



INTELLIGENT FANATICS CASE STUDY



Roscoe Iddings
The Fyr-Fyter Company

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ROSCOE IDDINGS

The Fyr-Fyter Company dominated the fire extinguishing industry for 50+ years. Founded in 1910, Fyr-Fyter grew into a \$50 million revenue per year business (inflation adjusted) by 1945. They were also one of the largest direct selling organizations prior to 1945, with over 3,500 sales agents. The founders were the pioneers of the fire extinguisher industry. The founders were also my relatives.

I, Sean Iddings, was totally unaware of their story until I picked up a book that detailed my family tree. And there it was hidden in plain sight. The story of Roscoe Charles Iddings, a founder of Fyr-Fyter.

Roscoe and his brothers lived below the radar. So much so that most people in Dayton, Ohio had no clue the city was home to the largest fire extinguisher business in the world. After the brothers sold the business in 1945 and many subsequent mergers, the company slowly was forgotten.

Only after I dug into the story did I realize Roscoe Iddings was an intelligent fanatic. The company “rolled merrily along” during the Great Depression. At that time virtually all durable goods manufacturers closed. No manufacturing employees were fired at Fyr-Fyter. The company grew stronger under the stress.

It also got us thinking, What is it about Dayton, Ohio that produced intelligent fanatics?

- John Patterson created National Cash Register
- The Wright Brothers spawned the US's largest Air Force Base – Wright-Patterson
- Charles Kettering & Edward Deeds created Delco
- John & William Sherman started printer Standard Register (today Taylor Communications)
- Esther Price launched what is today's 6th largest chocolate company in 1904

I'm excited to share with you another Dayton, Ohio intelligent fanatic. Here is the untold story of The Fyr-Fyter Company, owned and operated by Roscoe Iddings and his brothers Andrew and Daniel.

History of Fire-Prevention

Prior to the 18th century water was man's only fire extinguisher. The delivery method evolved. Greek inventor Ctesibius of Alexandria invented a hand pump that delivered water to fire in 200 BC. Ironically, his work was forgotten when the great library of Alexandria burned. Since the Romans couldn't benefit from Ctesibius' discovery, they used "bucket chains", buckets passed hand-to-hand to deliver water to fire.

Although wooden force-pumps built into the center of discarded wine casks (barrels) were found in the outskirts of the Roman Empire hundreds of years later, the technology would be forgotten until the Middle Ages. Then, "squirts" were developed to apply water to fires. These devices acted like bicycle pumps. The only difference was that "squirts" sucked and sprayed water. These devices were used during the Great Fire of London. Suffice to say they were not very effective since the fire consumed 13,200 homes, 87 churches, St. Paul's Cathedral and ~80,000 people displaced.

From that point on a new industry emerged - for-profit fire insurance. As a business necessity each insurance company created their own fire brigades. These fire brigades used fire engines which were a wheeled version of Ctesibius of Alexandria's pump.

One notable perverse incentive arose. Early English fire insurance companies issued fire marks (plaques) to identify properties that were insured. Fire brigades would only extinguish a fire if the home was insured by the fire insurance company that funded them. Better forms of fire prevention were needed.

The first known fire extinguisher was invented in 1723 by Ambrose Godfrey. The device could be described as a modified gun or cannon. Gunpowder positioned below fire-extinguishing liquid was ignited by the user through a system of fuses. The explosive charge sent the liquid

flying towards a fire. These extinguishers were moderately effective but impractical. They were limited use and expensive.

The first modern portable fire extinguisher was invented by Captain George William Manby in 1819. His device, the “Extincteur”, was a 3-gallon copper vessel of pearl ash (potassium carbonate) solution under compressed air pressure. These extinguishers more effective but bulky and expensive. Subsequent extinguishers used soda ash (sodium bicarbonate) and sulphuric acid. These devices were still too bulky and damaged the articles being extinguished.

In 1909, Scottish engineer P.L. Wilbur developed a carbon tetrachloride (CTC) extinguisher. Unable to get financial backing in the UK, he took his idea to the US. There he met E.M. Davidson and Pyrene Manufacturing Company was born.

Pyrene’s new extinguisher was light and fairly inexpensive. The new technology needed an intelligent fanatic to build the market. Roscoe Iddings was the man to do it.

