NEWS FROM AROUND THE WORLD

Interview with Sal



#1: What made you decide to start a knife production company (and when?)

We started our business in 1976 in Redding, California. My wife, Gail, and I were primarily a marketing company selling new products at shows, fairs, and conventions. We travelled around the country, actually living in a bread delivery truck that we converted to a motor home and towing a Volkswagen behind the truck, which contained the equipment that we used to build our products.

In 1978, we invented the Tri-Angle Sharpmaker and started producing and selling it, again still mostly through shows and fairs. By that time, our daughter was going to school and my wife was manufacturing the sharpeners in Golden and

put a hole in the blade so you could open the knife with one hand. There was about six months of development in coming to the conclusion that a hole would be the best solution. We tried a number of other methods before that, but the goal was to be able to open a folding knife with one hand. Then we added a clip to the bolster. This had not been done before but we felt that if the knife was clipped to the top of the pocket that it could be accessed more easily than reaching down in the pocket and one did not need a sheath in order to carry the knife. We were also dabbling in serrations, but we did not come up with a serrated knife until a year later.

In the beginning, like most businesses, it was struggle, struggle, struggle. Selling our new knives was being done at

demonstrations in fair and shows, and it was only through demonstration that we were able to get people to pay any attention to the new concepts. Up until then, knives were often purchased by how they looked, rather than how they performed, and our knives while they performed well, really looked odd to the knife market. It took about 7 or 8 years of marketing through conventions dealers began to take notice of our product. By then we'd already had 4 or 5 models that we were making and selling. We jokingly say that after 40 years, we're an overnight success.



shipping to me out on the road.

In 1980, I had an idea for a new type of knife. I had been involved in knives most of my life, and Gail and I felt that this new concept had merit. "First we learned how to make things sharp. Then we made sharp things" is the slogan that we used but actually the knife was designed from the edge out. The whole purpose of the knife was cut and access and controlling that cut. We made that first model in Japan, by a maker that was recommended by one of my teachers, Mr. Al Mar. I guess the main reason that we decided to go into the production knife business was because we felt that the features on this knife would revolutionize the industry. We

#2: I ran a manufacturing business with my father for over 30 years, what's it like having your son working with you?

Eric ha been a great asset to our

company. Gail and I always steered him toward the concept of knives, even when he was very young. He started designing knives when he was about 8. He would go into the shop, turn down the speed of the grinder, and grind wooden knives when he was very young. You might say he grew up in the business and so he is probably the best extension that we would have. He's been running the business for the past 4 or 5 years, and he's doing an excellent job. Mostly my responsibilities these days are product development and public relations. I still sit in on the strategic planning meetings, because of my history is valuable in making strategic decisions.



#3: Do you have a favourite model?

I guess the answer to that question is yes and no. We've produced hundreds of designs and I have carried many prototypes that never went into production for one reason or another. Yes, I have a favourite model and it is generally

the one that I am using, because every day I carry a different knife. Mostly they are prototypes, concept models, or new production pieces, and Eric does the same thing, that way we can actually get some real world testing involved in the knives before we actually deliver them to customers.

My general leaning is towards knives in the 3 ½" to 4" range, because I can do food processing with them as well. When I'm cutting wood out on my property, I general have a larger knife with me for that purpose – marking wood, trimming limbs, ect.

However, the laws that are coming about all over the world certainly affect what I can carry. I carry slipjoints quite often. The UK Pen Knife is a favourite of mine.

When I am involved in water sports,

I usually carry some type of a Salt.

More often than not, I carry more than one knife. Something really small and inconspicuous, like a Roadie or a Manbug, or some of the smaller Byrds, like a Starling. It's nice to have a small high performance blade especially when one is in public.

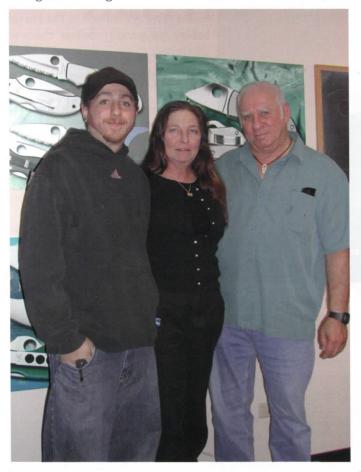


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#4: Which model would you like to bring back into production (if you could?)

