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BROOKS SPORTS: COMPETING AGAINST THE GIANTS[1]

Wiboon Kittilaksanawong and Andrew Jiro Poplawski wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

We knew a commitment to putting the runner first and creating both fantastic product and memorable experiences for them was a big idea—a billion dollar idea.[2]

Jim Weber, CEO Brooks Sports

With its company philosophy of "Run Happy," Brooks Sports, Inc. (Brooks) strove to inspire and promote an active lifestyle through its innovative gear, enabling its customers to run longer, farther, and faster. The company began as a small shoe company in 1914 and had endured a number of growths and declines in its 100 years of operations.[3] Nearly bankrupt at the turn of the century because of its attempt to compete with diversified athletic brands, and falling victim to a number of unsuccessful acquisitions, Brooks had finally found a strategy to compete in the sports market. Operating as an independent subsidiary of Berkshire Hathaway Inc., and under the direction of chief executive officer (CEO) Jim Weber, Brooks focused entirely on the niche running market, transforming from a brand that generated only US$65 million in sales in 2001,[4] to one that generated over $500 million in 2014.[5] In 2014, Brooks had set its sights on becoming a $1 billion brand by 2020.[6] In the past, few companies focused on the small but growing running industry; however, with the running market becoming increasingly competitive, would Brooks's runner-focused strategy carry the company to its $1 billion goal by 2020, or would Brooks be forced to shift to a diversified approach as the running market became more crowded?

BROOKS SPORTS' BEGINNINGS

Founded by Morris Goldenberg in Philadelphia, Pennsylvania in 1914, Brooks began as a manufacturer of bathing shoes after acquiring the Quaker Shoe Company and quickly expanded its production to include athletic footwear after early success.[7] In the 1920s, Brooks began producing baseball cleats, and in the 1930s, it expanded its production to include football cleats, ice skates, and boxing shoes. Brooks's growth followed the popularity of sports throughout the United States; as market demand expanded, so did the company's product lines. However, by continuing to expand its product range, Brooks went 60 years without distinguishing itself to customers until the 1970s.