

# Harry's game

by Bruce Ackland

Harry Gould Jr has been CEO of Gould Paper Corporation since 1969 and has presided over some remarkable growth, not to mention financing hit movies and rubbing shoulders with a president or four...

**T**om Cruise, James Cagney, Sammy Davis Jr, George Gershwin, the Marx Brothers and the Roosevelt boys - all famous New Yorkers. However, if you are looking for the Big Apple's number one son in the office products industry, you need look no further than Gould Paper Corporation's CEO Harry Gould Jr. A native New Yorker through and through, he has been at the helm of the company his father founded in 1924 for almost 40 years. And who says there aren't enough characters in the OP industry? Gould has rubbed shoulders with US presidents, been to the Oscars (twice) and overseen remarkable growth at Gould Paper which has seen revenues swell to its current mark of \$1.2 billion. More on all those things later, but first a history lesson to show how Gould has reached its current status as one of the international OP community's leading paper merchants.

The company was founded in 1924 and by the 1940s had developed to include commercial printing, paper distribution and teabag paper.

While the next two decades saw a period of some internal growth, it was when Harry took the reins in 1969 that the Gould Paper Corporation as we know it today started to really take shape.

Total revenues in that year were \$16 million.

With Harry in the hot seat, the focus on growth was greatly increased, resulting in the acquisition of six paper merchants and the

**GOULD**  
PAPER CORPORATION

establishment of eight new divisions targeting specific geographical or product markets.

By the end of the 1990s, Gould's revenue was in the range of \$600 million. Moving into the next century, Gould formed a new division, Boston-based Gould North America, to focus on catalogues, magazine and newspaper publishers as well as commercial printers throughout the US.

**"Harry Gould has been at the helm of the company his father founded in 1924 for almost 40 years"**

The Gould International Packaging division was also formed at this time. But the main theme of Gould's business strategy during this period was international expansion at a speedy rate. In April 2002, the company acquired WWF Paper Sales UK, active in the sale of fine papers to the greeting card, magazine publishing and book publishing industries. The following February, WWF acquired UK paper broker Salehurst Limited, a purchase that gave WWF UK and Gould its first operation outside the UK with the Paris, France-based Gallium. WWF is now the largest non stocking merchant in the U.K. A month later, a new division - WWF Paper & Board - was started with former employees of MAP, the UK paper distribution operations of M-real. In September of the same year, distributor Town Paper was bought while August 2004 saw the purchase of New York paper merchant Heller & Usdan.

Pics by Steven Freeman



However, these acquisitions were mere appetizers compared to the main course that was the purchase of Price & Pierce (P&P) from M-real. Founded as a trading company in 1869 and at one time listed on the London Stock Exchange, today, P&P has offices throughout the world.

Given the size of the business products industry and its growth rate, Gould's strategy has been to emphasise this market segment. From a product perspective, this entails focusing on the copier and reprographic categories and targeting the office product wholesaler, retailer and mass merchandiser.

**“People feel they have their own business within a business, so they can be entrepreneurial”**

In 2005 Gould restructured both of its business papers divisions to form Gould Office Papers, an all-in-one solution for its customer base. Gould's global resources provide the customer with first class sourcing, marketing and freight and logistics services. Gould Office Papers is leading the way through the evolution of Home & Office Printing Systems. It is committed to assisting the customer in choosing the right paper for the desired application.

So with such a clear success story, how does Harry do it and what is his business philosophy? **HG:** We like to be pretty decentralised, i.e., credit policy, accounting, etc. All the banking is controlled here in New York but in terms of operating the business day-to-day, we leave that in the hands of the local managers. So we know what's going on but we don't micro-manage. What evolves is an atmosphere where people feel they have their own business within a business so they can be entrepreneurial and not worry about the things I worry about like what the banks are going to say, insurance costs, etc. So they go about their business doing what they should be doing, which is running the day-to-day operations, finding new customers and developing relationships. We take care of the admin stuff and of course are always available to help. We are also a flexible company. We don't run things by memos and policy manuals. It's a style that I grew up with. I felt it was crucial to the paper distribution business, because above all it is a people

business and a personal relationship business. Our salesperson gets an order as opposed to a competitor because, all things being equal of course, the customer likes our person better.

**OPI: You've acquired a lot in the last number of years. Why is that and where do you think the industry is heading?**

**HG:** In the last half a dozen years we have indeed stepped up the pace of acquisitions considerably, not only because we have found some interesting opportunities, but given the paper market as it exists today I concluded two things. Firstly, it is irreversibly going global. 15 or 20 years ago the US mills would say that they don't like the fact that you go overseas for paper. Now of course, many of the US mills are owned by foreign companies, and the low-cost, most efficient manufacturing has migrated out of the US and to a large degree will in the future be in Latin America and Asia. The second thing I concluded is that the consolidation wave was going to continue and, if anything, intensify further. There will be just a nucleus of manufacturers and a nucleus of distributors left - it's a variation of the survival of the fittest. The business can't support hundreds of competitors as the customers are consolidating as well. There will be some niche players probably, but if you are talking about major players, there will be just a few on both sides of the table.

