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## 'Be Prepared' More Than a Motto, It's a Rags-to-Riches Story for Encinitas Duo

### *One-Year-Old Startup Peddles Emergency Preparedness to Consumer*

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Encinitas-based Pacific Pathway Inc. turns 1 year old next month, and oh, what a happy first birthday it'll be.

The company that sells emergency preparedness products saw sales skyrocket in the last 365 days, from zero to \$20.4 million.

An impressive feat made even more spectacular when you consider it all began with a \$50 investment split between company President Dennis Bertken and Chief Executive Officer Nicholas Connor.

"We literally opened up the wallets," Connor said. "... and haven't closed them since," joked Bertken, as he finished his partner's sentence.

Pacific Pathway sells its patented products to major U.S. retailers, ranging from Wal-Mart to Macy's.

The products include a backpack filled with three days worth of food and water, plus other emergency supplies and equipment, in addition to a six-in-one personal safety device that functions as a flashlight as well as cell phone charger, compass, emergency radio, siren and signal flasher.

Most of the manufacturing and design work is outsourced to Asia.

Pacific Pathway's only full-time employees are Bertken and Connor, who operate out of home offices in Encinitas.

Bertken and Connor declined to disclose projected revenues for 2006 but said they expect a net profit above 15 percent.

The instant success of Pacific Pathway's products, which as of this month are in nearly 10,000 U.S. storefronts, came as a surprise to Bertken and Connor. The two began researching the market long before last year's devastating hurricane season hit the Gulf Coast. (continued)



Chief Executive Officer Nicholas Connor, left, and President Dennis Bertken review their marketing plans for Pacific Pathway Inc.'s emergency preparedness product brand, Life+Gear. The Encinitas-based company achieved \$20.4 million in sales this year.

“You should have seen the business plan we put together in the beginning,” Bertken said. “We had hopes for \$2 million in revenues the first year and we surpassed that goal in the first 60 days.” The pair also hoped to get onto Wal-Mart shelves within two years.

As it turns out, it only took one meeting no longer than an hour to seal the deal.

Pacific Pathway offers two brands: Life+Gear and Safety Cross by Life+Gear.

Each brand consists of more than 30 products, from multipurpose, self-charging flashlights to backpacks pre-filled with enough emergency supplies to sustain a family of four for three days.

“The recommendations in the marketplace are very confusing to people,” Bertken said. “Part of the reason we’ve been so successful is because we make that decision easy for them.”

Life+Gear products are sold at the higher end of the retail spectrum at stores such as Dillard’s, Macy’s and Lord & Taylor, while Safety Cross by Life+Gear products are available at stores such as Wal-Mart, Costco and Kmart.

#### Taking The Plunge

At 48 and 55, respectively, Bertken and Connor are hardly newcomers to the business world.

Bertken has more than 20 years of executive experience with technology and consumer product companies in the Silicon Valley and Southern California. Connor, who was born and raised in Asia, has 30-plus years’ experience in international business with a strong focus on outsourcing.

When the two decided to partner, both said they were in a transition phase with their careers and looking for something more meaningful.

“It was something that challenged our interests, leveraged our business backgrounds and had a social responsibility element that was an important component for us,” Connor said.

In addition to socially conscious products, Pacific Pathway gives 10 percent of profits to charity and works to help prepare schools, churches and other public places with donated or discounted safety gear.

“This is a company that has a heart,” Bertken said. “This is a company that was built from the ground up with a passion for not only business and being successful in business but for social responsibility, and I think that’s why we’ve been so successful so quickly.”

#### Secrets To Success

Other secrets to success are the fact that at least one new product gets launched each month, and the moment a new product launches, its replacement is under development.

“Sustainability is absolutely something we look at all the time,” Connor said. “There’s a lot of thought and strategy in protecting where you are so you can protect where you are and keep moving along at the same time.”

To keep their products from only being marketable before or after a major disaster, the company encourages consumers to use products in everyday life, whether it’s using a flashlight with radio and siren to walk the dog at night or using a safety-stocked backpack on hiking or field trips.

“It’s not about response to a disaster,” Bertken said. “It’s really about pre-placement.”

Ensuring that packaging materials don’t use scare tactics that could turn off consumers has also been a major factor in the company’s success.

“We don’t want to sell doom and gloom,” Connor said.

Also, with so much of the operation outsourced, Connor said the company has a “natural nimbleness” that allows he and Bertken to make and implement direction-changing decisions quickly.

“It’s not just your casual outsourcing,” Bertken said. “We need to be in a position in two years from now to be efficient. We don’t expect to be the only players for long.”

With such a banner year behind them, Connor and Bertken may be due a well deserved break, but don’t expect either to slow down anytime soon.

“We wish we could clone ourselves so we can get started on work for the next six months,” Connor said. “There’s just so much to do yet.”