

Special Feature

# MOTHER OF INVENTION

In her quiet, determined way the late Ebba Hoffman turned ailing Smead Manufacturing into an office-products powerhouse.

**W**hile not one of those “blink-and-you’ll-miss-it” burbs, the city of Hastings, Minnesota, has a decidedly small-town feel. From the cinnamon-hued, old-fashioned brick buildings along the riverfront, to the undulating pastures and combed fields on the outskirts of town, it is far enough from the hustle of the metro area for locals to refer to the 30-minute drive to the Twin Cities as “taking a trip.”

It was here in 1955 that Ebba Hoffman, a newly widowed homemaker with two young children and an eighth-grade education, suddenly found herself at the helm of a debt-burdened office products company. Over the next 43 years, the decisive, savvy Hoffman steered Smead Manufacturing Company out of a crippling financial situation, through the era’s gender biases, past competitors, and into a position as one of Minnesota’s greatest, and quietist, success stories.

Yet, despite the two-fold accomplishment of resurrecting a business while single-handedly raising a family, Ebba Hoffman’s name remains unfamiliar to most.

To discover how and why she did it, you need to understand both the mother and the businesswoman that built Smead into the powerhouse company it is today.

**THE SMALL-TOWN GIRL**

In 1911, Ebba Caroline Benson was born in

the small Minnesota town of Cannon Falls. The youngest of five children, she grew up working on the family farm, and learned early on the meaning of a hard day’s work. Life in general was difficult. The Benson house had no electricity; they placed heated stones in the family sleigh during winter to keep the children’s feet from going numb on trips into town. Her father often carried a rifle for protection against wolves.

Schooling took place in a one-room country schoolhouse. Never graduating from high school didn’t stop Ebba from finding a job—she went from waiting tables to wrapping but-



**The youngest of five children, Ebba Benson (center front) grew up knowing the meaning of a hard day’s work.**



**Images from a life well-lived: Ebba Hoffman through the years.**

ter at Land O’ Lakes to checking thermostats for Honeywell. During World War II, she got her first taste of what it was like to manage, receiving a promotion to head the department that made gun prisms.

By 1944, she had married, becoming Mrs. Harold Hoffman and moving to a new home in Hastings. She devoted her time to keeping house and raising their two small children, Sharon and John Peter, while her husband supported them by running the family business.

Smead, by that time, had been owned by the Hoffman family for decades. Originally founded in 1906 by salesman Charles Smead to produce his Bandless Filing Envelope (which sported metal clips instead of the traditional degradable rubber bands) and other office filing products, the company was

**By Jenny Sherman**

acquired by P. A. Hoffman in 1916. His son, Harold, took over day-to-day operations after his father's stroke in 1928.

While Mrs. Hoffman remained firmly entrenched in her role as a housewife and had no dealings with the company, she often accompanied her husband on business trips, and came to know many of his associates on a first-name basis. When passing through Hastings, these same associates, often with families in tow, would stay at the Hoffman farm. It was these relationships that Mrs. Hoffman would seek for support when the phone rang one August afternoon.

#### **A FATEFUL DECISION**

Ebba's daughter Sharon, now Sharon Lee Avent and head of Smead, has vague memories of the day she learned her father had died. "We were at the lake waiting for him," she says, describing the Wisconsin cabin her father had given to her mother as a birthday present two months earlier, in 1955. Despite warnings from his doctor, she says, her father took a business trip to Buffalo, New York, and was found in his hotel room, dead from a heart attack.

While Sharon's memory of the following weeks is hazy, she does recall her mother's reaction. Mrs. Hoffman, though dazed by the sudden news, realized what she had to do. "I remember her consulting with her lawyer, Millett O'Connell," says Avent, "then saying that she was going to go to work." The

attorney had lain it on the line: She could either sell the company, or, since she was going to have to go to work anyway, she could take over Smead.

