

## The View From Earthpack

[Email a friend](#)



How are the fish biting? You could ask a fisherman. But be careful. The old ‘fish story’ saying wasn’t invented for nothing. No, you’d be better off heading to the end of the pier to talk to the owner of the bait shack. He’s the guy who really knows.

In much the same way, Earthpack Founder Dave Bock may not own a Store or make apparel or surfboards, but he probably knows more about the health of the boardsports market—and its rising and fading stars—than just about anyone.

Since 1989 Earthpack has supplied environmentally friendly shopping bags to surf shops. That retail account base now includes hundreds of core retailers spread across each of the 50 states and six countries as well as manufacturers like Quiksilver, large chain stores like Zumiez, and non-endemic businesses like the concessions at our National Parks. In other words, if these guys make a sale, Bock knows about it.

And the industry’s success has fueled Bock’s success. The Earthpack offices are modern and reflect many of the brand’s core tenets—especially as it relates to earth-friendly business practices. Polished concrete floors and natural lighting predominate, but what’s most noticeable is the wall of color in the showroom, where bags of every style and brand affiliation clearly illustrate how earth-friendly bags have moved far beyond their brown-bag beginnings.

Surf Expo sat down with Bock to hear about the past, present, and future of Earthpack. Oh yeah, and to also ask him how the fish are biting. Here’s some of what he said:

### **Surf Expo: Take me back to the beginning. Where did the idea of Earthpack come from?**

**Dave Bock:** I started Earthpack in 1989, but its real beginning was two years before that. I was in a business class learning about marketing and accounting and business law and all that and our end-of-the-year project was to write fictitious business plan. The professor said we needed to hit one of three points in our plan: something that revolves around a hobby, something positive for the community, and something that could be tied to some sort of charity.

I had surfed my whole life. I grew up at the beach and surfed every day so I knew I wanted to do something that involved that lifestyle. I was thinking about it and the concept for Earthpack hit me like a flash. Remember when there was a gas shortage when you could only get gas on odd or even days? At that same time coincidentally, surf shops were unable to get any plastic bags because the shortage of raw material.

So for my project I wrote up a business plan where I would sell recycled shopping bags to surf shops, do educational outreach to the schools about the importance of recycling, and I would donate a portion of the proceeds to the Surfrider Foundation. I only had to hit one of the three points, but I decided to be cocky and hit all three - I was some kind of overachiever I guess.

So I did it. The professor said, “Well, that’s great, but where are you going to get the money to finance it?” Hey, it was just a fictitious plan, right? So I hung it on the closet door and worked some odd sales jobs. But I was frustrated. Every time I hit my goal my sales territory would get cut. My sales manager wasn’t going to give me a promotion because he felt I was threatening his job. So I just hung it up. That’s when I remembered that business plan.

My dad is Mr. Entrepreneur. I told him, ‘Dad I have this idea, can I do it?’ He told me I was crazy, that I didn’t have enough money. I wasn’t deterred. I told him I wanted to rent a ten-foot by ten-foot area at the back of his warehouse. He said I was crazy. Know, he knew a thing or two about the business. My dad came from a packaging business where he sold cardboard boxes, bubble wrap, and tape. But I still thought I was on to something.

### The View From Earthpack

[Email a friend](#)



So he rented me the space and my buddies and I framed up some drywall and taped off the area in the warehouse because that was ‘my’ area that I was paying for. My dad charged me \$300 a month and if I had one box outside that area my dad would charge me excess rent. I thought he was just being a kook, but he was really teaching me the responsibility of real estate.

I collected some different bags that I had seen and made some supplier contact, but I didn’t have any money. But then something amazing happened. The first day I went down to Main Street in Huntington Beach and knocked on some doors. I went to school with Robert August’s son Sam—that’s how I knew about the surf industry. Today, with twenty years of experience, I still haven’t topped the success I had that first day. The very first person I visited was Mark Nak at Chuck Dent and he said, “Sign me up!” He gave me a laminate, a sticker, a T-shirt, and a check for 100 bags.

