The History of Hill-Rom

August 13, 1992

Batesville and the Hillenbrand Family -- The Beginning of a Partnership

Last time: Augustine (Gus) Hillenbrand comes to America. Gus' sons John and William become Batesville businessmen. William leaves Batesville.

Progress meant change for the Batesville community. The town's men took their turns maintaining the roads, which were made of stone from a quarry owned in part by John Hillenbrand, Sr. A newspaper was published and construction of a town hall was completed. Probably the most important change at this time was the construction of a phone line that linked Batesville and Oldenburg.

In 1887, John Hillenbrand, Sr. learned of something called an electric light generator during a trip to Cincinnati. The risk of fire in the factories was extremely high due to build-up of dust from the wood-working machines. John had a direct current generator installed, intended only for the factory lights, but it was soon replaced by an alternating current generator which led to motor-driven factory machinery. Wires were also strung from the factory to the family home. Batesville was quite ahead of its time because by 1914, only 30 % of the nation's plants had been equipped with electricity.

Although the factory was now electrically powered, it took several attempts to get the town lit with electric lights. In 1890, E.C. Timmerman and John Hillenbrand presented an electric light proposal to the town board and an election was held to determine whether or not the town would have street lights. A sample light was erected in front of the town hall and it was proposed that 30 lights would run from dusk until 11:00 p.m. for $660. Some citizens felt that the lights weren't needed because "decent" people shouldn't be out on the streets that late at night. The proposal was defeated 161 to 76. After several more ups and downs, a contract was secured in 1895 to place lights on the streets at all principal crossings and buildings. Batesville's electric street lights were a "first" west of Cincinnati. Despite this contract, it was not until 1898, after a reduction in rates and an agreement that the lights would be used only when necessary, that the lights became permanent fixtures. A power plant was built in town to satisfy the increasing demand for domestic electric use.

John Hillenbrand was becoming well-known as both an industrial community leader and his family was growing up. His son George was sent out to sell furniture and he convinced his father that their American Furniture Company should focus on bedroom furniture. George became a great salesman and the American Furniture Company gained a reputation as one of the finest furniture makers in the country under his leadership. John Sr.'s daughter Rose married Anthony Romweber, joining the Hillenbrand and Romweber families together. Son John A. had completed grade school and had been sent to a Catholic school for boys in Illinois. However, John did not adjust well there and he returned to Batesville, beginning his apprenticeship at the factory for $2 a week. After six months, he was put in the office to learn bookkkeeping.

In 1888, Mary Hillenbrand's husband, Joe Fragge, died of typhoid fever. Shortly after, John Sr.'s oldest son, William, also died of the disease at the age of 19. In 1892, Mary Hillenbrand married George Mitchell. George Mitchell was very instrumental in the lumber business because of the contracts he settled with the railroads. With his help, the Hillenbrand-Mitchell Company grew a great deal.

The lumber business was very important to the Hillenbrand family. One of the first big contracts came after the company bought 200 acres of timberland and a mill from T.W.W. Sunman. The railroad needed firewood to stoke wood-burning engines and the business grew so much that they became one of the first in the area to install a mechanical wood splitter. John A. was put in charge of the mills to learn the lumber business when George Mitchell became ill and died in 1896. After that, John Sr. divided his stock in the businesses with his sons John A. and George M., keeping a fifth for himself.

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The History of Hill-Rom

Batesville and the Hillenbrand Family -- The Beginning of a Partnership

This area of the country was once part of the Northwest Territory which was claimed first by the British. Inhabited first by the Shawnee Indians, Indiana also became home to the French in 1730. It did not become part of the United States until after the military expedition of George Rogers Clark. Colonel Archibald Lochry was to have assisted Clark in his fight against the Indians and the English, but he and his men were captured by Indians and killed in the southeastern part of what is now Ripley County. Today, Laughery Creek and other places in the area are named for him.

White settlers did not move here until the Greenville Treaty was signed between the United States and various Indian tribes. Gradually, the Indians moved their encampments west, and by the time Ripley County's boundaries were laid out in 1816, the land of the Indians had officially become Indiana.

The first non-Indian settlements were comprised of people of English and Irish descent, individuals from Kentucky, and easterners who wanted to move west. The supposed discovery of silver in Laughery in 1825 probably helped trigger further settlement. (The excitment died down when the metal was found to contain only seven percent silver). Settlement began to take hold, however, when a railroad was built from Cincinnati to Lawrenceburg.

In 1835, North German Catholics from Oldenburg, Germay settled in an area in southern Franklin County, naming their new town in honor of the one left behind in their homeland. A second group of immigrants from the Protestant communities in Germany established the Huntersville Church. These people had high hopes for their new-found country, for times were hard in Europe. The Industrial Revolution had all but destroyed the need for serveral German trades, and a harsh potato famine made life there even harder. Due to the rich supply of fine timber that reminded them of home, this area became a favorite for German immigrants. Many of these industrious Germans were woodworkers by trade and the area gave them the opportunity to continue their skills in the new land.

Around the same time, Teunis Amack settled in what is now Batesville. He bought 120 acres from the government, on which he started a farm and built a log house for his family after they moved from Peppertown. Seventeen years later, in 1852, Amack sold his land to the Callahan Trust Company. The trust was probably interested in the land because they knew that the railroad which would link Cincinnati and Indianapolis would soon be coming through the area. A member of the trust company had surveyed the original route the railroad would take. The land purchased from Amack was originally broken down into 45 lots which were laid out with the railroad as a basic line. Joshua Bates, the engineer and surveyor of the group, bought the first lot. It is probable that Batesville was named for him.

In 1853, the railroad across the county opened and Batesville thrived as a waystation for rail workers and immigrants. While the railroad construction went on, hotels, saloons, and eateries sprouted up. As written in a Batesville newspaper, "The railroad's completion and the flood of German immigrants into the area triggered a metamorphosis. The former haven for wayfarers and gandy dancers [workers in a railroad section gang] took on the appearance of a real town. Merchants hawked goods behind glassed storefronts, industries sprang up, doctors took up practices, and a Circuit Court Judge came regularly to rule on the fates of rowdies. Lawyers hung out their shingles and church spires began to throw shadows on the town's streets."

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During the years before Batesville was established as a prominent stop along the railroad line, other settlers were drawn to the area. Around 1835, Augustine (Gus) Wilhelm Hillenbrand from Germany travelled up the Ohio River by flatboat after landing in New Orleans. He was twenty-four. He came to Adams Township in 1837 where he bought a tract of 80 acres from the government at $1.25 an acre. That was the smallest amount of land one could purchase at that time. Starting a family, Gus and his wife had two sons, William and John, and two daughters.

John Hillenbrand was thrust into decision-making early in life. His mother died in 1854, and his father, Gus, followed in 1861. At only 18 years of age, John was forced to develop his business sense quickly. His brothers-in-law were determined that they would take over the farm, thinking that John was too young to handle all the responsibility the land would entail. They were soon disappointed when John took all the mortages, deeds, and papers to a local financier and friend, Mr. Sunman, who helped John retain the land and acted as administrator of the estate. To repay Mr. Sunman for his assistance, John farmed his own land and cut logs from Mr. Sunman's land. When John got older, he began buying sections of woodland from which he would cut the lumber to sell and then sell the cleared land, now suitable for farming, at a premium.

John Hillenbrand married Margaret Herr and as the young family began to grow (sons William, George M. and John A., and daughters Rose and Mary), the Hillenbrands decided to move their home from Spades to the nearby community of Batesville in the mid to late 1870's. John kept up his lumber business which provided the wood that was needed at the time not only for railroad pilings and cross-ties, but also for new buildings under construction.

