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For More Information, Contact:

Mike Gast
Vice President of Communications
Kampgrounds of America, Inc.
406-254-7409
mgast@koa.net

Disaster Becomes Delight

Cavco Industries offers a solution to three KOA franchisees

The people on the production line at Cavco Industries, Inc. are producing six extra park models this month. They may not know that along with the lodging, they are creating a different life for three of KOA's franchisees.

The three franchisees were devastated on Wednesday, June 4, when they were told that Park Models Manufacturing, the company who held their money and orders for new park models, abruptly and without notice closed their doors. "The day the units were supposed to be shipped from the factory turned out, instead, to be the day I found out the company stopped production," says Eric Murray, owner of the West Omaha, Nebraska KOA.

Louise Everett, KOA vice president of Franchisee Services, had the difficult job of calling the franchisees and delivering the disastrous news. "I tried to be as gentle as possible but I had to be realistic; I was concerned about their financial outlook."

"Last fall, I'd worked with KOA to complete a business development survey of my campground. We decided I could use another park model," says Bill Jones, owner of the Madison/Pittsburgh SE, Pennsylvania KOA. This April, things were looking up. Bill had finally gotten through the pain and slow recovery process of a hip replacement that required two separate surgeries. His advance lodging reservations were four times what they had been in 2007. "In April, everything looked good, then by early June, things 'hit the fan.'" When he received the call from Louise, Bill says that, "The bottom of my stomach fell out."

At this point, a great deal of 'behind the scenes' work was being done by KOA President

and Chief Operating Officer Shane Ott and members of the KOA Facilities Development team. "We were exploring absolutely every possible avenue we could think of to find a way to help these franchisees," explains Mike Atkinson, KOA facilities development manager. "On Thursday, June 5, I called the owners and let them know that we didn't have any solutions yet, but we were working on it. We wanted to let them know that they weren't alone and we weren't forgetting about them."

Then Mike made the call that changed everything. He phoned Cavco Industries.

"We're glad that KOA chose to call us," says Vice President and General Manager, Specialty Division, Cavco Park Homes and Cabins, Tim Gage. "When we heard about the situation, we decided to find a way to help out the franchisees. We recognized the need. We have a long-standing relationship with KOA that we value. We want it to be a long-lasting relationship. We're proud to do it."

Tim created a plan. Joe Stegmayer, Cavco president, approved it, and the employees of Cavco answered the challenge to produce all six park models for the KOA franchisees by the end of June. Cavco only charged what the franchisees had left to pay on the undelivered models, plus shipping.

The franchisees received the good news from Atkinson on Tuesday, June 10. Lorelle Bergeron, one of the owners of the Gettysburg/Battlefield, Pennsylvania KOA, emphasizes, "Without Cavco stepping up to the plate we could have had a disastrous year financially. We put down more than the required deposit, in good faith. We thought it was all gone."

Bill Jones agrees, "I'm pretty blown away. KOA and Cavco's response was incredible! I've never dealt with Cavco before, and I'm absolutely overwhelmed with how they're responding. This was going to kill us for a long time. God is good! I hope their business grows and grows!"

"We're busy, but we're working late hours and Saturdays to get these units delivered before the first week in July," says Cavco's Tim Gage.

"I'd gone through all the stages you go through when someone dies," states Eric. "Grief, anger, denial... Kudos to KOA's Shane and Mike: it's a tremendous thing to be able to pull off. You know, loyalty begets loyalty in my book. Very simply put, Cavco has a customer for life."