



From Start-up to Standard

THE INSPIRING STORY OF AN AMERICAN MADE AND MANUFACTURED
BOATING ACCESSORY INVENTION THAT GAINED MARKET ACCEPTANCE AND
TRANSFORMED AN INDUSTRY IN JUST 5 SHORT YEARS BY DIANE SELTZER

Innovation drives the economy. And it's the imagination and resourcefulness of entrepreneurs that seek to create something extraordinary... perhaps even transformative.

But behind every great entrepreneurial story there is likely a series of challenges on the road to success, along with early adopters and influencers that see something truly special worth championing.

Walking the docks and convention center halls of the 2014 Miami International Boat Show you couldn't help but notice that a significant trend in boat design is underway.

As boat builders unveiled their impressive new model lineups – packed with the latest innovative features and advancements in boat design – many chose to include sunshade systems that retract or extend canvas using telescoping technology.

These retractable sunshades are now everywhere – from center consoles to luxury cruisers – and it seemed to happen at the blink of an eye.

Well it may have seemed like an overnight success to some... but if you weren't paying close attention over the last 5 years of the Miami Boat Show then you missed watching one of the most unique start-up success stories in the boating industry unfold.

What makes it unique and rather amazing is that it all happened amidst an extremely challenging economic downturn that stalled growth for many businesses. New boat sales were down and OEMs were looking for innovative features to help differentiate their boat lines to sustain some sense of market excitement and demand. Dealers were looking for value-add ways to grow existing customer revenue and ultimately sell more boats.

"Innovative new product is the only way to attract new boat buyers into the market. New products and innovation help to drive new boat sales; especially during periods of industry recovery. It's encouraging to see companies invest in research and development efforts to deliver new products that the boating consumer wants."

- THOM DAMMRICH, PRESIDENT OF THE NATIONAL MARINE MANUFACTURERS ASSOCIATION

As boat manufacturers and dealers continued to grapple with the dual challenge of how to prove the value of boating while still increasing revenue, an unknown start-up quietly stepped onto the scene with an invention that would address both industry challenges head-on.

In an industry that has historically found it difficult to embrace change, SureShade®, a U.S. based manufacturing start-up, managed to create an innovative product that is now helping to shape the future of boat design and create new revenue streams that did not exist 5 years ago... becoming the standard for marine shade.

INVENTING A STANDARD

It all started with an idea. An idea that one of the most basic needs on a boat – protection from the sun – should not be cumbersome for boaters or visually unappealing for boat designs.

As we saw marine technology and boat design features continue to evolve in the industry, the very tangible need of sun protection remained a design afterthought for most builders. Open cockpits remained uncovered and the burden of how to figure out a solution for shade was on the shoulders of the boat owner. The solution usually involved a set of fixed poles drilled into sides of a boat, awkward bimini structures or flimsy add-ons that only provided temporary shade.

Armed with 20+ years of experience in manufacturing operations and CAD Engineering, combined with a lifetime of personal boating and a side-business in traditional canvas replacement work, Ron Russkioff set out to invent a shade product that offered boaters something different.

“We saw a problem – lack of adequate and convenient sun protection on boats – that we as boaters experienced firsthand. It was a real issue that we knew was a universal problem in boating... yet no other business seemed to be addressing it head on.”

— RON RUSSKIOFF, SURESHADE INVENTOR, OPERATIONS LEADER AND CO-FOUNDER



Admittedly the first pass at a new shade design (using their own boat as a model) did not completely impress wife and business co-founder, Dana Russkioff.

“The first shade design gave us the unobstructed view we were looking for, but

it still had a fixed pole system,” says Dana. “So I jokingly challenged Ron to “make it move” – wouldn’t it be cool if the canvas could easily retract when we wanted to be in the sun, without any hands-on handling of it? And of course it still had to look good and stand up to constant use on the water.”

So Ron, always looking for creative ways to solve a problem, got busy sketching out a new design that met those criteria – and more. He went to work fabricating a shade system unlike anything the industry had ever seen before.

The idea was to develop a shade product that could easily retract or extend canvas, giving boaters more choice with when they wanted shade. The unit would be self-supported so that there would be no poles to interfere with boating activities.

