



*"Mikro Kleene was the single product
that kept Economics Laboratory going."
Bill Podas*



Shifting into High Gear

In 1940, Economics Laboratory was making a name for itself with Soilax. Testimonial letters praising the effectiveness of Soilax poured into company headquarters. “It’s wonderful,” said one writer. “I put it in the bath water for my cocker spaniel and she emerged with a beautiful lustrous coat. So my daughter decided to use it in her shampoo with apparently marvelous results.” The versatility of Soilax was the subject of another writer, who used it to clean leather shoes, mixed it with shaving soap and added it to furniture polish. Other customers wrote of powdering a baby’s bottom with Soilax during diaper changes, sprinkling it on a steak as a meat tenderizer and adding it to toothpaste.

The success of Soilax created something of a black market for the product, a problem that turned salesmen into sleuths. The company newsletter was filled with reports of people selling cases of Soilax out of back alleys and car trunks. One Michigan salesman posed as a meat cutter in a Grand Rapids grocery store to get access to a back room, where the illicit supplier’s name and address were filed.

By 1942, sales at Economics Laboratory topped the million dollar mark for the first time. But the Japanese attack on Pearl Harbor one year earlier, followed by America’s entry into World

War II, brought a sudden and dramatic shift in the company’s direction and an entirely new product focus.

MikroKlene to the rescue

When the war began, the nation quickly transitioned its production capacity to support the war effort. Within months, the military requisitioned Economics Laboratory’s small, newly acquired property in Newark, New Jersey, and converted it into a military facility. In

Washington, D.C., the War Production Board started to ration raw materials. Companies producing non-essential products were nearly brought to a standstill. To stay in business, Economics Laboratory had to do its part to support the troops.

> **MIKROKLENE LABEL.** MikroKlene was developed in 1935, but its true value didn’t emerge until the U.S. entered World War II. MikroKlene, kept the company in business during the war years.





< TRAIN LOADING AT CHICAGO FACTORY.

Before the war erupted, Soilax was the company's mainstay. Cartons of Soilax were shipped by the carload to distributors around the country.

> AUTOMATIC PACKAGING, 1940s.

By 1940, Economics Laboratory was packaging 600 cases of Soilax B each day. This automatic packager ran 24 hours a day during the spring cleaning season to meet consumer demand.



Luckily, the key to continued operation was close at hand. In the 1930s, Doc Wilson and a University of Minnesota microbiology professor had developed MikroKlene ACS-4, a powerful germicidal disinfectant used to sanitize milk cans and glasses. The product was a natural solution to a major military threat – disease. The crowding and unsanitary conditions soldiers endured in army camps made amoebic dysentery spread like wildfire. In 1942, Economics Laboratory was granted the contract to produce MikroKlene ACS-4 for shipment to the front. The contract gave the company the raw materials needed to maintain production and a guaranteed customer – the United States government.

Soon the use of MikroKlene germicidal dishwashing rinse was standard procedure in military installations throughout Europe and the Pacific. Tubs of MikroKlene solution were placed on the decks of transport ships and in Army camps in every corner of the world. After washing his mess kit with soap, each soldier finished the job by dipping it in a MikroKlene solution. The chemical was also used to wash fresh fruits and vegetables in tropical areas.

Economics Laboratory eventually made 100 million units of MikroKlene during the four years of the war. “MikroKlene was the single product that kept Economics Laboratory going,” said Bill Podas.

Hard times during the war

In 1942, the company moved its production operation into an abandoned warehouse in Brooklyn, New York, and Chemical Engineer Bill Beyer was charged with getting it up and running to produce MikroKlene. “There was no glass in the windows. It was just a shell,” said Beyer. “There was nothing to work with because we were at war. We just

scrounged things; we drove all over and picked up anything that we could find that we thought we might need.” In Brooklyn, employees salvaged old wire where they could find it. In Greenwich Village, they cruised alleys looking for discarded motors. At the plant, the chemicals used to make MikroKlene were caustic and irritating to eyes and skin. A shortage of workers made production even more difficult. “In two years, we had two Christmas days off,” said Beyer. “We worked seven days a week, sometimes as much as 24 hours a day, until we dropped.”

