwest. This was no small feat, given the competitive landscape of the era. The Midwest was a dynamic region, and

numerous paper mills dotted the industrial landscape. To rise to the top within such a short span speaks volumes about the efficiency of their operations, the quality of their products, and the acumen of their leadership.

This early success was not without its trials. The industrial age, while promising, was also fraught with risks, particularly fire. Mills, with their combustible materials and machinery, were especially vulnerable. This vulnerability was dramatically illustrated in 1888 when their "Atlas" paper mill, a significant asset, was consumed by flames. Such an event could easily have spelled the end for a younger, less established company.

However, the response to the Atlas mill fire showcased the resilience and determination that would become a hallmark of Kimberly-Clark. Instead of succumbing to the disaster, the company rallied its resources and embarked on a concerted effort to rebuild. The speed with which they recovered was remarkable: within five months, the Atlas mill was not only operational again but also boasted an increased capacity. This phoenix-like resurgence demonstrated the unwavering commitment of the founders and their workforce.

The rebuilding of the Atlas mill was more than just a physical reconstruction; it was a powerful statement of intent. It proved that Kimberly & Clark was not a fleeting enterprise but a resilient and determined force. The decision to increase capacity during the rebuilding process also indicates their forward-thinking approach, using adversity as an opportunity for further growth and modernization. It solidified their position as a major player and instilled confidence among employees, investors, and customers alike.

The period from 1872 through the 1920s laid the essential groundwork for what Kimberly-Clark would become. It was a time of foundational growth, strategic expansion, and the development of an organizational culture that valued innovation and resilience. The initial focus on paper mills, the astute leadership of its founders, and the ability to overcome significant setbacks set the stage for the groundbreaking innovations and diversification that would define the company's future. The roots of a global giant were firmly planted in the rich soil of Neenah, Wisconsin, during the energetic, ambitious years of the Gilded Age.

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