But the decision wasn't quite as cut-and-dried as it seemed. Smead was still hobbling out of the war years, and although it reported \$4 million in sales that year, it was overburdened by almost \$500,000 in debt.

There were other deterrents.

**"When she had the facts, she did not hesitate in making decisions."**

Hoffman had to borrow money to make ends meet immediately after her husband's death because all the checks were in his name. Plus, she had the two young children to think about, and knew little about the office products business.

She did, however, have a lot of backing. "There was no question about my support," says O'Connell, who later served as a member of the Smead board of directors.

"I never thought of selling. She listened, and when she had the facts, she did not hesitate in making decisions. She had a clear picture of the final outcome, the absolute confidence in the fact that we were going to go ahead."

Also behind her was Arthur Pfister, a friend and business associate of Harold Hoffman, and also a subsequent member of the Smead board who loaned her money to help her get going. "She was a conservative, careful lady," he says. "She paid atten-

tion. She didn't do anything recklessly. I knew that she could run the company."

Another essential factor: The employees of Smead were with her. "She had a lot of support from the employees to come in and take over the business," says Avent. "My mother was a hard worker. They believed in that, and knew that she could be successful."

Mrs. Hoffman, apparently,



**The city of Hastings honored Ebba Hoffman in 1982 with "Smead Boulevard" and "Smead Day" (top); Hoffman often traveled with her husband, Harold, (center) on business trips.**

believed in herself just as strongly. After deciding to step into her husband's position, the first move she made, according to O'Connell, was to call all of the main Smead customers and let them know that it was going to be business as usual. "That

was one of the biggest assets right from the start," he says. "We never lost a dealer, to my knowledge."

Her next step: figure out how to come through on her promise. After borrowing money to meet

payroll, she intuitively recognized that Smead would have to cut costs. So she consolidated facilities from St. Paul and Stillwater to Hastings and closed a plant in Toronto. Then she set about mapping a plan for growth.

“My mother fell in here pretty easily,” says Avent. “I don’t think it took her long to figure out how the business ran.” Pfister agrees: “She didn’t have any knowledge of big business, [but] she was really good at it.”

Hoffman immersed herself in all aspects of the company. She cultivated relationships, insisted on sitting in on all sales meeting, and particularly enjoyed advertising.

Her perception for what would work, as well as the moxie to try bright colors and innovative designs, earned the company numerous advertising awards. Most notably, she had the company redesigned in 1956, branding Smead with the recognizable red and maroon logo that is still seen on its products today.

By 1958 the company was already benefiting from the fresh leadership.

Hoffman decided it was the right time to focus on expanding to different markets, so she acquired Yale Filing Supply, a California filing company. Then she made a shrewd move: Instead of immediately changing the newly acquired company’s name to Smead, she let it remain for a time as Yale Filing Supply. That way, her daughter explains, she figured she could ride on Yale’s brand recognition in the West (where the Smead name was virtually unknown) and still gain presence in a then-unexplored territory.

But Hoffman soon realized that in order for Smead to continue to grow, she would have to do something about its Hastings facilities. Scattered throughout six different buildings, the organization was exasperatingly inefficient; supplies needed to be carted from one building to another, and the heavy rolls of paper used in manufacturing had to be hoisted up to the top floor in a dumbwaiter. It was clear that Smead needed one central-



**Realizing the need for a centralized facility, Ebba Hoffman secured financing and broke ground in 1960 for a new corporate headquarters.**

ized production facility.

“The old buildings were impossible,” says O’Connell. “[But] as far as trying to expand or do anything, there was no capital with which to do it. When you don’t have anything but a bunch of old buildings, trying to convince somebody that you’re going to be all right, well, that’s not easy.”

Hoffman and O’Connell approached bank after bank seeking loans, but came away with only a firmer resolve to try again. Despite the sense they were getting that lenders didn’t trust a business run by a woman, they had to figure something out.

They finally found help at First National Bank in St. Paul. With a loan in hand, Hoffman broke ground for the new facility (on land she already owned) in 1960, which was completed in 1962. Soon after, she pur-

chased the remaining company shares from her former husband’s brother, and became the sole Smead stockholder.

