

MANUFACTURER OF HONOR

Burton Snowboards

Innovating trade finance to get better products to market faster world-wide.

Finance is to trade as gasoline is to an engine, the stuff that drives the whole machine. This can pose problems for smaller businesses. Typically, as their supply chains go global and stretch outward, the process of transacting settlements with their different independent vendors becomes more complicated and expensive.

Burton Snowboards, honorable mention Manufacturer of the Year, exemplifies how a small company with an innovative approach to trade finance can get an edge over its competition.

Jake Burton founded the company in 1977 building snowboards in his garage in Manchester, Vermont. The sport was in its inception, Burton one of its pioneers. “I was a complete loser in shop class in school,” he recalled, “yet there I was, working out of a barn in Vermont, figuring out how to manufacturer a snowboard.

development guys out of it. In the past, the product team had to design product, figure out the market, do price negotiations with vendors, oversee sourcing and timetables.” Needless to say, with all those duties they couldn’t devote themselves full-time to product.

Which is what the whole enterprise ultimately relies on. “If we can get better product to market,” continues Rainville, “we’re going to help customers.” Supply chain is now handled by the expanded Sourcing, Logistics and Sales Operational Planning groups.

Equally important, with supply chains so extended, was the need to get products quickly to market from distant production sites in China and Vietnam. This prompted opening a 150,000 square foot distribution center in China (leased through its 3PL DHL) this year. “Our business is very seasonal with peak inventory in June and July,” explains Josee Larocque, Director of Global Logistics. “Rather than open another D/C in the U.S., we’ll take advantage of what we have in China to get optimal transit time and pay the least cost to get to the customer.”

Maintaining this ever broadening supply chain was “very expensive, administratively difficult and time consuming to manage,” explains Treasurer Tom D’Urso. Then he was cold-called three years ago by a salesman for TradeCard, asking him “how would you like to be able to eliminate letters of credit and also become a profit center for payments to your vendor?” He took the meeting and now Burton manages the bulk of its trade finance through the TradeCard platform with less and less LCs. Automation of the payment process (“I now know where I am in the payment process with each of the vendors”), along with offering the option for vendors to receive payment in as little as 10 days after shipping, has significantly streamlined vendor relationships.

“We have learned how important the supply chain is becoming,” concludes Rainville. “Big companies have already known about it but the action sports industry is just getting into the supply chain. A company like ours puts so much time and money into product and marketing but the end game is still the same—customer satisfaction. Which means we’ve got to get the product to the customer.”—Neil Shister

There was no road map. I combined some skateboarding and a little bit of surfing experience, then added some common sense.”

With the business booming (encompassing 800 employees world-wide), some 18 months ago the company was at an inflection point. While high-end boards are built in Vermont, the rest of the product line (life style soft-goods, bags) is manufactured and sold all over the world. In order to sustain this product flow and still maintain its reputation as the ‘leading edge’ manufacturer of equipment, a new approach was required.

“The business was growing so quickly, we had to up the management of the process,” recounts Carolyn Rainville, Director of Sourcing. “The first decision was to expand the supply chain and take the product



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