



Aaron Feuerstein

C H A P T E R 1



Aaron Feuerstein

CEO and Owner of Malden Mills

“Did you ever read the book of Job?”

THE NIGHT OF DECEMBER 11, 1995, began happily enough for Aaron Feuerstein, chief executive officer (CEO) and owner of Malden Mills—one of Massachusetts’s largest, oldest, and most innovative textile makers. The occasion was a surprise party for his seventieth birthday. The place: Café Budapest, one of his favorite restaurants (and one of Boston’s best). Family, friends, and coworkers had gathered there to fete Feuerstein amid toasts and laughter, for there was much to celebrate.

The company had flourished for better than a decade, thanks largely to a single product—Polartec (originally, Polarfleece)—a soft, fuzzy, fleecelike synthetic fabric patented by Malden engineers in the late 1970s and first sold to customers in 1981. For Feuerstein, this fleece literally had been golden.

Its attributes—warmth, light weight, moisture-absorbency—made it ideal for outdoor garments worn by everyone from professional athletes and mountain climbers to joggers and weekend gardeners. Tens of pages of every L.L. Bean and Lands’ End catalog (to name but two of Malden’s customers) were devoted regularly to touting Polartec-based coats and jackets, gloves, hats, vests, booties—even bathrobes and pajamas. Not only was the fabric warm and snuggly—it also was politically correct. Made mainly from recycled plastic soda bottles (80 percent), it could be worn with pride by environmentalists. Here was the quintessential feel-good product. By promoting it aggressively, Malden Mills had created a \$3-billion retail market. Sales hit \$400 million the year Feuerstein hit 70.

The company's situation was unique within the textile industry, its hold on life growing stronger at the time other mills were losing theirs.

Traditional mills, not having a proprietary product comparable to Polartec, had been forced to compete principally on price. And on that basis, New England's mills, since the 1950s, had been losing out to mills with lower operating costs—ones situated in southern states, Mexico or Asia. More than a few of Malden's peers had declared bankruptcy, closed, or pulled up stakes and moved. Result: There were no "Café Budapests" in Lawrence, Massachusetts, Malden Mills' home town. The section of Lawrence where Feuerstein's century-old redbrick mill buildings were located was considered by locals to be among the city's toughest—a wasteland of shuttered shops and broken windows. Malden's Victorian-looking complex ran through three blocks of it, along the Lawrence–Methuen border.

Life for working men and women in Lawrence had never been exactly easy (the city was the scene for 1912's "Bread and Roses" strike by 25,000 workers), but at least the city had once bustled with commercial activity. Now, it ranked twenty-fourth among the poorest cities in the United States, no longer famous for manufacturing but for being a crack-cocaine capital and a magnet for newly arrived immigrants. Though only 30 miles north of Boston, it might as well have been in the third world. Malden Mills' workforce comprised 52 different nationalities—among the most diverse in the textile industry.

Yet Feuerstein had steadfastly refused to move, in part because he didn't have to (Malden's margins, thanks to Polartec, were so robust he didn't need to shop for cheaper labor); in part because he felt a civic obligation, as Lawrence's largest employer, to remain; and in part because he was—well—at the age of 70, a stubborn old man.

Not that he looked or acted old. Snapshots from the night of his party show him spry and straight-backed, vigorous, his blue eyes alive with humor. Since childhood, he had been physically unable to sit still. The weight he carried on his 5-foot, 11-inch frame (150 pounds) was 2 pounds *less* than what he'd weighed in college. He exercised daily, and was something of a health nut.

Though Feuerstein recently had appointed a chief operating officer at Malden Mills—the first such delegation of power in the company's history—he himself professed no interest in taking life any easier, let alone retiring. If he had, however, who among that night's celebrants

could have begrudged him a bit more leisure? After four decades at Malden's helm, he had more than earned the right to spend more time with his wife, Louise; more time reading the literature he loved—Shakespeare, Shelley, the romantic poets generally, the Talmud, and the Psalms.

What Feuerstein did not know, as he prepared to blow out the lone candle on his cake, was that a tragedy was unfolding at that same moment. Whatever his private vision of the future might have been, as he made his birthday wish, it was about to be eclipsed—incinerated, in fact, by that night's subsequent events. He blew the candle out.

When the Feuersteins finally arrived home around 11 P.M. to their suburban Brookline condo, the phone was ringing. It had been ringing, they later learned, for hours. Aaron raised the receiver. A voice told him there had been a fire—that Malden Mills was blazing, dying.

A Business Gone Up in Smoke

As the Feuersteins' car sped north in the dark up Highway 93, Aaron and Louise could guess the fire's size long before they got near Lawrence. Ahead of them, the winter horizon glowed red. A drive that should have taken 30 minutes was stretched out to an hour as they encountered first smoke, then snarled traffic, then general confusion.

