



The outbreak of foot and mouth disease (FMD) in the United Kingdom last year is said to be worst outbreak ever recorded. The exposure given to it by international media was extraordinary and did much to generate a public perception in many countries that the United Kingdom was out-of-bounds. Visitors, deterred by the images seen on their TV screens, cancelled trips when in truth there was no actual threat to man nor beast. What was true, however, was the effect it had on major areas of the country where outdoor pursuits are traditionally enjoyed. The negative effect on many businesses was also true but it did provide a stimulus for new thinking.

...like a Phoenix rising from the ashes of FMD

At midnight on January 14th, 2002, the United Kingdom was declared officially free of foot and mouth disease. After eleven months, 2,030 confirmed outbreaks and the slaughter of over six million animals (of which only one in seven was infected and 85% perfectly healthy but nevertheless sacrificed), the British government is now anticipating a final invoice totalling £6.1 billion for compensation, slaughtering, cleaning and disinfection, rural recovery plans, the promotion of tourism and the reopening of trails and footpaths.

The UK Rural Business Campaign represents extended commercial activity curtailed by foot and mouth and it is threatening to sue the government for a further £5.1 billion for loss of business as a result of what it sees as unnecessarily harsh applications of the regulations by DEFRA (Department of Environment, Food and Rural Affairs) and the department's intransigence over the question of animal vaccination - a practice deployed successfully by other nations but politically discouraged in the UK.

World Sports Activewear reported on the prevailing situation in our Summer 2001 issue and the figures at the time were mind-boggling. The final tally is almost beyond belief.

The outdoor leisure industry was affected at a very early stage. Very low visitor numbers to 'honey pot' areas left retailers with substantial stocks of clothing and footwear. Forward order deliveries were rescheduled as much as 24 months ahead and debts piled up as the cash flow virtually stopped. Stand-by staff were discarded and the possibilities in sales-related bonuses brought wry smiles to the lips of those with full contracts. Owner-managers dug in their heels and hoped; there was little else to do.

Despite marketing activity stretching back many years, the public's perception of the industry's problems was entirely retail related. That there would of necessity be a magnified effect on brand owners and manufacturers was rarely mentioned or considered by the published and broadcast media.

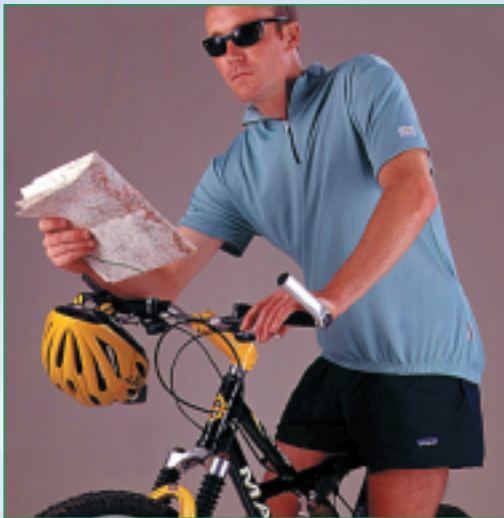
Some companies had a little financial fat to tide them over, although warehouse space was at a premium and company expansion programmes were put on hold pending the return of retail customers. Others used up several generations of carefully gathered economic favours in persuading offshore manufacturers to delay production runs and export outlets to push their home markets just that little bit harder. Smaller businesses were pushed back into basic entrepreneurial activities, revamping business plans and grasping at every straw that passed them in the seeming torrent of commercial downturn.

One example of the last mentioned is Terra Nova Equipment, both manufacturer and brand owner, based in South Derbyshire close to the Peak District National Park. At the UK's Go Outdoors trade show in September 2000, visitors were introduced to the new owners of this tent and clothing accessory company, the husband-and-wife team of Andrew Utting and Carolyn Budding.

The future looked strong: it had three well-respected specialist brands - Terra Nova, Wild Country and Extremities - as well as a skilled domestic workforce and an established



Andrew Utting and Carolyn Budding are the husband-and-wife team behind Terra Nova Equipment.



Tanami cycle shirt from the Atacamic range

manufacturing relationship in the Far East. It also possessed all the confidence necessary to get a fresh management team up and running. Foot and mouth disease struck just five months later and on March 4, 2001, all the footpaths in England and Wales were closed to the general public.

With a certain amount of diffidence, Utting admits that mild panic swept through the household as the realisation dawned that savings and venture capital were balanced on a set of scales where the opposing pan was threatened with the catastrophic weight of the possible loss of the only market open to the company.

