

# BBB

continued from page 1

challenging deceptive advertising claims and publicizing the information through the media and its own bulletin. The BBB also began distributing "Investigate Before You Invest" cards to factory workers.

Funding for the BBB was provided by member companies that supported the truth-in-advertising movement of the era. The bureau was formed to self-regulate business activities and received no funds from government sources. Today it continues to operate in the same manner.

Monthly BBB meetings were held at the Houston Club to discuss the validity of advertising claims, work with local newspapers, and develop a membership base for support. The original Board of Directors was made up of visionaries who worked as retailers, advertising executives, media representatives.

Three board members were current officers of the Chamber of Commerce. By June 1929 the organization was thriving. The annual meeting was attended by 150 members and guests and the speech was broadcast over KPRC. The onset of the depression quickly changed the BBB's direction. The membership roster soon diminished leaving the bureau under-financed and forced to seek a loan to stay afloat.

The bureau altered its scope and began recovering by 1935. A.D. Collins retired as Secretary and Manager in 1936 and C.E. Buehner was hired. The board of directors was expanded and membership increased. BBB employees began working closely with the District Attorney's Office to address a wide range of local issues. Some of the most prevalent fraudulent practices of the period included fly-by-night sales crews, travel agents, sweepstakes telemarketers, fortune tellers, unpublished directory advertising offers, chain letters, lotteries, and insurance schemes.

Houstonians were also receiv-

ing pleas for help from con artists who were supposedly trapped in Mexican jails. The BBB began receiving widespread attention by mailing letters to residents who had just lost a relative warning them to watch for an unordered C.O.D. package arriving for the deceased. The Bureau's work with retailers, police, and the district attorney actually expanded to shoplifters in the thirties. One BBB archive tells of a man who was sent to jail after stealing whisky from Walgreens.

Advertising review efforts were expanded to assist the furniture, fur, and automobile industries to develop fair practices. Unsubstantiated claims of

wholesale pricing became a major advertising issue during this time. The promotion of business opportunities began to show up as well. Formal advertising review was

maintained with the Houston Chronicle, the Houston Post, and the Houston Press.

The Bureau's current media relationship with KTRH began in 1936 with a Saturday night and Monday morning feature. By 1939, the "Little Theatre Players" produced evening radio skits on KTRH based on BBB files.

Philanthropic requests from unscrupulous promoters led the BBB to take a close look at charities. The practices of panhandlers and organized operations were examined.

The overall increased activity led to the expansion of the BBB's phone services during the 1940s. During this decade, the BBB launched a long-term crusade against loan sharks that did not end until the fifties. Records are sketchy, but the demands of World War II apparently limited the activity of the BBB.

By 1955 the number of calls to the BBB had climbed to 65,000 for the year. In 1958 the Houston Police Department reinstated the Bunko Squad to aid the BBB's efforts against loan sharks, home improvement schemes, and fraudulent pest control services.

During the 1960s there was an increase in medical quackery cases, fly-by-night landscaping companies, and direct mail. In 1961 Richard McClain was hired as general manager to replace C.E. Buehner who had served for 26 years. The Bureau began working with dry cleaners to facilitate a mediation program to settle disputes. By 1967 the number of calls to the BBB surged to 10,200 per month. McClain aggressively monitored advertising during his tenure.

The 1970s was the decade of time share promoters. Direct mail and telephone solicitations would entice consumers to visit a resort property with the promise of receiving a free prize. All that was required of the consumer was attendance at a sales seminar. The sales tactics were extreme and many promoters oversold the properties leaving buyers empty-handed. In 1975 the BBB began receiving complaints about overseas employment offers. Promoters of the scheme charged oil industry workers advance-fees to guarantee high paying positions abroad. These positions never existed.

The boom and bust environment of the 1980s affected the Houston BBB in much the same way as it did in the late twenties and early thirties. The Bureau survived the crash and rebuilt its membership base. Beginning in 1980, the BBB began handling arbitration cases for General Motors. After a Federal Trade Commission arbitration order in 1983, the Houston BBB began handling thousands of cases per year. The most prevalent consumer issue of the period was the sale

of solar energy systems to reduce electric costs. Consumers lost over \$50 million as a result of this scheme.

In 1993 Jean Herman was hired as CEO of the Houston Bureau. During the nineties, the BBB has expanded its educational role in the business community by offering seminars, publications, speeches, and a variety of services to help companies succeed. The Houston BBB was the first bureau in the nation to offer a 24-hour Spanish reporting system in 1993. Industry programs were developed to work with focus groups of business people and produce free brochures for companies and consumers.

