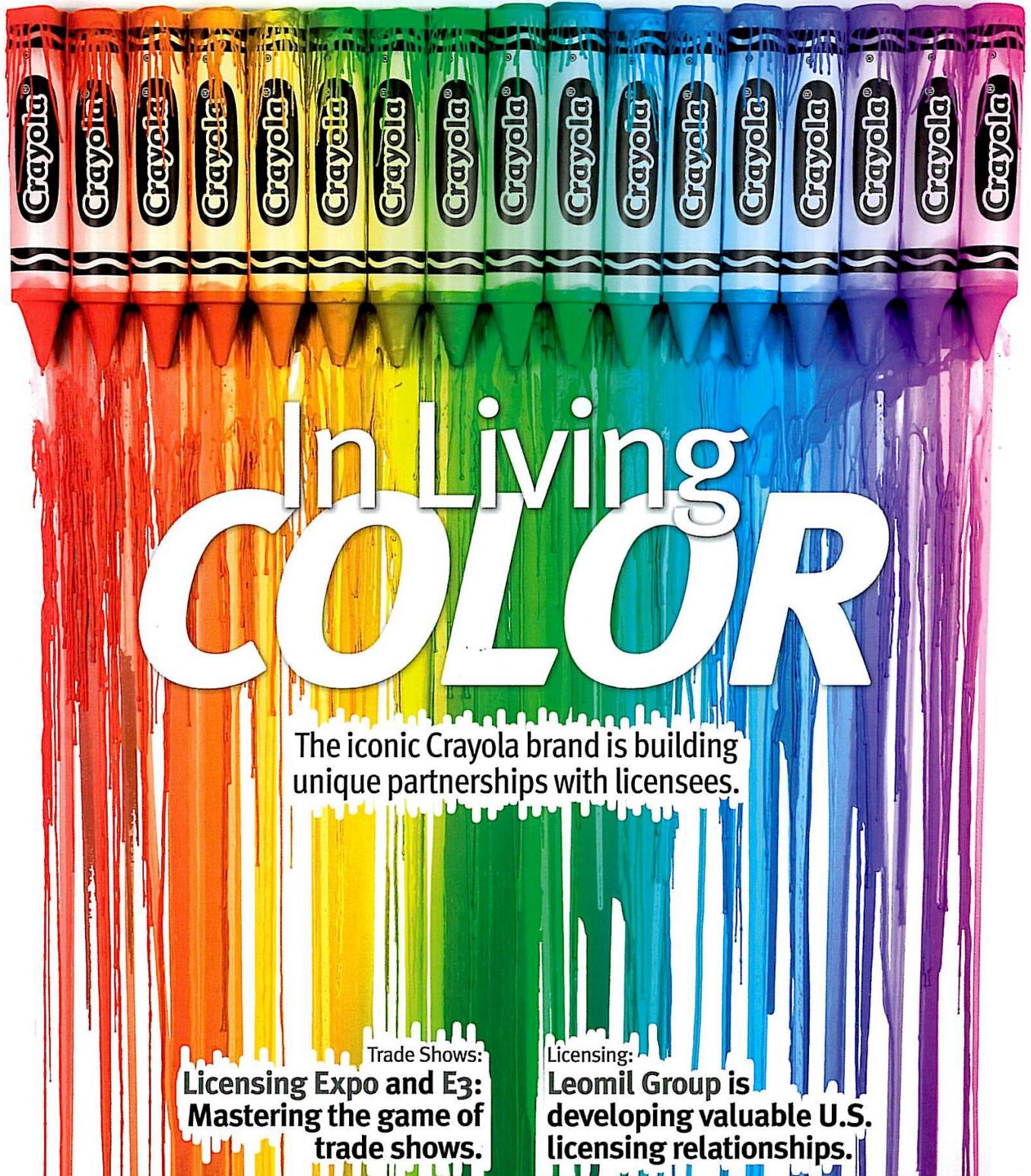


# RetailMerchandiser

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## In Living COLOR

The iconic Crayola brand is building unique partnerships with licensees.

