

FROM VILLAGE SMITHY TO SUPERIOR VACUUM TECHNOLOGY: MODERN SMALL-BUSINESS RECORDS AND THE COLLECTING REPOSITORY

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ABSTRACT: Documenting modern business in the United States is a complicated matter for archivists, and has been the subject of much recent attention in the professional literature. The Minnesota Historical Society (MHS) has undertaken a major initiative to redefine its collecting approach to modern business records, based both on new conceptual approaches such as macroappraisal and on studies of actual records usage. Documenting modern *small* business adds to these complications three problems: 1) there is no agreed-upon definition of what a small business is; 2) small business has become invested, like “the family farm,” with as much myth as reality; 3) small businesses do not operate like large businesses and therefore do not generate the same archival records. In this essay, an appraisal archivist uses the experience of MHS to argue for a nontraditional approach to documenting modern small business.

Introduction

What should our acquisition and appraisal policies be toward modern small business? This is a simple question with only the most complicated of answers. In order to arrive at an answer, archivists must first confront a related set of difficult questions. In the United States, at least, the most intractable of these questions is the most basic one: Just what is a “small business”? Trying to answer this question from a purely economic standpoint turns out to be hard enough, but we must deal with the fact that in America “small business” is also a social construct of no small importance. The small-business “myth”—as much as the undeniable fact that small-business collections pose less of a physical and organizational challenge to hard-pressed repositories than do the records of large corporations—helps to explain why certain smaller firms are actually much better documented than large corporations.

Against this background, this article will present an abbreviated version of how one collecting repository decided to manage the documentation of small business within

an overall documentation approach to modern business and the rest of modern society. When defining this approach we asked, What is our purpose or goal in documenting business in general, and how does small business relate to that goal? What practical limitations exist on our ability to acquire and preserve records of small business? And are archival collections the best method of documenting small business? All of these questions are entirely relevant to the question of acquisition and appraisal policies for big business—indeed, for almost any form of organized human activity—but they are not asked (much less answered) very often.

Defining “Small Business”

Let’s begin, then, with the deceptively simple question of defining “small business.”¹ This is a question whose answer is as varied as are the answerers. One economic historian has proposed as a definition for “small business,” one in which the owner “maintains direct and firm lines of communication with his operating managers, and keeps personal ties with a large proportion of his work force.”² This may come closest to capturing what many people would intuitively consider a small business, but has the major disadvantage of being unquantifiable. Most economic historians instead generally seem to define modern small businesses (in the post-1880s economic era in the United States) as those with fewer than one hundred employees.³ The U.S. Census tends implicitly to define small businesses as those employing fewer than 20 people. By this measure, there are roughly 140,000 small businesses in Minnesota alone, 85 percent of the total number of businesses. This 85 percent of enterprises employs only 25 percent of the state’s business workforce. Small businesses are represented in every one of 80 major categories (and most of the approximately five hundred subcategories) of business types listed by the census.⁴

However, the United States Small Business Administration (USSBA), the government agency most concerned with small businesses, states flatly that “there is no standard size definition of a small business. . . . The definition used may depend on the policy issue or question being analyzed, or the industry being studied.” The only requirement is that a small business cannot be “dominant” in its industry; small, therefore, is relative to the industry giants. Moreover, depending upon the industry, dominance is measured either by gross revenue or by number of employees.⁵ For example, as far as the USSBA is concerned, a “small” manufacturer could have up to fifteen hundred employees, depending upon what is being manufactured; a “small” retailer can have annual receipts of up to \$13.5 million, depending upon what is being sold. To make matters worse, in its annual state-by-state reports, the USSBA adopts “independent businesses with fewer than 500 workers” as its definition of “small businesses,” presumably so as not to have to explain to a broader public just how complex the situation really is. By this last definition, 98.1 percent of nonfarm businesses in Minnesota are small.⁶ The USSBA summed up by stating that “the definitional issues concerning [small] business owners are . . . confused.”⁷ Certainly quite an understatement.

Moreover, none of these definitions of small business include those people who are self-employed. The USSBA reckons there are more than 170,000 Minnesotans who fall into this category, which is almost 10 percent of the total number of people

employed in the state. Nor do most of the federal government definitions include farms as businesses, which is to say that the roughly 88,000 farms in Minnesota—all of which have fewer than five hundred employees and which together employ 130,000 workers⁸—could reasonably be added to the figures supposedly counting small business. To complicate matters further, by defining small businesses as independent, most definitions overlook not only franchises of major retail and service chains, but also fail to adequately account for the “neither fish nor fowl” status of voluntary associations (such as the Independent Grocers Association) and cooperatives (such as True Value Hardware) through which independent retailers have sought to counter the purchasing power of large chains.⁹

Other familiar attempts to categorize small business also fail. All family businesses are not small, but it is equally true that all small businesses are not family owned. Indeed, a small business is not necessarily *privately* owned. A small business can issue stock, even have it trade publicly, and still be small. On the other hand, a small corporation may still be a family business, as enunciated by one archivist relative to documenting family farms. He noted that “archivists may encounter what amounts to disinformation in the guise of accepted knowledge: articles in the press, for instance, which dramatize the entry of corporations into farming while ignoring the fact that in over ninety per cent of these corporations the stockholders are members of the same family.”¹⁰ So, is there an answer to the question of just what we are talking about when we talk about small business? No. Clearly, small businesses exist; we just don’t know what they are.

