

Birds and Bees: How Businesses Are Really Born

Business is blooming—Oregon’s outdoor retail industry leads the world.

By Naomi Inman

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It was the gloomiest March, economically, in two decades in Oregon, and in the Portland area especially.

Oregon led the nation in unemployment, and was last in the nation in job creation. Portland lost Willamette Industries, its only fortune 500 company...and Delta Airlines International Service...and would soon lose Meier and Frank corporate headquarters, and finally Consolidated Freightways.

Against this gloomy cloud overshadowing the usual gloomy weather, came a very successful venture capitalist, Ralph Shaw, to deliver a speech to the Commercial Association of Realtors. His March ‘02 speech was aptly subtitled, “Does anyone here know how to play this game?”

The denouncement of Portland and Oregon’s economic situation had all the subtlety of a furnace blast. Shaw excoriated Portland for its past economic smugness, for its fanciful dreaming of our “quality of life” advantages, for its lack of infrastructure, its educational system, its lack of corporate headquarters and management drain, for its failure to prepare for the high-tech recession, its romantic thinking that bio-tech will save the day...for its lack of corporate clusters.

And after each denouncement on Portland’s non-competitive, international economic positions, Shaw fired this refrain: “Does anyone here know how to play this game?” The game of international competition.

Well, Mr. Shaw, somebody here does know how to play this game—to develop the critical mass of an economic cluster. There’s one industry where Oregon leads the world; where growth, despite March 2000 and 9/11, is going gangbusters and steadily growing by 15 to 25 percent. There is one industry leading the world and making Oregon, and Oregonians, lead richer and fuller lives.

Biotechnology it is not.

Body technology it is.

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It’s as old as the caveman experimenting with the “fabrics” of his surroundings to make a better boat, a spear, a hunting knife, a coat. In Oregon, it’s as old as the turn of the 20th century when flagship companies like Jantzen and Pendleton put Oregon on the map with flourishing worldwide markets. Then came the flashing White Stag...and finally, the Swoosh, the Trefoil, Ma Boyle.

Fashion statements, all of them, with Hollywood stars like Ginger Rogers modeling Jantzen's red diving lady, or the Beach Boys sporting the fashionable surfing shirt and dubbing themselves "The Pendletones."

And who will forget swoosh-laden Tiger Woods?

It's as new as SportHill's super high-tech 3SP fabric and Columbia Sportswear's ad campaigns, and Salomon's outside the box adventure shoe, the XA-Pro. In a label-conscious enterprise it's officially known as the Outdoor Retail Industry. And Oregon leads the world.

In an \$18 billion U.S. industry, corporations based out of Oregon account for not less than \$13 billion of it—over two-thirds. And that number only accounts for the big three—Nike alone is a \$10 billion corporation, Adidas America-Salomon North America nearly \$2 billion, Columbia Sportswear, nearly \$1 billion. This number doesn't include undisclosed figures from all the private companies who won't share their secrets of success just yet.

These industry world-leaders in our hometown are pollinating a growing field of blooming businesses—small, medium and sprouting players in the outdoor retail market. It's the old story of success breeds success, and it's new stories of how business in Oregon is blooming, unfolding in ever-widening clusters.

Yes, some people do know how to play the game.

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JUST DOING IT

Jason Menninger is Executive Editor and President of Hooked On The Outdoors Magazine in Atlanta, Georgia. He's on the outside looking in at Oregon's epicenter of business activity in what is known as human-powered outdoor recreation. "On the surface," Menninger notes casually, "it's obvious that Oregon is a Mecca for outdoor recreation. The state itself has so much to offer in terms of recreational opportunities."

But Oregon, he notes, didn't become a multi-billion dollar sporting goods epicenter with collections of tiny fractures in the market's crust. This is a major fault-line here. "We think of this industry as being a niche market, but it is actually a mass market. In America alone, 189 million people participate in these non-motorized activities and one-third of those, 50-60 million, are enthusiasts."

Rain or shine. Good times and bad times. These people are doing it.

