

Channel Mastery Podcast, 132: Alex Adema, DPS Skis
Pivot to Produce, Source and Donate PPE, Follow up to OIA and SIA Webinar, Part II

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Kristin: I am so excited to introduce the president of DPS Skis, Alex Adema. Welcome to the

show Alex.

Alex: Thank you Kristin, I'm happy to be here and yeah, thankful, for you sharing DPS's story in

this.

Kristin: Oh, we're happy too. It's super inspiring. So I wanted to go ahead, as people know, we

had a panel together earlier this week on Tuesday, and we'll definitely have all the notes for that available at the podcast notes page. And I wanted to bring you on the show to give you some more time to talk about your story in depth, because obviously being on a panel with five people and having 45 minutes to talk about that really didn't give it justice, and what you're doing is very inspiring, as well as the partnerships that you're doing this with. And so why don't we start by having you do an introduction of your

company and of you and your position within DPS?

Alex: Sure. So yeah, my name is Alex Adema, as you said, I am the CEO for DPS Skis. I've been

with DPS for about five years. DPS is a 15-year-old company. We're based here, headquartered here in Salt Lake City, Utah, which is where we manufacture the lion's share, 90% of our skis. We have a pretty gritty and a soulful bunch here that has done

some amazing things over time, and really been fun to be a part of despite the

circumstances in the midst of the COVID scenario. So we've made some pivots around that. But yeah, generally speaking, we've just got a long, storied history of ski design and innovation, and more recently with our Phantom permanent base glide product, which is an alternative, environmentally friendly alternative to ski waxes and in a permanent application. So we're doing some fun stuff and just excited to be a part of the story in this current scenario that involves other brands that we've partnered with to address

the community situation.

Kristin: Right. And you're located in Salt Lake and you have a 15-year-old manufacturing facility

that is really prototype enabled right there in Salt Lake, correct?

Alex:

Yeah, that's right. So actually, we on-shored our ski manufacturing in 2010 after about five years when it was previously just done overseas in Asia. But when we opened our factory in Ogden and have since grown now into our third version of the factory here, which is in Salt Lake City. So as we grow, each time we add new vertically integrated processes into what we're doing in ski manufacturing, as well as adding more capacity on the Phantom side as well.

Kristin:

That's awesome. And we do have a previous podcast, actually, focusing on your company that I'll also re share in the podcast notes too, so everybody can hear the background on that.

Alex:

Great.

Kristin:

And I think that was done in Q3 of 2019, so it's pretty recent.

Alex:

Okay, yeah. Great.

Kristin:

Cool. So let's talk about the pivot. Obviously, here we are on April 17th. We did the panel a few days before this date, and you have been just running fast and furiously for the past three or four weeks, I imagine. Can you talk about the aha moment, and how all of this unfolded into personal protective equipment, changing from what you do in your facility normally around winter sports and pivoting to create this equipment for frontline healthcare workers?

Alex:

Sure. Yeah. So our season, generally speaking, has been winding down, but was certainly cut short. And as we were watching in Europe, it was cut short even by a few weeks compared to North America. So we immediately noticed, obviously with Italy closing down, that ski resorts, ski shops and all that goes along with that in the ecosystem was being affected. And then that quickly was spreading through Europe. And then shortly thereafter the governor of Colorado actually shut down all the ski resorts in Colorado, and it didn't take Utah but a couple of days to follow in line with that. So as we were watching all that unfold, we knew that there would be some adjustments that had to be made and there'd be some pain coming. Of course, we didn't know exactly what that meant, how long it would be for and how that would actually play itself out as it affected our business.

So we, we started wondering, should we be worried about collecting our accounts receivables from existing ski shops, because many of our ski shops are smaller specialty retail operations that are our true small family businesses and a lot of cases that will potentially suffer if the ski season is cut short and maybe have difficulty transitioning into their summer sports if they're also a climbing or a bike shop or things like that. So, we began preparing for the worst on that front. And so far, it has not been the worst to say the least, although it's not been easy for many of them, and it's really been affecting them. On the snow sports side, it's kind of fortuitous for us, again, that we're really building more now towards our fall deliveries and our 2021 lineups. So from that

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perspective, we're still able to continue manufacturing, and we're taking our preseason orders that follow the trade shows at ISPO and Outdoor Retailer.