When Preparation Met Opportunity

Roscoe Charles Iddings, the third son of Charles and Belle Iddings, was born in Dayton, Ohio on January 28, 1889. Roscoe was lucky in many respects. He was born into a family that was a pioneer of the fire insurance business in the US.

Roscoe's grandfather Daniel W. Iddings was "one of the best known lawyers of his time." Daniel was sought as counsel by large corporations, especially fire insurance companies. In the 1850s, Daniel drafted the original fire insurance law for the State of Ohio. The law was enacted in 1857. From 1860 to 1870 Dayton, Ohio "witnessed the organization of more fire insurance companies than any other city of the US." Daniel was also instrumental in the organization and direction of four fire insurance businesses. One of which was headquartered at his law office.

Roscoe's father Charles, a lawyer, continued the family's interest in fire insurance. Charles took over as secretary of Montgomery County Mutual Fire Company following Daniel's death. Roscoe's brother Andrew would take over that position after Charles's passing.

The Iddings family was entrepreneurial. In 1888, Charles co-founded the White Line Street Railroad Company and served as secretary. It was one of the first electric streetcar lines in the world. Horse-car lines couldn't compete with the speed and cleanliness offered by the White Line. The White Line was later acquired by the Peoples Railway Company. Charles also co-founded The Equitable Loan and Savings Association in 1885 and served as attorney. That company merged with Mutual Home and Savings Association to form the Mutual Home and Savings Association.

Unlike his brothers, father, uncle and grandfather, Roscoe chose not to become a lawyer. Instead Roscoe decided to go all in on the fire insurance industry. His timing couldn't have been better.

After graduating high school Roscoe moved to Springfield, Ohio. There, for 2 years, he worked as a special agent and adjuster for a fire insurance business. In other words, he sold fire insurance and investigated insurance claims. During that time Roscoe got a first-hand glimpse into the problems of fire insurance in the field. This experience served as invaluable preparation.

It became clear to Roscoe that many fires were preventable. Properties lacked effective fire-fighting equipment. Unlike today, proper fire-fighting equipment was not generally accepted as necessary. Homes and small businesses relied on nearby rain barrels, sand or powder-filled tubes, none of which were enough to stop most fires. Fire extinguishers were a new technology.

Disastrous fires filled newspaper headlines. The Los Angeles Times reported that fire losses totaled \$224,598,100 in the first eleven months of 1908 (\$6 billion today). That was up 12% from the previous year. Virtually all of those fires were preventable. Fire insurance companies were forced to cover the claims. And claims were rising. Roscoe continued selling insurance and investigating claims.

Here is where preparation met opportunity. In February 1909, Roscoe traveled to New York City for an insurance business trip. During the trip he visited the National Motor Boat Show at Madison Square Garden with a friend to see his girl's brother. Roscoe stated, "While my friend waited for the brother, I started looking around the boat show."

A booth for the brand new Pyrene Manufacturing Company caught his eye. The company demonstrated their new patented fire extinguisher. It was smaller and lighter than other extinguishers. It could easily put out many different fires. This fire extinguisher was exactly what Roscoe believed was missing from every building. People just needed to be convinced.

Roscoe was thrilled to learn that Pyrene was seeking independent

sales distributors across the US. Since Pyrene was brand new, the Ohio territory was available for purchase. The price was \$2,500.

Roscoe immediately saw the potential of owning a Pyrene sales organization. Everyone could benefit from the device. But being prepared to see an opportunity is nothing without the conviction to act. Luck and preparation without courage zeros out opportunity.

That \$2,500 fee was astronomical. Today it would be equal to \$70,000. But even the inflation adjusted price is misleading. Let us put the number into context. In 1909, the average worker in the US earned \$800 a year. An average worker saving 20% of their wage would need ~15.5 years to pay that fee. Or, get this, a nine-bedroom Sears kit house could be bought and constructed for less than \$2,500.

Roscoe at once signed for Pyrene's Ohio territory. He was absolutely certain of his decision. His brothers, upon hearing the news, were shocked their little brother was going to pay that much money for a sales territory. They thought Roscoe lost his mind. The brothers changed their mind over time.

On April 16, 1910, Roscoe and his brothers set up Pyrene Company of Ohio. Andrew, Roscoe's brother, drafted the contract to develop the sales territory and acted as legal counsel. Brother Daniel was treasurer. Roscoe was in charge of the sales office.

Roscoe served as a salesman and concentrated on the development of sales staff that served as sub agents in local markets of Ohio, and later Michigan and Indiana.

