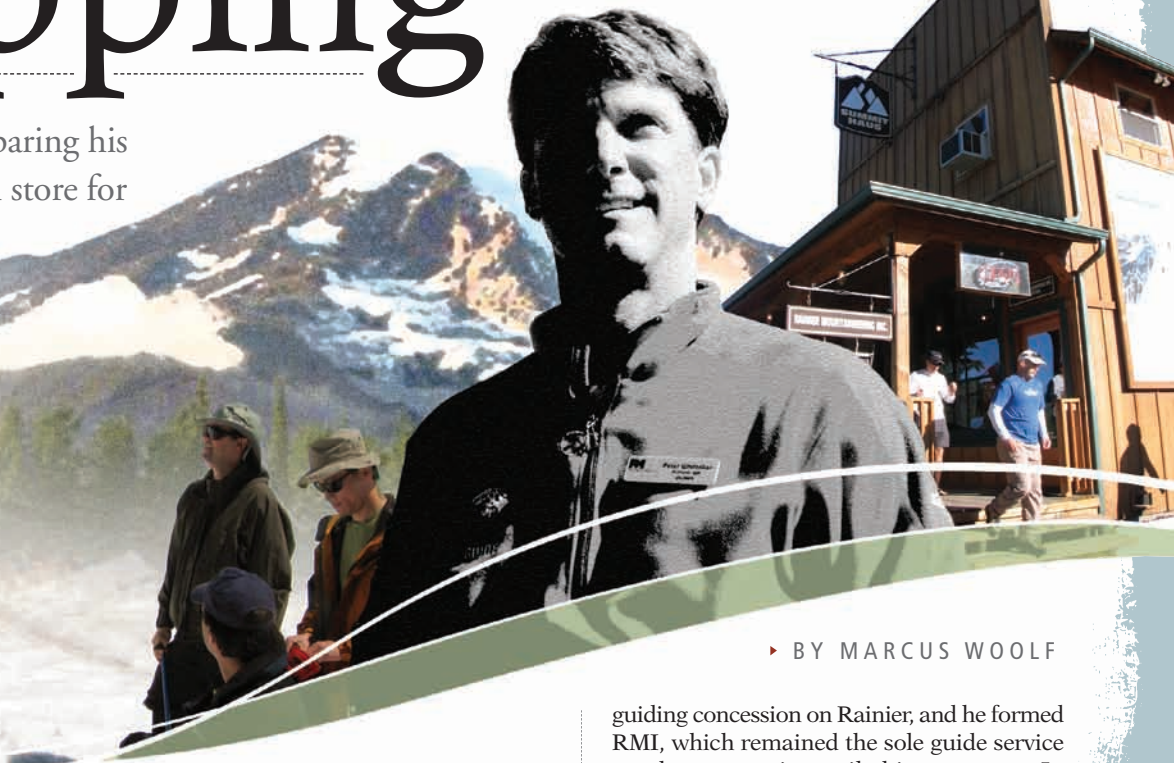




Stepping ^{UP}

Peter Whittaker is preparing his guide service and retail store for *growing* competition.



▶ BY MARCUS WOOLF

▶ **W**ITH MOVIE-STAR LOOKS AND A WINNING SMILE, Peter Whittaker doesn't come across as a stern man.

And for the first hour of "snow school" on the lower flanks of Mount Rainier, he's been pretty friendly to his students who will climb the mountain the next day. Whittaker, part owner of Rainier Mountaineering Inc. (RMI) and the Whittaker Mountaineering store in Ashford, Wash., has invited me to join class members, who laugh in the morning sun and joke as they slide down a snow hill practicing their self-arrest. But, for the second time, a student has rolled incorrectly over the pointed "pick" end of his ice axe. Suddenly, from below, Whittaker's voice takes a slight edge.

"You see what you did there?" he says firmly. "Come on guys, pay attention. I want to see good technique."

His change in tenor is subtle, but the whole class knows instantly that it's time to focus. Having guided since he was in his 20s, Whittaker has developed that skill of all good mountain guides, balancing the delicate relationship between pupil and teacher. The man knows how to be your buddy and then shift his demeanor slightly to make you sit up straight without seeming overbearing. In the time that I spend with Whittaker, I am most struck by his ability to adapt and deal with the situation at hand. And this chameleon quality is serving him well as he prepares RMI and his store to face new competition that looms on the horizon.