When at last they arrived at the sprawling, 29-acre complex, the hour was midnight.

“By the time I got there, it was a veritable holocaust—the buildings all burning—everyone standing dazed and crying—helpless,” Feuerstein remembers. He says he managed to keep his own feelings in check only by reciting to himself, privately, words he had memorized once from *King Lear*: he would not weep, he vowed, though his heart “break into a hundred thousand flaws.”

Nor was he alone in such despair.

From a hillside cemetery looking down upon the factory, some 5,000 townspeople and workers shivered in the freezing cold, watching spellbound as the blaze reached its zenith. Flames whipped by 45-mile-per-hour winds leapt 50 feet into the air. Embers “the size of basketballs” (as Louise remembers) spread fire from one building to the next. To her it looked like Rome burning. To Aaron, Dresden. In slow succession, seven brick and wood-frame structures—comprising

some 600,000 square feet of manufacturing space—caught fire, tottered, and collapsed.

What was burning was more than just a set of buildings. To Feuerstein, it represented a family heritage spanning three generations. At the end of the nineteenth century, his grandfather Henry Feuerstein, a Hungarian Jew, had immigrated to New York City, making his living by selling rags from a pushcart. In 1906, Henry founded Malden Knitting in Malden, Massachusetts, first producing wool bathing suits and sweaters, and later—during World War II—military clothing. The company expanded, and, in 1956, with Aaron at its head, it moved to Lawrence. Aaron had never worked anywhere else. He had gone to work at Malden directly out of college. The factory wasn't a "second home" to him—it was more like his first: Along with all the many tons of machinery being burned and melted were his own private keepsakes—his baseball trophies, won in grammar school; his two oil paintings of his parents.

To Feuerstein's workers—3,100 men and women—the mill represented the only dependable, high-wage employment in an otherwise bleak landscape. Malden Mills was a union shop in an otherwise nonunion town. Even rarer, it was a union shop with cordial and cooperative management–labor relations. As Paul Coorey, president of Local 311 of the Union of Needletrades, Industrial and Textile Employees (UNITE), watched the mill collapsing, his son (who also worked at Malden) turned to him and said simply, "Dad, we just lost our jobs."

Malden's wages were better by \$2 an hour than any others to be found in town. While pay nationwide for textile workers hovered around \$9.50, at Malden it was \$12.50. That meant an income of \$26,000 a year in a city where the average income was barely \$15,000. The majority of Malden's workers—first- and second-generation Dominicans and Puerto Ricans—lived paycheck to paycheck. They had no cushion, and for them the fire could not possibly have come at a worse time—two weeks before Christmas. Without December's paycheck there would be no rent, no heat, no food, no presents.

Feuerstein admits he briefly gave in to an emotion alien to him—self-pity. "*How could such a tragedy befall me?*" Yes, I can't deny I felt some of that," he says. "But to me, this was not a tragedy of money. It was that everything I wanted to accomplish in business was burning down in front of my eyes. It was dying, there, in front of me."

Then his thoughts turned in a more characteristic direction: “I thought, What can I do to better the situation?” He took quick stock of the situation: What *hadn’t* burned?

“I had my offices, my books, my inventory.” (All that had been in separate buildings that were still standing.) He still had some knitting capacity, thanks to a satellite facility up in Maine. The one thing he absolutely could not do without, he realized, was the company’s capacity to “finish” Polartec—to give the fibers their characteristic nap and feel.

“In our business,” he explains, “we knit a fabric which ultimately, after dyeing or printing, is made into a fleece. And the fleece-making, which we call ‘finishing,’ is a highly specialized technique, in which we are superior to others in the business. Without the finishing, I’m out of business. If I could just save this small finishing plant, I thought I might be able to make it. That little building was the ‘genius’ of the company.” This was a structure known as Fin2, which, Feuerstein now could see through the smoke, was starting in to smolder. But, like the celebrated bush of the Old Testament, it was burning but not consumed—at least not yet.

Feuerstein said to his director of engineering that he thought there was a chance they could save Fin2. The time was now approaching 1 A.M., and Malden Mills was growing into a 51-alarm fire—meaning fire companies from 51 different municipalities had converged to fight it.

“He looked at me in bewilderment,” remembers Feuerstein. “‘Aaron,’ he said, ‘You’ve always been a dreamer. That building will be down to the ground with all the others by seven o’clock tomorrow morning. It’s *over*, Aaron.’”

Feuerstein didn’t listen. Instead, he went and spoke to his director of security, to whom he made the same suggestion: “You know, that building hasn’t burned down yet. But it will burn down. Maybe there’s some way of saving it.” What, exactly, was Feuerstein proposing to do, the director asked. “Well, we’ll take our best people . . . and we put them into that building—which is a danger, of course; there’s always a risk. We put them in there and see if we can prevent that fire from spreading—see if we can save it.” The director pointed out that the fire department would not permit this; that they had forbidden anyone to get that near to the fire. Said Feuerstein, “Don’t listen to them. Let’s see if we can do it.” Louise, fearing the old man might try to fight the

fire himself, along with the other men, insisted he come home with her and get some rest.

