

Rochester, Kodak forever linked in world's eyes

It wasn't supposed to happen this way.

The photographs of laughing babies and honeymooning couples were supposed to go on forever, frozen in time under Kodachrome skies.

Complete Kodak coverage

That's how Eastman Kodak Co. founder George Eastman envisioned it. From his invention of a process that led to the growth of consumer photography more than 130 years ago, Eastman wanted every American to be able to record life as it was at that moment, in halcyon times, under an [azure](#) sky.

Before the future intervened. Before foreboding and dread arrived at the edge of the company town he shaped, indeed sculpted, as few industrialists have ever done in America.

Kodak today is under a dark sky indeed. The company last week filed under Chapter 11 of the U.S. bankruptcy law, seeking court protection as it reorganizes its dire finances.

Its stock has been [trading](#) at historic lows, closing Friday at 31 cents. Creditors large

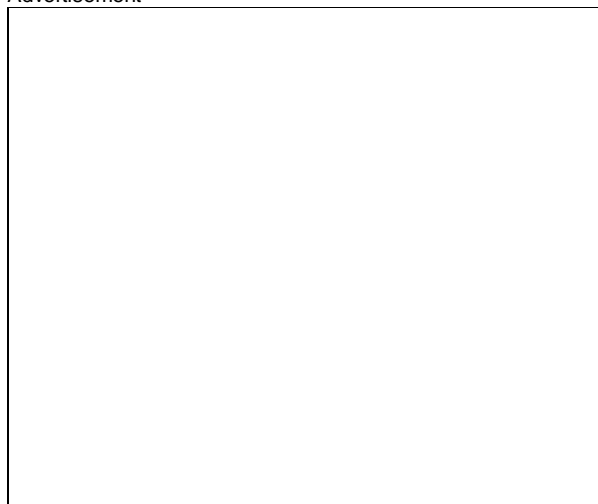
and small are lining up. The company may be carved up and parts of it sold. More employees may lose their jobs.

But Kodak's story is no longer Rochester's story, at least in terms of how the economy performs. Rochester is moving on from the downsizings at Kodak — though, to be sure, some of the new growth is owed to the engineering and managerial talent nurtured at Kodak as well as at Xerox Corp. and Bausch + Lomb Inc., the others in the region's traditional Big Three.

Just last week, the Brookings Institution ranked 200 metro economies around the world based on their 2010-2011 growth rates for employment, income and output of goods and services. Rochester ranked 46th on a list headed by Shanghai, China — but was third-highest among the 57 U.S. metro areas evaluated, trailing only Houston and Dallas and outperforming metros such as New York City, Boston and Washington.

Brookings, a Washington-based public

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policy organization, said Rochester especially stood out because of its growth in output, 3.3 percent compared with the U.S. rate of 1.8 percent, and employment. The region is growing jobs at an annual rate of 2.5 percent compared with the nation's 1.3 percent.

Other company towns whose companies went through decline — steel-making Pittsburgh and auto-producing Detroit, for example — have suffered far more acutely than Rochester has. Displaced workers here founded smaller companies. They stayed and they worked. Local unemployment never went above 10 percent and has fallen to 6.9 percent compared with the nation's 8.5 percent.

Rochester just kept going, though the shadow of Kodak never vanished. Rochester Mayor Thomas Richards said recently that Kodak's gradual denouement, including its ongoing transformation of Eastman **Business** Park into an industrial area populated with growing companies, has eased the economic landing for the community.

Thousands of Kodakers

Kodak is still a force, albeit smaller, in the local business world. Its power to persuade is formidable, as the recommendation by the Monroe Community College board to locate the city campus in a Kodak-owned building indicates.

An estimated 25,000 Kodak retirees live in the region. Thousands more Kodak-reared

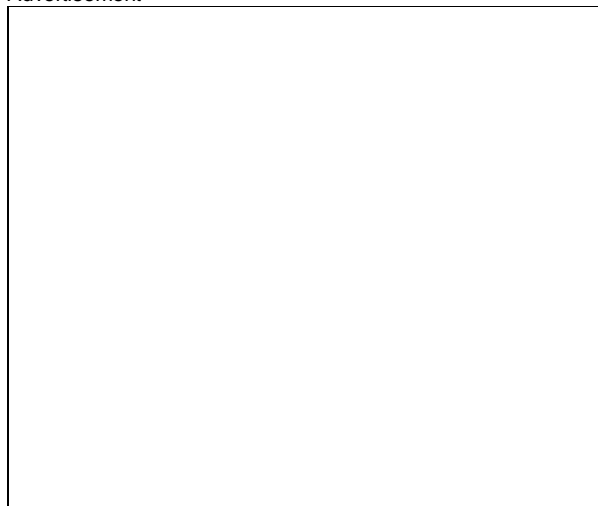
children and grandchildren live and work here.

