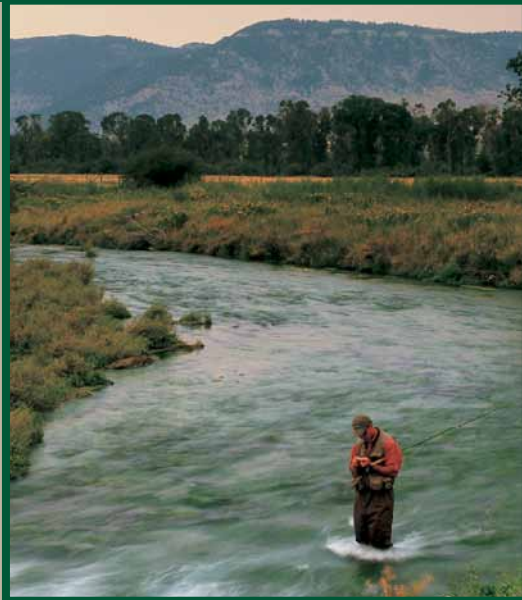


# L.L.Bean





BEGINNINGS

In 1912, an avid outdoorsman named Leon Leonwood Bean returned from a hunting trip with cold, damp feet and a revolutionary idea. L.L. enlisted a local cobbler to stitch leather uppers to workmen’s rubber boots, creating a comfortable, functional boot for exploring the Maine woods. This innovative boot — the Maine Hunting Shoe® — changed outdoor footwear forever and began one of the most successful family-run businesses in the country.



L.L. began his business by working out of the 40' x 25' basement of his brother’s shop. He obtained a mailing list of nonresident Maine hunting license holders and prepared a four-page flyer that boldly proclaimed, “You cannot expect success hunting deer or moose if your feet are not properly dressed. The Maine Hunting Shoe is designed by a hunter who has tramped the Maine woods for the last 18 years. We guarantee them to give perfect satisfaction in every way.” The public could not resist the commonsense logic and genuine enthusiasm of his appeal.

One hundred orders poured in for pairs of his new product. However, L.L. did not meet with immediate success. The rubber bottoms separated from the leather tops on 90 of those first 100 pairs of boots. Although it nearly put him out of business, L.L. kept his word and refunded the purchase price. He borrowed more money, perfected the bottoms and, with undiminished confidence, mailed more brochures. L.L. had learned the value of personally testing his products, of honest advertising based on firm convictions and of keeping the customer satisfied at any cost.

L.L.Bean, Inc., quickly established itself as a trusted source for reliable outdoor equipment and expert advice. The small company grew. Customers spread the word of L.L.Bean’s quality and service. L.L. built on his success using

1911

Founder Leon Leonwood Bean invents and field tests Maine Hunting Shoe.



1912

L.L.Bean, Inc. launches with four-page mailer to out-of-state sportsmen.



1917

L.L.Bean moves from 25 x 40 ft. basement to space on Freeport’s Main Street.



1919

Business booms – payroll for day and night crews tops \$1,000 a month.



1921

Adm. Donald MacMillan outfits Arctic expedition with L.L.Bean Boots.





**LEON LEONWOOD  
BEAN'S GOLDEN RULE**

SELL GOOD MERCHANDISE AT A  
REASONABLE PROFIT, TREAT  
CUSTOMERS LIKE HUMAN BEINGS,  
AND THEY WILL ALWAYS COME  
BACK FOR MORE.



all company profits for advertising. He was so intent on building his mailing list, he eventually inspired Freeport resident and Maine writer John Gould to say, "If you drop in just to shake his hand, you get home to find his catalog in your mailbox."

L.L. focused on the essentials. Employees also understood that the business of L.L.Bean was to provide high-quality products backed by excellent service. As Leon Gorman, grandson of L.L. and company president from 1967 to 2001 has said, "Word-of-mouth advertising and customer satisfaction were critical to L.L.'s way of thinking. To hear that one of his products failed was a genuine shock to his system. He'd charge around the factory trying to find an explanation. Then he'd write to the customer, return his money, enclose a gift, invite him fishing or do anything to make the matter right. That customer was a real person to L.L., and he'd put his trust in the L.L.Bean catalog."

