

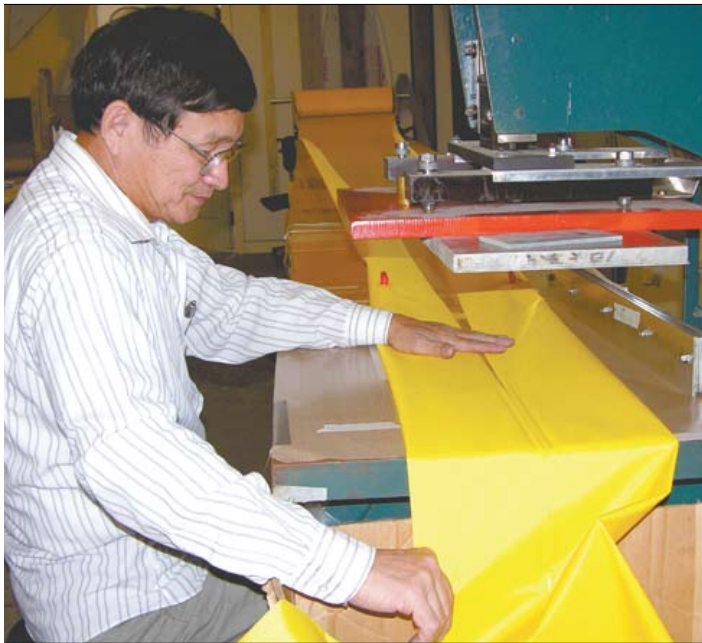
# CHARLESTON REGIONAL BUSINESS JOURNAL

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## Folbot floats marketing strategy



Nguyen Viet, an employee of Folbot for 24 years, sews material that will be used to cover the hulls of folding kayaks. The company's current products are covered in hypalon, a durable material that costs about \$30 per yard.

By KATHLEEN DAYTON  
Staff Writer

The new owners of a business that makes foldable boats sold in a bag plan to quintuple annual sales as soon as they can but have a more modest goal of doubling those figures immediately.

David AvRutick, a former executive with Harper Collins in New York City, and Tony Mark, a Charleston native and former tech executive, have purchased Folbot, a folding kayak company founded in 1931, from former owner Phil Collins, who will stay on as the company's chief designer. Terms of the sale were not disclosed.

The new business owners have a specific plan for boosting their sales numbers. It's called adding products and marketing them.

One new and important marketing target, the Folbot executive team said, is residents of the L.C. Southern Hemisphere.

"You wouldn't be surprised that, with a seasonal product, people buy hem in the spring," AvRutick said. "In the Southern Hemisphere, the seasons are reversed. That will help flatten our

sales curve and provide more predictability for our manufacturing."

Collins bought Folbot in 1983, a year after the company's German founder Jacob Kissner died. Kissner had originally established the business in London, moving it later to New York, but local economic developers lured Folbot to Charleston's Stark Industrial Park 52 years ago, and it has operated there ever since.

The folding, or collapsible, boat concept is credited to another German, Hans Klepper, and dates to the early 20th century. Though the original apparatus was made of durable fabric stretched over wooden frames, Collins designed the first aluminum-frame Folbot, pronounced "foal-boat." The boats have always been handcrafted.

Collins, who has a degree in product design from the University of North Carolina, was eager to get out of the textile business and put his creative talents to use when he purchased Folbot.

The folding-boat concept, Collins said, is clearly a niche market. Kissner had sold the product through mail order, and Internet sales are now a strong sales point. About 25% of sales are international, AvRutick said.

The boats cost between \$1,550 and \$2,495, which can be more or less than some hard-shell models but don't require roof racks. Collapsed, Folbots slide into carry-on bags and weigh between 34 and 62 pounds.

The company intends to launch three new models next year, including a less-expensive model that will give more people access to the product.

"We believe it will attract a younger demographic, people who have less discretionary money to spend," AvRutick said. "We're also hoping it will be the lightest boat we have and that has appeal for many reasons, like travel and ease of transport. It becomes the boat you keep in your car if you see some water you want to go out on."

AvRutick said sales over the past several years have been consistent, with little or modest growth. While he said doubling those numbers is doable in the short term, more dramatic growth is also within reach.

"The long-term goal, we think, is tripling, quadrupling (sales)—even quintupling is not unreasonable," AvRutick said.

The Outdoor Industry Association reported a 15% growth in kayak sales for 2006, and Folbot's owners think their work is cut out for them in terms of more fully exposing their product to its potential market. Those who have bought the folding boats say they love them, the company's customer service and its life time warranty.

AvRutick and Mark are also hoping the boat-in-a-bag concept is attractive to urban dwellers who live in apartments and condominiums. They're excited about a recent New York Times story that reported a dozen new boat launch sites are being planned for New York City, a development that could create many potential new Folbot customers.

"In major urban markets like New York, they're recognizing the need to provide their citizens access to the water, which is fantastic, but begs the question: Where do people keep these kayaks?" AvRutick said. Getting the word out more broadly, and even in the greater Charleston region, could bring a significant change in the company's annual revenues. In spite of the fact that the boats have been made in Charleston for 52 years, Folbot hasn't advertised locally up to now, and the boats have not been sold in retail stores. Collins said the company

could pass on savings to customers that way.

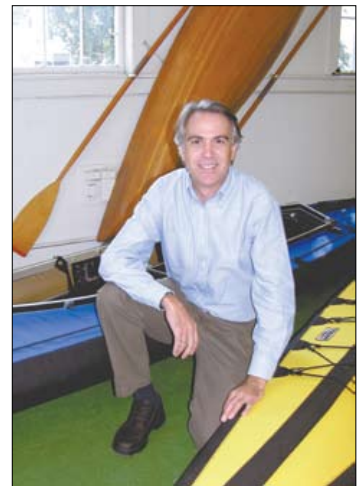
Cliff Branham of James Island owns several Folbots and takes people on test paddles from the Folbot showroom off Azalea Drive. He will not take payment for the service.

"I'm a Folbot fanatic," Branham said. "I fell in love with them a long time ago."

Branham recently met the new owners and is glad there are no plans for drastic changes.

"Not only do they want to grow it, but they don't want to change the things that don't need changing," Branham said. "I think they've got a future there."

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David AvRutick, president of Folbot Inc. purchased the company with partner Tony Mark in September. The team, along with former owner and chief designer Phil Collins, plan to double sales and launch new products within a year. The Charleston company was founded by German entrepreneur Jakob Kissner and has been manufacturing kayaks for nearly 75 years.

### Folbot Inc.

**Founded:** 1931  
**Headquarters:** 4209 Pace St., North Charleston  
**Employees:** 15  
**Products:** Six folding kayak models