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Corporations: Teledyne's Takeoff

Teledyne, Inc. of Los Angeles has grown into a \$400 million-a-year technological complex in only seven years by thinking big and moving fast. Founder-Chairman Henry E. Singleton, 50, who keeps a blackboard in his office for rapid-fire chalk talks on the intricacies of his company, obviously believes that those with whom Teledyne deals should move fast too. Earlier this month, Teledyne offered \$40 a share for 7,500,000 outstanding shares of United Insurance Co. of America (assets: \$303 million). United stock was then selling at \$27. Last week, apparently because directors of the Chicago-based life, health and accident company were taking too long to make up their minds, Singleton changed the terms. With United up to \$34, Teledyne made a tender offer directly to the stockholders to buy 2,500,000 shares at \$35 a share.

United's board called the offer inadequate and urged stockholders to turn it down. If they do not, Teledyne, which has made all 40 of its previous acquisitions in electronics-related businesses, will have the toehold it wants in the consumer-service field.

Alumni Club. Teledyne's chairman insists that his company's growth—sales have increased an average 124% a year—has been "strictly along conservative lines." But such things are relative. Singleton spent his boyhood moonily reading about such captains of industry as J. P. Morgan and John D. Rockefeller. After three years at the U.S. Naval Academy, he transferred to M.I.T., where he eventually earned a doctorate in electrical engineering. In 1950, he got a job working on rocket-fire control at Hughes Aircraft—which Singleton now calls "Howard Hughes College" in recognition of the success achieved by many of its ex-employees.

Two other noteworthy Hughes alumni, Charles ("Tex") Thornton and Roy Ash, left in 1953 to found Litton Industries, a pioneering conglomerate that has turned out some prominent graduates of its own.* Singleton joined them, started Litton's inertial-guidance systems, and within six years built the company's electronics-equipment division from scratch into an \$80 million-a-year operation. Says Singleton today: "When I went to Litton, I needed money and experience. I got both there." By 1960, he also had an itch to start his own business. He teamed up with Litton Colleague George Kozmetsky (now dean of the University of Texas Business School) to found Teledyne.

Tiny TV. Singleton's philosophy at Teledyne has been anything but conservative. "A steel company might think that it is competing with other steel companies," he says, "but we are competing with all other companies." Teledyne started with semiconductors and integrated circuits, swiftly expanded through both internal growth and acquisitions into the most sophisticated electronics equipment and systems. Its 25,000 employees are at work on projects ranging from memas (tiny combinations of integrated circuits that

promise TV sets containing only picture tube, control knobs and a mema) to a computerized control and navigation system that would allow automatic operation of helicopters. Active in geophysics and oceanography, the company has also become a leader in high-quality industrial metals.

This year Singleton has reached out to acquire such firms as Pennsylvania-based American Safety Table Co. (industrial sewing equipment), New York's Wah Chang Corp. (rare metals) and Denver's Aqua Tec Corp. (oral-hygiene appliances). That kind of diversification means that Teledyne has thereby reduced its reliance on Government contracts, which now account for only 45% of its business v. 82% in 1964. With profits increasing by an average 190% annually (to probably \$20 million in 1967) Singleton's Teledyne holdings have grown from his original stake of \$225,000 to about \$32 million.

*Including Western Union Chairman Russell McFall, who has put the telegraph utility on an ambitious diversification course, both Chairman Fred Sullivan and President Franc Ricciardi of the fast-growing conglomerate, Walter Kidde & Co., and George Scharffenberger, freewheeling president, of New York-based City Investing Co.

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