If providing an econometric definition is difficult, there is the additional difficulty of the social connotations long associated with small business in the U.S. Small business has evolved into the capitalist equivalent of Thomas Jefferson’s agrarian freehold, the epitome of American values. To quote one historian:

Like the agrarian myth, which held that moral degeneration could be the only consequence of an increasingly urban society, the small business ethic in U.S. history asserts the simplistic view that the only thing the matter with business is bigness. So long as business is small, it provides an opportunity, and for many the only opportunity, to acquire, if not a fortune, at least a competence.¹¹

Horatio Alger popularized and cemented this image of small business from the 1870s through the 1920s. It has been a staple of popular culture and political discourse ever since. President Richard Nixon articulated it in 1973: “Small business is proudly emblematic of the freedom of opportunity which is our national creed. It expresses the freedom of every American to achieve something in his own way. . . . It is also the lifeblood of America.”¹² Nearly a quarter century later a California Congressman said, on the House floor, about the National Federation of Independent Businesses that “They represent Main Street, not Wall Street. They represent the kind of mom-and-pop businesses and the small-business owners who in fact really are the economic backbone of the communities that we are fortunate enough to represent here in the Congress.” He concluded that “small business ownership is a part of the American dream.”¹³

Mention "small business" to most people, even to most archivists, and they think of the mom-and-pop grocery, the village smithy renowned by Longfellow, or perhaps the local car dealership. This image of small business as a family-owned-and-operated grocery store, the kind that still extends credit to regular customers and employs delivery boys, is charming and comforting, but also portentous; it carries a host of implications regarding just what a small business is and, therefore, why and how archivists should preserve evidence of its existence. The trouble is, the icon of the mom-and-pop corner retail establishment bears something of the same relationship to the actual universe of small businesses as does the image of the sod-busting pioneer farmer to the actual universe of commercial agriculture. The family store has existed in various forms in the U.S. for three hundred years or so and continues to exist today; it is, however, hardly a representative sample of a small business. And it cannot, therefore, provide a sound basis upon which to think about documentation goals.

To be sure, small businesses are economically as well as socially important in the modern U.S. economy. In President Clinton's 1995 "Report on the State of Small Business," we are reminded that small businesses (using the "less than five hundred employees" definition) "are a critical part of [the U.S.] economy. They employ almost 60 percent of the work force, contribute 54 percent of sales, account for roughly 40 percent of gross domestic product, and are responsible for 50 percent of private sector output."¹⁴ Generally speaking, then, small business accounts for about half the U.S. economy; the continuing importance of small businesses to policy makers and to the economy as a whole is attested to by the very existence of the USSBA and by the Bureau of Census's continuing efforts to document the tiniest of enterprises.¹⁵

Still, one must note three things. First, small business is not properly characterized by the retail stores on Main Street. In Minnesota there are businesses with *fewer than 20 employees* in industries as diverse as mining, forestry, carpet manufacturing, corrugated box production, steel milling, manufacturing of construction machinery, chemical wholesalers, and banking, to name a very few. Moreover, many women- and minority-owned small businesses are found not in the traditional small retail trades, but in fields such as electronics assembling, electronics manufacturing, engineering, and information processing, printing, and other service industries.¹⁶ The state's largest small-business employers are restaurants, health services, business services, wholesalers of durable goods, and membership organizations; the fastest growing small businesses by employment are insurance carriers, educational services, motion pictures, and chemicals and allied products.¹⁷

Second, the nontraditional small businesses are the change agents in the economy. Some economists have recently maintained that large corporations are too unwieldy and inflexible to remain competitive in the global economy, and that the "flexible specialization" possible in smaller firms is the best avenue for economic growth. The exact extent of this superiority of small firms is subject to debate, and the varying studies use (not surprisingly) varying definitions of "small" business.¹⁸ Still, when the USSBA gives grants to small companies it considers to be on the cutting edge of the economy, these grants go to companies such as Superior Vacuum Technology for development of "TeraHertz Oscillators based upon Resonant Tunnel Diodes," not to Seven Corners Hardware or the Day by Day Café.¹⁹

Third, while small businesses account for half the U.S. economy, the other half of the economy is accounted for by the two percent of firms with five hundred or more employees. Small business *as a whole* has an important economic role, but individual small businesses generally do not.

Extant Documentation of Small Business

Yet the (admittedly scanty) evidence that exists indicates that it is the myth of small business—of the Main Street hardware stores and banks—rather than the twentieth-century reality that is being most aggressively and successfully documented by archivists in the U.S. Limited surveys conducted in 1980 and in 1996 suggest that it is small nineteenth-century retail and resource extraction companies that account for most of the business collections in U.S. repositories. Most respondents to the 1980 survey of college and university special collections “indicated that their records reflected small companies—those with fewer than 100 employees,” and only a few represented “companies whose records extend into the twentieth century.”²⁰ While this survey indicated that small textile and lumber firms were somewhat better represented than banks, department stores, and grocery stores, the *later* survey—including not only university special collections but state and county historical societies as well—indicated clearly that the type of business most represented in collections was “general stores.” When asked to compare the evolution of dominant industries in their state or region to the evolution of their collections, virtually all repositories reported that their collections much more accurately reflected the economy of the nineteenth century (and to some extent the early twentieth century) than that of the mid- to late-twentieth century. Only four of the repositories held collections from more than two active firms.²¹

What all of this means is that it is likely that small businesses, especially nineteenth-century small businesses, are better documented in the U.S. than are their modern big business cousins. Certainly the aura of small business as the “pure” form of enterprise is not alone in explaining this. Two other factors are important as well. In addition to the lay mythology of small business there is a certain academic mythology. In the 1940s historian Thomas D. Clark argued that “One of the best single sources for American *social* and economic history is the records of small-town or rural businesses.” They provide crucial information about the dietary habits, clothing, agricultural practices, and medicinal use of typical American families, Clark argued, as well as about “distribution of goods, of prices and of the intersectional relationships of the national economy.”²² Clark was speaking, generally, about the financial accounts kept by nineteenth- and eighteenth-century firms, and it is indisputable that these records represent often unparalleled information about the tastes and activities of the inhabitants of their respective communities. What was true at a time when small retailers were the social as well as economic hubs of their communities, and when little if any economic data existed apart from the records of individual firms, has continued to dominate scholarly and archival approaches to business records well into the late twentieth century.