Next morning, no one's heart beat any easier. Daylight only revealed the full scope of the devastation. Officially, the fire ranked as having been the worst in Massachusetts in the twentieth century, and among the top-10 worst industrial fires ever in the United States. Three enormous block-long buildings had been leveled. All that remained of them was a five-story brick tower, entwined by blackened girders. Ice entombed the ruins.

Surveying the Wreckage

Feuerstein reappeared at 7 A.M., still wearing the same brown tweed suit he'd worn at the birthday party—only now it reeked of smoke. He took in the devastation like a general surveying the remnants of his defeated army, taking damage reports from his lieutenants.

There were three pieces of good news. First, no one had been killed. Of the 500 people working in the mill that night, only 33 had been injured. Of those, the nine hurt worst had been air-lifted to burn units of Boston's hospitals. Second, the company had been carrying just a little over \$300 million worth of insurance. And third, among the buildings that remained was Fin2.

By now, employees were starting to show up for work. With no work to go to, they wandered around aimlessly in the cold. Feuerstein ordered them taken into one of the surviving buildings. And it was there, *en famille*, that he did what some considered an impulsive thing: He announced that he would rebuild the mill.

That was on December 12.

On December 14, Malden Mills' employees, summoned by a notice placed by the company in the local newspaper, assembled in a high school gymnasium to hear what Feuerstein had to say about their future.

No one knew for certain what he'd say, of course, but most had made an educated guess. Throughout the United States at that time, layoffs were in the air. AT&T alone had cut legions of workers. "Chainsaw Al" Dunlap was winning points with shareholders by sloughing off employees like so much dead skin.

Malden, being privately held, had no shareholders to answer to. But

workers knew what was in the wind in boardrooms. They had reason to suspect that Feuerstein's morning-after vow was one his board might possibly have talked him out of.

Union president Coorey, for one, was ready to hear that it was all over—that Feuerstein would say he had decided, on reconsideration (and with great regret, of course) to close down the mill. He would pocket his \$300 million in insurance and retire. Or maybe, if he wasn't ready to retire, he'd set up a new mill elsewhere—in the South, maybe, or Mexico—some place where costs (read: *labor* costs) were cheaper.

Feuerstein entered the gym, paused to shake snowflakes off his coat, and then walked the length of the long aisle to the front of the room, where there was a stage. Every eye followed him. By the time he reached the podium, the room had fallen silent.

“We’re Going to Continue to Operate”

Feuerstein's words, when they came, were brief. “I will get right to my announcement,” he began. “For the next 30 days, our employees will be paid their full salaries.” The traditional Christmas bonus of \$275 also would be paid, just as in prior years. Healthcare coverage would continue, too, for 90 days—as would other benefits. “But over and above the money,” he concluded, “the most important thing Malden Mills can do is to get you back to work.” By January 2, he said, operations would resume. In 90 days the mill would be fully operational again. Then, addressing himself to the reporters present, he said: “We’re going to continue to operate in Lawrence. We had the opportunity to run South many years ago. We didn’t do it then, and we’re not going to do it now.”

The room exploded with pent-up feeling.

Men cried. Women cried. Television news crews, sent to cover the event, cried. People hugged and kissed whoever was sitting next to them. It was like V-E Day, New Year's, and the Fourth of July all rolled up into one. From 52 nationalities represented in Malden's polyglot workforce, hosannas rang in Quebecois French and Spanish, in Portuguese and German, in Italian, Irish, Hebrew, and English. Paul Coorey told reporters, “Thank God we've got Aaron.”

And that was only the beginning—the first spontaneous outburst of affection from the local Malden family. Nationally, in the days that fol-

lowed his announcement, praise for Feuerstein grew. He was lionized and lauded by every interest group except the Brotherhood of Pyromaniacs.

Unions coast to coast applauded him. Labor Secretary Robert Reich said Feuerstein had displayed the kind of leadership that *every* CEO should emulate.

Reporters vied for superlatives to wrap around his 70-year-old brow. ABC's Peter Jennings made him the network's "person of the week." NBC's Tom Brokaw, not to be outdone, called Feuerstein first "the best boss in America," then later "a saint for the nineties." The banner headline of *Backpacker* magazine declared: "From Ashes to Fleece: In the Wake of Tragedy, a Shining Example of Compassion Emerges."¹ *Reader's Digest* called him "one boss in a million."²

For weeks the media buffed his halo to such high luster that it seemed all but impossible to pick up a magazine that didn't have his picture on it or in it. *Parade*, *People*, and *Reader's Digest* profiled him. He was swamped with speech invitations and interview requests.