And so those things are still moving along. Of course, everybody's anxious and cautious, and not sure exactly what to expect. So we dialed back a little bit on production and wondered, how do we keep our employees fully staffed if we're going to do that and be cautious with the whole perspective of COVID-19? Simultaneously we're watching stories of other companies in all kinds of industries around the world make conversions to help with the medical PPE efforts. I remember reading a couple of articles in the Wall Street Journal specifically about the comparisons to World War II type of, all hands on deck scenarios, and we just started asking the questions, could we do this? We have one machine in particular, it's an Eastman cutting machine, that is originally designed for textile cutting.

And so we started thinking, even though I'd never even heard of an N95 mask, we started wondering, now that we're seeing this in the media, is this something we could do? Could we cut fabric for somebody further along the supply chain and just help in the process? And as we dug into that, we realized it just really wasn't feasible. A, because we couldn't get our hands on the materials, and B, we weren't sure where to plug into the supply chain.

So I started just hounding everybody I could in Utah, whether it was Utah Manufacturers Association or the governor's Office of Economic Development and Outdoor Industry Association, SIA, whoever it would have been, to see where we might be able to plug in. And then at some point during these conversations, one or a couple of our engineers had the idea that we could use our Eastman cutting machine to actually cut the plastic for those protective face shields.

Kristin: Okay.

Alex:

Alex: And it didn't take more than a day or two before they were prototyping those face

shields and realized that this actually might be a place for us to plug in. So that was kind of the genesis of how we got to producing face shields. It was definitely an iterative

process of trial and error and just seeing what we might be able to contribute.

Kristin: And at the same time, it brought, kind of swept morale forward in the whole team,

because you went from kind of this unsure, shaky place of finishing out the season and

then looking ahead and almost curbing to leaning in,

cannon balling in, practically.

Yeah, absolutely. I mean, we were quite anxious about making wise choices and putting employees first, putting health first, and we were daily asking ourselves, "Is it prudent to be trying to produce skis at all? Should we be just shutting down the factory and sending

everybody home?"

At the same time, there's just so much ambiguity. Were we sending people home for a week or two weeks or two months or three months? And in either scenario, it's drastically different outcomes and potential implications to the business and just the

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future viability of DPS. But yeah, I was really anxious to kind of put priorities and figure out what, first thing's first, and employee safety is right there at the top of that list. But as we got into producing the PPE, there's a whole new energy that started to just overtake our entire team, and an energy around trying to part of the solution and not just an anxiety over whether or not we were doing the right thing on the ski side.

So it was a pretty remarkable thing to see. And maybe it was me nagging and pushing on the possibility of doing PPE for a little bit. But once everybody sort of caught fire with it, they just ran right by me and the energy was awesome. So we're still doing the typical things that we're seeing as best practices right now in manufacturing. We're doing temperature checks at the door. We're staggering shifts to keep fewer people in the building at the same time. We've spread out our assembly tables and presses and things like that to be as safe as possible. But yeah, you're right. The morale has been worth its weight in gold for us as a team. As we watch other companies kind of suffer during this time, we almost feel guilty in a way for having found a way to keep employees working and keep morale high in this time that's so anxious for everybody.

Kristin:

Let's talk about the collaborations that you, I imagine they started as you kind of picked up the phone and started to the entire state for some sort of like direction, and what came out of that was a little surprising for you in terms of the grouping of brands that are now working together in Salt Lake?

Alex:

Yeah. So, we didn't, we didn't have any idea what the costs would be of running these shields. We didn't even know who would buy them, how much that we would sell them for, if we'd be able to do it even a break-even place, or if we'd be losing money, could we afford to lose money? So I happen to chair the Utah Outdoor Association. It's a young fledgling organization that's rallying around providing trade industry resources to Utah outdoor brands specifically. And so I put out an email to that board and just said, "Look, this is something we're going to try. We're not sure how far it's going to go or what's going to become of it. We're a little nervous about getting into it. And if any of you have any ideas to help with, to support, to help with connections to the supply chain, whatever it is, we'd love to know about it."

