A BOY FROM THE HEIGHTS

Southern Calls

PEOPLE
by Luke Teague | Photgrapher by Bobby Carlstein
Pillars

Robert L. Waltrip
Founder and Chairman of the Board
Service Corporation International
Houston, Texas
It was morning. The melodic overture of shrill sirens was purposeful and prominent.

The reflection of lights flashing both blue and red danced across the polished finish of a black Cadillac sedan. Hardly able to see over the dashboard, he was already long accustomed to the sights and sounds - the pomp and circumstance of the cars stopped along the roadway and the people paused along the streets with hats off and hands over hearts.

Young Waltrip learned the funeral business at an early age.

He began his funeral service career nearly eight decades ago while riding in the lead car with his father.

“I cannot remember a time when I did not want to be a funeral director,” remembers Robert L. Waltrip, a boy from the Heights.

The Neighborhood Landscape

A bustling middle class neighborhood located within metropolitan Houston, the Heights was an excellent place to raise a family. Originally designed as a planned community, the neighborhood afforded a comfortable suburban lifestyle with many city conveniences. The Heights was growing by leaps and bounds and becoming a prosperous middle class settlement. In 1925, funeral director Oliver Lewis, a nephew of Houston’s Settegast-Kopf funeral dynasty and salesman for the Texas Coffin Company, decided to form his own funeral home operation. He established one firm in the Harrisburg area of Houston and the other in the Heights community, called Boulevard Funeral Home and Heights Undertaking Company, respectively. To manage the Heights location, Lewis hired a young, ambitious funeral director by the name of Robert E. Waltrip, who had become acquainted with Lewis while working for Settegast-Kopf. For Oliver Lewis, however, the investment was short-lived. Financial difficulty forced the sale of both locations.
Admiration of the Father

The fledgling, debt-saddled Heights Undertaking Company was purchased by its manager, Robert E. Waltrip, in 1926. Renamed Heights Funeral Home, the business quickly became a family affair. Waltrip’s mother, Hatty, became immersed in the operation of the funeral home alongside her son. While the younger Waltrip met with families and directed funerals, Hatty served as hostess, secretary and receptionist. Through his tireless involvement with countless civic groups and fraternal organizations, Waltrip was widely admired and recognized. Friendships were developed and the business began to grow.

Like many funeral directors, Waltrip worked around the clock to ensure the success of his business while allowing for very little personal time. For Waltrip, the bachelor, this quickly changed during a fateful winter in 1934. While serving the family of insurance collector Luidas W. Pledger, he was introduced to the widow Pledger’s sister, who had traveled to the Heights from Austin to assist in making arrangements. Wanda was a divorcee with a 4-year-old son. She was immediately interested in the aspiring funeral director, and, after a brief courtship, the two were married in November 1935. Waltrip then began the legal process of adopting Robert L. Waltrip.

The younger Waltrip quickly became attached to the only father he ever knew. “I was fond of him - he was my greatest inspiration,” the now 84-year-old remembers. The two were inseparable as the elder Waltrip instantly embraced and cherished his new role as a father.

“At career day in grammar school, I always told teachers and classmates that I wanted to be a funeral director,” says Waltrip, who never remembers wanting to be a fireman or police officer like other boys his age. During the early years, the family lived in an apartment above the funeral home. “My grandfather was the first principal at Reagan High School, my alma mater.” In high school, Waltrip became immersed in
My grandfather was the first principal at Reagan High School, my alma mater.

Robert L. Waltrip, Reagan High School (1948)
athletics. “I played all sports but excelled at football.” After receiving many scholarship opportunities for his talent, he elected to attend Rice University and to continue playing football. “I chose Rice University to stay close to my dad.” Heart disease and advanced arteriosclerosis had weakened the elder Waltrip, whose health began to steadily decline. “I was a junior at Rice and had come home to visit my dad at the hospital, and he seemed like he was fine,” says Waltrip, who remembers his dad requesting help to be repositioned in bed. “His last words were ‘OK, you strong devils’, which were spoken as a nurse and I were moving him in bed,” he recalls, “and then I returned home. I remember walking in the door and hearing the phone ring. It was the hospital to tell me my dad had died. Today’s medical practices would have saved him,” says Waltrip, believing his dad could have lived longer had heart surgery been an alternative. On Oct. 9, 1951, Robert E. Waltrip died at the age of 48.