**OPI: In the past you have been pretty active in politics and I know you have met with a number of past US Presidents. I'd love to get your take on them.**

**HG:** I was a registered Democrat but now I am a registered Independent. Over the years, I supported some people that turned out to be disappointing, so I decided I would best be served by not having a strict adherence to a particular party.

So now I can just pick the best men for the job, whether it's a President or Senator or Congressman, which is better than blind allegiance to a party.

When I was a registered Democrat I had a number of trips to the White House and met

The management team: (left to right) Michael Negri, President Gould Office Papers, Harry Gould, Robert Simone, Chairman Gould Office Papers and Peter Tilearcio, Executive Vice President Gould Office Papers





with four of the Democrat presidents starting with JFK then LBJ, Jimmy Carter and Bill Clinton. JFK had that Irish wit and charm. I was closest to Kenny O'Donnell who was a senior mem-

ber of Kennedy's staff. Ken was a Boston-Irish tough, no-nonsense, great guy. LBJ was a real Texan and he had some terrific guys around him, such as Jack Valenti, Bill Moyers, Larry O'Brian, et. al. - not the glamour of Kennedy but with a southern charm. Carter was the most decent human being out of the group of Presidents, but some of his confidantes and senior staff members were pretty disappointing. Clinton was probably the most charming; he could have charmed the scales off a snake. But I became concerned by his lack of discretion and cautious of whether the administration was following its own agenda a bit too much.

**OPI: You must have a good Clinton story?**

**HG:** I remember being at a Fortune Global CEO gathering in Hong Kong. A car was provided for me and I was waiting for the car and Clinton came up with his entourage because he was one of the speakers. The guy waiting in line behind me for his car was English and when Clinton got out of his car, he shouted out: "Wait a minute, lock up your silverware and hide your daughters, Clinton's here!" It was pretty amusing.

**OPI: I also wanted to ask you about your role with the film financing company in the 1980s. You were involved in some pretty big hits.**

**HG:** I took control of a production/ financing company called Cinema Group which had been formed by Merrill Lynch. In the first year after I took control, Paramount and Cinema Group released three hits which were *Flashdance*, *Star Trek III* and the *Saturday Night Fever* sequel *Staying Alive*. In total, we did seven movies with Paramount.

**OPI: *Flashdance* must have been really pleasing; I believe it was one of the most profitable movies of the 1980s.**

**HG:** Yes, on *Flashdance* alone, we made back the losses incurred by previous management. It cost us \$7 million and it took in more than \$90 million in the US alone.

**OPI: And I believe you also vote on the Oscars?**

**HG:** Yes, I am a voting member of the Academy of Motion Picture Arts and Sciences and I've been to the Oscars twice, once when *Flashdance* was nominated for best song from a movie, which it won.

**OPI: What was that like?**

**HG:** A complete madhouse! You have to wear a tuxedo at three o'clock in the afternoon.

To complement Harry's association with the world of politics and the arts, he has a world-class collection of memorabilia.

This includes items belonging to and signed by every US President during their term in office except William Henry Harrison who only lived 29 days after he took office. Harry also has a very large collection of manuscripts as well as signed first editions of books by many of the twentieth century's greatest authors including James Joyce and Eugene O'Neill. But Harry's prime hobby is music, and, never one to do things by halves, Harry also has one of the largest private collections of music in the US which includes 10,000 CDs, 12,000 LPs and 6,000 78s. So whether it's running a paper merchant, acting as the longest-serving director for the NYC Housing Development Corporation, serving as a Vice Chairman of the US President's Export Council, Trustee for the American Management Association, National Symphony Orchestra and Colgate University, or financing blockbuster films, Harry has proved he has the game for any challenge and just loves being part of something of which he can be proud.

Harry has spent his life balancing work and personal interests, whether pursuing business acquisitions or a piece of memorabilia. But he's always maintained that it's people who are most important.

"In business, the most difficult problem to resolve is blending the profit goals with the dignity of human relations." Gould said. "In the long run, it's probably best to forego some of the profits in order to successfully meld the economic and human sides of the business." ■



Gould Paper Corporation, founded in 1924 is privately owned and operates in 15 divisions located throughout the world and has revenues of \$1.2 billion. It is a member of the "quartet" that comprises North America's largest distributors of printing and business papers. Gould has operations throughout the United States and internationally in the United Kingdom; Paris, France; Helsinki, Finland; Dubai; Singapore; Auckland, New Zealand; Melbourne, Australia; Manila, Philippines; Hong Kong and Shanghai, China. Gould is both sales-oriented and customer-focused, a leader in the paper industry, and has had six years of record growth and record operating profits. For more information on Gould, visit its website at [www.gouldpaper.com](http://www.gouldpaper.com)