And of course I get lots of positive responses right away and best intentions to help. And all these brands are, in their own way, fighting a similar story with different circumstances. So, a couple in particular, Petzl and Goal Zero, who both are close friends and also very closely aligned brands with us here in the community, both jumped in and said, "We're going to do what we can to help." In fact, Tom himself said, "I'd love to make introductions or connections, whatever I can do, let me know." And a few hours later, he called back and said, "Oh geez, I think actually we could provide the head straps from our headlamps to you." And he's like, "I have no idea, but let me call France and we'll get an answer by the morning and see what we can do with that."

So it's just taken off from there. And similarly with Goal Zero, they do a lot of humanitarian work. And so they were eager to just see what they could do. They said, we can't manufacture here, but that's something you guys can do. Why don't we help you at least defray the costs of the raw materials? So those are a couple of the key ones. And then, of course, I mentioned the Eastman cutting machine that we have. So

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Eastman, which is a Buffalo-based company, actually, that sells these machines around the world has helped with some consulting around it, providing blades, parts and other necessities to make it, because we're really going to be taxing that machine as a part of this process. So those are just the three really key ones. And then, again, SIA, OIA, EDC Utah, the governor's Office of Economic Development, Utah Manufacturer's Association, just all those groups have, in one way or another, in small ways come together to really make a pretty cool partnership that's not obvious above the surface, but we all know what's happening. It's pretty remarkable.

Kristin:

That is remarkable. And I think that one of the main points that I wanted to touch on today for other people and organizations looking to try and do the same thing is the fact that you started hyper local, and now, the second word got out about this, you realized what the demand was like. Can you talk a little bit about that in terms of going from hyper local to quickly realizing, "Wow, this is a national need, and we are plugged in to this supply chain," if you will.

Alex:

Yeah, yeah, for sure. Yeah, and again, we just didn't know if there would be a need that we could actually fill, and then we didn't know if we'd get overwhelmed by it, but as we finally plugged in with the Utah Department of Health, they made some pretty substantial orders right off the bat, and we were just scrambling with Goal Zero and Petzl to make sure that we could even, we could make that work. Can we make that work with our supply chain? Can we make that work with our employees that were on the production line, et cetera. At some point, we decided, "Okay, this is working, we're going for it." And we had been getting a lot of stories already percolating. So we decided that we need to do a press release of some kind just to share exactly what's happening rather than all the questions that were coming in miscellaneously. As well-

Kristin: And you have a complicated story with all these partners too.

Alex: That's right. That's right.

Kristin: I get it.

Alex:

Yeah. And we wanted to make sure to really give credit and validate the effort of the other brands that were involved. So that was the best way for us to do that. But as soon

as we released that press release and started sending it out to our pro and ambassadors and different supporters out there, within minutes, we started getting inquiries from all over the country wanting to know if we could build face shields. So, coming from University of Washington Hospital System and a hospital system in Arlington, Virginia, and numerous ones in Colorado, the Navajo Indian reservation in southern Utah, the Moab hospital, I mean, it just was coming in from everywhere. So, yeah, it was pretty interesting to see how that was unfolding. And now we have masks. We're

predominantly focused on our Department of Health needs here in Utah, because those

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orders have since quadrupled.

Kristin: Wow.

Alex:

And that's about all we can manage at the moment. But we are doing some smaller orders for, really kind of special requests that have come in, whether it's from the Navajo reservation from Moab, there's some going to Costa Rica soon. There's some going to France, where Petzl has a need that they're supporting. So it's been interesting to try and triage that, and we hate to play favorites, so we're trying to figure out the most judicious way of doing that while really focusing on Department of Health as our primary supporter at this point.

Kristin:

Wow. I mean, just for the audience's benefit, that was one week ago today that you dropped that press release.

Alex:

Yeah, yeah.

Kristin:

So the 10th of April. Yeah.