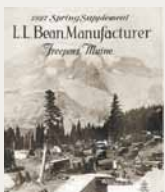
**A TRUSTED RESOURCE**

With automobiles increasing in popularity and becoming more affordable throughout the 1920s, more people visited Maine to enjoy some of the finest recreational areas in the nation. L.L. continued to attract hunting, camping and fly-fishing customers with his trusted advice and commonsense approach. In a 1927 catalog he said, "It is no longer necessary for you to experiment with dozens of flies to determine the few that will catch fish. We have done that experimenting for you."

Steady growth continued. By 1934, the company had increased its factory size to over 13,000 square feet. The simple flyer evolved to become a 52-page catalog. The company generated over 70% of the volume for the Freeport Post Office. By 1937, sales surpassed the \$1,000,000 mark. Leon Gorman noted decades later, "The most important legacy

**1925**

Apparel and sporting gear added to line – first full-sized catalog sent.



**1928**

Ernest Hemingway recommends L.L.Bean Boots to hunting partner.



**1934**

Babe Ruth sends L.L. autographed baseball.



**1937**

Company survives Depression, marks \$1 million in annual sales.



of L.L.'s genius was the power of his personality. It transcended the buying and selling of products. His personal charisma based on 'down home' honesty, a true love for the outdoors, and a genuine enthusiasm for people, inspired all who worked for him and attracted a fanatic loyalty among his customers."

L.L. never missed an opportunity to improve service. While the bulk of sales were generated by the catalog, hunters and visitors frequently dropped by Freeport. Extending hospitality and service, L.L. made sure all were received. A night bell allowed the late-night visitor to call a watchman or even L.L. himself.

In 1951, L.L. opened the store 365 days a year, 24 hours a day proclaiming, "We have thrown away the keys to the place." To this day, there are no locks on the doors of the Flagship Store.



While growth throughout the first 50 years was steady, the 1960s brought tremendous expansion. As disposable incomes went up and the interstate highway system made travel easier, L.L.Bean aligned itself with the growing outdoor recreation market. The "Back to Nature" movement brought a boom in backpacking and camping that also brought more business to the L.L.Bean catalog and store.

In 1967, Leon Leonwood Bean passed away at the age of ninety-four. Some of those closest to the company wondered if it could go on without L.L.'s strong influence. 50,000 letters of condolence from customers all over the country poured into Freeport noting the accomplishments of the man *TIME* magazine once hailed as "The Merchant of the Maine Woods." The overwhelming public response helped bolster employees' determination to build on L.L.'s success.

According to Leon Gorman, L.L. had "established an image that was as broad in its appeal and as enduring in its acceptance as any in marketing history." Despite this, significant challenges lay ahead when Gorman took over as company president. When he first came to work at L.L.Bean in 1961, the average employee age was 60, and sales had leveled off at around \$2 million. Although the company continued to demonstrate its world-renowned commitment to customer service, it was suffering from a lack of leadership and direction. The product was getting out of date and there were lapses in quality. It became obvious that change was necessary yet it was resisted.

## MODERNIZATION

**Leon Gorman** led the company's transition into a modern, world-class organization. He studied old catalogs, talked with long-time employees and vendors and immersed himself in learning about L.L.Bean products and markets. He formalized the company's customer service approach, revitalized its leadership and updated compensation policies. The old mailing list (of fewer than a million names) was converted to a computerized database. Manufacturing moved to an updated facility, located about a mile from the original building. A 110,000-square-foot distribution facility was built on nearby property in 1974, then expanded again in 1979 to a 310,000-square-foot facility with over a mile of conveyer belts.

1938

Eleanor Roosevelt makes surprise visit to Freeport Store.



1939

Freeport Store expands to 36,000 sq. ft.



1942

L.L.Bean designs boots and equipment for the military.



1944

Boat and Tote Bag introduced.





