

competitors who made outerwear for both skiing and casual "street wear." Obermeyer sold the vast majority (over 85 percent) of its products to customers for use while skiing. Functionality was critical to the serious skier: products had to be warm and waterproof, yet not constrain the skier's ability to move his or her arms and legs freely.

Management believed that the effective implementation of its product strategy relied on several logistics-related activities, including delivering matching collections of products to retailers at the same time (to allow consumers to view and purchase coordinated items at the same time) and delivering products to retail stores early in the selling season (to maximize the number of "squarefootage days" products were available at retail).

Management Approach

Throughout the company's history, Klaus Obermeyer had been actively involved in company management. Klaus believed that a company should run "free of tension." Klaus's personal philosophy was at the core of his management style; in both his personal life and his professional life he sought to "achieve harmony." He observed:

We're blending with the forces of the market rather than opposing them. This leads to conflict resolution. If you oppose a force, you get conflict escalation. It is not money, it is not possessions, it is not market share. It is to be at peace with your surroundings.

In accordance with his philosophy, Klaus believed that the skiwear industry should be left to people who were "comfortable with an uncertain bottom line." Klaus's management style emphasized trust in people and providing value to customers. He believed many aspects of the business fell into the artistic realm; in making decisions, one should be guided by one's judgment and intuition. In his joint venture with Raymond Tse, Klaus relied on his trust of Raymond and had always left production and investment decisions to Raymond. Although Klaus was the "heart and soul" of the company, other members of the family had played key roles in the company's growth as well. Klaus's wife, Nome, a successful designer, was actively involved in developing new products for the company. In Klaus's judgment, Nome had a "feel" for fashion—Klaus

a simple device replacing cumbersome "run-away straps"; the brake kept skis that had fallen off skiers from plunging down the slopes. Over the years, Sport Obermeyer developed into a preeminent competitor in the U.S. skiwear market: estimated sales in 1992 were \$32.8 million. The company held a commanding 45 percent share of the children's skiwear market and an 11 percent share of the adult skiwear market. Columbia Sportswear was a lower-price, high-volume-per-style competitor whose sales had increased rapidly during the previous three years. By 1992 Columbia had captured about 23 percent of the adult ski-jacket market.

Obermeyer offered a broad line of fashion ski apparel, including parkas, vests, ski suits, shells, ski pants, sweaters, turtlenecks, and accessories. Parkas were considered the most critical design component of a collection; the other garments were fashioned to match their style and color.

Obermeyer products were offered in five different "gender": men's, women's, boys', girls', and preschoolers'. The company segmented each "gender" market according to price, type of skier, and how "fashion-forward" the market was. For example, the company divided its adult male customers into four types, dubbed Fred, Rex, Biege, and Klausie. A Fred was the most conservative of the four types; Freds had a tendency to buy basic styles and colors and were likely to wear the same outfit over multiple seasons. High-tech Rex was an affluent, image-conscious skier who liked to sport the latest technologies in fabrics, features, and ski equipment. In contrast, Biege was a hard-core mountaineering-type skier who placed technical performance above all else and shunned any nonfunctional design elements. A Klausie was a flamboyant, high-profile skier or snowboarder who wore the latest styles, often in bright colors such as neon pink or lime green.

Within each "gender," numerous styles were offered, each in several colors and a range of sizes. Figure 3-15 shows how the variety of Obermeyer's women's parkas had changed over time, including the total number of stockkeeping units Obermeyer offered during the preceding 16-year period, as well as the average number of styles, colors per style, and sizes per style-color combination offered. Obermeyer competed by offering an excellent price/value relationship, where value was defined as both functionality and style, and targeted the middle to high end of the skiwear market. Unlike some of its