

Zumiez: case study for 'effectual entrepreneurs'

How Gary Haakenson and Tom Campion founded Lynnwood's high-flying activewear company



Gary Haakenson, now acting county executive for Snohomish County, with grandson Alex in the Edmonds Fourth of July parade. Haakenson is a co-founder of Zumiez.



Gary Haakenson, a co-founder of Zumiez, today is acting executive of Snohomish County.

By **Juergen Kneifel**, Herald Columnist

It was the 1970s, and Gary Haakenson, who today is acting executive of Snohomish County, faced a tough choice. He was offered a promotion, but he'd have to move his family. And to continue advancing as a manager for JCPenney, he'd likely have to keep moving.

But Haakenson enjoyed living in Western Washington and didn't see moving away as a viable option for his family.

This opportunity would present him with the proverbial fork in the road. The thought of having more personal control and creating one's future became a passion. Eventually, it would lead Haakenson to co-found Lynnwood-based activewear company [Zumiez](#).

Haakenson shared his story at a recent entrepreneurship workshop at Everett Community College. His experiences fit well in the "[effectual entrepreneur](#)" model by focusing on the element researchers identify as co-creation under the principle of "patchwork quilt."

Ian Ayers, a co-founder of the [Society for Effectual Action](#), describes the patchwork quilt principal as "the process by which self-selecting stakeholders make pre-commitments early on in the venture." This makes perfect sense; by bringing together a network of venture experts, co-creators ultimately reduce uncertainty and mitigate risk.

To understand how this principal worked for Haakenson, he reflected on his early business experience.

Before he made his mark in small business with Zumiez, which today is a [publicly traded company](#) with hundreds of outlets in North America and Europe, he was experiencing upward mobility at JCPenney.

Working at the Northgate store, he was assigned to the management training track to be groomed for greater tasks. He was offered a promotion in Kennewick. Prior to accepting that offer, Haakenson and his wife traveled to Kennewick to explore the Tri-Cities area one weekend; they both determined that this was not going to be a good fit for the family. Nothing wrong with Kennewick, mind you. It was the notion of a career that could eventually send the family packing whenever and wherever the company had need.

Haakenson has nothing but praise for his former employer, realizing that the experiences and training that he took in during his tenure would only prepare him for life's next adventure. And this opportunity would represent him with that fork in the road. The thought of having more personal control and creating one's future became a passion.

Zumiez, which originally was called Above the Belt, was started in 1978 by Haakenson and his founding partner, Tom Campion. Interestingly, Campion was also working for the Northgate JCPenney at the time and was experiencing similar concerns with his own career path.

When Haakenson and Campion partnered to start their business, they evaluated an opportunity that seemed obvious for those with a fashion retail background.

"At the time, we were observing that everything in clothing and fashion was focused on denim. We saw an opportunity to create a specialty shop that would pay close attention to tops, T's, hoodies and shirts -- hence the name, Above the Belt," Haakenson said.

Getting this enterprise off the ground involved many co-creators. There were bankers and relationships that led to a Small Business Administration loan and landing a second mortgage for startup capital. There was a lease signed with Northgate Mall, where both Campion and Haakenson had established credibility.

Additionally, supplier relationships were carried forward from years working at JCPenney. And with Haakenson's significant work experience in evaluating talent, staffing was also a high priority, since running a retail store at a mall would be quite taxing as a two-man show. Some of the enterprise's early hires were brought in from the Northgate JCPenney store.

During this period of opportunity, others emerged with similar business concepts. The Squire Shops and Mr. Rags were growing in our region and gaining some market share. But once the dust settled, these competitors seemed unable to re-balance and make changes to meet consumer demand.

"We were actually in conversation with Squire Shop's owners to purchase several locations that met our growth strategy. We also liked some of the managers that were working there at the time," Haakenson said. "In the end we couldn't come up with a deal, but several years later, we purchased a few key locations when The Squire Shop was in bankruptcy."

The name Above the Belt served the business well for a number of years. However, as the regional chain grew to roughly 20 store locations, it was time to get a makeover. Zumiez was chosen at a company retreat in response to pressure from another retailer that felt their identity was being threatened -- namely, Below the Belt, a California fashion chain.

Before Zumiez went public in 2005 and later expanded to outlets internationally, Haakenson decided it was time to step aside. He later served as Edmonds mayor and then deputy county executive under Aaron Reardon, [who resigned last Friday](#).

"I was happy to have been in the business and to play a role in building something that most would call a success," Haakenson said. "I preferred to be a part of the business when it was still small and I was working with people."

Haakenson's exit strategy was much like the start-up of Zumiez: another fork in the road and new opportunities to pursue.

Juergen Kneifel is a senior associate faculty member for the Everett Community College business program. Please send your comments to jkneifel@everettcc.edu.