Meanwhile, donations and offers of help for Malden Mills were pouring in from every quarter—from banks, customers, and suppliers. The apparel company Dakota sent \$30,000. Patagonia sent \$64,000. UNITE sent \$100,000. The Bank of Boston sent \$50,000. The Merrimack Valley Chamber of Commerce sent \$150,000. Feuerstein, overwhelmed, declared: "The money is not for Malden Mills. It is for the Malden Mills employees. It makes me feel wonderful. I have hundreds of letters at home from ordinary people, beautiful letters with dollar bills, ten-dollar bills." Not a few newspaper commentators borrowed the imagery of Frank Capra's holiday movie *It's a Wonderful Life*: Lawrence suddenly was Bedford Falls, and Feuerstein a Jewish Jimmy Stewart.

Colleges awarded him honorary degrees (12 doctorates in all). Even the commander in chief weighed in. The president phoned with personal congratulations, and Feuerstein found himself invited to breakfast at the White House and to a State of the Union Address as the first lady's guest.

Nor were the high and mighty the only ones who honored him. A woman in Colorado Springs, sitting under her hair dryer in her beauty salon, was so impressed by what she read about Feuerstein in *Reader's Digest* that she got up, went to the phone, called Malden Mills, and

asked if she could drop by and congratulate him in person. “Sure,” said Feuerstein’s secretary. So she boarded an airplane, flew to Boston, and did.

Nationwide, there was a brief upswing in the number of parents naming newborns Aaron.

But the acknowledgment Feuerstein found personally most touching was a patchwork quilt made for him out of strips of Polartec by the children of a Hebrew day school. Inlaid on it were the words “Who is honored? One who honors others.”

All of this was pretty heady stuff for a guy who, until the age of 70, had never been interviewed by a reporter or asked to speak anywhere outside his own company. Through it all, though, he held up nobly, managing to keep not just his modesty and sense of proportion, but his focus on the job at hand—getting Malden Mills back on its feet, and its employees back to work.

He worked incessantly. For two weeks straight, he insisted on wearing the same brown tweed suit he’d been wearing on the night of the fire. Maybe it smelled of smoke, but he said wearing it somehow made him feel better.

People unfamiliar with him marveled at his stamina and self-discipline, his dedication, his physical and mental strength. Yet to anyone who knew the Feuersteins’ history (or Aaron’s in particular), it all seemed perfectly in character. In him, tragedy had found an extremely well-prepared foe. Feuerstein’s rabbi put it best: “When crunch time came, he was standing upright.”

Who *was* this guy?

Developing His Purpose in Life

The single most impressive thing about Feuerstein (and the fact that makes him somewhat daunting, for anybody aspiring to emulate him) is that he was *born* upright: He was, and is, a congenitally moral man, long set in his ways. “Early in life—I was two, maybe three,” he remembers, “I developed what I would call a ‘sensitivity to the good’—with a capital G—what man should be doing in this life. That was my purpose in life, I discovered: being good.” Referring to the fire, he laughs, “I was preparing for that *before* day one—when I was in the womb!” He means it.

He was born in Brookline in 1925, a few blocks from where he lives now, the fourth of five children born to Henry and Mitzi Feuerstein. From them he acquired a love of literature and religion. After attending the prestigious Boston Latin school, where he first became familiar with Milton, Keats, and Shakespeare, he graduated in 1947 from New York City's Yeshiva University, majoring in English and philosophy. He entered the family business, working first in quality control, then moving on to a supervisor's job in yarn making.

His father shaped him, in civics and religion. Henry Feuerstein, an Orthodox Jew, was one of the original founders of the Young Israel synagogue in Brookline—now New England's largest—which began in the Feuerstein's suburban living room in 1926. Much later, Aaron and his brother helped rebuild its temple after a fire with a \$2 million pledge in 1994. Today, when faced with tough decisions, he often says, "I know what my father would have wanted." From Henry he also learned a 2000-year-old aphorism written by the philosopher Hillel, which, he says, has come in handy to him more than once: "When all is moral chaos around you, do your best to be a man."

As kids, Aaron and his brother wished that their father could have joined them when they played on Saturday mornings. But Saturdays were when Henry met with emissaries from the charities that he supported. Aaron inherited that responsibility. Before the fire, his own habit for a decade had been to make year-end visits to local charities—donating, for example, \$100,000 to charities in Lawrence. Even after the fire he made the rounds. In late December, he gave reporters the slip, delivering personal checks for \$80,000 to shelters and to soup kitchens.

Feuerstein practices strict self-discipline in both mind and body. He rises daily at 5:30 and either runs five miles or performs an hour of strenuous calisthenics. His daughter, Joyce, says he needles family members whom he deems overweight: "He bullies anyone who gains a pound." He monitors his pulse constantly, eats sparingly, and says that he intends to live to be 120—Moses's age. When his daily habit of eating a dozen oranges was described in profiles of him following the fire, fruit sent by the Florida Orange Growers Association and by private individuals began piling up in his office. His vices? Few. He likes chocolate, and every now and then drinks a little Scotch.