Alex: converted Yeah. We turned, one of our, actually, one of our inside sales managers, we've

him. We're jokingly calling it the DPS medical sales manager because we needed to start quickly organizing an infrastructure internally to manage this whole new process that was pretty helter skelter seven days ago, and now is amazingly actually quite dialed in at this point. So, it's been actually a fun process.

Kristin:

Well, and Alex, you're doing such a great job conveying the cadence of how all of this is unfolded so quickly, but can we look ahead a little bit and talk about how ,you've been with the company now for five years, you've obviously really embedded yourself with the outdoor recreation community in Utah and also in the leadership role that you have within the organization of companies that are aligned with that. How do you see this changing two things - First, the culture of your company, and I think that that's something that cannot be forgotten in terms of everybody chipping in here, as well as the trajectory of the outdoor recreation community in Utah. Let's start with your company.

Alex:

Yeah. Sure. And, and it's, I still, I think you and I when we talked on the phone the other day, I shared this with you, but I feel awkward or guilty even talking about the silver lining of all of this. But there is a lot of silver lining. We wish, again, the need would go away tomorrow, but in the meantime, what it has done for the morale of our team, not only to know that we're all in this together, shoulder to shoulder, figuring this whole project out, because it has been really demanding and grueling for a lot of people, but exhilarating at the same time. And then to know, especially for the communications now, as we coordinate certain things, whether it's getting the Petzl headlamp bands in from France or whatever with their logistics team, or dealing with Goal Zero and some of their communications, the camaraderie that exists between the brands is really special as well, because again, everybody just knows that individually, even as individual companies, we couldn't do what we're doing right now.

But together we are. And it just gives you a sense of purpose that we really weren't even

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aware that we could use so much right now. Instead of being anxious, that whole community that's involved with this is really just energized and motivated by the idea that we're doing something special. Many of our employees have frontline emergency medical workers and their family, spouses or mothers or whatever. One of our koalas, or as we call them, our athletes locally, his wife, is an emergency room doctor here. And when he saw this, he just lost his mind with excitement and was so pleased to be a part of the story that was unfolding. So yeah, from a morale perspective and a longterm outcome of this, I think the unity that we're establishing right now, we already were a soulful and passionate bunch to say the least.

I mean, people don't get into working for a ski company for the money. They get into it for the passion and the love of that. And you already have a special team dynamic. But what we're seeing now just gives us, frankly, just joy and excitement to think about what the future is going to be when we come out of this, because the team is just so unified and it's really a shoulder-to-shoulder type of experience. And, of course, there's different dynamics among that. Some people are more stressed than others. Some people are more energized by it than others. But all in all, it's going to have an effect that I think we'll feel for years to come, for sure.

Kristin:

And that's, I think, it's okay to talk about opportunity around this. And I know one of your neighboring CEOs from Cotopaxi had a great statement where he said, "I'm really wanting to look at this as the COVID opportunity as to the COVID crisis." Right?

Alex: Yeah, yeah.

Kristin: And I believe that, even if it's a morale or keeping our doors open because of something

that we're doing to give back, all of that is super important. And you're right, it is actually going to create a sense of cohesiveness that will last for a super long time among the business community. I mean, this isn't just outdoor. I mean, you're helping healthcare, you're working with government. This reaches far beyond what we're used

to in our little fishbowl of outdoor active lifestyle.

Alex: Right. Yes, absolutely. Yeah. And again, it's whether it's the Moab hospital reaching out

or just the Department of Health, frankly, this morning, when we've been working through the pricing with Department of Health, we don't even know how to price these things. I mean, we sort of have an idea of what our costs are. And so it's been very transparent and cooperative conversations, nobody trying to sort of leverage anything. And we're just having very frank conversations about, well, how many do you need? When do you need them? How much can you pay for them? How much can we afford to give them for? And every one of those conversations either starts or finishes with just the appreciation of being involved of what our group, and I hate to say just DPS, but what our group DPS, Goal Zero, et cetera, Petzl is doing. And so yeah, it's definitely across all sectors right now and everybody sort of feels this unity that we need to attack

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this thing with.