Around that same time, John began buying property in Batesville with his brother William. Their first purchase was the Schrader Store, for which they paid $1,275. William operated the town post office from this general store. The Hillenbrand enterprises included farming, store operation, saloon keeping, sawmills, a livery stable, and industry. Around 1880, the Hillenbrands purchased the American Furniture Company. The business had run into financial difficulty because the craftmen were not adept business men. With the help of a friend from Lawrenceburg, the Hillenbrands were able to salvage the business and help the craftsmen.

In December of 1882, the town of Batesville was incorporated and both John and William Hillenbrand were elected members of the very first town board. The incorportation process had begun long before that when the incorporation papers had been filed in Versailles, but unfortunately one necessary part of the paperwork need for the final papers was mislaid. It was not until five years later that the problem was finally corrected, after Batesville filed suit in the Versailles Circuit Court. The court then declared the community an official town. Before this time, Batesville had to conduct all business by meetings and votes from the residents. One of the first official acts of the new town board was the purchasing of a town seal, a copy of the Indiana Statutes, and a badge for the marshal.

In 1887, William Hillenbrand decided to leave Batesville, selling his interests in their holdings to his brother John.

Next time: John Hillenbrand and his family expand their business.

At the turn of the century, Batesville was looking forward to a new era of prosperity. Approximately 1,300 people were living in the town. Local telephone lines were connected with the Indianapolis and Cincinnati lines. The first graduates of the new Batesville High School held commencement and the first Batesville automoblile, constructed in Bessler's factory, was driven around the city streets in 1903. The famous politician William Jennings Bryan came to speak to the Batesville citizens in one of his whistle stops along the campaign trail. An article in a local newspaper proclaimed the fact that Bateville produced more wood products per capita than any other town in the United States.

On February 11, 1903, John A. Hillenbrand married Clara Marie Enneking. He had known her as a child but became more acquainted with her after he saw her as queen of the Batesville Flower Festival on Labor Day in 1902. He had been acting as the marshal of the parade at the time and was so taken with Clara that after spending the day with her, he proposed to her that very night. They went on a honeymoon to Europe and soon began a family when John W. was born in 1903 and William August, or Bill, was born on July 25, 1905.

In 1906, the Hillenbrand Company purchased the Batesville Coffin Company. The Coffin Company had been in critical shape for some time and the family of one of the founders eventually had to appeal to the Hillenbrands for funds because they were so badly off. John A. was commissioned by his father to study the casket market. At this time, coffin companies were mainly small businesses that catered to their community and the surrounding areas. John visited factories and talked to people who were established in the funeral industry. He went to conventions to study the market and advertise for Batesville. John offered promotional gifts to funeral directors which helped create a reputation that the company was personally interested in their customers.

One of the first big decisions for the company was that the name would be changed to the Batesville Casket Company and it would start making caskets with parallel sides, instead of the old "toe pincher" coffins that were made to fit the contours of the body. The hardwood caskets were of very fine quality, designed by furniture designers and constructed by expert cabinet makers. At that time, a cloth covered casket sold for six dollars.

Things were continuing at a rapid pace for the town. The first-moving pictures had come to the area and a fire alarm system was adopted. Batesville became a fifth-class city with their 2,106 citizens in 1909, which allowed them to have a city government. George M. Hillenbrand was elected the city's first mayor and in his inaugural address he announced, "Our present manufacturing industries are our success, and we should encourage them in every way possible. Our attitude toward our present industries should be such that it will encourage others to locate here."

On May 27, 1910, John Hillenbrand, Sr. died. His funeral was the largest ever held up to that time in the county and his will set up a fund for charitable activities within the community.

Next time: The Beginnings of Hill-Rom

The History of Hill-Rom

August 27, 1992

The Beginning of Hill-Rom

Last time: Electric light comes to Batesville. The Hillenbrand family purchases the Batesville Coffin Company, entering the casket market. John Hillenbrand, Sr. Passes away.

In 1913, the Hillenbrand Company bought the Greeman Brothers Manufacturing Company. This company had begun as the Batesville Carving Company in 1876 and had employed more people than any of the other local furniture companies. However, when W. T. Greeman died, the Greeman family turned to John A. Hillenbrand for help. The business was incorporated as the Batesville Cabinet Company and on George Hillenbrand's recommendation they specialized in dining room furniture. The plant was adjacent to the American Furniture Company and their products were sold by the same salesmen to the same customers. In 1918, the Hillenbrands instituted a daring change in Batesville. They began the first non-wood manufacturing when the Batesville Casket Company began to make their own casket shells.

Batesville had a hero to be proud of at this time, when Joe Benz, son of a local butcher, joined the Chicago White Sox as a pitcher. An epidemic of Spanish influenza in the state created a government demand for all the caskets the Batesville Casket Company could produce since deaths were especially high in army camps. The Liberty Park became a permanent part of the town when Mr. and Mrs. George M. Hillenbrand donated the old fairgrounds to the citizens of Batesville.

The Hillenbrands took on a new kind of business in 1923, when they purchased the Sherman House restaurant and inn. The establishment had first opened its door to guests in 1852 and had been named for General Sherman, under whom several area citizens served in the Civil War. The Hillenbrands decided to keep the inn to use it for businessmen, salesmen, and other visitors. By this time, John A. and Clara Hillenbrand had seven children: John W., Bill, Mary, George Carl, Helenrose, Clara John, and Daniel.

In 1927, Margaret Hillenbrand (John Sr.'s wife) and her daughter, Mary Mitchell, donated money to the community for the construction of a hospital. The family wanted an order of Catholic nuns to run the new facility, but there was such a demand for nuns in hospitals that almost every group they contacted turned down the offer. Making one last effort to find a group willing to help, the American Furniture Company contacted Father Charles B. Moulinier, who was then the Dean of Marquette University and the president of the Catholic Hospital Association. When Father Moulinier came to Batesville, he was impressed by the wonderful furniture produced be the local industries. Inspired by this, he suggested that the Hillenbrands look into making a more livable type of furniture for their new hospital instead of the cold tubular steel furniture that was then the standard. George M. Hillenbrand was intrigued with the idea and put some salesmen on the project in an attempt to start a line which would be manufactured by the American Furniture Company.

Soon it became apparent that if they were really to consider this new venture, some leadership was needed. William A. Hillenbrand (John A. 's son), had graduated from the University of Notre Dame and had just returned from a trip abroad where he had visited casket and furniture businesses in Europe. Bill didn't want to be just another furniture manufacturer. He was young and willing to take a chance and so he was given the job to head this new venture.

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Bill spent much of the next few years traveling from hospital to hospital talking with staff to listen to their views and see what was already being offered in the market. He studied safety designs, worked with teaching hospitals, and spent his evenings on hospital floors observing what the furniture had to withstand. He came to see a definite need for change -- almost everything was made of cold white metal that was supposedly more sterile than wood. The hospitals mainly consisted of large wards with white walls and institutional furniture that did not appear conducive to curing illness. It was possible for furniture to combine beauty, grace, and convenience with durability and practicality, but making furniture of wood would challenge tradition. Bill was willing to take the risk. He knew that he could bring a warmer look to the hospitals and started using the phrase, "Bring the Home into the Hospital" to express his vision behind the new company.

A few groupings were added to the American Furniture Company's regular furniture line and they were shown in a small four-page leaflet. This part of the business now needed a name to separate it from the domestic furniture manufacturing side. When Bill Hillenbrand and George Romweber, his cousin, were in eighth grade, the raised rabbits to sell. The name of their little enterprise had come from the first syllables of both last names-"Hill-Rom." Bill remembered this and decided to call his new company by the same name.

The decision to really try to make a go of it in the hospital industry was very daring considering the attitude people had toward hospitals at that time. They were not looked upon as good places to go even if you were sick. Hospitals had begun during the Crusades as shelters for travelers to go with their untrained nurses if they got sick along the way to the Holy Land. From these beginnings, hospitals didn't change much over the next few centuries. As hospitals were established, they were built with large wards because the people who used the facilities couldn't afford private rooms. Infection was common in these wards and if a person went to a hospital, they might come home with something worse–if they lived through their hospital stay at all. Anyone who could afford to stay home without putting others at risk was much more likely to receive the best care.

