



Princeton Running Company currently boasts nine stores, including the New York location (above).



Gene Mitchell (above and right), and Gary Rosenberg thrive on competition.

# In for the Long Run

Princeton Running Company is hitting its stride with strong regional stores and ambitious expansion plans. **By Marianne Bhonslay**

No stage in life—or training—exists in which one is standing still, suggests running retail specialist Gene Mitchell, co-founder, president and owner of Ardmore, PA-based Princeton Running Company, Inc. One is either progressing toward an objective, or is perilously increasing the distance to achievement. “You cannot stagnate,” Mitchell says. “If you are not pushing yourself, you are moving backwards.”

Mitchell can testify to pushing himself. Since graduating from Villanova University with a degree in accounting, he has logged nearly four million frequent flier miles while working for international companies such as Koch Industries; earned an MBA in 1995 from Temple University; run the New York City Marathon in 2:28:24 (finishing among the top 15 American men in 2004); and has established one of the premier running specialty operations in his home state of New Jersey.

With last year’s opening of a 7,000-square-foot store in Manhattan’s Time Warner Center, Princeton Running Company effectively announced its willingness to set up shop in a hyper-competitive retail environment, thereby preparing for future gains. Stating an ambition to expand beyond the company’s Northeastern foothold, it is difficult to surmise that Mitchell—who earned a spot as a walk-on with Villanova’s elite track program in the 1980s, and went on to captain the team and win the Big East Steeple

Chase Championship his senior year—will allow any goal to remain unfulfilled.

“People that are motivated in athletics are generally motivated across the board,” offers Mitchell, 37, noting that the Princeton Running Company’s stores are managed by accomplished, runners—including many that clock faster race times than Mitchell himself. “[Athletics] bring structure to your life. It gives you a clear picture, whether in business or in personal life.”

Mitchell’s prospectus is positively crystalline. In 1997, he and his then-wife, Amanda Mitchell, opened up their first running retail store in Princeton, NJ. Although both remained competitive runners following noteworthy collegiate careers—Amanda Mitchell ran the 800 meters for Penn State University—it is a business proclivity to which Gene Mitchell attributes the retail proliferation. Now with five specialty locations in New Jersey, one in the Georgetown section of Washington, DC, and the New York City store, Princeton Running Company will reach sales of \$10 million in 2005, projects Mitchell.

“We all have strong business backgrounds,” explains Mitchell, noting that other members of the retail team—including partner and former Villanova running standout, Mike Seeger, who is the director of marketing—possess proven business acumen.

Adds Seeger, who roomed with Mitchell while at Villanova, “Being a product of your sport makes you passionate. We have an innate interest honed

over the last 10 or 15 years. A runner can have a world record in the 100 meter dash or the mile, [but] that doesn’t mean he can bring [a running business] to fruition or sustain it with [proper] accounting, finance and cash flow.”

Indeed, financial acuity is another passion of Mitchell’s, exemplified by the discipline to reinvest revenues into the business. “We understand that most businesses fail because they are undercapitalized,” says Mitchell, who was born in Teaneck, NJ, and played football at Pascack Hills High School in Montvale, NJ, until he focused on running and clocked a 4:30 mile while in high school. “We reinvest 90 percent of our yearly income back into the business. We are a debt-free company.”

That strategy has fueled Princeton Running Company’s expansion from a one-unit, 1,000-square-foot location in 1997 to a chain that currently has strategic locations throughout New Jersey. Today, the seven-store operation comprises a total of 20,000 square feet (including the New York store). Princeton also has two franchisees, which Mitchell says the company manages: one in Montvale, NJ, and the other in Rockville Centre on Long Island.

“We started small,” says Mitchell. “We continue to grow in markets we feel are under-served or not served at all. We’re aggressive and will put the proper people in the right location. We will not open up secondary locations with secondary [sales] people.”

Princeton Running Company seems to attract “runaholic” employees like Mitchell. According to Mitchell and the retailer’s director of operations, Gary Rosenberg (yet another notable runner who

has finished the Philadelphia Marathon in 2 hours, 32 minutes) every store is managed by an elite runner who has undergone retail sales training. The company fields a competitive running team consisting of about 80 runners, many of whom win races wearing the store’s logo on their singlets.

Every male store manager has run a sub-2 hour, 35 minute marathon, with the exception of the Georgetown store’s manager, Ben Cooke, who runs the 5,000 meters in under 14 minutes, reports Mitchell. Another manager, Heather Gardiner, who oversees the Morristown location, was the first Canadian female finisher in the 2004 New York City Marathon, running a 2 hour, 45 minute race.

Cultivating on-floor sales technique with athletic prowess is proving a profitable combination for Princeton Running Company, says Tom Carleo, Saucony’s VP of marketing. “You cannot move \$90 and upwards of \$130 shoes unless you have a staff that is knowledgeable and knows how to make [the sale] happen,” he says.

