

Home of the Range

On the Mississippi Delta,
Three Factories Churn Out
Iconic Viking Line

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GREENWOOD, Miss. -- Finding it cheaper to produce in Mexico and beyond, many appliance makers have pulled the plug on U.S. factories in recent years. Then there's Viking Range Corp.



Since 1989, Viking has opened three plants here, churning out its iconic gas ranges as well as a growing line of matching refrigerators, wine coolers and outdoor grills. A fourth Viking factory is set to open in February to make dishwashers.

Viking is one of those rare U.S. brands that have evolved into a cult object. Like Harley-Davidson motorcycles and Martin guitars, these brands have an aura of exclusivity that entitles their producers to charge premium prices -- which

helps keep their relatively high-cost U.S. manufacturing base viable.

"Price is not our main issue by any stretch of the imagination," affirms Dale Persons, a Viking spokesman. Viking ranges sell for between \$3,000 and \$10,000.

Beyond the upscale mystique, a big reason Viking can afford to keep expanding its U.S. manufacturing is the way it produces its products. Every stove and other major appliance made in Greenwood is made to order, which means the factories don't produce it unless there is a customer for it. To be sure, most stoves are ordered by independent distributors, who often keep their own stocks of the fastest-moving items, such as the classic 36-inch, six-burner stainless-steel stove.



Photos: James Patterson/Getty Images

Company employee Latonja Ivory checks burners and puts other finishing touches on a Viking range.

The system allows Viking to operate without a warehouse of finished appliances, which cuts its costs, while giving it the leeway to respond rapidly to requests for more unusual models, such as a burgundy-colored six-burner range. Ron Ussery, the company's head of manufacturing, figures Viking's stove plant produces over 900 variations of products, from stoves and wall ovens in different configurations and colors to Chinese woks and 20 models of outdoor grills.

Michael Silverstein, a consultant with Boston Consulting Group who has written about wealthy consumers and studied Viking as an example of their exotic tastes, says Viking customers are more concerned with buying something "made for me" than "made in America." "And yet," he adds, "the Greenwood, Miss., saga is a big part of the myth of Viking."

Viking was founded here in the 1980s by local home builder Fred Carl Jr., after he noticed clients had begun requesting restaurant-style ranges for the upscale homes he was building. At the time, no appliance maker offered such a product for the residential market, and using a commercial stove in a home isn't practical because those products lack insulation and need big ventilation systems.



Some of his first design sketches were done on the backs of Pella window order forms. A framed copy of one such drawing now hangs in the company's headquarters, along with a deposit check for \$100 from a New York City woman who was the company's first sale outside Greenwood.

Mr. Carl, a balding, 58-year-old man with a

\$300 million*

■ **Employees:** 1,400
(1,300 in Greenwood)

■ **City population:**
18,600

■ **Manufacturing jobs:**
2,590

*Industry estimate

shoulder-length fringe of gray hair, bounced from one U.S. appliance maker to another trying to find one willing to make the machine for him. He ultimately got his stoves into production in California but eventually concluded if his business was going to grow and he was going to control his own destiny, he had to make them himself. It was, in effect, the opposite of outsourcing.

Sitting in his office overlooking the muddy Yazoo River, which snakes through the center of Greenwood, Mr. Carl says he never seriously considered building his factories elsewhere. "This is really a patriotic decision," he says. "We'll do everything we can to keep manufacturing in the U.S. and right here in the Delta." Greenwood is in Mississippi's Delta region, one of the poorest parts of the U.S.

Viking, which is closely held by Mr. Carl and the Little Rock, Ark., investment bank Stephens Inc., doesn't disclose sales. But company officials say it has been consistently profitable since the late 1980s.

While stoves remain Viking's heart and soul, the company has expanded steadily into other appliances. The company opened a plant to make ventilation equipment in 1998 and added the refrigerator plant in 2000.



The executive offices in the old opera house.

Mr. Carl isn't unrealistic about the limitations of domestic production. Viking has some small appliances, such as blenders, produced for it in Asia. Not only would those be tough to produce competitively in the U.S., but producers in Asia offer the best quality, he says.

There is always the risk that foreign producers will find ways to penetrate Viking's market. Mr. Carl recently received a letter from a Chinese manufacturer of stainless-steel gas grills, for instance, along with a photo of its product and an offer to produce the grill for Viking. "The photo looked just like the Viking model," he says.

Viking's strategy is to move beyond making appliances to become a "culinary company." The company operates 14 cooking schools across the country, as well as a luxury hotel and spa in the middle of Greenwood that caters to company visitors and "stove groupies," who come for cooking lessons and factory tours.



Employees enjoy a catfish dinner at the fall picnic.

Indeed, stove money is visible almost everywhere in Greenwood. A trendy café has opened next to the spa, while down the street, a new blues bar and museum has opened. Other storefronts are being renovated, and the old Elks Club building is slated to become a Viking museum.

Viking owns 19 buildings in downtown Greenwood, not including the factories. Many of the structures are clustered in an area once dominated by cotton-trading offices along the riverfront. The company has carved its headquarters out of 13 of the buildings: It turned the old Greenwood Cotton Exchange into its human-resources department and an old Ford dealership into a corporate training center. The old opera house is now the executive offices.

Viking is by far Greenwood's largest employer, with 1,300 local employees. An additional 100 employees work elsewhere. About 65% of the company's work force is African-American, reflecting Greenwood's population.



Viking's hotel and restaurant in Greenwood, Miss..

Meanwhile, Mr. Carl says his biggest worry these days isn't foreign competition but the growing ranks of domestic producers of high-end appliances that are targeting Viking's niche. Take Sub-Zero Freezer Co. Just as Viking has pushed into refrigeration, Sub-Zero, based in Madison, Wis., has pushed into ranges, buying the well-known Wolf brand in 2000.

Paul Leuthe, corporate marketing manager at closely held Sub-Zero, says it too is keeping its manufacturing base firmly in the U.S. Sub-Zero is now building an addition to its stove factory where it plans to start making stove hoods.

Likewise, Capital Cooking Equipment Inc., based in Santa Fe Springs, Calif., also is committed to U.S. production for its upscale line of stoves. Capital was founded by Rich Kalsi, the son of the designer who worked on Mr. Carl's range at the California company that produced the first Viking prototype.

"For us, a high-end appliance has to be made in America," says Mr. Kalsi, the company's chief executive. "Would you want a Porsche made in China? Or a Rolex made in Korea?"