



Book 50 Companies That Changed the World

Incisive Profiles of the 50 Organizations, Large and Small, That Have Shaped the Course of Modern Business

Howard Rothman
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Recommendation

Howard Rothman, a writer who specializes in technology and management, profiles the 50 companies that had the strongest impact on the development of modern business. He sought input from high-tech executives, teachers, public relations professionals, engineers, business writers, shopkeepers, salespeople and managers in selecting the top 50, which he ranks in the order of influence. While many of the stories in these four-page portraits are familiar, the book presents helpful historical profiles of how each company developed and influenced the business world and society. While some readers may like tackling all these capsule bios as a collection, many may prefer to regard the book more as an encyclopedia or directory and draw on the corporate information as needed. *BooksInShort* appreciates the solid work here, although the result may be more interesting as a reference book than as a cover-to-cover page-turner.

Take-Aways

- A small number of companies have dramatically and permanently changed society.
- While many of these companies were founded in the nineteenth or early twentieth centuries, virtually all of them still have a big impact on the way we live today.
- As a group, these top 50 companies have done well on the stock market.
- The top five companies are Microsoft, AT&T, Ford, Apple and McDonald's.
- The next five companies are America Online, FedEx, CBS, Philip Morris and Wal-Mart.
- The next five most influential companies are General Electric, IBM, Sears, General Motors and J.P. Morgan.
- The fifteenth to twentieth ranked companies are the Union Pacific Corporation, RCA, Nike, Intel and Cable News Network.
- Microsoft is the most powerful company in the world today.
- AT&T has been the leader in advanced communications, beginning with Alexander Graham Bell's first telephone in the nineteenth century.

Summary

Living in a Corporate World

Fifty pivotal companies dramatically and permanently affected the evolving structure of business and society. Virtually all of them continue to have a big impact on how you live.

Just as an example, the author wrote this book on an Apple computer with a Netscape browser, using Microsoft word-processing software and a Hewlett-Packard printer. He bought a card table and chairs from Wal-Mart. He received FedEx deliveries about three times a week, and regularly watched CNN on his cable connection from AT&T.

“You may love them or hate them, but there’s no denying them: Microsoft is currently the world’s most powerful company.”

As a group, these top 50 companies have done well on the stock market. Even with the market instability of the latter half of 2000, these companies are long established and generally profitable, with a good chance of rebounding with the economy and doing even better than other companies in their fields.

The Top Five

Microsoft Corp. - Founded 25 years ago by boyhood friends Bill Gates and Paul Allen, this is the most powerful company in the world today. Its software runs 90% of all PCs. The 1990 release of Windows 3.0, the most refined update of its operating system, was Microsoft’s biggest breakthrough. Believing that this would change the personal computing world, the firm launched a \$100 million ad campaign and sold 100,000 units in two weeks.

“Advanced communication techniques are widely considered a hallmark of an advanced society. And no corporation is more responsible for the state of that art in today’s world than AT&T.”

AT&T Corp. - AT&T has been the leader in advanced communication techniques since Alexander Graham Bell’s development of the first telephone in the 19th century. AT&T was once the parent company of the legally sanctioned monopoly commonly called "Ma Bell" before being split up by a U.S. government antitrust action. In 1995, it split again into three separate companies - AT&T offering long-distance and other telecommunications services, the NCR computer company and Lucent Technologies, which makes and markets phones, network switching equipment, computer chips and other hardware.

“The Ford Motor Company’s primary claim to the corporate hall of fame has always been its invention of the assembly line, a remarkably simple yet stunningly effective innovation that completely changed the course of manufacturing.”

Ford Motor Co. - Ford’s early fame derived from its invention of the assembly line. Today, it is the world’s number-one truck manufacturer and second largest carmaker. Besides Ford, its brands include the Aston Martin, Jaguar, Lincoln, Mercury, Mazda, Land Rover and Volvo. The Ford Motor Credit division is the U.S.’s top auto finance company. On the cutting edge, Ford’s computer programs are as innovative as its development of the assembly line. It has recently taken efforts to merge industrialism with environmentalism.

“AOL prospered by providing consumers with unusually safe and incredibly easy access to the brave new world of cyberspace, as well as original ‘content’ - chat rooms, e-mail, news, stock quotes, shopping and the like.”

