



Chapter Four

## Beyond Running

1972-1986

*"New Balance  
will bring out  
the best in any  
player's  
performance."*

*Brian*

In the deal to buy New Balance, Jim Davis agreed to pay the Kidds \$40,000 cash along with a three year note for \$27,605 with 8% interest. He also agreed to retain Paul Kidd as a consultant for 36 months at a rate of \$783 per month.

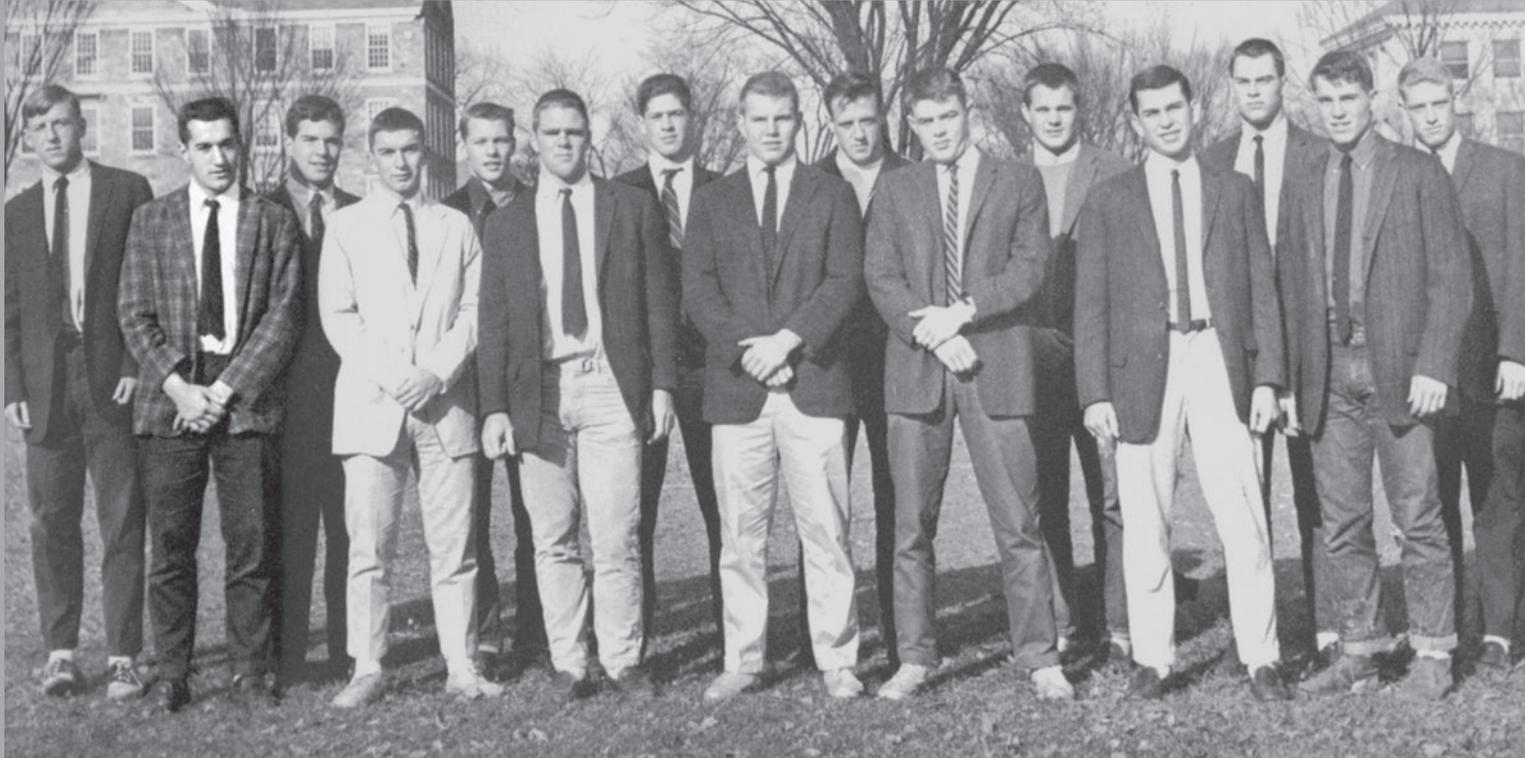


A YOUNG JIM DAVIS TAKES THE HELM AT NEW BALANCE.

In the deal to buy New Balance, Jim Davis agreed to pay the Kidds \$40,000 cash along with a three year note for \$27,605 with 8% interest. He also agreed to retain Paul Kidd as a consultant for 36 months at a rate of \$783 per month. The total package represented a capital outlay of about \$100,000 with adjustments for inventory and accounts payable and receivable.

When the Kidds received the signed contracts, they found an additional unexpected clause. It said that if he were able to double the business in three years, Davis would pay them a \$5,000 bonus. Paul signed the document on April 18, 1972. He offered the new owner one important piece of advice: “Keep the widths.”

Paul Kidd offered the new owner one important piece of advice: “Keep the widths.”



JIM DAVIS (SECOND FROM LEFT) WITH THE REST OF THE 1963 MIDDLEBURY COLLEGE JUNIOR VARSITY FOOTBALL TEAM.

## Jim Davis

As a young boy, Jim Davis was shy. Although he preferred fishing, he was expected to help out in his father's restaurants, first as a "lumper" carrying trays, then as a server, and eventually as a bartender. Davis credits his father for teaching him about hard work and commitment:

*My father traveled by himself to the United States at the age of 15 in order to earn money to send back home to his family in Greece. He worked for a number of years in South Carolina before re-locating to Massachusetts and marrying. He was able to save enough money to open a small restaurant, then another, and another, until he had several in the greater Boston area. What I learned from my father was that when you own your own business, you are in charge. You have independence.*

Davis excelled in sports when he was a student at Brookline High School. From that success, and through the guidance of his coach, he learned what it meant to work with a team and how to remain an optimistic, positive thinker.

After a post-graduate year at Worcester Academy, Davis enrolled at Middlebury College. Thinking he would pursue a career in medicine, he studied biology and chemistry. One of his professors suggested his aptitude might not lie in medical science but rather in sales. Upon his graduation in 1964, Davis took a job as a sales representative for a high-tech medical electronics firm. He soon found that his professor had been right—he had a strong natural instinct for both sales and marketing. After two years with the firm he was promoted to sales manager.

However, Davis found his entrepreneurial spirit challenging him to own and run his own business. Seeking the kind of independence his father had, he decided to look for a company to buy. He spent a full year researching possibilities before deciding on New Balance. Using his savings and a long-term bank loan, he took the plunge.



JIM DAVIS ASSUMED OWNERSHIP OF NEW BALANCE ON THE DAY OF THE 1972 BOSTON MARATHON.

It seems fitting now that Jim Davis assumed ownership of the company on the day of the Boston Marathon. Six associates made about 20 pairs of shoes on Davis' first day on the job. Two of these associates continue to work for New Balance today: John Wilson and Milan Spevak. Milan recalls Jim's first day:

*Mr. Kidd was showing this young man around the shop, so we knew something was up. Then he explained that this young man was the new owner of the company. One of the first things Jim Davis told us when he introduced himself was that we were all getting a raise of a quarter an hour. I was earning \$2.60 at the time, so this was a very big raise for me.*



TOM FLEMING, WHO WON THE 1975 NEW YORK MARATHON WEARING NEW BALANCE 320S. THE AUTOGRAPH READS, "JIM, NEW BALANCE ALL THE WAY -T. FLEMING".

Until Jim Davis bought the company, sales had been driven primarily by mail order and word of mouth. Once he took ownership of New Balance, Davis immediately set out to grow the business by expanding its customer base. He knew that if he wanted to appeal to customers, innovation was key. He also knew he would need to market to retailers as well as consumers.

Davis immediately set out to grow the business by expanding its customer base.



JOHN WILSON POSES WITH A NEW BALANCE LIGHT HIKER IN THE EARLY 1980S.



MILAN SPEVAK HAS MADE SHOES FOR NEW BALANCE SINCE 1972.