And finally, it had to be a quality marine-grade product that boat manufacturers would proudly include in their designs.

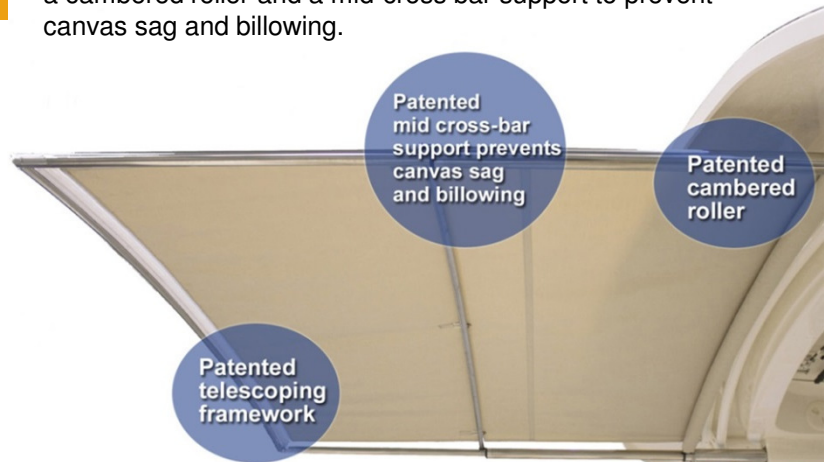
With these qualities in mind, Ron then worked diligently to design and build a prototype of a telescoping sunshade system that featured actuators to electrically extend and retract canvas. As a lifelong boater, he knew first-hand that if done right it would provide immediate tangible benefits to boaters.

By 2007, the telescoping marine sunshade was invented, patent-pending, field-tested and confidently presented at the 2007 International Boatbuilder Exhibition and Conference (IBEX) as a new marine technology product known as SureShade.



SureShade was a first-time IBEX exhibitor and complete industry unknown, so they were met with a mix of curiosity and yes, skepticism. On top of the product being relatively unproven, the industry was facing one of the most challenging economic times in history and experiencing a major downturn in new boat sales.

The SureShade solution brought something entirely new to boat design. While there may be other ways to shade a boat – with residential-like “scissor” shades, fixed canopies or old school bimini tops – the SureShade system was a marine-grade design using self-supported telescoping framework, a cambered roller and a mid-cross bar support to prevent canvas sag and billowing.



Best of all, it could be integrated within a hardtop or overhead structure for a seamless addition at the factory.



Builders liked what they saw, but who wanted to take a chance on a new start-up company with a commercially untested product amidst a recession?

EARLY ADOPTERS LEAD THE WAY

Initial feedback from the first industry showing at IBEX was promising – resulting in meetings and progressive discussions with several major boat builders.

There was definitely some risk for early adopters to embrace a new product from the ground level. Would the product work as expected? Would consumers react positively to the product?

As SureShade's co-founder and business leader, Dana Russikoff led the effort to introduce and sell builders on the idea that a retractable shade system was not only something boaters would want, but also something that builders could use as a differentiator in the market to drive new boat sales.

"The initial business strategy was to get boat builders interested in incorporating the shade with new boat designs," says Dana. "We sought out builders that would be willing to take a chance on an innovative new product and that could potentially be a game-changer for their boat line."

It turns out that a recession was actually a good time to approach builders with the idea of adding an innovative product that could help set them apart from the competition and speed their recovery.

"The downturn helped our company – it allowed us to build relationships with the boat builders and develop additional products, so that we now have a shade system for virtually any type of boat."

— DANA RUSSIKOFF, SURESHADE CO-FOUNDER AND BUSINESS LEADER

Boston Whaler was the first OEM to get on board and incorporate the shade into a new boat design that was loaded with new innovations. When they chose to debut their brand new 370 Outrage at the 2009 Miami International Boat Show with a SureShade automated shade system option it was a ground-breaking design feature that took the industry by storm.

Needless to say the boat was very well received on all counts, and SureShade's automated sunshade system was noted by the NMMA as one of the features that contributed to Boston Whaler's 2010 National Marine Manufacturers Association Innovation Award for the 370 Outrage.