He subjects his mind to equal care: On even-numbered days, while exercising, he recites from memory an hour's worth of Shakespeare, Milton or the other English poets; on odd days, he recites in Hebrew from the psalms and prophets, or from the Talmudic dictates on ethics. When he speaks in public, he does so without notes.

What his audiences see is a lean, sagelike figure: blue-eyed, white-haired, slightly reminiscent of 1950s television's Mr. Wizard. In dress, he describes himself as being "from the old school"—meaning he prefers to wear a three-piece suit for virtually all occasions—even napping. After logging 10 or 12 hours at the mill, he typically comes home to Brookline and lies down. Joyce says he naps "all dressed up—like a corpse."

In the office, he cuts a formal, even a fastidious figure—except for footwear. He often wears sneakers with his suit. The combination is less fashion statement than practical necessity. Constantly in motion, walking the mill floor to see what's doing, he has over many years build up a great equity of good will with workers. He's no prima donna. As Joyce told *People* magazine, "I remember as a child that in summer, when it was 110 or 115 degrees in the factory, he would sweat it out for two or three hours right in there with the bottom of the line workers, making sure things happened right."³ He practices a true open-door policy—on those rare occasions when he's in his office, sitting still. Workers, who refer to him as Mr. A.F., know they can take any grievance to him. Says one, "I'd take a bullet for Mr. A.F." The mayor of Lawrence has called him "the kind of guy everybody wants to support."

It's good they do, because Feuerstein, in his willingness to take risks, has gotten Malden into tight spots. In the early 1980s, a Feuerstein-led foray into fake fur fizzled, putting the company into Chapter 11. Louise ascribes her husband's bulletproof self-confidence to his having grown up in prosperous and secure surroundings. She herself, she says, is no optimist, and serves (in her words) as the family's "designated worrier." The two met onboard an airplane in 1984, shortly after Feuerstein's first wife, Merika, died. He was returning home to Boston from a Salt Lake City business trip. She, head of the rug department at a Boston auction house, was returning from a friend's wedding. They chatted and exchanged cards. He mentioned that he had a houseful of old rugs, and she asked if he would like to make an appointment with her. (She had in

mind an appraisal.) No, he said, he'd like to take her out to dinner. Despite the fact that she was 11 years his junior—and had been raised a Mormon—they married 3 years later, after she had converted to Judaism. Artistic by temperament and training, she assumed responsibility for architectural and design questions when construction of the new mill began.

Rebuilding the Mill—and the Business

The physical rebirth of Malden Mills had started almost as soon as December's embers cooled. Polartec's season—the peak time for delivering new shipments of the fabric—kicked off in February, so there was precious little time. If Feuerstein could not meet those deliveries, his buyers would go elsewhere. The whole ball game, he told his executives, would be lost.

As workers removed debris, they found several tractor trailers full of still-usable manufacturing equipment, which had been ordered as part of a planned expansion. Though the trailers themselves were dented and buried under rubble, the contents were in serviceable condition. Other new equipment, intended for a facility Malden had begun in Germany, was ordered shipped to Massachusetts. Dyeing and printing operations—a total loss—could be subcontracted out to other mills.

And the company still had Fin2.

On the tenth day following the fire, Feuerstein got a call from the men who had been working nonstop to get the Polartec finishing process restarted. They asked him to come over to see something.

“It was quite a moment,” he remembers. “All my workers were standing on the production line with smiles of accomplishment and tears of emotion, and they were standing there while the fabric was coming off the equipment—finished, first-class fabric.” His feelings overwhelmed his reserve. “I, too, couldn't hold back tears then. I went and shook hands with each and every one of them, and I said thank you to each person.” One worker vowed to him, “We'll pay you back tenfold, Aaron.” Together they would surmount all obstacles.

While this accomplishment gave everyone a tremendous lift, production was still just a trickle compared to what it had been before the fire. The men told Feuerstein they thought getting operations back “for real” would take two to three months. That wasn't good enough:

“‘We’ve got a *little* time,’ I told them. ‘But not that much. Let’s see what you can do.’”

By late December, production had improved enough that 300 workers—about 10 percent of the workforce—were back on their jobs.

In early January, Feuerstein authorized a team of architects to begin designing a new, state-of-the-art mill, to be built directly on the burned and blackened footprint of the old one. The goal: To have it finished in 13 months. By mid-January, 65 percent of the workers had come back. Feuerstein told those still out that he would continue paying benefits and wages for another 30 days.