### First Impressions and Lasting Relationships

Two of the six people working for Paul and Eleanor Kidd when Jim Davis bought their company in 1972 were John Wilson and Milan Spevak.

As of the date of this writing, New Balance retains one third of this workforce. John Wilson and Milan Spevak still work for the company. Wilson is Vice President of Manufacturing (Lawrence, MA) and Spevak is a mold-changer on the day shift (Brighton, MA).

# “Show me a runner whose shoes don’t fit, and I’ll show you a loser”

— Jim Davis, President, New Balance Athletic Shoe Inc.

At New Balance we tend to think of those words as Running Shoe Gospel. For 20 years we’ve been manufacturing racing and training shoes in width sizes as well as lengths. Conventional athletic shoe thinking says that one width can be laced and tightened to fit all feet. We say that’s just so much bushwah. And the pinched toes and sore arches and blisters on top of the feet experienced by runners who wear those other shoes just prove our point.

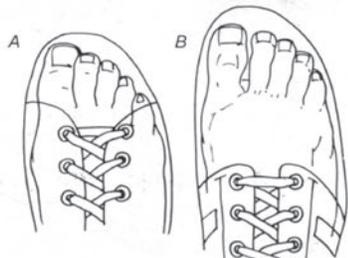
With New Balance you get the shoe that fits your foot perfectly, in all lengths and widths from 3½ AA to 15 EEE. Our laces run only the length of the special saddle over the instep—which puts tightening and arch support exactly where they should be. Your toes stay loose, and the seamless tongue prevents any chafing or binding.

A

Lacing to the toe constricts the toes and may cause blistering on top of the foot.

B

The New Balance method restricts lace tightening to our saddle over the instep, assuring toe freedom.



To order these New Balance shoes, or for information about our incredible “Spare Pair” resoling service, send us the coupon below. A foot tracing taken while you are standing helps us guarantee your perfect fit.

Please send me:

_____ pair 3:05 @ \$23.95	Size: _____	length _____	width _____
_____ pair 2:05 @ \$20.80	Size: _____	_____	_____
_____ pair Trackster III @ \$27.95	Size: _____	_____	_____
_____ pair Competition @ \$17.50	Size: _____	_____	_____
_____ Spare Pair information			
_____ free New Balance catalog			

I enclose \$ \_\_\_\_\_ plus \$1.75 per pair for postage and handling. Immediate delivery assured.

name \_\_\_\_\_  
street \_\_\_\_\_  
city \_\_\_\_\_  
state \_\_\_\_\_ zip \_\_\_\_\_



New Balance Athletic Shoe, Inc.  
176 Belmont Street  
Watertown, Massachusetts 02172



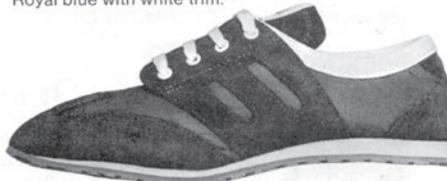
**Interval 3:05** The ultimate training shoe, weighing only 9½ oz. yet durable enough for road racing. Leather-reinforced nylon upper with flocked nylon lining. Protective midsole plus heel-elevating softie wedge to reduce extension of the Achilles tendon and cushion the leg. Flared heel to stabilize the foot during heel strike and reduce ankle-roll injuries. Men and women, 3½ AA to 15 EEE, in Navy blue with white trim.



**2:05** Ideal for training and speed work, and now made of tough, lightweight pigskin with shock-absorbing, molded Kraton® sole. Reverse ripples for added traction and shock absorption. Rolled heel to stabilize the foot during heel strike. Men and women, 3½ AA to 15 EEE, in Kelly green with tan trim or Royal blue with white trim.



**Trackster III** The most protective of all training shoes, with a molded Ripple® sole to absorb up to 40 percent of road shock. Unique foxing construction for greater lateral stability, and foot-conforming soft suede upper for comfort. Men and women, 3½ AA to 15 EEE, in Royal blue with white trim.



**Competition** The totally new idea in racing shoes: a perfect fit for maximum performance. Width sizing, plus ultra-light 7½ oz. weight. Knobby sole for excellent traction on all surfaces, and New Balance’s unique-at-the-price wedge/midsole combination to keep weight forward and absorb shock. Men and women, 3½ AA to 15 EEE, in Royal blue with white trim. The shoe that placed third in the Boston Marathon.

Davis called his college friend, Ed Norton, at K2 in Seattle, and asked him to join his recently acquired company. Norton agreed. One of the first things Norton did was to call Terry Heckler from Seattle, who had worked on branding the ski company K2. Davis asked Heckler at the start of their first meeting what he thought of the New Balance name and if he should keep it. Heckler said he liked it. Davis replied, “You’re hired.”

Heckler argued that the shoes needed a performance look and feel that runners could relate to.

**H**eckler's early contributions were pivotal. His first objective was to work on improving the appearance of the shoes. In his view, the Trackster looked like "a nursing home Adidas." Heckler argued that the shoes needed a performance look and feel that runners could relate to.

Saddle sides were restyled to emphasize the wrapping effect used to stabilize the shoe so it wouldn't roll. To stress this functionality, color was added to the upper.



A NEW BALANCE MANUFACTURING ASSOCIATE PROUDLY HOLDS UP A NEWLY ASSEMBLED 320 BEARING THE COMPANY'S NEW "N" LOGO.

Heckler also developed the N logo. When a friend saw the first prototype of New Balance with the "N" boldly displayed on the sides his reaction was, "Why the N? Everyone will think it's a Nike." Heckler replied, "That's good, they're making more money than us. We'll sell twice as much."



THESE HECKLER-DESIGNED POSTERS WERE QUICKLY DUBBED "MA BALANCE" AND "PA BALANCE."



Heckler believed that New Balance would be better off keeping focus on the brand rather than on any particular shoe.

**A**nother of Heckler's key contributions was the numbering system for New Balance models. Heckler believed that New Balance would be better off keeping focus on the brand rather than on any particular shoe. Naming shoes created "stars." The numbering system gave equal status to each shoe and reinforced consumer perceptions of New Balance as a performance brand.



A NEW BALANCE MANUFACTURING ASSOCIATE LASTING 320S.



Courtesy of John Loeschhorn



Courtesy of John Loeschhorn

## California Here We Come

When Jim Davis and Ed Norton traveled to California to call on dealers they stayed with their college friend, George Birdsong, who was then working for Head Ski Company. Birdsong recalls how they would celebrate with a six-pack when they got a 12 pair order.

The key account in California was John Loeschhorn. He was one of the few dealers who would not roll their eyes when hearing that New Balance was manufactured in nine widths. In fact, width-sizing is what attracted him to the brand.

John Loeschhorn had been a miler in high school. In 1962, his senior year, Track and Field News ranked him 13th in the country. He ran in college, and then for a track club in North Carolina. He recalls how hard it was to find running shoes in the '60s. Members of the track club traveled to New York City to visit

Murray's Import Shoes, a warehouse on Canal Street in Manhattan. "There simply wasn't anything you could buy. Most of us bought Adidas from Murray's but they didn't fit well...had too little cushioning. You might as well run in a box."

He saw some ads for the Trackster in Track and Field, tried them, and was hooked. After a stint with Runner's World in Mountain View, California, he opened his own business re-soling shoes and carrying New Balance as his only brand. He attended races throughout the Los Angeles region, selling shoes from the back of his car. Eventually, he sold off the re-soling aspect while his business grew to 5 athletic specialty shoe locations, plus franchises, throughout southern California.

Many sporting goods dealers saw New Balance width-sizing as a burden.

**W**orking on the product turned out to be the easy part. Davis had taken to heart Paul Kidd's advice. He was committed to keeping the widths. This had always been a unique point of difference in the running shoe industry, but sporting goods dealers saw New Balance width-sizing as a burden. Carrying the brand required more back room shelf space and many dealers felt they were better off stocking more brands than a better selection of one brand. Dealers who did take on New Balance found out early on that Davis viewed dealers as partners, recognizing that his success depended on theirs.



THE 1970S SAW AN EXPLOSION IN THE POPULARITY OF RUNNING FOR FITNESS AND FUN.