Trade Shows:  
**Licensing Expo and E3:  
Mastering the game of  
trade shows.**

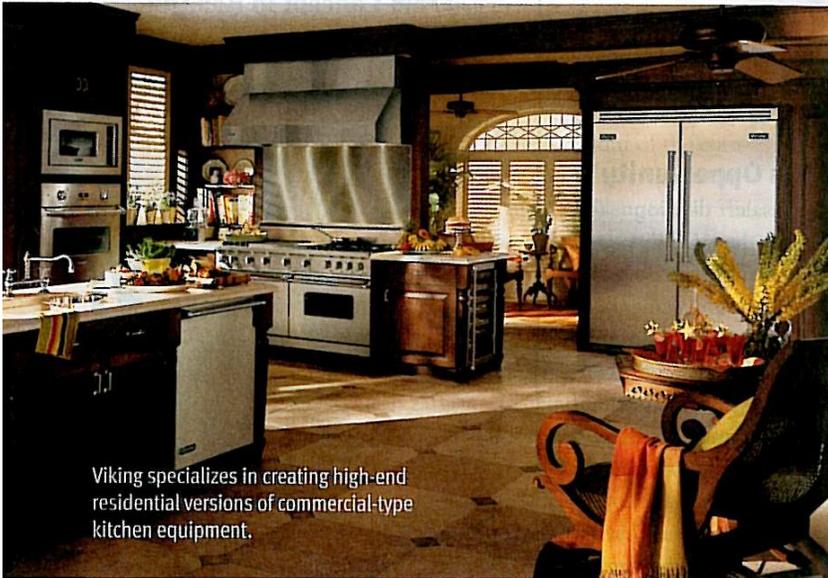
Licensing:  
**Leomil Group is  
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licensing relationships.**

Luxury Retail

VIKING RANGE LLC

# Refocused On Success

Viking Range LLC renews its commitment to quality and becomes a culinary lifestyle company after being purchased by Middleby Corporation. **BY TIM O'CONNOR**



Viking specializes in creating high-end residential versions of commercial-type kitchen equipment.



**Brent Bailey, vice president of brand management**  
www.vikingrange.com  
Greenwood, Miss.

**T**he late-2000s were a difficult time for high-end kitchen equipment maker Viking Range Corporation. Like many luxury goods manufacturers, the Greenwood, Miss.-based company was affected as consumers scaled back purchasing during the recession. Further, Viking struggled as its list of products grew beyond what was manageable, though its brand value remained high.

But since being bought out by The Middleby Corporation at the end of 2012, CEO Selim Basoul has helped the company regain its focus and improve sales and profits. "We're growing now instead of shrinking," says Brent Bailey, vice president of brand management.

Viking has specialized in creating residential versions of commercial-type kitchen equipment since the company's beginnings in the mid-1980s. Founder Fred Carl Jr. was building his own home when he realized there was no suitable product on the market that would fill his wife's desire for restaurant-quality kitchen range. Recognizing that passionate home chefs were being underserved, Carl designed the

first professional range for residences and created the luxury kitchen market.

The company has approximately 700 employees nationwide at three manufacturing facilities in Mississippi, as well as at distribution facilities on the east and west coasts. Full Viking kitchens are a major selling point for residential developments, Bailey says, because luxury-minded homeowners and tenants with household incomes in excess of \$150,000 expect the best. Those renovating an existing kitchen can spend \$20,000 on Viking Range appliances for a moderate kitchen overhaul, and far more for everything but the kitchen sink.

## Too Many Distractions

Viking's success in high-end kitchen appliances eventually led it down the road to becoming a culinary lifestyle company. Growth in major appliances continued, but Viking also entered the small appliance market, outsourcing hand mixers, toasters, cookware and cutlery.

By the mid-2000s, Viking was more focused on leading a culinary lifestyle revolution and less aggressive on product development. Bailey, a 19-year veteran of the company, says it felt as if Viking had somewhat lost its way. Due to the decreased emphasis on product development, Viking became overburdened with ancillary products and sponsored events. "It's just tough to be good at everything when you're spread so thin," Bailey says.

That's when Middleby Corporation stepped in.

## Specialty Rolled Metals

SPECIALTY ROLLED METALS credits its 25-years of success to relationships with great companies like Viking Range. SRM offers stainless steel sheet and coil to an ever changing food processing industry. From the farm fields of California to the kitchens of New York, Specialty Rolled Metals has a long standing tradition of working with our customers to improve their processes and their bottom line. With an ever changing food processing equipment industry, we are very lucky to work with one of the best in Viking Range.

Bassoul was looking for a residential brand that fit his company's image as a leader in the global foodservice equipment industry. In Viking, he recognized the manufacturer was distracted by its glut but still had good brand equity. A 2013 Dwell Insights Group Survey later reinforced that positive perception as respondents named Viking the first brand choice for affluent consumers due to its legacy for innovative design and durability. Middleby purchased Viking on Dec. 31, 2012, and went to work on pairing down Viking Range's operations from all the culinary lifestyle excess to what it was best at: professional-quality major kitchen appliances.

Prior to the buyout, the number of SKUs Viking produced had escalated to over 12,000. Since then, SKU offerings have been reduced to approximately 1,200. The reduction helped increase manufacturing efficiencies and eliminated confusion to consumers by having such a complex product offering. "It seems simple," Bailey says of the drastic SKU reduction, "but it yields great dividends in improving quality by freeing engineering and manufacturing to develop the most robust product possible."