By the late 1920's people still did not want to go to the hospitals. Those who could afford good care and had to use the new medical centers for treatment wanted more luxurious accommodations. The wards took away all privacy and often made a patient feel they had lost their identity. Bill Hillenbrand's theme of "Bring the Home into the Hospital" was really a major marketing concept. The idea of change for the hospitals would create a better environment for the patients. In his initial sales approach, Bill emphasized the warmth of the wood and how it could have a positive impact on the hospital setting. A few pieces were installed in corner rooms around the wards and the compartmentalization of hospital rooms began. The warmth of wood furniture was providing the hospitals with a marketing tool to bring customers in.

Before Hill-Rom got a real start, the whole basis of the Hillenbrand business went through some major changes. The Romweber and Hillenbrand boys were growing up and the families began to think that a division of companies would be in the best interest of everyone. After some lively bargaining over the American Furniture Company, which was the largest enterprise at that time, the Hillenbrands acquired the Batesville Casket Company, the tiny Hill-Rom Company, and some various pieces of property. The Romwebers took over the American Furniture Company, the Batesville Cabinet Company, and some manufacturing facilities. The split was completed in the later part of 1929.

Next time: Hill-Rom's Revolutionary Sales Decision

The History of Hill-Rom

September 10, 1992

Hill-Rom Moves Forward

Last time: Margaret Hillenbrand and Mary Mitchell donate money for a hospital. Bill Hillenbrand is given responsibility for new hospital furniture venture named Hill-Rom. The Hillenbrand and Romweber companies are divided.

The newly incorporated Hillenbrand Industries was run by the Hillenbrand brothers. John W. succeeded his father as president of the Casket Company and handled investments. Bill was the President of the Hill-Rom Company. George Carl, or G.C., was Overall Factory Manager, in charge of the plants and factories. The industries had one bank account with all the enterprises handled together as a unit. Bill always kept close track to see how Hill-Rom's money was handled and to make sure the credit department was on top of the hospital accounts. Each of the brothers had their own area of expertise, and informed the others of their plans without overriding and criticizing each other.

If reorganization was not enough of a change for such a young company like Hill-Rom, the stock market crashed and the Depression began. It would have been easy to give up at this time. Hospital construction virtually stopped and government hospitals were difficult to sell to because of all their regulations. Hospitals were shutting whole wings down and were selling their furniture, not buying. They were difintely not buying from a new, unknown company that was questioning institutional traditions and ideas that were not meant to be challenged.

Bill Hillenbrand decided to try a couple of things. First he went to the hospitals and pointed out that although it was the Depression, there were still people who he expected would want or need to pay a little extra money for a nice, private room. Even if the hospital could not pay for the furniture now, Bill told them he would furnish one room and they could try out the furniture. They could charge a little extra for the special room and set aside the extra amount until they could pay for the grouping. After the trial period, if they were not satisfied, they could send the furniture back at no cost. There was a lot of resistance and only a few administrators were willing to try the new idea. However, the results were so satisfactory for each hospital that tried it that not a single grouping of furniture was returned. Soon the hospitals started asking for Hill-Rom to equip a few more rooms and slowly the idea of home-like furniture in hospitals gained a little popularity.

Second, Bill decided to target sales on the basis that there was a need for private accommodations. He started contacting people who had originally furnished hospital memorial rooms and asked them if they would like to replace the worn furniture in these rooms with fine, new Hill-Rom furnishings. Several catalogs were published, specifically targeted to memorial room contributors.

The Depression was a hard time. Furniture had to be made at the lowest possible cost for restricted budgets and people just weren't willing to take the risk of investing in change. For the first several years, Hill-Rom could not even pay its president his small salary, which started at $15 a week, so he had to collect his weekly paycheck from the Casket Company. Hill-Rom only made $21,600 in sales the first year. John A. encouraged Bill to stick with the challenge despite the discouragement and struggles to see if something couldn't come out of this new venture. Even though it was one of the toughest times Bill ever faced, the company did progress and each year Hill-Rom sold a little bit more.

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Bill described Hill-Rom's beginnings by saying, "At the start Hill-Rom was practically nothing. You'd get an order for a couple of sample suites or something like that. The first three years were terrible. Before our seventh year, we were losing money every year. We didn't know anything about the business of manufacturing hospital furniture. Furthermore, nobody knew our firm. Another reason: we were trying to put across an idea, and the hospitals were not yet ready to accept wood furniture in the hospitals. But the seventh year was the turning point. Every year after that, we would show progress in sales and shipments. . . It was pretty much a one-man show early in the game when I was learning what a hospital was all about."

The main competition in the hospital furniture field at that time was the mattress industry. There were very few firms that specialized in hospital furniture but the mattress companies would sell mattresses and low-cost frames to go along with them. The competition these businesses provided was mostly on a local level, but it was intense. The other competitors of Hill-Rom also sold their furniture to other types of institutions such as hotels, dormitories, steam ships, and domestic homes. Hill-Rom was the only company fully dedicated to hospitals and so Bill Hillenbrand's work began to bring about a new business concept. Furniture, as an industry, was finally being brought to the hospitals.

Since Hill-Rom was basically an affiliate of the American Furniture Company and the Batesville Cabinet Company, Bill was instructed to sell his furniture through the dealers who purchased from the other two companies. He agreed for the first few years, but had little control over his sales force and came to the conclusion that the furniture and contract departments could not do the job he needed. The dealers sold so many products that they knew very little about any of them. They were not motivated to generate hospital business, so Hill-Rom had to find a way to generate business on their own.

Bill decided to establish a sales force and sell directly to the hospitals instead of through dealers, so he began hiring salesmen to cover more territory. This was a revolutionary decision. The company was assuming complete responsibility for the quality and service of every item of Hill-Rom equipment. The benefits and responsibilities of this decision were soon apparent. Because there was no dealer acting as a "buffer" between the company and the customers, if there was a problem, the customer knew immediately who to contact, which saved time, money, and confusion. They could even get in touch with the president of the company to see that the problem was corrected. A responsibility was forced upon each salesman to see that the customer got all he wanted or needed to know and questions could be answered on the spot. Hospitals benefited because products were kept closer to the original price, providing greater quality for the money. Best of all for Hill-Rom, selling directly allowed the salesmen to get on-the-job information about how the products were performing and get helpful suggestions and ideas from hospital staff on improvements that could be made, thereby keeping Hill-Rom in the lead.

The American Furniture Company was making Hill-Rom's furniture for them and Bill was busy following orders through to make sure the needed pieces were produced, finished and stored correctly. It was during these early years of Hill-Rom that Bill Hillenbrand started his own family with his marriage to Martha Heidacher of Cincinnati in 1931.

Next time: The First Hill-Rom "First"

The History of Hill-Rom

September 24, 1992

The Beginning of the Hill-Rom "Firsts"

Last time: The Depression poses a challenge for the newly formed Hill-Rom. Bill Hillenbrand encourages sales by allowing hospitals to use Hill-Rom furniture on a trial basis before they buy. Hill-Rom sales force begins to sell directly to the hospitals.

In the years before Hill-Rom got its start, the Hillenbrand family began purchasing adjoining family farms outside Batesville near the small town of Enochsburg. The seven farms, purchased one at a time between 1901 and 1934, totaled about 1200 acres. The farms made a perfect camp for summers and holidays. John A. and Clara would take their children by horse and buggy on a day's outing. Sometimes there would be outings on Sundays to go hunting and to walk over the farms.