The 320 was light, colorful, and oozed performance.

Timing is everything, and New Balance couldn't have timed the introduction of its 320 more perfectly. Running for fitness was becoming an increasingly popular trend, and the 1976 Summer Olympics in Montreal got millions of Americans excited about athletics. A year later in 1977, Jim Fixx's book, *The Complete Book of Running*, inspired a generation

of everyday people to take up running for fitness and fun.

The 320 was light, colorful, and oozed performance. It had traditional New Balance elements like a long vamp and saddle construction, augmented by a new Astrocrepe® outsole and nylon upper for greater performance and lightweight comfort. And, of course, it came in widths.

## M320 *1976*

Rated #1 running shoe by Runner's World, the 320 features superior heel and forefoot cushioning and is available in multiple widths.





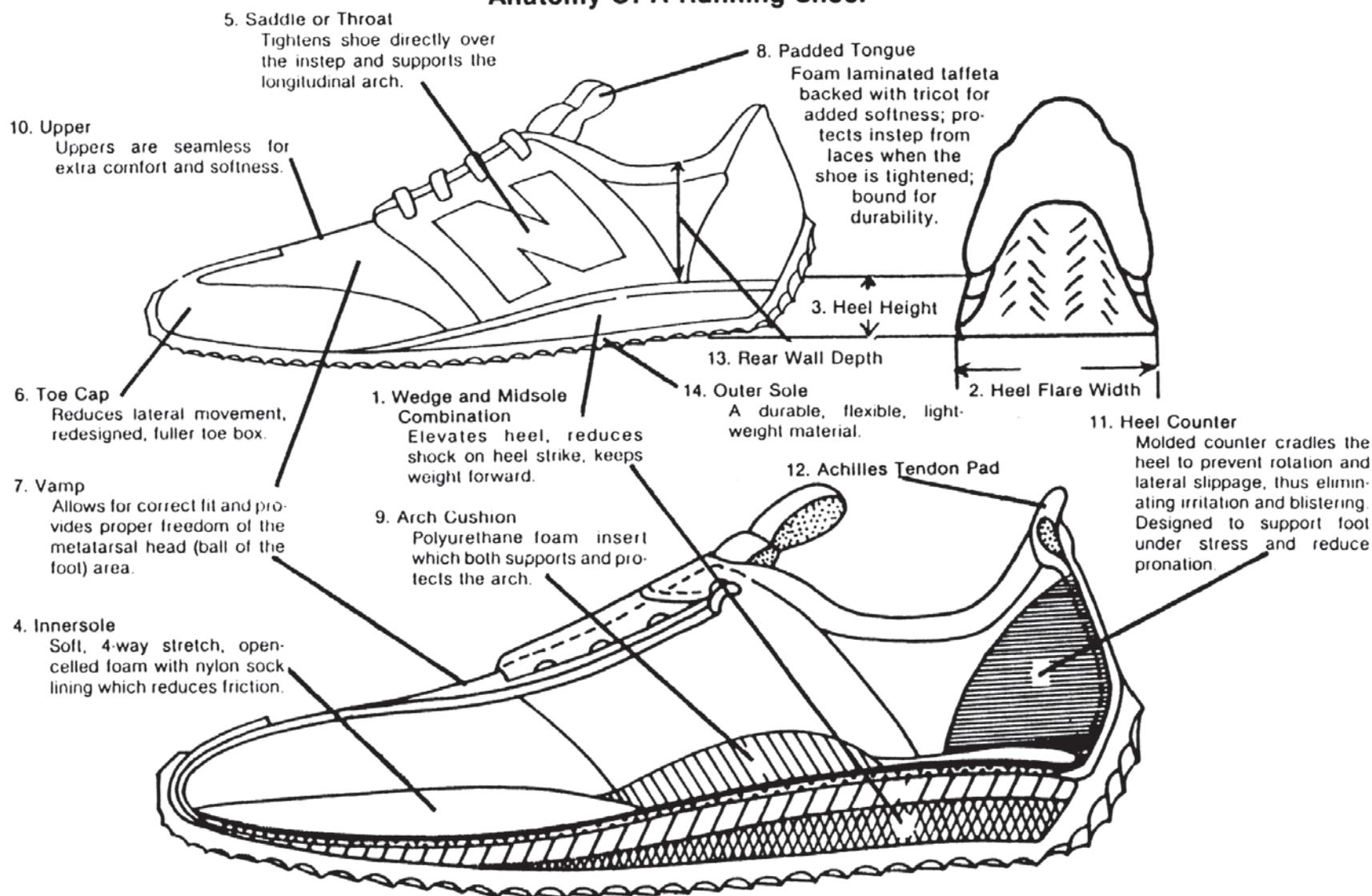
### Dealers in Unusual Places

Davis traveled to attend track and field trials for the 1976 Olympics in Eugene, Oregon. Norton, Heckler and George Birdsong, the company's new Sales and Marketing Manager, all went along. On a walk back to their hotel, they met a man standing next to the open trunk of his car. Inside they saw New Balance shoes arranged in nicely upholstered black felt cubbyholes. The group acted cool and asked the man what he was selling. He replied: "These are New Balance shoes—best running shoes in America." He went into his sales pitch, proudly noting that the shoes came in widths. When asked who he was, he presented his business card to the group. "Norton and I looked at each other in disbelief," recalls Heckler. "It was at that moment that I knew the brand was going places."