When Beyer did finally collapse with the flu, the Osborns, who were staying in New York, took him in. M.J. packed him into a cab and checked him into an adjacent room at the Gotham Hotel. Mrs. Osborn nursed him back to health.

Sales from MikroKlene enabled the company to add a new Chicago factory in 1944. After the war, the company sold its Brooklyn plant and moved back to Lyndhurst, New Jersey. Company management toyed with the idea of moving Economics Laboratory headquarters to Lyndhurst, as well, but roots were strong in St. Paul. They decided to stay put and focus the company’s resources on research and the development of new products.

Despite its conservative business approach, new technologies began to creep into the office environment. A state-of-the-art duplicating machine purchased in 1945 was front page news in the company newsletter. A new telephone switchboard, complete with central reception and 23 phone stations, was another impressive modernization. “We didn’t have computers and fancy equipment,” said John Johnson. “We kept a tight rein on finances and operated on gut feeling and instincts. We had to turn pencils in and get them resharpened.”

Postwar growth

Massive changes hit the nation in the postwar era. Labor costs soared throughout the U.S., and labor unions gained

< COLLAGE ON PAGE 16. Clockwise, from top: World War II soldiers sterilized their mess kits in MikroKlene solution; a former soldier returned to work at the Brooklyn plant in 1946; glassware sparkled after a Super Soilax cleaning.



< **OUTDOOR ADVERTISING.** In postwar America, Soilax regained its premier position as the top selling product at Economics Laboratory. This 1946 billboard touted the economy and cleaning ability of Soilax to American homemakers.

strength. Restaurants and hotels could no longer afford to hire people to wash dishes by hand, as most had done before the war.

Responding to this opportunity, Economics Laboratory's research team introduced new dishwashing machines, electronic dispensers, heavy-duty detergents and rinse additives to the institutional market. The company backed its new products with exceptional customer service.

In 1946, the company introduced the first electronic dishwashing dispenser. This major advance in technology allowed the dish machine to sense the concentration of detergent, like a thermostat. In 1948, the company developed the first rinse additive. It seemed that dishes unloaded from restaurant dishwashers were never completely dry. Kitchen workers had to finish the job with a dishcloth, which contaminated the dishes. But the new rinse additives caused water to sheet off the dishes, dramatically speeding the drying process. Injecting it into the dishwasher was the next challenge.

W.C. "Red" Sannor, a New Jersey salesman during the war years, made equipment servicing and training a priority in his sales efforts. "Sannor found out he could sell like mad if he went in and made sure everything was working right," said Fred Lanners. "When M.J. saw how effectively he was developing business in New Jersey, he brought him in to become service manager and teach everybody to do it his way.

That was really the first time we were differentiated from our competition."

Service, not product, became the bedrock of the company's success. "Nobody wants to buy a detergent, they want clean dishes," said Lanners. "So we got them clean dishes. We gave all the credit to our product, but it was really our sweat and work that made it work."

Happenings on the home front

Big things were also happening in the consumer area in the post-war years. Tract home developments were springing up like weeds all over the country, as soldiers came home eager to marry and settle down. Modern kitchens, complete with an array of electric appliances, were part of the new era. Suddenly, the home dishwashing machine was a high volume appliance.

Young homemakers were particularly interested in dishwashing machines and the company was eager to show them the wonders of this new convenience. Economics Laboratory hired a home economist, named her "Alice White," and put her to work answering questions mailed in by homemakers. At the same time, Economics Laboratory representatives visited neighborhoods, randomly knocking on doors, and demonstrating new products to housewives. "We'd take the machine out, show them how to rack them, how much detergent to use, and check water hardness," said Podas.

