Coleman is in the business of nature

BY DAN VOORHIS
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As economic times have gotten tough, a lot of people have decided to reconnect with the great outdoors.

It's healthy, family-friendly and, notes Sam Solomon, CEO of the Coleman Co., probably cheaper than Disney World.

It's that return to nature — even if it's just a tailgating party — that's helped Coleman survive 2009 with only a slight dip in sales and look forward to a satisfying rebound in 2010.

The Wichita maker of outdoor gear saw a sales decline in the "low single digits" in 2009, Solomon said.

That's because the recession has caused a spike in people going outside as they scale back vacation plans.


Solomon expects revenue in 2010 to rise by double digits as people replace old equipment and continue lower-cost recreation.

"It speaks to the resilience of people wanting to be together," he said.

Wichita plant

The Wichita area remains a key manufacturing center for the company.

Hundreds of workers at its plant on North Hydraulic make plastic coolers and liquid fuel stoves and lanterns. In Maize, workers mainly make propane fuel bottles.

Coleman has added seven types of coolers to production this year and expects to add 35 workers. The company just received a tax exemption from the city of Wichita for $5.3 million in bonds to buy new tooling and machines to make the coolers.

A tour through the vast Wichita location shows fewer people than in decades past. In 2001, the company had 1,230 workers in Wichita and Maize. Today, it has 816 employees.

The company has gradually whittled down its production work force as it outsourced work, mainly to China. Today two-thirds of Coleman products are outsourced, Solomon said.

In October, the company said it would lay off an unspecified number of Wichita warehouse employees, perhaps around 200, as it moved the distribution of its outsourced products from Wichita to a new warehouse in Gardner, near Kansas City.

While its blue collar work force may be shrinking, its white collar work force is growing.

Nearly half of the people working for Coleman in Wichita are company executives, product developers, design engineers, testing technicians, information technology specialists, customer service representatives and human resources, accounting, legal and finance staff.

Because such positions tend to be better paid, the company's payroll today is higher than it was 10 years ago.

In one room, IT specialists coach their counterparts in France, Italy, Spain and Portugal in implementing the SAP software. In another, technicians were making and testing new designs for lifejackets.

In other words, Coleman in Wichita is slowly shifting from an all-in-one facility to more specialized function as the brain of a complex and geographically diversified company.
Wave of the future

In recent decades, as cut-rate competition has grown fiercer, Coleman has lowered costs through outsourcing and productivity gains. But it also competes through constant innovation and a pitch to customers’ emotions.

The Coleman brand is the second-most recognized recreation-related brand, behind Nike, according to the company.

The company’s research and development staff continuously tweaks products, seeking to make them more convenient and more useful.

The company still makes fuel lanterns, a version of W.C. Coleman’s original product, but now customers can buy a lantern using LED light that can be split into four separate smaller lights for late-night trips to the bathroom.

The company designed a pull-along cooler with a notch in the top so that when the lid is up, it is sits far enough back that it won’t fall down.

While Coleman’s products may be functional, it is also selling nostalgia and bonding with family and friends.

Solomon said that when people realize he works for Coleman, they’ll usually bring up a favorite camping story.

“They’ll say ‘Let me tell you about my grandfather’s lantern or my brother’s stove,’” he said, “and then it moves to ‘Let me tell you about an experience I had with my grandfather and my brothers.’”

“Part of what makes (Coleman) special is not just the products, it’s the connections that people make and remember forever.”

Over the past five years Coleman has worried publicly about the future, as fewer children and young adults go outside for recreation in favor of television and video games.

The company has tried to revive the notion of outdoors as a destination for the next generation. The company has a social media presence, including iPhone applications. One features a Coleman lantern that allows the phone to act as a light.

Interest among youth in the outdoors must come from meeting their expectations, not lecturing, Solomon said. Coleman products are becoming ever more elaborate and indoor-like.

“We are actually looking for ways to make it more comfortable, more convenient,” he said. “We’re working on tent power systems to allow you to plug and extend the range of cell phones. Take all of those things you expect to have with you, and don’t let the outdoors experience be in the way of the enjoyment and friends.”

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