*NEW BALANCE AT THE OLYMPIC TRIALS IN EUGENE, OREGON, MAY 1976. RUNNER IS JAMES SAGAMORE.*

New Balance

## Anatomy Of A Running Shoe:

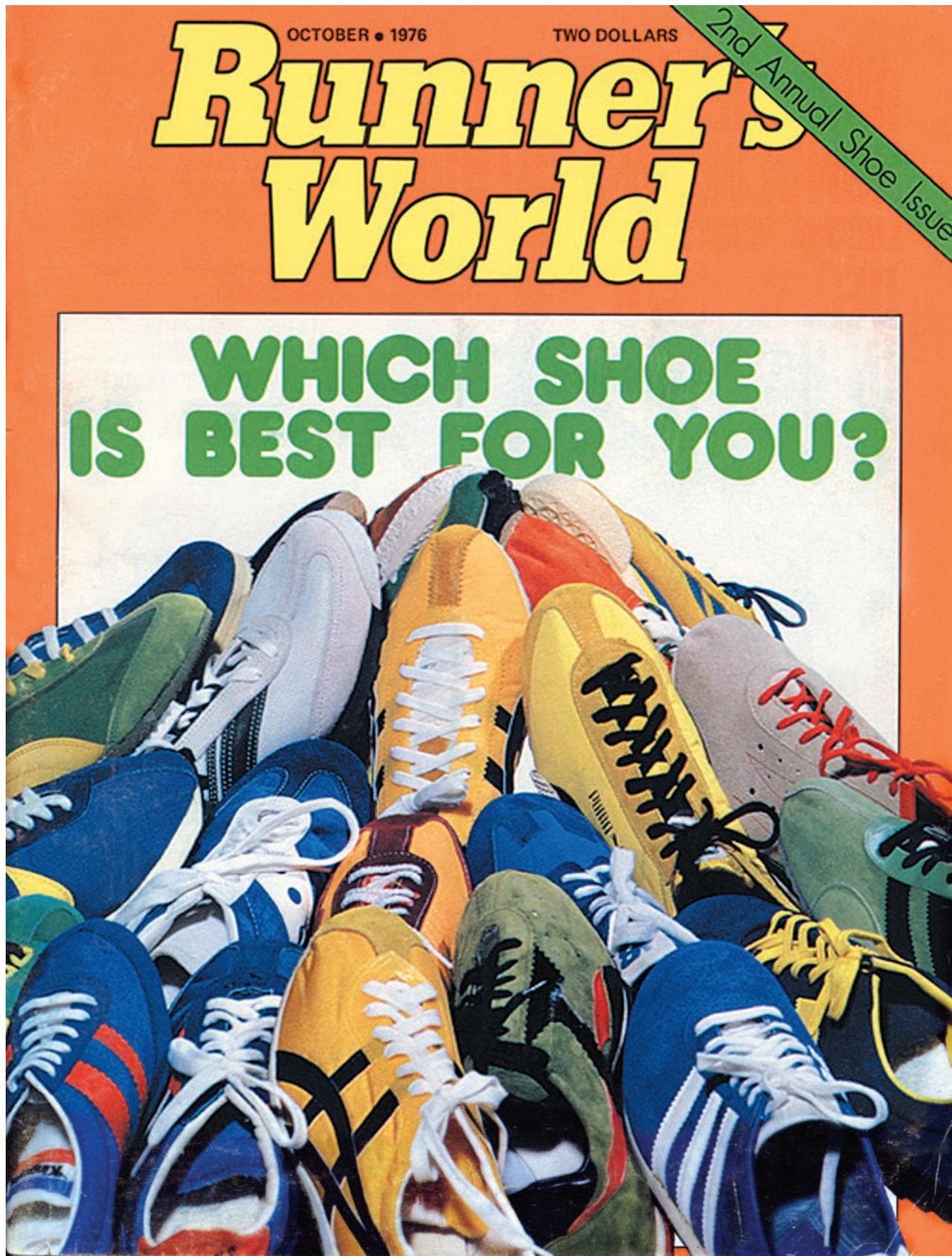


A DIAGRAM EXPLAINING THE FEATURES AND BENEFITS OF THE 320

The 320 catapulted the brand to the forefront of modern athletic shoe design. In October 1976, the New Balance 320 was rated #1 by Joe Henderson of Runner's World, citing its highly stable flared heel, forefoot cushioning, and width-sizing. It was, by all accounts, the brand's most significant moment since the introduction of the Trackster in 1960.

Sales quickly accelerated to \$1.3 million. To meet its growing needs, the company moved its corporate offices and manufacturing space from Watertown to 38 Everett Street in Boston. Davis and his 50 associates made the move, equipment and all, using his Ford pickup truck. The company started producing 200 pairs per day in its new space.

The 320 catapulted the brand to the forefront of modern athletic shoe design.



A #1 RATING BY RUNNER'S WORLD MAGAZINE WAS PIVOTAL TO THE SUCCESS OF THE 320.

## New Balance 320



# 1

*The 320 earned its first-place rating for changes the company made in it since the last survey—notably the addition of the high heel pad and the replacement of the leather tongue with nylon. Strongest point: fit and comfort. Weakest: stiff sole. Blue nylon. Sizes 3½AA-15EEE. Suggested price: \$26.95.*

# 2

*Brooks set out to produce the “best shoe” according to the standards listed here. It almost succeeded with the Villanova. At less than \$20, it is the best shoe bargain. Strongest point: heel stability. Weakest: no dramatic problems. Blue nylon with red or yellow trim. Sizes 4-13 narrow, medium, wide. \$19.95.*

## Brooks Villanova



## New Balance 305



# 3

*The 305 is a lighter version of New Balance’s number one shoe. The major difference from the 320 is the thinner sole, which takes off weight, adds flexibility but sacrifices cushioning. Strongest point: fit and comfort. Weakest: thin sole. Blue nylon. Sizes 3½AA-15EEE. Suggested price: \$24.95.*

Courtesy of Runner's World



## Team New Balance

Prior to the 320's #1 rating in *Runner's World*, distribution was still somewhat under the radar. New Balance shoes could be found in many YMCA lockers and on collegiate tracks, but they were difficult to find in retail stores. Terry Heckler suggested that the collegiate runners could, and should, be promoted as New Balance runners to build awareness for the brand:

*So what if they're not national heroes? Let's present them like they are. No one has ever heard of them. Let's make big posters of these guys and make them heroes in the sports stores.*

And so the first Team New Balance was born. Some of the collegiate runners selected to be on the team went on to compete in the 1976 Olympic Trials in Eugene, Oregon.

Shoes were being shipped out so fast that, according to Sales and Marketing Manager George Birdsong, "the glue was still warm in the box."

The #1 rating from *Runner's World* drove sales through the roof. Telephone calls and telegrams poured in. Everyone wanted the New Balance 320 (suggested retail price \$23.50) or the 220, its less expensive counterpart. By December 1976, production was up to 500 pairs per day. By the end of 1977 production reached 1625 pairs per day, with 100,000 pairs on back order. Shoes were being shipped out so fast that, according to Sales and Marketing Manager George Birdsong, "the glue was still warm in the box." John Wilson recounts: "We had 50 associates just to stitch on the Ns." (The N saddle mark on the side of the shoe was registered in early 1977.)

Because of this skyrocketing demand, the company was forced to put a year-long freeze on new accounts. According to Davis:

*We more than doubled our manufacturing space in 1977. For most of the year, the place was a zoo. We rearranged the workflow, moved departments to different floors, tore out old offices to make room for equipment and added a lot of new people. With the urgency to produce, quality could have been hurt. Fortunately, we were able to hire experienced shoemakers, and our managers did a great job keeping the teams working together.*

**N**ew Balance focused on customer service and rapid response time as top priorities. By being careful not to over-promise or under-deliver, members of the sales force established a reputation for integrity among dealers.

By 1977, business was so brisk that manual record-keeping could no longer keep pace. Jim Davis decided it was time to order a computer. He went to get it in his pickup truck and unloaded it at the factory. Nicknamed “Shoebert,” the computer was very temperamental, demanding a temperature-controlled environment. It spent as much time down as it did running. Despite Shoebert’s peculiarities, the computer did help the company to dramatically improve its record-keeping.

By 1977, business was so brisk that manual record-keeping could no longer keep pace.



### **Rubber Bands from the Produce Aisle**

Davis kept a close eye on expenses. He walked through the manufacturing area picking materials off the floor while reminding the associates not to be wasteful. At home he saved the grocery store rubber bands from bunches of asparagus, then took them to the office staff for clerical use. Toni Profetto, who was the office manager, reports:

*We had this policy of no out-going telephone calls. I remember one time when Jimmy Carter, he was Governor of Georgia running for President at the time, called to order shoes. He asked me to call him back to confirm shipping and when I told him we didn't make out-going calls he couldn't believe it!*



TOGETHER, ANNE AND JIM DAVIS LEAD THE WAY IN FORGING NEW BALANCE'S CORPORATE CULTURE.

New Balance had 50 employees by 1977. It was time to find a personnel manager. Anne Hays was interviewed on the recommendation of Toni Profetto, who had been hired as the company's office manager the previous year. Davis wasn't confident that Hays was right for the job. According to him, she was "much too quiet" in her interview. Hays may have been quiet, but she could converse fluently in Arabic, French, and Spanish, and she had studied Latin and classical Greek. She grew up in Boston's South End and, like Davis, her father owned restaurants in the Boston area. As time went on, Hays would prove herself to be invaluable in the forging of New Balance's corporate culture. She and Jim Davis married in 1983. They remain partners in leading the New Balance family today.

New Balance had 50 employees by 1977. It was time to find a personnel manager.

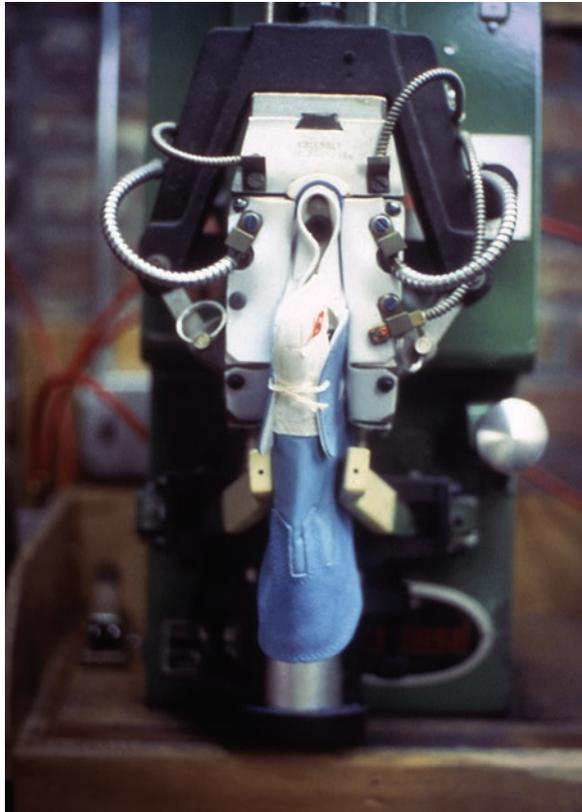


IN 1978, NEW BALANCE LEASED SPACE IN AN OLD FACTORY BUILDING LOCATED AT 300 CANAL STREET IN LAWRENCE, MASSACHUSETTS.