The business was now poised to bloom. “It got going pretty big shortly after we had that new building built,” says O’Connell. The sales force was adding customers, new products were introduced, and factories were opened in Texas, Georgia, and Wisconsin. And the workforce at home in Hastings had two fresh recruits: Sharon and John Peter.

**A MOTHER**



**Ebba Benson became Mrs. Harold Hoffman in 1944.**



**The opening of the new plant made headlines in 1962 (top); after the untimely death of her son, Hoffman donated an organ in his name to a local Lutheran church.**

## TO MANY

Amid all the executive decision making and company development, the CEO of Smead had somehow managed to raise a family.

“She was the inventor of flex-time, I guess,” quips Avent, when asked how her mother fit parenting into her already tight career. An early riser, Mrs. Hoffman would get her children ready for school, watch them board the bus, and then leave for work. Each day, she tried to be home by 4 o’clock.

“Being a single mother and having to run a strange business all in the same day is a little tough on you,” says Pfister. “But she did it. Not only that, but she took care of the farms too.”

Nonetheless, as O’Connell attests, she never lost her head, didn’t seem to get upset, and never appeared to have too much to handle. “She was a busy woman,” he says. “But you never would have had that impression. [She was] a very steadfast, intelligent, feet-on-the-ground type of person.”

Despite her tapped resources, Hoffman somehow had enough left over to encourage the best from her employees. “She allowed people to challenge themselves,” says David Fasbender, Smead’s senior vice president of sales and a 41-year company veteran. “That’s why I’m still here. I spent more time with her than I did with my own mother. She was a mother to me—to all of us. She gave us good direction, but let us do our own thing.”

When they were old enough, both Hoffman children started working at Smead; Sharon in the credit department, and John Peter in the production area. “My brother would work after

school, sweeping and dusting and straightening,” says Avent. “I was pasting together catalogues for our sales people. It was very boring. Mother said I needed to be a little more enthusiastic about my position.”

Avent’s enthusiasm and love for the job grew over the years, as well as her responsibilities, and her mettle was tested in 1986 when her brother, John Peter, died suddenly of complications from a bleeding ulcer. Her mother was devastated, and took half a year away from work to grieve. Avent had to fill in.

Though her mother returned to the helm, she gradually ceded more authority to her daughter,



**Hoffman’s coworkers remember her as a “very steadfast, intelligent, feet-on-the-ground type of person.”**

and in 1998, officially handed over title of CEO and president. Over the course of her leadership, Smead grew from about \$4 million in sales to over \$300 million when she passed it on, with more than 2,000 employees nationwide.

“She realized it was getting harder and harder for her to contribute,” says Avent of her moth-

er’s decision to step back. “If she felt she wasn’t doing the job, then it was time to [move] on. She would have never done anything to hurt the company.”

She also gave credit where it was due. Hoffman often stressed that Smead wasn’t successful because of her, but because of all the people out on the factory floor.

It was perhaps this self-effacing manner that kept her name from being as widely renowned as those of her contemporaries,



couldn’t have worked for a better company, before, after, and forever.” ■

*Jenny Sherman is Twin Cities Business Monthly’s assistant editor.*

**“Being a single mother and having to run a strange business all in the same day is a little tough on you. But she did it.”**

though her daughter says that “she was never a very public person” to begin with. “She’d quietly do wonderful things for people,” Avent adds, noting several anonymous gifts her mother made to the community. “She was a real lady. Caring—it’s such a simple little word, but it really was what she was.”

Ebba Hoffman passed away in February 1999, still relatively unknown despite accomplishing the Herculean feat of rescuing and revitalizing a business, as well as raising her children. But her legacy remains in the continued growth of Smead, the guidance of her daughter as its leader, and, most poignantly, in the words of Arthur Pfister: “I



**Sharon Avent, left, pictured with her mother.**