Second, since at least the 1940s, historians and archivists have bemoaned the fact that the records generated by large corporations were so enormous and so complex as to be beyond the resources of most repositories to collect.²³ The biggest corporations

in the United States, after all, have gross revenues, “populations” (employees), and documentary output larger than many entire nations. There are a mind-numbing number and variety of business firms.²⁴ Furthermore, the increasing decentralization of large business organizations, combined with increased fear of liability grounded on information found in retained documents, plus the vicissitudes of mergers and hostile takeovers, have undermined efforts to preserve substantial and significant documentation of major corporations.²⁵ As Francis X. Blouin has noted, “Due partly to the unavailability of modern business records and partly to the bulk of those record groups that are available, research-oriented repositories find that they have neither the budget nor the space to continue to document the workings of U.S. business enterprises in the twentieth century in the way they documented enterprises in the nineteenth and earlier centuries.”²⁶

Documentation Approach to Small Business at the Minnesota Historical Society

The approach taken by one historical repository interested in documenting business to develop a pragmatic approach to the selection of twentieth-century business records can be set against this background. The Minnesota Historical Society is the state’s largest historical repository and one of the two largest repositories in the nation for the records of business: it holds 21,000 cubic feet of business records, covering 520 separate collections. The business landscape in Minnesota is diverse. Minnesota boasts more Fortune 500 companies per capita than any state save Illinois. It was the seat of milling, lumber, and railroad empires in the nineteenth century and is home to major concentrations of banking, supercomputing, and medical technology firms in the twentieth century. Currently, there are about 120,000 business establishments in the state²⁷ and untold numbers of business leaders and trade associations. To face this documentary universe—and the documentation of all other aspects of human culture in Minnesota—MHS employs two manuscripts acquisition curators.²⁸ The choices we face, therefore, are those of most collecting repositories: balancing the documentation of business against all other documentary areas, and then deciding which businesses can and/or should be documented and to what degree. As we set about to define an approach for ourselves, we wound up defining an approach that may have value for other repositories as well. This approach, dubbed the “Minnesota Method,” is the topic of a chapter in the book, *Records of American Business*.

To summarize a 70-page chapter²⁹ in a few paragraphs, MHS decided that priorities exist and choices get made either implicitly or explicitly. Ultimately, the collecting of papers of one business necessarily means that some other business will not be solicited or acquired—or that the papers of an equally important social service organization will be forfeited to the trash bin. If thoughtful, conscious priorities are not set, the priorities dictated by chance (which business went bankrupt this week; which business has its CEO sitting on the repository’s board) become completely determinative. But trying to make choices only amidst the mass of records of a business—microappraisal—was not going to address the question of improving documentation of business sectors now

dominating the state's economy. So following to some extent the Canadian concept of macroappraisal we decided that appraising records themselves should *follow* an appraisal of the records' creators.³⁰

Our appraisal of records creators occurred only after extensively analyzing our current holdings, studying the twentieth-century evolution of the state's economy, and consulting with scholars in several disciplines interested in business and its history. But we also did our best to consider our extant and predicted resources—of both staff and space—the needs of our nonacademic users (who are the vast majority), and our other documentary and program goals and priorities. In the end we wound up grouping Minnesota businesses by industry, and then grouping the industries into 18 sectors,³¹ which we sorted into four tiers based on economic impact (which were broken down into number of employees in the state and revenue), extant documentation, and identification with or uniqueness to Minnesota.³² Still, each sector contained many more businesses (with far more records) than we could realistically acquire. So we identified and defined 11 factors that reflected a number of institutional concerns and priorities that should exert, along with its tier, an influence on whether we would seek documentation from an individual business and, if so, which documentation (these factors are discussed in the next section).

The next necessary step was defining what the priorities mean in a practical sense—how these priorities translate into the actual “stuff” that would be acquired. To do this we created five documentation levels (Do Not Collect,³³ and levels D through A) in ascending order of comprehensiveness. Level D is an attempt to preserve minimal evidence of the existence and purpose of a company (through such few documents as annual reports, some product information, such as catalogs, and printed, film, or video company histories), and no business defined as a level D would be actively solicited. Basically, this level is designed to give us a way of responding to companies that we might otherwise choose not to document at all, but for which mitigating circumstances (including political pressure from board members) exist.³⁴ The highest level of documentation, Level A, seeks to thoroughly document both the internal and external facets—or, to use the more contemporary terminology, functions—of a company. The in-depth documentation of internal communication, typically found in such documents as correspondence and memoranda, is one of the most important distinctions between Level A and Level B. Businesses at Level A will be actively solicited by Society staff, as resources permit.

This summary does not fully explain the MHS documentation approach, but should provide necessary context to further remarks on how small business fits into this scheme. A few commentators have already expressed concern that this documentation approach focuses exclusively on large business. While we think that the state's largest employers are, as individual businesses, more important than an equal number (or even five times the number) of small businesses, our model does not ignore or even undervalue small firms. Rather, we have tried to construct an approach that a) shifts the focus away from individual firms and onto whole business sectors; b) consciously turns our attention toward certain characteristics of a business that often adhere to nontraditional small businesses; c) rejects the notion that the only acceptable way to document a business is by acquiring all (or nearly all) of its extant records; d) mitigates the natural

tendency to “rescue” records of companies that are closing or celebrating chronological milestones; and e) steps back from the myth of small business and from the nostalgia occasioned by local retailers with whom the repository staff has a personal relationship.

While the Minnesota Method assumes that Minnesota’s largest businesses are—firm for firm—far more important to the economic, social, and political history of the state (not to mention the nation) than any small businesses, in our model the number of employees *by firm* is less significant than three attributes—economic impact, extant documentation, and identification with and/or uniqueness to Minnesota—of a business sector. For example, our priority-one sectors are Agriculture, Medical Technology, and Health Care, but only one of Minnesota’s top 30 employers is a medical-technology company and two are agricultural, while eight are health-care companies. When a sector becomes a top priority *all* businesses within that sector, regardless of size, become more attractive candidates for extensive (Levels A or B) documentation than all but the largest (top 25) employers in lower priority sectors. As we discovered fifty years ago when the records of virtually every lumber company in Minnesota were sought and (if possible) acquired, there is a definite value to documenting an entire industry—both large firms and small—that exceeds the value of the sum of its parts. While there are no sectors in the modern economy that have so few firms that we could hope to be that comprehensive, we do see a value to identifying a small number of sectors to document in breadth as well as depth. For those sectors, smaller as well as the largest companies would be targeted to give an overall picture of the sector.