Roscoe used clever demonstrations of the effectiveness of the fire extinguishers to convince skeptics.

Roscoe learned to bypass all purchasing agents at large company prospects. He presented his personal card, with his name and address without mention of extinguishers, and asked to see the company owner or president. Then he'd put on a small demonstration in the office of the person who had to approve all purchases. Roscoe intentionally

wore a bowler hat which he would place upside down on a desk. Pyrene fire extinguisher fluid was sprinkled into the hat. A lighted match was held over the fumes to show how quickly the solution could snuff out the flame.

When asked, Roscoe and sub agents would set up actual fires outside buildings for demonstrations. The agent would use their extinguisher to put out the fire. Additionally, at a convention Roscoe demonstrated Pyrene extinguishers' abilities by breaking electric arcs with the extinguisher. No other extinguishers could do that.

Then during the Dayton Flood, in March, 1913, the city's water system was ruined. Fire became a large threat to the city. National Cash Register's John Patterson led the flood relief. We highlight John Patterson in our first book, *Intelligent Fanatics Project*. Patterson personally ordered 4,500 Pyrene extinguishers from the Iddings firm. The order was delivered the next day. It was the largest single order of fire extinguishers ever made until that time.

This wasn't the only connection with John Patterson. By 1914, John Patterson was a business legend in Dayton and throughout the US. Patterson's sales training and methods revolutionized business. Roscoe was keen to develop his own version of NCR's sales organization. In 1914, the first annual sales convention for Pyrene in Dayton was modeled off of NCR conventions. The group also took a trip through the NCR plant and heard from NCR sales staff on their system.

Over the next two years the Iddings' Midwest territory was growing by leaps and bounds as they built their sales organization. The Pyrene Manufacturing Company was thriving as well. Then WWI broke out in Europe in 1916. By then Pyrene received a new president, C. Louis Allen.

Allen sought better short-term returns for the parent company. An education campaign, providing speakers for local Chambers of Commerce, Rotary Clubs, etc was the new strategy. Allen also chose

to spend \$300,000 in advertisements for the year. The old sales system had to go. He believed dissolving the independent sales system and selling direct would immediately increase profits. The move was sound in theory. But Pyrene chose to do it in an unethical and illegal manner. They intended to hire away branch office managers from their distributors. Distributors, such as the Iddings brothers, who spent years building their organizations, would have their businesses stolen from under their feet. The Iddings brothers would receive no compensation. Pyrene would win while their distributors lost.

Pyrene's zero-sum strategy turned their greatest distributor into their greatest competitor. The Iddings brothers immediately filed a lawsuit against the parent company. It was a clear breach of the contract which Andrew Iddings originally drafted. The brothers sought \$175,086.89 (~\$4 million today) in damages. Once the Pyrene lawyers finally looked at the contract they folded. Pyrene settled for the full amount out of court. The contractual relationship with Pyrene was over.

Preparation met opportunity once again. Roscoe and his brothers had already established a high quality sales organization for fire extinguishers in the Midwest. They now had plentiful cash and were no longer tied to Pyrene. Roscoe, always unsatisfied with Pyrene's extinguisher design, had already patented his own hand held fire extinguisher. The Iddings brothers were ready to go out on their own.

At first the brothers toyed with the idea of using a third party to manufacture their own fire extinguishers. They decided to manufacture in house. None of the contract manufacturers could produce the number and quality that they sought.

On May 02, 1916, the brothers incorporated Fyr-Fyter Company. By September Fyr-Fyter had completed development of their own fire extinguisher. They had established a new record. It took less than five

months to design, win Underwriter's Laboratories approval and reach production. No one had done that before.

The Fyr-Fyter extinguisher was better. Roscoe claimed, "it is superior to all other machines in that it throws a continuous stream that is non-damaging to furniture and that the liquid is non-freezing and non-deteriorating."

The Literary Digest for March 25, 1919 145



The World's Greatest Endorsement of a Fire Extinguisher

THE largest contract ever placed for Fire Extinguishers by our Government or any other was awarded to The Fyr-Fyter Company. It called for 205,011 machines.

Every day, on trucks and ambulances, in hospitals, hotels, trunks, digests and workbenches, Fyr-Fyters extinguish blazes and prevent conflagrations. In saved mould property and lives.