Originally called "Good Fellowship Lodge," Clara Hillenbrand gave the farm the name it has today. She took the first two initials of her husband's name, John A.; the middle initials of her sons John W., William A., and George Carl; the first and middle initial of her youngest son Daniel A., and the 'H' from Hillenbrand. These letters combined produced the name, "Jawacdah." The name is Indian sounding and promoted the choosing of the Indian symbol for friendship to represent the camp.

The farm began as a summer retreat for the Hillenbrand family. Additional buildings were constructed to house all of the family members. Spending time at the farm gave them a way to keep their families close despite the demands of the business. A swimming pool was built in 1939 and the whole place was remodeled so it could facilitate the guests who often attended the camp, such as friends or the Catholic sisters who ran Margaret Mary Community Hospital, whom Bill invited once a year.

At the start of Jawacdah's business history, hospital administrators were brought in to spend a weekend at the farm and Bill would describe the Hill-Rom products to them at that time. Other groups Hill-Rom brought in were those who were considering building a hospital and students from universities who were taking graduate courses in hospital administration. Hill-Rom also hosted purchasing agents, maintenance men, members of hospital boards, and architects. Soon salesmen began to invite people out to visit the Batesville facilities regularly. It provided Hill-Rom an opportunity to take customers through the factory and the showroom and acquaint the customers with the products and the organization of the company. Jawacdah became a place for customers to enjoy Hillenbrand hospitality and friendship while visiting the factories and offices and transacting business. As business use for the farms increased, the company worked out an agreement to lease all the Jawacdah farm buildings and some of the surrounding acreage from the Hillenbrand family.

In the early 1930s, Bill decided that Hill-Rom needed a line of furniture which included some of the popular pieces being used by hospitals, such as overbed tables. John A. agreed that they should have a more definite product line and sent him to see a friend in Indianapolis, who was instrumental in putting Hill-Rom in touch with people who helped them develop original pieces.

One of these unique pieces was an overbed table that could be raised and lowered by gears. In 1933, Hill-Rom introduced the first adjustable crank double pedestal overbed table to the market in two different sizes. This table had an adjustable center top to be used as a reading rack or a mirror support. At this point, Hill-Rom was still mainly a furniture company. There wasn't a lot of product development going on because it was innovative enough to challenge the traditional metal furniture in favor of wood.

Although hospital planners who visited the hospital in Batesville were enthusiastic about the new types of furniture in use and a national survey had indicated that hospitals were interested in improving interiors, there was still a lot of resistance to Hill-Rom's wooden line of furniture. Many people thought that upholstered furniture and drapes would serve as havens for germs and that wooden furniture would encourage bedbugs, which were already a problem in hospitals. To combat the bed bug theory, Hill-Rom installed a wooden bed in a university hospital's ward that was already infested with the bugs. Bill Hillenbrand demonstrated that the wooden bed was easy to clean and there were no hollow places for bed bugs to hide.

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Another concern was that the wooden furniture would not stand up to the abuse it would get in hospitals. Hospital furniture had to be as strong and practical as possible because it was used almost constantly by different people in various situations and conditions. While the Hill-Rom furniture was attractive, it had to be able to withstand both very humid and very dry conditions. Hill-Rom demonstrated how practical its wooden line was by showing that wood could be repaired easily. Hill-Rom also used a special finish on their furniture that could withstand chemical spills and wear. Paint chipped from metal beds because it provided only surface protection, but Hill-Rom's finish was much more than that. At first, a lacquer was used, but it was soon changed to a finish that wouldn't become brittle because it went into the pores of the wood. Hill-Rom's confidence in its finish was expressed on the label attached to every piece of furniture it produced. It read: "This furniture is finished with a special material capable of withstanding repeated washings and accidental spilling of alcohol, iodine, ink, and other ordinary chemicals. It will not chip or craze." Any company could have used this finish, but Hill-Rom was the only one that implemented it.

Hill-Rom used the fine woods that Bill Hillenbrand was familiar with from the work he had done with his father. The lumber had to undergo several tests of moisture content, uniformity, and freedom from flaws in order to meet the required Hill-Rom standards. Hill-Rom was the only company making institutional furniture exclusively of natural woods. All the posts and frames were made of one-piece hard maple, walnut, or white oak for maximum strength and stability. Wood panels with particle cores were used instead of lumber cores because the Batesville furniture companies had found that the laminated panels were stronger and more durable than solid wood. Since Hill-Rom was striving to make the room look as homey as possible, a lot of the pieces were domestic pieces converted for hospital use. The beds were manual and worked with cranks. Some pieces even looked like their domestic counterparts but had the durable finish on them that made them superior. The Hill-Rom pieces were comparable to any domestic furniture pieces in the country.

In the early 1930s, the company was small and there were only a few people who worked solely for Hill-Rom. In fact, only one person had an actual title--Bill Hillenbrand, President. The facilities were used primarily for the manufacture of hardwood caskets for the Casket Company and the hospital furniture for Hill-Rom. In the factory, all the equipment and all the people were used to doing work for both Hill-Rom and the Batesville Casket Company. The production flow for the caskets and Hill-Rom beds and goods went through the same manufacturing processes, from the rough wood purchased from the Hillenbrand lumber yard to final assembly, which was casket building and cabinet assembly. The same wood finishing department finished both the caskets and the furniture. A common day would start by running a job for the Casket Company and when that was completed, running a job for Hill-Rom. Since they used the same machinery and the same workers, the difference in the factory was the labor tickets that were used to clock in and out on each company's jobs. Out of all the hourly employees, there were only a few that worked in departments that were totally dedicated to Hill-Rom products.

Hill-Rom had a problem with the delivery of their furniture because although it would leave Batesville in fine shape, it would often arrive at its destination in terrible condition due to careless handling along the way. Bill Hillenbrand decided that Hill-Rom would be responsible for the shipment of its own furniture. The beginning of Hill-Rom's quality delivery team came when drivers were hired and trained specifically to deliver hospital furniture.

Besides instituting home-like furniture in the hospitals, Hill-Rom decided to encourage the use of color in the hospital decor. The company wanted to introduce everything that they could to support their concept of room ensembles for hospitals. Studies had been done by various groups that suggested that a cheerful, colorful atmosphere had definite mental and physical value besides building morale, increasing efficiency, renewing energy, and minimizing eye fatigue. Hill-Rom argued that all these facts should convince hospital decorators that color should be important in hospital schemes. Last, but not least, Hill-Rom reminded hospitals that the rooms should appeal to visitors since hospital visitors often formed their opinions of the neatness, cleanliness, and efficiency of the entire institution from what they saw in the patient's room. Hill-Rom was definitely getting involved in every aspect of the patient room atmosphere.

Next time: The 40s: A Decade for Innovation

The History of Hill-Rom

October 8, 1992

THE '40s: A DECADE FOR INNOVATION

Last time: Hill-Rom introduces the first adjustable crank double pedestal overbed table to the market. The company's wooden hospital furniture proves to be both durable and attractive. A fleet of drivers is trained specifically to deliver Hill-Rom products.

In 1940, Hill-Rom introduced the adjustable, single-pedestal overbed table. The base fit under the bed, the top fit over the patient, and a crack allowed its height to be adjusted. The table fit over the side of the bed and could be moved in place by either the nurse or the patient, thereby promoting patient self-help. It was also during this year that Bill and Martha Hillenbrand's first child was born, W August (Gus) Hillenbrand.

After the struggle of the Depression, another crisis developed. World War II had consumed the country and hospital beds and burial caskets were two necessary industries at the time. Because there were allocations on metals, the Batesville Casket company had to stop producing metal caskets and was forced to share a lot of Hill-Rom's manufacturing facilities in order to step up their wooden casket production. Hill-Rom kept producing, but they had to reduce their product line to about half of what they had been manufacturing before the war, instead buying chairs and bedside cabinets from other companies that built to their specifications. A special catalog of war-time products was issued which included all of its woodworking facilities. The market for hospital equipment was strong and Hill-Rom became very busy. The product line was expanded, offering several new groupings, and the company produced them in as large of quantities as possible.