“Capturing Small Businesses within the Sector” Approach

Moreover, within all the priority rankings of sectors, as we move toward considering individual firms within the sector, the size of the company—while important—is certainly not the sole criterion of our interest. Proceeding from the first question we ask about a firm to the last, the “decision points” are: 1) Is it one of the state’s top 25 employers? 2) Is it one of the five largest employers in its geographic region of the state? 3) Is it considered a leader in its particular industry (an industry being a subset of a sector; for example, both health insurers and hospitals are industries within the Health Care sector)? 4) Does it have a high degree of state or regional identification (an obvious example would be the late, lamented Hamm’s brewery)? 5) Can the particular firm serve as an illustrative example of a genre of businesses that we otherwise would not want to document fully? 6) Is the business “politically” important (for example, does its owner sit on the Society’s executive board, or is she the sister of the chair of the state senate’s appropriation committee)? In addition, at the level of any one of these decision points, our interest increases if the company is minority owned or has a particularly good set of records.

Regional economic impact, industry leadership, and minority ownership are all factors that weigh heavily to the advantage of small businesses. Thirty-four of the 135 largest employers outside the seven-county metropolitan area of Minneapolis-St. Paul employ fewer than 500 people. Depending upon how finely one defines an industry, leading businesses in some industries are apt to be relatively small. For example, of the

35 largest Minnesota med-tech companies by revenue, only 10 (and not the top 10) have more than five hundred employees.³⁵ To put this in perspective, there are approximately five hundred med-tech firms in Minnesota.³⁶ We define med-tech as a sector, rather than an industry, so the chances of seeking Level A documentation of a smaller firm is that much better. Similarly, small businesses predominate among minority-owned firms. To take one example, of the sixteen hundred Latino-owned businesses in Minnesota, 1,375 represent self-employed individuals (that is, no employees); of the 225 with employees, the average number of people on the payroll is less than one hundred.³⁷

Documentation by Nontraditional Means

But if we can defend our approach to documenting business by showing that some small businesses are indeed candidates for extensive documentation, we are also more than willing to argue that accumulating business records is not the only—or even necessarily the best—means of documenting business, especially small business. There are at least three important sources for documenting business in addition to business records per se. There are archival collections of third parties, that is, records of government regulatory agencies, labor unions, and industry trade associations, and papers of business leaders, elected officials, political activists, and employees. There are oral history and oral interviews, which are increasingly used as a central resource for documenting those aspects of modern business that are not sufficiently documented in written form. And there are nonarchival resources, ranging from artifacts to newspapers, from ephemera to trade publications, from annual reports to monographs. Kenneth E. Foote reminds us that not just archives, but museums, libraries, and other institutions “may sustain a *representation* of the past quite specific to its institutional mandate, but these representations can be interrelated. The value of such a point is that it guards against assuming that collective memory is invested in any single type of human institution, such as the archives.”³⁸ All of these sources have long been accepted as *supplements* to traditional business records. What we are prepared to do at the Minnesota Historical Society is to frequently seek and/or accept these sources—or collections of corporate publications such as annual reports and employee newsletters—as *substitutes* for collections of minutes, ledgers, and payrolls.

There are essentially two reasons relying on nontraditional documentation makes sense, particularly for small business. One is that when we pay attention to what researchers actually use to study modern business, we find that traditional company records are far down the list. The other is that modern small businesses typically do not generate much in the way of records, and the records they do generate do not contain either the evidence or the information of their nineteenth-century counterparts. At MHS our documentation levels attempt to strike a balance between the demonstrable needs of a relatively few scholars for fairly detailed documentation across a broad range of functions at certain companies, and the increasingly well-documented use by the majority of academics and amateur historians of well-organized summary data.

As part of the National Endowment for the Humanities grant that funded part of the Records of American Business project, the Hagley Museum and Library oversaw a

citation analysis to provide substantive information about the types of records used and types of businesses studied in scholarly articles over the past 25 years. The Hagley study found a clear indication that archival sources are not used very heavily by business historians compared to internal and external publications. Of the 67,000 footnotes studied, 36 percent of citations were to "primary source publications" (annual reports, newsletters, trade journals, catalogs, government documents, newspapers); 28 percent of citations were to secondary source publications (monographs and journal articles); and 21.5 percent of citations were to unpublished primary source business records, mostly correspondence files. Less than one percent were to financial records and less than two percent to company minutes.³⁹ This is not exactly a revelation. Distinguished historian Arthur Cole asked 50 years ago whether it really made sense for the Baker Library to devote 324 feet of stack space to records of the Slater textile company that had been used nine times in 14 years, as opposed to filling that space with books or other types of sources that would undoubtedly be used more frequently.⁴⁰ Unfortunately, in the intervening years, neither historians nor archivists have been willing to pursue this question.

What is true for academic historians is equally true for others. In a limited study of call slips conducted at MHS, researchers (everybody from genealogists to citizen historians working on a history of their town or county to high school students) using business-related material made the most use (in order) of secondary monographs, executive correspondence in business archives, audiovisual material, and personal papers. Maynard Brichford made a similar observation 40 years ago: "In selecting business records for preservation, the potential users should be considered. . . . In many instances, they are likely to be amateur historians more accustomed to newspaper accounts than piles of correspondence, legalistic documents, books of entry with vague column headings and streamlined forms."⁴¹

Indeed, such evidence as exists suggests that an analogous valuation of sources is made by the internal and external clients at corporate archives as well. Forty-seven corporate archives responded to a survey created by MHS and distributed under the auspices of the Society and the Hagley as part of the Records of American Business Project. Respondents were asked to select from a list of 39 record types and rank those used most heavily by both internal clients and external researchers. Far and away the most heavily used material by *internal* clients were photos, annual reports, and employee publications. Print advertising and biographical files also made respectable showings. It should be noted that there were some variations by type of business, but not at the level of these five most heavily used record series. It is also worth noting that the same five series were the most heavily used by external researchers as well.⁴²

If the lack of utility of most series of traditional business records is true for all businesses, it is especially true for small businesses, because the quantity and quality of the records they create is generally lower than their larger counterparts. As noted previously, one historian's definition of a small business is a company in which the owner "maintains direct and firm lines of communication with his operating managers, and keeps personal ties with a large proportion of his work force." This conception underlies the argument put forth by communication scholar JoAnne Yates suggesting that

the one unifying characteristic of small businesses is the paucity of records they generate. In Yates' words:

The small, owner-managed company (usually with fewer than 100 employees) was the standard form of American business enterprise before 1880 and still exists today. In this traditional firm, the owner(s) managed all of the firm's workings. . . . In a small company of this type, almost all internal communication was handled orally. The owner or foreman collected operating information (such as the production schedule and problems with machinery), made decisions, and gave orders in person. . . . The accounting records in these small companies served less as communications between individuals than as documentation of financial transactions for future reference. They were simple, descriptive records of monetary transactions. . . .