In 1978, New Balance leased space at 300 Canal Street, an old factory building in Lawrence, Massachusetts. The space, about 40 minutes north of Boston, was used for storage of raw materials and expanded manufacturing, as well as research and development. This expansion bucked industry trends toward moving manufacturing overseas, vividly underlining the company's commit-

ment to domestic manufacturing. This "Made in the USA" policy advanced three objectives: responsiveness to customers, inventory management and differentiation in the marketplace. With the help of a job training program administered by the Commonwealth of Massachusetts, New Balance was soon employing 90 associates at the Canal Street plant.

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*A MACHINE FORMS THE HEEL ON A 320.*



*MIDSOLE ASSEMBLY FOR A 320.*

New Balance



# new width sizing for women the W320

Yes, New Balance's top-rated road trainer, the 320, now comes in a special model for women runners. Called the W320, it's designed on a woman's athletic combination last with a heel two sizes narrower for a snugger fit throughout the heel and Achilles tendon area. Otherwise, it's the same great trainer — with full width sizing (women's 4AA-10D), soft one-piece upper, unique arch-support saddle, and durable, protective sole/wedge/midsole combination. In Royal Blue and White with distinctive Red logo. New Balance's W320 — the first running shoe truly fit for women.



**new balance**  
38 Everett Street, Boston, Massachusetts 02134  
Distributed in Canada by Sport Dinaco Inc. of Laval, Quebec.  
New Balance Athletic Shoe, Inc.

**T**hat same year, the company introduced its first apparel line, featuring Goretex® suits, nylon and mesh singlets, and nylon tricot shorts and tops. 1978 also marked the introduction of the W320, the first running shoe designed exclusively for women. The W320 was built on a women's only last which featured a snugger fit in the heel and proper forefoot volume.

New Balance

THE W320 WAS THE FIRST MASS-PRODUCED RUNNING SHOE WIDTH SIZED FOR WOMEN.

That same year, the company introduced its first apparel line, featuring Goretex® suits, nylon and mesh singlets, and nylon tricot shorts and tops.



*NEW BALANCE INTRODUCED ITS FIRST APPAREL LINE IN 1978.*

## **W320** *1978*

The industry's 1st running shoe designed exclusively for women is built on a women's only last which features a snugger fit in the heel and proper forefoot volume.



R & D made a lot of test shoes, using a variety of new materials introduced by different vendors hoping to do business with New Balance.

In 1979, Ken Graham was one of the few associates working in R & D. He recalls that their office was part of the factory space and that their cubicles were made from old Friendly Ice Cream store booths. They made curtains from material they found hanging around. They also made a lot of test shoes, using a variety of new materials introduced by different vendors hoping to do business with New Balance.

Shoe models tend to have a limited life span, as fashion changes with the times. After four years, the 320 had reached the

end of its life-cycle. New Balance needed a new breakthrough design if the company wanted to continue to grow.

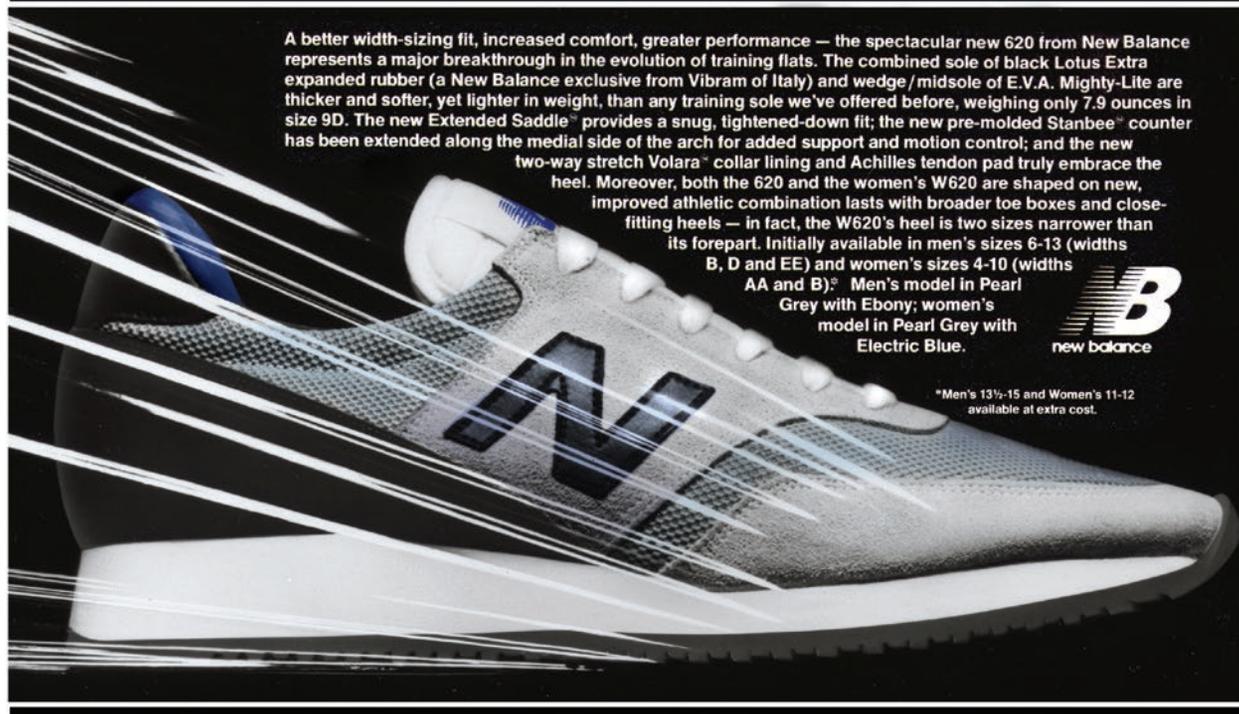
The Lawrence-based R & D team came up with a winning answer: the 620. The sleek-looking gray and black shoe was the lightest training shoe in the marketplace. With new materials and new design, the New Balance 620 propelled the company forward. The revolutionary shoe was the first to break the \$50 price barrier and paved the way for the success of the 420 and 730 soon after.

# THE NEW 620

A better width-sizing fit, increased comfort, greater performance — the spectacular new 620 from New Balance represents a major breakthrough in the evolution of training flats. The combined sole of black Lotus Extra expanded rubber (a New Balance exclusive from Vibram of Italy) and wedge/midsole of E.V.A. Mighty-Lite are thicker and softer, yet lighter in weight, than any training sole we've offered before, weighing only 7.9 ounces in size 9D. The new Extended Saddle™ provides a snug, tightened-down fit; the new pre-molded Stanbee™ counter has been extended along the medial side of the arch for added support and motion control; and the new two-way stretch Volara™ collar lining and Achilles tendon pad truly embrace the heel. Moreover, both the 620 and the women's W620 are shaped on new, improved athletic combination lasts with broader toe boxes and close-fitting heels — in fact, the W620's heel is two sizes narrower than its forepart. Initially available in men's sizes 6-13 (widths B, D and EE) and women's sizes 4-10 (widths AA and B)\*. Men's model in Pearl Grey with Ebony; women's model in Pearl Grey with Electric Blue.



\*Men's 13½-15 and Women's 11-12 available at extra cost.



# LIGHTER THAN AIR\*

New Balance Athletic Shoe, Inc., 38 Everett Street, Boston, Massachusetts 02134.

