

Program: Bill Cook, His Life and Times (via Zoom)

Speaker: Richard Gunderman, MD, Pediatric Radiology, Riley Hospital for Children/IU Health

Introduced by: Marty Meisenheimer

Attendance: 94 (logged-in devices, sometimes more than one viewer per device)

Scribe: John Peer

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A Zoom recording of the presentation may be viewed by clicking the following link

www.scientechclub.org/zoom/464.mp4

Today's presenter was Dr. Richard Gunderman, Professor of Radiology at the Indiana University Medical Center. He received his BS at Wabash and his MD from the University of Chicago.

Dr. Gunderman only had one interview with Bill Cook, but did have several chats with his wife Gayle. He has also visited the Cook Group in Bloomington. He has grown to admire Bill Cook not only for his business success, but especially how he built the company based largely on trusting his people.

Bill Cook was born in 1931 in Mattoon, IL and grew up in Canton, IL, where he was a three sport letterman. He made a long basketball shot which was marked on the court. Bill graduated from Northwestern in biology, was drafted and served in the Army as an anesthesia technician.

He married Gayle Karch, a fine arts graduate from IU, in 1957. Her story is that when flying in a single engine plane with Bill at the controls, the engine started losing oil. Bill asked her to quickly read the map and find the nearest airport. The engine seized upon landing. After that, he proposed.

Bill Cook was a serial entrepreneur. His first company made shot glasses with an image of a naked woman on the bottom. The popular glasses' only problem was the adhesive for the image dissolved in alcohol. Then he and a fraternity brother formed a company making disposable hypodermic needles. Prior to that, all needles had to be autoclaved for reuse. The company was successful, but, as the funding came from his partner's father, he figured he would always be an employee vs an owner.

He and Gayle then moved to Bloomington, IN to set up his (their) own business, Cook, Inc. in 1963 focusing on medical products. They started in their two-bedroom apartment with him selling in the AM and manufacturing (in his apt) in the PM. His first sale was to the Illinois Masonic Hospital of two catheters for \$3.50 each. They celebrated the sale at McDonalds.

About this time he hired Tom Osborne who was an innovative inventor without advanced degrees. He developed 200 patented ideas. He also developed the manufacturing process for wire guides. This was so advanced that Cook consciously chose to NOT patent it in order to keep the industrial expertise in-house. To be granted a patent, the owner must disclose the process, thus giving away the secrets. Bill Cook was not interested in his employees' credentials as much as he was in ideas and relationships; Tom Osborne was an early example.

In November 1963 Cook exhibited at a prominent medical convention in Chicago at what is now known as McCormick Place. Dr. Charles Dotter borrowed Cook's gear and made "10 perfect" catheters in his hotel room. These sold over the next few days which more than paid for the exhibit. Hence was created a new partnership. Dr. Dotter was very intuitive and creative; he was recognized

as the father of interventional medicine using catheters to develop balloon angioplasty. He is renowned for saving an 82 year old diabetic female from leg amputation, by using his angioplasty to open the arteries supplying blood to her feet. The takeaway: Bill Cook developed relationships with creative people who had ideas that needed solutions. Cook developed products for medical professionals like Dr. Dotter. He would ask them what their challenges were and then develop products to meet their needs; It was his formula for success.

Bill Cook also had unusual, by today's standard, business practices:

- He expected his salespeople to understand the customer's needs, and work with the development staff to create solutions. It was not required that they even know how to take a sales order.
- Cook valued handcrafting and craftsmanship. He felt that building products with hands-on techniques built focus, motivation, and creativity to do it right and find improvements. He shunned specialization like mass production assembly techniques.
- His flexible handcraft approach gave flexibility to meet custom orders and engendered pride in the employees.
- Cook, a two-pack-a-day smoker, had heart catheterizations. He would always walk through the factory and pick up catheters for his own use. He was proud to show he used his own products. After the talk, Dr. Jim Dillon, his cardiologist, confirmed Bill brought his own products.
- Cook Medical has no executive dining room. Bill ate in the cafeteria with employees and even his professional guests.
- All employees received the same amount of vacation.
- He started the first employee profit sharing plan

Cook expected hard work, but also engendered trust, expected truth, and gave his people the independence to fail. He just required they learn for the next time.

One of his early employees was Phyllis McCulloch who he hired as a receptionist. She did not have advanced training, but rose to VP of Personnel through the years based on her skill in dealing with people. Another example was Kem Hawkins who succeeded McCulloch. Cook met him as the Band Director at his son's (Carl) high school. Cook was impressed with his talent for dealing with people and engendering enthusiasm.

Cook believed in ethics, character, integrity, and doing the right thing for the right reason all the time. He believed that the people came first and the successful medical products would follow. He kept the company private with a main tenet being that he ran the company for the benefit of his employees.

And the Cook Group was and is eminently successful with 13,000 employees and 17,000 unique products worldwide. It was worth \$10.5 billion at the time of Bill passing in 2011, making he and Gayle the richest people in Indiana. Yet he remained unpretentious, living in the same three-bedroom house they bought in 1967. They did give generously to historical conservation, supporting Indiana Landmarks by donating significantly to 57 Indiana Landmarks projects. His most prominent restoration was the purchase of French Lick Springs and the West Baden Hotel properties. These have been completely restored and are an economic boon to the French Lick community.

Editor's note: more can be found about Bill Cook in a previous article by Dr. Gunderman at:

<https://pubs.rsna.org/doi/full/10.1148/radiol.15141243>



Dr. Gunderman