

**A BRIEF HISTORY OF KEY APPLIANCE (NEW YORK) AND KEY AMERICA  
BY BOB SHERMAN**

**THE SUMMER OF 1957 LOOKED VERY BLEAK FOR THE FEW REMAINING INDEPENDENT TV APPLIANCE DEALERS IN THE NEW YORK METROPOLITAN AREA. THE ECONOMY WAS LUMBERING ALONG HAVING COME OFF THE KOREAN WAR HIGH AND WITHOUT ANY NOTABLE APPLIANCE INNOVATIONS, DEMAND WAS WEAK. THE MARKET WAS DOMINATED BY POWER RETAILERS DEPARTMENT AND SUPER STORES SUCH AS VIM, DAVEGA, DYNAMIC, SUNSET AND FROST WHO WERE ABLE TO PRE-EMPT THE VAST BULK OF DISTRIBUTOR BUYS, SPECIAL PROMOTIONS, DEMAND MERCHANDISE AND OTHER UNMENTIONABLE BENEFITS. SOUND FAMILIAR? WHAT WERE THE SOLID, OLD TIME RETAILER STANDBYS TO DO?**

**IN THE FALL OF '57, SEVEN BROOKLYN DEALERS WITH A COMBINED SEVERAL HUNDRED YEARS OF RETAILING EXPERIENCE WERE MUTUALLY COMMISERATING AND DISCUSSING OPTIONS (INCLUDING GOING OUT OF BUSINESS) ON A SPECIAL TRAIN RETURNING TO NEW YORK FROM A GE TELEVISION SHOWING IN SYRACUSE, WHEN SURVIVAL PLAN WAS BORN. IF THE SEVEN ( THE AUTHOR IS THE ONLY REMAINING ORIGINAL PARTICIPANT) COULD POOL THEIR INVENTORIES, OPERATING CAPITAL, WAREHOUSING AND MERCHANDISING ABILITIES THEY WOULD BE AS FORMIDABLE AS THE "BIG GUYS" AND BE ABLE TO COMPETE WITH THEM ON A MORE LEVEL MARKET FIELD.**

**THERE WERE MANY PROBLEMS TO OVERCOME INCLUDING WORKING OFF INDIVIDUAL INVENTORIES, CONTRIBUTION OF CAPITAL, WAREHOUSING, MANAGEMENT ORGANIZATION AND FORMULATING FINANCIAL CONTROLS ALONG WITH SECURING THE ACQUIESCENCE OF SUPPLIERS.**

**THE GROUP FORMED AND THE BATTLE BEGAN AS ONE AFTER ANOTHER SUPPLIER, GENERALLY GRUDGINGLY, STARTED TO SELL THIS NEW ENTITY. KEY APPLIANCE, INC. EACH OF THE ORIGINAL SEVEN ASSUMED A MANAGEMENT FUNCTION AND STRICT FINANCIAL CONTROLS WERE INSTITUTED THAT SECURED FOR KEY A UNIQUE NO-BANKRUPTCY STRONG EXISTENCE AMONG SIMILAR BUYING GROUPS THAT PERSISTS TO THE PRESENT DAY.**

**IN THE EARLY SIXTIES A GROUP OF CONNECTICUT DEALERS WERE EXPERIENCING VERY SIMILAR PROBLEMS THAT LED TO THE GENESIS OF KEY NEW YORK AND AFTER A CAREFUL EXAMINATION OF THE MERITS OF**



**SIMILAR GROUPS, DECIDED THAT THE KEY FORMULA WAS FOR THEM. THUS WAS FORMED KEY APPLIANCE DISTRIBUTOR OF SOUTHERN NEW ENGLAND (NOW AMALGAMATED INTO KEY NEW YORK). AN OFFSPRING OF CONNECTICUT BECAME KEY BOSTON DISTRIBUTORS IN THE MIDDLE 60'S.**

**RECOGNIZING THAT THE ABILITY TO PROSPER WAS TO A GREAT EXTENT DEPENDENT ON BUYING POWER, THE THREE KEY CHAPTERS SUBSEQUENTLY FORMED KEY NATIONAL CORP. (NOW KEY AMERICA).**

**CHAPTERS IN PHILADELPHIA, DETROIT, WISCONSIN, CALIFORNIA, OREGON AND THE SOUTHEAST FOLLOWED AS KEY AMERICA GREW TO OVER 900 STORES AND BECAME THE RECOGNIZED LEADER AMONG NATIONAL BUYING GROUPS.**

# ANNUAL REPORT

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