During the October 1994 floods, the Houston BBB responded by distributing disaster kits to the public warning of fly-by-night contractors and furniture peddlers who typically follow storms in search of victims. Fraudulent telemarketing operations based in Houston were the major source of complaints in the first half of the nineties. Local and national media coverage has also increased dramatically. The Bureau continues to work extensively with regulatory agencies and law enforcement to minimize fraudulent activity while educating the community.

Today there are 137 BBBs nationwide that are supported by more than 230,000 local businesses. The Houston BBB has approximately 6000 member companies in the metropolitan area. Local Bureaus are networked through the Council of Better Business Bureaus located in Arlington, VA.



## HOUSTON AWARD FOR QUALITY

Category: Small Retail

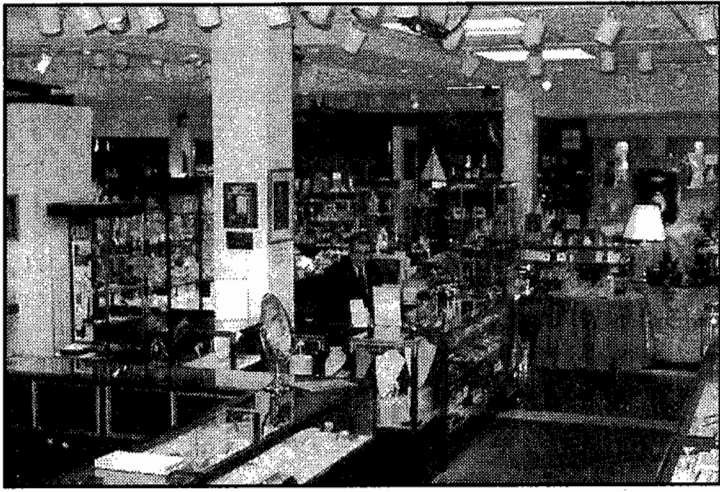
### Houston Jewelry

Houston Jewelry has been a leading retailer for over 44 years. A family-owned store, it first opened in 1953 in less than 2,000 square feet above the old Baker's Shoe Store on Main at Rusk. The store was a commercial success from the start, and grew to a five-store chain of catalog showrooms.

Through its growth, Houston Jewelry has benefitted from three generations of family influence. Today, Andrew Solomon and his son Rex share the responsibilities and leader-

ship of Houston Jewelry. They pursue their passion and dream of continuing their family tradition, willing to sacrifice time while making changes without being fixed in their ideas.

Customer service is one way Houston Jewelry sets itself apart from others who compete on price and quality. Being an independent jewelry and fine gift store, the owners feel that they are able to provide more personal customer care than larger, corporate run firms. To



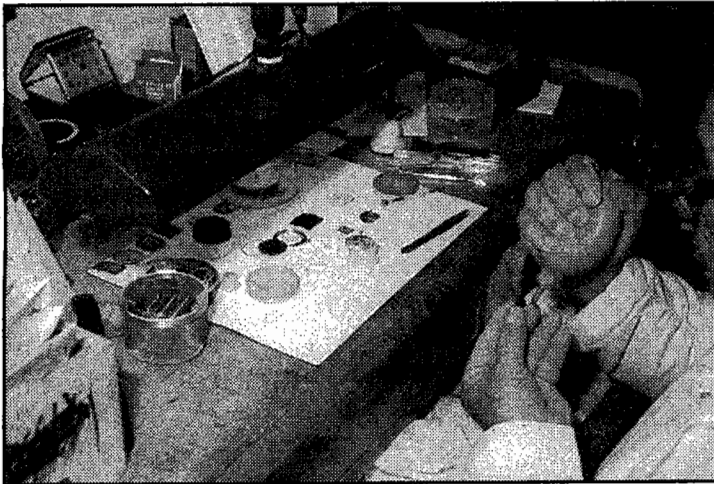
ensure that customers receive the utmost attention and service, employees are regularly trained on new technology and procedures. The store also holds regular employee meetings to introduce new products, their features, characteristics, and benefits to the customers. Houston Jewelry's philosophy is that a better informed salesperson makes for a happier customer. Service for the customer has become a way of life at Houston Jewelry, not simply a motto.

Customer satisfaction has always been a priority for Houston Jewelry. The company takes pride in its repeat customers, some of whom have continued to shop with the firm for over 44 years. For many older customers, their children and grandchildren now shop at Houston Jewelry.