Store locations are likewise critical to the retailer’s success, says Rosenberg, noting that the company opts for “well-to-do, downtown” venues. Explains Seeger, who was an NCAA champion in the 800 meter relay, “The [potential] locations factor in the athleticism within the town. There [should be] an athletic community and a town center or town green [ambiance] with ‘shops,’ rather than ‘stores.’”

The retailer’s inventory comes from top running vendors including Asics, New Balance, Adidas, Nike, Saucony, Brooks and Mizuno. Footwear accounts for about 60 percent of sales while apparel yields 40 percent, according to Rosenberg. The New York store, however, is currently earning 70 percent of sales from apparel and 30 percent from footwear, Rosenberg adds.

“They have focused on premium locations, offering a nice shopping environment, and they are not afraid to modernize,” notes Saucony’s Carleo. “Gene [Mitchell] is representative of a new age of a specialty [running] retailer who is sophisticated, savvy and utilizes innovative marketing proposals out of the blocks for a new store. The company proposes partnership programs [with vendors] that are typically proposed by larger-scale retailers.”

One such recent effort was a Reebok running and fitness fashion evening hosted by Princeton’s New York store last December, which brought in about 150 people, says Seeger, who garnered his “classic marketing” background amidst a long tenure at a Fortune 500 packaged goods firm where he continues to do some work.

Moving ahead, the retailer’s marketing efforts will include significant grass roots programs, Seeger adds, such as organizing women’s-only training or fitness runs. In fact, he says the company will allot less than 1 percent of its annual budget to “classic marketing” such as radio and print advertising, electing instead to focus on the more fiscally feasible grass roots campaigns.

The crucial test ahead, says Mitchell, is expanding the business beyond the Northeast corridor. “We are not limiting our markets to the Northeast or any geographic area,” reports Mitchell, suggesting that perhaps four new stores may be on the horizon for this year. But, he



Princeton Running Company opened its New York store in the upscale Time Warner Center in 2004.

hedges, “It could be eight [new] stores this year [or] it could be one.” When asked if a new location could be as far away as, say, Palo Alto, CA, Mitchell replies, “It is not unlikely. We are looking at all opportunities.”

Capitalization is one of the key issues regarding expansion, says Mitchell, who took on three private investors—including Seeger—to assist with the opening of the New York store. Outside investors hold “less than 10 percent” of the company, says Mitchell. Future sales gains will also likely arrive via a mail order or Internet operation (or both), along with store expansion. Although Mitchell declines to offer specific sales projections, he suggests that by 2008 the company could attain annual revenues of \$25 million.

“We have capabilities for a nationwide business,” says Mitchell. “I’ve never set a goal that, for example, in year two the business will be \$2 million or in year five it will be \$5 million.” When

asked if Princeton Running Company could eventually reach the \$100 million mark, Mitchell replies, “Absolutely. There are [specialty running businesses] close to \$100 million, although they are not retail only; they include mail order.” In referring to expansion, Mitchell says succinctly, “There are no limitations.”

This is not a casual statement from someone who thrives on setting and achieving goals. While on business in South America, Mitchell once found himself on a small island in Columbia on the morning he was due to log extra miles for his weekly long run. The view from his window displayed a stretch of beach, the short length of which Mitchell did not discover until he was out the door and embarking on his training.

“The beach was only about 150 meters long,” recalls Mitchell, who still works for Koch Industries. He proceeded to run back and forth that minute stretch of sand for nearly two hours. “By the time I finished, a group of local kids were on the beach, watching this crazy gringo running.”

Such determination and stamina will certainly push Princeton Running Company to continue to excel.

“We’re still in the infancy stage with nine stores,” says Mitchell. “We will continue to evolve our business. If we have 20 or 30 stores in two years, I might still consider us in the infancy stage because we are continuing to evolve and grow. My concern is when we don’t have the drive or ambition to grow. Then we have to consider that we are out of infancy.”

Lack of ambition or drive hardly seems probable for Mitchell and his colleagues overseeing Princeton Running Company’s expansion. As Seeger suggests, in business as in running, “there is no off-season.” Runners move from cross-country to indoor track to outdoor track. In the same manner, running retailers go from the fall marathon season to winter Holiday sales to spring training’s new product lines. In essence, concludes Seeger, “We are constantly training.” ■

## VITAL STATISTICS

PRINCETON RUNNING COMPANY, INC.

FOUNDED: 1997

FOUNDERS: Gene and Amanda Mitchell

KEY EXECUTIVES:

Gene Mitchell, founder, president,

majority owner

Mike Seeger, director of marketing,

minority partner

Gary Rosenberg, director of operations

Amanda Mitchell, director of accounting

HEADQUARTERS: 632 Overhill Road,

Ardmore, PA 19003; 610-649-4628

WEB SITE: www.njrunningcompany.com

2005 Revenues: More than \$10 million

STORE COUNT: Nine (seven company stores, two franchisees)

NUMBER OF EMPLOYEES: 65

TOTAL SQUARE FOOTAGE: Approximately 25,000 square feet