Why the Government Chose Fyr-Fyters

The officers who chose Fyr-Fyters for this most important mission did so because it is the only extinguisher that combines these essential advantages. It is panic-proof. The handle releases by turning either way. There are no levers to fumble with. It works equally well in any position. The stream of fire-scrubbing liquid is continuous. A few strokes of the pump—and you can hold Fyr-Fyter steady—without pumping—to be sure of perfect aim and to get all the liquid on the base of the fire.

You, too, Should Have Fyr-Fyter

The Government's choice should be a personal message to you. Your car, the every possession you own, should be equipped with Fyr-Fyter. Save time—save—this single unit's front a back too. A few minutes delay would mean a ruined car—and a heap of ashes where your garage stood.

Keep bottles, too, should be protected. The fire proof is your power. A spark from a match,

delicious wiring, an overturned lamp, lighting—all are lurking dangers unless a Fyr-Fyter is handy and ready. Don't wait to know your Fire Protection Society by experience. For Fyr-Fyter is your home, office, factory, store and automobile. They talk. Mail the coupon for "Fyr-Fyter Facts," an illustrated booklet on fire protection.

The Fyr-Fyter Co.
 2000 E. 10th Street
 Des Moines, Iowa

Exclusive Distributors: The Fire Equipment Co., 1000 Broadway, New York City

An Opportunity for a Few High Calibered Men

We have an attractive proposition to offer to a few substantial business men with sales and executive ability who have the means to handle a big opportunity.

Fyr-Fyter
 NEVER FAILS

Mail to:
 The Fyr-Fyter Co.
 Des Moines, Iowa
 U. S. A.
 Please send me a copy of "Fyr-Fyter Facts" and a coupon for a Fyr-Fyter.

Name _____
 Address _____

Standing on the Shoulders of Giants

A manufacturing company was established along with a laboratory to create their own chemical formula. Neither Roscoe nor his brothers had experience running a manufacturing organization. Again, here is where luck came into play being so close to John Patterson and National Cash Register. By the early 1900s National Cash Register was the largest employer in Dayton, Ohio. Patterson's factory was known throughout the world as a model for best practices.

Since helping Patterson during the Dayton Flood in 1913, the Iddings brothers were in direct contact with Patterson. How much direct advice Patterson imparted to the brothers is unknown. But there are numerous accounts of the brothers learning from NCR. During Fyr-Fyter's first annual sales convention on Sept 5, 1916, the Iddings brothers took sales agents, again, to Patterson's NCR headquarters. Fyr-Fyter associates were shown how NCR sold. They also got a tour of the manufacturing plant.

Roscoe Iddings developed his own version of Patterson's manufacturing leadership. Fyr-Fyter's manufacturing workers received the best tools, working conditions and inspiration. When the US entered World War I, 1917-1918, Fyr-Fyter became the government's largest supplier of fire extinguishers. The government purchased several million dollars worth of orders. Production prior to the war was 500 Fyr-Fyters per day. Roscoe had a problem, a new plant needed to be constructed to meet demand. And fast.

Word of Fyr-Fyter's success spread. The Iddings brothers received numerous buyout offers from eastern investors. One even contemplated moving the Fyr-Fyter plant to Newark, NJ. Rumors quickly reached Fyr-Fyter's manufacturing floor that the company had been sold. Andrew Iddings quickly extinguished the rumors describing the

full situation ending with “after careful consideration the several propositions have been rejected.”

Instead the brothers were able to raise an extra \$450,000 in funds from those investors. The brothers maintained control.



Fyr-Fyter constructed an 80,000 sq. ft. plant (above) in record time. Like NCR, Fyr-Fyter’s plant was a model manufacturing facility, with large windows for ample light and ventilation. A side rail brought tank and box cars right to the plant door for rapid shipping. Production capacity reached 3,000 extinguishers a day.

War Production

Fyr-Fyter had a substantial sales organization by 1917. Roscoe had been building his team for 7 years. However, to meet government demand Fyr-Fyter needed to cancel its domestic business temporarily. Roscoe and his brothers wanted to keep the sales unit intact. They had too much talent to let go. Fyr-Fyter also needed help at the factory. Roscoe called on all of the sales force to help at the factory. That way when the war was over the whole sales organization could return to the sales field. This proved to be a brilliant move.