The roots of Portland's major players in the outdoor retail industry read like a motivational seminar. From the Boyle family fleeing Nazi Germany and building a family business, to a homegrown University of Oregon runner and an Olympic track coach getting together to make a better running shoe, to executives from Nike spinning off in 1993 to eventually reposition the Adidas brand and form Adidas America; and, most recently, Adidas acquiring French-born Salomon North America, which relocated to Portland in 1997 to form Adidas-Salomon in Portland.

"The collective horsepower of these three companies really is amazing," says Salomon's Bryan Johnston, VP of Brand Marketing. With the talent and energy the big three draw to

Oregon, they are not only manufacturing durable goods, they are spinning-off good people, with good ideas. And they are attracting good people with good ideas.

In the equation of what attracts dozens of outdoor retail industries to Oregon, Johnston has identified key variables. He says, "It's human capital. When we're trying to find the right people, it really is a huge benefit to be in a marketplace that has the lifestyle, physical amenities, and city infrastructure of Portland."

Why does the industry continue to grow when the economy is down? Menninger points in particular at Oregon's success. "In the huge survey by the USDA revealing 189 million participants, the biggest constraint on people's activity level is not money; it is time. That goes back to why Oregon has become a hub. You have so much to offer in skiing, paddling, fishing, windsurfing, kite-boarding snowboarding, and on it goes. You can pretty much do all of these things in a pretty small radius and thus you answer one of the biggest constraints on the outdoor enthusiasts. It is the time factor."

But Oregon adds a multiplier affect. Take the Columbia River for example where there's more than participant accessibility in play.

"Look at the Columbia River," says Menninger, noting it's recreational value for water sports, hiking and more.

"Look at the Columbia River," says Adidas America's Sally Murdoch, Public Relations Manager. "Besides the living conditions and accessibility to the outdoors, other factors like the airlines and direct shipping lines to the Far East make it a central hub for access to the global ring."

"Look at the Columbia River," says Bob Hrdlicka, a 20-plus year veteran with the Port of Portland. On an exquisite September morning he tours BrainstormNW around the six marine terminals operated by the Port of Portland.

"I can't speak to some reasons why these industries chose to locate here. There's a little bit of an Oregon mystique I suppose," says Hrdlicka with utmost confidence, "but I can speak to the location here in terms of distribution options and the transportation infrastructure. Portland has two interstate freeways, two trans-carrier railroad lines, Burlington Northern Santa Fe and Union Pacific. Portland offers tremendous airfreight service and good distribution for air cargo. And our seaport facilitates the importation of merchandise overseas."

Standing in Terminal 6, we watch the container ship Han Jin Shang-Hai pumping blood into Oregon businesses in the form of containers.

Terminal 6 is familiar territory to the big three. "The container liner business imports for the three major sporting goods players amounts to at least 15 percent of total imports," notes Hrdlicka. "In addition, Terminal 6, on the Willamette River, serves most of the manufactured goods producers that come from our region."

The transportation and distribution of the product is an important cost component in the manufacturing of goods. Getting goods to where they're needed, when they're needed, is paramount to these companies. It's one reason for success. Hard work is another one.

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THEY KNOW HOW TO PLAY THE GAME

Hard work defines the bust-your-butt world of Gert Boyle, the Mother of all mother-approved sportswear, who at age 75 is still manning the exhibit at the huge 2002 Outdoor Retailers' Summer Market in Salt Lake City. Oregon's presence is noticeably prominent as nearly 900 exhibitors fill the Salt Palace Convention Center and nearby Little Dell Lake for four days to show and show-off their newest products to 5,500 buyers and some media professionals.

It is the best outdoor exposition in the world for industry professionals, featuring gear for every type of human-powered (non-motorized) recreation including paddling, mountaineering, camping, climbing, hiking, adventure travel, bouldering, skiing, snowboarding, windsurfing and running.

U.S. outdoor retail sales in 2000 were \$17.8 billion with an estimated total economic impact of over \$40 billion, according to the Outdoor Industry Association (OIA). Remember, Oregon's presence is almost two-thirds of the equation.

