



How **Burton Snowboards** Remains as Nimble as Its Riders

Improving Processes and Easing an SAP ERP 6.0 Upgrade Leveraging SAP Enterprise Support

by **Lauren Bonneau**, Managing Editor

ONE COULD ARGUE THAT Burton Snowboards single-handedly revolutionized the mountain sporting industry. Creator of the world's first snowboard factory, Burton has taken the idea of snow surfing — or “snurfing” — to a whole new level. Since Jake Burton Carpenter founded the privately held business 34 years ago, snowboarding has transitioned from a struggling underground hobby to a legitimized sport at the Winter Olympics.

And just as the sport of snowboarding has grown and changed over the years, the Burton business — whose slogan is “Standing Sideways since '77” — has evolved as well. The company, based in Burlington, Vermont, started out with Jake working out of a barn to produce and sell the early models of Burton snowboards — taking phone orders at all hours of the day or night from customers across the country, and making station

wagon trips to replenish stock in a handful of local shops that sold Burton boards.

Today, Burton has offices in California, Japan, Austria, and Australia, as well as thousands of retail partners around the world. In addition to its geographic expansion, the business has also expanded its product line.

Contrary to popular belief, Burton is not just a snowboard company. The business encompasses a family of eight other brands that produce hard goods, apparel, footwear, and accessories for three board sports: snow, surf, and skate. Although they share similarities, each of these board sports has different cultures; for example, the Burton brand focuses solely on snowboarding.

What makes the business unique is that the entire Burton family of companies has professional athletes who drive the product development process and have a tremendous amount of input into



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the look, feel, and functionality of the product lines, including boards, bindings, boots, accessories, and clothing.

Even after all these years, Jake still leads the day-to-day workings of the company, testing nearly every product Burton makes and taking rider feedback to heart — whether the comments come from a pro rider, a customer email, or a random snowboarder he runs into on the mountain.

Adapting to Changes Quickly

Being a rider-driven company, the business has to be dynamic and adaptable. For instance, if a rider tests a jacket and recommends that a zipper should move from one spot to another, the production line must be able to make those modifications quickly and easily. A major challenge for any IT organization is having the flexibility to handle changes like these at a rapid pace.

With Burton's expansion into the surf and skate cultures and its growing global network of offices, retailers, and manufacturers, the company realized that it needed to improve its systems for inventory, supply chain, purchasing, and customer service. By implementing more nimble and easier-to-manage systems — and by maximizing its investments in these technologies — the business aimed to improve the service it provided to its consumers and retailers.

For consumers, Burton offers a wide variety of product lines and options to choose from, and products change quite frequently — with a yearly inventory

turnover rate of close to 100%. With such a wealth of constantly changing inventory in a culture in which customers demand the latest and greatest products, Burton inevitably put a concerted focus on improving its technology infrastructure and its related business processes.

As a result, the business made a commitment to implementing and maintaining an up-to-date IT landscape, which presently consists of SAP software, an Oracle database, an SUSE Linux enterprise server, and commodity hardware.

The original SAP deployment dates back to February 1997 and was followed 10 years later by an implementation of mySAP ERP 2004, including the SAP Apparel and Footwear industry solution. CIO Kevin Ubert came on board at Burton not long after, where he is presently preparing the company for an upgrade to SAP ERP 6.0.

Building a Strong and “Simple, Standard, Supportable” Foundation

When Ubert arrived at Burton, from a technology perspective, he found a very complex environment composed of a bunch of loosely implemented, underutilized software instances. “I established a couple of mantras fairly quickly,” he says. “One was ‘Strengthen the foundation,’ and the other was ‘Simple, standard, supportable.’”

Strengthen the foundation means that rather than purchase another piece of software, Burton would start taking advantage of some of the basic functionality that came standard with SAP ERP,

but that the business wasn't using yet. For example, rather than manually allocating product to customers and orders, Burton is taking a more automated approach to allocations. By establishing rule sets, Burton now better leverages the allocation run process, eliminating a significant amount of work that had been performed manually, particularly around deliveries.

“If we started adding more complexity, we would just accelerate our issues rather than solve them,” says Ubert. “There's no silver bullet software solution. You have to take the people, the processes, and the technology, and align them together with the strategy — and that's how you're going to maximize success.”

