

Sam Eichenfield: Rest in Peace

by Charles Wendel

When I told my son, Sam, that the man he had been named after had died, he asked, “Was he a teacher?” I realized then that I needed to try to describe who Sam Eichenfield was and why he was important to so many others and me.

Sam was Chairman and CEO of Finova, a NYSE company that specialized in commercial finance, including businesses as diverse as factoring, commercial real estate financing, and inventory financing, among others. Sam played a key role in taking his company public and turning a sleepy term lender in the Phoenix desert into a Wall Street favorite. I met Sam when what became Finova was a division of Greyhound Corporation.

In one of our first meetings I remember him focusing on a mediocre business that he had inherited. He did an analysis of the projections developed by that unit’s head over the past three years. He compared the projections with the actual performance for those three years and, guess what, each year the projections far exceeded the actuals. This was not a good thing for the businesses’ head who eventually departed.

Sam was highly quantitative, knew the numbers of his businesses, and insisted that his managers did the same. He was by far the toughest and best client I have ever had. He read everything we gave him very carefully and, if we got sloppy, it did not get by him. He pointed out typos, internal inconsistencies, and logic flaws and did so with bluntness. He made me a much better consultant and thinker.

He suffered fools badly and that included me when I was the fool. There was one time (and only one time) when I let the quality of FIC’s work slip, largely because we were very busy, and I was juggling too many balls. I had hired a supposedly experienced consultant and relied on him to produce a deliverable that he presented to a company meeting. Disaster. For good reason Sam eviscerated us. It went so badly that after the meeting the head of HR said that he felt like giving me a hug to console me. But, afterwards Sam also said to me that FIC had created a great deal of goodwill due to our past work and that he continued to trust me. You can imagine how careful I was never to go down that dark path again.

Since his death, I have spoken with several former Finova execs who commented along the same lines: “My career was going nowhere... He gave me the chance to prove myself and to take on more responsibility... He changed my life for the better.” As for me, when I decided to start FIC, I told Sam who immediately said, “We’ll be your first client.” And he was. He also gave me assignments that took FIC and me into new directions such as finding acquisition targets and due diligence, now important parts of our company.

Sam was a complex man and so is the story of the company he created. Finova went belly up not long after Sam left the company in 2000. Outsiders chronicling why the company failed have written mostly incomplete and inaccurate reports. Among the factors: an emphasis on asset growth despite a volatile risk environment, too much power

concentrated in the CEO, and a mediocre and reactive Board. Despite this failure, years later, even some of the employees who suffered from the company's eventual bankruptcy remember Finova as a very special place to work with many citing it as the high point of their careers. Yes, it flamed out, but when things were good, they were very good. Maybe that is a better way to operate rather than letting fear constrain actions, as seems to be the case with so many banks today. And, not by chance, many Finova execs went on to excel with name brand companies while others became entrepreneurs. Said one exec: "His legacy for those that worked with him will live on. He challenged all of us to do more and do it better and in an atmosphere that was not divided."

I kept in touch with Sam irregularly after Finova. A few years ago I met with him and Rosemary, his wife of many decades, and began to tell him how important he had been to me and how he had changed my life. His degree of discomfort at my lauding him was quickly apparent as he began to squirm and basically told me to knock it off.

So to my Sam I would say "yes" Sam Eichenfield was probably the best teacher I ever had, and every client I have had since Sam has benefited from my having known him. I regret you never having met him. I hope he realized that in my naming my first son after him, I was hoping to honor him. As one former Finova exec commented, "So many times we make people out in death greater than they were in life - but in Sam's case, he deserves all the accolades."

Rest in Peace, Sam.