

**Week Two History (March 23, 2016)**  
**The Concept – Building a Better Milk Truck**



Just prior to the outbreak of World War II, a kind of tranquility pervaded the neighborhoods of even the larger cities in the U.S. Grocery stores had not yet yielded to supermarkets, and it was a rare electric sign that flashed “ALWAYS OPEN.” Coffee, and life’s other amenities, were not yet supposed to be instant, and the demarcations between day, evening, and night were still clear and still meaningful. Sundays were special days, not merely the second half of the weekend. It was a simpler time, when life’s little rituals had their rightful time and place, when people knew their neighbors, and when milk was delivered to your door.

It was in the quiet hours before dawn one summer’s morning that Jim Crawford leaned in the doorway of his Atlanta home and gazed thoughtfully on his still slumbering surroundings. Crawford was an energetic, restless man who cared little for sleep, and likely resented the hours of living that sleep stole from him. He was a driven man, blessed and cursed with imagination and vision. Blessed because he could see what escaped others, and cursed because his active mind rarely, if ever, allowed him to fully relax.

On this particular morning, Crawford's quiet reflections were interrupted by the clatter of an approaching milk truck. He watched as it rattled up the street, stopping to deliver fresh milk to a few of the nearby houses. It banged on out of sight, and in only a few minutes was replaced by its twin, the truck of another dairy which retraced the path and disruptions of its predecessor, delivering more milk to other families. As it clattered out of sight, a third delivery truck appeared, and it too, progressed along the street in clinking fits and starts, delivering milk to those homes untouched by its predecessors.

Jim Crawford watched this activity and immediately saw in it a great inefficiency. He conceived a better, more efficient way for the dairies to deliver their goods that was also a business opportunity for him. That morning, he believed he had an idea that would offer an alternative to his strictly limited income as a Liberty Mutual claims adjuster. He resolved to approach the local dairies with his idea.

As it was, the dairy companies in Atlanta, Georgia were not able to grasp the benefits of consolidated, independent service delivery. However, the nation's insurance companies were, and as a result, the remarkable story of a unique man and the company he created began.

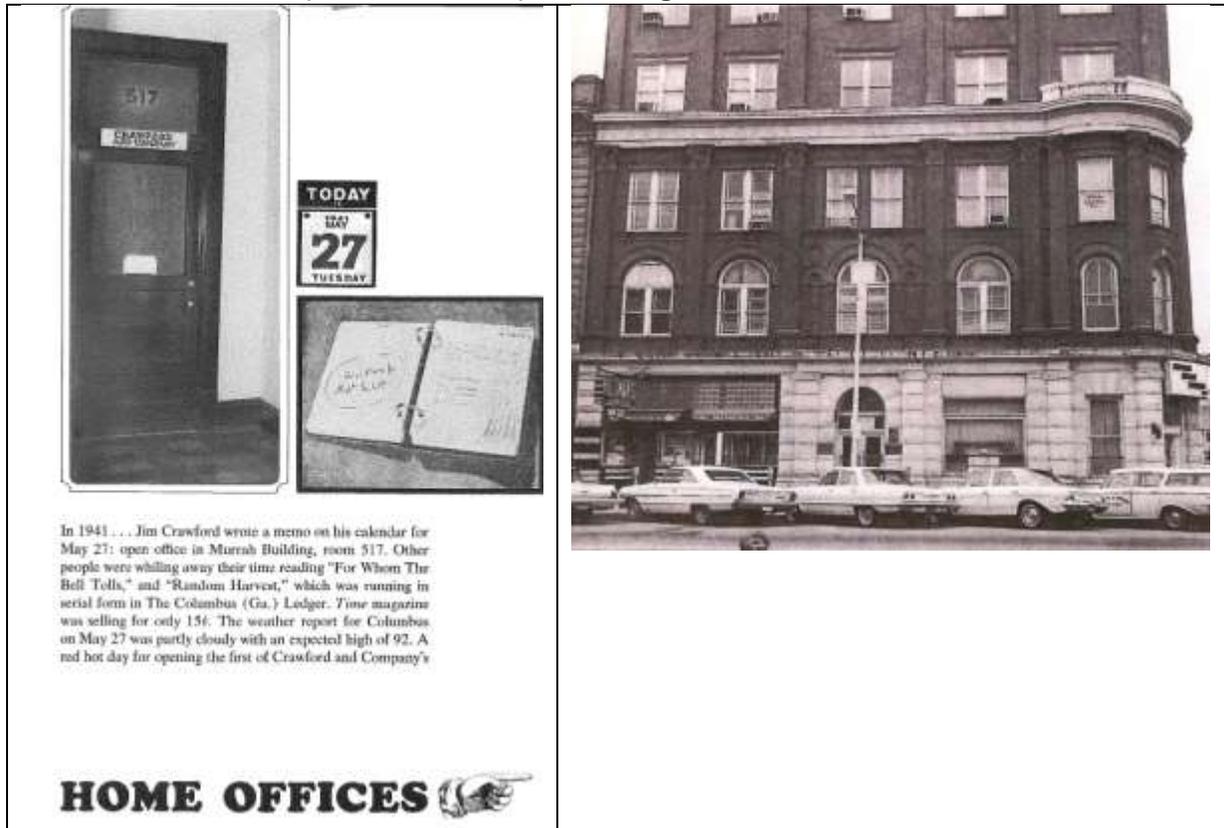
### **Week Two, continued (March 23, 2016) - Glimmerings...**