By Armistice Day, November 11, 1918, Fyr-Fyter had successfully kept up with government demand. But Roscoe had a new problem. The company was forced to anticipate future raw material needs by stocking copper sheets at wartime prices, \$0.36 per pound. Fyr-Fyter also had excess government fire extinguishers on hand. War contracts were abruptly cancelled. After the war the price of copper plummeted to \$0.045 per pound. Roscoe and his brothers were able to recoup some money, but they lost nearly \$750,000 due to the war contract cancellations.

Additionally, there was a glut of fire extinguishers after the war. Extinguishers sold to the armed forces for overseas use reappeared in the US. These pieces were being sold at ridiculously low prices.

Despite these massive setbacks, Fyr-Fyter's decision to maintain its domestic sales organization started paying off. The company pushed hard on the domestic business. Their experienced sales team went back to work immediately.

Roscoe pivoted to a direct selling model. Instead of advertising the benefits of Fyr-Fyter equipment, he chose to focus on recruiting new salesmen. Fyr-Fyter advertisements focused on the potential income their salesmen could achieve.

For instance in 1924 a salesman touted how he made \$180 (\$2,000)

in his first week. Fyr-Fyter advertised it was not uncommon to earn \$100 per week with only part time work.

Roscoe later stated:

"Direct selling was responsible for much of our success. Of course, we had a high quality line of fire extinguishers, equal to any on the market and better than most. Yet it was the persistent effort to promote our products by use of salesmen selling direct to the customer that reaped the great volume of business."

POPULAR MECHANICS ADVERTISING SECTION

33



A NATIONAL CALL

For Fire Prevention Experts

-at \$5,000 to \$10,000 a Year

NOW, a new way to fight fire is sweeping the country. An amazing new chemical—absolutely harmless for men, livestock and human beings—multiplies itself hundreds of times in a smothering vapor blanket that shuts out fire instantly. Fyr-Fyter based pumps about five pounds 20 to 40 lbs.—the most effective fire-fighting force the world has ever seen.

A Great National Movement

This new way to fight fire can multiply mean \$10,000 a year to you. All America is turning to it. Every school, for business and for thousands, factories, hotels, new buildings, and institutions school Fyr-Fyter. Great organizations like General Motors, Firestone Tire, Ford Motor Co., Standard Oil and hundreds of other large concerns are using the new Fyr-Fyter, and continue to purchase constantly.

Unlimited Opportunity

The demand is enormous. The market has hardly been scratched. Thousands of factories, schools, stores, offices, garages, schools, etc., etc., want Fyr-Fyter. Consider owners of new buildings will buy almost without question. One city alone is capable of sales reaching into thousands of dollars.

Everybody wants fire protection. It costs only a few dollars. It costs just a few

cents to lowered insurance rates alone. Millions read of fire catastrophes daily. The newspapers are full of it. \$1,000 fires are lost yearly. Every two minutes a building burns down. Millions are threatened daily. Every fire can mean \$500 to \$10,000 to you. Let this great national movement to wipe out fire sweep you into one of these \$5,000 to \$10,000 jobs!

Full Time or Spare Time

Experience is not necessary. There are various ways in which men in every walk of life can make in on this outstanding opportunity—spare time or full time—big

city or small rural community, anywhere.

FREE Training

We start you. Train you at home free, give you a 30-day manual that covers every point. Tell you exactly how to sell. We make you a Fyr-Fyter Expert certified capable of earning \$5,000 to \$10,000 a year or more.

FREE Book

Let us send you a free book, "Building a Permanent Income." See how hundreds of men have doubled their incomes. Read some stories of men like George, Vito, DuPon, Hickey, Gill, Pollock etc. improved their fiscal and medical conditions making \$100 to \$300 every week. How Baker, Oregon, all years old, who can work only occasionally, often makes \$75 to \$80 a day.

Make This Test

Has been easy to be so test. We require no capital. We do not demand all of your time. Do not make the mistake of trying to make your earnings as a Fyr-Fyter man could you not the full value of Fyr-Fyter's amazing gain. The Fyr-Fyter sales force is one of the highest paid sales organizations in the world. Probably never over an earning \$5,000 a year—or more—with Fyr-Fyter than with any other direct selling company on earth. Don't miss this lifetime opportunity. Contact us today. Simply mail the coupon.

AGENTS

A brand new outgrowth of a startling new low price sells first to homes, factories, schools, hotels, homes, etc., etc. Everybody wants fire protection and our amazing low price. Agents breaking all records—making one number of \$50 and \$400 every Fyr-Fyter. Is, average \$50.77 for 211 days. (Average made of calls and sold 31. Get the biggest money-makers in direct selling. You can easily make \$15 a day while you are waiting for orders—and up to \$10,000 a year, working in, big quantity orders. Mail coupon quick for full offer.

