

Buck Knives Inc. History

International Directory of Company Histories, Vol. 48. St. James Press, 2003.

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Private Company

Incorporated: 1961

Employees: 300

Sales: \$56.6 million (2000 est.)

NAIC: 339920 Sporting and Athletic Goods Manufacturing

Company Perspectives:

For nearly a century, we've been making knives that are so distinctive that they've been handed down from generation to generation. With that kind of responsibility you can't cost. Clearly, our mission is to take our best and make it better.

Key Dates:

1902:

Hoyt Buck learns to temper steel and make knives as a 13-year-old blacksmith apprentice.

1942:

Buck returns to knife making to support the war effort.

1946:

Buck joins his son in San Diego to start a knife business.

1961:

Al Buck incorporates the business as Buck Knives Inc.

1964:

The Model 110 Folding Hunter is introduced.

1979:

Chuck Buck takes over as chief executive.

1999:

C.J. Buck becomes the fourth generation to head the business.

Company History:

Buck Knives Inc. is one of America's best known manufacturers of quality knives used for hunting and fishing. Operating near San Diego, California, the company is run by the fourth generation of the Buck family, which is deeply religious and prides itself on quality workmanship. Buck Knives is also known for its innovations over the years. In the beginning its tempering process set it apart from the competition. Later on, superior knife design was important in establishing the brand. The introduction of a folding hunting knife in the 1960s was a key factor in the company's growth, as was the MP bayonet developed for the military in the 1980s, as well as the Crosslock Series of knives, named knife of the year in 1994, and the more recent BuckTool, a popular multi-tool utensil. In all, Buck Knives offers hundreds of knife styles, most of which are produced at the company's 4.5 acre El Cajon, California, manufacturing facility. It also crafts expensive limited-edition commemorative knives that are highly valued by collectors. More recently Buck Knives has begun to extend its brand to a wide range of outdoor products via licensing agreements.

Hoyt Buck Begins Making Knives in Early 1900s

The roots of the Buck family involvement in knifemaking reach back four generations to Hoyt Buck, born in 1889 near Leavenworth, Kansas. With his formal schooling limited to the fourth grade, he became an apprentice to a Leavenworth blacksmith at the age of 13. One of his jobs was to sharpen reapers and hoes for local farmers, and he soon realized that the metal of these tools did not hold an edge, resulting in frequent return visits and the need for him to constantly work the smithy's grindstone. Through trial and error the youngster developed a method to temper the metal of these tools so they would remain sharp for longer periods of time. Using discarded rasps, he then applied this technique to making knife blades that could hold an edge. Many years passed, however, before Hoyt Buck turned his discovery to commercial use. He quit the blacksmith trade at the age of 18 and moved to the Pacific Northwest. There he married and started a family, which he supported primarily through hard labor in the sawmills of the Northwest, working as a resawyer, trimming rough lumber into finished planks. It was not until America's entry into World War II, when the government called for donations of fixed-blade knives, that Hoyt Buck again put his knife making skills to use. He set up a small blacksmith shop in the basement of the Idaho church where he served as a lay pastor and turned out knives for the military. He earned such a high reputation for quality that by the end of the war there was a long waiting list of servicemen desiring a handcrafted Buck knife.

With the war over, in 1946 Hoyt and his wife moved to San Diego, where their son Al lived with his family. Hoping to start a knife company with his son, he set up his forge, anvil, and grinder in a lean-to next to Al's garage and began turning out knives in the afternoons. Mornings were spent drumming up orders by visiting potential customers in the area, such as butcher shops, restaurants, and sporting goods stores. For raw material he used discarded metal file blades (purchased for a penny a piece from the nearby Consolidated Vultee airplane plant), rosewood scraps for the handles, and leather scraps for the sheaths. While establishing the small business, Hoyt also lobbied his son, who was content to work as a bus driver and skeptical about his chances of earning a living making knives. Finally, in 1947, Al agreed to join his father and they established a business, H.H. Buck & Son. It would be a brief partnership, however, because a

year later Hoyt was diagnosed with cancer. He spent the final months of his life making sure that Al possessed the grinding skills required to produce a knife worthy of the Buck name. Once satisfied, he moved back to the Northwest and died at the age of 59.

Buck Knives Close to Bankruptcy by 1960

When Al took over, he could only produce around 25 handmade knives a week, and to make ends meet he had to sharpen lawnmowers and saws. His wife Ida chipped in, doing the books, and their son, Charles "Chuck" Buck, began to help out as soon as he was old enough. To sell Buck knives beyond San Diego, Al turned to mail order, running small ads in outdoor magazines. Even this effort was slow in paying off, and at one point his advertising consultant refused to continue placing ads until Al caught up on the account. Although the product was gaining a sterling reputation by word of mouth, the family company was on the verge of bankruptcy by 1960.