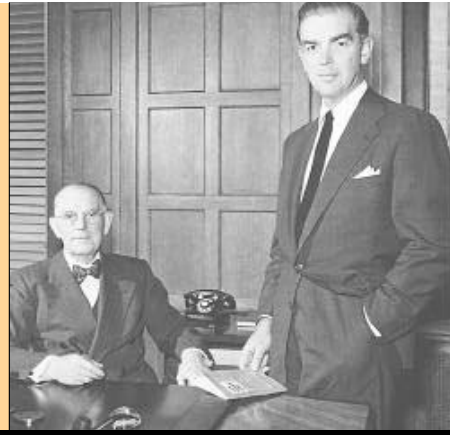
The company worked hard to move new products and technology into the field. Bill Podas and



> **MAGAZINE AD.** This full-page ad for Super Soilax, featuring the brand's germ-killing effectiveness, appeared in magazines geared to the hotel, restaurant and food industries throughout 1944.



- < **HOUSEWIFE WITH PANS.** Homemakers kept their pots and pans gleaming with Pan Dandy, a specially formulated cleanser developed to scrub away tough cooking stains.
- > **M.J. AND E.B.** In 1946, M.J. Osborn (seated) and his son E.B. Osborn worked hand in hand at the company's Guardian Building headquarters.



other research specialists traveled from coast to coast, working with salesmen on product development and technical service and getting clearances from health departments, plumbing departments and electrical departments. The company worked with appliance manufacturers such as General Electric, Westinghouse and Hotpoint to get Economics Laboratory's new dishwashing detergents approved for the new dishwashing machines.

Prizes and promotions

Throughout the 1940s, advertising budgets for Economics Laboratory products were minimal. Ads for Soilax continued appearing in women's magazines and on local radio. Prize giveaways were a promotional mainstay, sometimes with hilarious results.

A regional coffee company had run a successful promotion that awarded registered wire-haired fox terriers to prize winners. Economics Laboratory decided to run a similar radio promotion. The "Why I Like Soilax" promotion awarded live canaries to the best customer entries. "We got a very good mail response," recalled Steve Osborn. "Unfortunately, this was in the spring, and we didn't realize that canaries molt in June and they don't sing. We did get quite a

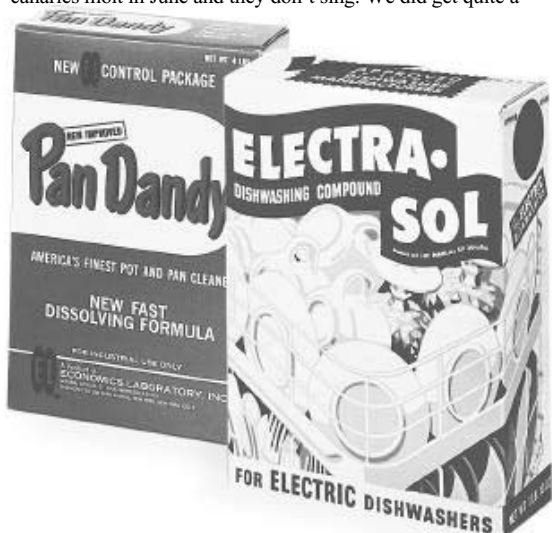
few complaints and returns and the promotion was, of course, discontinued."

The company divides into two markets

In 1948, the company separated into two sales divisions. The Kitchen Division catered to hotels, restaurants, schools and other institutions. The Packaging Division served consumers through wholesale and retail outlets.

The success of Soilax had sparked variations on the well-recognized brand name in both divisions. The Kitchen Division marketed three types of Soilax for mechanical dishwashing: Soilax Formula A was used in soft water areas, Soilax Formula C was used in moderately hard water areas, and Super Soilax was marketed for hard water use. There was also Super Soilax Heavy-Duty for tougher mechanical cleaning jobs. In addition, there was Tetrox, formulated for hand washing, and Pan Dandy, for pot and pan scrubbing. MikroKlene rounded out the division's product line.