We do this pretty regularly, we make short runs of knives that have been discontinued. We call them Sprint Runs. We change something about the model, the blade material, the



handle material, color of the knife, so we don't affect the collector value of earlier models and that there is no confusion as to which was the newer sprint. We make probably 4 or 5 sprints a year, so every model is considered for sprints when we do our strategic planning for the following year.

#5: What was the most challenging model to produce?

Naturally some are more challenging than others. If we are working with a new steel material, or a new handle material, or a new lock, where a lot of engineering and testing is required, that's often challenging, as opposed to a simpler model that we have experience with. I would say probably the most challenging was our SpydeRench. That was a very difficult model to produce. We ended up tooling up in three different countries to try to produce it effectively, lost a great deal of money involved with that tool and ultimately gave up. I won't say that perhaps sometime in the future we might be able to bring it back, it was a very novel and very useful multi-tool, but it was very difficult to make.

#6: If one wanted to collect every model and every variation Spyderco ever made, how many knives would they have in their collection?

I would easily say 1,000. I've never really sat down counted them all, but there are quite a few. I think that one would

have to be very wealthy to be able to collect every model that we make.

#7: What is your take on how knife manufacturers can combat counterfeits? And in particular how is Spyderco handling this matter to help protect their IP, their income, and their enthusiasts' interests?

Counterfeits are quite a problem and it isn't just in the knife industry. The Chinese have been making counterfeits for generations, and they don't see it as an unethical practice. It is just my opinion, but in my opinion the philosophy goes something like "it is a wise man that copies a successful man, so that he too can be successful." I've had many Chinese makers thank me for my designs, so that they can use my designs to sell their products, and actually those were not counterfeits, but they put their own brands on them. That was many years ago, nowadays we are actually dealing with counterfeits that have our name, "Golden, Colorado," the type of steel, and they pretend to be Spyderco. They sell very cheaply and they sell them by the thousands. So, not only does it affect our income, they are not using the kinds of steels that we're known for, even though they mark those steels on the blade, and so many customers think they've got a real Spyderco and they are disappointed in the performance, which hurts our reputation. They are selling these counterfeits all over the world and it's more than one factory that is making them.

We have three lawyers in Beijing that we work, with a few lawyers in the US; it is a constant battle. We are always trying to catch them on the Internet and bring down their sites. We watch closely so that our dealers don't get caught up in that. If they do we usually stop working with them.



A real advantage is that we have many loyal customers that are always watching for counterfeits and they know enough about our products that they can tell the difference and so, they'll usually report the counterfeits to us when they find them.

I don't know where this will go in the future. I would really hope that the US government and the Chinese government would get together and stop this practice, but it is so lucrative for so many people. It is really a shame, one the black marks of business.

#8: When is the Aussie collaboration going ahead? Is it Alistair's?

It is going ahead. It has been going ahead for a long time. We've been making prototypes, working with Ali in order to nail down what we're after. It is a beautiful knife, it is just a matter of coming up with the right materials that will be associated with Australia, as well as Alistair. I've also got Ali working on a UK legal slip-joint for me, for which I'm waiting for the prototype.

#9: Does Spyderco have any new plans for collectable accessories to keep the collectors appetites fed?

We're generally working on something. People are asking us for t-shirts, hats, or various trinkets, and so our sales team works with our graphic artist. I believe that we have a number of t-shirts in the works right now. We've done a number of beads. There is always something that we're working on. Even a new coffee cup.

#10: What can we expect in the future?

I would say probably more of the same. Spyderco's principals are sound. Our core philosophies have remained consistent for the past 40 years. Eric, as well as all of the staff, share our values and so I don't think that you are going see much of a change in the actual company processing. Naturally, new innovation changes processing, like computer programs, but in general, we don't plan changing that area. The goal with Eric was to have a seamless transition and so far that has been working fairly well. We will continue to try innovate for the industry. We will continue to work with foundries on newer and better steels. We will continue to work with collaborators for novel designs, besides what Eric and I can produce. We will continue to innovate mechanisms or even license mechanisms (if good ones come out that we like.) The goal will always be towards a better performing product and our CQI (constant quality improvement) is one of the standards that we apply in all areas of our business.

So, that gives you a pretty good idea of what we are doing. As I said, I'm running pretty busy these days, but if you have any questions regarding what I've said, don't hesitate to contact me.

Best regards,

Sal