At the Outdoor Retailers Market this August in Salt Lake City dozens of innovative and enterprising people mix their love of the outdoors with some business sense and a go-for-broke work ethic to introduce new products to the market and to carve out a profitable business niche.

At the Market are over three-dozen Oregon-based businesses that manufacture clothing, shoes, sports and fitness electronics, knives and pocket tools, paddles, board-related products, and rock-climbing walls and equipment. They all hang together on this tree called Oregon. They all share a love of the outdoors. You might call it cluster capitalism.

"Everybody wants clusters these days," writes Russell Gold in the Wall Street Journal in June 2001. "The problem is how to get them."

In his speech, Shaw quoted a study sponsored by the Council on Competitiveness and led by the highly respected Harvard professor, Michael Porter. The report on "Clusters of Innovations" reported, "In healthy regions, competitiveness and innovation are concentrated in clusters, or interrelated industries in which the region specializes... A region's ability to produce high-value products and services that support high-wage jobs depends on the creation and strengthening of these regional hubs of competitiveness and innovation."

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In 2001, Outside Magazine voted Portland, Oregon one of the "10 Greatest Places to Live." According to Senior Editor, Stephanie Pearson, "The reason that we love Oregon is that Oregon has got everything: deserts, mountains, coasts, rivers. And you can ski, kayak, windsurf, climb—you can do it all! That's why we love Oregon."

So despite concerns about Portland's negative business environment, it seems that some good news is in order. Oregon's outdoor retail industry already embodies much of what Ralph Shaw hopes and dreams for Oregon's business community. "It is the competitive spirit," he says, "that comes with jousting against the best managements in the world that

brightens one's imagination and trains one to take positive actions." Those positive actions often result in the birth of a new business.

Meet two high-performance athletic wear companies who have jostled with Nike's model in their own way to market innovative products and carve out a profitable niche.

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InSport International's company motto is "following no one." But in Portland in the 1970's, everyone was following the running trail. It led to the phenomenal growth of Nike, and eventually the birth of InSport.

Linda Reese, InSport Marketing Director, points back to 1977 as the year that "two entrepreneurs in a small Portland suburb began making nylon running shorts out of their garages." Nike and Adidas bought up all the product they could make and marketed the merchandise under their own labels.

It didn't take long for these entrepreneurs to take the label from private to public and Sportco was born, which then acquired Boulder-based International Sports, which then merged to become Portland's InSport. Jesuit High graduate Eric Merk, Jr. owns the company today.

Decidedly "following no one" led InSport to avoid direct competition with Nike by following the path they knew best. InSport has become a \$17 million company and a category leader in highly technical, high-performance fitness, cycling and triathlon apparel. The InSport brand has become "a symbol for serious athletes."

In one big way, being smaller does have its advantages. Size has a lot to do with the ability to keep production local. "One big point of difference with other apparel companies in this town," says Reese, "which we are able to do well, is our commitment to keeping jobs local." Looking out her Beaverton window she says, "Over 95 percent of InSports apparel is produced within 40 miles of our headquarters."

About 100 miles south on I-5 is the University of Oregon's running track, the starting block for more than one athletic apparel entrepreneur.

While Phil Knight (with Bill Bowerman) launched his running shoe business in the 60's and 70's, another runner's entrepreneurial spirit found a home in the 80's when University of Oregon distance runner and world-class PAC-10 champion Jim Hill launched "The Original Pant." As a high-school junior in 1979, Hill discovered this performance level product while racing in the World Cross-Country Championships in Europe. It was his favorite running pant, one he discovered at a shop in England, and with the concept he started SportHill of Eugene after graduating in the Business program.

"I started importing it in college as a business experiment to see if this could sell in the U.S.," says Hill—so obviously the business student. "I then altered the fit in the American market using a better fabric and started selling them anywhere I could—out of my trunk, knocking on doors in San Francisco, making cold calls to retailers. I started getting a 25 percent response on the spot to buy the product. I took the other 75 percent back to the office and kept working them over the phone."