Apple Computer - Steve Jobs and Steve Wozniak first developed the Apple I, but retired Intel electrical engineer Mike Markkula helped them take their company to the next level. He garnered the necessary cash and loan commitments to launch the corporation, which introduced the Apple II some 15 months later at the 1978 West Coast Computer Fair. Apple captured more than 15% of the newly emerging computer market by 1980, when IBM belatedly jumped into the desktop marketplace. In 1984, with the launch of the Macintosh (driven by the famous "1984" commercial), Apple helped divide the computer world into the Apple and IBM camps. After a serious market decline, Steve Jobs returned to the company in 1997. Since then, the iMac has helped restart Apple’s sales.

“The golden age of television continued through the 1950s, and CBS was among the biggest beneficiaries as millions of Americans added sets to their homes.”

McDonald's Corp. - Founded by Richard and Maurice McDonald and Ray Kroc - the multimixer salesman who saw the genius in the McDonalds' fast, efficient system - McDonald's initiated and still leads the global fast-food revolution. The McDonald brothers started in the 1940s with a limited menu and a drive-up window where customers could order instead of waiting for a carhop to serve them. Kroc became the company's franchising agent and emphasized being customer-centered. By 1963, McDonald's had sold more than one billion hamburgers, a milestone trumpeted on each restaurant's neon sign. As tastes have changed, McDonald's has invested in pizza and Mexican chains, and has become active in various philanthropies through its Charitable Foundation and Kids Charities.

Movers and Shakers: Six to 10

America Online Inc. - AOL is known for opening cyberspace to the masses. In 1985, after Steven M. Case worked at Procter & Gamble and Pizza Hut, he started AOL as Quantum Computer Services. He focused on making computer networks easily accessible for the average individual, despite derision from the high-tech digerati. He insisted from the beginning on simplicity and consistency. His use of computer chat rooms helped attract the general public. AOL also provides original content, such as e-mail, news, stock quotes and shopping. AOL had 4.5 million subscribers by 1995, and today it has more than 23 million. AOL's \$172 billion merger with Time Warner made it the world's leading media company.

“Everyone thought Walton's dream of bringing the discount concept to small rural towns was crazy. But the idea caught on. Within five years he had 19 such stores.”

FedEx Corp. - Founded in 1971 by Frederick Wallace Smith, FedEx created the next-day delivery industry. It was an early adopter of bar coding as a way to track packages. Today it delivers about five million packages a day, although it has fallen behind in delivering online purchases, holding only 10% of that delivery market, compared to 55% for UPS.

“The monolithic Big Blue was the first big dog in technology, dominating the industry.”

CBS Corp. - In 1927, CBS founder William S. Paley purchased a small group of radio stations he called Columbia Broadcasting and relocated their headquarters to New York. He focused on controlling content, rather than the radio boxes. CBS, one of the first TV broadcasters, boomed during the golden age of TV as millions of Americans became viewers. Though the quiz-show scandals in the late 1950s were a setback, CBS became the top network by the mid-1960s and dominated the 1970s, until it was overtaken by NBC. In mid-1980s, Loew's Corp. absorbed CBS. In 1995, Loew's was bought by Westinghouse, and now is part of Viacom Inc., the world's second-largest media firm.

“General Motors flourished as the automobile became ingrained in society.”

Philip Morris Companies - Founded in 1919, the company made cigarettes popular, although it is now struggling through legal battles because of the association of cigarettes with lung disease. Even so, it is the world's leading tobacco company and does business in more than 180 countries. It produces one out of every six cigarettes smoked around the globe. It also expanded into other product lines, and is now the second-largest brewer in North America, selling more than 60 different varieties of beer in more than 100 countries. Philip Morris - North America's biggest food company and one of the three largest in the world - has developed interests in financial services and real estate.

“Intel Inside. This little phrase transformed the once obscure corporation into a hot brand well-known in the world.”

Wal-Mart Stores - Founded in 1962 by Sam Walton, Wal-Mart has more than \$165 billion in sales annually. Initially, when Sam Walton wanted to bring the discount concept to small rural towns, local bankers were skeptical. But his idea caught on and in five years, he had 19 stores. Though K-Mart had 250 stores by this time, it ignored small towns, so Wal-Mart was free to expand in its chosen niche. Each store's ability to cater to local tastes and feature locally made goods contributed to the company's growth. Wal-Mart shoppers are greeted personally and employees are well treated and receive generous profit sharing. Additionally, Wal-Mart's high-tech ordering and distribution system and its computerized sales and inventory system helped it become efficient and profitable.