He extended that offer once more in February—by which time 70 percent were back, and only 800 remained out. It was around this time that a few business writers, self-styled realists, began to question what they characterized as Feuerstein’s profligate generosity. It was all very well for him to behave responsibly, but wasn’t he carrying things a bit too far? Wasn’t he, in fact, jeopardizing Malden’s ability to come back by spending money from which he was getting no practical return? In the press at large, theirs remained a minority view.

As March 1 approached, Malden Mills had plenty to be proud of: Not only were most employees back at work, but the plant was turning out more than 200,000 yards of Polartec a week (though that was just a quarter of the prefire peak). Customers for the most part had stayed loyal, believing Feuerstein’s promise that Malden would honor its commitments. If deliveries could not be made from new production, he told them, the company still had a backlog of inventory stored in its warehouses. Feuerstein proved a tireless salesman, traveling around the country—and the world—reassuring worried customers.

With spring, 80 percent of employees were back at work, and erection of a new \$130 million mill was underway. As it took shape, the roads along the Lawrence–Methuen border became choked with trucks carrying pallets of construction materials and machinery. Deliveries of steel, stone, and concrete rumbled down the highways. What was rising on the ruins of the old mill was something to see. Feuerstein, with Louise’s help, was rebuilding in what the *New York Times* termed “the grand style,”⁴ restoring not only substance but the old mill’s costly architectural details. On June 2, Malden’s customers who had remained loyal and patient were given a tour of the fast-rising plant.

Feuerstein seemed revitalized by the challenges he faced, adhering to a schedule that would have taxed a 25-year-old. He not only met the exigencies and crises of construction, but maintained all his habits—his morning runs and his recitations of poetry and psalms.

On September 14, 1997—just 21 months after the fire—the new mill was dedicated in a ceremony rich with fanfare and heartfelt feeling. “I thank you, God,” said Feuerstein, as television cameras hummed and a crowd of 15,000 townspeople, employees, politicians, and labor leaders watched. “I thank you, majestic God of the universe, for restoring to Malden Mills and its employees, our life and soul.” Former U.S. Labor Secretary Robert Reich led the crowd in a cheer, “Let’s hear it for America’s number-one mensch!” (Yiddish for a supremely stand-up guy).

The 610,000-square-foot factory was absolutely current in technology yet Victorian in appearance, faced in copper and red brick. It had 30-foot ceilings and was flooded with natural light, which streamed in through translucent panels. It was so rich in re-created period detail that the National Trust for Historic Preservation gave it its 1996 Honor Award.

Now all but 70 of Feuerstein’s employees were back at work, and Polartec sales had risen 25 percent since before the fire. What was more, the promise given Feuerstein by the men of Fin2—that they would pay him back tenfold—was beginning to fruit: productivity was up 25 percent and climbing.

Struggling with Unprofitable Operations

It was at this point that the world tuned out on Malden Mills. The television crews packed up and went away. The spotlights dimmed. Collectively, a million readers yawned, turned the pages of their newspapers, and moved on to the next story. Why shouldn’t they? The story of Aaron Feuerstein and his mill was over, wasn’t it? People naturally assumed that everything was hunky-dory now; that the Malden family was reunited, its business reestablished; and that everyone would live happily ever after.

This wasn’t entirely the case. Not only was the story far from over, but the version spun on television was so sweet, so simple, it amounted almost to a fairy tale: *Things looked awfully bad for Malden Mills; now*

they looked good. A kindly, white-haired wizard had slain the fire-breathing dragon, armed only with decency and kindness.

This version omitted a few important facts: Polartec was indeed flourishing, but Polartec was not the whole of Malden Mills' business. The company had two other divisions as well—flock (cheap synthetic upholstery, used primarily in automobiles) and high-end wovens. These were unprofitable, dragging the business down. Total sales might be up, but the company still wasn't making any money. Yet Feuerstein had pledged to put *all* employees back to work, even those who worked in those unprofitable operations. His struggle to do this—and the price he paid—amounted to what Paul Harvey likes to call “the rest of the story.”

That story was less simple and less sunny. It involved missed deadlines, lost business, financial strains, and tense partings of the ways between Feuerstein and two of his top three lieutenants. Even the weather, at one point, seemed to conspire against the company's struggle to recover. The real comeback story was no smooth and muscular ascent, but a lurching, herky-jerky climb—one step backward for each two forward. It was not scripted by Frank Capra but by an infinitely higher, less glib, more unfathomable authority—one that would force Feuerstein, before all was over, to resort to expedients he found both painful and distasteful.

“Did you ever read the book of Job?” The time is November 1999, and Feuerstein has posed this question during a visit *Forbes* had paid the patriarch in his private office, furnished in Stickley furniture, exposed brick, and Malden Mills' own jacquard fabrics and upholsteries (both now discontinued). On the wall behind his desk hangs a lithograph showing the mills as they looked at the turn of the last century, before the night when fire destroyed so much. Since that night, four years have passed; but Feuerstein looks hardly any older. Dressed in a gray chalk-stripe three-piece suit (smelling not at all of smoke), he is in an expansive, retrospective mood, seeking to put the whole story of his company's struggles into a larger context.

