K-Z ‘Comes Full Circle’ with Addition of Livin’ Lite to its Family of K-Z and Venture RV Towable Lines

Soon after it was announced in early March that K-Z Inc., a Shipshewana, Ind.-based subsidiary of Thor Industries Inc., was incorporating trendy Livin’ Lite RV Inc. into an operating network that already included K-Z’s mainstream product lines and its Venture RV brand, K-Z’s management set about determining what that newest addition actually brought to the family.

Aram Koltookian, who took over the presidency of 44-year-old K-Z last October from founder and current chairman Daryl Zook, said he and his management team – including Marlene Snyder, vice president of sales and marketing, and General Manager Dave Boggs – soon realized that Livin’ Lite’s line of all-aluminum truck campers, tent trailers and other towables presented a unique opportunity for K-Z, a northern Indiana company currently reporting an 18% hike in year-over-year retail sales.

Livin’ Lite, the Topeka, Ind., manufacturer acquired by Thor from founder Scott Tuttle in late 2013 and previously managed by Thor’s Crossroads RV division, is now under the direct supervision of Boggs and, according to Koltookian, will remain a separate division now located at K-Z’s Shipshewana campus.

“Quite frankly, when they asked us to take it over we went down to take a look at it and we saw a huge opportunity because it’s not a product that is anything like what K-Z has,” said President Aram Koltookian. “We don’t clone our products here at K-Z, so as we look to expand, Livin’ Lite actually kind of made sense.”
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“Taking K-Z as a whole, we have everything from entry-level to high-end so we cover all the main segments of the market,” added Snyder, who recently joined Koltookian and Boggs for the following RVBusiness interview. “We hit every price point. We have something for everyone, and for every size and every tow vehicle. And now with Livin’ Lite we have even more. We didn’t have truck campers before and we didn’t have popups, and now we cover that. We have it all covered. It’s interesting: we started with truck campers in 1972, so we’ve sort of come full circle with truck campers again.”

RVBusiness: It’s been nearly four months since the announcement that Livin’ Lite RV was incorporated under the growing K-Z operating network. And while you’ve mentioned what Livin’ Lite adds to the K-Z family, what, we’re wondering, is K-Z able to do for Livin’ Lite?

Koltookian: We saw an opportunity where we could bring them operational success and technologies that they haven’t been exposed to. And we really could get them ingrained in the way that K-Z does things. By that I mean build a quality product, build a product that is innovative and services your customers. And your customers in this case are a lot of people — your plant workers, your vendors, your dealers and the people who are actually buying your coach and going camping.

That’s what has made K-Z great since 1972. They’ve done the basics, day-in and day-out, of taking care of people. That’s what’s critical — and that’s something that we feel we can bring to the Livin’ Lite team.

RVB: What else might dealers expect from the reenergized Livin’ Lite brand?

Koltookian: The Livin’ Lite dealers aren’t going to be shocked when we say this, but maybe Livin’ Lite (management) in the past hadn’t done a good enough job of taking care of them, training them, giving them sales support. We looked at that and said, ‘If anybody needs training it’s these guys because it’s an unbelievably unique product.’

We’ve already done quite a few things to influence some of the decisions that are being made. The very first thing that we did was that Dave, Marlene and I crafted a letter to our dealers which basically said, ‘Tell us what you like and tell us what you don’t like.’

The results were pretty consistent: more communication, more training, more listening to the dealers and the retail customers on what they want.

That’s what this team is doing, and it’s working. We’ve brought back many Livin’ Lite dealers who had left for a time because they were frustrated; now they’re back on board ordering 5, 10, 15 pieces and telling us, ‘You know what? We believe in you. We believe in the direction that you’re going. And we believe in the products’.

RVB: Does the addition of Livin’ Lite into the K-Z family offer any synergies with regard to production, dealer base or otherwise?

Koltookian: It’s a lot like Thor where Thor lets every subsidiary run autonomously. Thor does an amazing job of letting us run our businesses. Its support is second to none. If we need an accountant or a lawyer or a bank, Thor is there to support and they are fantastic about it. But they are not coming in here to say we have to buy this air conditioner, or this refrigerator or this frame or anything like that.