KING OF THE MOUNTAIN

In the 1950s, Peter's father, Lou, began guiding two-day summit trips on Mount Rainier, charging \$28 a person. In 1968, the Park Service gave Lou the official

guiding concession on Rainier; and he formed RMI, which remained the sole guide service on the mountain until this past year. In October 2006, Mount Rainier National Park announced a new guide concessions plan designed to offer a wider variety of climbing programs. It awarded RMI 50 percent of the commercial guiding business on Rainier; while Alpine Ascents International (AAI) and International Mountain Guides (IMG) will split the other 50 percent. The move will not only dig into RMI's guiding business, but there are rumors that IMG, based in Ashford, might set up a store right down the road from RMI and Whittaker Mountaineering.

These days, Lou has handed the responsibility of running RMI to Peter, who also oversees the store. Indeed, it is now Peter's responsibility to guide these companies through this time of drastic change. And like a man who has long studied a prize peak, Peter has identified what he thinks is the best route to move the companies upward. Of course, like any business, it all starts with reeling in customers.

THE ONE-STOP SHOP

If Peter Whittaker has one advantage over his competition, it's that he, in effect, owns the stretch of highway leading to Mount Rainier. Not only is Whittaker Mountaineering the only outdoor specialty store in the area, but behind it sits the Bar and Grill, an indoor/outdoor eatery that Whittaker and his wife, Erika, were inspired to build five years ago after seeing similar après-ski lounges in Austria, Erika's birthplace. With pizza, sand-

MARCUS WOOLF PHOTOGRAPHY

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wiches and beer on tap, the grill provides climbing clients a convenient place to get a good meal, but it also draws busloads of tourists headed for the national park.

Behind the grill are offices for RMI, and next door is a large building packed with rental equipment. Just a few steps farther sits Whittaker's Bunkhouse, a lodge with rooms for dozens of climbers and even a café with wireless Internet access. And when you've finished your latte and checked your email, you can work out on the large bouldering rock that rests at the center of a wide lawn.

In what can best be described as a compound, Whittaker has assembled a collection of services that certainly add convenience for climbing clients. With places to shop, sleep and eat, Whittaker can capture more visitor dollars, rather than losing business to the stores, hotels and restaurants in Seattle. But the compound also acts as a roadside attraction for anyone rolling down State Road 706. According to Whittaker, approximately 1.2 million people travel that road each year heading to Rainier National Park.

Whittaker said he knows that he must diversify his operation and appeal to the masses to stay ahead of the competition. And his idea of a roadside attraction is central to that goal. But he also realizes that each service in the compound must drive business to the others. His father said that the Bunkhouse and café have for years boosted the profitability of RMI. But for the past year, Whittaker has worked to build a more symbiotic relationship between RMI and the retail store. And, as usual, he has looked to his background as a guide to do this.

SPEAKING WITH AUTHORITY

With years of experience in preparing beginning climbers for trips, Whittaker has learned that clients feel more confident and comfortable when they can turn to an experienced guide for advice on gear. "I would like to integrate the guides further into the retail operation," he said. "It gives an authentic source of knowledge for the customer." During the climbing season on Rainier, RMI guides take time each week to work in the store, and Whittaker pays them extra for this.

In addition, he ensures that guides work in the RMI offices year-round to field phone calls from climbing clients. Alex Van Steen, who has guided with RMI since 1989, said he and other guides take up to two-dozen phone calls from customers each day. "I have so much experience with

all these trips and types of gear, if someone calls me, within 20 minutes I'm able to get them on the right program or get them the right gear," he said. "We're trying to put some real horsepower in the office to give people good advice."

Van Steen said that, frequently, once callers have talked to him, they request to be transferred to the store, and this often results in immediate sales.

