

Dusting Off the Cobwebs: Turning the Business Archives into a Managerial Tool

GEORGE DAVID SMITH

BUSINESS ARCHIVES ARE A HARD SELL. Convincing corporate executives to part with substantial amounts of money to preserve, store, and manage historical records is not an easy task. Many business managers are likely to view archives as little more than gloomy, spider-infested repositories of crumbling paper and rusty artifacts whose principal value comes but on the golden anniversary—when select autographs of founding patriarchs and polished remnants of crude technologies are trotted out for display to the muted huzzahs of the board of directors and the perfunctory trumpetings of the vice president for public relations. On occasion, an aging employee with literary pretensions or even a well-known writer moonlighting his or her talents is invited in to risk eyesight and lungs poring over dusty ledgers, memos, and correspondence in order to produce the well-known but rarely read “corporate history.” If this seems an exaggerated view of the low

esteem in which the historical records of the firm are held in all too many corporations, it is not exaggerated by much.

Overcoming this unfortunate lack of respect for historical records is perhaps the principal point on which the future of business archives depends. Even in the most receptive business environment the development and survival of corporate archives will depend on their advocates’ ability to justify the archives’ perceived costs and risks. The most sympathetic chief executive officer is constrained by potential criticism from directors, stockholders, and, in some cases, regulatory agencies from investing heavily in off-line, staff functions that do not generate direct profits. The manager sensitive to history is beset by the persistent and fearful advice of corporate attorneys that no records—especially those of decision-making processes—be preserved. If good and meaningful business archives are to exist at all, it will be because the companies that

The author is president of the Winthrop Research Group, Inc., of Cambridge, Massachusetts, an association of consultants and scholars committed to the application of historical analysis to the problems of contemporary organizations. This paper was delivered at the 45th annual meeting of the Society of American Archivists in Berkeley, California, September, 1981.

pay for them are convinced that their cost, in both money and risk of disclosure, is outweighed by their utility.

This means that business archivists, whose main function is to preserve, arrange, and make accessible the significant documents of the corporate memory, are going to have to think more clearly about the uses to which their archives might be put. Historians, who are by profession concerned with the use of archives, as they attempt to place the records of the past into some kind of meaningful narrative or analytical framework, have to date done a poor job of conveying to the business community the utility of their craft. While a very good body of business history is emerging, it remains severely underdeveloped. Most of what passes for company history, usually in the form of publicity brochures or celebratory centennial books, has very little value for company executives who, though they may commission the works, rarely respect them.

Business archivists who aspire to maintain the corporate memory and business historians who want to make a living interpreting it have a common interest in articulating the uses to which the corporate archives can be put in the ongoing life and operations of the firm. It is not enough to make claims for the intrinsic value of history, or for the enduring value to society of well-preserved business records. It is a matter, really, of formulating historical problems and developing historical products and series that bear on the current concerns of business management.

History can, in some very obvious ways, become the kind of vital resource for supporting current corporate activities that will insure the continued funding of archival programs. Many of us are familiar, for example, with the history department of Wells Fargo

Bank, in which a staff of professional historians and archivists support research for advertising, market entry, and corporate litigation as well as a range of public relations activities. It is not so surprising that a firm so rich in American folklore would find it useful to refer to its past in its current advertising. After all, in a relatively undifferentiated product and service market, banks have always tried to increase market share by selling their corporate images—of stability, competence, longevity, and even, in this case, cultural romance. What is surprising, and indeed edifying, is the integrity of research undertaken to authenticate Wells Fargo's advertising and the widening scope of influence the department's research has in other areas. Research into the historical background of new retail markets and into questions of fact in legal proceedings goes right to the bottom line.

By way of illustration I will suggest a few areas of corporate activity for which good business archives have proven they can provide support: litigation, management education, and the development of corporate strategy, corporate policy, and responses to public policy. I begin with litigation research. After hearing so much about how archivists fear what they regard as the innate ahistoricity of corporate attorneys, I would like to suggest that we all take a more kindly and opportunistic view of counsel. In my own working experience I have discovered that the preservation of records cuts both ways. The same attorneys who advise that records of sensitive proceedings might better not be kept at all, are likely to acquire an insatiable lust for documentary evidence in the heat of litigation. An archivist might think of a corporate attorney, then, not as a nemesis, but as a market for archival services.

Indeed, for corporate legal depart-

ments good historical records have proven quite valuable. The well-known archives of the Coca-Cola Company, for instance, have saved the company a fortune in good will as well as in trademark litigation. Patent cases have always relied on well-preserved documentation of research activities. In antitrust cases, which are themselves historical reviews of the very evolution of the firm's structure, economic performance, and patterns of conduct, a well-documented history can be crucial to a good defense. Historians, moreover, have great potential for supplementing the highly concentrated and specialized research skills of attorneys with broader analyses of the social, political, cultural, and economic contexts of past events and decisions.