However, letting such an event just happen without applying any form of control or managerial medication was not an option and, by the end of the second week in March, a three-pronged plan was ready to be implemented. Terra Nova had an accidental head start in this context because a date at the end of that month had already been set aside as 'retailer day' to discuss joint promotional activities as a means of boosting tent sales for the 2001 season. The date was held but the agenda was radically modified. Its FMD strategy had one major objective, that of customer survival. The sub-plots dealt with products, distribution channels and cash management.

Product adjustments

Terra Nova's product ranges had already been under review and the decision was taken to bring forward a move into activity clothing using a fresh approach to moisture management. The process was American-based and proven. All it required was the right textiles and a shift in marketing focus on to the high aerobic aspect of active leisure. Running, cycling, rock climbing and travel in warmer climates were targeted with a selection of T-shirts, power vests, zipped polo necked shirts and cycling tops. The fabrics were either high performance cotton or polyester as appropriate for the activity. The collection drew its name from the Atacama Desert in Chile - allegedly the driest desert on

earth - and became the Atacamic clothing series.

With tent sales dropping to the floor, the possibilities in a couple of small promotions were deemed to be irrelevant to the prevailing situation. Accordingly a whole product technology examination programme was launched which accepted input from activists, retailers, suppliers and the manufacturing staff. Subsequently tent designs, hardware and textiles have all been 'scoped', modified and redeveloped - and the company has added a full cleaning and servicing function as a starting point for the relaunch of the entire range. In the midst of the hurly-burly came the news that the existing Wild Country tents had led the results tables in an international UV-resistance test conducted by a Dutch consumer magazine company. It was a welcome boost to the collective ego.

The development and launch of a series of sleeping bags was also brought forward on the premise that they do not, of necessity, require the existence of otherwise prohibited circumstances for their deployment. Children's sleepovers, student activities and even floor-for-the-night events all require a moderate means of keeping modestly warm and comfortable. The Terra Nova team gauged that such usage would also give rapid feedback on any minor quality and design anomalies with only a moderate cost input.

Opening up the channels

The retailers day event was seen as an opportunity to harden up the concept behind customer survival as the theme for the whole programme. Management experts were invited to speak to the assembly on the subject of FMD and the possible after-effects of the countryside restrictions. An advisory survival service bulletin was launched most successfully, using electronic mail as the main means of delivery - and the institution of a premier retailer scheme to strengthen the ties between participants and the company backed this. One particularly successful promotion linked the availability of free ferry tickets to off-shore islands (where walking access restrictions did not apply), to the purchase of relevant values in product terms.

With the aid of appropriate retailers, a number of affinity groups - such as the Scout Movement, mountain training



Atacamic Sonaran short sleeve polo shirt. Performance-processed cotton.



Terra Nova's cotton Atacamic Nevada shirt (left) and Mojave polo (right).

establishments and other institutional users - have been given specialised attention and a range of customised products and services developed for their memberships.

The success of this aspect of the company's plan is undoubtedly due to the continuous flow of information provided to the retail sector, and Andrew Utting says that this is one activity that will be factored as a 'must have' into all future planning, whether crisis-driven or otherwise.

Money, money, money...

Although the third prong of the defence plan

was called cash management, in truth it dealt with the most fundamental aspects of the company's activities - employment, trading and company development. Of course the restrictions on cash flow had an immediate effect; planned purchases of equipment, said at one time to be absolutely necessary for economic development, were totally curtailed; fabric acquisition was held to the minimum; management roles were doubled up; recruitment was halted. In this last context, however, Terra Nova did not push for the seemingly obligatory voluntary redundancies often viewed as necessary by others in such circumstances. The directors see their highly skilled production staff as an investment and every effort was made to find work for them, albeit not always producing products familiar to the individual operatives. The success of the policy can be assessed by the fact that the company is entering 2002 with almost a full workforce (natural wastage accounts for a few gaps), many of whom are now multi-skilled and who have demonstrated their loyalty to the new management under the most trying circumstances.

This account of what happened to just one company in the UK's outdoor industry as it battled to counter the economic effects of the spread of FMD can probably be echoed by many others to a greater or lesser degree. The difference here is the relative lack of specific industry experience accruing to the senior management - which possibly accounted for the success of many of the policies pursued because the original thinking was not conditioned by over familiarity. In particular, it is suggested that they should be commended for a human resources policy that flies in the face of accepted practice, was planned on the run - and works. 🧘

Derryck Draper