The 2,200-square-foot Whittaker Mountaineering store, formerly known as the Summit Haus, does about \$1.2 million in sales a year and employs 16 people, including three full-timers. Whittaker said that when he hires people, he encourages them to climb Rainier within a week of coming onboard. It's another way to ensure that customers in the store get first-hand advice concerning the mountain. "I'd almost rather have someone (selling gear) who has just climbed Rainier than someone who knows all about the two-ply, three-ply fabrics. Their experience is easily relatable," said Whittaker.

Throughout the spring, summer and early fall, store employees have opportunities to climb, so Whittaker is never short of applicants, and he can choose the highest-quality people for his staff. To improve his retention, he starts retail salespeople at \$9 an hour and offers employee housing.

By involving guides in the retail operation and staffing the store with experienced, motivated people, Whittaker is leveraging all his assets to improve customer service and strengthen Whittaker Mountaineering's position in the market. But retail sales are only part of the plan.

"About 40 percent of the operation is rentals," Whittaker told me as we stood in the rental building beneath a tall rack of fleece, soft shell and down jackets. Over the years, Whittaker noticed that a growing number of clients preferred to rent certain items. These were primarily first-time climbers unsure of whether they would continue mountaineering beyond their Rainier summit. "We started with down jackets," he said. "I bought 12 just to see how it would go, and by the end of that season, we were up to 60 jackets." Soon, clients wanted to rent all types of equipment on RMI's recommended list—gaiters, goggles, headlamps, etc. Now people can rent pretty much everything they need to go up the mountain. "It's a great service," Whittaker said. "And the margins are great."

Jeremy Foust, operations manager for Whittaker Mountaineering, said that the rental program does not rob too many sales from the store. For example, Koflach

boots are a big rental item, but Foust said, "We still sell a ton of Koflach boots. A lot of people want to wear their boots during training." In fact, the store is now one of Koflach's premier dealers.

Foust said that the entire rental fleet is sold during the store's two-day Rainier Mountain Festival held each September. "This will be our fifth year, and it draws about 2,000 people," said Foust. "We'll sell about \$200,000 in gear."

The guides, the rental program, the bar and grill, the festival—they all work in concert to boost business for the store, and the strategy should help if retail competition moves in. When GearTrends® asked whether he does intend to open a store, IMG owner Eric Simonson said, "We may do something in Ashford, but it would be preliminary for me speculate." One thing Whittaker knows for sure is that his guide business will certainly feel pressure when competitors take to the mountain this spring. But, here again, he's adapting to the changes.

THE NEW SCHOOL OF GUIDING

On the snowfields of Mount Rainier, I'm watching Whittaker deal deftly with a hard-case client. One student is obsessing over our pace, insisting that it's too fast, and Whittaker assures the student that he'll have a better chance for success if he quickens his steps.

"I'm watching you, and physically you're capable," Whittaker says. "Mentally, you've gotta let the pace thing go, and just breathe, put one foot in front of the other."

Later, Whittaker tells me that the ability to interact well with clients has become more important in guiding. "When hiring, I'm looking more at people skills," he said. "To be a good guide, you need technical skills, but just as important are people skills."

This is partly because guides are dealing with a new type of client. I caught up later with Lou on the phone and he told me that when RMI started, he dealt with more "blue collar" people—construction workers, farmers and people who were relatively athletic. Due to the exploding popularity of mountaineering, RMI now attracts more people with weaker physical conditioning. Guides must put more focus on evaluating and motivating these types of people, and it helps that his son has lowered the guide-to-client ratio to 3-to-1, and even 2-to-1 in some cases.

Also, RMI serves more people who don't intend to carry on a lifetime of mountaineering. Van Steen said that we've



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entered a new era of climbing where people aren't "encapsulated in this lifestyle of testing themselves against big peaks." More people are looking for a one-time experience, and Van Steen said what could be called the new school of guiding means offering a really heightened experience, whether it's a one-time experience or not. "We're learning to value the one-time customer," he said.

Dealing with this changing client base requires guides with great customer service skills, and Whittaker is trying to incorporate into guiding a higher degree of professionalism. Each new RMI guide receives a 120-page training manual that contains policies and procedures and lets guides know what's expected of them. It also includes seven tests, and each time a guide passes a test, he or she gets a raise in pay.