It is the policy of Houston Jewelry to always do the right thing for the benefit of the customer. This is achieved through a warm and comfortable show-

room. In the fall and winter months, a fire is kindled in the store's fireplace where customers and friends can gather around the radiated warmth. During the holiday season, candy canes and other delights are offered to add to the shopping experience. Year around the store is filled with fine art, curios, and antiques which make the store a destination in itself.

Quality assurance is maintained through double checking customer work. When the store's technicians deliver jewelry and watches from the workshop, another staff member reviews the work to be certain all work was performed as ordered. Only after a successful evaluation is the customer called and informed that



the item is ready to be picked up. At the close of each business day, a comprehensive report reviews each transaction that occurred that day. Any irregularities are immediately corrected.

**HOUSTON AWARD FOR QUALITY**

Category: Large Service

**Protherm, Inc.**

Protherm, Inc., is a certified woman-owned maintenance oriented asbestos and lead abatement, scaffolding and fire-proofing, infrared inspection contractor currently performing long-term maintenance contracts in the Gulf Coast area. The company was founded on the principle of continuous improvement and has continually embraced three fundamental principles-safety, teamwork, and quality

enhancement. Senior management feels strongly that these guiding principles are a solid base from which to build a successful and prosperous company.

Protherm began its quality program in 1992 when it hired a quality consultant to assist in moving the company's quality processes forward. The company used a formal process of writing a vision and mission statement and defin-

ing the goals that would propel it forward.

In 1997, the company hired a full-time quality coordinator to help facilitate teams and bring additional support services to the overall quality process. The company currently has 11 Continuous Improvement Process (CIP) teams.



These teams have accomplished a number of successful projects over the four years of their existence, including:

- Creation of a company newsletter in two languages
- Creation of an implementation of a rework log
- A waste-elimination program
- Development and implementation of customer and employee surveys
- Implementing a formal process improvement/reengineering program
- Developed and implemented a supplier qualification process
- Developed formal procedures for most departments
- Developed a quality manual
- Developed a personnel manual
- Developed and implemented a Process & Production Tracking process for maintenance services
- Established benchmarks for all types of work performed
- Developed and implemented a computerized estimating

process that ties back to the progress and production tracking program

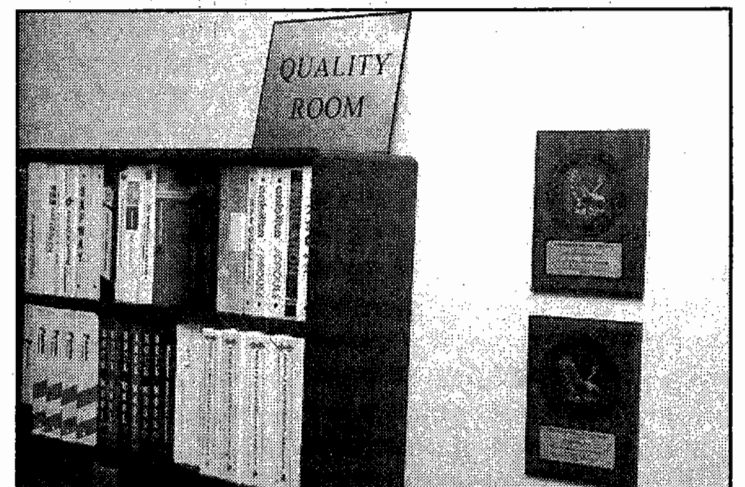
- Developed and implemented a behavioral based safety process company wide

Protherm's president is Jim Gaudet. Mr. Gaudet and his executive team make regular presentations to customers in order to elicit their feedback and criticism. Based on this feedback, steps are taken to address problems and concerns. For example,

based on customer feedback, Protherm has improved its safety process, realigned quality initiatives, and even replaced project managers that were only paying lip service to the process.

Senior managers in the company have received extensive training in total quality management practices and principles, including managing the TQM process, team building, and leadership. Each of these managers is responsible for delivering training to project and department jobsites.

Protherm's commitment to zero defects is an ongoing process of continuous improvement. The company's emphasis on total quality can be seen in displays throughout its offices, and is a feature column in the company's regular newsletter. Each employee has been given a copy of the company's quality policy, and understands that quality drives



decisions just as safety does. To reinforce the quality message among employees, the company holds a Quality/Safety meeting each Monday morn-

See PROTHERM, page 4