The pastor of the family's church, Robert Wilson, intervened and convinced a quality control manager at Ryan Aeronautics, Howard Craig, to help. Craig and Al Buck, in fact, sat next to each other in the church choir. Moreover, Craig was knowledgeable about metals and part-owner of a small business that performed custom welding for airplane parts. Wilson convinced Al to incorporate in order to raise the funds necessary to set up a factory capable of mass-producing knives. Craig was so enthusiastic about the idea that he enlisted a number of business associates, who then joined Al to create Buck Knives, Inc. On April 7, 1961, the articles of incorporation were filed, and a month later Al Buck was named president and chairman of the board. To ensure that he retained control of the corporation only a limited number of shares were offered for sale. Although there was little interest in the company from outside investors, Buck Knives managed to raise \$35,000, which was used to establish a new San Diego production facility--in reality a 3200-square-foot Quonset hut.

Buck Knives started out with a line of six fixed-blade hunting knives employing a new, rust-resistant steel alloy. The price, much higher than other sport knives, caused some resistance from dealers. To drum up interest among retailers, Al and Ida traveled around the country in a camper for two months in 1962. Using local phone books to find addresses, the couple visited sporting goods stores to convince the owners to offer Buck knives. If the price was a cause for concern, Al offered to take back any merchandise that did not sell; however, knife buyers proved willing to pay more for a higher quality product, making the issue of price moot. Once a store took on a consignment of Buck knives, it soon placed a reorder. Of the 250 stores the couple contacted, they took home orders from 100 of them.

Al Buck proved to be a maverick in a staid knife industry. Charging far more for a knife than his competition, he was initially laughed off as a businessman soon destined to fail. Once he proved that sportsmen accepted a higher price for quality merchandise, he upset the status quo even further by launching a national ad campaign (at least by the standards of the day) to boast of the workmanship of Buck knives and explain why they were worth the high price. Moreover, he offered an unprecedented lifetime guarantee. Despite these efforts, the company struggled during the first two years following incorporation, and at one point was unable to meet payroll for three weeks. Al Buck and his son took some college courses to become more sophisticated in their

understanding of business and finances, and received a \$20,000 loan from the Southern California National Bank in San Diego to regain stability. In addition, a further sale of stock raised \$50,000 in much need funding. As important as these factors were, however, Buck Knives truly established itself as both a viable business and a major force in the knife industry when in 1964 it introduced a folding lockblade knife, the revolutionary Model 110 Folding Hunter. Rival companies were already selling folding hunting knives featuring locking mechanisms that prevented the blade from closing on the user's hand. After taking apart and studying these knives, the company developed a much improved lockblade folding knife that became so popular that the product almost overnight made Buck Knives a world leader in sport knives.

During the rest of the 1960s, Buck Knives struggled to keep up with the demand for its products. The company turned to an outside manufacturer in order to enter the lucrative basic pocket knife market, but because of its high standards rejected so many of the knives that it eventually bought out the supplier at a dollar a knife. Even after moving operations to a 15,000-square-foot manufacturing plant in 1968, Buck Knives was soon running two shifts to simply make a dent in backorders. A year later, the company moved again, this time to a 30,000-square-foot facility in El Cajon, but the sales force was held back until the plant was fully operational. Once allowed to fully tap the marketplace, the reps were generating as many orders in a single day as they had in an entire month just five years earlier. In order to meet the rising demand for Buck knives during the 1970s, the company refined its production process. Nevertheless, Buck Knives was forced to branch out to six other sites during this period. By the end of the decade, work began on a new manufacturing plant and corporate headquarters, encompassing some 200,000 square feet under one roof, located on more than ten acres of land. Buck Knives completed the move into its new home in August 1980.

A year earlier, in June 1979, 69-year-old Al Buck stepped down from the presidency in favor of 43-year-old Chuck Buck, a move almost five years in the making. Rather than attempt to simply maintain the success achieved by his father, Chuck was determined to make his own mark and take the business to even greater heights. Accounting and ordering were computerized, and he also brought in a new marketing and sales team. The recession of 1982, which severely affected consumer spending, set back his plans, hurting business so much that the company cut its work force from 600 to just 280. The downturn in the economy forced the company to face some crucial issues. In order to begin doing business with mass merchandisers, Buck Knives altered its cash-up-front credit policy, introducing discounts and extended terms for all purchasers. In August 1982, the company completed an agreement with Kmart to stock its 2,000 stores, which led to Buck knives becoming available to the other major chains within the next few years. In addition, the company looked to new markets. In the beginning of the 1980s, almost all Buck knives were sold in the United States; by 1990, foreign sales accounted for 11 percent of the company's total revenues. Chuck Buck also learned through the sales force that the company was losing its reputation as an innovator. As a result, Buck Knives began to expand its product mix, which numbered 40 knives in 1982--many of which were undercut by cheaper imitations--but would grow to 200 ten years later. The company came out with three fixed-blade fish fillet knives with Kraton handles that became tacky when wet. It also launched the BuckLite series of lockblade knives that were half the weight of the company's Folding Hunter and much less expensive.