The production cycle took about six months to complete because of the long lead time. All materials had to be on hand because they had to produce things that would be needed six months in the future. This was often difficult to predict and they ran into the danger of over-stocking or under-producing. There was no such thing as "forecasting" at that time. Production decisions were usually made by Bill Hillenbrand and were based on the knowledge he had of the market. Hospitals had to put in their orders six months before they would need the furniture and orders had to be carefully watched. Hill-Rom had a firm policy that it would not accept an order unless it could deliver by the requested date.

Hill-Rom decided to intensify its analysis of hospital furniture design and George Carl suggested that someone trained in design be hired to apply his knowledge to Hill-Rom's developing needs. Fran Burst was sent to study design at the David Walcott Kimball School of Design in Grand Rapids, Michigan. When Fran graduated in 1942, he came to Hill-Rom and was named head of the design department three years later. He became one of the major contributors to Hill-Rom's growth in the following years.

Hill-Rom designs centered around three objectives: to increase the patient's comfort and well-being, to lighten the work load of the nurse by promoting patient self-help, and to lower maintenance costs for hospitals. Hill-Rom was selling appearance as well as functional design and practical features. Because hospital procedures and principles were constantly being improved, Hill-Rom's hospital furniture had to be designed to keep pace with the new ideas, techniques, and practices. The pieces were developed only after complete and careful investigation had convinced the Hill-Rom employees that the pieces were as good as they could possible be.

During the Depression and WWII, funds had not been available for the building of new hospitals. For almost 20 years, little hospital construction had occurred at all. After the war, in 1946, the Hill-Burton Act was passed by the government to help communities modernize and upgrade their existing hospital and to build new hospitals. For a period of about 30 years, tremendous growth occured in the hospital market and about $15 billion was spent on hospital construction and modernization. These hospitals needed the latest equipment to aid in providing the new medical treatments that were available. Hospitals were trying to find more efficient ways of treating patients and the first standardization of hospital measurements was attempted. Hospitals were being built with rooms instead of wards, giving Hill-Rom the chance to really begin to promote its products. The hospital furniture companies began to drive the mattress companies out of the market. It was an exciting period for Hill-Rom as the market started rapidly increasing and demanded new products.

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The History of Hill-Rom

October 22, 1992

HILL-ROM "ELECTRIFIES" THE MARKET

Last time: Hill-Rom surprises the hospital market with innovations such as the Hilow bed and short safety sides. The first real venture into metal production is begun.

Hill-Rom had experience in working with metals, but in 1950 they decided to take their metal production one step further. During WWII, Hill-Rom hadn't been able to make many additions to their lines, so they had concentrated on making improvements to existing products. They found that metal was better for furniture in some places because of the strength it could add to structure. Most of the metal used on the first wood/metal furniture lines was aluminum. It was light in weight, had natural strength, was non-corrosive, and its natural color complemented the warm colors of the woods. Stainless steel, copper, and alloy steel were also used.

In the early '50s, it was time for Hill-Rom to invest in itself. Business was growing and with the new metal production going on, the buildings uptown in Batesville were too small and more space was needed. Hill-Rom didn't have the space to produce all the things it was capable of selling and so its main investment went into the new Ritter Plant. The Ritter Plant was purchased in 1949 and capped off the massive expansion of Hill-Rom's physical plan. George Carl's imagination and experience played a large role in designing the new plant since he had a talent for laying out factories so that production could run at maximum efficiency. The only things that were really used of the original plant building were the walls. Hill-Rom put on a new roof, ceiling, and floors. Most of the current plant was built around the original building and added onto it. As more room was needed, another addition was built on containing whatever amount of square-feet the factory required.

The Ritter building was unique because it integrated and housed both a wood and a metal operation under the same roof. Metal operations included metal fabricating operations, welding, cutting, punch presses, and everything else that was needed for metal production and bed assembly. Hill-Rom had its own lumber yard, rough mill operation, sanding equipment, assembly operations, and finishing operations--everything needed for the wood production line. Between 1965 and 1967, the wood manufacturing was relocated to the Ritter Plant and a new automated lumber yard and dry kiln was installed solely for Hill-Rom's use. With the new plant, more employee benefits came into practice. When the company was first started, the workers weren't accustomed to a lunch break--they brought a sandwich with them and ate it while they worked. The new facilities included break rooms, a cafeteria, and other employee facilities.

There were some problems with Hill-Rom's Hilow bed in the early 1950s. It required tremendous effort from the nurses to raise and lower the bed using a crank and telescopic legs. It took 27 turns of the crank to get the bed in its high position and 27 turns to get it back into its low position. It was a good piece of equipment and the hospitals liked it because it was a tremendous improvement over anything used previously. But it was time for a change.

Hill-Rom came up with the idea of using a cable in the cranking mechanism and soon after attached a motor that would wind the cable to save time and effort. The electrical engineering department at Purdue worked with Hill-Rom on this project. There was a lot of work done to develop the right type of wiring and grounding to ensure that the bed would be safe. Hill-Rom had the motor tested by the Underwriter's Laboratories, Inc. for electrical safety. Since no other electric bed had ever been submitted, it took some time for it to be tested. The Electric Hilow bed was introduced in 1952. Once the bed began selling, there was market demand for a motorized headrest and kneerest so that nurses wouldn't have to make so many trips to the bed. Fran Burst, head of the Research and Development Department, helped to develop the All-Electric Bed, called Hill-Rom's Model 68, which came out in 1956.

The electric beds were difficult to sell in the beginning. People were afraid they would be electrocuted in them, that they wouldn't work right, or that the maintenance overhead would be too high. But the electric beds did work and they gave independence to the patient. When patients got uncomfortable and didn't feel well, all they had to do was push a button and a new position would give them more comfort without the jerky motions that bothered patients before. Once the beds caught on, they sold so fast that the company could barely keep up with the orders, with sales surpassing all the beds made previously.

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One of the biggest concerns among patients at this time was their fear of falling out of bed. Beds in hospitals were generally about 36" high, which was much higher than most domestic beds. The nurses were aided by the extra height because they didn't have to spend all their time bending down. However, the height made the beds hazardous for disoriented patients in a strange place. Patients were often weak and didn't have the time or ability to steady themselves as they got out of bed. Many bedfall accidents occurred because the patient misjudged the distance to the floor or just forgot there was a difference in height from their normal bed at home. A lot of accidents also occurred when the patient was trying to get back in bed without help. To climb the extra height required effort that the physically weak patient couldn't put forth.

There was a definite need for change and so Hill-Rom marketed the first Hilow bed in 1948. The Hilow bed could be kept at domestic height and then raised to nursing height when procedures needed to be performed. The first design for the bed began as a rather crude, boxy-looking piece of equipment, but it did the job. From that point on, it was refined and the Hilow bed became a beautiful piece of equipment. One of the problems with adding the hilow feature to the bed was that the price increased from about $85 to $200 an prior to this Hill-Rom had been promoting the bed as "the lowest-priced item" on an administrator's list. Two years of market analysis were completed before they considered marketing the bed.