A New Chapter

Devastation quickly changed to determination as the Waltrip family became engrossed in taking control and unraveling the many layers of the family business. While the senior Waltrip had been in failing health for some time, daily operations of Heights Funeral Home had become the responsibility of his mother, Hattie, who was well into her 70s. “My grandmother was a wonderful person but was not able to run a business,” says Waltrip, who remembers vividly the lack of a solid bookkeeping system. While many accounts had fallen severely behind, some funerals had been provided by a very generous Hattie Waltrip at little or no cost. “We were essentially broke. My mother had never worked at the funeral home but had a large amount of business experience from her career and involvement in politics,” describes Waltrip, who credits his mother with saving the funeral home from financial ruin. A stellar athlete coupled with excellent grades, Waltrip was certain he would be able to take a larger course load in order to graduate sooner and return home to help his mother run the business. When this did not work, he transferred from Rice to the University of Houston to complete his business degree.

From Funeral Director to Visionary

Following graduation, Waltrip devoted all of his energy to helping his mother save Heights Funeral Home from an almost certain financial demise. “We owed almost $300,000 to Texas Coffin Company, which was a small fortune in 1952,” Waltrip explained, describing a meeting he and his mother arranged with owner Tom Tidwell. “Somehow he agreed to let us pay him back slowly and focus on paying off our other debts first. He certainly did not believe we would ever be able to repay him, but we did so in just more than a year.” While formulating a plan to repay creditors, he also focused on the firm’s other operational weaknesses. Dreaming of one day managing a well-oiled machine, Waltrip pressed for increased efficiencies in more areas than just bookkeeping. “I began to think about pooling resources as a way to cut costs and make things run smoother. The economy was booming and businesses like McDonald’s and the Ramada Inn were

In 1962, he founded Southern Capital and Investment Company. The infant enterprise served as an umbrella for all new funeral home acquisitions.

expanding and adding more locations. I wondered if that same business model could be used in the funeral business,” says Waltrip, who decided to do some research before making any big decisions. After all, most funeral homes in the United States operated at just one location during this time, but there were a few exceptions. During one summer, Waltrip traveled to Southern California to gain some exposure with funeral homes that operated multiple locations. Pierce Brothers and Utter McKinley, both located in Los Angeles, had remarkable longevity, which enabled them to acquire several locations. Waltrip spent time at both firms, working for free but learning valuable techniques and concepts that would allow for expansion on his existing ideas. An industry notorious for its resistance to change, many colleagues were skeptical of the young entrepreneur with new and big ideas. “Everyone was against me and said you can’t own more than one funeral home, but I believed you could save money by pooling resources, such as rolling stock, staff and other resources. The real trouble was finding the money to purchase an additional location,” Waltrip explained, citing the reluctance by most banks to risk having to foreclose on a funeral home. “Banks did not want to invest in the funeral business because they found it depressing, so I had to be creative.”
Concept Becomes Reality

Deciding it was time to implement his new concepts on a small scale, Waltrip would be able to test the waters in the market with which he was most familiar. With the help of his mother and business partner, Wanda, he decided to construct an entirely new facility in Spring Branch. While Waltrip was intent on expanding, his mother initially expressed some concern. “She was nervous but trusted my judgment,” says Waltrip, who never desired to become complacent. “My dad was content with only one location, but I was always dreaming of something bigger and better.” With an unwavering desire for further expansion, Waltrip started seeking out opportunities to acquire additional funeral homes. Familiar with the reputation of nearby Hyde Park Funeral Home, Waltrip decided to make an offer. Its owner, Walter Doran, was nearing retirement and had no heirs interested in continuing to operate the business - still an issue with many owners today. With very little capital and the lack of bank financing, Doran agreed to an owner finance deal with the understanding that he would be repaid once the business started to grow. While it took several years for the benefits of operating three centralized firms to be realized, Waltrip became convinced that his system could be duplicated on a much larger scale.

Not long after purchasing Hyde Park, Waltrip began to notice the growth in another area of the city and considered the idea of building an entirely new firm - the first to serve the new community. Located just northwest of Houston and within close proximity to the Heights, Spring Branch was quickly transforming from a rural community to a popular, contemporary suburb. While more established firms were undoubtedly considering the opportunity, Waltrip realized the need to act quickly to ensure his firm was the first to serve the growing demand. The opportunity to oversee the design for a completely new facility also gave Waltrip the platform to offer ideas on what would be the most efficient design. Originally opened in 1961, Waltrip Funeral Directors is still in operation today.