Thor lets every subsidiary do its own thing. We’re looking at Livin’ Lite the same way. Although the senior staff of K-Z assumed operational control, Livin’ Lite is still its own company. Its employees are completely separate from K-Z employees. They have their own insurance plan and benefits package. They have a separate sales staff.

Now, one of the things that will be combined are K-Z’s senior staff: myself, Marlene, Dave, Terry Slabach (chief financial officer), Sue Thomas (vice president of operations), Duane Zook (director of purchasing and engineering) and others who have been here with K-Z for a long time. We’re combining the best of both companies.

K-Z employees perform a final check on a Durango Gold fifth-wheel.
Livin’ Lite because he has the vision of that camping lifestyle with lightweights.

Livin’ Lite will be run as its own separate brand, retailing through K-Z dealers and others. But it’s all good because, in the big picture, we (K-Z itself) don’t build a tent trailer. We don’t build a truck camper. We don’t build an all-aluminum, no-wood travel trailer. So we’re going to let the chips fall where they may. What’s really neat is we get to expose the dealers to Livin’ Lite in our displays — front and center — at both the fall Open House and Louisville Show.

**RVB:** So, it sounds like you’re going to follow the basic genetic lead, so to speak, of Livin’ Lite’s light-weight, trendy product positioning.

**Boggs:** Livin’ Lite has got a great position in the market, so we’re not going to change the DNA. But we are going to change it as far as making it user-friendly. We want to make sure that the trailer is comfortable and usable for customers and that the drain valves, for example, are in the right location. So we’re going through the product and reverse-engineering it so it’s more purpose-built for the end user, and for the dealer to be successful.

**Koltookian:** Let’s put it this way — and I’m going to go ahead and say one of the things that we’ve already done — Livin’ Lite is about being a lightweight, right? So Dave and Marlene have jumped in and taken a 21-foot Livin’ Lite bunkhouse trailer, found new materials and different grades of aluminum to use — we hired Progressive Dynamics, an outside engineering firm, to help us determine where we can strengthen and what materials to use — and took it from 4,058 pounds (dry weight) down to 3,600 pounds. In other words, Dave and Marlene were able to find 458 pounds to take out.

**Boggs:** That’s a 21-foot bunkhouse on a tandem axle with a single slide, and that’s not something seen in our industry that I’m aware of. It’s going to be the first-of-its-kind at the fall Open House. At 3,600 pounds — and that’s loaded, not stripped down — you’re into another market, another category. So it’s going to open up a new market and a new buyer for the dealers to sell to. As soon as it came off the line we had some dealers who looked at it and they were really excited.

That was the turning point for Livin’ Lite; we are going to go after that build for the rest of the product line. We still have some tweaks to do to it and some minor things, but that’s going to be — I shouldn’t say the “improved” DNA because it’s still the same DNA — but that’s where we’re taking it.

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— Dave Boggs, K-Z General Manager

**RVB:** So, as you’ve mentioned, Livin Lite joins a growing K-Z family that’s apparently a mix of the earlier days when it was a mid-size, family-owned operation to today’s status as a subsidiary of a multibillion-dollar corporation, right?

**Koltookian:** We — everybody here at the K-Z family, all of our managers from our senior staff down to our plant managers — are all the same people who were here before K-Z became part of the Thor family.

What we’ve really done is invest in our infrastructure — a state-of-the-art lamination facility, computer systems and equipment. In fact, we’ve got four remodels going on right now. We’re working on a new customer service call center. We’re renovating two factories to allow for construction and growth and to make the process flow better throughout the campus. We’re working on lean practices. K-Z is already incredibly lean to begin with, but there’s always something we can learn.

Insofar as your question of what’s happening with people, product and facilities, nothing has happened — and absolutely everything has happened.

**RVB:** And, in line with that last question, we’re told that Daryl Zook, the man who started K-Z back in 1972, has maintained an active role in the company, has he not?