In 1949, Hill-Rom shocked the hospital market by producing short safetysides. Tradition dictated that it was the length of the rails along the bed that guaranteed safety but Dr. Fred Carter at St. Luke's Hospital in Cleveland disagreed. He believed bedfalls could be prevented if a short safety side was used because then the patient wouldn't try to climb over it when he got out of bed. The patient could instead hold onto the rail and it would be used as an aid instead of a restraint. Short sides could also move with the bed so that when the back was raised they would also prevent patients from falling while they were in a sitting position. Hill-Rom made twenty-five pairs of these short safetysides for one nursing unit at St. Luke's. After four months, Dr. Carter was convinced that they did indeed reduce bedfalls and he asked for more sets. Hill-Rom decided to offer the sides to more hospitals. When they decided to study the frequency of bedfall accidents, they found that information on the subject was scarce because hospitals didn't like to publish such information. The sides were displayed at a convention and most people were very suspicious of them. Some were intrigued by the concept and wanted to order one pair to try. Bill would not allow single pairs of the short safety sides to be sold but insisted that he be allowed to furnish every bed in a complete nursing unit with a pair, at no cost for six months, in order to get a fair test. Not one hospital that tried the experimental sets ever returned them.

Selling the short safety sides was a challenge because nurses had been trained that the longer and higher the guard, the better. Therefore, when Alice L. Price, a well-known writer and authority on nursing, contacted the company on a concern of her own, Hill-Rom hired her to help prove Dr. Carter's theory of the short safety side. She reviewed the information Hill-Rom had collected and wrote manuals about the sides which were used in nursing schools. Gradually, as new nurse were taught, the amount of nurses' opposition to the sides decreased.

Up to this time, all of the Hill-Rom furniture had been made of fine wood, with only a few metal parts purchased fro other companies to be used for casters, springs, and other pieces. But the furniture market was shifting to more mode streamlined designs. Advances in hospital architecture were putting more focus on lighting, ventilation, and acoustics, whi were creating new challenges for businesses working with furnishings, colors, textiles, and other decorating tools. Hospi rooms were getting smaller because of higher construction costs and furniture had to be scaled to fit these smaller roon At that time, the company was trying very hard to get into metal production and since Batesville was still a woodworki town, there were a lot of problems. The operation was very slow but those who were skilled in metal production help Hill-Rom make the switch. Improvements were made in a short time to get things moving, and soon a real metal product process was developed for Hill-Rom.

As the decade of innovation came to a close, Hill-Rom looked back at the new advances, including the Hilow bed the short safety sides. Bill Hillenbrand's personal life had also advanced with the addition of children with Catherine (K in 1942, Richard in 1944, and Martha in 1946. Changes in the coming years would affect both Hill-Rom and the Hillenbr family.

Next time: Hill-Rom "Electrifies" the Market

...ies started to copy the electric bed idea, they would develop models that had an electric head and electric ...still had to be cranked up and down for height. Hill-Rom's philosophy was different in that the electric Hilow feature was the most important point of the bed because it promoted safety. The electric hilow feature made lowering the bed an easy process for the nurses. The Hill-Rom combination of short sideguards in an electric bed was critical in reducing bedfalls. The all-electric bed marked a change for Hill-Rom because for the first time focus was put on the furniture's function. Gradually, the company began its evolution from furniture company to equipment company.

Hill-Rom's extensive services to customers really set them apart from the other firms. When Hill-Rom sold furniture to a hospital, members of the maintenance staff were invited to attend the Service School in Batesville. Because hospital maintenance staffs were required to be able to care for practically everything in the building, these training sessions aided them by teaching them how to assemble and take down Hill-Rom equipment, which parts were most subject to wear and how to repair them. Through these programs, they were able to understand the Hill-Rom products so that they could avoid possible problems and repair Hill-Rom furniture without delay.

Hill-Rom service stores were set up to ship out parts to hospitals that needed them. These parts were always carried no matter how old the product was and were sent to the hospital within 24 hours of a call. Refinishing touch-up kits were provided to maintenance departments so that they could repair damages and scratches in wood easily, and instruction manuals were given to every nurse to demonstrate the correct methods and procedures the hospital should use. These services for the hospital were provided at no extra cost and promoted a favorable attitude toward Hill-Rom since they made the hospital's job easier.

In 1961, the first intensive care bed was released. The intensive care and critical care rooms in hospitals were becoming extremely important. Before this time, there had been virtually no existing critical care areas in hospitals. In the 1950s, the increased use of antibiotics were decreasing the number of elderly deaths caused by infections, so more of the hospital resources were now being used for the diagnosis and treatment of diseases such as cancer and heart disease. Because chronic diseases were becoming major illnesses, ambulatory and rehabilitation facilities had to be developed. Intensive care units were starting to come about in the larger hospitals. The demand for surgery was increasing and the hospital was becoming a highly technical, high-cost acute care center.

The Electric Bedside Cabinet was also released in the early '60s. It promoted self-help and saved the nurses time by giving the patient easy access to the nurse call system, the radio, television, light switches, and even the drapes in some cases. It was realized that the nurse call was in a bad location when it was behind the patient because they had to reach and turn in order to use it. A cabinet was an ideal location for the nurse call and Hill-Rom was able to work out an exclusive relationship with Executone, the leading manufacturer of nurse call systems. They developed the nurse call cabinet, which was Hill-Rom's first venture into what would become known as architectural products. The cabinet was no longer a movable piece of furniture since it involved wiring and systems within the hospital.

Administrators were criticizing the all-electric bed because when the headrest was raised, the patient was moved away from the wall, the lamp, and the cabinet. The patient would have to reach back and stretch to get these items, which was unsafe. This concern led to Hill-Rom's retractable bed, which became another successful product in 1964. This new bed complemented the new electric bedside cabinets, since the retractable bed kept the patient within easy reach of the cabinet and wall at all times.

Hill-Rom beds were quickly reaching all ends of the market. In the '60s, Hill-Rom served some notable V.I.P.'s when a hospital room was furnished for Joe Kennedy. Hill-Rom also rushed a special bed to the Georgetown Hospital in Washington D.C. for Jacqueline Kennedy, wife of the president-elect John F. Kennedy, when John F. Kennedy, Jr. was born.

In semi-private rooms, hospitals used curtains for screening the beds. One of the problems with this practice was that two or three curtains were needed for each room because of the way the track ran around each bed. Hill-Rom became interested in developing a track that would allow just one curtain to be used for two different beds. The track worked with a switch that would control which bed the curtain went around and this device was improved until Hill-Rom was able to market the mono-curtain switch track screening. This product saved the hospital expense and laundering time since only one curtain was required.

Next time: Passing on the Legacy

The History of Hill-Rom

November 5, 1992

PASSING ON THE LEGACY

Last time: Hill-Rom advances bed technology with the first all-elelctric bed. Retractability is added later, giving the patient better access to the new electric bedside cabinet. The intensive care bed is introduced to meet the needs of the emerging critical care segment.

While Hill-Rom was advancing the hospital bed market, Bill Hillenbrand's younger son, Dick, was also moving forward. During the mid 1960's, he attended St. Louis University. After graduating in 1966, he hoped to attend business school in Indiana, but it was not to be. Dick and two friends were in Florida that June on vacation when they had a flat tire. As Dick and one of his friends worked to repair the flat, another vehicle ran into them, killing them both. Dick was only twenty-one.

A strike between the local Batesville chapter of the Upholsters International Union and Hillenbrand Industries began in April of 1968. During the strike, Hill-Rom struggled but never stopped producing and shipping products, working with hospitals to meet their needs. The strike was resolved in September of that year.

When the Hill-Burton Act ended in the late '60s, selling procedures had to change a little because the incentive to build new hospitals was gone. Instead of equipping brand new hospitals with new furniture, Hill-Rom had to focus on getting hospitals to replace their old manual beds or antiquated electric ones. As the building boom ended, replacement furniture was the new market to conquer. Hill-Rom called hospitals all over the country and found out what kinds of beds they had so they could concentrate on what kind of equipment was out there and how old it was. Sometimes it was hard to convince hospitals to replace their old pieces because the beds had stood up to use, just like Hill-Rom quality kept them in working condition. As new equipment came out, however, the older pieces became obsolete and new sales picked up again.

