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JIM CLAYTON SALUTED -- (BY DIANE BALLARD) (Extension of Remarks - May 28, 1992)

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HON. DON SUNDQUIST

in the House of Representatives

THURSDAY, MAY 28, 1992

- Mr. SUNDQUIST. Mr. Speaker, it is my privilege to salute the achievement of a man who has worked his way from humble circumstances to become America's largest retailer of manufactured homes. Jim Clayton, chairman, CEO and president of Clayton Homes in Knoxville, was honored last year by the Horatio Alger Foundation. The story of his rise from boyhood in Finger, TN to his current position is exactly the sort of American success story one associates with Horatio Alger.
- But Jim Clayton has never forgotten his roots, as evidenced by his decision this year to endow a \$5,000 scholarship at Chester County High School. As a result, a young man by the name of Chad Smith has the opportunity to attend college this fall.
- It seems to me that Jim Clayton's example of hard work, perseverance, and civic mindedness are much to be admired. And I ask that the following profile of him, which appeared in the University of Tennessee alumni magazine, be reprinted in the Congressional Record:

[FROM THE UNIVERSITY OF TENNESSEE ALUMNI MAGAZINE]

(BY DIANE BALLARD)

Famous Amos the cookie man was there, along with flyboy Chuck Yeager, Stan `the Man' Musial, and Joint Chiefs chairman Colin Powell. And so was housing exec Jim Clayton from Knoxville, whose entrepreneurial exploits had won him the Distinguished American award of the Horatio Alger Association.

Soft lights shimmered off natty tuxedos and bejeweled gowns. The Marine Band played as 1,250 people, among them governors, members of Congress, and business tycoons, packed the Wasington, D.C., hotel ballroom anticipating the evening's main event, the presentation of 1991's ten distinguished Americans.

Each honoree, including Clayton, Powell, Musial, and McDonald's exec Fred Turner, flared larger than life on giant video screens, then made short speeches in person.

In his video, Clayton told of his dream, when he was very young and very poor in West Tennessee, of growing up to be on the Grand Ole Opry.

But, he admitted when he rose to speak, this stage was just as nice. Instead of the Opry, he chose education (two UT degrees) and a life running the entrepreneurial rapids. So what if he went under once? The ride has been well worth the dunking.

His name may not be in lights, but it's on the New York Stock Exchange.

Clayton (Knoxville '57, '64) is chairman, CEO, and president of Clayton Homes in Knoxville, the largest retailer of manufactured homes in the nation. `Manufactured' is '90s talk for what used to be mobile homes, and before that even, trailers. But selling is just part of the Clayton enterprise. The company also builds the units, finances them, and provides `communities' in which to locate them. Vertical integration, it's called; Clayton's has a handhold on every rung of the manufactured housing ladder.

Clayton stock was one of the 10 best performers on the NYSE in 1990. Revenues soared to more than \$300 million last year, just as Clayton himself soars through the airways taking care of business.

`If we get a letter threatening any kind of legal action, I jump in a helicopter or on one of our planes and go knocking on the customer's door. That sends the right signals to our people that we all must be responsive.'

If Clayton came knocking on your door, you would see a smallish guy, balding, with a luxuriant gray beard and (could it be any other kind) aviator glasses. He's softspoken, insatiably curious, and not in the least ashamed of his humble beginnings.

`I think we're all proud of what we build and accomplish. You have to look back and see what you started with.'

In Clayton's case, it was precious little. He grew up in Finger, Tennessee, in a cabin that didn't have electricity until he was 10 or plumbing until after he left home. His first stop after leaving Finger was Memphis, where he says he `stumbled' into Memphis State University's pre-engineering program. Then it was on to Knoxville, where he worked his way to an engineering degree.

He only practiced engineering for a few months with the Tennessee Valley Authority.

`I wanted to design small, intricate electronic stuff. They had me designing conduit. It was boring.'

Plus, Clayton was already involved in his first entrepreneurial venture, a used car lot.

`I became more and more involved in the automobile business. I liked selling cars. Like all those sales books say, the biggest high is making a sale. I loved the competitiveness.'

But that maiden voyage into business ended in bankruptcy. Undaunted, Clayton started over and pursued a UT law degree on the side. Shortly after he got the degree, he started his first mobile home lot. Within two years, it was the largest in the world. He never practiced law, but he couldn't have gotten where he is today without his UT experience, he says.

The degrees `opened doors and increased networking ability and self-esteem.' And his fraternity, Sigma Phi Epsilon, gave him friends and connections he still enjoys.

`Being able to network with people in the fraternity, in engineering, and in law has really been beneficial. Being able to call someone in a distant city and talk a little about the Vols, the Hill, Ayres Hall, Sigma Phi Epsilon, and the Smoky Mountain Market has been meaningful so many times throughout my career,' he says. `The University is very dear to me.'

The engineering and law degrees helped in Clayton's day-to-day business, too.

`I've designed a lot of mobile homes. And we pay out a fraction of the legal costs that other firms pay. Until about a month ago, I was in-house counsel.'

He worries that his four children won't have the same desire to succeed that he has.

`Maybe I was lucky. I didn't think so; I would not want to do it again. But my children are so smart, and they've been exposed to so much. Where do they go from there?

`They have good values and a basic kind of lifestyle, though. They're great citizens.'

Clayton Homes is a solid corporate citizen, supporting education, Junior Achievement, United Way, and other agencies.

Clayton says he didn't have much extra cash to give away for a lot of years.

`A business takes more capital than you ever have. I had to put every penny back in the business until 1983, when I took the company public.

`People are amazed that we grew the business on its own capital--didn't bring in any venture capital. When I took it public, I owned 100 percent. I own about one-third now.'

Clayton describes his lifestyle as conservative (he claims to enjoy bargain hunting at a Knoxville wholesale house), except when it comes to airplanes.

Clayton Homes owns four airplanes and a helicopter, and Clayton himself owns a jet. He's an instrument-rated jet pilot and also holds a pilot license for helicopters and gliders.

`Sometimes I'll jump in the jet and fly to New York to do the museums or plays,' he says, but quickly adds that the Clayton Homes fleet is efficiently and economically used.

His inherent curiosity inspires him to always be doing and learning.

`I play tennis. I run. I listen to bluegrass music one day and Chopin the next. I've taken dance classes and wine classes. I skied the Rockies five times last year.' He enjoys learning more about art and music. On a recent trip to Europe, he visited Mozart's home and wanted to be able to stay longer and learn more. He made the largest single gift ever to the arts in Tennessee--\$3.25 million to Knoxville's art museum.

But, when all is said and done, the business is his first love.

`My primary interest always has been work. It's fun. It's a privilege to build a business with good people, to be involved in engineering an environment where you see such incredible growth.

`Entrepreneurship is risky business. My timing hasn't always been good. Things haven't always happened the way I would have planned them. But I don't question God a lot. His way works out best.'

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