



case 1-429-421

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## Sherwin Williams: Splashing Into the Low VOC Paint Market

*Great opportunities open to those who have the ability to see and grasp them.*

– Henry Sherwin

In late 1996, Sherwin-Williams CEO John Breen sat at his desk, preparing for another meeting with his board of directors. The room was dark except for a small stream of light that escaped the curtains hung heavily over the windows. Outside, rain was falling onto the company's corporate headquarters and on the streets of Cleveland. Breen stared at the portraits of company founders Henry Sherwin and Edward Williams that loomed above him on the wall. What would they think about the company's direction under his watch? Both had invested their life savings to create Sherwin-Williams in 1870.<sup>1</sup> More than 125 years later, a market shift was taking place. Some paint companies were experimenting with new formulations—using different materials to make paint that would send fewer toxins into the air. Would the founders agree with the decisions Breen had made as he guided the company into this new era? More important, would the board of directors continue to support ventures into the emerging market of environmentally friendly paints? And would the company be able to innovate in this area, as it had in the past, faster and better than its competitors?

### Sherwin-Williams

Before 1880, professional painters preferred to mix their own formulas. It was Henry Sherwin who invented a new pigment that made ready-to-use paint a reliable and desirable product. This paint promised to “cover more surface, work better, wear longer, and permanently look better.”<sup>2</sup> It had a money-back guarantee, and it was a sensation. The brand was defined, the painters bought in, and the Sherwin-Williams Company earned a reputation for high quality.

Sherwin and Williams were always committed to excellence in their industry. However, they also fought for efficiency and profit margins. Sherwin had always said that the “best equipment, both mental and mechanical, and the best raw materials”<sup>3</sup> were necessary for success in a competitive market. The company was among the first to market a do-it-yourself brand of paint, and even as early as 1930 it had revolutionized the paint manufacturing process, incorporating the entire production chain, from raw material to container, into its factories.<sup>4</sup>

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