“Every time I got kicked in the nose, I kept going,” Waltrip recalls, reminiscent of the early frustrations he faced while implementing the concept that owning several funeral homes within a close geographical proximity will increase efficiency, thereby maximizing profit. After assembling his own cluster of three funeral homes and successfully testing his ideas, Waltrip gained the confidence he needed to share his vision on a much larger scale. In 1962, he founded Southern Capital and Investment Company. The infant enterprise served as an umbrella for all new funeral home acquisitions. Initially, Heights Funeral Home and the other Waltrip family firms were left out of the fold. He then began
assembling a team of professionals to support his endeavor - a team with a remarkable passion second only to his own. Many early hires were former teammates and childhood friends. “I could teach people the business, but I could not teach people loyalty,” says Waltrip of his friends who became pioneer employees of Southern Capital. While Waltrip acted as CEO, he brought on corporate attorney Sam Douglass to served as president. Waltrip and Douglass would become entirely responsible for locating and securing new acquisitions - a monumental task for just two people. “We traveled everywhere we knew a funeral home was for sale. The challenge was finding the capital in the early days, and we spent more hours trying to obtain financing than actually searching for funeral homes available for sale.” As a rule, most banks avoided financing funeral homes and cemeteries because of the risk of having to take over the business if the client were to default on the loan. “No loan officer wanted a funeral home in his or her portfolio,” says Waltrip. In addition, banks were resistant to make loans to individuals who were not from the area, making it difficult to purchase firms in other markets. “We walked in as strangers in an unfamiliar town and they had no assurance we would be able to pay them back.”

The Big Break

The pressure was mounting and Waltrip, Douglass and their team were running out of ideas about how to finance their plans for purchasing additional firms. “God provided a place, person or a time and things always seemed to work out.” In a fortuitous example of happenstance, Southern Capital and Investment was on the brink of obtaining the cash infusion it so desperately needed. “I remember having to get a loan just to make payroll at one point,” recalls Waltrip, whose razor sharp focus and determination never wavered, even during the most difficult and humbling moments. Finally, they landed a rare opportunity to present their business model to American General Insurance Company. Founder Gus Wortham had been good friends with Waltrip’s father and admired his tenacity and ambition. American General agreed to loan Southern Capital $2.5 million for future expansion.

Game on. Southern Capital now had the support of one of the nation’s largest insurers. From that point, it became a footrace. And while imitation is the highest form of flattery, the competition, noting Waltrip’s results, began to put together competitive groups to copy his success. Waltrip, a rated commercial pilot, held a strong advantage that enabled him to travel to prospective deals quickly. “During that time, I owned a Twin Cessna 310, which seated six,” describes Waltrip, who traveled everywhere in order to beat others to the punch. “On Sunday morning, I would go open the hangar by myself. I would use a dolly to pull the airplane out myself. I got in the plane and headed to Los Angeles. I would stop in El Paso to refuel and stretch my legs. Flying solo, I had to navigate and watch the weather. I did this for months - flying out on Sunday and flying back on Friday. It didn’t seem too difficult then, but it does when I think about having to do it now.”

Locating prospective acquisitions often proved difficult because very few funeral homes were being offered for sale. While many sellers were aging owners with children not interested in continuing the business, some had relatively young families. “I spent a lot of time away from my own family while getting to know others,” Waltrip recalls, spending many nights taking clients out to dinner. “Many of the early contracts were written on the back of a napkin by Sam Douglass, who would sort out the legalities of the deal while I helmed the negotiations. Deals were held together with bubble gum and bailing wire. I convinced many owners to take the stock options while others opted to owner finance the business.”

The first purchase made by Southern Capital was Compton Funeral Home in Waco, Texas. Originally planning to use the Waltrip name as a branding tool, the firm was renamed Compton-Waltrip Funeral Home. “It was a terrible decision,” says Waltrip, learning very quickly to avoid changing the name of an established, well-regarded firm. A few years later, the company was given the chance to purchase the largest funeral home in Waco - Connally Funeral Home. Waltrip and his team decided to merge the Compton and Connally firms into one newly constructed location. “Compton-Connally Funeral Home did very well, and we never made the mistake of changing a name again.”

OPPOSITE PAGE

1: Bob Waltrip, Clifton H. Morris Jr., and Sam Douglass savor the moment. SCI’s successful Initial Public Offering (IPO) in December, 1969, was cause for great celebration.

