

LILLIE WAS WEALTHY enough to take a break. He bought a house in Stratton, Vt., attended Mommy & Me classes with his daughter, and thought about doing "all the things I had said I wanted to do if I had the time." After a year of home life -- and too many *Jerry Springer* episodes -- he got a call from Arnold Ursaner, an analyst with CJS Securities, about a company that Ursaner was just beginning to cover with a pressing need for a chief operating officer.

Lillie was intrigued by the idea of working for a company interested in growth, not a quick turnaround or cost-cutting. But he wanted to make sure he liked working with the two founders, who by then had worked together for nearly two decades and finished each others' sentences.

So he worked at Jarden without pay for two months, attending strategy sessions and meeting with customers until he was sure it was right. "I was a big-company guy," he explains. "They were small-company guys."

Yet, Lillie found himself invigorated, and says that working with the founders ultimately changed him. He had worked in private equity under "battlefield conditions," where seconds mattered more than a long-term focus. "The joke was that I was as subtle as a slap in the face," he says.

Not anymore. "It's time to be thoughtful," he says. "It's fire prevention, not putting out fires."

Jarden's first major deal under Lillie was the \$745 million purchase of American Household, which brought in Mr. Coffee and the Sunbeam and Coleman brands. This gave Jarden a global base. The same year, the company added Holmes, another big appliance maker that could complete a portfolio of appliances.



To support a steady stream of acquisitions, Lillie built information-technology systems and business-management processes that could scale up rapidly, bringing discipline and internal controls that the company had lacked. He also boosted spending on marketing and new-product development to 5.7% last year from 4.5% in 2008, and began rolling out line extensions. About a third of sales now come from products introduced in the past three years, including colored mason jars, miniature First Alert smoke detectors, Billy Boy extra-thin condoms, and NUK advanced orthodontic bottles.

Since 2010 (the first year the company disclosed organic sales), Lillie and his team have delivered organic sales in excess of 4% a year while steadily improving profit margins. They also boosted international sales to nearly 40% from almost nothing in 2004.

BORN IN CAMDEN, N.J., Lillie lived in Pittsburgh; Madison, Wis.; Nashville; and Spain as a result of his father's job as an Oscar Mayer executive. "I was a transient corporate child," he says.

When his father became head of the lunch-meat company's European operations, the family moved to Valencia, Spain, and enrolled Lillie, then a teen, in an all-boys school, even though he spoke no Spanish. "This was their view on immersion," he says wryly.

As a result, however, he learned Spanish and became resilient and independent. In his junior year, his parents announced they were moving to Chicago. "I was done with that," says Lillie.

Now fluent in Spanish, he moved into a teacher's house and stayed in Spain alone to finish high school.

After graduation, Lillie came back to the U.S. more self-assured. "He liked connecting with strangers," says Kelly McGuire, a grade-school friend from Wisconsin who recounts how Lillie seemed to revel in making fast friends of those he ran across.

After graduating from the University of Wisconsin in 1983 with a degree in communications and labor relations, Lillie took jobs in the human-resources departments of auto-industry supplier Sun Electric, and later, a concrete-engineering firm. He always asked for more responsibility. "By design, I worked for upwardly mobile managers," he says. At the Connecticut-based printing company World Color, a holding of KKR, he was given profit-and-loss responsibility. "Naively, I really wanted to be a CEO," says Lillie.

JARDEN'S MANAGEMENT IS as unique as its assemblage of brands. While Lillie is chief executive and the day-to-day manager of its businesses, the company's two founders, Franklin and Ashken, retain active roles. As executive chairman, Franklin, 49, says he is in charge of ideas, "I am the creative one," he says.

He claims Jarden's macro view as his turf, as well as scouting out new acquisitions. Lillie is fine with this: "Martin kisses a lot of frogs," he says, "I gotta run the business."

Ashken, 54, currently serves as vice chairman and president, a title appropriate for a globe-trotting corporate ambassador. "I wanted to spend more time out of the office and explain to the new kids what Jarden means," Ashken says.

With executives who have identical goals and similarly dedicated work habits, conflicts have been minimal. "You know what the other person will think and build it into your thinking up front," says Ashken.

Part of that thinking has been about building shareholder value. Since Lillie became CEO, the stock has advanced 170%, compared with the broad market's 50%. Shares are up an astonishing 500%-plus since he joined the company. This year, Jarden has been relatively flat, with the stock price restrained by a lackluster consumer market and a first-quarter issue with Wal-Mart Stores (WMT), which accounts for nearly 20% of sales. The issue, involving the restocking of certain key goods, has since been resolved. Jarden traded on Friday at \$60.67.

Jarden is expected to earn \$502 million, or \$3.96 a share this year, with earnings rising 13%, to \$4.47, in 2015, according to Nik Modi of RBC

Capital Markets. The shares trade at a relatively inexpensive 14 times 2015 earnings. Other consumer-products conglomerates such as Clorox (CLX), Church & Dwight (CHD), and Newell Rubbermaid (NWL) trade closer to 18 times earnings. Jarden is targeting earnings per share of \$6 by 2018.

In the near term, Lillie projects that Jarden could attain \$10 billion in annual sales from both organic growth and acquisitions. He has established 10 growth initiatives to get him there. Aiding the effort is the Ball jar business, whose sales are compounding at 10% a year.

Yankee Candle, purchased last year from Madison Dearborn Partners for \$1.75 billion, is another growth-oriented brand. The company has grown by 7% a year for a decade, with almost no investment from its previous private-equity owners. Lillie sees a huge untapped market in Europe for Yankee's lower-priced candles, as well as an opportunity to ramp up sales of innovative products such as wickless Scenterpiece home-fragrance candles and, yes, bacon-scented Man Candles.

THE STRATEGY BEHIND Jarden's crazy-quilt of household names? Having a diversified portfolio of brands flattens out seasonality in terms of weather and economic doldrums. A shorter snow season that dampens ski sales means a longer fishing season to boost rod revenue. Bringing brands together also ramps up the company's purchasing power in resources such as glass and petrochemicals.

Lillie has been pushing his troops to cross-sell, or promote sister brands. This is one reason he assembles his brand managers for an annual barbecue in the backyard of his sprawling home in Wilton, Conn. He has set up 30 collaboration and advice councils among the 120 brands to push decision-making down the organization, share market intelligence, and discover synergies. Among them, Jarden's Java fire logs can use scrap wax from candle-making and sawdust from the manufacture of baseball bats.

While Lillie has his hands full pushing every lever for growth and efficiency, one thing he doesn't worry about is corporate politics. Franklin, Ashken, and Lillie get along famously. They run marathons together and seem equally motivated to run to work. "Jim doesn't have to watch his back," says Franklin. "We've got his back."

E-mail: editors@barrons.com

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