Many ex-Kodakers who move away are nostalgic about the company town of their memories. They keep in touch through the Web and social media. They order Zweigle's white hots online. They swear by Abbott's frozen custard. And they worry about their company.

Many of Rochester's most cherished institutions have as their source Kodak and George Eastman. The community was in many ways his project in social and cultural engineering. He began a music school, now the Eastman School of Music, to bring culture and taste to young people.

He created, nearly 100 years ago, the Center for Governmental Research to better inform the citizenry on the pressing issues of the day. He formulated a model for community health care — and hammered the competing forces into compliance — that remains an example of how collaboration can mitigate medical

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costs.

Because Rochester in myriad ways bears the imprint of George Eastman, Xerox's Chester Carlson and Joseph Wilson and Bausch + Lomb's John Jacob Bausch and Henry Lomb, what happens to the companies created and nourished by these men has outsized, lasting importance.

Robert Shanebrook of Irondequoit is a Kodak retiree who first worked at the company as a summer employee in the late 1960s. Upon graduating from Rochester Institute of **Technology**, he took his photographic research skills to Kodak. He became a Kodaker at a time when the company strode the photographic industry like a benevolent behemoth.

Yet it wasn't until Shanebrook married that he became embedded in the company town.

"My wife's grandfather worked for Kodak in 1900 and the story around this family is that George himself used to walk around the camera works to see how things were going," Shanebrook said. Shanebrook's in-laws, including his wife, worked for Kodak from that time onward.

Shanebrook, like many retirees, said the common perception of Kodak as a clueless dinosaur, more prevalent now as the company's woes mushroom, is incorrect.

"In the early 1990s, it was clear to many managers that the industry was changing," Shanebrook said. "But the problem was

that the company really didn't know how to respond. We were a company built on chemistry and chemical engineering. What was happening was electronic, and Kodak would have had to remake itself as an electronic company."

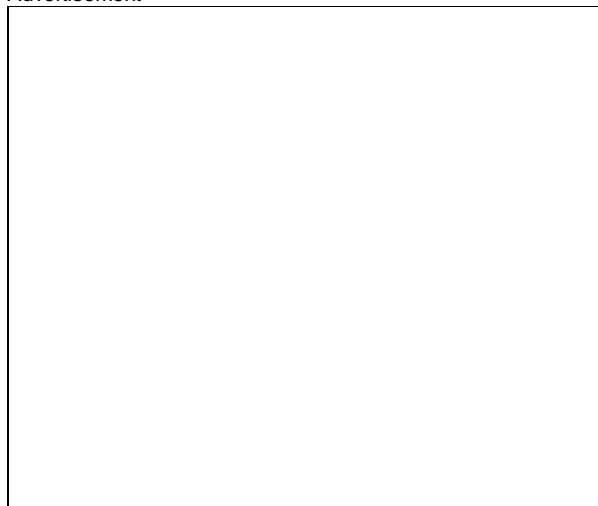
Shanebrook's son strayed from the Kodak fold, but not too far. He's an engineer and works at the former Kodak facility called Elmgrove, in Gates. He worked for a small company swallowed up by a conglomerate. He is as New Economy as Kodak is Old.

'Already over'

Tone Kelly, who retired in 2007 after 34 years at Kodak, said one of his jobs in the early 1990s was to analyze advances in digital photography.

"We knew what was coming," Kelly said. "It had happened with typewriters and scanners and it had happened with audio." But at that time digital photographs tended to be fuzzy.

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"The question was about how fast things would change," Kelly said. "The thought was it wouldn't happen right away but rather in 10 years or so."

There was much discussion at the senior level about how to manage things. The change was better seen than perceived, Kelly said.

"To some extent it was already over, meaning the change in the industry, when we were talking about what to do," he said.

Shanebrook and Kelly have moved on in their working lives. But they are active in the Kodak retiree organization, EKRA, and they write about what they knew, what they saw and what was missed.

It's the story of their lifetimes — and their lives.

Frederick Shippey of Penfield, who worked for Kodak for 22 years and is now a consultant, was an expert in digital photography while at the company. He said that **innovators** who led the company from Eastman's time onward gave way in the 1980s and 1990s to business wonks.

"You can trace the problems to when the MBAs kind of took control of the company," Shippey said. There were plenty of people, he said, who saw the change coming and alerted the company. But it would have taken an **innovator**, not necessarily an MBA, to make the moves that were needed in a timely way.