Simple, standard, supportable refers to reducing complexity. “The closer we can get to standard off-the-shelf, the better off we'll be,” Ubert says. “We're only going to use whatever is built into the standard software or considered a best practice.” And this mantra doesn't just apply to SAP software. Burton has been moving toward standard functions and capabilities across the board.

“Standard systems are easier to support, easier to upgrade, less time-consuming for the internal team to manage, and more efficient and effective for the user community in general,” Ubert says. “My rule is that unless it can be demonstrated how a unique process provides competitive advantage or increases profits, then that uniqueness is going away.”

Running Better with the Help of SAP Enterprise Support

When it comes to supporting the company's SAP solutions, Ubert and his team don't have to go it alone, as Burton opted to take advantage of SAP Enterprise Support, the leading SAP support offering. To demonstrate the key customer benefits of this support program, SAP partnered with SUGEN — the SAP User Group Executive Network, which facilitates information exchange and best-practice sharing across 13 SAP user groups — to develop an index of the 11 key performance indicators (KPIs), such as data volume management and CPU utilization, that are of highest importance to its customers. Through this partnership with SUGEN, SAP committed to work with select customers to identify their pain points and deliver support services through SAP Enterprise Support.

"I recognized that, with this initiative, SAP was looking to demonstrate the value and benefits of its support to customers, and I figured it provided a great opportunity for us," says Ubert. "If SAP could help us, and we could validate the benefits together through metrics, it would be a big win for both of our companies."

So, Ubert signed Burton up to become part of the SUGEN initiative and got straight to work. For starters, Burton wanted to identify long-running processes, backlogs, and overall design gaps in its business process flow, and leverage SAP Enterprise Support services to bring potential reasons for the process issues to light. For example, SAP's business process analysis service identified instances of delayed deliveries in the company's order-to-cash process, as well as overdue purchase orders in the procure-to-pay process.

"We took all that data from the business process analysis, filtered out the pieces we knew were there for a particular reason, and then talked to users in the various areas to confirm and prioritize the remaining legitimate issues that should be resolved and cleaned up," says Ubert.

As a next step, Ubert's team collaborated with the SAP Enterprise Support Advisory team to identify the top five transactions critical to Burton's business operations that needed optimization from a system performance standpoint. One of these

transactions was the available-to-promise (ATP) process, the results of which feed Burton's business-to-business and business-to-consumer sites. This particular process was taking hours to complete and was something the business wanted to run more frequently so that Burton dealers and consumers would have better visibility into the availability of products not currently in stock.

"Through the assistance of the SAP Enterprise Support analysis, we identified areas where that ATP process was actually inefficient, changed and improved the process, and now it runs in less than 20 minutes. This allows us to run the process more frequently, providing more real-time information for our customers, while at the same time reducing the load on our system."

Another process in need of help was the electronic data interchange (EDI) inventory feed extract transaction. Burton has several warehouses across the globe that it regularly feeds inventory data to and from through EDI systems. "With thousands of SKUs moving around and many transactions going back and forth between the parties on a daily basis, this process needed to be more efficient," says Ubert. "We improved the runtime of the feeds to and from our warehouses by an average of 70%, which gives us much better visibility as to what inventory is available."

While customers don't actually "see" the inventory, the visibility into the inventory data does translate to customers indirectly, particularly during what Burton refers to internally as "reorder" season. "Our dealers place orders to fill their stores with our products well before the winter season," he says. "Then, as consumers start coming in and buying, our dealers place 'reorders' with us to replenish their stock and/or buy products they didn't initially purchase. Now, they see more accurate and timely product availability data."

Curbing Exponential Data Growth

Not only does shortening process runtimes get Burton's customers what they need faster and save end users valuable time, it also takes a significant load off the systems. Burton had not been especially fastidious about archiving in the past, and

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— **Kevin Ubert**
CIO, Burton Snowboards



its SAP NetWeaver Business Warehouse (SAP NetWeaver BW) system had reached almost 1.3 terabytes (TB) in size, and was growing at roughly 26 gigabytes (GB) per month.

The business leveraged SAP Enterprise Support services to gain visibility into the data volume in SAP ERP and SAP NetWeaver BW and identify data redundancies or unused objects. With both of those applications combined, the services were able to free up 2TB worth of disc space. “And we didn’t just reduce the size of the database,” says Ubert. “We also slowed the future growth, which is just as important.”

