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## Golf-ball diving leads to riches

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Staff writer

What began as a way to make some extra money for three students from Wheatland-Chili High School is now a multimillion-dollar Internet business based in Rochester.

Tom Rath, his brother, Todd, and friend Shannon Smith are partners in RockBottomGolf.com, an Internet retailer that sells discounted golf equipment.

The company employs 25 people and recorded \$18 million in sales in 2005, to earn a spot on the Inc. 500 list of the fastest-growing privately held companies, according to revenue growth between 2002 and 2005. It ranks 276 on the list.

The first seeds for the business were planted when Tom Rath, 34, began scuba-diving for golf balls in ponds late at night at Chili Country Club.

"He would pull out the golf balls, scrub the balls and resell (them)," Smith said.

Realizing there was a need for used golf equipment, Tom Rath began selling used goods in 2000 while working as a software consultant for IBM. Brother Todd, 30, also worked for IBM and Smith was a controller at a consulting firm.

When the dot-com bubble burst, the trio found themselves on the unemployment line, Smith said.

"Here we are, three unemployed people. We thought we'd give (entrepreneurship) a shot," said Smith, 36.

In 2002, RockBottomGolf was established as an eBay retailer. The early days were difficult, Smith recalls. They tapped out their credit cards to buy equipment to resell on eBay. The partners worked seven days a week to get the business going.

"The pressure was on," Smith said, adding they did not have an income for about four months. But the company finished its first year with \$3.2 million in sales, Smith said.

Today, RockBottomGolf is one of the largest sporting goods retailers on eBay and has established its own Web site, [www.RockBottomGolf.com](http://www.RockBottomGolf.com). It is on track to record \$24 million in sales this year, Smith said.

The partners have split their duties. While the company is headquartered in Rochester, CEO Tom Rath now lives and works in Lake Placid; Todd, who is chief operating officer, lives in Virginia Beach, Va., where he oversees the warehouse operations; and Smith, chief financial officer, works out of the Rochester headquarters.

The Raths also brought in sister Jo Beth, who is in charge of customer service and sales in the Rochester office.

The focus of the business has changed as well, Jo Beth said. Instead of selling on eBay, the majority of

sales come from its own Web site, she said. "The traffic isn't there on eBay anymore."

Henrietta resident Sterling Bombard, 47, found RockbottomGolf.Com through a Google search about three years ago. He has since purchased irons, golf bags and apparel.

"They're the lowest price," he said. "The quality is good. I've never had a problem."

Developing a niche has enabled the company to grow, Smith said, adding that everyone likes a bargain.

"We are the T.J. Maxx, Big Lots of golf," Smith said.

The company has tapped into a good niche market, said Bob Barbato, entrepreneurship professor at Rochester Institute of Technology. "This is exactly the type of niche an e-tailer looks for."

But since the company carved out a lucrative niche, competitors may be looking for a piece of the action.

"They've got to protect their turf," Barbato said. "The key now is marketing."

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#### **Tips for success**

Tips for starting a business, from Shannon Smith, chief financial officer of RockBottomGolf.com:

- Take calculated risks. "We walked away from established careers and leveraged credit cards to get the business going."
- Be prepared for rough times. "We had to sacrifice paychecks in order to make payroll, work seven days a week and working areas of the business that were outside of our training and education in order to keep cost down."
- Focus on a niche to separate yourself from the competition.
- Make sound investments in technology to reduce overhead.
- Provide superior customer service to differentiate yourself from your competitors and to keep the customers coming back to your store.

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