Leon Gorman and L.L.Bean continued to find innovative ways to better serve the company's customer base. In 1976, the introduction of credit card services made it easier to shop. The 24 hours a day, 365 days a year service through both catalog and store enabled an increasing number of catalog shoppers to connect with L.L.Bean. Knowledgeable phone representatives were backed by special teams of product experts that fielded specific customer questions on choosing gear for camping, hunting, fishing, backpacking, skiing, paddlesports and other outdoor pursuits.

Rapid growth and expansion continued into the 1980s. In 1985, a toll-free phone number was added in response to the rise in the numbers of customers shopping by phone. Two major call centers were added in 1985 and 1987, increasing the company's capacity to answer the millions of calls received.

In 1989, L.L.Bean Manufacturing moved into a new facility that incorporated ergonomically designed systems and a fitness room. Ergonomic workstations were also introduced into all other areas of the company. The company added fitness centers and walking trails to encourage employees to stay in shape. Active outdoor involvement was also encouraged through generous discounts on items purchased in the store and access to a set of sporting camps where employees could enjoy fly fishing, kayaking, hiking and skiing.

A 40,000-square-foot addition to the Flagship Store in 1989 provided more room to display a growing number of tents, boats and other popular products. The store, long a resource for outdoor information as well as products, emerged as a retail power that today attracts close to three million visitors a year sharing top honors with Acadia National Park as most-visited spots in Maine.

Many customers visit the store to stock up on gear and apparel before exploring Maine's mountains, lakes and coastal regions. The Flagship Store has also become headquarters for L.L.Bean's popular Outdoor Discovery Schools, which teach customers skills needed to enjoy certain outdoor activities. Popular sessions include kayaking, fly fishing and outdoor photography.



In the late 1980s, L.L.Bean opened a factory store in North Conway, New Hampshire, to more efficiently liquidate discontinued merchandise at a significant value to customers. More stores were later added in Maine, New Hampshire, Delaware, Maryland, Virginia and Oregon.

1946

L.L.Bean article in *Saturday Evening Post* generates 19,000 inquiries.



1951

76,000 catalogs mailed. Freeport Store institutes a 24 hour a day open-door policy – L.L. removes locks from the front door.



1954

First L.L.Bean Women's department opens in Freeport Store.



1957

L.L.Bean adds one of the first pole-less tents to the catalog.



## PASSING THE TORCH

In 2001, Leon Gorman stepped up to the role of Chairman of the Board, passing the company leadership to the first nonfamily member ever to hold the position. He named Chris McCormick, who began with the company in 1983, president and CEO. Through his years with the company, Chris McCormick headed marketing and advertising, launched the company's international business, spearheaded L.L.Bean's 1995 entry into E-commerce and led the company's expansion of its retail channel outside of Maine.

Under Chris McCormick's leadership, L.L.Bean has emerged as an industry leader in brand management, customer loyalty and marketing database systems. Today, L.L.Bean is a well-recognized world leader in the mail order and retail industries, and has developed a multi-channel approach to maintaining the same high level of service for customers here and abroad.

## THE CUSTOMER

When Leon Leonwood Bean started his company in 1912, his view of serving the customer was as revolutionary as his product. L.L. said, "a customer is the most important person ever in this office—in person or by mail." Whether seeking expert advice, purchasing goods, returning or exchanging anything from L.L.Bean, customers quickly learned L.L.Bean wasn't like other companies of the day. L.L. set the standard for customer service in 1912, and his service-based philosophy is a fundamental belief that resonates throughout the company today.

Beyond the credit card service and the toll-free phone number L.L.Bean instituted years before, the company expanded its ability to better serve customers by launching its Web site in 1995 and offering electronic shopping in 1996. Today, customers can purchase thousands of products online, including sporting goods, home furnishings and casual and active clothing. In addition, customers can search for information on state, national and international parks, send email to Customer Satisfaction Representatives with questions about products, learn about the famous L.L.Bean guarantee, find out about Outdoor Discovery Schools and get directions to the stores.

