

Chapter One The Formative Years



More interested in invention than in business, Ellsworth E. Flora patented sixty-seven devices, thirteen of which involved strapping tools, seals, joints, and processes. His inventive genius supplied the basic concept for the birth of a new enterprise, the Seal and Fastener Company.

The year was 1913. The railroads were unchallenged as long-distance carriers of people and goods. Automobiles were just beginning to threaten the horse and the bicycle. Aviation was still in the pioneer stages of development, the Wright brothers having made their successful flight just a decade earlier. Among the events of the year, the Federal Reserve Act was passed, the parcel post system was established, and the story of Signode began with the formation of a tiny firm known as the Seal and Fastener Company.

In that era, commodities and merchandise were packed in bales, bags, barrels, or wooden boxes. Solid fiber and corrugated boxes were coming on the market, but carriers and shippers were highly prejudiced against their use. Indeed, manufacturers of wooden boxes referred to them with disdain as “substitute” containers.

The expression “steel strapping” was unknown. There was a commodity known as “box strapping”—a soft steel band. But it required the use of nails to reinforce wooden boxes and crates destined for export.

There were a few strapping tools available. A French firm was making and selling a tool which, when properly applied and cranked, would gradually tension strapping around a box. It contained a punch and anvil, permitting the operator to join the ends of the strapping with a rivet. It was a slow operation. But some shippers thought it better than nailing. A seal device was offered by an American manufacturer, but it produced only a very weak joint unless it was used with a nail.

The Flora Concept

Such was the nature of the strapping business when Ellsworth Flora and his partner, J. Fremont Murphy, called on the heads of the largest distributors of box strapping. Flora and Murphy wanted to show these executives an invention of theirs which, they said, would make it possible to tighten and seal straps of steel around a shipping container without using nails.

Flora, at this time in his early 60s, had produced a number of inventions, including a doorknob that made unnecessary the use of a key because it could be opened with a secret grip, an insurance policy vending device (a forerunner of those later used in air terminals), and a muffler to silence the hissing sound of the pianola. Evidently, Flora’s first thought about

capitalizing on his invention of the strap joint and the tools for applying the strapping was to manufacture the seals. Thus, he opened up a little shop on the first floor of an old house on the south side of Chicago where he hired two girls to stamp out seals on two small hand presses and a boy to shear the metal sheets into strips, maintain the presses, and pack the seals. Eventually, the shop employed eight people, including Mrs. Flora.

It is likely, though, that Flora was more interested in getting a little money for this invention and then to move on to develop inventions in other fields. That is what took him to the offices of the companies that marketed nail-on strapping, where he and his partner, Murphy, offered their invention for \$2,000 to each company in turn. Each rejected the offer, believing the scheme that Flora was trying to sell them to be impractical. They were right in the sense that it was impractical at that time; what they failed to see was that the impractical parts could be corrected and that the basic idea had great potential. The president of one of the companies admitted in later years that he considered the rejection of that offer to be the greatest mistake of his business career.

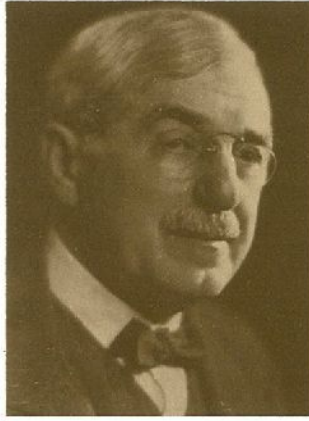
Spurned by the people in the industry, the inventors approached their bankers, perhaps as a last-ditch effort. It was a wise move. A bank officer, apparently sensing the worth of the inventions, organized the Seal and Fastener Company, sold some stock to thirty or forty friends and acquaintances, and paid Flora and Murphy \$10,000 plus some stock for their patent rights.

The Seal and Fastener Company

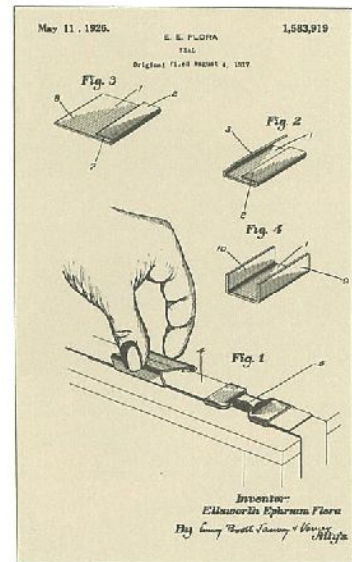
The first president of the new company was Herman Dick, whose brother had made such a success of the mimeograph. Executive offices were initially located in a single room in the Marquette Building in Chicago's Loop.

A salesman was hired to attempt to interest local firms in the use of strapping as a closure mechanism for corrugated and fiber boxes that were then just beginning to be used on a broader scale. However, early selling efforts proved to be somewhat difficult since all of the impracticalities of the new device had not yet been corrected.

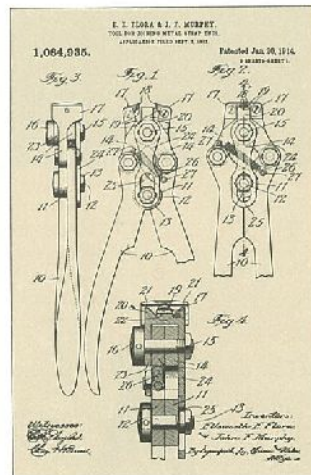
By early 1915, the Seal and Fastener Company had spent its available funds. The business was showing a monthly loss. Prospects looked dismal. A patent attorney who



Herman E. Dick was one of a group of local investors who purchased Flora and Murphy's inventions. He served as first president of the Seal and Fastener Company, which was formed to develop and expand the use of strapping as a closure device.



Among Flora's many inventions was a new type of lightweight shipping box, held together by a steel strap. The invention was made effective by designing a flat collar about one inch long to slide over the two ends of the center strap. Flora then built a tool to pinch this seal around the strap.



The first commercially used Flora and Murphy stretcher and sealer—the seeds from which Signode grew. Most of those to whom they showed their invention in 1913 saw what was then impractical about it but did not recognize the potential of its good features.

