



# meeting of the

BY MARCUS WOOLF

# MINDS



## over the

past seven months, the Professional Paddlesports Association (PPA) and the Trade Association of Paddlesports (TAPS) have met and discussed the formation of a new paddlesports trade association. The meetings, which were to continue this summer, have included retailers, manufacturers and outfitters who have voiced the need for a new entity that would more effectively work to increase participation in paddlesports, deal with regulatory issues and improve the profitability of companies.

“We desperately need an association that the manufacturers and retailers will get behind—one that will do things for the betterment of the industry,” said Kelley Woolsey, senior vice president of marketing and sales for Confluence Watersports.

Certainly, there is a long history of failed attempts to blend the alphabet soup of paddlesports trade associations. But a new opportunity arose in December 2005 when Paul German left his post as executive director of TAPS to run a water-



## IS THE FORMATION OF A **NEW PADDLESPORTS TRADE GROUP** ON THE HORIZON?

sports operation in the Caribbean. With German’s departure, TAPS considered its options for the future.

“When we were left without an executive director, we decided it was time to sit back for a few seconds and look at where the industry is,” said Ray Fusco, president of TAPS and program director for Hudson Valley Outfitters in Cold Spring, N.Y. “We thought that, before we went through another hiring process, we should talk to some people about what we should be looking to do.”

At the 2006 Outdoor Retailer Winter Market trade show in Salt Lake City, representatives of TAPS, PPA, Outdoor Retailer and various paddlesports companies held an informal meeting to discuss the state of the paddlesports trade associations. “At the OR meeting, we talked about what we needed—one voice to promote the business and provide more information to the consuming public,” said Norm Cavallaro, owner of North Cove Outfitters in Old Saybrook, Conn.

“The meeting was very positive,” said Mike Prom, owner of Voyageur Canoe Outfitters in Grand Marais, Minn. Prom, who also serves as president of the PPA board of directors, said, “What came from that meeting was that, yes, we (TAPS and PPA) need to do something to work together, and the most obvious thing would be a merger of some sort to form a new association so we could achieve bigger things.”

In early spring, a second meeting was held at Canoecopia in Madison, Wis. This gathering of about 30 people included personnel from PPA and TAPS, some of their constituents, as well as paddlesports industry leaders who are not affiliated with either trade association. Matt Menashes, executive director of PPA, said the associations wanted input not just from their members, but also from a variety of industry leaders, regardless of their affiliation, or non-affiliation, with TAPS or PPA.

The Canoecopia meeting led to the formation of the Industry Unification Work

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Group, which will explore the big picture of what needs to be done to address the needs of the paddlesports market.

Representatives of PPA and TAPS emphasized to GearTrends® they are not necessarily working to combine both associations, but that remains a possibility.

“The entire premise is not to merge the two existing organizations, but to unify the industry,” said Menashes. “That may result in a merger of the two existing organizations, but more than likely it will result in the creation of a new organization that the two existing associations fold into. It would be PPA plus TAPS plus folks who aren’t aligned with either organization, creating more than what the two existing organizations already had.”

Fusco said he’s not sure what type of entity will be formed. “That new thing is vague and ambiguous right now. It could mean a merger, it could mean a new organization,” he said.

So, as the industry moves into late summer, its representatives know something lies down the road, though it remains a blurry vision on the horizon. Nobody yet knows the structure of the new thing; neither do they know its goals or which sectors of the paddlesports industry it will serve. But Menashes said the Industry Unification Work Group would determine all of this.

“Once we’ve figured out those things, you put the processes and organization in place,” said Menashes. “We’re not out to create the organization first, and then figure out what it’s going to do. We want to figure out what the industry wants to do and create the structures to make that happen.”

### WE NEED MORE PADDLERS

One thing the work group will likely determine is that the industry’s primary concern is increasing consumer participation in paddlesports.

According to Prom of Voyageur Canoe Outfitters, most people who attended the spring meetings said their chief concern was increasing participation. “This is a very small industry,” he said, “and we need more people paddling.”

Jeff Weidman, co-owner of the Rutabaga paddle shop in Madison,

Wis., said he agreed. “Business is really hard, and unless the pie gets bigger, no one is going to benefit,” he said. “Participation cannot go down the road it’s going now, or it’ll end up like board sailing.”

Menashes said he also agreed that participation is at the top of most peoples’ lists. “For this industry to flourish, you have to build participation to increase sales or rentals,” he said. “There are other things trade associations do—typical member services, education, things like that. But if the group is going to take on a mission, it has to be participation and how we generate the demand for the industry.”

He said it will take the combined efforts of manufacturers, retailers, outfitters and sales reps to grow the pie, and he would like any new trade association to serve all of these sectors.

“Right now, PPA and TAPS both purport to represent all of those groups, and try our darndest to do that, but there are still perceptions that each organization is aligned with one or two sectors of the industry. So it makes it harder to do work on behalf of those other sectors,” Menashes said.

One thing all these sectors have in common is that they’re suffering the effects of a market that is seen as either static or shrinking. Many agree that an economic pinch has sparked interest in a new trade association.