Devices Approved by Underwriters Laboratories

FYR-FYTER CO.
1172 Fyr-Fyter Bldg., DAYTON, O.

Fyr-Fyter Co.
1172 Fyr-Fyter Bldg., Dayton, Ohio

Send me free and without obligation your book, "Building a Permanent Income" and full details of your plan.

Name

Address

City

Business Model

Roscoe provided the tools and environment necessary for Fyr-Fyter salesmen to thrive. Fyr-Fyter salesmen received extensive remote training and guidance. A bi-monthly newsletter provided all the tools for salesmen to succeed.

Convincing data and stories - Fires filled newspaper headlines. Each Fyr-Fyter newsletter provided a compilation of articles on the most recent devastating fires in the US. For instance in one 1925 newsletter an article on a Shreveport, Louisiana fire was included. It retold the story of fire starting at CC Childress' house. The fire went on to destroy an entire housing district. The estimated loss was \$500,000.

Fyr-Fyter's head of sales gave a response to the article:

"Such were the consequences of one man's fire. He may have thought that it was his own business whether or not he protected his property, but in this case it was a mighty serious business to 1,200 other people whose homes were destroyed. A few dollars invested for dependable protection equipment by each citizen would prevent such disaster and protect all that he has."

Salesmen were encouraged to share these stories with potential customers. And salesmen could repeat Fyr-Fyter's response. The sales method turned many skeptics into customers.

Motivation – The Fyr-Fyter newsletter editor would provide motivational quotes and stories throughout the newsletters. For instance, Fyr-Fyter wrote, "It is likely that any good, earnest selling effort you put in will bring its reward at some later date."

Social proof or influence was used as a motivational tool. Sprinkled throughout the newsletters were telegrams with salesmen's orders.

For example, one said:

"RUSH BY FREIGHT TWENTY-FOUR LABELED CAPTAINS,

TWELVE ONE QUART JUNIORS, EIGHTY-FOUR ONE QUART SUPERS, SIXTY-SIX ONE AND ONE HALF QUART SUPERS. M.C. VILES, WIS.”

The underlying message of the telegrams was peer pressure; if other salesmen could sell large orders, you could too.

Articles with titles such as “Keep Your Chin Up” provided necessary motivation and support to the sales force.

Tips and tricks from the top salesmen - Fyr-Fyter provided many, many tips and tricks from its top salesmen. The idea was to spread the best practices as far and wide as possible. It would only help the organization as a whole succeed in stamping out fires.

For example in a 1925 issue, long time top salesmen Frank DePries said the following:

“You will find a great many prospects who have not given a thought to their fire hazards.... You have to show him how fires are liable to come to anyone, and that when one considers that there is a fire breaking out somewhere every minute, he must realize that it is liable to happen to him at any time. Fire does not wait for him to get ready for it.”

Or Fyr-Fyter’s General Manager of sales directed new salesmen to resist the urge to call only on large prospects. He said, “Start right in on the Corner Drug Store, then call on the Grocer next door, then the baker, the Restaurant, Book shop... Every town in the United States will produce a great number of these live prospects.”

Coaching - Fyr-Fyter made sure to include as much coaching through all points of sale, delivery and payment.

Fyr-Fyter also provided a large booklet showing photographs of large Fyr-Fyter users (Ford, Standard Oil, etc), and testimonial letters from those big corporations. These helped salesmen gain every prospect’s confidence that Fyr-Fyter extinguishers were the best.

Fyr-Fyter promoted a culture of “heartily approbation and lavish

praise.” Each newsletter prominently displayed every new sales member to reach 24 extinguisher sales. These salesmen were a part of the “Star Club” and received a Fyr-Fyter badge to wear. Those who sold 100 or more extinguishers in a month became a part of the “100 Pointer Club.” These individuals got their names listed and a long write up, with photo, praising their efforts. 100 Pointers received a special badge to wear indicating their position.

Fyr-Fyter even went as far as unfurling flags at the headquarters in honor of the A.F. Farwell for selling more than a hundred extinguishers in January 1925. Farwell was also an NCR salesman and received praise from NCR in their Sales Bulletin for the accomplishment.