During this time, many competitors panicked, thinking that they would need to develop cheaper electric beds since hospitals would not be willing to pay as much for replacements. Hill-Rom did not follow this line of thinking and started the development and marketing of a new retractable bed. When the competitors found out, they thought it was funny. They were trying to make a bed cheaper and Hill-Rom was making one that was much more expensive. It turned out Hill-Rom was doing the correct thing. The 70 bed soon commanded the market.

Hospitals were moving to get everything off the floor at this time, which caused trouble with the original Hill-Rom lamp. Work to design a new lamp eventually led to the concept called Enviro-Care, which would become the first prefabricated headwall and essentially the beginning of Architectural Products. The idea began as a light hung on the wall and evolved into a system to put all the services of in-bed needs easily within the patient's reach. At the American Hospital Association Convention in Chicago in 1965, it had been suggested that panels be used in hospital rooms to carry all the different kinds of instrumentation needed. Hill-Rom was interested in the concept and contacted those who had been developing the idea. Unfortunately, they had far from a workable idea and the project was put on the shelf.

Eventually, Hill-Rom came up with the idea of building some type of prefabricated equipment that could be put on a wall rather than into it. This product could contain all the lighting for the patient--the reading light, the examination light, observation light, night light, and even a bed-locking system. The product would help in the then current renovation of old hospitals. Air conditioning, oxygen, suction, nurse call systems, and other services ~~were being~~ installed in most hospitals and smaller rooms were being created. The whole Enviro-Care project took four years to launch and introduced the company to people it hadn't worked with much before, such as architects and contractors. It was an entirely new and different product than Hill-Rom was used to. There could be no doubt anymore that Hill-Rom was indeed breaking away from being a furniture company and becoming an equipment company with systems that tied the whole patient room together.

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The introduction of Enviro-Care to the market in 1970 helped to launch Hill-Rom as a public company when it went public with Hillenbrand Industries in 1971. In August, 1969, Hillenbrand Industries, Inc., was formed as a holding company with the Batesville Casket Company and Hill-Rom as subsidiaries. Since the company ended its history of being a privately owned corporation, there were stockholders to report to and dividends to pay. It was a new game on the corporate level although things didn't change much for Hill-Rom.

When Hill-Rom first began contemplating entering foreign markets, the idea did not seem very promising because most hospitals outside of the U.S. and Canada obtained their funds from government payments. Because of this, there was little incentive for improving facilities. However, as hospitals became aware of the products and improvements being developed in the U.S., foreign hospitals became interested in changing. Because of the various regulations of the local governments, Hill-Rom ususally had to sell through someone locally instead of going direct.

In 1971, Hill-Rom purchased the Ontario-based company Dominion Metalware Industries Limited, or DMI, which was the leading bed manufacturing company in Canada. DMI had become interested in making Hill-Rom's type of hospital furniture in the late 1950s and Hill-Rom had assisted them by giving them drawings and selling them the parts that required expensive dies and tooling. Hill-Rom also started a foreign sales department and an export company in Batesville in the early 70's. Today, France and Canada are Hill-Rom's biggest foreign markets.

On July 11, 1972, John W., Bill, and George Carl Hillenbrand retired together. Daniel A. Hillenbrand, their younger brother, became the new president of Hillenbrand Industries. Prior to this, he had attended Purdue University and served in World War II. Dan was president of Batesville Casket Company after John W. became CEO of Hillenbrand Industries and held that position until he became CEO himself. When Bill retired, his son, Gus, became Hill-Rom's second president. Gus had been trained in the company's operations since his school days. Gus had officially worked for Hill-Rom for ten years before serving as its president.

Bill left Gus with a very strong base for the company to capitalize on , but there were still a few things that could be added to its structure. In the past, Bill met with someone from manufacturing to decide how much of a product should be made. He had a good feel of the market and so it would usually work out. However, as the market grew larger, Gus recognized the need for developing a formal marketing group in Hill-Rom. Without one, there was no way for the product designers to talk and interact with nurses and doctors unless they went through the salesmen. The new marketing group enabled the engineering and product development groups to interact with the field more effectively. Gus also focused on enlarging the size of Hill-Rom's sales force and increasing its market penetration.

Next time: A Market for the Old and New

The History of Hill-Rom

November 19, 1992

PASSING ON THE LEGACY

Walnut Street began in 1973 as a used equipment business started by Hill-Rom. It became Hill-Rom's outlet for reconditioned hospital beds and furniture that were taken in on trade from hospitals buying new beds. Walnut Street reconditioned the used hospital furniture by replacing hardware and mechanical and electrical components, installing new bed ends, putting new tops on tables, reconditioning the motors, and cleaning and repainting it for sale to groups with small budgets. This soon became an effective marketing tool in penetrating small rural hospital and nursing home markets.

As the company grew in the early 1970s, so did many of its departments. The shipping department grew from about eight drivers to almost 40 drivers in a matter of 15 years and trucks were being driven to almost every part of the country. The engineering team grew to a staff total of 35, up from the company's original two which consisted of Fran Burst and a furniture designer. The sales group continued to grow and was given more responsibility. In the beginning, Hill-Rom had only had three salesmen, including Bill Hillenbrand. They traveled all over the United States, mostly by rail, and were on the road almost continually. As the company expanded their product lines, the sales force began to grow. Hill-Rom salesmen were reaching almost every portion of the United States.

In 1974, Hill-Rom once again proved it was an industry leader when it produced the 840 bed. The goal of the design and engineering groups was to market a bed that did "everything," and the 840 hit the mark. The bed was retractable, like the 70 bed, but it was the first bed to have a fixed base. The bed's brake/steer mechanism allowd it to go into the emerging critical care areas as well as the medical/surgical areas. The electrical components were isolated from the bed frame to ensure safety and the Hilow mechanism was placed on the outside of the safety sides, easily accessible to the nurse. The most unique thing about the bed was that the patient controls were located in the sideguards. Besides keeping the touch controls at the patients' fingertips, these sideguards worked as an incentive for patients to keep their siderails up, which promoted better safety. The foot-end control panel for the nurse was state-of-the-art, allowing Trendelenburg/Reverse Trendelenburg positions to be reached quickly.

The sideguard controls that manipulated the bed movement were successful, but it became ovbious that there were also other controls the patient could use there. The nurse call was still outside the bed on the cabinet. In 1976, Hill-Rom prototyped a new idea called SideCom at South Bend Memorial Hospital. It brought all the remaining elements that were in the electronic bedside cabinet (EBC) to the bed in the sideguards. The guard contained the Hilow, head elevation and knee elevation controls, as well as nurse call, lighting switches, and entertainment components. It was a good product, but because the bedside cabinet was so successful, there was some concern within the company about launching the new idea.

In 1977, Duke University was building a large hospital with 500 private rooms. Designing room layout was difficult because of the need to include all the electronics and wiring for the bedside cabinets. When Fran Burst, Gus Hillenbrand, Dale Foster, and the salesmen came back from visiting the building construction, they decided perhaps they should take the Sidecom results they had gathered from South Bend and present them to the university. Hill-Rom did just that, and Duke accepted the SideCom concept and a few other product innovations, including the forerunner to the Patient Mate overbed table and the first reclining sleeping chair for visitors. It was the largest sale for Hill-Rom up to that time and helped get the successful SideCom onto the market.

Jack Clawson became president of Hill-Rom in 1977, bringing in a new era of management. He recognized the importance of focusing Hill-Rom's energies on the acute care hospital, which gave Hill-Rom a foundation on which to gather all its energies and resources. The Company could now concentrate on the strong base that had been previously built and continue to strengthen it.

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The History of Hill-Rom

December 3, 1992

MOVING TOWARD THE FUTURE

Last Time: The 840 bed, and later the Centra, are successful Hill-Rom beds. Architectural Products such as the Power Column and the Horizon are introduced on the market. Hill-Rom founder Bill Hillenbrand passes away.