"Internal communication in small firms has changed somewhat in recent times," she continues, noting that telephones reduced correspondence while government regulations increased certain other forms of record keeping. She concludes: "Communication and records, however, fulfill a relatively limited role in the small, traditional business. . . ."43 To varying degrees, this will be true whether the small business is a corner grocery or a manufacturer of specialized steel products. The fewer employees the less need for detailed written records outside of those necessary for financial accounting and reports to government or to shareholders.

And what of those accounting records eulogized by Thomas Clark and cramming the shelves of so many archives? In the nineteenth century the corner hardware store would have kept a credit ledger recording accounts for all its customers and what each person purchased. That these accounts are important for social and economic history is indisputable, but they do not exist in modern stores. Not only do stores seldom extend credit, even the most sophisticated inventory control systems would have much less value today than in 1897. Why? Because in 1897 it was certain that virtually all sales from a neighborhood store went to residents of that neighborhood, and using census information a scholar could at least draw inferences about what goods were popular or useful for the socioeconomic or ethnic composition of that neighborhood. Today, there is no telling how many of a store's customers are from the immediate vicinity: the automobile has seen to that. Moreover, the census bureau, USSBA, and various trade associations are gathering and publishing financial and demographic information on small businesses unheard of even 60 years ago. Mom-and-pop retail establishments may continue to have an important social role in their communities, but generally this will not be documented well in their business records.⁴⁴ A television documentary, a newspaper photo-essay, or a set of oral history interviews is much more likely to capture the cultural identity of such stores than a whole warehouse full of financial records or even minutes.

Other types of small businesses—foundries, medical device manufacturers, diversity consultants, building contractors—may or may not have records that provide documentation sufficiently useful to be worth preserving. Even if the records are "worthwhile," however, the question of whether to preserve them depends upon the priorities

and resources of the repository rather than on the records themselves. Within the context of seeking extensive documentation of the med-tech sector at MHS, the research and development files, Federal Food and Drug Administration files, and financial records (particularly relating to securing financing) of a particular small firm probably would be "worth" keeping. But because architecture, construction, and heavy manufacturing are not deemed important collecting goals for our repository, even a one hundred-year run of minutes, ledgers, journals, customer correspondence, and job specifications for a small foundry may not be important enough to preserve.⁴⁵

Fighting the Reflex to Save

Yet there remains a tendency to respond reflexively every time a business closes or celebrates a chronological milestone. "Our instinct is still to see ourselves in the role of a twentieth-century Horatius-at-the-Bridge: the last line of defence between preservation and oblivion. This causes us to make utterly ludicrous decisions regarding acquisition by cloaking ourselves in the role of maintaining culture: If I don't save it, who will?"⁴⁶ But there is more than an instinct to be the rescuer of endangered "culture" involved in the reactive approach to appraisal taken by many archives. There can also be an emotional involvement in appraisal decisions that cannot be dismissed lightly, particularly when the firm in question is not only of the mythic mom-and-pop variety but is a personal favorite of the repository staff. As members of society, archivists can be touched by issues and events, such as the closing of a favorite business that is important to one's community. In this we fully agree with Terry Cook that "archivists are agents, conscious or unconscious, willing or unwilling, of the historical process in which they find themselves."⁴⁷

Nevertheless, we believe that archivists can transcend their emotional attachments, at least to some degree, and work toward making rational and thoughtful (though not scientific and objective) choices. Although we agree with F. Gerald Ham that appraisal is thus ultimately more an art than a science, we heartily support Virginia Stewart's statement that "Even an art form demands rigor, attention to detail, and some rationale for the technique."⁴⁸ In the end it is rationale for the technique that we sought at MHS in constructing an approach to documenting business in general and small business in particular.

To do so we had to ask ourselves some hard questions and give difficult and sometimes controversial answers. This essay began with one set of questions and it will close with another. "How much will journals and ledgers reveal about corporate culture? Will any of the records series traditionally regarded as permanent deal with the dynamics of organizational structure and adaptation in human terms? Will they even capture the most salient realities of corporate culture and decision making as they evolve in the present and the future?"⁴⁹ For small businesses even more than large ones, the answer to these questions is usually "no." Let it be clear that the point is not that seeking or acquiring traditional sets of business records is outmoded or useless, but that—if we are to document business according to a rational plan (rather than haphazardly) and if we are to have resources left to document the rest of society—

soliciting and preserving traditional sets of business records, particularly of small businesses, must be done selectively rather than compulsively.