Today, SportHill's home office with 20 employees markets running fitness apparel to over 1,000 retailers and athletic teams in 50 states and 13 countries. Like InSport, SportHill boasts "Made in the USA" production values with manufacturing in Eugene, Vancouver and Los Angeles. And SportHill has recorded 30 percent growth over the last three years, according to Marketing Manager Liz Wilson, an employee with Hill since graduating from Oregon in '91.

Thirty-percent growth even with an economic downturn and unemployment? "These are the activities people will continue to do when their stress levels go up!" answers Wilson.

WHEN IN NEED OF A JOB, MAKE YOUR OWN

In Smith Rock, Oregon in the 70's and 80's, climbers began to congregate, invent new equipment and grow a new industry. They weren't jousting against world managements; they were starting them. Bend, Oregon, along with Boulder, Colo. and Salt Lake City, Utah, today represents one of three major hubs of industry for climbing related sports, now a multi-million dollar industry with over 12 million participants nationwide.

"I started making a few pieces of my own gear and really just needed a job," jokes the soft-spoken Doug Phillips of Metolius Climbing in Bend, the hub for indoor and outdoor rock climbing. He fiddles with a camming device—his brainchild of almost 20 years. "I started selling stuff at Smith Rock. It was always profitable from the start and I just followed the market. What's built our business is new and innovative product. Our first big success was a camming device on a flexible stem."

Phillips climbs inside his newest innovation, the Bomb Shelter Porta-ledge Tent, and gives it a swing. It is literally made for sleeping on the side of a sheer face wall like Yosemite's El Capitan. Warning: that first step in the morning is a doozy.

Phillips has been rock climbing for 30 years and has achieved annual sales of over \$6 million since hanging his shingle in 1983. With a personal introduction and photos of him using his own innovations, his full-line climbing catalog speaks volumes about his passion for the sport and his penchant for hard work. Like many others in cluster capitalism, he started with an even bigger player in the climbing industry before launching out on his own.

Phillips gives credit to his former association with Entre Prises (pronounced Antra-pree) for being an industry leader in the manufacturing of indoor and outdoor climbing walls.

Towering in the middle of the huge Salt Palace Convention Center are three massive climbing walls, and one towering hulk of a guy named Eric Meade, the CEO and President of Entre Prises USA, a worldwide business with divisions in France, Germany and the UK.

Started by a French climber and industrial engineer, Francoise Savigny, who came to Smith Rock over 20 years ago, Entre Prises now boasts five successive years of 25 percent growth and \$20 million in annual sales. Since 1999, Entre Prises is wholly owned by Meade and two other partners in Bend, where all of the manufacturing takes place.

"I was a climber for 24 years and an architect, so I brought my two passions together and bought the company," says the muscle-bound Meade. He grabs a pick and begins

climbing the dry-ice wall. “Our growth is through diversity of markets and new innovations.” Meade jumps down and continues.

“What was started by climbers has diversified into a more mainstream market these last 10 years,” he explains, noting that indoor climbing started taking hold in climbing gyms in the 80’s but took off in the early to mid-90’s to include clubs, Y’s, military training, universities, schools and interactive displays at R.E.I. stores.

Entre Prises started its own towering growth by installing climbing walls in many REI stores and just recently completed the University of Idaho project. In addition, they have the distinction of providing walls for all of ESPN’s X-Games since 1995.

ELEMENTS AT PLAY

Competitiveness. Innovation. Interrelated industries. Import/export distribution advantage. All elements of the cluster capitalism at play in Oregon’s outdoor retail industry...but there’s even more.

Bob Applegate, Media Relations with the Port of Portland, looks out over the Willamette River and sums it up: “Geography is Destiny.”

It has certainly defined the destiny of Portland and its neighboring hotbed of outdoor activity, Hood River. For windsurfing, Hood River is the world headquarters, not just of enthusiasts but also of a growing business and manufacturing base for board and paddle-related products.

Chico Bukovansky, of Dakine boarding and windsurfing products, relocated his business to Hood River from Maui. “It was impossible to run a business in Maui and deal with shipping and warehousing, so we got the idea to move to Hood River,” he says.