The Packaging Division sold Soilax Formula A to grocery stores, and Soilax Formula B to paint, hardware and variety stores for use as a general cleaner. It became evident that one product could not support an entire division. Also, the names were getting too confusing. The company decided to capture the new home dishwashing market with a fresh new consumer product. Super Soilax Heavy Duty was renamed Electrasol, in reference to the new "electric" appliance trend. It was the first detergent made for home dishwashing machines and it was an immediate hit.



- < **ELECTRASOL AND PAN DANDY.** In the postwar years, Economics Laboratory's research efforts yielded a number of successful new products, including Pan Dandy, a pot and pan cleaner, and Electrasol, the first powdered detergent exclusively developed for automatic dishwashers.

> **DISHWASHING DIVIDENDS.** In 1946, E.B. Osborn wrote and produced "Dishwashing Dividends," the first of several color and sound motion pictures. During the shooting, Osborn, right, discusses a film take with Professor H.B. Meek at Cornell University's Hotel School.



< 25TH ANNIVERSARY. In February 1949, Economics Laboratory celebrated its 25th anniversary with a banquet at the Hotel Lowry in downtown St. Paul. Bill Podas, left, Master of Ceremonies, welcomes M.J. to the celebration. Ida Koran (seated, left) and Mrs. M.J. Osborn join M.J. at the head table.

Electrasol's success secured the company's consumer market position at a crucial juncture. Competition was heating up. Retail giant Procter & Gamble had launched Spic & Span® in 1947 and put millions into promoting it. Within a year of Spic & Span's introduction, Soilax sales dropped 40 percent. Soilax recovered, but it was clear that Economics Laboratory was up against the giants in the general cleaning market. But with Electrasol, the company had the upper hand in home dishwashing.

E.B. goes Hollywood

E.B. Osborn's belief in the power of visual selling made him quick to incorporate new techniques and technologies into sales presentations. His first effort was in 1940, when he produced a slide show at the United Airlines commissary at Chicago's Midway Field. In 1946, he teamed with a New York motion picture company to produce this early work, called Dishwashing Dividends, as a full-scale color film. This unique training film on institutional warewashing took such a soft sell approach that it contained no product references. "We went so far as even changing the nameplate on our electronic dispenser when it was filmed so it read 'detergent'

rather than 'Soilax,'" said Bill Podas, who helped produce the film. Salesmen carried a projector and a reel of Dishwashing Dividends on sales calls, and it was viewed by public health departments, schools, restaurant managers and trade associations. Within ten years, this widely viewed training film was averaging 200 showings per month.

E.B. followed his film success with Flying Saucers, a film on how to prevent breakage, and Spotlight on Breakage, a film teaching dishroom employees proper dish handling techniques.

The first 25 years

In February 1949, Economics Laboratory employees gathered together to celebrate the company's 25th anniversary at the Hotel Lowry in St. Paul. Mr. and Mrs. M.J. Osborn were guests of honor, and eight employees with more than 20 years of service joined them at the head table. Among them were Company Secretary Ida Koran; Vice President and General Manager E.B. Osborn; Vice President and Advertising Manager Steve Osborn; Stenography Department Head Myrtle Shoemaker; Sales Correspondent Isabel Sixl; General Sales Manager P.R. Evans; Office, Credit and Purchasing Manager A.N. Larson; and Director of Research Dr. John L. Wilson. As a gift for his 70th birthday, M.J. Osborn was presented with an "executive's refrigerator" to match his office furniture.

When he took the podium, Osborn spoke with pride of the company which included 130 employees in St. Paul, 100 salesmen, and 100 manufacturing employees in Chicago and Lyndhurst, New Jersey. "You haven't seen anything yet, as far as Economics Laboratory, Inc., is concerned," he told the crowd. How right he was.