“Did you ever read the book of Job?” he asks again, this time with rhetorical flourish. “Well, go back and read it.” And without missing a beat, he launches into his own precis: “Satan goes to God and says, ‘You know, this guy, Job—he's very successful; he's the prince in his area. He's

a big business success, honored by his community. He's very righteous. He does good; he helps people. He observes all Your commandments and objectives. He's just a fabulous guy.' ”

Feuerstein, still acting out the Devil's part, continues: “ ‘You know *why* he's so good? He's good because it came easy to him. He never went without food, so it was easy for him to give charity to the hungry. He never had to suffer in business, so it was easy for him to do the right thing. But strip him of his conveniences and honors, and you'll see he's *just like everybody else*.’ ”

“God demurs: ‘No . . . my Job . . . he's terrific.’ And the Devil says, ‘Okay, so let me *test* him.’ And the deal is made. The book of Job describes this testing, this *stripping* of him—all the hurdles that are put into his way. That's Job's story: Very few guys keep going when you raise the hurdles.”

He ought to know.

Behind the scenes at Malden Mills—beyond the view of television—Feuerstein, in the days following the fire, found himself confronting hurdle after hurdle—some political, some financial, all personal.

Dealing with Conflict over How to Rebuild

Feuerstein and one of his three top executives came into conflict over the direction the new Malden Mills should take. Patty Fitzpatrick, director of manufacturing, saw rebuilding as a chance to further automate Malden's operations. Though Feuerstein was not opposed to this in principle, he disagreed with her about the degree of automation that was possible or appropriate. In his view, parts of the Polartec process required such skill and attention that they were better left to people. The two reached an impasse, and Fitzpatrick—a 10-year veteran of the company—abruptly left in May 1996, escorted off the property in tears by Malden Mills security guards. This drama took place at about the same time Feuerstein was being photographed having breakfast at the White House, an event that got far more publicity.

Tensions had been building between Feuerstein and others of his top advisors. In his absolute determination to do the right thing, he was pro-

ceeding partly on facts, partly on faith. The faith part bothered pessimists. Feuerstein assumed, for instance, that Malden's insurance would more than cover the rebuilding costs. And he assumed, also, that if production could be restarted quickly enough, something close to 1995's level of sales (\$400 million) could be maintained.

Toward these goals (and in service to his moral imperative), he had originally planned to keep all idled workers on full wages and benefits indefinitely. Not only was this the right thing to do, it made, to him, good business sense: It guaranteed that Malden's highly skilled workforce, essential to the company's high-tech, high-margin operations, would not disperse. They could, when needed, be called back on short notice.

The more cautious among Feuerstein's directors, however, were concerned that Malden Mills was proposing to spend what it didn't have—at least not yet. They urged him to be a bit less specific about how *long* Malden would continue paying wages to those furloughed. Such payments, they estimated, could cost the company between \$10 and \$14 million at a time of pinched revenues and zero profit. Feuerstein put their advice to one side, and soldiered on.

One hurdle proved especially daunting, and unexpectedly so. "There were many problems we encountered," he now recalls. "But the insurance problem—that was a hell of a hell that would have broken anybody."

The company's lead insurer, Commerce and Industry Insurance (CII) held up payment on the company's policy at the very moment Malden Mills most needed money. Not only was the company hemorrhaging \$1.5 million a week in pay and benefits, but it had started spending heavily on materials for the new mill. CII was demanding more and more documentation as to the fire's cause, which investigators were having trouble establishing. (No definite cause ever was established, beyond a chance combustion of synthetic fiber particles. The fire marshal's report did, however, absolve Malden Mills of any negligence.)

Seven months after the fire, Malden had received only \$78 million on its \$302 million policy. To meet bills and payroll, Feuerstein had to borrow. The amount owed to banks quickly climbed to more than \$100 million—a substantial sum for a company whose prefire sales had been \$400 million. (1997's sales would be just \$240 million.)

Through the summer of 1996, these financial pressures mounted. Sales were coming back, but the company still wasn't making any money. The contracting out of dyeing and printing operations further eroded margins. Feuerstein had to cancel a party organized to mark groundbreaking for the new mill. The company could ill afford the party's cost, either in money or in downtime.

Getting Polartec production back to where it had been was only one of Feuerstein's imperatives. He was simultaneously trying to rehabilitate Malden Mills other two divisions, flock and wovens. Though these divisions made a significant contribution to sales, neither had been profitable before the fire.

Efforts to restart flock hit several snags. Delays eventually cost it its 1997 buying season, and Feuerstein's chief financial officer (CFO) warned that continuing to push forward on rebuilding flock—spending \$45 million for new machinery and \$60 million to house it—was more than the company overall could afford. A second of Feuerstein's top lieutenants took personal responsibility for the delays, and resigned.