In 1940, just 30 months after becoming Liberty Mutual's youngest-ever claims manager, newlywed Jim Crawford, although excelling in his position, was disappointed that his earning potential in that position was far below his personal goals. This realization led Crawford's fertile imagination to begin exploring other forms of employment.

As the previous anecdote told, it did not take long for the combination of Jim Crawford's intelligence and imagination to hit upon a scheme. Without the support of the local dairy executives, Crawford was unable to build support for his concept and to get the start-up financing from the local bankers for his concept. Not one dairy would go along with his idea. Eventually, Crawford gave up his idea, but with great reluctance. His belief in himself and his abilities was constant, and he never cared to abandon an idea that he believed in. But without the support of the dairies, there was nothing to be done with it.

Still, his failure to sell the dairies was only a partial failure, for it gave him a concept and understanding which he would soon apply in the field he already had mastered. As Liberty's claims manager in Atlanta, Crawford would daily send adjusters on trips to outlying cities, trips of 75 or 150 or more miles each. Invariably, the men would return and comment about the various other company adjusters they had encountered during their road trips. Crawford realized he was dealing with a situation similar to the dairies' milk runs. The various insurance companies, by handling their losses on their own, were forced to operate much less efficiently than an independent could. Eliminating the travel time alone would mean great savings. Crawford saw that with the distance travelled by claims men, his idea was even more valuable to the insurance industry than it would have been for the dairies. He also knew that when companies chose not to send adjusters to handle claims in outlying cities, they typically gave the assignments to lawyers, incurring higher fees than were necessary. They had, in fact, little choice; in 1940, there were no more than three or four independent adjusters operating in all of Georgia, Alabama and South Carolina. The time and conditions were right. Crawford knew his concept would work; what he desperately needed – and all he needed - was a chance to get started.

## Week Two, continued (March 23, 2016) - Founding



In 1941 . . . Jim Crawford wrote a memo on his calendar for May 27: open office in Murrah Building, room 517. Other people were whiling away their time reading "For Whom The Bell Tolls," and "Random Harvest," which was running in serial form in *The Columbus (Ga.) Ledger*. *Time* magazine was selling for only 15¢. The weather report for Columbus on May 27 was partly cloudy with an expected high of 92. A red hot day for opening the first of Crawford and Company's

**HOME OFFICES** 

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