\*lighter than competitors' shoes using the air bag or air inner soles

New Balance

THE 620 WAS DUBBED "THE MOST TECHNICALLY ADVANCED RUNNING SHOE ON THE MARKET" BY RUNNING MAGAZINE.

## **M620** *1980*

The streamlined 620, featuring an EVA midsole and Vibram outsole, is the lightest running shoe on the market and breaks the \$50 price barrier.





*IN 1980 NEW BALANCE ACQUIRED OFFICE AND MANUFACTURING SPACE AT 61/65 NORTH BEACON STREET IN BRIGHTON, MASSACHUSETTS.*

**T**he early 1980s marked a period of diversification and expansion for New Balance, in both its facilities and its product lines. In 1980, the company acquired office and manufacturing space at 61/65 North Beacon Street in Brighton, Massachusetts, the location that would serve as corporate headquarters until 2002. The following year, New Balance acted on an opportunity. A large

facility formerly owned and operated by Norwalk Shoe Company became available in Skowhegan, Maine. Skowhegan, like so many small New England towns in the late 1970s, was devastated by the loss of jobs when the factory closed down. But New Balance saw great value in what remained: a highly skilled workforce of experienced shoemakers and a huge amount of available space.

The early 1980s marked a period of diversification and expansion for New Balance, in both its facilities and its product lines.



*NEW BALANCE DEEPENED ITS COMMITMENT TO MADE-IN-THE-USA MANUFACTURING WHEN THE COMPANY ACQUIRED A FACILITY IN SKOWHEGAN, MAINE IN 1981.*

New Balance saw great value in what remained: a highly skilled workforce of experienced shoemakers and a huge amount of available space.



New Balance

*NEW BALANCE CONTINUED TO EXPAND ITS DOMESTIC MANUFACTURING WHEN IT ACQUIRED A NEW PRODUCTION FACILITY IN NORRIDGEWOCK, MAINE.*

**W**hen New Balance moved in, Skowhegan went from being a ghost town to being re-populated virtually overnight. Growth continued and the company opened a new production facility in Norridgewock, Maine the following year.

When New Balance moved in, Skowhegan went from being a ghost town to being re-populated virtually overnight.



## *new balance foundation*

In 1981, the New Balance Foundation was created. A charitable trust funded by income generated by the company, the Foundation was established to fulfill the company's commitment to the communities where its facilities are located and to act as a socially responsible corporate citizen.

# On a scale of 1000, this shoe is a 990.

In the Spring of 1978, our R&D people came to us with an ambitious proposal:

They wanted to develop the very best running shoe they were technically capable of. Regardless of the time it took or the money it cost us to do it.

As it turned out, it took longer than anyone expected. But, then, the New Balance 990 turned out better than any of us dared imagine.

**A RUNNING SHOE THAT ACTUALLY APPROACHES THE IDEAL.**

Every running shoe manufacturer strives to build into their shoes both flexibility and support. Trouble is, one is usually achieved at the expense of the other.

The New Balance 990, on the other hand, offers extraordinary flexibility without the

slightest sacrifice of support.

The 990's upper is constructed just like a slipper. This technique of slip-lasting demands more technical skill than other techniques, but the results are worth it. The shoe fits better, feels better and gives you more flexibility.

The 990 also features a unique new stabilization device—a patented Motion Control Device that cradles your heel for maximum support.

**NEW FOR 1983:  
ENHANCED  
DURABILITY.**

When you're paying as much for a running shoe as the 990 costs, you have a right to expect it to wear well.

Tests show that our new Superflex outersole wears nearly 30% better than conventional soling materials. And an innovative carbon rubber heel pad makes the rearfoot exceptionally durable.

**WIDTH-SIZING:  
A NEW BALANCE  
EXCLUSIVE.**

Like every New Balance shoe, the 990 is available in a variety of widths, for a more perfect fit.

As it happens, New Balance is the *only* running shoe company that makes its shoes in different widths. But that shouldn't surprise you.

After all, isn't the 990 proof that we'll go to almost any lengths to achieve perfection?

New Balance Inc.,  
Boston, MA 02134.

**new balance**  
**990**

*Our patented Motion Control Device is made of strong, yet supple, polyurethane.*



*Slip-lasting results in an upper with the flexibility of a slipper.*



Jim Davis challenged the New Balance team to design a running shoe that would retail for \$100.

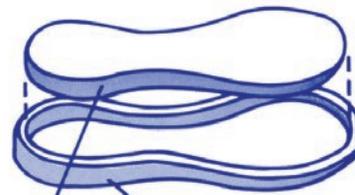
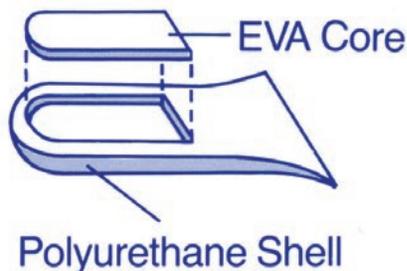
Davis was convinced that the public was willing to pay for quality. The 620 had already demonstrated that superior design for performance merited the \$50 price point. He challenged the New Balance team to design a running shoe that would retail for \$100. He was advised that it would never sell, but Davis insisted: "Let's make one that's worth it." 1982 brought the introduction of the enduring, high performance 990.

THE NEW BALANCE 990, THE FIRST RUNNING SHOE TO RETAIL FOR \$100, WAS THE RESULT OF NEARLY FOUR YEARS OF RESEARCH AND DEVELOPMENT.

# Another New Balance® First

## ENCAP®

ENCAP®: This revolutionary process encapsulates EVA within a wall of polyurethane. In ENCAP® wedges and ENCAP® midsoles, the



EVA Core Polyurethane Shell

EVA core provides excellent cushioning and rebound while the polyurethane shell disperses shock and stabilizes the foot and provides long-lasting cushioning.

The result is an unsurpassed combination of cushioning and stability that is virtually compression proof.



New Balance, N.B., ENCAP, Ndesign are registered trademarks of New Balance Athletic Shoe, Inc., Boston, MA 02134

The 990 was built very differently from previous New Balance products. The mocassin-like, slip last construction was based on intensive biomechanical studies. Its design was developed in cooperation with Moon-Star Chemical Company, New Balance's licensee in Japan. With an upper made of pigskin and mesh, the shoe incorporated a motion control device, and a patented process called ENCAP for cushioning.

Initial projected 990 sales were 5000 pair in the first year, but the product was so well received that there were 50,000 orders on the books in just six months. Overall New Balance sales for 1982 reached the \$60 million mark. Today, the 990 series is the most enduring technical performance shoe on the market and is the cornerstone of the New Balance running line.

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## M990 *1982*

The most enduring technical running series on the market debuts as the first athletic shoe priced at \$100 and features a motion control device for stability.





Courtesy of the Boston Globe

ONE OF THE MOST MEMORABLE BATTLES IN MODERN MARATHON HISTORY WAS BETWEEN ALBERTO SALAZAR AND DICK BEARDSLEY OF TEAM NEW BALANCE.

One of the most memorable duels in marathon history occurred at the 1982 Boston Marathon. Dick Beardsley, a member of Team New Balance, and Alberto Salazar battled for the lead over a nine-mile stretch from the Newton Hills to the finish line. Beardsley was the front-runner until Salazar moved into the lead with less than one mile to go. In the last 200 meters, Beardsley pulled even. Salazar won with a

time of 2:08.52 and Beardsley finished two seconds behind, marking the first time two runners had broken 2:09.00 in the same race.

The early 1980s also marked the start of New Balance's expansion into other athletic shoe categories beyond running. To help the company expand the line, athletes and experts were brought in and new manufacturing methods were developed.

The early 1980s also marked the start of New Balance's expansion into other athletic shoe categories beyond running.

## For the fit, traction and lightweight performance that only New Balance brings to court

### EMERSON/WADE SIGNATURE KEY FEATURES:

- Lightweight, breathable 600 denier mesh upper. Plays cool. Durable. Padded collar lining for extra comfort.
- Durable rubber outersole by Vibram® incorporates flat sine wave design and radial grip on edge and side wall. Littleway stitched to upper.
- Firm, protective memory innersole made of two layers of cross-linked polyethylene topped with a soft absorbent cotton terry sock lining.
- Leather extended saddle combined with width sizing allows the best possible fit. New Balance exclusives.
- Weighs 14 oz. (size 9D)
- Width-sized.