This reduction in database size and unused objects has an additional benefit: reducing the complexity of the company’s upcoming SAP upgrade project.

Preparing for a Simple, Secure Upgrade

To further simplify Burton’s imminent upgrade to SAP ERP 6.0, the SAP Enterprise Support team introduced a tool within SAP Solution Manager — the custom code management cockpit — that analyzed Burton’s custom code footprint and found that roughly 47% of its total custom objects were not being used. The support team also performed a change impact analysis that identified which of those custom objects would most affect the planned upgrade.

“We hope to increase the amount of unused custom objects as part of our simple, standard, supportable efforts. Getting rid of those unused custom objects will ease the upgrade and help us come out of it with a much cleaner system,” Ubert says. “It will also reduce testing time and general maintenance longer term, because any time we have to make a change or respond to a project request, we have to wade through all this stuff, even though much of it is not used.”

The support team plans to deliver a continuous quality check (CQC) to assess the upgrade and support the project planning. Previously, the team delivered a CQC for security optimization that provided recommendations for Burton to mitigate security risks to its SAP solutions. This check highlighted potential vulnerabilities in Burton’s security profiles, such as instances where too many users were given access to too much. For example, providing 200 users with access to make journal adjustments at a company the size of Burton would be a problem.

In a secure environment, only authorized people would have access to various transactions within the SAP system. “That quality check identified opportunities to simplify how we manage our user profiles and grant security appropriately,” says Ubert. “It gave

us a roadmap to start cleaning up those profiles. And while we’re not done yet, we’re working on the last set of recommendations now.”

Instead of the previous method where every user’s security profile was unique and users were granted access to applications on an individual transaction basis, users now are assigned roles with associated permissions.

“If a certain type of a role requires users to perform 12 different transactions, we now give those users the full set — even if they may use only a handful of them on a daily basis and not touch the others,” Ubert says. “These job-based security profiles are pre-approved and any request that becomes additive requires a formal review and approval process to ensure we’re not venturing into conflict of duties or sensitive transactions situations. This change simplifies the ongoing maintenance of our profiles, but then also closes some holes in terms of access that we had.”

Industrializing Solution Operations

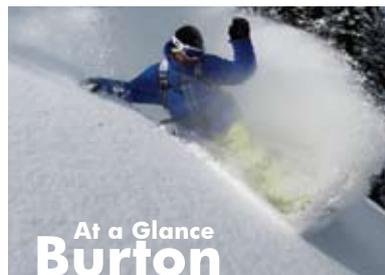
In addition to completing the SAP ERP 6.0 upgrade, Ubert’s team will also be incorporating the monitoring capabilities of SAP Solution Manager with data analysis from SAP NetWeaver

BW so business users can report on business process monitoring.

With the help of SAP Enterprise Support, the team is creating a management dashboard that will gauge how smoothly a critical business process is running at a certain point in time. Using this dashboard, Burton’s key users can get real-time information within that process and analyze it to discover inconsistencies, gaps, or other areas where they should focus on monitoring.

“While the automation from SAP Solution Manager is great, the real benefit is the way it points out potential issues or flaws in our processes,” says Ubert. “Because these processes span multiple people and departments — and this visibility isn’t something we had previously.”

Another key benefit Burton has realized from its experiences so far, according to Ubert, is the true collaborative partnership that SAP offers. “The SAP Enterprise Support team feels like an extension of our team,” he says. “And while you only get out of any relationship what you put into it, the benefits that come from the partnership are there for the taking.” ■



Headquarters: Burlington, Vermont

Industry: Sporting goods

Company details:

- Founded by Jake Burton Carpenter in 1977
- Composed of a family of brands including *Burton* (snowboard gear and accessories), *RED* (helmets and other protective equipment), *Gravis* (footwear), *anon* (goggles), *Analog* (apparel), *Chanel Islands* (surfboards), *Habitat* and *Alien Workshop* (skateboards), and *The Program* (snowboards)
- Created the Learn to Ride program, which gives new snowboarders instruction and equipment created specifically for beginners
- Founded a non-profit called Chill whose mission is to build the self-esteem of underserved youth through board sports

SAP solutions:

- Planned upgrade to SAP ERP 6.0
- SAP Apparel and Footwear
- SAP NetWeaver BW 7.0
- SAP NetWeaver Portal 7.0
- SAP CRM 5.0
- SAP Solution Manager 7.0