

Snowboard of Directors



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San Clemente Students Get a Dose of Real Life Business in a Visit to Quiksilver

Acme Snowboard Co. got the thumbs down from the students at N-GENioUS Academy and it was a good thing too because it would have been bad for business ---- if it had been a real business.

Instead Acme was part of a real-life lesson taught onsite this week at Quiksilver Corp. to give the 10 middle school students a taste of what the business world is really like.

It's part of a growing movement in education being pushed by business and government leaders to teach young people the kinds of life skills they will need to compete and be successful in an increasingly complex world.

"Our educational system has been so based on memorization," said Ken Kay, president of the Partnership for 21st Century Skills, a nonprofit government-business partnership focused on education skills. "Employers are saying what they really need is analytical thinking -- That's what these kinds of programs do."

The N-GENioUS Academy, a two-year-old San Clemente private school, has taken the nonprofit's philosophy to heart, hoping to engage and challenge its students by giving them learning experiences outside the classroom.

Their first visit was to Oakley Inc. in Foothill Ranch, where they learned about the design and development of bulletproof sunglasses that will be used by the Marines.

This week students took on the role of the Quiksilver board of directors.

They heard a pitch from the head of "Acme Snowboard" ---- played by Bill Bussiere, Quiksilver's chief financial officer of the Americas ---- which wanted Quiksilver to buy it out. Acme, so the story went, makes a plastic, \$99 snowboard sold at Wal-Mart and Target aimed at beginners who probably would only go out three or four times a year. It would be a complement to Quiksilver's regular line of high-end wood-and-fiberglass snowboards sold in specialty sporting-goods stores.

Although net income dropped last year due to poor snow, it's been steadily increasing revenues and will earn an estimated \$1 million in net income this year. Wal-Mart is its biggest customer, accounting for 38 percent of its business.

The "board members," sitting around Quiksilver's oval wooden conference table, started out tentatively. Why would Quiksilver want to go to the low end of the market? (Because Quiksilver doesn't serve it.) Where are most of Acme's sales? (New York) Then they began delving further. Don't plastic boards break more easily and wouldn't that make for unhappy customers? (Yes but we don't expect them to come back.) And what about one customer accounting for more than a third of your business? (We've got a really good business relationship.)

After 30 minutes of questioning, Acme was dismissed. The students immediately zeroed in on the poor quality of the boards, its poor customer relations and its general cheaper-is-best approach to business. There were only a few good points, such as the financials. The vote was brutal: seven against -- two signaling their disapproval with both thumbs down -- and only three in favor of the deal.

Bussiere returned to give the students feedback. He praised their concern about Acme's cheap product and poor customer relations and that it just wouldn't be a good fit with Quiksilver's culture. Based on that alone, Bussiere said Quiksilver would never consider Acme.

The secondary consideration would be the financials. Bussiere said that by the time a company gets pitched to the board, their financials have been well-vetted. Bussiere said any company that has 38 percent of its business with one customer would be a non-starter because there would be too much risk if that customer pulled out.

The presentation -- plus a free bag of Quiksilver goodies -- was a hit with the students. Even better, noted teacher David Ware, it got their attention and got them thinking.

Or, as Peter Dodd, 13, of San Clemente, put it: "It was not as boring sitting in a classroom with textbooks."