

Business Life

Micro scooter pioneer and the story behind

Entrepreneurship

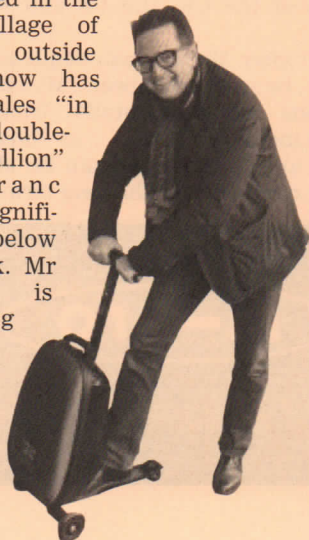
Focusing on design helped Wim Ouboter deal with manufacturing contracts and copycats, writes **Haig Simonian**

Inspiration struck Wim Ouboter one night in Zurich in 1997. Desperate for an easy way to get from home to his favourite diner, he hit upon the idea of a scooter: "It was too far to walk, trams ran infrequently in the evenings and I couldn't be bothered to fetch my bicycle from the cellar. I wanted something light and easy that would get me there, but wouldn't be in the way once arrived."

Swiss-born Mr Ouboter had first come across stumpy four-wheelers being used to whizz around a yarn factory in South Carolina owned by his Dutch father, where he worked in his early 20s. Some 15 years later, after his business epiphany back in Switzerland, he began investigating a lighter, more practical variant.

Mr Ouboter's products will be familiar to many – they are the light aluminium scooters and kickboards that have become as popular with children as city-dwelling adults.

His company, Micro Mobility Systems, based in the pretty village of Küsnacht outside Zurich, now has annual sales "in the low double-digit million" Swiss-franc range, significantly below their peak. Mr Ouboter is unwilling to divulge precise figures – for competitive reasons that his



Wim Ouboter: New Mini Micro Kick Car soon to come

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story as an entrepreneur explains.

For what followed was a series of lessons in how the course of a start-up rarely runs smoothly, as he contended with challenges from unsatisfactory manufacturing partnerships to copycat rivals and bad publicity.

A genial 50-year-old, Mr Ouboter makes no claim to have invented the scooter or the kickboard – indeed, historical examples are scattered round his office. Casually dressed, entertaining and philosophical, he cuts an unusual figure in the buttoned-down world of Swiss business. His office above a parade of shops is cluttered and dominated by a huge, rough-hewn desk.

Dyslexia hampered his formal education, but Mr Ouboter picked up practical experience in mechanics and engineering working for his father, a textile machinery distrib-

The importance of being flexible

Wim Ouboter's experience as a Europe-based entrepreneur working with Asian partners to make relatively simple goods with few competitive barriers to entry taught him four straightforward but crucial lessons:

● **Try to develop a partnership that goes beyond a written contract.** If things go wrong, distance, culture and language mean enforcement can be difficult, if not impossible. "You can never be too careful about your choice of partner," says Mr Ouboter.

● **Maximise manufacturing**

flexibility. Avoid commitments to fixed volumes, and emphasise the long-term benefits to both sides of maintaining flexibility.

● **Expand the product range.** No matter how thorough your homework, bad news can come out of the blue and pull the carpet out from under you. So develop an alternative product to fall back on.

● **Don't rely on patents to protect you from copycats.** For relatively simple products, competitors can always find a way round them.

utor, before a business course at Boston University. Once back in Switzerland, Mr Ouboter worked in banking before setting up his first company, a mechanical parts distributor. "I knew about production, finance and distribution. Scooters were a hobby on the side."

He admits to having no formal engineering or technical training but he toyed for months with wheel sizes, wheelbases and the central platform: "For the prototype, I put a few things together and took them along to a welder." Meanwhile, he was helped by the strong, but low-friction and more

'I had enough money to run away. But if you start something, you have to see it though'

absorbent, plastics being developed for in-line skate wheels.

Costs were minimal, and he had income from his main business. Mr Ouboter's plan was to sell the scooters to Swatch Group, the Swiss watchmaker, which was diversifying into mobility via the Swatchmobile – the concept that became the tiny Smart car. Mr Ouboter had written confirmation of the group's interest – the idea was to include a scooter with every Smart sold – but his hopes hit the brakes after a protracted redesign of the car led to loss of interest in the scooter by the vehicle's backers.

Then, in 1998, K2, the US sports goods company, took up the kickboard, which Mr Ouboter had also been developing. K2 agreed to market the kickboard under its name, but wanted Mr Ouboter to handle production.



Scooter Luggage in corporation with Samsonite

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"I didn't have the financing to take on manufacturing, and anyway, it was clear production would have to be in Asia on cost grounds," he says. He reached agreement with a Taiwan company that had factories in China. They agreed to split output, with Mr Ouboter selling on to K2 – which had relieved him of cash-flow problems by promising swift payment – and the partner catering to Asian demand.

