How the Humble Ice Cube Made Business History

By Caroline Jordan, MBA

Gather round while I tell you the story of Kennebec Ice. It's a story full of valuable business lessons even though it happened long ago.

Once upon a time, before the invention of modern refrigeration, folks kept their food cold by using large blocks of ice. That ice was readily available to residents of my state, Maine.

(For my friends in other countries, Maine is the northeastern-most state, bordered by New Hampshire, Canada, and the Atlantic Ocean. We have very cold winters and the ice freezes deep into lakes and rivers.)

Now, residents of Maine didn't think too much about ice other than for their own use. Ice was just a part of life, no big deal. During the economic depression that followed the Civil War, ship's captains in Maine had a hard time finding enough cargo to fill their ships. To compensate for the lack of cargo the ship's crew substituted large blocks of Maine ice to act as ballast. The ice was covered with sawdust to help slow the melting process. This need for ballast created a new market for ice.

When the ships arrived in tropics and sub-tropics, it was discovered that the ice being used as ballast was a valuable product to the residents of those regions. They were willing to pay for that ice. Cutting and shipping ice to other parts of the world became an industry for Maine. This new market saw ice being shipped to China, India, Cuba, and many other places.

Now, somewhere along the way, through some clever promotion, the ice harvested from the Kennebec River in Maine became known as "the best ice". Consumers thought it was higher in purity and health benefits.

There are many rivers and lakes in Maine, all of them produce ice. There really wasn't much difference at the time, all the lakes and rivers were clean enough to drink from, but the perception was that Kennebec Ice was the best. People were willing to pay more to get it.

Because Kennebec Ice was the best, ice companies all over the world started referring to their ice as "Kennebec Ice" even though their ice might come from Kansas or New York. Kennebec Ice was the gold standard for ice.

And then along came modern refrigeration. The ice industry died out and Maine residents, who are always resourceful, moved on to other industries to support their families.

So, here are our modern day business lessons from the story of Kennebec Ice.

1. One product can have many markets and uses, even a product as simple as frozen water.

2. The things we take for granted may be valuable to others.

3. Becoming the gold standard increases business and allows you to charge a higher price.

4. It's important to protect your brand to keep it from being cheapened and compromised by others.

5. Watch for trends that tell you it's time to get out of the ice business and develop new products or services.

Of course, the ice business is still alive and well in the modern world, driven by a new industry--tourism and recreation. So, next time you fill your cooler, think of the humble ice cube and the proud part it played in creating business history.

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