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NOTES

1. Much of the discussion of defining small business that follows was first presented in Mark A. Greene, "Store Wars: Some Thoughts on the Strategy and Tactics of Documenting Small Business," *Midwestern Archivist* 16 (1991): 97–98. That article was solely a "thought piece" (not least because when first written the author had virtually no experience actually appraising business records).
2. Ross M. Robertson, "The Small Business Ethic in America," *The Vital Majority: Small Business in the American Economy*, ed. Deane Carson (Washington, DC, 1973): 29.
3. Following Harvard economic historian Alfred Chandler, the following two archival articles use the "less than one hundred employees" definition of a small business: Nicholas C. Burckel, "Business Archives in a University Setting: Status and Prospect," *College and Research Libraries* 41 (May 1980): 229, and Joanna Yates, "Internal Communications Systems in American Business Structures: A Framework to Aid Appraisal," *American Archivist* 48 (spring 1985): 144.
4. Bureau of the Census, "The State—Employees, Payroll, and Establishments by Industry," *County Business Patterns: Minnesota* (1986): 3–14; *Minnesota Pocket Data Book, 1985–86*, ed. Vic Spadaccini (St. Paul, 1985): 84.
5. The Code of Federal Regulations, Title 13, Section 121.102 (Revised as of January 1, 1997), U.S. Government Printing Office via GPO Access (wais.access.gpo.gov) states:
How does SBA establish size standards?
(a) SBA considers economic characteristics comprising the structure of an industry, including degree of competition, average firm size, start-up costs and entry barriers, and distribution of firms by size. It also considers technological changes, competition from other industries, growth trends, historical activity within an industry, unique factors occurring in the industry which may distinguish small firms from other firms, and the objectives of its programs and the impact on those programs of different size standard levels.
(b) As part of its review of a size standard, SBA will investigate if any concern at or below a particular standard would be dominant in the industry. SBA will take into consideration market share of a concern and other appropriate factors which may allow a concern to exercise a major controlling influence on a national basis in which a number of business concerns are engaged. Size standards seek to ensure that a concern that meets a specific size standard is not dominant in its field of operation.
6. Hence, the USSBA and the Bureau of the Census have a difference of 13 percent in their figures because of their definitions. U.S. Small Business Administration, Office of Advocacy, *1995 Small Business Profile: Minnesota* (Washington, DC, 1995): 1. My copy of this document was printed locally from the World Wide Web, off the USSBA's Web site (www.sbaonline.sba.gov).

7. *The State of Small Business: A Report of the President, Transmitted to Congress 1989* (Washington, 1989): 17, 19, 20; telephone conversation, April 9, 1990, with George Saumweber, Minneapolis office of the U.S. Small Business Administration. Not to be outdone in confusion, the Policy Analysis Division of the Minnesota Department of Energy (later Trade) and Economic Development changed its criteria for a "very small" business by a factor of 10 between 1986 (*1986 Economic Profile of Minnesota*, 10) and 1988 (*Compare Minnesota: An Economic and Statistical Fact Book*, 26). In the former year very small companies were those earning less than \$1,000 in gross sales, while in the latter year the same company could earn up to \$10,000 in gross sales. Not surprisingly, the percentage of very small companies in the state jumped from 19.6 to 41.0 in two years.
8. *Compare Minnesota*, 43, 66.
9. Mansel G. Blackford, *A History of Small Business in America* (New York, 1991): 93–94.
10. Gould P. Coleman, "Documenting Agriculture and Rural Life," *Midwestern Archivist* 12:22 (1987).
11. Robertson, 28.
12. Richard M. Nixon, "Message from the President," *The Vital Majority: Small Business in the American Economy*, xi.
13. "NFIB, SMALL BUSINESS AGENDA," *Congressional Record* [on-line], January 25, 1995 (House), H661–H662, via GPO Access (wais.access.gpo.gov).
14. William Jefferson Clinton, "Report on the State of Small Business—Message from the President," *Congressional Record* [on-line], May 25, 1995 (Senate), S7495–S7496, via GPO Access (wais.access.gpo.gov).
15. Bureau of the Census, "The State—Employees, Payroll, and Establishments by Industry," *County Business Patterns: Minnesota* (1986): 3–14; *The State of Small Business: A Report of the President, Transmitted to Congress 1989*. The spread of percentages is due to the problem of definition.
16. *County Business Patterns: Minnesota*, 3–14; National Minority Business Campaign, *Try Us '88: National Minority Business Directory* (Minneapolis, 1988).
17. *Minnesota 1995 Small Business Profile*, 4.
18. See Blackford, *A History of Small Business in America*, 107–16, 123–35; Michael Nash, "Small Business, Manufacturing, and Flexible Specialization: Implications for the Archivist," *American Archivist* 58 (summer 1995): 285.
19. From list of Small Business Innovation Research (SBIR) program awards, 1995, for Minnesota, at www.sbaonline.sba.gov. This was award number 30021.
20. Burckel, 229.
21. The 1996 survey, prepared jointly by MHS and the Hagley, was mailed to every 10th member of SAA's Manuscripts Repository Section (section membership was 580), and 25 were returned: Michael Kohl, Clemson University Libraries Special Collections; Kermit J. Pike, Western Reserve Historical Society Library; Nancy Boothe, Rice University Special Collections; Harold L. Miller, State Historical Society of Wisconsin; Rick Stattler, Rhode Island Historical Society Library; Elizabeth Knowlton, Georgia Department of Archives and History; Rob Spindler, Arizona State University Department of Archives and Manuscripts; William Myers, Ohio Historical Society; Nancy Bartlett, University of Michigan Bentley Historical Library; Karyl Winn, University of Washington Libraries; Peter Blodgett, Huntington Library; Sandra Taylor, Indiana University Lilly Library; Mark Shelstad, University of Wyoming American Heritage Center; Terry Abraham, University of Idaho Special Collections; Phyllis Danner, University of Illinois; Patricia Hamilton, McLean County Historical Society; Paul Anderson, Washington University School of Medicine; Fred Reenstjerna, Douglas County Museum; Leon Miller, Tulane University; Paul Eisloffel, Nebraska State Historical Society; Johanna Harden, Douglas Public Library; Marylin Wurzbarger, Arizona State University; Julia Marks Young, Georgia State University; Everett Wilkie, Connecticut Historical Society; and Kiana Lachantanere, Schomburg Center for Research in Black Culture.
22. Thomas D. Clark, "The Archives of Small Business," *American Archivist* 12:1 (January 1948): 27 (emphasis added); T.D. Clark, "Records of Little Businesses as Sources of Social and Economic History," *Bulletin of the Business Historical Society* 19: 151.
23. Few companies, apparently, bother to keep track of how many records they create in a year. Even those with records management departments actually see only a fraction of the records created, since many records are destroyed on the basis of general schedules. It is instructive to note, however, that the Great Northern and Northern Pacific railroads, which could afford to store unusually large percentages of their total documentary record, had accumulated roughly 750,000 cubic feet of records in a little less

