

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** January 11, 2012  
**TO:** Board of Commissioners  
**FROM:** Patrick Quinton, Executive Director  
**SUBJECT:** Report Number 11-80  
Update on the Athletic and Outdoor Industry Cluster

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

None – information only.

#### SUMMARY

The athletic and outdoor (A&O) industry was identified as one of four target industry clusters in the City of Portland's five-year Economic Development Strategy (Strategy). In November 2010, the Portland Development Commission (PDC) unveiled an industry defined action plan (see Attachment A), an online directory of firms and an "infographic" poster (see Attachment B) that provides a visual representation of cluster business connections and industry evolution over time. The A&O action plan acts as the guiding framework to further Portland's competitiveness and recognition as the hub of the A&O industry, enhance collaboration within the industry, and to attract and retain A&O businesses, talent, and jobs. The action plan was a result of extensive conversations with industry leaders. Key components of the action plan include Leadership/Innovation, Talent, Entrepreneurship/Community, and Branding. Since November 2010, an advisory committee composed of representatives from Nike, Columbia Sportswear, Icebreaker, Yakima, and Horny Toad/Nau has taken the lead in driving implementation of the action plan.

At the PDC Board meeting, staff will give an update on recent action plan accomplishments such as sponsorship of the Outdoor Industry Association's Rendezvous event, the creation and unveiling of a film that promotes Portland's prominence as an A&O hub, and the December 6, 2011 A&O industry celebration.

### BACKGROUND

The Economic Development Strategy is predicated on the implementation of a cluster approach to create jobs. As such, PDC has been working with industry leaders and key partners to identify opportunities to further Portland's competitive location by enhancing the competitive environment for firms in the A&O industry while providing ongoing business retention, expansion, and recruitment support for the industry.

Portland's A&O cluster is a group of innovative, world-class firms that design, market, and distribute footwear, apparel, and related gear for sports, recreation, and active lifestyles. Anchored by Nike, the global leader in this field, Adidas' North American headquarters, and Columbia Sportswear, the cluster also includes hundreds of smaller firms, which develop and market their own products and provide a wide range of specialized services to other firms in the cluster. Portland is the epicenter for designing and marketing these products and managing the global enterprise.

## **RECENT ACCOMPLISHMENTS**

Since the release of the Action Plan for the A&O industry in November 2010, a number of initiatives have been undertaken to foster entrepreneurship, innovation, collaboration, talent, and community within the industry.

### **Entrepreneurship**

#### **Peer-to-Peer Sessions**

A series of peer-to-peer sessions with 8 – 10 small- to medium-sized firms takes place on a bi-monthly basis. The sessions focus on topics that are relevant to growing companies, such as social media, human resources, and finance/accounting. They are hosted by PDC and the discussions are facilitated by Jim Clark (formerly of Yakima). The idea is for the participants to learn from experts on topics deemed valuable by the group and also from each other.

### **Innovation**

#### **Design Forum/PDX**

The organization recently selected a new Executive Director, Nels Gabbert, and continues its efforts to locate a materials library in Portland. Currently in a fund raising stage, the non-profit seeks collaborative support from A&O firms, educational institutions, and the public sector.

#### **Outdoor Industry Association (OIA) Eco Index**

Portland area companies (Adidas, Columbia Sportswear, Icebreaker, KeenEN, and Korkers) were selected to participate in a cohort program, which will provide customized training and resources around testing the next version of the OIA Eco Index. The Eco Index is an environmental impact assessment tool providing a common language and framework to benchmark and measure product-level sustainability throughout the supply chain. The selected companies will be testing the Apparel Tool, which uses the OIA Eco Index framework and content as its foundation, while also incorporating Nike's Materials Assessment Tool – providing the functionality for product designers and developers to begin making data-driven materials sourcing choices to reduce environmental impact.

PDC contributed \$25,000 for a matching grant program in partnership with OIA, a national trade association, to make it possible for the local companies to participate.

## Leadership

### Advisory Committee

The Advisory Committee was established to drive the implementation of the A&O industry action plan. Committee members include:

- Lisa Thompson, Icebreaker
- Gordon Seabury, Horny Toad/Nau
- Ron Ten Berge, Yakima
- Peter Bragdon, Columbia Sportswear
- Jerry Heinlen, formerly with Yakima
- Julia Brim Edwards (interim), Nike

The Advisory Committee has played a pivotal role in shaping PDC's cluster work and recent accomplishments, as well as helping to identify priorities for future initiatives.

## Talent

### Pensole

Pensole was started by former Jordan brand manager, D'Wayne Edwards, in 2010 to teach students the knowledge needed to become professional footwear designers. It is an innovative footwear design program that partners with higher educational institutions such as Parsons, Art Center, and University of Oregon, as well as top designers from local firms such as Nike and Adidas, to challenge students to reach their creative potentials.