In 1996, the ability to fill customer orders was greatly improved with the opening of the 600,000-square-foot technologically advanced Order Fulfillment Center. The new facility, with the capacity to store over four million units of merchandise and to process an average of 50,000 customer orders a day (and up to 165,000 a day at the peak of the holiday season) represents that familiar L.L.Bean goal: the best in customer service.

Leon Gorman said, "A lot of people have fancy things to say about Customer Service, but it's just a day-in, day-out, ongoing, never-ending, persevering, compassionate kind of activity."

In an increasingly competitive industry, L.L.Bean today still stands out as the benchmark for customer service. Now a multi-channeled business, L.L.Bean continues to serve customers with knowledgeable employees who are highly customer-focused. Employees are trained to ensure

### OUR GUARANTEE

OUR PRODUCTS ARE GUARANTEED  
TO GIVE 100% SATISFACTION  
IN EVERY WAY.

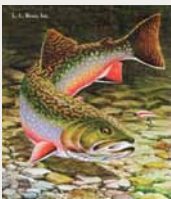
RETURN ANYTHING PURCHASED  
FROM US AT ANY TIME IF IT  
PROVES OTHERWISE.

WE WILL REPLACE IT, REFUND  
YOUR PURCHASE PRICE OR  
CREDIT YOUR CREDIT CARD.

WE DO NOT WANT YOU TO HAVE  
ANYTHING FROM L.L.BEAN THAT IS  
NOT COMPLETELY SATISFACTORY.

1962

Freeport Post Office moves out of the L.L.Bean building.



1967

L.L. passes away at 94; company receives 50,000 condolence letters. Leon Gorman, L.L.'s grandson, named company president.



1969

Mailing list goes from hand-typed to computerized.



1973

Milestone: 50,000 pairs of Bean Boots sold to date.



personalization, taking the time each individual customer requires to feel valued whether through the mail, on the phone, by fax, over the Internet or in the stores. Each employee's goal is to ensure customers a consistently superior service experience no matter which channel they chose to shop. Every channel has been built on the L.L.Bean values of honesty, quality, dependability and a guarantee of 100% satisfaction.

While doing business in the new millennium might differ from doing business in the 1930s, the philosophy of the company has not changed. L.L.Bean President Chris McCormick remains firm in his commitment to the customer.

Although L.L.Bean has millions of customers, Chris McCormick still takes the time to write letters in response to individual questions, comments or suggestions. Under his leadership, the tradition of providing superior service and excellent product remains at the core of the company. Each product is still guaranteed to provide 100% satisfaction.

## A FOCUS ON PRODUCT

**L.L.Bean products** are recognized around the world for their practical design and high quality. Products are researched and developed to meet specific customer needs at a good value. Many become classics, recognized as core L.L.Bean products, such as the Field Coat, introduced in 1924 and the Chamois Shirt, introduced in 1928. Others include the Zipper Duffle Bags, appearing first in the 1930s and the widely recognized Boat and Tote™ Bag, introduced in 1944. Today, over 16,000 items are stocked for the catalog, Web site and stores.

L.L.Bean devotes significant time and energy to product research and development, believing this process starts with individual customers. "We get out into the field as much as we can at L.L.Bean and do the same things that our customers are doing. We use our own products so that we have a better idea of how they're performing. This helps us identify better with our customers' experiences and needs," explains Chris McCormick, who himself takes every opportunity to test L.L.Bean products in the field.

The company also brings new and innovative products into the marketplace through extensive interviews with customers and subsequent concept development meetings that help ensure the products being designed will meet specific customer requirements for outdoor clothing and gear. L.L.Bean product expertise is also reinforced by a group of 400 independent field testers who help assure product quality and performance. The company uses a combination of expertise and testing to enhance existing products (many already considered as best in class based on customer feedback and objective consumer ratings).

L.L.Bean also operates its own independent test lab for scientific analysis of materials, construction and design. Prototypes for new products are tested, revised and retested in a continuous cycle until they meet customer requirements and L.L.Bean quality standards.

