



CLIF BAR & COMPANY

The CLIF Bar corporate office features a squadron of flying bicycles. Erickson (above) in full CLIF gear.

CLIF Bar: All about the ride

Owner Gary Erickson says his energy bar business was born on the seat of a bike

The ride was 175 miles in one day. It started in Danville, went up Livermore Valley through Patterson Pass, then took them 30 miles along the California Aqueduct before turning west to Del Puerto Canyon and up to Mount Hamilton near San Jose, finishing back in Danville. A challenging ride, even for an amateur category 2 racer named Gary Erickson, founder of CLIF Bar.

Erickson's friend and fellow racer Jay Thomas, now an emergency room doctor, had come up with the route, which the pair rode on November 17, 1990. It will become clear why Erickson remembers the exact date. It was a day that would change his life.

"Jay was one of my best friends growing up," Erickson said in a recent interview. "We skied early on, climbed for many years. Cycling overlapped our climbing. We started doing adventure rides in the Alps."

Those adventure rides were light and fast, and probably ahead of their time. Thomas and Erickson would carry their bikes, cyclocross-style over the tops of some of the passes. In 1986, they covered about 1,200 miles in 16 days throughout Spain and Italy.

"We hammered it," Erickson said. Erickson is still riding the Alps today at the age of 55, but now he's riding the singletrack that takes him over many of the passes instead of carrying his bike. "I don't know what to say. It's a huge part of my life, and every pass is like

climbing Everest itself," he said. "My wife and I just did a five-day trip in the Dolomites. We rode a da Vinci tandem. My daughter was on an Orbea road bike. She's 18, but she still likes me."

Back to California, November 17, 1990. Erickson finds himself bonking at the top of Mount Hamilton with some 50 miles left to go, the day growing dark and cold. Erickson had been surviving on Power Bars, and he'd eaten five already that day. But the sixth one was too much for him to bear.

"I was bike racing at the time, so I had eaten a lot of Power Bars, but no more than two in a day," Erickson said. "I had the sixth one in my hand, and I looked at it at the top of Mount Hamilton, bonking, and I just couldn't do it."

Erickson and his fellow racers ate Power Bars because they were the "new thing on the block and we didn't have to make our peanut butter and jelly sandwiches."

"But no one talked about how great they tasted," he said.

Erickson knew there was a 7-Eleven at the bottom of Mount Hamilton. He put on warm clothes, coasted down the mountain to the convenience store and gorged on powdered donuts to get through to the end of the ride in Danville.

"On the way down, I told my friend Jay I'd had an epiphany," Erickson said. "I turned to him and said, 'Hey, I can create a better energy bar than this.' That was the moment that led to six months in my

by Dan D'Ambrosio

mom's kitchen creating the CLIF Bar."

Erickson had a friend design the climber logo that still graces the bar, which misleads many people to believe that the origin of the name is associated with the logo, while it is actually named after Erickson's late father, Clif.

"We hit the market in February 1992, and it took off," Erickson said. "We started in bike shops. We had a distributor helping us out, and we were sending out samples and going to trade shows. At the time, and I think it still holds true as CLIF Bar continues to grow, we were the natural alternative with whole grain, fruits, and natural sweeteners."

When he began developing the CLIF Bar, Erickson was living in a garage with his bike, his dog, his skis, his climbing gear, and "two trumpets," according to the CLIF Bar website.

He was also part-owner of a small bakery in the Bay area, named Kali's Sweets and Savories after his grandmother. The cookies he made were based on his mother's recipes, which had achieved local fame.

"She made the best cookies, and they were selling like crazy in the Bay area," Erickson said.

So it only made sense to head to his mom's kitchen when he decided on Mount Hamilton to make an energy bar that cyclists would look forward to eating. Erickson told his mother what he wanted

to do, and she was game even though the energy bars would require formulations and ingredients she had never worked with before.

"We had to get the butter, white sugar, and the oil out. I had to get rid of that stuff," Erickson said. "I spent about six months, two or three days a week. Some weeks I wouldn't do anything. Finally we came up with the three original flavors of CLIF Bar – apricot, chocolate, and date oatmeal."

Before going to market with his new energy bar, Erickson did a little guerilla marketing right in the back yard of Power Bar, which was based in Berkeley.

"I passed it around to my friends and told them to keep their mouths shut," Erickson said. "I was racing in Berkeley. I put some samples in a plastic bag and asked, 'What do you think of this?'"

Way better than a Power Bar, Erickson said his friends replied, and he knew he was on the right track. In fact, his tasty bars presented a different problem.

"Convincing people it was an energy bar was an issue," he said.

Erickson, who had no background in business, is amused that his energy bar was formulated in his mom's kitchen and named after his dad who had retired as the assistant chief of OSHA in California.