A 10-week summer course will be offered in 2012 exclusively for Oregon high school and college students in their new space in Old Town/Chinatown.

PDC provided technical assistance in finding the new space. Pensole aligns with industry efforts to create a pipeline for talent from educational institutions to local area firms.

### Oregon State University (OSU) Apparel Research Center (ARC)

Industry discussions identified the need for an apparel research and testing facility in Portland. The OSU ARC, located in Corvallis, provides consulting and testing services to ensure that end products meet industry standards and consumer expectations. OSU had committed to moving testing facilities to Portland by 2012, with a small office to open in the city in 2011 to provide consulting services. To understand how to best serve the industry given budgetary and technology constraints, OSU approached PDC about co-hosting a roundtable with representatives from apparel and footwear companies.

The roundtable was held on December 2, 2011, at PDC's offices, and consisted of representatives from Icebreaker, Adidas, Nike, and Nau. The roundtable focused on identifying gaps in the programs and services that ARC currently offers and what the industry deems useful. Although there is still a desire on the part of the industry to have testing equipment closer to Portland, a result of the roundtable was to identify the need for comprehensive workshops on topics such as textiles fundamentals, basics of pattern making, and supply chain that are tailored to the specific needs of a company.

The industry also expressed a need for a climate controlled testing chamber, which OSU will discuss with its mechanical engineering department.

### Community/Branding

#### OIA Rendezvous

In October 2011 approximately 4,500 A&O industry leaders came to Portland for OIA's annual Rendezvous. The event was held in downtown Portland at the Nines hotel and PDC was a platinum sponsor of the event. In addition to unveiling a film showcasing Portland's industry and talent, PDC participated in a breakout session on a panel with participants of the OIA Eco Index cohort program.

The film was suggested and guided by the A&O Advisory Committee to showcase Portland's strengths as a hub for the A&O industry. Three local firms (Splash, Pollinate, and Flying Horse Communications) collaborated to create the film 'Inspired by Portland'. It was unveiled at the Rendezvous and featured Nutcase Helmets, Chris King Components, and BOGS footwear to very positive reviews.

Additionally, an online recreational map was created to show the extensive outdoor opportunities that exist within 1 – 2 hours of Portland. The PDC worked with Travel Portland, Metro, and the Intertwine to compile data for this map.

The film and map are both available on [www.pdxathleticoutdoor.com](http://www.pdxathleticoutdoor.com).

#### Second Annual Industry Celebration

The Second Annual A&O Industry Celebration was held on December 6, 2011, at Union Pine in the Central Eastside. The event brought together about 170 people to focus on diversity as an industry game changer. REI's Director of Diversity and Inclusion, Laura Swapp, was the keynote. PDC leveraged its contributions through financial and in-kind sponsorships by local companies such as Perkins Coie and Henry V.

These events serve to bring together the regional A&O community to focus on a topic of information/inspiration and to foster a spirit of collaboration in an otherwise highly competitive industry.

#### Advocacy

The Oregon Business Leadership Summit (OBLs) was held at the Oregon Convention Center on December 12 – 13, 2011. The OBLs is an annual day-long event that brings together federal, state, local, and regional elected officials and business leaders to discuss the business climate, outlook, challenges, and opportunities in Oregon.

The PDC was approached to help organize an industry breakout session for the A&O industry. The summit and breakout session provided the A&O industry an opportunity to communicate the economic impact of the industry on Oregon in terms of the jobs, innovation, talent, investment in the community, global positioning, and competitiveness.

Panel members included:

- James Curleigh, Keen
- Lisa Thompson, Icebreaker

- Rob Morrison, Benchmade Knives Inc.
- Pete Hixson, Pistil

The panel was introduced and moderated by PDC Executive Director, Patrick Quinton.

#### Business Retention, Expansion, and Recruitment (BRE)

PDC continues to proactively meet with A&O firms throughout the city and region to learn more about industry trends, challenges, and opportunities and to help connect businesses to PDC and other resources. Going forward there will be an increased focus on helping companies enter/expand into new markets as part of the export strategy implementation.