### THE GOOD OL’ DAYS ARE GONE

“If you look at this category, there aren’t a lot of people making a lot of money,” said Nando Zucchi, general manager of Johnson Outdoors Paddlesports. He suspects that this economic reality is bringing people to the table to talk.

Joe Pulliam, co-founder and former CEO of Dagger, has been responsible for getting people to the table in the new effort to overhaul the trade associations, and he said he agrees with Zucchi.

“While business is not bad, there are still an awful lot of companies that aren’t making money,” said Pulliam, who works as a consultant for PPA on a variety of projects. “There have been a few tougher years for some folks. In some cases, revenue has been good, but

profitability hasn’t been there. People are starting to ask whether we need to be doing something as an industry to make these businesses healthier.”

One retailer, who asked to not be named, told GearTrends®, “When people were seeing 20- to 30-percent growth, no one thought they had the time or need to participate in a trade organization. Well, the good old days aren’t here anymore.”

Not only are businesses concerned about their bottom line, but they’re also facing a changing business landscape due to acquisitions and consolidations.

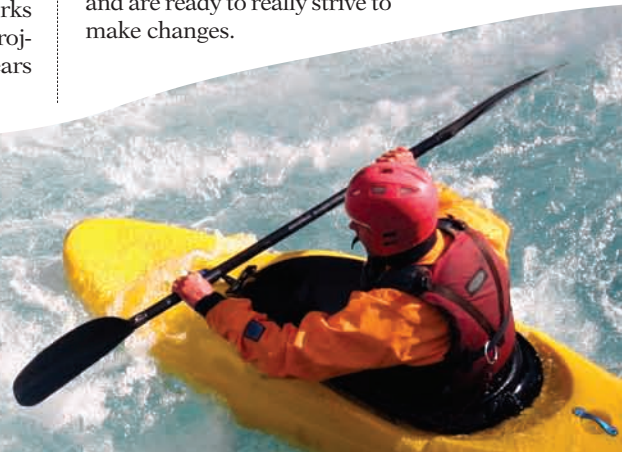
“Acquisitions are concerning people more,” Woolsey said. “The world’s getting smaller, like with Confluence merging with Watermark. I think people are seeing that the industry is changing, and we need a forum where we can talk about where we are today and where we need to be tomorrow.”

With the rise of large paddlesports corporations, some smaller companies feel they’re losing their influence in the market, and they believe a new association would give them a stronger voice. “There are a lot of reasons this is happening,” said Fusco. “Retailers are saying they’re dealing with large corporations that are difficult to work with.” In the May 2006 TAPS newsletter, Fusco wrote: “In a time of polarization between the haves and have-nots, our industry needs to look inwards and put some real energy into an organization which will benefit the industry.”

The paddlesports market may be polarized, but people we spoke with were confident and hopeful that something new and good would come from the Industry Unification Work Group. Of course, the optimism was a little surprising. As Pulliam said, there have been many attempts over the years to overhaul the associations with “lots of swings and misses.” In this new attempt, why won’t the players just strike out again? People are at least saying they may be more willing to provide leadership, and are ready to really strive to make changes.



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- » Mark Hall | *Delta Kayaks*
- » Mike Prom | *Voyageur Canoe Outfitters*
- » Tim Rosenhan | *Innova*
- » Ed Schiller | *Wild River Outfitters*
- » Kelley Woolsey | *Confluence*

“There is enough consensus in the manufacturing sector, and that will make it easier to happen,” said Menashes. “Company principals recognize it’s the right thing to do for the industry. We’ve gotten to the point that companies have matured and understand that a trade organization is an integral component of growing an industry.”

Another plus is that PPA and TAPS have sought input from manufacturers such as Liquidlogic that have previously steered clear of the trade groups. They’ve also sought input from leading retailers who were previously not on their rolls.

Traditionally, Cavallaro of North Cove Outfitters hasn’t dealt with TAPS or PPA, but he’s offered his support for the new effort. “I’ll be involved and stay with it as long as it’s making progress,” he said.

Some retailers—even some who aren’t members of TAPS or PPA—said that some type of merger or new association would be a good idea. One of those retailers is Eric Baden, owner of the Boulder Outdoor Center, a 25-year-old store, rental operation and instruction center in Colorado. It’s been seven years since

Baden was a member of either TAPS or PPA, and he said, “They haven’t had the membership, power and clout to really benefit me, so they lost me as a member.” However, Baden added, “I would love to see them combine, and there are quite a few things (a trade association) could do to benefit me.”

Weidman of Rutabaga also said he recog-

nized the potential benefits of a strong, new association, and he said the conversations so far have been encouraging. “I’m more positive than ever because people are actually listening to each other,” he said. Perhaps he’s right, and these new talks are coming at a time when business leaders are more open-minded.

Nevertheless, rough waters may lie ahead, because it’s never easy to change the course of entrenched organizations such as TAPS and PPA. Groups in these cases have to compromise and give up something, and nobody knows yet how far each side is willing to go.

And then there’s the fact that paddle-sports companies are notoriously independent and sometimes even ornery. Many have intentionally avoided structure over the years and don’t really care for trade associations of any shape or variety. As one feisty manufacturer told us, “There are people with jaundiced views of trade associations. They think they’re like mosquitoes sucking the blood out of you.”

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