Big Knives Fuel 1980s Growth

Buck Knives received a major boost in the mid-1980s when it introduced the BuckMaster, a big knife geared for survival, with a hollow-handle for storage and a saw on the back edge of the seven-and-a-half inch blade. It also gained immeasurable help from Sylvester Stallone's film *First Blood*, whose main character, Rambo, carried a similar big knife. The product was the result of a partnership between Buck Knives and Probis III Ltd., founded in 1982 by Charles Finn to develop survival tools and weapons. After the success of the BuckMaster, the company manufactured a high-tech folding knife designed by Finn, followed by another multipurpose big knife, the M9 bayonet, for which the U.S. Army contracted for more than 300,000 units. With Buck Knives acting as the subcontractor, the two partners fell out over pricing. Although the Army received its bayonets at the agreed price, Probis and Buck Knives went to court over their differences, the matter not settled until April 1991 when Buck Knives agreed to buy the patents to the three knives developed with Finn.

The public fascination with big knives faded in the early 1990s, although the desire for a multipurpose tool remained high. Buck Knives teamed with Wenger of Switzerland to create the SwissBuck Line, in the tradition of the Swiss Army knife. To compete in the inexpensive knife market, the company began distributing a foreign line called Ultrablade, although it chose not to apply the Buck label. The company also came out with a line of knives intended for women, small enough to fit in a purse and featuring designer colors. It soon became clear, however, that a woman in the market for a knife was, like her male counterpart, more interested in the quality of the product than in making a fashion statement.

In 1991, Al Buck died. Family members continued to own 60 percent of the company. While they were regularly approached by suitors interested in buying the business, they gave little consideration to offers. Instead, Chuck initiated a long-term succession plan, which allowed his 31-year-old son, C.J., time to prepare to take over. As executive vice-president, C.J. took on most of the day-to-day responsibilities. With a fourth generation of the Buck family easing into a leadership capacity, Buck Knives looked to continue moving forward, rather than regress like so many family-run companies. In 1994, Buck Knives topped the \$50 million mark in annual revenues for the first time, fueled in large part by the success of its "CrossLock" series developed for law enforcement and paramedic crews and named by *Blade* magazine as its Knife of the Year. Overseas sales also continued to grow, now accounting for 17 percent of total revenues. Moreover, the company took steps to diversify beyond knives, entering the flashlight market with Buck Lights. For several years management considered licensing, hesitant about putting its name on anything but knives, but consumer research revealed that Buck Knives had tremendous brand awareness and offered a major growth engine for the future. In early 1998, Buck Knives signed an exclusive agreement with Compass Licensing to pursue the kind of outdoor products a Buck knife consumer would use. They would ultimately be placed under an umbrella brand, Buck Knives Outdoor Products. As part of the deal, the company retained the right to reject any products that did not meet its quality standards. By the end of the year, Compass lined up five acceptable licensees: Berlin Gloves, Champion Bow Company, Chippewa Boots, The Mad

Bomber Company, and Trivantage Apparel. All of the products were intended to find initial distribution in sporting goods chains as well as independent retailers.

In February 1999, C.J. Buck took over as president and CEO of Buck Knives, with his father retaining the chairmanship. The passing of the torch to a new generation was reinforced the following year when Ida Buck died at the age of 90. The days of driving with her husband across the country in a camper, hoping to convince small-town shopkeepers to take a handful of knives to sell, were long past. Buck knives were now marketed around the world, a brand that was only now just beginning to realize its full potential. As one era passed, a new one was beginning to dawn. The company that started out in a lean-to next to the family garage in San Diego, in 2002 began to consider moving its headquarters and manufacturing plant to a lower cost part of the country. The towns of Post Falls, Idaho, and Bend, Oregon, appeared to be the leading candidates. No matter where Buck Knives chose to conduct business, however, there was no doubt that family commitment to producing the highest quality products would remain unchanged.

Principal Subsidiaries: Buck Knives Outdoor Products.

Principal Competitors: Alcas Corporation; Swiss Army Brands Inc.; W.R. Case & Sons Cutlery Company; Leatherman Tool Group Inc.; Colonial Knife Company Inc.

Further Reading:

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Source: *International Directory of Company Histories*, Vol. 48. St. James Press, 2003.