#### FY 2011-2012 Highlights

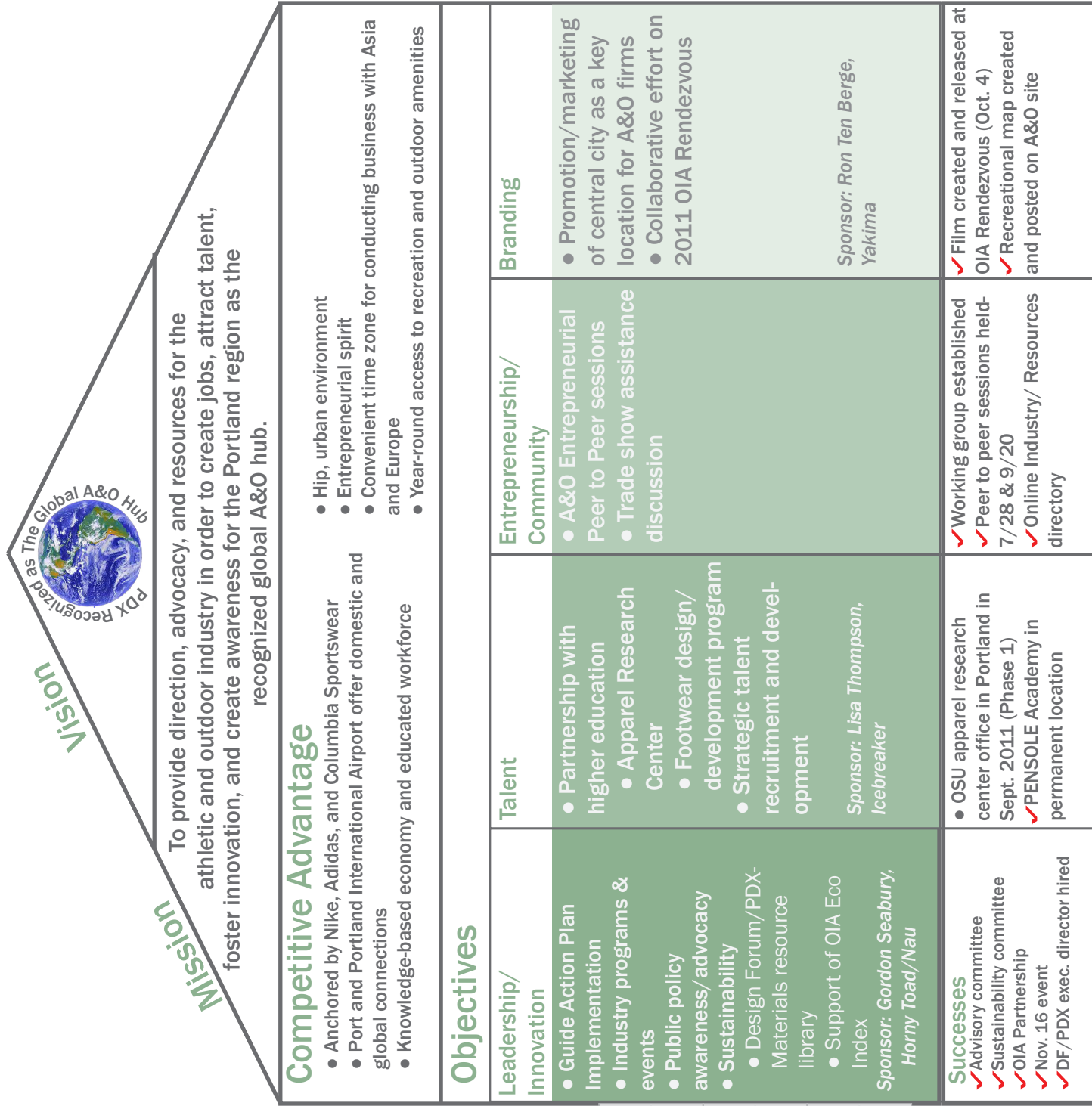
- Recruitment of Garmont and Hi-Tec
  - Provided technical and financial assistance in the form of site selection and storefront grant.
- 25 business retention visits to local firms
- Attending Winter Outdoor Retailer show in January 2012 to continue to build strategic relationships and promote the Portland region

#### ACTION PLAN PRIORITIES FOR 2012-13

- Business Retention, Expansion & Recruitment:
  - Conduct 25 BRE visits with A&O firms
  - Attend Outdoor Retailer Summer (August 2012) and Winter (January 2013) shows
  - Recruit three A&O firms to Portland
- Cluster Leadership/Advocacy:
  - Host 2 – 3 quarterly advisory committee meetings to drive action plan development and implementation
  - Host 1 – 2 annual informational and networking events
  - Launch textile recycling awareness campaign in partners with BPS, others
- Marketing/Branding
  - Develop clear cluster branding messages with Greater Portland Inc. for the A&O industry
  - Design Forum/PDX opens
- Opportunities for Growth
  - A&O Entrepreneurial/peer-to-peer bimonthly discussions
  - Collaboration with Oregon University System regarding industry training, development
  - Help five A&O firms access export services or attend key trade missions (working with Homeschool Snowboarding to provide assistance for ISPO trade show)

#### ATTACHMENTS:

- A. A&O Action Plan & Objectives Diagram
- B. A&O Industry Infographic Poster



Discussion Questions

What needs to be added? Removed?

How do we measure success?

What short term wins will show progress?



