

TIME TO BREAK CAMP?

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Adam, the second-generation owner of Camps Timberlake and Merri-Mac jointly operated both camps on the same campus, but now was faced with the reality that he had reached maximum capacity. He found another property about 20 miles away on which he might build a new camp facility, but there were significant risks involved. First, the investment required to construct a new facility was substantial. Second, he was concerned that separating the camps would weaken the bonds between them and might open up the possibility that he could lose campers to neighboring competitors. Finally, he felt that the strongest selling point of his camps was their shared culture and heritage. How could he separate them, enabling the potential for continued growth, without harming the culture of the camps?

INTRODUCTION

As Adam walked the grounds of Camps Merri-Mac and Timberlake on the last day of camp in August, 2016, he was caught up once again in the sights and sounds of campers as they said goodbye to each other after another wonderful summer of camp. For Adam, this had been his life. He was a second-generation owner-operator of residential summer camps for boys and girls in the mountains of Western North Carolina. He had attended camp as a boy. He had worked as a staff member of the camps during his college years. He had even met his wife, Ann, when she worked as a staff member at the camp during one of her summers in college. He and Ann had taken over operation of the camps from his parents, and he hoped that one day, one or more of his three children would take over operation of the camps and continue the family tradition.

Adam was a big believer in the benefits of camp. By attending camp, he believed that girls and boys alike discovered abilities, gained confidence, and built relationships that would all serve them well throughout their lives. He viewed his role as owner-operator with a great deal of passion. While the camps had grown under his stewardship, he was troubled by several issues to which he could no longer find acceptable solutions. First, and foremost, Adam was out of room.

BACKGROUND

Almost everyone has a mental picture that comes to mind when they think of residential summer camps, even if they never attended camp themselves. Summer camps have been the setting for many movies and television shows, including *The Parent Trap*, and more recently, Disney's *Camp Rock* movies and *Bunk'd* television series. Many will be surprised to learn that the Camp Industry is actually pretty big business. For example, according to the American Camp Association (<https://www.acacamps.org>), there are 14,000 camps in the United States, attended by 14,000,000 campers each year. 8,400 camps are residential camps where the campers stay onsite for extended periods of time. The industry generates \$18 billion each year in revenues. 57% of campers are girls, while 43% are boys. Fees for residential camps range from \$650/week up to about \$2,000/week. Camps Merri-Mac and Timberlake charged towards the upper end of the range (averaging about \$1,750 per week).

Camp Merri-Mac for girls was originally founded as Camp Bridewood in the summer of 1945. In 1950, it was renamed Camp Merri-Mac. Adam's parents, Spencer and Dot, purchased the camp in the 1970's and continued its operation for a number of years before they opened Camp Timberlake for Boys in the summer of 1983.

Opening a camp for boys was a no-brainer decision for the Boyds for several reasons. First, they knew that many of the girl campers that attended Merri-Mac each summer had brothers who also enrolled in summer camps. Even more significantly, many of these boys attended a camp for boys that was just across the valley in the same small town within which Merri-Mac was located. Second, they had six boys and no girls of their own. As their boys began reaching the age at which they could become involved in the running of the family camp, they began to realize that running a camp for girls limited the opportunities for them to get involved. Finally, they had some underutilized cabins and facilities, so they figured that they might as well expand and open a camp for boys.

CURRENT STATE OF THE CAMPS

By almost any measure, Camps Merri-Mac for Girls and Timberlake for Boys were a success. The campers loved the camps. The parents loved the camps. The staff, made up primarily of college-aged young women and men, loved the camps – many of them had been campers themselves. The camps both were open for 10 weeks every summer, operating in five, two-week sessions. By the summer of 2017, both camps were operating at, or near, capacity (240 girls per session for Camp Merri-Mac, and 105 boys per session for Camp Timberlake), and even had waiting lists of campers who wanted to come but couldn't be accommodated.

TABLE 1
Number of Campers Enrolled In Each Session

Session	Timberlake (capacity 105)		Merrimac (capacity 240)	
	2016	2017	2016	2017
1A	76	96	240*	240*
1B	105*	105*	240*	240*
2F (2, 1-week sessions)	105*	105*	240*	240*
3A	105*	105*	240*	240*
3B	92	102	240*	240*

*indicates a waiting list of campers hoping to enroll

OPERATIONS

Camps Merri-Mac and Timberlake operated independent programs and functioned as single-gender camps (as opposed to running joint, co-ed programs), but shared the same facilities, which created numerous logistical issues (especially on rainy days!). The girls and boys each had dedicated cabins where they slept, but all of their respective activities took place in locations that were jointly shared by the camps. For example, the boys ate breakfast at 7:45 every morning and were done by 8:30, while the girls piled into the dining hall for breakfast at 9am. All day long, an intricate dance took place.