In his shaggy hair and casual hipness he looks the consummate surfer dude. But he knows how to run a smart business and have fun doing it. “We can be on the mountain in the morning and back in the R & D office in the afternoon,” says Bukovansky. “There’s not many places you can do that and have a big city close by with a port—an inbound port from Asia and everything. Seattle and Portland are the best sources for that. California’s not the place.”

Both Dakine and neighboring North Shore Inc. operate and manufacture windsurfing, kiteboarding, and board-related products out of Hood River with a huge distribution advantage (the Port) just downstream on the Columbia. It’s a geography with a very hip destiny for Hood River.

On a sunny day in September Greg Zullo fields a call from Santiago, Chile for some mountaineering equipment. He and his partner, Joe Garland, ran an import-export warehousing business called “Climb Axe” in Bellingham, Washington. After struggling with importing and shipping issues they began to look for a better location to do business.

They looked at Boulder, Boise, Reno, and Laramie, all good locations for climbing-related purposes, but the major airport in Portland drew them here. “I love Portland. It has worked out great for our business. I wouldn’t go anywhere else,” said Zullo at the Outdoor Retail Market in Salt Lake.

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SAME GAME; DIFFERENT NICHEs

Growing a market for new products seems to be a sixth sense with many of Oregon's up and coming outdoor industry entrepreneurs. Growing Oregon's world—her sphere of influence, connection, and international dialogue, is often the extraordinary benefit. When these people get busy, they broaden many horizons, many lives.

Emily Kaplan's world is growing. She interacts daily with world-class executives and industry professionals who traverse Portland from markets around the globe. Kaplan is the PR voice of Columbia. Ma Boyle, of course, is the PR face. To meet Emily you have to get past Gert Boyle. Boyle's working the Columbia Exhibit at the outdoor retail market and offers bottled water to passers-by. Actually, the label reads: "Thunderstorm in a bottle: Created by mother earth. Bottled by mother Boyle."

Kaplan is clear about how Columbia Sportswear has grown their market, almost exponentially to \$789.6 million. It is diversity of markets, service and value. "Columbia is known as value," says Kaplan. "From Fred Meyer to G.I. Joe's to JC Penney to REI. The large percentage of our volume is value products. The communication and relationship we have with our customers really differentiates our business. Our biggest strategy is to listen to customers feedback and offer exactly what they want."

She boasts of very regular business unit meetings with their retailers and their sourcing industries. They listen. They learn. They change. And they grow.

Chris Johnson migrated from eight years at Nike to market sports and fitness electronics for Oregon Scientific. "We're known for innovation, quality, and value built into the price...and we are so diverse that no one market is going to make us or break us," says Johnson.

Besides marketing to mega-retailers, a recurrent strategy is to grow a business through specialty retailers. Surprisingly, it is the smaller specialty retail stores that have grown the most in '01-'02 according to the OIA. While sales increased by 2.9 percent, sales through chains fell 2.8 percent.

And Nike is paying attention.

According to Nate Tobeckson, with Nike's ACG Outdoors division, "Nike has returned to a specialty bent in product with the Oregon Series, a line only offered to specialty shops so they don't have to compete with big stores." They've differentiated the product with longer two-year lifecycles, at once availability, and bite-size orders. "Nike has grown the specialty business 25 percent in the last year," says Tobeckson.

Joe Rooper is a big kid, pulling all his toys off the shelf with great enthusiasm and selling his posable magnetic sculptures and snap-watches like drinks at a Kool Ade stand. Retailers come by his exhibit and snap up his product for last-minute point-of-sale purchases. Rooper is VP of Sales and Marketing for Hog Wild. His fun-friendly business card notes that Global Hog-Quarters are in Porkland, Oregon. They come out with eight to 12 new products every six months and he has invested long, not-so-fun days and weeks into finding manufacturers, markets and buyers for his innovations. "We grow our business in independent stores, no discount retailers," says Joe Rooper of Hog Wild. "It's

easier to grow through diversified customers because if a big retailer goes out of business—poof!”