2: DC-3 and Southern Capital’s Acquisition Team (L-R) E. Warner Bailey, Robert L. Waltrip, B.B. “Ben” Hollingsworth, and Sam Douglass

3: Heights Funeral Home Staff – June, 1963

4: One year later, in December 1970, the firm began trading on the American Stock Exchange (AMEX.) Sam Douglass and Bob Waltrip on the floor of the AMEX.

5: Southern Capital Building

Photos: SCI Archives
In 1962, he founded Southern Capital and Investment Company. The infant enterprise served as an umbrella for all new funeral home acquisitions.
The Lear jets had just started to come out when I asked American General Insurance for a $1 million loan to purchase a company jet. Edward R. Barrow, who was president at the time, nearly fell out of his chair, but he loaned us the money anyway.”
Beyond Texas

Southern Capital was gradually expanding its network and implementing the concept of clustering several firms in close proximity in order to share resources, increase efficiency and boost profit. Although headquartered in Texas, Southern Capital was interested in prospecting firms anywhere in the nation. "It all came down to who got there first," remarks Waltrip, who often flew himself and his team around the country in search of sellers. "I began to grow tired of always having to fly and our board of directors were weary of me continuing to serve as our unofficial corporate pilot. The Lear jets had just started to come out when I asked American General Insurance for a $1 million loan to purchase a company jet. Edward R. Barrow, who was president at the time, nearly fell out of his chair, but he loaned us the money anyway." Waltrip and his team were now able to travel quickly to prospective acquisitions, edging out the competition. "I would have a breakfast meeting in Jacksonville to finalize a deal and head to Los Angeles to negotiate a contract that night."

The next acquisition became Chicago's Drake and Son Funeral Home. The historic firm had two locations and averaged 500 to 600 calls. Southern Capital and Investment had completed its first purchase outside of Texas, and with that came a turning point regarding the identity of the company. "We thought Southern Capital might give the impression we were just a bunch of Southern boys from Texas and that it wouldn't look good when trying to buy a firm in New England," says Waltrip, who credits Bud Hunter with creating the new corporate name. Hunter owned and operated The Order of the Golden Rule (OGR), which was both a funeral home advertising agency and a trade organization for funeral directors, with elected officers. For participating funeral homes, membership became a hallmark of a firm's positive reputation. Waltrip and Hunter had become close friends, with Hunter playing an important role in the early years of the company. Hunter provided information about prospective acquisitions gathered through OGR's member roster and would often vouch for Waltrip, giving him the ability to build a quicker rapport.

Often traveling with Waltrip and his team, Hunter developed the new name for the corporation during a flight. "He asked what type of company we were, whether or not we were incorporated and whether we would be international one day," says Waltrip, who vividly remembers the night Service Corporation International was born. On Dec. 5, 1969, SCI went public. One year later, it became the first funeral service corporation to be traded on the American Stock Exchange, and, in 1974, the company was admitted to the New York Stock Exchange.
“I remember having to get a loan just to make payroll at one point,” recalls Waltrip, whose razor sharp focus and determination never wavered, even during the most difficult and humbling moments.

Robert L. Waltrip
When All Is Said and Done

Arguably the most powerful funeral director in the world, Robert L. Waltrip revolutionized modern funeral service. He helped to evolve an industry thought to be unchangeable with a bold intensity that embodies the American entrepreneurial spirit. With a relentless sense of determination and unequivocal tenacity, Waltrip’s contributions to funeral service are countless and immeasurable. “I can’t do something no one else has ever done without a lot of help,” says Waltrip, who credits his success to his friends who became fiercely loyal employees.

“I never did any of this for the money; I did it for the sense of accomplishment of making it all work.”

Waltrip is undoubtedly one of the most prolific funeral directors in history - a remarkably focused visionary with an extraordinary talent for making his imagination come to life. “I believe in trying to do the right thing every time,” says Robert L. Waltrip - funeral director, entrepreneur, visionary . . . but before that, a boy from the Heights.
Collecting dust in the basement of the Texas Funeral Directors Association was a hodgepodge of funeral memorabilia and artifacts collected by Robert Waltrip and other funeral directors associated with the professional organization. "We all felt that the items should be showcased," says Waltrip, who originally planned to partner with the National Funeral Directors Association to open the nation’s first museum dedicated solely to funeral service history.