"I think he was kind of impressed. It was so foreign to him," Erickson described his father's impression of his business. "He lived such a simple life, never invested, just took his pension. He and mom retired very simply."

Eight years after launching his company in 1992 with an equal partner named Lisa Thomas (no relation to Jay), Erickson was facing something of a crisis. CLIF Bar was having "growing pains," Erickson said, and just then Quaker Oats came up with an offer his partner couldn't refuse. 120 million dollars, 60 million each.

"I did try to convince her not to sell, but she was already out the door," Erickson said. "She believed that if we passed up this offer it would be the last time we'd ever see that kind of money."

Quaker Oats had made it clear that they would be shutting their doors in California and moving CLIF Bar back to Chicago, where the huge conglomerate was based. At the same time, CLIF Bar's two main competitors had also been gobbled up by two of the largest food companies in the world: Kraft bought Balance Bar and Nestle bought Power Bar.

As Erickson would say in a commence-

ment speech to a class of college seniors years later, he was a college graduate with a C average, and he had the opportunity to walk away with \$60 million after just eight years in business. Everything said he should sell, but he didn't. Instead, he bought out his partner for \$60 million.

"Instead of walking away with \$60 million, I was \$60 million in debt," Erickson said.

He had told his dad on his birthday that he was naming his new energy bar after him. Now he told him that he wasn't going to take Quaker Oats' offer. His father understood. Why would he give up the company he had built from nothing? Not everyone was so understanding.

"It was a huge risk, and everybody else around me was more scared than I was," Erickson said. "I felt so confident it was the right thing to do. I just didn't want to walk away from it and sell it. We would do the best job with it. A large company doesn't do a great job."

It was the right thing to do. 10 years after buying out his partner, Erickson had repaid the \$60 million he had borrowed. CLIF Bar continues to flourish with a product line that has expanded to include six different types of energy bars, including one for women and one for kids, plus a quick-boost energy gel.

"CLIF Bar is big among cyclists," Erickson said. "We're pretty well staffed with very educated people, but most of our people are also foodies. The whole business, the whole vision, was built on taste."

Erickson is beginning to expand his company internationally into the U.K., where he said they "don't have a lot of diversity" in energy bars. CLIF Bar's presence in the U.K. is still small, with bars in natural food stores and, of course, bike shops.

There is also still a great deal of room left to grow in the U.S., Erickson said, where CLIF Bar's household penetration is still very low. CLIF Bars may be a mainstay in bike shops and many health food stores, but Erickson would like to see them in more grocery store aisles.

"People are starting to figure out they need to eat better," he said. "Maybe the CLIF Bar is a better alternative to chips."

Randy, one of Gary's brothers, works for him as Senior Vice President of Strategic Projects/CLIFWorks, the company's innovation team. It's a turnabout that amuses Erickson when he thinks back to 1983 when Randy gave him a job

at Avocet after he got back from a round-the-world trip.

"My brother was hired to start the saddle factory in Union City and asked me to come along to sweep floors for five bucks an hour," Erickson said. "He owned a foundry that Avocet bought. He was going to do cranks and seatposts for them. Then it ended up the saddle factory guy was fired so they asked my brother to come in and get things going because they were late on their first delivery."

Erickson resigned from Avocet in 1992.

"When CLIF Bar took off, I knew I could make it on my own without having a part-time job," Erickson said. "Now I pay him instead of him paying me."

Erickson and his wife Kit are co-chief executive officers of CLIF Bar. The employees own 20 percent of the company, and Erickson and his wife own the other 80 percent. He declines to discuss the company's annual revenue, but just bear in mind CLIF Works repaid a \$60 million debt in 10 years.

"We've been growing almost 17 percent compound for 10 years," Erickson said. "You're talking tripling our sales or so."

Despite running an obviously large, very successful company, Erickson strives to maintain the informal roots of his enterprise, which is reflected on the company's website, where a funky, homegrown vibe comes through loud and clear. There's a lot about CLIF Bar's "core values," which include "striving to build a supply chain that connects us with the farmers who grow our ingredients, supports ecologically sound agriculture, and promotes fair labor practices."

Adorning the page are what appear to be family photos of maple and almond farmers. Erickson is one of those rare people who seems to have gotten things exactly the way he wanted them without compromising himself along the way.

"CLIF Bar was born on a bike," he said. "I believe the trips I started doing in the Alps in 1986 and dozens since are my allegory for how I run the business. My philosophy is to take the white roads, not the red roads. Red roads would get you there faster but why take them when it's all about the ride?"

"That's CLIF Bar, all about the ride, not the destination. If it were about the destination, I would have sold 10 years ago." **AC**

Dan D'Ambrosio currently lives in northern Vermont where he is a reporter for the Burlington Free Press.