### CT KEY FEATURES:

- Gum rubber outersole encased in polyurethane core. This state of the art design provides superb traction and unsurpassed shock absorbency.
- Breathable ballistic mesh upper, lined with foam and tricot for strength and comfort.
- Reinforced with the exclusive NB extended saddle. Providing motion control and stress reduction.
- Leather sway bar toe pieces for forefoot control.
- Dense EVA footbed holds to foot for precise play and shock protection. Provides cushioning and stability. Sock lining is soft absorbent blue terry cloth.
- Molded heel counter for rearfoot stability.
- Amazingly light—13 oz. for a size 9D.
- Width-sized.



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New Balance Athletic Shoe Canada, Inc.  
72 Victoria Street South, Kitchener, Ontario N2G 2A9 Canada

New Balance

NEW BALANCE BEGAN DEVELOPING HIGH PERFORMANCE COURT SHOES LIKE THE EMERSON AND THE CT600 IN THE EARLY 1980S.

The marketing manager of Moon-Star, Shuhei Kurata, oversaw the development of a unique process to encase a gum rubber outsole within a polyurethane core and wall. This process gave birth to one of New Balance's first tennis shoes, the CT600. Moon-Star manufactured the first 50,000 pairs of CT600s using this new technique. The CT600 evolved from the Emerson, a shoe designed with the help of tennis greats Roy Emerson and Virginia Wade.

## CT300 *1979*

Combining a unique process of pouring polyurethane midsole with a rubber outsole, the CT300 tennis shoe offers superior cushioning and durability on the court.





*MOUNTAINEERING EXPERT LOU WHITTAKER HELPED NEW BALANCE DEVELOP ITS FIRST HIKING BOOT, THE RAINIER.*

New Balance



*WEARING HIS RAINIER HIKERS, WHITTAKER LED THE FIRST AMERICAN TEAM TO SUCCESSFULLY MAKE THE 21,000 FOOT ASCENT OF MOUNT EVEREST'S NORTH WALL IN 1982.*

**W**hen Lou Whittaker, accomplished mountaineer and co-founder of Rainier Mountaineering guide service, injured his toe, he tried wearing a lightweight New Balance tennis shoe for hiking. It was so comfortable that he suggested to New

Balance that a lug sole be added. What resulted was the New Balance Rainier, a light, durable, comfortable lace-up hiking boot. Wearing his Rainier hikers, Whittaker led the first American team to successfully make the 21,000 foot ascent of Mount Everest's North Wall in 1982.

Wearing his Rainier hikers, Whittaker led the first American team to successfully make the 21,000 foot ascent of Mount Everest's North Wall in 1982.

## Rainier 1982

NB's first hiking boot, developed in partnership with Lou Whittaker of Rainier Mountaineering, is used by his team to make the first American ascent of the North Wall of Mt. Everest.



## Jamboree *1982*

NB introduces the first aerobics shoe to the market in response to the growing awareness of the importance of aerobic exercise.





MODELS WEARING EARLY NEW BALANCE AEROBICS APPAREL AND FOOTWEAR.

Jim Davis' "waste not, want not" conservatism led to the development of yet another breakthrough shoe. The company had a large supply of Astrocrepe® left over from its 320 days and Davis demanded that the material be put to use. In response, the product team came up with the Jamboree, the first shoe ever designed specifically for aerobics. Soon after the shoe's introduction, Reebok developed its own aerobics shoe, the sleek design of which made the Jamboree appear heavy and clunky in comparison.

As Jamboree sales declined, Davis decided to suspend production while New Balance designers went back to the drawing board. He would later identify this decision as his biggest mistake. Reebok grabbed the aerobics market and dominated it for years to come.

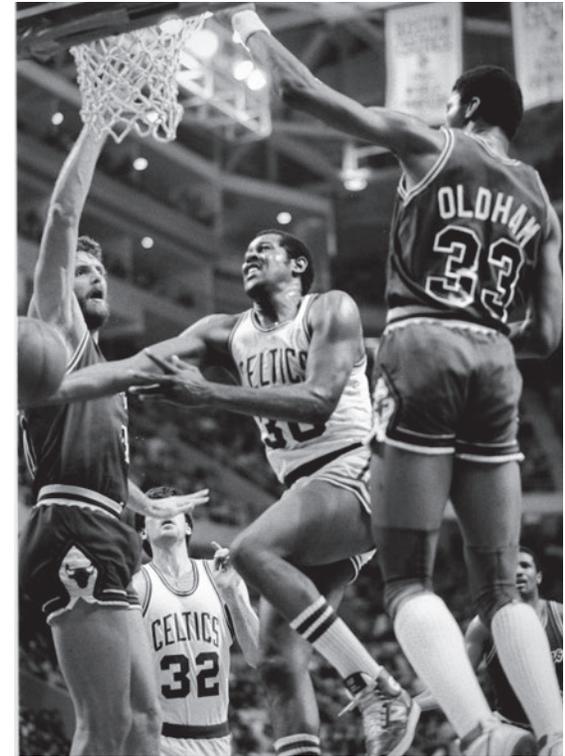
Despite several notable mis-steps, New Balance remained committed to experimentation. Without it there would be no innovation. The 205, manufactured in the mid-1970s, was a unit-soled tan walking shoe that was not well received. Another experiment, a Poron sock lining, proved too hot for running.

Despite several notable mis-steps, New Balance remained committed to experimentation. Without it there would be no innovation.

Davis communicated, through his words and his actions, the virtues of patience, persistence, stamina, integrity, and inexhaustible will “to be recognized as the World’s Leader of High Performance Footwear and Apparel.”

**N**ew Balance had developed an extensive network of sales representatives by this time. However, convincing dealers to carry the line was another matter. The biggest challenge the sales force faced was to find and execute low cost methods to promote and expose the brand. Davis communicated, through his words and his actions, the virtues of patience, persistence, stamina, integrity, and inexhaustible will “to be recognized as the World’s Leader of High Performance Footwear and Apparel.”

Continuing the expansion of its footwear line, New Balance introduced its first basketball shoe in 1983. The Pride 480 was manufactured in Norridgewock, Maine. It was made in widths up to size 17 and featured rubber and EVA as a sole unit and an action collar for cushioning and support. Boston Celtics legend M.L. Carr wore the shoe and became an avid fan of New Balance. Soon, M. L. introduced Jim Davis to Red Auerbach, the famed Celtic coach. Auerbach was immediately impressed.