Days were filled with myriad activities, including horseback riding, kayaking and canoeing on the camp lake and on surrounding rivers, rock climbing, backpacking, and even quieter activities like pottery, cooking, and learning guitar (see Table 2).

The camp maintained a fleet of 7-8 vans in order to take day-trips and even overnight trips to the surrounding mountains and rivers for many of the activities, but most of the main programs and activities for the camp were conducted on-site during activity periods, four of which were scheduled for each day (two periods in the morning, and two in the afternoon). If the boys were using the lake for swimming, kayaking and canoeing during the first activity period, then the girls would have it for the second period. The program staffs of both camps were in constant negotiations to determine who would have what facilities and at what times throughout the days. Usually, they fell into a rhythm that was sustainable, but on rainy days, all bets were off!

TABLE 2
Activities and Programs Offered By The Camps

Camp Merrimac Activities	Camp Timberlake Activities
Archery*	Archery*
Backpacking*	Backpacking*
Canoeing*	Canoeing*
Climbing	Climbing
Cooking*	Cooking*
Fencing	Fencing
Guitar	Guitar
Kayaking*	Kayaking*
Mountain Biking	Mountain Biking
Pottery*	Pottery*
Riding*	Riding*
Riflery*	Riflery*
Soccer	Soccer
Swimming*	Swimming*
Team Sports	Team Sports
Tennis	Tennis
Dance	Airsoft
Diving*	Paintball
DIY Arts and Crafts	Rocketry
Drama	Wrestling
Fitness	
Gymnastics	
Lacrosse	
PAWS (Puppy Training)	
Volleyball	

*indicates activities that take place in facilities shared by both camps

Adam and Ann invested a lot into maximizing their facilities, but they were limited as to what they could do by both the size of the campground (150 Acres) and by the fact that much of their available acreage was undevelopable given that the camp occupied the side of a mountain. They had developed all usable land and had 60 acres involved in programs and activities. Adam had been able to expand his campus to a limited extent by buying adjoining properties as they became available over the years, but this was a slow process given that the camp property was surrounded by residential neighborhoods. He had even tried approaching his neighbors to ask them if they might be willing to sell their properties to him, but this had only had limited success.

A RADICALLY DIFFERENT FUTURE?

All these factors drove Adam to consider a more radical option over the past decade – buying another location for Camp Timberlake. This option, in theory, would allow both camps to grow, but there were many complicating factors. These factors included marketing considerations, operational considerations, financial considerations and, perhaps most importantly, cultural considerations.

From a marketing standpoint, Adam knew that he would have to carefully manage the communication regarding the separation of the camps since many thought of the camps as inseparable – and he wanted to maintain that perception! Strategically, he knew that separation of the locations would also cost him a convenience advantage. With the co-location of Merri-Mac and Timberlake, drop-off and pick-up for families with both boys and girls happened at the same time and place. Separation of the camps would make this process less convenient and could even open up the possibility that families would opt to take their kids to other, nearby camps – perhaps even the rival across the valley that was still in business! He would have to find ways to remind “his” families of the advantages that his camps provided so that they would stay with his camps.

Financially, Adam’s camps were doing very well. Their current property had long-since been paid for, and they had been able to self-fund their capital improvements and operate debt free. However, the properties that Adam had explored to which he might move Timberlake all came with multi-million dollar price tags. Then there was all of the construction that would be required to put the infrastructure and facilities in place to host the camp – a cost that would far exceed the cost of the real estate purchase.

Operationally, Adam knew that the camp would have to open with top-notch facilities and a full slate of activities from day one if he were going to have any chance at meeting the expectations of his current clientele (see Table 3 for a list of infrastructure and facilities that Adam knew he would need). He estimated that the development and construction costs would be significant as well. The profitability of the camps would allow him to afford the additional expenses that the required loans would create, but, given that he wanted to retire in about 10 years, he wasn’t sure that he wanted to take the “hit” in terms of reduced profitability in the near-term for a long-term benefit that he might not be around to realize. His analysis suggested that he would have to nearly double the size of Timberlake (from 105 campers to approximately 200) before he would regain his current level of take-home profit.

