

Liebhardt Mills, Incorporated

Founded: 1848

Location: One-half mile northeast of Raysville (1848–ca. 1880); Eighth Street on Mill Creek (ca.1880–1921); South Eleventh Street (1921–70); West State Road 236, Middletown (1970–); National Headquarters, 9100 South County Road 800 West, Daleville (1970–)

Johann Sebastian Liebhardt emigrated from Strasberg, Germany, in the late 1840s, settling in Henry County near Mechanicsburg by 1846. He purchased a water-powered gristmill on Pipe Creek from John Bills and converted it into a woolen mill, naming his new enterprise the Raysville Woolen Mill. The first processing was somewhat simple compared to the more elaborate and computerized processes used in the 1990s. Raw wool was washed and then spread on a hillside to dry before being carded into batting for quilts. The Smithsonian Institution owns a reproduction of the Schofield carding machine used by Liebhardt in processing the wool. Liebhardt's sons, William and John, moved the mill closer to Middletown after 1874. Before 1907 the brothers built a steam-powered mill near present-day South Eighth Street. The partners renamed the business W. L. Liebhardt & Company.

John Liebhardt's sons, Sam and John, moved the company to an electric-powered mill on South Eleventh Street in 1921, redesignating the operation the Liebhardt Brothers Woolen Mill. The Eleventh Street site continued to be used until a fire destroyed it in 1980. The firm continued to produce pillows, quilt battings, and surgical wool. John sold his half of the business to his son, Arthur Merrill, in 1925. Arthur Merrill continued working with his uncle, Sam. With the new partnership, the name of the company again changed to Liebhardt Woolen Mills. Arthur Merrill strove to make the business more efficient by introducing the time management techniques of Frederick Winslow Taylor to the company. He remained the president of the company until 1975.

By the 1950s the nature of the business had also changed. Until the 1950s all bed and pillow manufacturers used natural fillers. The DuPont Company introduced the use of polyester in 1953. Although the company continued to make some products from natural fillers, Liebhardt mills had to convert to the use of new machinery and utilize different techniques for commercially created fibers.

In 1970 the company expanded. It purchased property on State Highway 236, moving much of its operation to the newly constructed plant complex. Arthur Merrill and his son, James Liebhardt, incorporated the business, designating the company Liebhardt Mills, Incorporated. James introduced a more entrepreneurial management style to the company. Growth proved to be the byword of the company in the 1980s. By 1985 the pillow maker had opened its second manufacturing plant in New Bedford, Massachusetts. Three years later the Middletown enterprise acquired the Wise Manufacturing Company of Dalton, Georgia, a move that allowed Liebhardt Mills the ability to serve the southeastern United States. In 1989 James sold the majority of the mill's stock to Cedar Point Partners. The new board of directors included James Liebhardt as well as Anthony Brenner and Bruce M. Gillis, the principal partners in the Cedar Point Partners enterprise.

By 1990 Liebhardt Mills had factories in five states, including Massachusetts, Nevada, Georgia, and South Carolina. The company was almost ruined by a 1993 fire that caused more than \$5 million in damages, destroyed eight of nine plants, most of the company's inventory, and left more than one hundred employees without jobs. Management set up a welfare fund and food bank to help its employees. Short-term relief, however, could not replace permanent employment. Middletown offered various incentives for the company to rebuild, and the state of Indiana extended an \$800,000 loan to help with rebuilding costs. Liebhardt Mills had to take a

\$9 million loan from Society National Bank to purchase equipment. The company proved resilient, however, returning to full production by October 1994.

Within a year of the fire the company expanded its product line, increased efficiencies in its manufacturing divisions, and installed computerized systems and strict financial controls. Executives point to newly implemented performance-based incentives, internal training, and companywide meetings for increased profits and for providing highly trained managers. By 1995 profits exceeded the income levels reached before the fire, and the firm began producing licensed products under the Serta® and Jessica McClintock brand names. William T. Walker assumed the offices of president and chief operating officer a year later. Under his leadership the New Bedford, Massachusetts, facility was closed and production switched to the South Carolina and Indiana facilities. The company adopted a new logo, with the simple designation “LMI,” to commemorate its 150th anniversary in 1998; the firm added the tag line to the logo: “Creating Comfort since 1848.”

In 1999 LMI remained Middletown’s largest employer. The family retained some control and helped to run the business until October 1998, when the firm was sold to the WestPoint Stevens Company of Dalton, Georgia. Before the acquisition the company was the third largest manufacturer of pillows in the United States, with sales in excess of \$53 million. In 1999 LMI employed 180 people in the Hoosier State and continued to make bed and quilt battings as well as pillows, polyfill, pillowcases, and mattress pads. WestPoint Stevens is a 186-year-old maker of bedroom and bathroom goods. Some of their products are sold under the names Martex, Atelier Martex, Stevens, Utica, and Vellux. In 1999 WestPoint Stevens was a \$1.8 billion company that sold 42 percent of America’s towels and controlled 34 percent of the sheets and bedding market.