After purchasing Commonwealth Institute of Mortuary Science, Waltrip decided to construct the museum on the school grounds. "Many of the items on display were either donated or saved from funeral homes we have acquired over the years. The first old funeral coach is from Drake & Son in Chicago."
History of Embalming: The mummification process

Celebrating the Lives and Deaths of the Popes: Full-scale replica of Pope lying in repose inside St. Peter’s Basilica
Replica of 1865 Abraham Lincoln Funeral

44-Caliber Derringer similar to one used by Assassin John Wilkes

Assassin John Wilkes Booth entered the Presidential Box and fired the fatal shot from a muzzle similar to this one, single shot 44-caliber Derringer. The bullet entered Lincoln's head behind the left ear.

Courtesy of Special Agent Elmer Reymond
United States Secret Service
Founded in 1992, the museum boasts 30,500 square feet of exhibition space. Among the displays are a collection of antique hearse and horse-drawn carriages, the coach used during the funerals of Presidents Ford and Reagan, an astounding array of memorial folders and programs from celebrity funerals and even several rare and unusual caskets. One of the caskets was custom designed to accommodate three people and has a particularly morbid history. "The construction was commissioned by a father who had lost a child," says Bob Boetticher, who serves as vice chairman and CEO, having been associated with the museum since its inception. "The father planned to murder the mother, commit suicide and have the child placed between them, but they never followed through. They even asked for their money back, and the funeral director refused."

While Boetticher has spearheaded many of the exhibits, there is one he considers his crowning accomplishment. "I am most proud of our papal display, which was accomplished with the support and approval of the Vatican." Authentic vestments designed by the tailor of Pope John Paul II, an exact replica of his coffin, which was commissioned to be built by Bill Simpson of Mastercraft Gasket Company, and an actual Popemobile are displayed. Life-size, three dimensional scenes are showcased throughout the display, designed to allow visitors the unique experience of feeling as though they actually attended the funeral.

An outstanding, constantly evolving collection of undertaking antiquities, oddities and memorabilia, the National Museum of Funeral History provides an extraordinary glimpse that combines both history and morbid curiosity. The National Museum of Funeral History is a 501(c)(3) nonprofit governed by a board of directors and is perhaps the largest funeral museum in the world.

NATIONAL MUSEUM OF FUNERAL HISTORY

415 Barren Springs Drive Houston, TX 77090-5918
281-876-3063 | www.nmfn.org

Monday - Friday: 10am until 4pm
Saturday: 10am until 5pm
Sunday: 12pm until 5pm

Adults: $10.00
Seniors/Veterans: $9.00
Children (Under 12): $7.00
Children (Under 3): Free
“I used to memorize silhouettes of different aircraft,” remembers Robert L. Watrip, founder of the Lonestar Flight Museum in Galveston, Texas. “My dad was the Civil Defense coordinator for Texas, Louisiana and New Mexico. I would ride with him to air bases, where he held a high security clearance.” A rated commercial pilot, Watrip developed his passion for flying after being exposed to different aircraft during World War II. “I thought I had been robbed of my destiny,” he jokes, while remembering how badly he wanted to become a fighter pilot. “I found aviation thrilling.” As SCI grew, Watrip began buying older, wartime aircraft in an effort to preserve history. Not only were the planes cosmetically restored, but they were able to be flown again as well. While the planes began as a personal collection, a museum had always been the ultimate goal. Desiring a location where all the aircraft could be stored, maintained and flown, a large hangar in Galveston was constructed. “He really loves talking airplanes,” says Larry Gregory, the museum’s president. After the facility was complete, Watrip donated his entire collection. “A man who is extremely humble and generous,” adds Gregory, who is also a pilot and performs during museum sponsored air shows. “However, my favorite part is educating the students who come visit and helping them become passionate about math and science.” Gregory challenges students to participate by solving different aviation related calculations. “They are so proud of themselves when they find the solution, and I am proud for them,” says Gregory, who is also busy with the construction of the museum’s new facility. The $35 million capital campaign – $25 million already has been raised – will provide a larger building with designated classrooms that will be located closer to metropolitan Houston. The move will enable Gregory and his staff to serve a much larger population of students, along with regular tourists.

www.lsfm.org
“A man who is extremely humble and generous . . .”
Larry Gregory, Lonestar Flight Museum President
After the facility was completed, Waltrip donated his entire collection.