The Most Painful Decision: Letting People Go and Shutting Down Divisions

Finally came a black day: July 11, when Feuerstein was forced to tell the 400 flock workers still unemployed that he could no longer guarantee them jobs. Emotionally, he told them that he had committed "a profound mistake" by trying to restore everything at once. Though some of these workers eventually were hired back in new capacities, others never returned.

In October 1997—the same month that the trade journal *Textile World* named Feuerstein Leader of the Year and pronounced Malden Mills "stronger than ever"⁵—sales still languished below the prefire \$400 million. Exceptionally mild winters in 1997 and 1998 only made matters worse, because they cut demand for Polartec.

Then, on February 25, 1998, came a second black day: Feuerstein had to announce the shutdown of the company's unprofitable wovens division, with a loss of nearly 400 more jobs. The company's total sales for 1998 dropped to \$228 million, and Malden recorded a second loss.

On it went, each advance coming in lockstep with new setbacks. Workers were rehired, only to be laid off again. A showpiece of a new

mill was up and running, but other operations, which Feuerstein had fought hard to save, had shut their doors.

As a hurdler, then, he had turned in a mixed performance: He'd stayed the course; he'd been brave; he'd done the best he could—but he hadn't cleared them all.

“Be Strong and Be Courageous”

Feuerstein here offers his own hard-won perspective:

One person, he gets a hurdle, he loses confidence in himself, he drops. Very few can keep going. Raise the bar higher, and pretty soon you eliminate almost everybody. Except there are a few guys who are so . . . so . . . *convinced* that their way is just, and so self-confident of their ability to do good, that you can't break them. And that's the story of Job. Exactly the story of Job.

As his own case illustrates, it's possible to miss a hurdle here and there and still acquit yourself honorably. What you take away, he says, is justifiable pride that when you were in the troughs, “You didn't let any of this stuff get you down and you didn't lose your vision and you didn't lose your hope and you didn't degrade yourself into living *like an animal*.”

If someone suffering a setback (or perhaps anticipating one) were to telephone him tonight, what advice would he give him?

I think the best thing I could say to him is that he should develop or strengthen his will to overcome his difficulty—to have a determination that is strong enough to move walls. And he should couple that with some very creative entrepreneurial kinds of thinking. [For example, the kind of thinking Feuerstein displayed when the mill was going up in flames around him: What *hadn't* yet been burned? What could still be saved?]

Why some people have determination and some don't is a tough, tough question. Why does the American bicyclist [Lance Armstrong] who had cancer—who's told he's through—have a determination over and above the cancer, over and above everything else—to win? Why does he have a determination to go into a race—a three-day marathon

that will test everybody down to their last strength, when he himself has had his strength weakened by the chemotherapy? Yet he was determined to win it, and he did.

Is it possible to strengthen one's determination, we asked. Yes, thinks Feuerstein—through a rigorous reexamination of one's own deepest-held beliefs:

Think out carefully your purpose and your vision, so that you know clearly why the effort is . . . if it's worth this terrible effort and price. You have to be satisfied in your own mind that what you're doing is good and important and worthwhile on this earth. And then you have to couple that with self-confidence. How you develop self-confidence, I don't know. But I can tell you this: At the end of Deuteronomy, Moses gives advice to Joshua, the younger leader who's going to succeed him: "Be strong and be courageous." That's all that's told to Joshua. God doesn't prescribe a certain course of action. He doesn't tell him, "I want you to have this kind of rifle instead of that kind," or "I think you should go north instead of south." God doesn't tell him anything except to be strong and be courageous. And as Joshua took it seriously, he was successful. This guy who's going to call me on the telephone—if he has the ability to be strong and courageous in impossible situations—then he probably will be able to see it through.

Self-confidence, he notes, usually arises naturally, as a by-product of the exercise he recommends: reexamining and revalidating one's beliefs. That exercise can be performed anytime, at any age. Like memorization, it gets easier with practice. Feuerstein thinks his own strength, which he drew on in his time of testing, was large because he started young: "I was prepared from a very early age, because there was a conviction within me that—over and above—I would overcome."

By exercising that muscle proactively, you can help ensure that you—like Feuerstein—are standing upright when crunch time comes.

The crucial moment in Malden Mills' comeback may have been when Feuerstein and the men of Fin2 looked each other in the eye and vowed jointly to overcome all obstacles: "From that moment on, all I was just a cheerleader," he says. Then he adds, on reconsideration:

No, I was more than that. I created the spark, the hope, the will to overcome and salvage a situation that had seemed impossible. I was able to influence others to participate in that dream. Not just by the few words I said that evening. It had to do with a history together of treating human beings as God's creatures—my confidence that they all had a spark in them, and that they could all do it. My confidence that they all had the divine spark.