The kickboard arrangement gave Mr Ouboter the basis to proceed with the scooter, which he unveiled at an international sports goods show in 1999. Kickboards were selling strongly, but scooter sales soared. Relatively cheap, fun and practical, scooters became a craze. At its peak in 2000, production reached 80,000 units a day. "We were filling 20 containers a day and still couldn't keep up. Eventually, we had to fly the scooters in."

But the very popularity of the scooters, and their relative ease of manufacture, drew cut-price copycats.

Worse, an imitator caused a serious accident when a British user trapped a finger in its ill-designed collapsing mechanism. The authorities woke up: in the key market of Germany for instance, the scooters were designated toys rather than adult items, as Mr Ouboter and his rivals claimed, because the handlebars could be adjusted for children. Lacking the safety certifications needed, the market dried up.

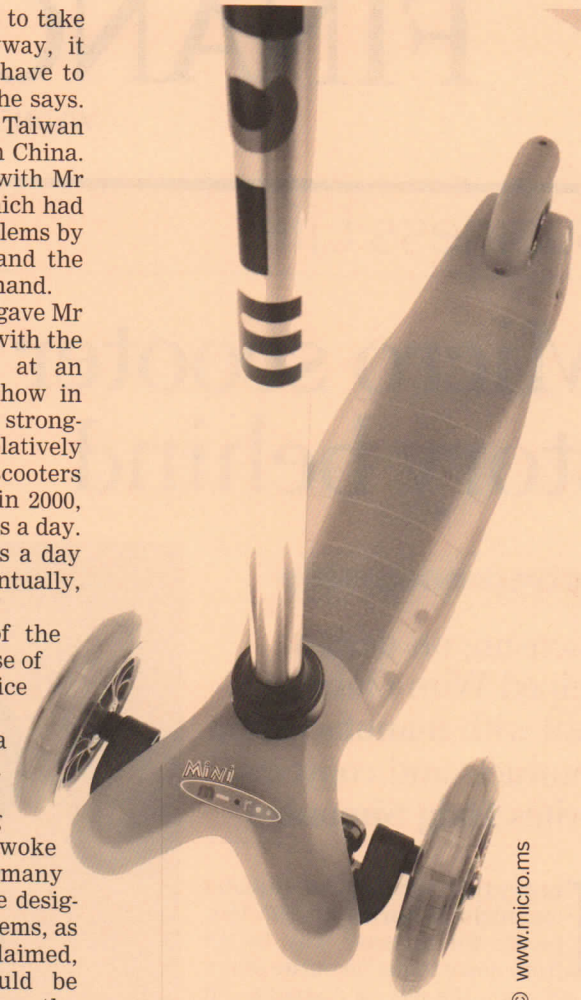
Mr Ouboter was besieged by lawsuits from retailers and distributors seeking compensation for unsold stock. Although distribution was handled by third parties – Mr Ouboter's aim from the start was to outsource everything possible – he became the focal point for the disaffection. To cap it all, K2 turned to a cheaper supplier for the kickboard.

"I was besieged by lawsuits and couldn't run the company any more. I was completely burnt out," says Mr Ouboter. Nevertheless, he persevered. "I had enough money to run away. But if you start something, you have to see it though." In 2003, he offered Hans-Peter Bolliger, a young Micro salesman, a 20 per cent stake in return for becoming chief executive. Mr Ouboter focused on product development – and the lawsuits, one of which remains unsettled.

By 2005, he had redesigned the range for all safety standards. Turnover and morale had been buoyed in the interim by a Swiss army contract for trolleys. "It gave us something to do. And I still had a lot of wheels."

Gradually, demand revived. Mr Ouboter found a new manufacturer and negotiated a more flexible contract that allowed smaller production runs.

He also tried to diversify altering basic features on the scooter and kick-board formats to change their characteristics. Constant innovation



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Mini Micro design award winner

kept him ahead of the copycats.

Above all, Mr Ouboter learnt the value of brand identity. He pushed Micro's Swiss origins, evoking traditional attributes like quality, clever engineering and original design to distinguish it from cheap lookalikes.

The company remains tiny, with just 15 full-time staff – but that now includes one employee based at the Chinese factory for quality control and to monitor output. Everything is still outsourced as far as possible: "We just concentrate on product development, marketing and channelling orders from distributors to the factory." Germany, Austria and Switzerland are the biggest markets, ahead of the UK, the US and Australia.

Even after Micro's near-death experience, he remains upbeat: "My vision remains environmentally friendly micro-mobility. And... as long as there are children, we can be absolutely confident for the long term."