Really, the commonalities between Fyr-Fyter and National Cash Registers were uncanny. The sales method and communication was extremely similar. Many former NCR employees became Fyr-Fyter employees.

Fyr-Fyter spent on average \$250,000 (\$2 million) per year advertising their selling opportunity. Salesmen earned on average \$3,000 (\$37,000) to \$5,000 (\$65,000) per year. Top salesmen, such as one railroad man in far off Montana, earned as much as \$35,000 (\$500,000) in one year.

The beauty of the Fyr-Fyter model was that in addition to selling fire extinguishers, salesmen supplied and serviced Fyr-Fyter extinguishers. Both salesmen and Fyr-Fyter earned extra revenue from those activities. Servicing became a large part of Fyr-Fyter’s total dollar volume each year.

Fyr-Fyter’s efforts in recruiting paid off. Fyr-Fyter had 160 salesmen in 1920. By 1926, there were 3,500 Fyr-Fyter salesmen across the globe.

Roscoe Iddings described their antifrangible model:

“One factor about the use of direct selling that served to buoy up production when general business slumped was the

way more salesmen were available at the bottom of economic cycles, and since we put them on a strict commission basis (generally starting at 25% of the retail price), our number of sales agents always increased in periods of economic slump and our volume of business never paralleled the general business cycle. In good times, we were then hard pressed to recruit enough agents, but regular customers and new capital improvements led to larger orders from fewer customers.”

Even during the Great Depression, when manufacturing came to a standstill, Fyr-Fyter “rolled merrily along”. No employee was asked to carry more than his or her part of the burden. Roscoe assured his employees “that work would be parceled around.” Every regular employee got at least two and sometimes three days work per week during the bottom of the Depression. Top management, including Roscoe took a pay cut. No employee lost his / her job.

Roscoe added, “Sometimes it meant assigning workers to do maintenance jobs, totally unnecessary for production purposes, just to give them some weekly income. In winter, the company purchased large orders of coal and bought great lots of canned goods for distribution among the needy families of its payroll.”

That was the exact same “pain sharing” tactic utilized in 1982 by Nucor. As we described in our book *Intelligent Fanatics Project*, Nucor sales fell by half that year. Ken Iverson, CEO, took the largest pay cut and asked for others to do the same. Nucor plant workers worked at least two to three days a week. Everyone kept their job. Fyr-Fyter, like Nucor, built a mountain of goodwill with employees during the bad years. When the tide turned the employees would pay the company back by working harder than ever.

So great was the demand, so effective the work of the plant, that Fyr-Fyter’s production rose 1800% during the war years. That only could happen because Fyr-Fyter plant workers were all in.

Fyr-Fyter salesmen were happy with the support provided by headquarters. Roscoe and other Fyr-Fyters were always willing to do the right thing and help their salesmen all the time. Clyde Kunkel, 100 pointer from North Dakota, said, "I have sold goods from some of the big concerns of this country, but I never found co-operation to compare with that given by the Fyr-Fyter organization." Salesman J.E. Woods added, "I never represented any company who gave so much real assistance and encouragement which creates so much enthusiasm in all salesmen."



1918 Dayton Daily News - Iddings brothers are in the middle (Roscoe #12) with Fyr-Fyter's top foremen, superintendents, and executives.

Dissatisfaction Led to Innovation

John Patterson's motto of dissatisfaction was "the business that is satisfied with itself is dead. The burial may be postponed but it is dead because it is not moving forward." Roscoe led Fyr-Fyter with the same dissatisfaction. He said:

"It has always been the policy of the Fyr-Fyter Company to constantly make improvements on our Products. Instead of seeking methods to cheapen the product in order to meet competition on cheaper built products, we have continued to add quality and worthwhile improvements in order to make the product the best."



As Fyr-Fyter grew, so did their line of extinguishers. Fyr-Fyter had

one extinguisher in 1916, see above photo. By 1928 the company had 19 different types and sizes of fire extinguishers. Fyr-Fyter had an extinguisher for every type of building - barn, house, garage, warehouse and plant. They even created the first fire extinguisher for an electric power station.

Fyr-Fyter even innovated by developing non-fire related products. Long before there was Oxi Clean or Vanish there was "Spot-Fyter". Fyr-Fyter's product was one of the first stain removers.

And when WWII war rationing made supplies scarce, Fyr-Fyter made do with what was available. The company developed a new pump tank in 1942 without copper or brass. Steel and reclaimed rubber was used.