“One of several major Japanese firms that moved aggressively into the U.S. television market when domestic companies diversified into other fields, Sony had long targeted the country for expansion.”

Corporate All Stars: 11 through 15

General Electric Co. - Thomas Edison founded GE in 1878 as the Edison Electric Light Company. It became GE in 1892, with the merger of several electric companies. In the 1920s, GE focused on creating TVs and radios, and in the 1950s, it began building early computers, as well as introducing various housewares, including the first automated clothes dryer. In the 1960s, GE introduced more technologically advanced products, such as the weather satellite. Today, under Jack Welch, GE is known for its Six Sigma quality initiative, which requires near perfection in production.

IBM Corp. - In 1911, Thomas Watson, Sr. started IBM, the first major high-technology company. In the 1920s, it made tabulators, time clocks and typewriters. By the 1970s, it dominated the mainframe computer market and it led the PC market in the 1980s, though its growth peaked in 1986, as it became complacent. Since 1993, CEO Lou Gerstner has reorganized and streamlined IBM, including building its strength in the e-business market.

Sears, Roebuck, and Co. - Founded in 1886 by Richard Sears and Alvah C. Roebuck, Sears is the world's first mass-retailer. Sears' mail-order catalog enabled buyers all over the country to purchase through the mail. It opened its first store in Chicago in 1925 and had 319 stores by 1929. In the 1930s, it started offering products under its own brand names, such as Craftsman, Kenmore and DieHard. Now, Sears is trying to remake itself with a higher quality image, which is touted in its "softer side of Sears" advertising campaign.

General Motors Corp. - Founded in 1908 by William C. Durant, GM is known as the world's number-one automaker and as the auto company with the largest sales. It took off in the 1920s when the automobile became a part of U.S. society. However, its market share declined to 28% in 1998, due to foreign competition. Today, under G. Richard Wagoner, Jr., the company is cutting costs and upgrading vehicle designs to expand its market share.

J. P. Morgan & Co. - The House of Morgan, launched in 1854 by J. Pierpont Morgan, provided capital that helped form major corporations, including U.S. Steel and General Electric. It once controlled a major part of America's railroads and helped preserve the American monetary system at times when it was threatened with collapse. Even so, it was partly blamed for the 1929 stock market crash, which led to a new cycle of government regulation. The Chase Manhattan Corp. acquired the original House of Morgan in 2000, and calls it J.P. Morgan Chase, as a reminder of its long heritage.

Corporate Leaders: 16 through 25

- **Union Pacific Corp. -** Created the first transcontinental railroad (founded 1862).
- **RCA Corp. -** Brought radio, and then TV, into U.S. homes (1969).
- **Nike Inc. -** Made the sports shoe a cultural icon (1962).
- **Intel Corp. -** Invented the microprocessor, opening the way for the computer revolution (1968).
- **Cable News Network -** Ted Turner's live, round-the-clock, all-news TV station (1980).
- **The Boeing Co. -** Developed with the aviation industry, from biplanes to moon orbiters (1916).
- **Hewlett-Packard -** Leading tech firm, with computers and imaging machines (1939).
- **Standard Oil Co. -** The world's largest oil refiner before the Supreme Court dismantled it (1870-1911).
- **Sony Corp. -** Transformed global consumer electronics (1946).
- **USX-U.S. Steel Group -** The largest business enterprise of all time at its launch, it produces sheet, tubular, plate and semifinished steel (1901).

World Changers: 25 to 50

Agence France-Press, Levitt & Sons, The Walt Disney Company, Netscape, Coca-Cola, Thyssen Krupp, Proctor & Gamble, Yahoo!, Toyota, People Express, Manpower, Toys "R" Us, National Football League, Kellogg, Johnson Publishing, Firestone Tire & Rubber, Avon Products, Hilton Hotels, Ben & Jerry's Homemade, Re/Max, Singer Sewing, Shorebank Corp., Metro-Goldwyn-Mayer, L.L. Bean and H.J. Heinz.

About the Author

Howard Rothman has been a newspaper reporter, magazine editor, book author, newspaper publisher, Internet content provider, small business owner and consultant to major corporations, among other occupations. He has written seven books, including the best-selling and critically acclaimed: *Companies with a Conscience: Intimate Portraits of Twelve Firms That Make a Difference*, which he co-authored with Mary Scott.