The company's first product, the Maine Hunting Shoe or L.L.Bean Boot is still manufactured by L.L.Bean in Maine and exemplifies the commitment to ongoing improvement. L.L. himself continually enhanced the boot's design through the years. Modern materials such as Gore-Tex® (fabric) and Thinsulate™ Insulation have also been incorporated into the boot to offer customers the best boot for their needs.



1976

L.L.Bean assigned its own zip code; reflects steady increase in mail orders. New Freeport store built.



1979

Outdoor Discovery Schools launched.



1981

Company records largest sales increase ever of 41.8%.



1983

Leading consumer magazine rates L.L.Bean customer satisfaction "second to none."





Chris McCormick remains committed to preserving the company’s manufacturing foundation. “Manufacturing is where L.L.Bean started, and our people take great pride in continuing this tradition, using the finest materials along with years of experience in quality craftsmanship,” he says.

L.L.Bean still manufactures old favorites such as the L.L.Bean Boot and Boat and Tote Bag as well as newer items including flannel sleepwear and dog beds. L.L.Bean Manufacturing has received the Margaret Chase Smith Quality Award for its commitment to quality.

**CORPORATE CITIZENSHIP**

**L.L.Bean supports** outdoor conservation and recreation and demonstrates its outdoor leadership by contributing to local, state, regional and national conservation and recreation organizations. In the last five years, the company contributed nearly \$2 million to help promote these programs and develop partnerships that reflect the interests of customers nationwide who are active stewards of the outdoors.

Since 1980, L.L.Bean employees have volunteered over 26,000 hours toward the ongoing responsibility of maintaining an 18.5-mile section of the Appalachian Trail. In recent years, L.L.Bean has contributed significantly to a variety of conservation projects targeting land acquisition and expansion of stewardship programs. Among those projects are The Nature Conservancy’s efforts to preserve the St. John River in northern Maine for recreational and aesthetic value, the Appalachian Mountain Club’s plan to expand educational programs, improve hut systems and build a



**1984**

Freeport store completely remodeled.  
Couple weds in front of new in-store trout pond.



**1988**

First factory store opens in North Conway, New Hampshire.



**1992**

First international store opens in Tokyo, Japan.



**1995**

llbean.com launches.





center to service thousands of hikers, and the Student Conservation Association's initiatives to expand stewardship efforts in our national parks. These are examples of L.L.Bean's commitment to ensuring access to quality outdoor experiences.

The company also encourages volunteerism by connecting customers and employees with various outdoor organizations. In addition to local, state and national conservation groups, L.L.Bean is committed to supporting dozens of health and human service agencies, education partnerships and culture and arts organizations within the communities where the majority of employees live and work.

## LOOKING TO THE FUTURE

Entering this new century, L.L.Bean is looking to prosper through investment in several new business initiatives. By investing in retail stores, electronic commerce and its legendary consumer-direct catalog service, L.L.Bean remains committed to providing the highest level of customer satisfaction while keeping pace with changing customer needs and preferences.

In July 2000, L.L.Bean extended its retail store presence beyond Maine for the first time ever when it opened a 75,000-square-foot store in McLean, Virginia, and in 2001, a 30,000-square-foot store in Columbia, Maryland. These stores bring the L.L.Bean brand to life outside of New England, and offer the same customer advantages that are the hallmark of L.L.Bean: quality products, superior customer service and a link to outdoor education through L.L.Bean's Outdoor Discovery Schools.



L.L.Bean's appreciation for traditional, honest principles runs deep. As the company continues to meet the needs of people who enjoy the outdoors, it will do so by remaining faithful to the same principles upon which the company was built: a focus on the customer and a fundamental respect for people—all backed by L.L.Bean's 100% guarantee of satisfaction.

1999

L.L.Bean Boot redesigned – improved sole and comfort.



2000

Flagship Store in Freeport, Maine, totals 119,000 sq. ft. Tysons Center Store opens in McLean, Virginia.



2001

Leon Gorman becomes Chairman of the Board. Chris McCormick is named as his successor.



2001

Third retail store opens in Columbia, Maryland.



2002

L.L.Bean celebrates 90 years in the outdoors.



# L.L.Bean

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