# ATHLETIC & OUTDOOR INDUSTRY: OREGON // 1875 - 2010

Find each company listed chronologically and alphabetically in this index below. Coordinates are also included in the index to help find the company's position along the timeline. The timeline indicates the year of the organization's inception in the local market. If a company is a subsequent start-up of another organization on the map, it will be grouped with and placed on the timeline under its parent's year of inception. Refer to the key below to identify each company's specific industry and connections. Don't see your company listed? Go to [portathleticoutdoor.com](http://portathleticoutdoor.com) to fill out a survey and submit your organization's information.

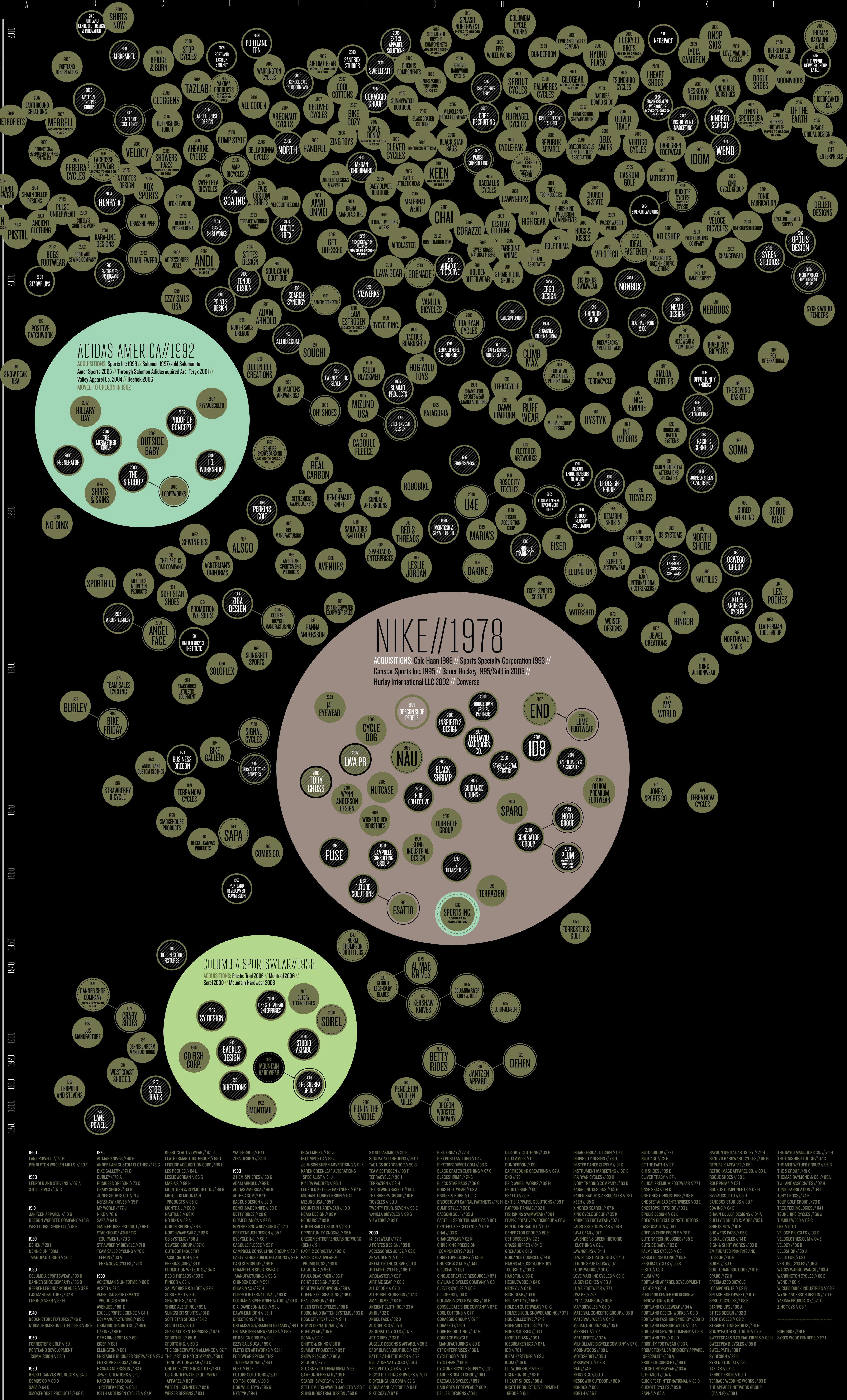
## HOW TO READ THIS INFOGRAPHIC

- CORE INDUSTRY
- SERVICE INDUSTRY
- SUPPORT INDUSTRY
- MERGER/ACQUISITION
- SUBSEQUENT STARTUP

FOR MORE INFORMATION:  
[PORTATHLETICOUTDOOR.COM](http://PORTATHLETICOUTDOOR.COM)



Data Analysis by Heiko Mayer, University of Bern, Switzerland. © Heiko Mayer, 2010



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BIKE COZY  
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