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BUSINESS

Kayak maker to shut down. About 70 affected as parent company shifts operations to U.S.

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Times Colonist staff

Current Designs, a Victoria-area manufacturer and exporter of top-line kayaks, is closing down and consolidating operations at its U.S. parent company's location in Minnesota.

About 70 people work at the plant in the Royal Oak industrial park and "some may move", said General Manager Mike Henderson, who wasn't happy with the head office decision. He's staying in Victoria.

He's a minority shareholder, along with company founder Brian Henry who owns the Ocean River Sports



The 35-year old canoe company bought Current Designs in 1999 and invested in new equipment to expand and hire more staff for a new plant three times the size of the previous quarters in Sidney.

Its building lease expires October 31st this year. The new kayak plant turning out Current Designs products is expected to be up and running at Winona, Minnisota, early in October. Production of kayaks stops here on August 31st.

“It’s too bad — the people here have done a very good job of creating a world-class brand name,” said Henderson. In a memo to staff, Henry said the news was “difficult for me to accept and understand ... I am sorry that this has happened.” None of Current Designs’ minority owners wanted to see it leave Victoria, Henry wrote in the memo. He started the company, and although no longer one of the managers, still designs kayaks.

‘There’s nothing positive” about a 20-year-old local success story shutting its doors here, Henderson said Thursday in an interview.

“There’s nothing positive about people losing their employment,” he said.

But he understood what led Wenonah Canoe owner Mike Cichanowski to make the decision. Mergers and buyouts among canoe and kayak manufacturers in recent years have left just three major companies worldwide.

Wenonah is not the “big bad American company ... that’s not the story,” said Henderson.

It now occupies a lower tier of paddle sports manufacturers and has to make changes to grow.

The narrowing U.S.-Canadian exchange rate also has made Canada a less attractive place to do business, said Henderson.

A news release from the company said more than 70 per cent of the boats made in Victoria are shipped either to Minnesota or other U.S. and international locations.

‘The logistics of invoicing, shipping and handling those boats multiple-times has led the company to look at a strategy of consolidating manufacturing and shipping at a single U.S. location,” Wenonah said.

Company president Richard Enochs said “the future demands that we focus our energies and our talents in a single location if we are to compete well in the paddle sports industry.”

Employees have four more months of work here, and there will be severance packages or alternative job offers.

‘There’s been sort of a blanket offer for persons to apply for positions in Minnesota,’ said Henderson. “We will certainly assist them in every way possible.”

Both Henderson and Henry said the employees of Current Designs are skilled workers and will be in demand in Victoria’s expanding boat-building and repair industry.

“When one door closes, another opens and we must consider the opportunities that this will present,” Henry told staff.

Three Current Designs’ employees called the Times Colonist to make sure the public knows about the coming closure — one woman in tears at relaying the bad news — but no one was willing to be interviewed.

Five years ago, the merger of Current Designs and Wenonah seemed only good news.

The two companies complemented one another, as Current Designs made only kayaks and Wenonah was solely in canoes. Since 1990, Wenonah had been a distributor of Current Designs kayaks.

Production figures and sales are not released by either privately-owned company. When it merged with Wenonah, Current Designs was making about six kayaks a day, which retail for several thousand dollars. Sales dropped off in the 2001-2003 period, but have recovered now, Henderson said.

Current Designs as a brand name will carry on, and Wenonah will maintain a Western Canada sales and distribution office, but no decision on location has been made yet.

Henry has a full-time retail business to run that isn't connected with Wenonah or Current Designs, except to distribute their boats. Henderson hasn't decided what he will do after the company moves.

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