



Four-way sprinkler does its thing for restless pair at Thompson. Company started them on leisure road.



## MANAGEMENT

# Making money on leisure time

California group's two young founders have taken over eight sleepy sports and lawn equipment companies in four years.

The result: sales of \$17.7-million, profits of \$962,000

If Merle Banta, 36, and Stephen Hinchliffe, 35, find their B-school degrees and management consultant backgrounds provoking a If-You're-So-Smart-Why-Aren't-You-Rich reaction, they have a ready-made answer. Both men are self-made millionaires.

Four years ago they weren't. But in 1964, while working in the Los Angeles office of McKinsey & Co., management consultants, the two concluded—as Hinchliffe puts it—that “if it's so easy to tell others how to make money, why not make

it ourselves?” Using their contacts, they started applying the modern business school dictum that it is far better to acquire an existing business than to start one from scratch.

Today, they head The Leisure Group, Inc., a shrewdly chosen name for an agglomeration of eight once-decrepit garden and sports equipment concerns. They have converted the happenstance of their bargain-hunting campaign into a full-blown concept of a leisure time-recreation company, adopted a new name, and injected young management and

bright marketing ideas into their moribund acquisitions.

So far, they have compiled a good track record in a race to find and turn around old-line companies saddled with indifferent management and somnolent brand-name products. With 1968 sales at \$17.7-million, profits were \$962,000, up from \$536,000 in 1967 on sales of \$9.6-million. Now Leisure aims to grow big in an industry littered with small, struggling companies trying to build a better mouse trap or capitalize on a fad.