



Watkins ▶
Going Retro

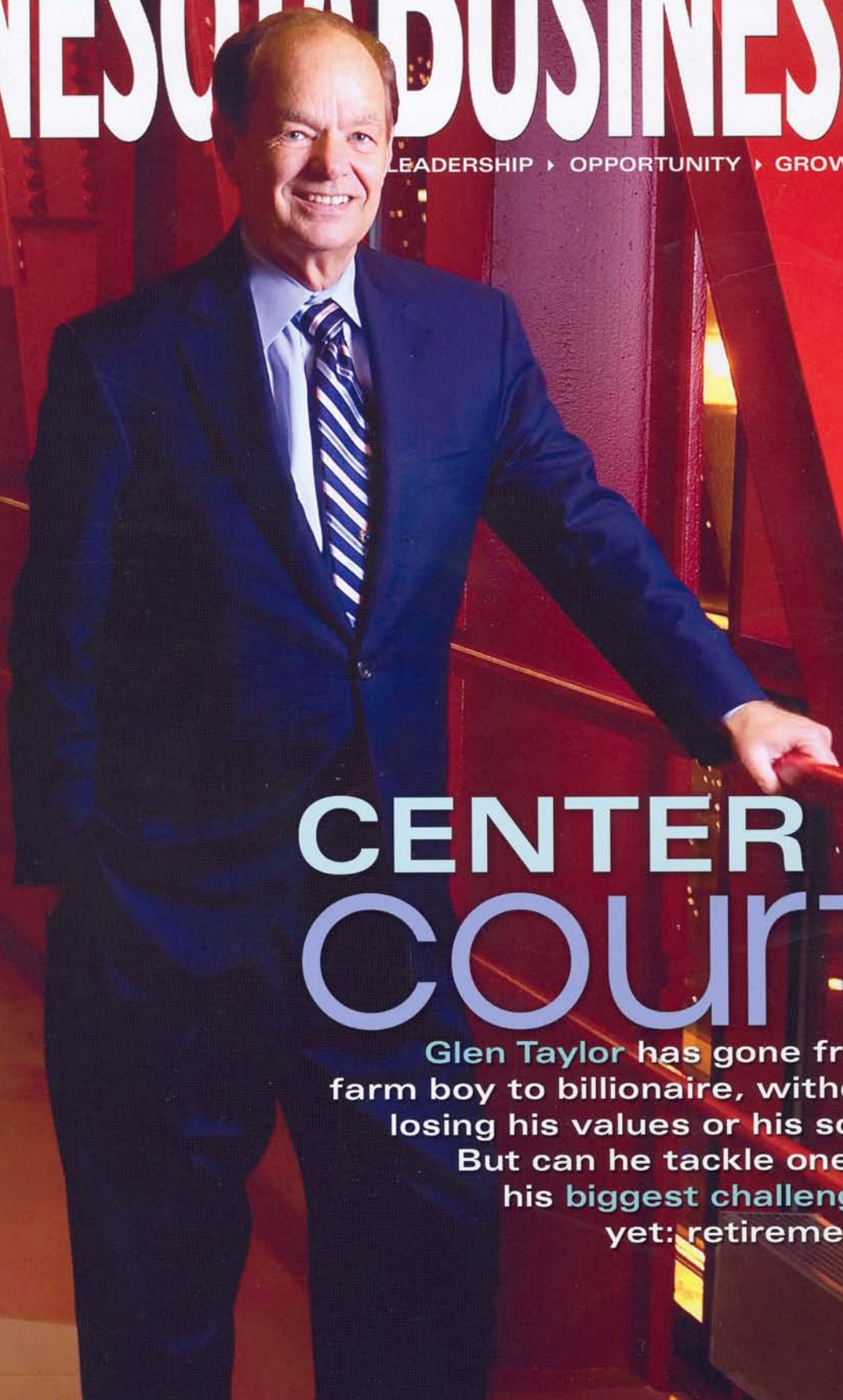


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Irwin Jacobs



Mark Jacobs



The Watkins Man



First Watkins Building

Going Retro

Watkins discovers that rebranding product lines with the original logo can open new avenues of distribution

BY Suzy Feine PHOTOS Todd Buchanan

In the small town of Plainview, a Minnesota legacy was born more than 138 years ago. Well-known in the early 1900s as a primary distributor of home products, the Watkins Man traveled door-to-door delivering signature Watkins products: an assortment of spices and extracts for the home cook, and tonics and remedies not readily found at the turn of the century.

Founder J.R. Watkins took his Watkins brand of products from a small, back-room operation in 1868 to the largest direct selling company in the world. However, when J.R. suddenly died in 1911 and Watkins changed hands multiple

times, the company began a slow decline that began in 1955 and eventually ended in bankruptcy court in 1978.

When Minneapolis entrepreneur Irwin Jacobs learned of the company's misfortune, he purchased Watkins in December 1978. "My dad loved the brand and knew it from growing up in Minnesota," says Irwin's son and Watkins president Mark Jacobs. "Direct selling is a very entrepreneurial business and I think he identified with the direct selling aspect of it. So he had a real passion for the products."