**Koltookian:** Yes, Daryl is still involved in the business. He’s here today, in fact. I’m not going to say he’s here day-to-day because he’s earned the opportunity to enjoy his semi-retirement. But Daryl really keeps an eye on us and keeps us all grounded.

That’s not to say that we even need that, because I believe in the way K-Z does business. It’s more about the handshake and a verbal commitment than it is about a contract. It’s living by your word and that’s really how Daryl founded this company. It’s doing the right thing. What’s the right thing to do for that dealer or vendor?
How we have changed is we have a little bit more of an aggressive nature on product development and production, especially with regard to “opens” (units not wholesaled). We’re at max capacity and Marlene and Dave both put in opens in each schedule. We do that so that we can better take care of our dealers.

True to form, we don’t do business with a lot of the huge, multi-location, conglomerate retailers or with Internet-aggressive dealers. Those are all things that were put into place long before I got here and long before Marlene moved up the management ladder. We’ve continued that because we as a management team believe that that’s right for K-Z. It isn’t about how fast you grow — it’s whether you can grow organically and take care of that growth on the back end.

In other words, we don’t have to be a hammer. We don’t have to artificially force-feed growth because we’re not trying to sell the company. We’re just a good solid company.

RVB: Do you, Marlene and Dave, hold the same view, having been here both before and after the Thor acquisition?

Boggs: From my point of view, a lot of times manufacturers will say they have a good partnership with their dealer base. It’s even greater at K-Z because it’s more like they’re a member of the family. That’s how we treat our dealer base.

Snyder: I would agree 100%. I’ve been here 22 years. It’s the same, but better now. I mean, we still have everything that we had before, but now we have the backing to get what we need to be better. I can honestly say it’s only made us better all around.

RVB: Winding down now, what’s your outlook for the short term — let’s say the forseeable future?

Kollookian: Marlene and Dave are more on the front line, but I think (Recreation Vehicle Industry Association industry analyst Richard) Curtin is really pretty accurate and I agree with him and that we should have high single-digit growth.

However, we (K-Z) are having a record year. As of today, we are beating 2007 numbers. So when we say we’re on a record growth pattern, we are the largest that K-Z has ever been, which is phenomenal. We’re gaining more and more momentum and that will translate into higher market share, so I think we will outpace the industry. We’re certainly doing that in some of our fifth-wheels and lightweight segments. We do have a few areas where we have opportunities to grow.

That said, I think it’s going to be another great year next year and I think we have another two or three more years of good growth barring any catastrophic event — like an election (laughs) — who knows what’s going to happen there. But as long as the market keeps growing I think we’ll continue to outpace the market.

But that’s as long as we can support it in the back end. Where we will pull back the reins is when we feel like we can’t support the growth with our customer service and aftermarket teams. It’s critical to have that. I’ve lived through times of huge rapid growth and everybody hates you because you can’t get them a part during camping season. We’ve all experienced that in some form and it’s not healthy for the industry. It will be responsible growth and, like I said, we’ve built the foundation to do that.

RVB: That said, are you comfortable with your dealer base, geographically speaking, or do you see holes in the market you’d like to fill?

Snyder: We absolutely have open markets.

Boggs: It’s the West Coast. We had kind of stayed away from there before Thor. But now that we’re more competitive, and buying components better, we feel we can be more competitive out on the West Coast. That’s another territory we’ve opened up.

Snyder: It was really a matter of freight (costs), and there’s a lot of competition that builds their stuff out there. Plus, there’s not a lot of margin in an entry-level product to drive it 2,500 miles out west. So that’s been our biggest increase, out on the West Coast, but it’s all over.

RVB: And, finally, is there anything you’d care to reveal regarding upcoming product debuts at the Elkhart RV Open House or Louisville Show?

Snyder: I have to be careful here; I don’t want to spill too many beans, but at this year’s Open House K-Z will be debuting 29 new floorplans and Venture will have eight. And it’s safe to say that Livin’ Lite will essentially be completely retooled and reinvented, yet stay true to its all-aluminum roots.

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— Marlene Snyder, K-Z Vice Pres. of Sales & Marketing