In any market, whether retail or guiding, a highly trained staff certainly improves a company's ability to attract and retain customers. But, Whittaker knows he'll need more than customer service to stem the potential loss of business when AAI and IMG enter the scene. He needs to go global.

In 2006, RMI began to promote new climbing trips to peaks around the world, like Aconcagua and Kilimanjaro, to name just a few. Whittaker said there is still high demand for international trips, and his strategy is to offer customized climbs where clients can choose the mountain, trip dates and the guide. After RMI takes clients up Rainier, it hopes to retain these people for an international trip and develop long-term relationships. The program not only aims to retain customers, but it's also designed to provide more year-round employment for guides and put more money in their pockets. For the international trips, RMI charges \$200 to \$300 more per person, and that money goes to the guides, on top of their daily rate of \$250.

"We're trying to create more opportunities for guides," said Whittaker. "People always could use more money, but work and job security is a bigger issue." With AAI and IMG competing in the market, Whittaker knows that guides, like consumers, will be able to shop around for the best deal.

THE SOUP SHOULD BE HOT


"Are you going up?" Whittaker asks as we stand next to a wood counter in his store. He's talking to a group of five young guys nearby who reply that, yes, they're climbing Rainier tomorrow. We form a tight circle as the 20-somethings pepper Whittaker with

questions about the mountain. Whittaker sizes up the group quickly—they appear enthusiastic and strong. And then, like stepping over a rope on a switchback, he smoothly turns the conversation toward his new international climbs. One fellow asks what the trips are like, and Whittaker explains how he wants them to be top-notch.

"You know, I'm kind of obsessed with customer service," Whittaker says with a laugh. "I picked that up when I was a ski guide a long time ago. All of us guides would come in from a great day of skiing where everything seemed perfect—you know, we'd gotten big tips—and we'd sit in this meeting. And my boss would rant and rave for half an hour if the clients' soup wasn't hot. But, you know, for what these

people were paying, the soup should be hot. And I really bought into that."

Ease back and watch Whittaker working the group masterfully. At his core, he is always a guide, but he has transformed himself into a savvy salesman. A few minutes later, Whittaker and I step out onto the porch, and I can hear the guys inside buzzing about going to South America someday.

Several weeks after leaving Ashford, I sit down to review my notes and come across a scribbled sentence: "Are you going up?" Now, that's a great question. I'd have to say that for Peter Whittaker's business, the answer is "yes." 

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MOUNTAIN of Opportunity



▲ NEW NATIONAL PARK RULES ALLOW TWO MORE COMMERCIAL GUIDE COMPANIES ON MOUNT RAINIER.

Each year, about 9,000 people attempt to climb Mount Rainier, and 30 percent go with a guide service. The national park's plan to expand the number of guide concessions is nothing short of a paradigm shift, said Eric Simonson, owner of International Mountain Guides (IMG) in Ashford, Wash. While he says his company will definitely benefit from the new business, he said it marks a big change for consumers. "They're the big winners in this. Now they get to shop for guide services in a competitive market. Rather than one size fits all, people will have all kinds of options," he said.

The Park Service has established specific allowances for each guide service, so each company will be able to run certain types and numbers of trips on specific routes. While RMI will offer the lion's share of shorter outings, IMG and Alpine Ascents International (AAI), based in Seattle, will primarily offer multi-day trips.

Even though the companies will market different types of climbs, IMG and AAI expect to peel off some business from RMI. "You're taking a situation where one guide service was a monopoly and distributing 50 percent of their trips to other people, so it's certainly large in that sense," said Gordon Janow of AAI. "That coupled with having a place where we were able to guide in such a limited fashion beforehand, and it's huge."

IMG and AAI see also this as an opportunity to gain more clients for their international excursions. "The Rainier business would complement our international business because you'll have a robust entry-level program," said Simonson. "We'll be able to leverage customer flow, and put (clients) in other programs down the road."

But the plan may impact RMI the most. "The days of Rainier being an incredible cash cow for RMI probably comes to an end," said Simonson. "Rainier won't be as profitable for anybody as it has been in the past."

Of course, he said competition for customers will be stiff. "The challenge of all guide services is we're trying to hang onto our customers," said Simonson. "That's the name of the game."

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