Irwin's purchase ended years of Watkins family missteps and hopeless attempts to save the company via a name change, expensive but ineffective national advertising cam-

LEADER PROFILE

Mark Jacobs

Title: President
Age: 43
Hometown: Minneapolis
Education: Brown University
First job: Selling souvenirs at Grain Belt Brewery
Family: wife, Tricia; children, Alexander, 9 and Caroline, 6
Words to live by: It's all about commonsense, obsessive persistence and integrity.

BIZBRIEFING

Watkins

Headquarters: Winona
Inception: 1868
Revenue: ND
Web site: www.JRWatkins.com

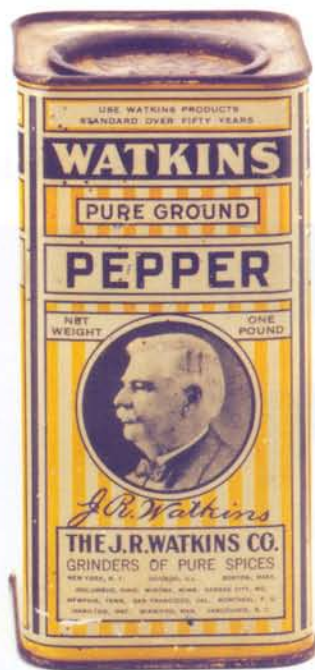


paigns, failed product lines and modernized packaging. The previous owners even attempted expanding into different distribution channels, despite the fact that direct selling through Watkins associates was still the main form of product distribution. “Before we bought Watkins, the company was making some desperate moves to enter retail,” Mark says. “The company was really struggling in the ‘60s and ‘70s, and they didn’t want to take the Watkins name out there so they tried to enter through a separate brand and it was a disaster. They knew nothing about pricing and different market retail.”

Mark and Irwin knew the potential for increased sales was strong with a focused approach to expanding their distribution channels. “We were hitting a certain customer base with direct selling, but it’s a new world and people today shop multiple ways,” Mark says. “So we have these great products and a great story and history, yet we realized we could not reach enough of the consumers.”

To capitalize on their great story and history, Mark decided to first conduct a brand audit four years ago and hired Minneapolis-based Fallon to interview customers, associates and employees, and to evaluate their marketing materials and packaging. Fallon looked at the updated and modernized packaging introduced by the previous owners in the ‘70s and advised Mark and Irwin to return to their roots. “Fallon told us, ‘You’ve got the real packaging in your archives. Why don’t you play up your history more? That’s what the customer wants, that authenticity.’”

Mark and Irwin heeded Fallon’s advice and began using the original logo from 1910 once again. “Today we use authentic packaging; the trial mark bottle is our trademark bottle,” Mark



Pepper, one of Watkins’ signature products

says. Through this process, both Mark and Irwin realized that, “when we remain true to ourselves and our brand and product line, and not try to be anything but who we are, that really rings true with the customer.”

With a new product identity, the Watkins brand was ready to take the next step, and Mark began looking at increasing sales through new distribution channels, mainly retail and the Internet. With more than 400 products divided into three separate lines, Mark and Irwin wanted to make Watkins a household name again and began planning their entry into retail.

The new retail distribution plan included approaching Target and Wal-Mart with retail-size product lines, and they succeeded. Today, Watkins products have emerged in every Target and Wal-Mart across the U.S. “We’ve learned that multiple channels all really help each other, that competition is a good thing,” Mark says. “Our business is up last year about 15 percent, and this year we’re already up 21 percent. Retail has been huge. When you’re in over 1,000 Targets it changes the whole game. And we’re starting to get orders from Korea and China and all those things add up.”

Recently, Mark hired industry veteran J.R. Rigley to head up marketing and retail sales, and to help Watkins take a historical approach to marketing. “One thing we play off very much



Watkins trial mark bottles

is our heritage; it’s a comfort brand. A lot of the brands out there are contrived stories so we really play up the authenticity of the brand,” Rigley says. For example, Rigley noticed that the original label on the medicinals included the word, “apothecary.” “We decided to bring [the word back on our label]. A lot of it is blending what was in the past. We’re always looking at the history [of the company],” he says.

According to Rigley, the growth at Watkins during the past two years is just the tip of the iceberg. “I think we have a long way to go in the U.S.; there are a lot of chains we’re not in yet,” he says. “There’s also a large opportunity for ‘giftables’ on the personal-care side—larger-size versions of what we make for Costco, Sam’s Club and Bed, Bath & Beyond—so our team is focused heavily on creating those programs.”

Taking the company back to its roots was a risky move, but the strategy is paying off for Watkins in more ways than one. “When all things are moving the right way, I don’t think it’s one thing,” Mark says. “I think it’s all these things we’ve been working hard to do coming together. I think it’s a lot of different things we’ve tried to put in place that all help create consumer demand.” **MB**

Suzy Feine is a contributing editor for *MinnesotaBusiness Magazine*.