Further, from an operational standpoint, Adam knew that, while each camp largely had its own staff that ran its programming and activities, the camps also shared

some staff for joint functions. The camps currently shared staff for the dining hall (14 people for the summer months), infirmary (4 people for each session), maintenance (2 year-round staff and 3 additional summer staff), trip staff for off-site climbing, mountain-biking, rafting, canoeing and kayaking trips (6 summer staff), as well as hostess and night watch staff. Other year-round staff included two administrative assistants, and full-time director for each camp (who reported to Adam) and typically an intern or two to handle miscellaneous odds-and-ends. Separating the camps would mean duplication of some of the staff between locations, while some might still be shared between camps.

TABLE 3
Facilities Needed at Opening of New Camp Location

Camp offices	Dining Hall
Gymnasium	Commercial kitchen for cooking activity
Lake and developed waterfront for swimming, diving, canoeing, and kayaking	Cabins for campers and staff (a minimum of 12 cabins, each holding 15 people)
Various fields for field activities	Paintball/Airsoft range
Pavilions and ranges for archery, riflery, and fencing	Trails and Pump Track for Mountain Biking
Infirmary	Roads, electrical, and plumbing infrastructure
Climbing tower and walls	

The last, and perhaps most significant, issue that Adam knew he would face was preserving the culture of the camps as the camps separated and grew. While the boys' and girls' camps were operationally independent, they shared many parallel rituals and ceremonies that tied them together. At the beginning of every session, for example, new campers in both camps were initiated into a tribe – essentially the camp family in which they were adopted for the duration of their time at camp – in an elaborate tribal ceremony filled with symbolism and traditions and held at the TeePee, one of the most prominent locations in camp. Both camps shared tribe names, and siblings were always inducted into the same tribe.

Similarly, both camps promoted campers to various ranks based on merit points that they earned by advancing to different skill levels in their activities, through their contributions to their tribes in the various tribal activities, and through demonstrating key character traits (like sportsmanship, leading-by-example, and caring/mentoring younger campers) as recognized by their co-campers and counselors. The boys progressed through their ranks, culminating in the rank of

Little Chief, while the girls progressed to the rank of White Feather. The promotion ceremonies (named Little Chief and White Feather respectively) were also conducted in each session and took place at the Council Ring, another prominent location in camp.

Adam placed a good deal of emphasis on sustaining the culture of the camp. He knew that the staff at the camps played a major role in this process, so he placed a lot of emphasis on recruiting counselors and staff that exhibited character traits similar to the ones that he wanted to promote. Given that his counselors were almost all college-aged, his staff turnover was already quite high. He typically returned half of his counselors each year, and he counted on the returning staff to model the expected behaviors for the new staff. He knew that, if he could grow Merri-Mac, he would want to limit its growth to about 300 total campers each session. He felt strongly that the quality of the camp experience would suffer if Merri-mac grew beyond that size. That meant that, given the camp already hosted 240 campers each session, total room for growth was only another 25%.

Adam suspected that the issue of culture management might be a larger issue in Camp Timberlake given that it was both the smaller camp and the camp that would experience the greater amount of change. Adam knew that, in order for separating the camps to be a success, he would have to rapidly grow Timberlake, eventually doubling, or even tripling its size. Even if the camp “only” grew by 15-20 campers each summer, the dynamics of the camp might change significantly due to the fact that he would be counting on a minority of returning counselors to influence a majority of new counselors.

TIME TO BREAK CAMP?

Until recently, thinking through the implications of physically separating the camps had all been an academic exercise for Adam. However, he had just located a property that checked all of the boxes. He found a property about 20 miles away that was larger (215 acres), had more land already cleared and ready for development than his current property (90 acres), had an 8-acre lake (the lake on his current property was only 2 acres), and was situated in a valley rather than on a mountain-side, with spectacular views of surrounding mountains. Even better, the property had been on the market for more than 3 years with an asking price of \$4 million, and the current owners had just made an aggressive downward adjustment on the price. Was the financial risk worth the potential gains? How long would it take him to regain the take-home profits that he presently made? How could he make sure that he retained his campers despite the physical separation between camps that would be created? What steps should he take to sustain his culture? Should he make the leap and separate the camps? Was it time to break camp?