The managers at all levels of any organization must have some sense of the firm larger than their own immediate experience of it. The chairman of the board of a large utility recently commissioned a history of the firm's organization, management, technological development, employee relations, financial decision-making, and patterns of response to public and government pressure over the past 25 years. The purpose of the study: to provide a sophisticated, integrated overview of the firm's culture and dynamics for the next chairman so that he could place new and unfamiliar problems in context. This is history applied to management education at the highest level, mounted at great expense. Historical studies can be more quickly developed and more sharply focused for a variety of educational purposes from orientation programs for new employees to specific case studies for specialized training programs. The object is to do them rigorously and professionally so that such programs have serious impact and long-term value.

If we accept the notion that business managers can learn from the past, it is

not hard to take the leap into such future-oriented concerns as the development of corporate strategy and the formulation of corporate policy. Planners tend to know much about comparative cases in corporate strategy while knowing relatively little about the long-term development of their own firms. Something of a remedy to this problem has been tried at Citicorp, where a corporate history was commissioned in 1977 as part of a ten-year planning effort sparked by the expected retirement of the company's top layer of management in the early 1980s. Initial drafts of the history set forth some distinctive patterns of the firm's evolution over 160 years—its patterns of success and failure in strategic decisions, its structural evolution, its changing styles of leadership, its culture and character. The choice of new management personnel and decisions about new courses of business development then could benefit from this knowledge of the company's history. Because new management and changing business directions affect not only markets but the behavior of the firm itself, it became useful to know what abiding attributes of the firm were likely to be altered by new strategic decisions.

Firms would also do well to understand the bases and contexts for the decisions of the past that have given rise to current policies. Many of the people working in large corporations have poor memories for such things; managers are too mobile to acquire much detailed knowledge of the relevant past. At one firm a marketing policy formulated early in its life had guided the firm's distribution of its basic product for a century. As time passed new ideas or criticisms of the existing policy proffered from both within and without the firm were dismissed out of hand. The policy had become a sacred cow—"the

way we do business." A history of the original decision, however, revealed that it had been made for reasons and under conditions that had ceased before the arrival of the 20th century to be relevant in any business sense. The decision had been accepted and perpetuated despite the fact that management gradually ceased to know how the policy had originated or why. Although for that firm the policy endured and apparently worked in changing contexts under new business conditions, firms are not always so lucky.

In the public policy arena, the mobility of managers and of government officials has militated against sound long-range views on the relationship between government and business on the part of those most responsible for forging and maintaining that relationship. Business-government relations are a hot issue for the 1980s, as regulatory environments for several major industries (e.g., transportation, telecommunications, banking, or insurance) will certainly undergo radical changes. The implementation of new regulations or deregulation can create great disturbance to the unprepared firm. Histories of companies' responses to regulation are needed more than ever to help both business executives and shapers of public policy to better understand the successful and unsuccessful patterns of regulation. At the very least, good histories of specific regulatory processes and their impact on the management, behavior, and economic performance of a firm can help that firm prepare better informed lobbying strategies.

Originally, I was asked to write about the future of business archives, and yet I have said nothing about the future archives. I had considered writing about

the progress of corporate archival programs at AT&T, where I have been consulting as an historian, or at Bell Laboratories where, no doubt, if there are new technologies to be brought to bear on the problems of archives from accession to access, they will be tried. I then noticed in the most recent SAA convention program the attention already being given to computers and videodisc, micrographics and sound recordings, and to the "office of the future." I have no doubt that the archivists who think and worry daily about such problems have a much clearer vision than I do of the future configurations of their working environment. I also have no doubt that if private business firms come to regard business archives as integral parts of their organization, the funding and expertise for innovation will be forthcoming. If archives "take" in the private sector, archivists' incomes will rise sharply, space will expand, and supplies and equipment will pour in from central purchasing. All sorts of marvelous things will occur.

But it all depends on one thing: the ability of those who support archives to develop more persuasive arguments of the palpable, current commercial value of corporate memory. At a time when proliferating mergers and acquisitions, appointments of "outside" managers, mounting fear of litigation, and greater reliance on nonwritten forms of communication are all diluting the corporate memory, historians and archivists have to make an aggressive case for the present value of the firm's history and the necessity of getting it on record for preservation and future use. The firm's own history, after all, is nothing less than a unique corporate asset. It is time to teach the firm how to exploit it.