

Woolrich closing bottled water operation

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WOOLRICH — Just two years after it began producing bottled water from Chatham Run, Woolrich is shutting down that facility.

Woolrich President Jim Griggs made the announcement Thursday afternoon, stating a need for the 150-year-old company to better focus its resources on core Woolrich businesses.

"We don't feel it is in our best interest to put the financial resources into continuing to grow that business," he said, adding that it would take significant time and resources to grow the bottled water operation into a thriving business.

Six employees will lose their jobs due to the shutdown, Woolrich Director of Marketing and Media Tim Joseph said.

Employees were notified yesterday at about 3 p.m. and will receive transition pay and outplacement assistance, which includes job counseling to help them find appropriate employment, Joseph said.

Griggs said the company has always been employee-minded and making decisions that effect employees is not taken lightly. "We try to understand and be compassionate with our employees.

"It is a sad day. We did endeavor into bottled water and we hate anytime we have to cease operation with any division. But it was a decision that was necessary and we made it," Griggs said.

"In spite of the Woolrich bottled water business showing an increase in sales each year, it became clear that we would need to place far more time and resources into growing the operation than we felt the company should invest at this time," stated Griggs, declining to release production numbers or financial figures of the bottled water operation.

"Water was never a brand builder for the company. We've always known that bottled water was on the fringe of Woolrich branding opportunities. Having the water resources and the appropriate building space available in 2005, we felt that a bottled water operation was worth exploring," he said.

And there was some success in that venture.

"We feel we were successful ... but to stay in a very competitive market, we'd have to put substantial resources into the bottled water business. We just didn't feel that it had the synergy of our other units and we need to focus our resources on those divisions.

"We determined that it would be better to focus company resources on our traditional core businesses of woolen fabrics, apparel, accessories, and licensing, and the wholesale and retail divisions that support those businesses," Griggs said.

Questioned about the lack of availability of Woolrich Spring Water in local supermarkets and other stores, Griggs said the company tried to get the product marketed locally, but was unable to offer Woolrich water at a price people would pay.

"We've been to all the major supermarkets and convenience stores... and to be honest the price they wanted to pay ... we couldn't compete without doing a substantial overhaul to our operations," Griggs said. "We would have loved to have our water in the markets locally, but water is a commodity that there is not a premium on because it is a Woolrich brand.

"I believe Woolrich water is the best bottled water on the market, but that doesn't mean much when people are buying a commodity. Bottled water is more cost-driven than brand-driven. Having the Woolrich

brand on it didn't add value to it," Griggs said.

The bottled water plant will remain open to fulfill current orders before officially ceasing operations in March, Joseph said.

The Woolrich bottled water division began operations in 2005 with a largely automated, state-of-the-art facility selling bottled water to distributors, health care systems, schools, universities, and small businesses throughout Pennsylvania and several surrounding states. Woolrich bottled water was honored last spring in the largest taste-testing competition in the world, placing 5th among entries from 23 states and 10 foreign countries.