- than a century of operation. The quantity judged to have enduring value was a still staggering 15,000 cubic feet. The records center at 3M, a Fortune 500 company headquartered in St. Paul, Minnesota, holds 20,000 cubic feet of records, most of which turn over every three to 10 years.
24. There were 13,695,500 businesses of all sizes in the U.S. in 1987, and the Standard Industrial Code (SIC) alone has over 1,000 categories of business firms. Using the Census Bureau's definitions, over two million of these businesses are *not* small. Bureau of the Census, *Statistical Abstract of the United States, 111th Edition* (Washington, 1991): 533.
 25. Nor should it be imagined that large businesses are being thoroughly documented by in-house archives. The most recent edition of SAA's *Directory of Business Archives* (1990) lists only 160 "archives." I place the word in quotes because the *Directory* lists only 64 archivists, and many corporate archives (such as Kraft Foods and CIGNA insurance company) employ two or more professional archivists. Therefore, many of these "archives" are historical collections administered by public relations departments. In a recently published paper, Elizabeth Adkins, formerly archivist of Kraft and now archivist at Ford, lists 38 "major" corporate archives in the U.S., all of which are staffed by professional archivists. See Elizabeth Adkins, "The Development of Business Archives in the United States: An Overview and Personal Perspective," *American Archivist* 60 (winter 1997): 8–33. For further information on corporate archives, see Douglas A. Bakken, "Corporate Archives Today," *American Archivist* 45 (summer 1982): 279–281; Philip F. Mooney, "Commentary I," *American Archivist* 45 (summer 1982): 291–293; Eldon Frost, "A Weak Link in the Chain: Records Scheduling as a Source of Archival Acquisition," *Archivaria* 33 (winter 1991–92): 80–83; Duncan McDowall, "'Wonderful Things': History, Business, and Archives Look to the Future," *American Archivist* 56 (spring 1993): 350–354.
 26. Francis X. Blouin, Jr., "An Agenda for the Appraisal of Business Records," *Archival Choices: Managing the Historical Record in an Age of Abundance*, ed. Nancy E. Peace (Lexington, MA, 1985): 69.
 27. Bureau of the Census, "Minnesota," *County Business Patterns* (Washington, 1992): 3.
 28. One of the two curators is the author of this essay. They are two of seven professionals who staff the Society's Acquisition and Curatorial Department. Of the other five, only the Sound and Visual Curator (Bonnie Wilson) and the department head (James Fogerty) are involved in any way with business records or any other major manuscript collections. (The other curators are responsible for art, maps, and books.) In addition, the staff of five curators in the Society's Museum Collections Department are involved in appraising three-dimensional artifacts of all types, including business products, packaging, and advertising. MHS also employs four manuscript processors.
 29. Most of what follows is drawn directly or indirectly from Mark A. Greene and Todd J. Daniels-Howell, "Appraisal with an Attitude: A Pragmatist's Guide to the Selection and Acquisition of Modern Business Records," *Records of American Business*, ed. James M. O'Toole (Chicago, 1997): 161–229.
 30. Terry Cook, "Mind Over Matter: Toward a New Theory of Archival Appraisal," *The Archival Imagination: Essays in Honour Of Hugh Taylor*, ed. Barbara L. Craig (Ottawa, 1992): 53. On the other hand, macroappraisal presumes that a deep analysis of all individual records-creating entities will occur before setting priorities. In our method such creator-by-creator analysis—of the hundreds, thousands, and tens of thousands of businesses in a county, state, or region—before setting priorities is impossible. More plausible would be an intense analysis of every business sector or subsector but this probably is a practical possibility only for special-subject repositories. A repository dedicated to documenting the history of computing, for instance, could and probably would be able to insist that its staff develop a formidable understanding of the computer industry. But most regional, state, and local repositories, charged with documenting most or all social/political/economic/cultural facets of their geographic region will not have staff who are expert in any facet of business history. These are repositories with staff who are jacks-of-all-trades, masters of none. This is not to say that a certain level of research and understanding are not absolutely necessary, only that the level of research and understanding envisioned by macroappraisal is not assumed by our method.
 31. We consulted several internal and external sources, including the Standard Industrial Code (SIC), and finally settled on a hybrid based in large part on the SIC. We could not adopt the SIC sectors directly, because many sectors prominent in the Minnesota economy get grouped together in ways that are not meaningful to MHS, such as health care, hospitality/tourism, entertainment, and advertising being grouped under the Services sector. Therefore, we chose to break out and rearrange some of these sectors to more appropriately define the Minnesota economy as we understood it from our sources. The internal sources included 1980 and 1993 MHS collection analyses and an early 1993 Manuscript

section draft list of business collection priorities. External sources included the St. Paul *Pioneer Press* BTC (Business Twin Cities) 100 from 1994, and *Corporate Report Minnesota* from 1993, as well as the Standard Industrial Code. The final breakdown into 18 sectors—each one further broken down into its various subparts as indicated by the SIC—does not claim to be scientific and made little or no reference to economic theory, but was tailored to the practical problems we faced in our state at this time.