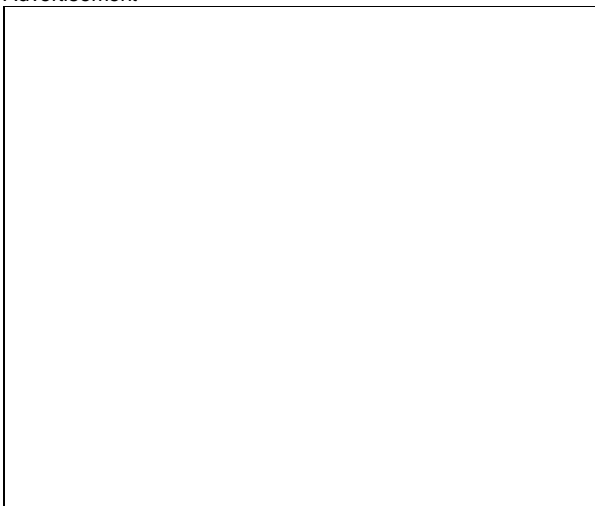
Shippey has written a lot on photography, and on what happened with his former company. He's not sanguine about what he considers to be a long series of managerial errors.

But some of what he feels now is the psychic pain of a man who escaped a crash he could not avoid watching.

"It's just sad," he said about the Chapter 11 filing. "I feel especially bad for the early retirees in the 1980s who got health care and the rest and will surely lose much of that. And I feel, too, for the younger retirees who are a long way from 65 and Social Security and Medicare."

Like many ex-Kodakers, Shippey carries the company in his thoughts. When Buildings 65 and 69 at what was then still Kodak Park were blown apart in October 2007, deliberately destroyed by the company, Shippey and many others who once worked in the buildings went down to watch.

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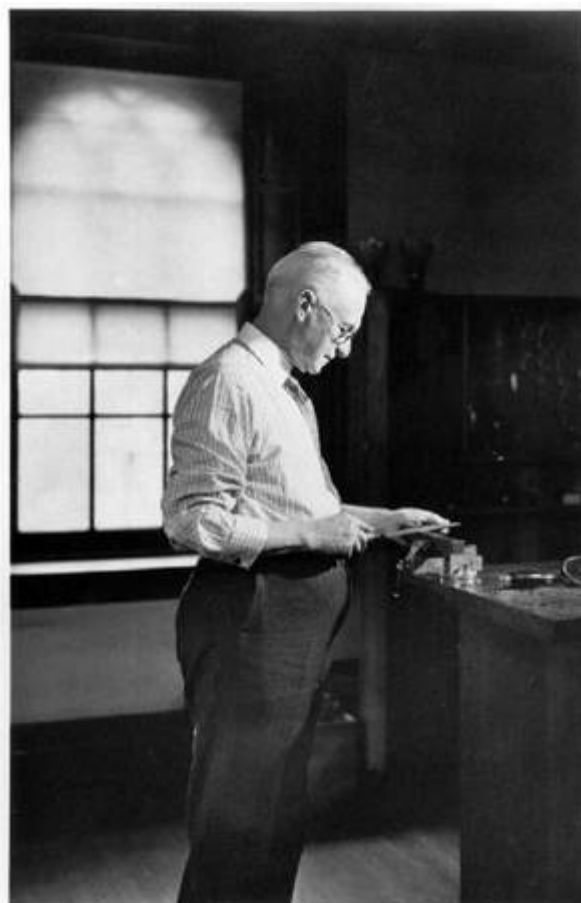
They stood at a distance and took video and photographs. They recorded Kodak's fall with the devices Kodak made famous.

Shippey did more. He went back every month to where Building 69 had stood, at the corner at Dewey Avenue and Ridge Road, to document changes at the site.

Each image he took during that time was two kinds of Kodak moments — a frozen moment and a slice of an unfolding future.

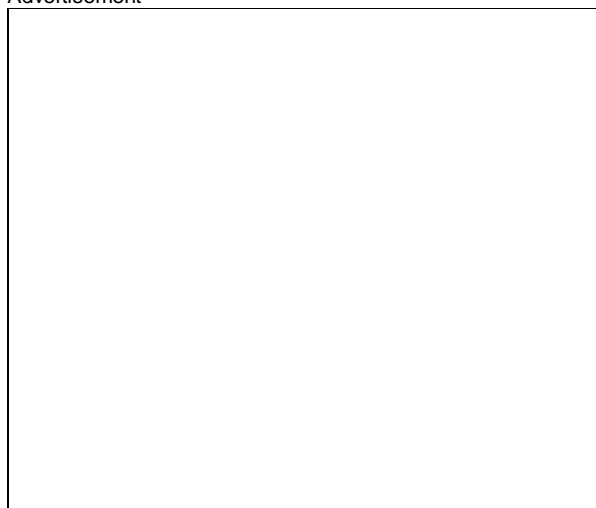
For Rochesterians, Kodak is like that today, flowing uncertainly into the future but frozen in memory, too, a snapshot of smiles and innocence.

TTOBIN@DemocratandChronicle.com



Eastman Kodak Co. founder George Eastman works in his workshop, circa 1920. / George Eastman

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