Public Company and Capital Allocation

At the end of 1928, Roscoe and his brothers decided to take Fyr-Fyter public. Capital was needed to pay off the mortgage on the factory. To maintain majority control of Fyr-Fyter, the brothers sold 20,000 shares of preferred “A” stock at \$29. The brothers retained 4,500 “A” shares. The 40,000 shares of common “B” stock (90%) continued to be owned by the brothers. Interestingly, Fyr-Fyter’s common “B” shares were not publicly traded.

Fyr-Fyter’s “A” \$2 annual dividend was paid each year until 1932. The dividend was cut due to slower extinguisher demand caused by the Great Depression. Still Fyr-Fyter survived. The company had zero debt and plentiful cash.

By 1932, Fyr-Fyter’s preferred shares, which traded about once a year, was selling at \$2.50. As business started to turn around in 1935 Fry-Fyter reinstated its dividend to \$1/yr. Then, Roscoe and his brothers decided to repurchase 1,000 shares (5%) of “A” stock on the open market. The price was from \$8.50 to \$9 - a discount of ~70% of par. Soon after, the shares of the preferred shot up to \$17. The dividend was raised again to \$2.

Fyr-Fyter also became stronger during stress. They acquired Buffalo Fire Extinguisher Company in 1938. Buffalo was a major competitor in the northeast.

At the end of WWII, the Iddings brothers were willing to sell Fyr-Fyter. Roscoe, then 55-years old, was exhausted. There was a severe shortage of management talent and manpower during the war. Roscoe had personally shouldered a huge load. The brothers also feared there might be a severe post-war recession - similar to the one they experienced from 1919-1922.

Since Fyr-Fyter was the largest in the industry, no competitors were in a position to purchase the company outright. Fyr-Fyter had

produced \$3.6 million (\$50 million inflation adjusted) in revenue the previous year. Eventually, on September 22, 1945, an eastern capitalist named William M. Wetzel purchased Fyr-Fyter for ~\$2.5 million (\$40 million).

Including all capital infusions and dividends, Roscoe and his brothers generated an ~8% compounded annual return from 1910 to 1945. That number doesn't seem special. On the contrary. Remember this was during two world wars and the Great Depression. Fyr-Fyter beat the market by a huge margin. The Dow Jones grew at 2.2% and the S&P 500 at 1.69% during the same period. Even if dividends were reinvested into the market during the depths of the Depression, and held throughout, Fyr-Fyter's wealth generation was higher.

Fyr-Fyter After the Iddings Brothers

Roscoe Iddings and his brothers had built a dominant business. For the next two years Roscoe maintained his role as President. However, Fyr-Fyter's future remained unclear under new ownership.

Things started well. William Wetzle reinvested excess cash into numerous acquisitions. Buffalo Fire Apparatus - leftover from the previous Buffalo Fire Extinguisher acquisition - was purchased in 1946. Fyr-Fyter added Wooster Brass in 1952. Pyrene Corporation - the firm that started it all - was acquired along with C.O. Two Fire Equipment in 1956. Finally, in 1958, Fyr-Fyter purchased Globe Automatic Sprinkler and Kruger Manufacturing.

Wetzle then sold Fyr-Fyter in 1963 for an undisclosed price. Fyr-Fyter would change hands another two times in less than two years. The final acquirer was Norris-Thermador, a diversified manufacturing company, for \$5 million. The manufacturing plant in Dayton, Ohio was closed and moved to New Jersey.

Finally in 1985, Norris-Thermador was acquired by Nimas Corp, a subsidiary of Masco.

Fyr-Fyter was lost in the conglomerate abyss. The assets were likely sold off to one of today's leading fire extinguisher businesses.

Acquirers, such as the above, sometimes have different motives. They are often short term-minded, looking for a quick dollar at the cost of long-term sustainability.

It is yet another example of why so many businesses are eager to sell to Berkshire Hathaway. As [Art Van Elslander](#), founder of Art Van Furniture Inc., once said, "I can tell you this: If I did want to sell the company, Warren [Buffett] is one of the greatest guys I think you could sell to because he really lets the companies run their own business, and so forth, and although we have talked we have decided to keep (Art Van Furniture) within the family."

Had Roscoe Iddings and his brothers had a Warren Buffett to sell to, history might have been different for Fyr-Fyter Company.

Sources

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