By 1987, Hill-Rom was moving into the critical care area of the hospital. The introduction of the Century CCU (Critical Care Unit) bed provided the market with a product that had both electric and hydraulic controls, so the bed features could be used when it was not plugged in, such as during transport to another area. It was also the first bed with an in-bed scale, allowing immobile patients to be weighed in bed. Other features included a radiolucent surface for x-rays, SideCom, and a convertible footboard which could be used for equipment transfer or as a writing surface. Hill-Rom was listening to the industry needs and responding with products, and the bed soon took control of the market.

During 1987, manufacturing took a big step with the implementation of CAD/CAM (Computer-Aided Design/Computer-Aided Manufacturing) in the turret press area at Architectural Products. This change enabled machine tools to be electronically programmed to produce parts rather than using punched paper tapes to program the machines. As hospitals continued to de-centralize into specialties, more types of beds were needed. In late 1987, Hill-Rom purchased the Borning Company from Spokane, Washington, acquiring a line of birthing beds and neonatal products. Now, instead of having just two main bed lines, Hill-Rom had several types of beds to meet specialty needs. The GPS (General Procedural Stretcher) came on the scene in 1988, with flexibility which allowed hospitals to use it in several areas, such as the emergency room, recovery, and outpatient sections. With features like two-position siderails and an especially low "lo" position for shorter, older, or injured patients, this stretcher served its purpose in many different situations.

Because patients' health conditions were varied, hospitals needed their rooms to accommodate additional gases or other equipment that might be needed. However, this kind of equipment often gave the rooms a sinister appearance. To combat this problem, Hill-Rom designed a headwall unit named First Impression, which was introduced in 1988. This product combined all of the elements of the traditional headwall system (such as gas outlets, power receptacles, blood pressure gauges, etc.) into a package that appeared to be an attractive cabinet on the wall above the patient's bed. As changes were occurring in product offerings, reorganization was taking place in Hill-Rom manufacturing at about the same time. By organizing according to product segment (such as Hospital Beds, Specialty Beds, etc.) rather than function, a cross-functional environment was created which improved focus on each of the segment's products. In fabrication, lasers were acquired, keeping Hill-Rom moving forward in areas of efficiency and accuracy. The idea for a computerized maintenance system first came under consideration during this year.

By 1989, the Genesis birthing bed (acquired in the Borning purchase) was ready for introduction as a Hill-Rom product. Additions such as siderail controls and communication helped make the Genesis a successful Hill-Rom offering. Another production matter of note included the replacement of the manual powder coat system with a semi-automated system. Each booth has 28 automatic spray guns and the ability to reclaim unused powder, which makes the system 99% efficient and saves an estimated 36,000 pounds of powder coat each year. During 1989, Hill-Rom's circuit board manufacturing improved its efficiency with the installation of automatic insertion equipment for components such as resistors and capacitors.

In April of 1989, Dan Hillenbrand retired as CEO of Hillenbrand Industries, with Gus Hillenbrand, son of Hill-Rom's founder, being named his successor. In November of that year, Hill-Rom's Canadian company DMI discontinued production of its remaining bed lines, instead becoming Hill-Rom Canada, the company's Canadian sales and service arm.

One of the products acquired with the Borning Company acquisitions was the Stabilet, an infant warmer with built-in resuscitation equipment for use in labor and delivery. In January of 1990, Hill-Rom introduced the Stabilet CC, designed for use in neonatal intensive care units and in labor and delivery when built-in resuscitation was not needed. 1990 was also the year for production of the revolutionary Advance 2000 bed. This bed features a dynamic sleep surface allowing each patient to adjust the sleep surface. When patients are at risk for developing pressure sores (bed sores), the surface can adjust the patient's weight distribution on the bed and reduce pressure points.

OVER

ation of labor reporting (hours worked on a particular job) and time clocks in the manufacturing departments occurred 990, moving Hill-Rom to the cutting edge of technology in this area. By replacing the old system with a new honor-ased time and attendance system which relies on employee honesty for success, the employees were given responsibility for their own attendance records. Implementation of this innovative idea required all manufacturing employees to learn how to access and maintain their records on the computer network.

During this same time period, Hill-Rom's computerized maintenance system, which included environmental and energy controls, was fully operational. Robotics in the plant also took a giant step forward as new robots specifically designed for welding were acquired. Previous robots used at Hill-Rom were material handling robots fitted with welding equipment. Further automation of circuit board manufacturing also occurred as automatic insertion equipment was installed for integrated circuit chips. A new automatic aqueous washer to wash circuit boards was added later.

Hill-Rom Germany was created during 1990 to spearhead Hill-Rom's movement into the European market. Putting together a highly skilled salesforce and striving to learn about the German hospital bed market, Hill-Rom Germany was established so that the introduction of the Eurobed shortly thereafter would be guaranteed success.

By mid-year, the Eurobed was under evaluation in German hospitals and ready for shipment to fill customer orders. Producing a successful bed product for the European hospital community meant adjustments to Hill-Rom's American design such as voltage changes, heavier duty casters, and the addition of rubber bumpers on the sides of the bed. Because of the high percentage of hydraulic beds in Europe, the advantages of the electric bed must be sold first, then the specific merits of the Hill-Rom bed help close the sale.

As the bed design was changing to meet Europe's needs, a built-in scale option was being made available on the Advance 2000. With this new feature, Hill-Rom made it possible for hospital staffs to improve efficiency when the need for weighing an immobile or ill patient arose. Instead of a nurse and aide having to use a sling-type scale to weigh the patient, which can take sometimes take almost an hour of combined time, the Advance 2000 scale can get the job done in only five minutes. The new Advance 2000 bed scale also provided Hill-Rom with another "first"--the first upgradeable bed. Hospitals may purchase the bed without the scale and if they decide later to purchase the option, it will be installed by Hill-Rom service personnel.

Acquisitions were once again an important topic in the fall of 1991 as Hill-Rom negotiated the purchase of Le Couviour, one of France's leading hospital equipment manufactuters. LeCouviour is located in a small town about half the size of Batesville in western France. This combination of French and American hospital technology was undertaken to better meet the needs of European hospitals. In November, Hillenbrand Industries added another company to the health care segment as they acquired BLOCK Medical, Inc., which is the leading provider of home infusion therapy products.

The innovative sleep surface of the Advance 2000 and a simplified patient scale were added as options to the Hill-Rom Century critical care bed in early 1992. Because of a focused product team, relatively few engineering changes had to be made to accommodate the new sleep surface, and hospitals can upgrade their current Century beds with this new option. By February of 1992, another innovative Hill-Rom product hit the market -- the Stabilet Freestanding Warmer/Clinical Bassinet. This product is actually two in one, which can be stacked together as an infant care center or used separately to meet the changing needs in labor, delivery, and neonatal units. This bassinet portion of this product is the first wood clinical bassinet with a slide-through drawer for use on either side.

February was a milestone month for Hill-Rom as we reach a record total 1.5 million employee hours without a lost time accident. This accomplishment was a combined effort of all manufacturing facilities employees, who worked together under a new safety incentive program which rewards departments that maintain an accident-free record.

In August, as another "first" was shipped -- the Affinity birthing bed. This bed was designed to meet the mother's need for comfort and the nurse and physician's needs for ease of use. Birthing bed "firsts" on this product included ergonomically designed labor grips, hinged foot mattress, attached calf supports, and nightlight. August also found Hill-Rom saying farewell to President Jack Clawson, as he accepted a position within Hillenbrand Industries. During Mr. Clawson's leadership, Hill-Rom doubled its marketshare and grew ten times in sales. Bill Kelley, former Hill-Rom Senior Vice President, succeeded him. Mr. Kelley has integral knowledge of the company's business through his many positions during his career at Hill-Rom and will be leading Hill-Rom in maintaining its excellent reputation.

THE END