With a touch of a button, Gregory Liebrich of Portland’s ShedRain Corporation, closes a golf size umbrella into a 7 ¼ inch packable stem. Totally cool. You’ll want one of these.

ShedRain is a third-generation family run business in Portland. “We’re not just producing umbrellas,” says Gregory Liebrich, National Merchandise Manager, “we’re figuring out—what’s the maximum way to sell our umbrella? How can we make the coolest umbrella ever made? We have state of the art facilities, order processing and order fulfillment. It’s about innovation.”

In August 2000, Laurie O’Brien was hanging onto her exhibit for dear life as a tornado ripped through Salt Lake City and her exhibition tent. When she returned to Portland, all she read in the paper was “Tornado strikes Salt Lake City and Nike is inconvenienced.” “Hey what about me? It was right over my head!” O’Brien thought.

But the real tornado came when O’Brien cleaned up the mess and started marketing Montane’s brand new Mission Kitchen. “I was floored!” she recalls. “We were this small business operating basically out of the owner’s basement and we were talking with L.L. Bean, Norm Thompson and the big boys. It was an incredible feeling to think that we had ideas that were really making it.”

Outdoor retail industry growth in Oregon is like a surging river fed by the steady streams of dozens of business owners, large and small, each with unique niches, but common reasons for success: innovation, diversity, geography, global access.

THE MOTHER OF INVENTION

When teenage surfer Peter Gibney rushed out to catch a few more waves near a Lahaina pier in 1997, it was his last day in Hawaii before heading home. He had no clue he was about to launch a new family business.

Gibney parked the rental car near the beach, tucked his keys under his shirt near a rock and enjoyed the surf for an hour or more. He returned to find his shirt where he had left it. His keys however, were gone. As was everything of value inside the rental car: wallets, ID, plane tickets, and of course, no keys to get home. Mom was waiting back at the condo for Gibney to return in time to jet home to Eugene, Oregon. Boy would she be p*****!

Five years later mom and her four kids, including Peter, are sitting at the kitchen table in Eugene refining their prototype one more time for Li & Fung Trading Co. in Hong Kong. Daughter Jen Houck is using her marketing savvy on the phone trying to land a booth at the August Summer Market. Five years of research, development and marketing are invested into the full launching of their company, WaterBabies. They aren’t making any money. Yet.

But they’re getting hundreds of requests to meet the need that Peter Gibney had on that lazy Lahaina beach: the need for an ultra-secure, ultra-waterproof pouch to keep keys, ID, and credit cards during active water sports. Basically, it is a neoprene arm, wrist, or leg band with a transparent, waterproof, zip-lock pocket. That’s the basic idea. In reality,

says Mom, “over two years of technology have gone into it. It is something extremely phenomenal that looks really simple.”

She’s tan, she’s thin, she’s athletic, and moving so fast that she can’t sit still. Mom is Kathy Jones, a vivacious, 40-something, mother of two girls and two boys, ages 15 to 28. She is and always has been fully engaged in the active outdoor lifestyle with her kids. “WaterBabies is the incredible story that necessity is the mother of invention,” says Jones.

It’s a mom and kids operation with daughters Jen Houck and Casey Parker, and sons Peter Gibney and Sean Gibney all involved in hours of hard work and little pay to keep WaterBabies afloat and cruising to success.

The first time they brought their product to the Outdoor Retailers Convention in 2000, over 300 retailers requested samples. Now WaterBabies’ three lines of product are sold in Six Flags theme parks, and surf shops in Florida, California, Hawaii, and Bermuda. They are in negotiations with Target, Disney Theme Parks, and even military underwater dive teams. “We’re not Nike yet,” laughs Jones. Shameless plug: WaterBabies products are great for carrying ID in airports and on campuses.



Bryan Johnston, spokesperson for Salomon at the Outdoor Market, points at the hundreds of other vendors and looks to the future. “The good thing is that, even though there’s all these companies in Portland, the market is a pretty broad and diverse market. When I look at our competitors in the Portland area I applaud all of them because we’ve all kind of gravitated towards the things that we do best.”

