

March 25, 2019

House Committee on Economic Development
900 Court Street NBE, Room 333
Salem, OR 97301

RE: Support for HB 3251 Outdoor Industry Competitiveness Fund

Chair Lively, Vice-Chairs Bonham and Fahey:

To whom it may concern,

I am writing to enter my testimony into the record regarding my support for HB 3251

My name is Daniel Clancey I am founder and creative director for Homeschool Outerwear (www.homeschoolouterwear.com), we are a technical outerwear brand based in Portland launched in January of 2012.

Prior to founding homeschool I was an apparel designer at Columbia Sportswear and K2 Corporation.

In my support for this bill I am writing to share my experiences as the founder of a technical apparel brand., One, if not the single biggest challenge we face relates to early stage production financing and access to capital. the outdoor sector support currently in place tasked with helping companies in the outdoor space are not familiar with the needs and challenges of product brands. In short, they want to help but do not have the expertise to ask the right questions or know how to specifically be useful to helping outdoor companies get off the ground. My experience with Business Oregon, and others has been that they simply direct you to the SBA or another lender. The difference here as I see it is that it allows funding to be distributed and allocated to “worthy” companies by people with industry expertise that understand the needs and challenges of this space.

The problem of production financing and early stage capital requirements often lead to decisions that are not beneficial to the company in the long term. In my case I was put in a position of having to give up substantial equity very early on, for essentially a production loan.. this is common, and a decision I wish I never had to make. Secondly, the only other option is “Angel” funding which very dilutive and expensive to the company that can inhibit growth. Additionally, Angel investors are rarely from the outdoor sector and don’t understand the business. Investors tend to invest in what they know and this creates a substantial challenge for outdoor companies as we are competing with tech for the same dollars with much different goals and business model. Raising money without a dedicated source for outdoor is extremely challenging to say the least and a full time job for most founders.

Oregon should be hub of the outdoor industry and I feel strongly that a bill such as HB3251 is a great place to start to help build Oregon into the outdoor capital of the world.

Thank you for your time and consideration,

//Daniel Clancey

Daniel Clancey
Founder/Creative Dir.

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