32. The top priority sectors (what we now call “tier 1 sectors”) are Agriculture/Food Products, Health Care, and Medical Technology. Not only the particular results, but the very basis of the setting of priorities itself was (and should be understood to be) peculiar to MHS. Many different specific approaches to this same goal of setting priorities are not only possible but sensible. Florence Lathrop, “Toward a National Collecting Policy for Business History: The View From Baker Library,” *Business History Review* 62 (spring 1988): 142, has stated quite presciently that: “A number of criteria can be used to select industries [as the focus for a repository’s collecting]: the centrality of an industry to the local or national economy in a particular time period; the size of an industry, measured in a variety of ways—its contribution to gross national (or regional) product, the number of firms involved, or the number of employees; the significance of an industry with respect to organizational structure, labor relations, technological innovation or transfer; the extent of an industry’s impact on other components of American social and political history, such as ethnicity, family structure, or foreign relations.”
33. “Do Not Collect” means just what it says: no records relating to the company would be accepted by the Manuscripts section of the Society. This decision would not necessarily bind other collecting units, such as Sound and Visual or Museum.
34. Documentation levels C and D, where the Society would seek and accept only fairly minimal levels of material from a particular business, may seem contrary to traditional archival assumptions about acquiring the best documentation possible of any entity documented or accepting none at all. Such an attitude is impractical for an institution with a broad mandate and a very diverse user base. In our experience, citizen historians working on a history of their town or county seem to make more extensive use of company publications, such as annual reports and employee newsletters, than of most other business records series. Indeed, according to such evidence as exists the same is often true of academic researchers and of internal clients at corporate archives as well. Conversely, our experience with modern minutes and correspondence (not to mention ledgers and journals) has led us to question the assumption that they are “must haves” for every company or organization. Most minutes provide less useful information than an annual report; unless the company is one for which a generally detailed and comprehensive set of records is desired, minutes are probably less valuable (cubic foot per cubic foot) for most researchers than company publications.
35. Carla Solberg, “The Med-Tech 35,” *Corporate Report Minnesota* (October 1996): 53–70.
36. *The Medical Alley Directory, 1994–95: A Guide to the Quality and Innovation of Minnesota’s Healthcare Industry* (St. Louis Park, MN, 1994): 6.
37. Dee DePass, “Bienvenidos Business: Hispanic-Owned Companies Fighting for Market Share,” *Star Tribune* (Minneapolis, June 15, 1997): D1, D4. The figures are from 1992, the latest year available.
38. Kenneth E. Foote, “To Remember and Forget: Archives, Memory, and Culture,” *American Archivist* 53 (summer 1990): 380 (emphasis in original). This point was reemphasized and extended by Richard J. Cox, “The Documentation Strategy and Archival Appraisal Principles: A Different Perspective,” *Archivaria* 38 (fall 1994): 26–29. See also Timothy L. Ericson, “Beyond Business: External Documentation and Corporate Records,” 297–326; James E. Fogerty, “Facing Reality: Oral History, Corporate Culture, and the Documentation of Business,” 251–274; Ernest J. Dick, “Corporate Memory in Sound and Visual Records,” 275–296; John A. Fleckner, “Reaching the Mass Audience: Business History as Popular History,” 327–348; all in *The Records of American Business*, ed. James M. O’Toole (Chicago, 1997).
39. The remaining 15 percent of citations were split among court records, oral histories, family papers, and trade association records. The only unpublished primary source to crack double digits was executive correspondence. The citation analysis is summarized in Michael Nash, “Business History and Archival Practice: Shifts in Sources and Paradigms,” *Records of American Business*, 34–36. The Hagley was gracious enough to share the raw data from the study—done by Julie Kimmel and Christopher McKenna—with MHS. For a much more in-depth analysis of the figures, see Mark Greene, “The Surest Proof”: A Utilitarian Approach to Appraisal,” *Archivaria* 45 (spring 1998): 135–139. For additional evidence of the extensive use made of nontraditional sources by scholars, see Martha Lightwood,

- “Corporation Documents—Sources of Business History.” *Special Libraries* (May–June 1966): 336–337.
40. Arthur H. Cole, “Business Manuscripts: A Pressing Problem,” *Journal of Economic History* 5 (May 1945): 50.
 41. The order of the sources used was slightly different for those researchers interested in railroad history than in other forms of business. Ironically, in general, nonacademic historians make somewhat *greater* use of unpublished primary source material than do scholars, based on this limited study. Again, these data are analyzed and presented in more detail in Greene, “‘The Surest Proof,’” 135–139. Maynard J. Brichford, “Preservation of Business Records,” *History News* II, No. 10 (August 1956): 77. Fleckner, “Reaching the Mass Audience,” makes a similar point about nonacademic users and uses of history, though he adds the important caution that it is often the unpublished primary source materials that provide meaning and context for the more nontraditional sources.
 42. Greene, “‘The Surest Proof,’” 135–139.
 43. Yates, “Internal Communications,” 144–145. See also Francis X. Blouin, “A New Perspective on the Appraisal of Business Records: A Review,” *American Archivist* 42 (July 1979): 316–317. Clark would take some issue with the argument that small businesses documentation is minimal and routine. He points out that some small businessmen became the “official confidants for their communities” and received intimate letters from customers detailing their lives. In addition, he argues that the account books themselves, if read properly, are “socio-economic journal[s] of trade” (“Records of Little Businesses,” 157), though this is probably less true for modern small businesses. But he does not contravene the general point that small businesses create fewer evidential records, even in proportion to their activity, than do larger firms.
 44. An important exception tends to be cooperative stores (so-called “new-age co-ops”), which sprang up in many U.S. cities in the early 1970s. These establishments often encourage both their employee-owners and their customers to record observations, feelings, complaints, praise, and suggestions in free-form logbooks that can become wonderful social history sources.
 45. It is important to note here, however, that decisions to take records from a business may legitimately be made for reasons *other* than the desire to document the business itself. For example, a bank that would normally be documented at level D—or not at all—might have commissioned, for a promotion campaign, excellent photos of the business districts of the towns in which it had branches. In this instance, documentation of the business itself would not normally include photos (except possibly for one or two of the bank itself), but the promotion photos in this case might be acquired on their own merits as excellent documentation of the community. Another example: the CEO of a firm maintained, as part of the company records, the files of a statewide industry trade group he founded and led for many years; regardless of what, if any, records might be acquired to document the business itself, the trade group files may be acquired. The point at which an awareness of the social history potential of business records gives way to appraising records created by business purely for their social history (or other) value is admittedly a murky one.
 46. Timothy L. Ericson, “At the ‘rim of creative dissatisfaction’: Archivists and Acquisition Development,” *Archivaria* 33 (winter 1991–92): 69. Horatius, for anyone who—like me—is rusty on their Greek history, was a hero from the sixth century BCE who single-handedly held off a large Etruscan army at a bridge on the Tiber River. Horatius was brave but doomed, and I think that unless we continue to look for more realistic and pragmatic approaches to acquisition and appraisal, we will fare little better than Horatius.
 47. Cook, “‘Another Brick in the Wall’: Terry Eastwood’s Masonry and Archival Walls, History, and Archival Appraisal,” *Archivaria* 37 (spring 1994): 102.
 48. Ham, *Selecting and Appraising Archives and Manuscripts* (Chicago, 1995): 72; Stewart, “A Primer on Manuscript Field Work,” *Midwestern Archivist* 1 (1976): 4.
 49. Fogerty, “Facing Reality,” 261.