“Some people are more price-point oriented with reasonable performance features;” says Johnston, “others are more mass distribution. We have a different direction,” he says. “As long as we all remain pure to our own direction, I think that we will continue to be successful.”

And did we mention that southern Oregon is the Paddling Industry capital of the West? And then there’s the hiking exhibit, and rafting...and...we didn’t even start on the winter sports.

But maybe another time. Because business is humming, and those who know how to play the game, and Oregon’s outdoor retailers surely do, have already packed up their exhibits and gotten back to business.

SIDEBAR: THE CUTTING EDGE

“A little known fact about Portland, Oregon is that it is the knife capital of the world,” says Paul Gillespie of Columbia River Knife and Tool. His partner, Rod Bremer, remembers the day, about 2 ½ years ago, that knifemakers as a group met with Congresswoman Darlene Hooley. They estimated that the knifemaking industry in Portland provided about 3,000 jobs both directly and in sub-contracting industries including tool and dye makers, machine shops, injection-mold tooling and laser cutting industries.

“She was so surprised,” said Bremer, “and eager to hear more about our industry. Outside of Solingen, Germany and Saga, Japan, Portland is the place.”

Gillespie recounts, “All of us knifemakers in Portland have interesting stories but it really all started with Gerber knives.” He is eager to share the story. According to Gillespie, an advertising man by the name of Joseph Gerber in 1939 hired David Murphy to build his first carving knives. They gained popularity quickly and Gerber developed into a very large knife company.

In the 70’s Gerber had two employees, Pete Kershaw in sales, and Al Mar the designer. Kershaw left to start Kershaw Knives and Mar started his own business. Paul Gillespie and Rod Bremer both worked for Pete Kershaw for 10 years before leaving to start their own company.

“If you ask me why,” says Bremer, “I’d say it’s the same old American dream of thinking you have a good idea and you want to exploit it on your own, so off we went.”

Columbia River Knife and Tool almost didn’t make it. After four years of financing a company from scratch and struggling with sourcing, quality, and delivery, they needed a breakthrough. They showed up at their first trade-show in 1998 with a custom design called the KISS knife (for Keep It Super Simple). Hoping to sell a few thousand and get on their feet in the next year they sold more product in the first day of the show than either could remember selling during their career in knife sales. The KISS knife has literally sold in the hundreds of thousands in just four years.

In a mini sub-category of knives is the multi-tool world of Tim Leatherman, now an industry standard in its category with a 50 percent U.S. market share and 70 percent globally. Gerber captures most of the remainder of the market in multi-tools.

Mark Baker is PR manager for Leatherman, who describes his business as “not a knife company,” but admits, “we make use of suppliers for the industry here. It helps from a hiring standpoint to have a base of workers who have a high level of experience in design and similar activities.”

Few people know that Tim Leatherman was one of the few people in his generation to pay his own way to Vietnam. The mechanical engineer fell in love with a Vietnamese woman and followed her to Vietnam in the early 70’s. He worked repairing helicopters and soon married his sweetheart. The couple returned to Oregon a week before the fall of Saigon.

While traveling in Europe Leatherman dreamed of the perfect pocket tool then worked on production and marketing of it for several years. During the prototype phase he explored every avenue imaginable to market his product, approaching 21 government agencies and utilities with no luck. Finally, in December 1983, he approached a catalog called Early Winters and placed the Pocket Survival Tool on the back cover for \$39. Hoping to sell 5,000 in the first year, they were astonished with sales of 30,000 tools in 1984. Today 30,000 represents 2 or 3 days production and Tim Leatherman still walks the factory with his apron on, ready to help when needed.

PROMINENT KNIFE MAKERS IN THE PORTLAND AREA:

Benchmade Knife Co., Oregon City

Columbia River Knife and Tool

Gerber Legendary Blades/Fiskars, Wilsonville

Kershaw Knives, Wilsonville

Leatherman Tool Group, Portland