M. L. CARR WORE THE PRIDE 480 AND BECAME AN AVID FAN OF NEW BALANCE.

## Pride 480 *1983*

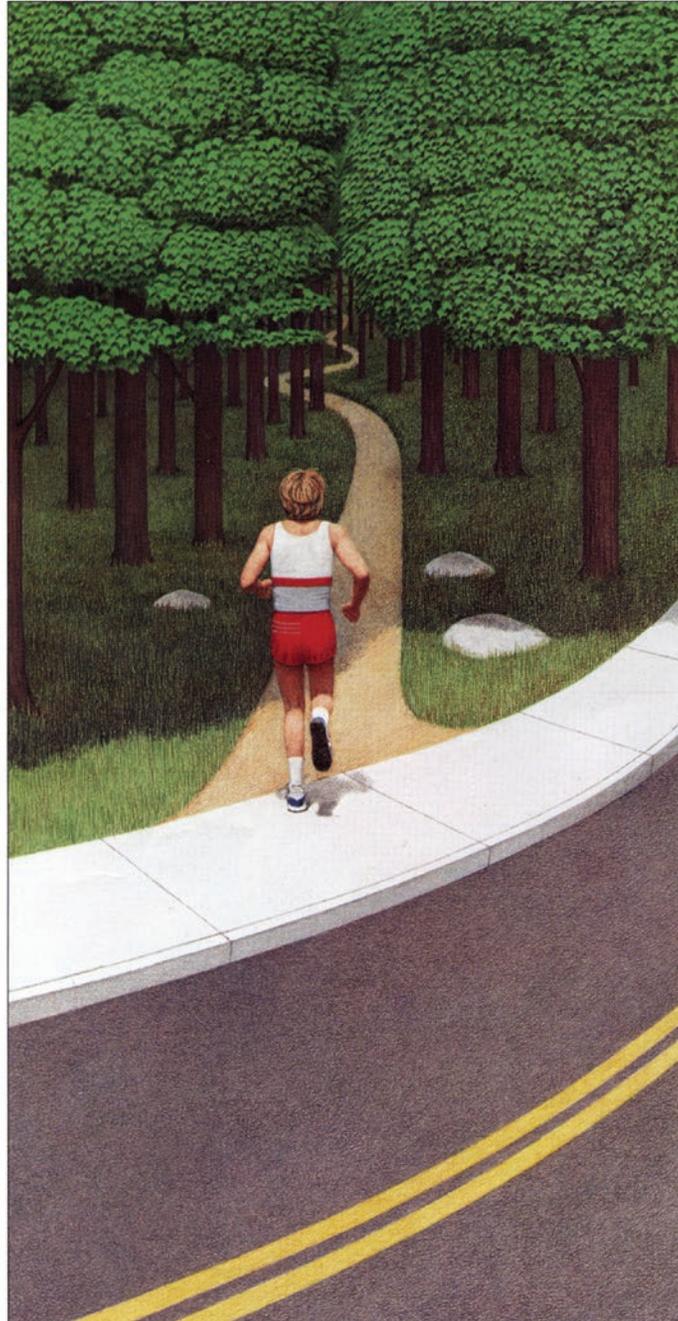
The Pride 480 launches NB's line of basketball shoes and is available in multiple widths up to size 17.



In Auerbach's view, Davis conducted his business like a great coach. He was a focused thinker who had a game plan, surrounded himself with good people, delegated authority and watched to see what would happen.

**T**wo years later, in 1985, New Balance's innovative trail running shoe hit the market. The 565 featured a houndstooth outer-sole to provide superior traction "at home, on the road, or the trail." The idea for making the shoe came out of a corporate retreat at Sugarloaf Mountain. The leadership team went for daily runs in the woods near their cabin and realized that they could design a shoe suitable for running on pavement that also had greater stability for off-road running.

## After a few miles on the road, answer the call of nature.



Most running shoes are designed either for running on the road or for running off the road. Which means you have to decide what route you're going to run before you put on your shoes. The New Balance 565, on the other hand, is equally at home on the road or the trail.

Among the features that make the 565 the perfect multi-terrain shoe are:

A houndstooth outersole that provides superb traction on a variety of running surfaces.

Made of high-grade carbon rubber, it's virtually indestructible. A polyurethane horseshoe set into an EVA midsole. The horseshoe provides rearfoot stability, the EVA offers superb cushioning. A double-density surlyn counter that adds to the shoe's motion control characteristics.

So remember: if you want to be able to run both on and off the road, the New Balance 565 is the shoe that's called for.

**B**<sup>®</sup>  
new balance<sup>®</sup>  
**565**



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New Balance

In 1986 New Balance entered into a \$1 million endorsement contract with James Worthy to promote its “Worthy Express.” The contract included Worthy’s appearance in a television spot on MTV. This arrangement was short-lived since New Balance decided not to pursue expensive celebrity endorsements but rather to invest its resources in R & D and manufacturing. “Endorsed by No One” became its mantra and remains so today.

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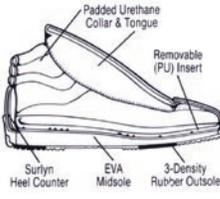
P740

*The extended midboot that James Worthy wears offers exceptional cushioning and flexibility*

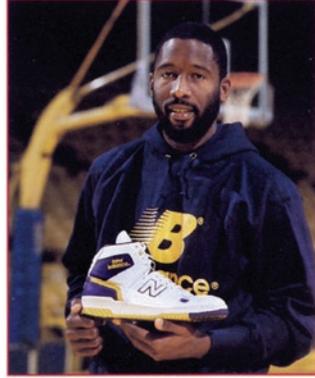


**T**he 740 is the shoe you'll be seeing James Worthy wearing. Because it gives him all the cushioning and flexibility his relentless style demands. The 740 has our full length, high rebound 40 durometer EVA midsole that cushions every part of the foot as it gives a light, springy feel. Also, it has a thickly padded tongue, to cushion and protect the instep. Outside, the 740's padded ankle collar fits snugly without inhibiting the natural running and jumping motion. And its tri-density outsole delivers excellent traction and durability.

Additional cushioning and support is provided by the removable polyurethane insert.



Feature	Benefit	Made in U.S.A.
<i>Tri-Color, Tri-Density Rubber Outsole with Lock-Rail Tread Design</i>	Increased abrasion resistance gives added durability; provides excellent traction.	
<i>Full Length High Rebound EVA Midsole</i>	EVA midsole (40d) provides excellent cushioning, comfort, shock attenuation over entire length of midsole.	
<i>All Leather Upper (3.5-4 oz.)</i>	Strong, durable with perforations to allow moisture to escape and air to circulate.	
<i>Flextended Saddle with Shank Support Strap</i>	Provides superior lateral stability; strap enhances support from heel to forefoot.	
<i>Foam Padded Urethane Tongue with Brushed Nylon Backing</i>	Provides comfort and protection.	
<i>Foam Padded Ankle Collar</i>	Provides non-binding comfort; gives snug, secure fit.	
<i>Removable Polyurethane Insert</i>	Polyurethane retains shape; superior shock attenuation protects against blisters, bone spurs.	
<i>Speed Lacing System</i>	Allows for fast, secure, lacing; less pressure on instep.	
Sizes: 6-12, 13, 14, 15, 16, 17    Widths: B, D, 2E    Weight: 589 grams/20.8 oz. (Size 9½)		



James Worthy, starting forward, Los Angeles Lakers. Led North Carolina to 1982 NCAA Championship; joined Lakers to be all-rounder choice in NBA 1982-3 season. Averaged 21.5 points per game in the Lakers' 1984-5 championship season. Consultant to New Balance.

AN BIG-MONEY DEAL WITH NBA STAR JAMES WORTHY ENDED WHEN NEW BALANCE DECIDED IT WOULD NO LONGER PURSUE EXPENSIVE CELEBRITY ENDORSEMENTS.



*TEAM NEW BALANCE MEMBER PETER PFITZINGER IS A TWO-TIME MEMBER OF THE U.S. OLYMPIC MARATHON TEAM, A DISTANCE RUNNING COACH, AND AN EXERCISE PHYSIOLOGIST.*



*LONG-TIME TEAM NEW BALANCE MEMBER AND FIVE-TIME OLYMPIAN FRANCIE LARRIEU SMITH.*

In the meantime, Team New Balance runners were making a name for themselves in Olympic competition. Peter Pfitzinger, who joined the team in 1980, won the 1984 Olympic trials and placed 11th in the Olympics. In 1988 he placed 3rd in the trials and was the top U.S. finisher at 14th in the Olympics. Francie Larrieu-Smith finished 5th in the 10,000 meter at the 1988 Seoul Olympics.

While Nike was aggressively seeking to re-capture its #1 market position from Reebok with gimmicks like “Visible Air,” New Balance held its course. It continued to focus on offering athletic performance footwear like the 505, 605, and 905 for serious walking. Jim Davis had high hopes when he purchased New Balance in 1972. By the mid-’80s those hopes were becoming realities. He had assembled a team of excellent people to implement a

Jim Davis had high hopes when he purchased New Balance in 1972. By the mid-’80s those hopes were becoming realities.

strategy of innovative design and manufacturing, relationship building with dealers and sales reps, strategic promotion and determined commitment to core values. Thanks to that team, the company had expanded its space and workforce, adopted the latest manufacturing technologies, and was producing technically advanced performance footwear for runners, fitness enthusiasts, and people participating in a range of sport activities.