The sheer number of SKUs made production difficult for assembly workers, as well. Bailey said one product might have 15 variations even if 75 percent of sales came from

only two versions. Many of the SKU reductions were color differences, but Bailey explains others had variations that required different assembly procedures. Workers who perfected how to build the most popular SKUs might struggle to remember each step of the deviating versions, leading to occasional defects.

Reducing the number of SKUs was one step in improving consistency in quality, but Middleby took it a step further. Bassoul wanted the assembly of each appliance to be so easy that it could be built in the dark. Viking began to simplify its products by eliminating unnecessary components. Bailey indicates that Viking's engineers were able to redesign their range platform, shedding 31 stories in length of wiring harness with no degradation in performance. This could sound like a cost cutting exercise but was actually a quality initiative. Cameras capable of detecting missing parts have also been added to the end of production lines to ensure each appliance is assembled perfectly. That rethinking of how its products were built made production more consistent while also allowing Viking equipment to be easier to diagnose should there be a service call.

To better control its products, Viking canceled or acquired all of its independent distributors. The decision



### **Embraco**

What do you want when you invest in a new refrigerator? Quiet operation? Fresh food? Energy efficiency? Viking Professional Refrigerators equipped with Embraco Full-motion Compressors deliver these benefits. Embraco's Fullmotion system uses inverter technology to optimize the compressor's speed to reduce noise, maximize energy savings, and ensure that your food stays fresher longer. The partnership formed between Embraco and Viking Range, LLC offers the most advanced cooling solutions for today's high-end clientele for a better quality of life.

### **SSW Holding Company, Inc.**

SSW Holding Company, Inc. credits its success to relationships with leading appliance OEMs such as Viking, including their partnership on Spill Smart™ Hydrophobic Shelving. SSW is committed to providing its customers with value-added components and systems. With eight manufacturing locations throughout North America, SSW is positioned to meet its customers' current and future needs.

created challenges as the company essentially had to repurchase its entire inventory – a move that did not look good on the books in the short term, Bailey says, but has led to improved efficiencies. “We’re all on one team providing the best customer service possible,” Bailey explains.

### Middleby Relationships

The renewed focus on core products and production quality has been a key factor in Viking’s turnaround, but becoming part of a larger corporation has also opened doors. Falling under the Middleby umbrella has allowed Viking to leverage its parent company’s partnerships and products from Middleby’s nearly 50 commercial manufacturing subsidiaries. Proven

technology from those sister companies is now being used in Viking’s products, further improving quality while reducing the amount of research and development needed to launch a new appliance.

Those relationships have resulted in several new products for Viking. Customers longing for appliances in a European style may now buy the Tuscany range, which Viking offers through a partnership with Giga, another Middleby company located in Italy.

Sister company TurboChef, an industry leader in reliable high-speed cooking equipment, is relied upon by companies such as Subway, which can’t afford to have an oven fail. TurboChef developed a residential version of its commercial high-speed oven, capable of cooking a 12-pound turkey in 42 minutes with a cooking quality unsurpassed by any traditional residential appliance. Viking has taken over the product development and is leveraging its distributor relationships and knowledge of the residential market to make the oven a success. The product is expected to be available for sale within the next few months.

“We’re the perfect company to manufacture and distribute this product because we have the manufacturing facilities to build it, the sales team and customer service to support it and a brand name that resonates with people who will be attracted to high-end appliance,” Bailey notes.

### Re-Educating Consumers

The company has taken several steps to teach consumers and retailers about all of the improvements that have



occurred since becoming a part of Middleby. “Quality has been a huge part of the last three years of our existence here,” Bailey says.

The company’s salespeople have been a regular sight at trade shows, touting the new Viking and sharing data on how the company has improved service. But words and data are one thing and taking action is another, as when Viking delayed the launch of its new French door oven from February 2014, a product derived from Jade, another of Viking’s sister companies, located in Brea, Calif. The oven passed every single lifecycle test times two, but Bassoul managed to overextend the French door after slamming it shut with his elbow. The company fixed the fault and released the oven in May of that year.

In spite of the delayed launch, sales for this product doubled forecast for the year, in large part because of the demonstrable improvement in quality.

The 2015 Harris Poll EquiTrend Rankings are a testament to the progress Viking has made and its continuing brand recognition among customers. The company placed among the top brands in the major appliance category, sharing a list with far larger competitors such as Samsung and GE that vastly outspend Viking on marketing.

Through changes in production and philosophy, Viking Range is once again making good on its commitment to quality for customers. “There’s the consumer’s expectation you’re not going to have problems ever,” Bailey says. “While perfection is hard to attain, we are certainly working towards it.”