I was like, “Holy Cow! I can eat this month.” I drove down the beach and sold an order of white plastic bags with the red logo on it to Bullet in Seal Beach. Bullet was owned by the shaper Ed Sakal. I was like, this is crazy! I kept driving north and saw Inflight and Scott there bought some bags. I said to myself, “I’m going to go right around the corner. I’m hot!” So I went around the corner and talked to Rich Harbour at Harbour Surfboards and got his order. And today, twenty years later, I still have the business of all four of those shops.

Each one of these guys gave me a deposit for their orders so I could buy the material to make the bags. I had no money! I had no money to do any of this. I had a little apartment and a broken down car. It just went from there. I went from having a ten foot by ten foot area in my dad’s warehouse to paying his secretary a couple hundred bucks a month to answer my phone.

#### **So when did you realize that your business was going to succeed? Was it really the first day?**

Naw! I’m still waiting! (Laughs)

To be honest, I really didn’t think anything until about five years later. Every time grew, my dad’s company was growing too. So we just moved to a different area in Huntington. Finally, as we were planning yet another move he said to me, “You know, you’re requiring more space than I am. Why don’t you handle the lease?”

I had to fill out all the credit forms and make it all happen. When they finally approved me on a three-year lease, I was like, “Dude, this is legit.” Then the bank loaned me \$20,000 for a business line of credit I think that’s when it really hit me.

It’s evolved from there and we’ve been very fortunate. We’ve stayed pretty focused and not gotten too sidetracked. We know who our customers are and what our core market is, and also the types of employees and partners I want to have here.

#### **A year after you started, in 1990, the environmental movement really came to the forefront for a while. How important was your whole recycled element to the success of your business?**

In 1989 I think that message was too early. I don’t think anyone was ready for it.

Then in the early to mid 1990s it was hot. Some guys were on it early: Quiksilver, Tom Knapp of Club Sportswear, Shawn Stussy’s store equipe in Laguna Beach - they were all really hot and we got a lot of push from them. Then later in the late 1990s, everyone was doing brown bags with white ink and suddenly everyone was over it. They wanted something different.



### What did you do then?

We changed our stationary and our marketing. We didn't want to be associated with being a brown bag with white print. We had to redefine our brand a little bit. We still wanted to keep the core roots of it. So we changed the logo, using the globe because we were selling globally. We used an "E" with an arrow through it to symbolize recycling. But we also went with some more boutique colors. We started advertising more. Like the bags you see here in our showroom, we offered brighter colors. But we were able to now offer the brighter colors and glossiness while still being earth friendly.

### Was that a difficult change? Did you have to switch your sourcing up?

We just had to work harder. Water-based inks are different than solvent inks. It doesn't lay on top of the product the same. It has to absorb into it. So we really had to work on what percentage of post-consumer recyclable material was best with the right combination of water-based or soy-based ink to make it all happen. It was tough for a little bit to get the recipe right, but it's really working now.

### In the last two or three years, corporate responsibility, environmental awareness, and green products have obviously become huge buzz words and initiatives in the industry. Did you enjoy a real uptick in business when that started to catch?

With the amount of new business and new customers? Absolutely. But we're still a small shop. I still feel really like a mom-and-pop business. I have to remind myself that we sell to 50 states in the country and six different countries and we have global manufacturing.

But to answer your question, we have seen growth—especially with our largest accounts and with new business. When you have a Quiksilver and a Zumiez and the National Parks, as they grow—and let's say some of the other business falls flat—you'd never notice. You think you're cranking.

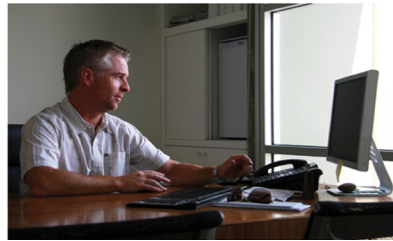
### Do you sell your products on the merits of the recycled aspect or more on the colorways and styles?