Kristin: Right. And I just also want to say, because I know you've been incredibly humble and

you've definitely put your team's intention forward, but the fact that we are creating the opportunity for other businesses to remain open and help at this time is actually part of the solution when we're all shuttered for whatever.

Alex: That's true.

Kristin: So I just want to encourage you, you have nothing to hide on that front. We know that

your intentions are super pure and know that everything, every time we tell this story,

more people get inspired to help, and people really need that right now.

Alex: Yeah.

Kristin: I mean, we obviously have spent a whole, you've been in this for weeks. I've obviously

been deep diving into this for about a week and a half getting prepared for that panel. And the more I learn about it, the more I see there's a human resiliency story, and it's quite a beautiful story in terms of how we're all coming together in the face of this really

unprecedented challenge to our lives and to our businesses.

Alex: Yeah, yeah, no, for sure. Actually there's one, there's, there's many, but one one of the fun kind of sidebars here is that Bill Mueller at a Yeti Cycles over in Golden, Colorado, is a an advisor and a friend of mine and DPS's, and he was one of the people that was on the original email when I reached out and asked for insight or advice or help with this. And he called me shortly thereafter, or texted, I can't remember what, and said, "We've

not sure if we should send them home or whatever."

So they actually jumped in and started just building shields, but they asked us for designs, they started building shields and then they formed a partnership with, I believe it's Smith and maybe Black Diamond, to do a very similar project. So for me to be able to email our team and just say, "Hey, look, look what's happening with Yeti. You guys are inspiring this." We don't need credit for it, but it's just fun to know that inspiration is going yet and like wildfire, and everybody doing what they can and supporting the efforts in their local communities. So that was a pretty fun part of our sidebar to this

got a couple of machines that are idle right now too. And we've got people that we're

whole thing as well.

Kristin: Awesome. Is there a place that I can direct our amazing audience to read more about

this? Are you keeping a blog or should they just head to your website? Where can they

learn more?

Alex: Yeah, yeah, we haven't really kept a blog. I mean, we've frankly just been just trying to

keep, keep things together with running, burn the candle at both ends. But we do have a short story about this on our blog at our website, which is www.dpsskis.com, and then, Yeti and Petzl are also running some of that. There's a little bit on social media, but yeah, we frankly just haven't spent too much time contemplating that yet. We do have, actually, so it's been kind of fun. There's a local PR firm here in town and a digital advertising agency that has offered pro bono to come in and do a short film, like a beautiful film, not just, you know, me walking around with my iPhone, and actually try

beautiful film, not just, you know, me walking around with my iPhone, and actually trand tell this story on behalf of the brands as their way of contributing too. So I'm not

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sure when that will be released, but we're really looking forward to that, because I think that'll be a fun memento, not only for all of us involved, but for others who may be inspired to do similar things in the future.

Kristin: And we'll be sure to share that far and wide.

Alex:

Great. Thank you. We'll appreciate that. And again, those are the kinds of things that allow us to validate our partners' efforts and give them the thanks and the credibility that they deserve for, yeah. And again, there's many that are behind the scenes, even

among the non-visible ones that are helping us, which I just keep trying to find ways just

to make sure that they get credit where it's due.

Kristin: Awesome. Well, I'll put all the links to Petzl America, Goal Zero and obviously DPS Skis in

the show notes that can be found at verdepr.com or channelmastery.com, and then please don't forget to check out the resources at Snowsports Industries of America, snowsports.org, as well as outdoorindustry.org. They have two fantastic resource pages on each respective site, and we've also put together a guide to messaging and communication for brands that are actually making this pivot and giving them an opportunity to really understand how to roll that out in an authentic way. And that's at Verdepr.com/pivot. So hopefully with those resources, that will help everybody. Alex, I'm so grateful to have you on the program here today. This is a super inspiring story and

I really appreciate your time so much.

Alex: Thank you. We appreciate you helping us get the story out there, and yeah, it'll just be

such a ... it's just this fun thing for our team to be able to enjoy some of this publicity and just know that their efforts are with a purpose and being noticed, so thank you for

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including us.

Kristin: Oh, they absolutely are. Thank you.