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Subject: A Strategic Direction: Staying Alive

We (Madd Snowboards) have various strategies to will improve our business strategy whilst expanding our quality and services to our customers. This platform consists of strong brand recognition, a targeted customer base, innovative technology, extensive and sophisticated fulfillment capabilities utilizing e-commerce capabilities. With e-commerce sales increasing over the last ten years, I suspect that we will have profitable opportunities to diversify our product offering. The factors driving the snowboard industry include coordination and development within the following business sectors:

- **Marketing and Promotion-** develop and strengthen brand name and increase customer awareness, build customer loyalty, encourage repeat business, etc.
- **Customer Service-** establish and maintain long-term relationships with customers, encourage repeat business.
- **Distribution-** develop outsourcing relationships for manufacturing and production for small niche market players.
- **Seasonally-** industry wide gains on seasonal (winter) sales and losses during the summer months.
- **Technology/Innovation-** the development of product in-line with consumer demands and integration of technologies into the snowboards design.
- **Competition-** for publicity, retail space, customer's loyalty, and quality design.

We have a large market potential in providing high end specialized cross-seasonal goods offered in retail outlets and direct Internet sales. However, we must seek additional funding to properly develop clothing line, publicity, and website development. Offering an Internet site has a synergistic relationship among our strategic direction. We need to diversify our products by offering clothing. We must diversify whilst maintaining our quality, design, and reputation. Furthermore, we need to interlock our attributes with the external environment. Essentially, we need to develop an interrelated strategy.

From this analysis, we can make the following moves:

- A. Expand operations to included clothing, boots, and bindings.
- B. Launch Internet retail services and cross seasonal goods.
- C. Stay focused on our quality offering of quality high end snowboards.
- D. Merge with a larger dominate market player. Ex. Bruton.

One of our strengths is quality of product, industry recognition, and innovative design. We also select the best materials for deign, however, our competitors are also increasing the quality of their products and services. In my view, we need to continue to capture existing and new markets segments. Focus on development of an Alpine board and introduce a Freeride product segment. Furthermore, we need to diversify our products by creating cross seasonal product offering in wake boards and other specialized summer sport products that capture our current innovative design. Our brand quality and endorsement contracts are a distinct advantage in my opinion. Our uniquely small platform, I feel, allows us to launch Internet operations easy, with coordination between production and distribution via the Internet reducing costs and expanding our market base. I also believe that this platform's flexibility allows us to expand the range of products and services offered to our customers. Eventually, I feel that Madd label products will be distributed and available in various retail locations as well as our Internet site. We should diversify our brand at the same time as maintaining our core competencies in quality, innovation, and market reputation. Madd snowboards low capital funding and small size provides a unique need to expand into Freeride segments and cross-seasonal goods via an Internet interface. This recommendation can be implemented while maintaining quality with reputation at a low cost due to the current manufacturing and production of outsourced products. Madd cross seasonal goods will launch Madd products to the same target market that are already exposed to Madd's quality in winter sports. The Internet is an additional methodology to increase national awareness and provide a unique site for the customer to visit to gain first hand identification of quality design in Madd products. All in all, Madd needs to increase profits by gaining new market share in the Freeride segments and cross seasonal goods via an Internet interface.

Please email me your thoughts, ideas, and remarks.

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