That's a great question. We started green just to get sales. Since then, it's really evolved into something fundamental about our business approach. But we're not crazy about it. Say someone wants a really glossy bag—a two-dollar bag with clear plastic lamination for a high end jewelry store. I understand why they want that, but it's not an environmentally or earth-friendly bag. So I give them a quote for exactly what they want, but then I'll pitch them on environmentally what would be the right thing to do.

If they tell me that they want choose A, which isn't necessarily green, I'm a businessman. I'm not an environmentalist. I'm a packaging guy who's here to do what my customer wants. But I'm not hypocritical though. I am going to give them option B—and option B will typically be less expensive.

But the whole green concept is in our name and has been fundamental to our business since 1989 when those first bags I made for Rich Harbour had "Bring this bag back during your next purchase and receive a free bar of wax." That was way back in 1989.

That philosophy is also found through our building. When we pulled the carpet up, the concrete looked great, so we put a water-based aqueous coat on it. Now I don't need a carpet cleaner in here with chemicals. It can be broom swept. We didn't have to do any additional painting on the walls—they're all sandblasted. We put additional skylights in so most of our lighting is natural. When we get our grants and budget approved, we'll be solar powered.



**So if you look back over the past 19 years, has your business growth been tied to the business growth of the industry as a whole?**

Well, we're a small business and every small business has its ups and downs, but things have been pretty steady. There was a point when I was never able to move past fifteen percent annual growth.

It's just never happened and that was frustrating.

**Many would say fifteen percent is a pretty good growth percentage.**

Well, fortunately out here in the California real estate market a few years ago, all our homes really went up in value. So I was able to personally borrow money, loan it to the corporation, and hire that one key employee. I brought a guy on about five years ago; an educated guy, an operations guy who could run staff meetings and take care of business when I was on the road. Even though he's no longer with us, the year he came on was the first time we hit 20-percent growth. We had two years of 30-percent growth after that. Then I brought in another VP, Gary Scott, who's a USC guy and industry guy and we're really getting after it. This year we're on track to hit 35-percent growth. That's enough. Anything more than that and I'm not sure I can afford the growth.

Where are you finding 35 percent growth in this market?

The larger brands like Quiksilver and Zumiez and other are all adding new stores. Most are growing at twenty percent. So even if their same-store sales are down, let's say, five percent, if they're adding twenty percent to their bottom line, my sales are still up fifteen percent.

Now next year, when they halt that growth, we're going to feel it. But by then we hope to offer an entirely new range of supplies like branded hangers, folding boards, branded size tags. We already have these stores' attention. They're already working with us and like Earthpack. Why not expand our product line?

**Because of your business model, you have a unique view of the growth and evolution of the marketplace and where it stands right now. You get to stand behind the curtain with a lot of brands and retailers. So what's your take on the health of the market and where it heading?**

If you look at the overall market today, there are some national retailers that are just getting murdered. Murdered.

I look more at who the next up-and-coming brand is and that is far more interesting and helpful. I've always been a big fan, growing up in Orange County as I did, of Bob Hurley. I have the same respect for Richard Woolcott at Volcom. What has my attention is the gap between when Woolly and Hurley went nuts to the next up and comer. I don't know if that's going to be RVCA—they're really close to it

—or somebody else, but its coming. Todd Miller at Factor54 also has my attention. Those guys might be able to make a run. I mean people say "no way" but then people also said that with Volcom. So that's were I look.

For me I also see more manufacturers opening up retail stores.

**How will that affect your specialty retail business?**

It depends. I see some brands that have been with me forever, like Jack's Surfboards and they're blowing up right now. But it's an interesting time for sure, and not everyone is having the same luck right now.