Entrepreneurship is alive and well in the outdoor and sports industries. Entrepreneurs are often highly acquisitive and avoid becoming too closely involved in the businesses they buy into. They believe that emotional attachment can cloud sound business judgement. For some of the most iconic outdoor entrepreneurs, however, normal rules do not apply.

A breed apart

The key to becoming a rich successful business figure, as everyone knows, is to buy low and sell high, to acquire a business or a brand when the price is cheap and build it up into something big, which you can float on the stock exchange or sell to someone else for a large profit. Serial entrepreneurs do this time after time and don't seem to worry too much if one idea in the sequence proves unprofitable; they cut their losses and move on, always believing that the next billion-dollar idea is just around the corner, and if it doesn't come from teabags, it might come from toilet paper (the source of the profits scarcely matters).

Henry Ford ran a sawmill and a farm before he developed his first motor car. Andrew Carnegie's first investments before he moved into steel were in railroad and messenger companies. Richard Branson began business life as a distributor of music records, but sold his baby in 1992 to raise cash to keep a newer business, the airline Virgin Atlantic, from going under. He has said he wept when that deal (with EMI) was completed. He has since moved into trains, then cola, then space travel, then a healthcare company and, more recently, the energy business. The Virgin Group fonder has a reputation for being unconventional, and he is on the record as saying he believes business is not about suits and shareholders, but about being true to yourself. Nevertheless, it's hard to see much connection between the different ventures he has engaged in, sticking with some, but not with others.

Life in a sleeping-bag

Contrast this with Yvon Chouinard, founder of Patagonia. He founded his company because of his love for the outdoors meant he was already spending most of his time and money on climbing, skiing, fishing and whitewater rafting trips, and he decided to devote his working life to the outdoors too. His first venture, making pitons for climbing, began in his backyard before he was 20. He used the money he made to fund more trips into the outdoors. "I basically used to spend 250 days a year in a sleeping-bag," he said in a recent interview. The mission statement for Patagonia, which he set up in the early 1970s, says nothing about making shareholders or himself wealthy. Instead, the statement commits the company to: 'Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis.'



Yvon Chouinard teaches ice-climbing to youngsters at Mount Hood, Oregon in the 1970s.

Portlandjim/Wikipedia

Consumer society

"We are using up the resources of seven planets," according to Mr Chouinard. "We're not just at peak oil, but at peak water and peak top-soil too. The problem is not that governments and corporations are destroying the planet, we're the ones who are doing it; we're consumers and the definition of a consumer in Webster's dictionary is a person who uses up or destroys. That's who we are. But if we're the problem, we're also the solution. You protect what you love, and I love this planet and I want to keep it as wild as possible."



Lowe Alpine is an iconic outdoor brand that had gone through some tough times. Entrepreneur Matt Gowar stepped in to save it.

Lowe Alpine.

He practises what he preaches in his own company. An encounter with an environmental engineer at a Patagonia store some years ago sparked Mr Chouinard to carry out an in-depth enquiry into the clothing supply chain. The company had opened the unnamed store and within days employees were complaining of headaches. The environmental engineer said the air circulation system wasn't working properly and that the old air that was circulating around the building time after time contained formaldehyde. "It's a toxic chemical that's used on clothing to make it non-shrink and non-wrinkling," Mr Chouinard recalls. "It was used on all cotton clothing. That started us on thinking about what goes into making clothing."

He visited cotton fields in California and got sprayed by crop-duster aeroplanes. He found out that lakes in the local area were so toxic, people were employed to sit in chairs with guns to scare the birds away from the water. And he decided that if this was part of the industry he was working in, he no longer wanted to be in business. "A company has a responsibility for knowing what goes into its product and for doing something about it once it finds out it's doing something wrong," he insists. Patagonia now describes non-organic cotton as "heinously polluting" and this has driven it to build relationships instead with farmers who are growing organic cotton.

Growth drive

Carlos Slim, the world's richest person, and controlling shareholder of telecommunications company América Móvil, does not just want more consumers (100 million new users of phones and other devices by 2014 is his target), but also to convince each consumer to consume more applications, more services, more bandwidth, more minutes, more products.

Once again, the contrast with Yvon Chouinard's outlook could scarcely be starker. He wants us all to learn to live with less. For example, he says the only sensible way to design a ski jacket is to make it function effectively for practitioners of the sport, but to design it so that "it doesn't say 'ski' all over it" and you can wear it over a sports coat to go to work. He calls this "the responsible way to do it", as opposed to having an expensive ski jacket hanging in a cupboard for three-quarters of the year.

Endangered brand

Equip is an outdoor group that is growing quickly, largely through acquisition, but founder Matt Gowar is clearly choosing his acquisitions with his heart as well as his head. Most recently, Equip bought iconic outdoor brand Lowe Alpine for an undisclosed amount from Italian owners and said his aim was to build the brand back up to former glory. Backpack development will now be based in the north of England and Mr Gowar himself is returning from the US (he has spent three years working to establish Equip in that market) to head up group operations from his base slightly further south in Derbyshire. He has vowed to re-establish in double-quick time Lowe Alpine's reputation as a supplier of outdoor clothing as well as backpacks.

To hear him talk about the acquisition, you would think Matt Gowar puts acquiring Lowe Alpine, founded in Boulder, Colorado, in 1967, on a par with rescuing a rare animal or bird from extinction. His comment on confirming the deal was: "I have long admired Lowe Alpine, and it has been an inspiration to me during the 20 years that I have been working in the outdoor industry. I am delighted to become associated with one of the cornerstone brands of our industry. We all feel very excited to have been able to secure the Lowe Alpine brand ahead of others who clearly wanted it, and we see an exciting future ahead for Lowe Alpine." It doesn't sound as though his enthusiasm stems from a conviction that bringing Lowe Alpine into the Equip group will make him rich.



Patagonia believes the only way to make a ski jacket is to make it comfortable and unostentatious enough to wear over a sports coat so that it doesn't spend three-quarters of the year locked away.

Patagonia

Millionaire's row

Jan Cameron, the founder of New Zealand outdoor company Kathmandu, did make a lot of money ($277 million) when she sold out to a consortium consisting of Goldman Sachs JBWere Private Equity, Quadrant Capital Private Equity and Kathmandu management in 2006. But as soon as a five-year restraint of competitive trade, placed on her as part of the deal, ended she invested $20 million in a former rival, Macpac, another New Zealand manufacturer of outdoor equipment and clothing. Having gone to live on the island of Tasmania post-Kathmandhu, Ms Cameron has developed a reputation for being reclusive, but Macpac directors have claimed she will become "reasonably active" in determining the company's way ahead.

Those running Kathmandu have said they would have liked to maintain a relationship with the brand's founder. Perhaps, with all the venture capital people involved there, she sees Macpac as being closer now to her original vision and helping it emulate the success of Kathmandu may be a way of re-living the dream that brought her into the outdoor business in the first place. She isn't in it for the money.

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