Within two years of the 370 Outrage debut, SureShade was being featured as a factory option on five boat models at the 2012 Miami Boat Show – including two more Boston Whaler models.

"Adding the retractable shade to the 370 Outrage debut in 2009 was a ground-breaking design feature for Boston Whaler and now is offered on several Boston Whaler and Sea Ray models contributing to Brunswick's vision of leading the industry in adopting forward-thinking features and technologies that add value to the boating experience."

— RON BERMAN, FORMER VP OF PRODUCT DEVELOPMENT & ENGINEERING AT BOSTON WHALER (2001- 2012) AND CURRENT SEA RAY VP OF PRODUCT DEVELOPMENT AND ENGINEERING.



Boston Whaler 370 Outrage with shade makes commercial debut at 2009 Miami International Boat Show

As the industry began to slowly recover both boat builders and dealers were seeking differentiating value-added options that build customer and brand loyalty, and ultimately, increase revenue. The shade option became a standout feature that clearly caught the attention of buyers, dealers and other builders.

In addition to offering the shade as an option for OEMs, SureShade sought out dealers that were able to sell and install shades for their clients. These grass-roots efforts helped build a portfolio of installations, showcasing how the shade can enhance many more boat models and styles.

Forward-thinking dealers like People's Marine in Puerto Rico and DiMillo's Yacht Sales in Portland, Maine recognized early on that there were clear advantages to selling the value-add product – for their boating clients and their own bottom line. (Both dealers later went on to be honored by SureShade with Dealer of the Year Awards for their efforts - People's Marine in 2012 and DiMillo's in 2013).

Aftermarket installations became an increasingly popular source of sales and service revenue for dealers, and boaters began asking dealers for the shade. SureShade was selling almost as many shades in the U.S. as they were worldwide, shipping units to sunny Caribbean destinations and to countries as far away as Australia.



Meanwhile, more builders quickly followed Boston Whaler's lead and began incorporating retractable shades into new boat model designs as a factory option or standard feature.



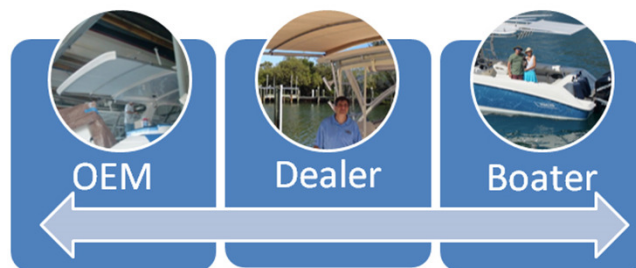
A viral growth effect got hold of the product and things really started to take off. As more boaters saw the shade – either on aftermarket installations or new model options – they began to ask for it. So more builders started getting on board... and existing builder clients started adding more models.

And then... at almost the blink of an eye... the shades were everywhere.



STRATEGIES FOR GROWTH

Since the first boat launch in 2009 SureShade has experienced an unprecedented growth pace, with sales and units sold doubling year over year. An integrated push-pull effort with builders, dealers and boaters, along with an aggressive global patent strategy, has positioned the company for sustained incremental growth in the industry.



Strong Brand

Building a strong brand was a necessary and important part of SureShade's growth strategy from the start. An investment in marketing – from PR to social media to online marketing – was made to create awareness and generate demand from both trade and private boat owners.

New Product Introductions

Recognizing opportunities of outfitting boats in a variety of sizes and styles (and responding to customer requests), SureShade expanded on the flagship automated tele-frame product offering by introducing a cost-effective manual version for smaller boats and then a three phase automated version for larger boats. New product introductions grew both factory and aftermarket sales.

Patent Protection

SureShade knew their invention would be filling a specific and important niche in boating, so securing patents for the technology was important to protect the brand. The company has secured patents or patent approvals for every major component of the shade – telescoping framework, cambered roller, canvas control and mid-cross bar support. In addition to U.S. patents, SureShade has received approval for marine sunshade patents in Europe, China and Canada to maintain a competitive position abroad.

"I had a lot of experience dealing with international business endeavors prior to starting SureShade, and there was never a doubt in my mind that the global boating market would be instrumental to our business growth – it was a natural move for us to accept and pursue orders outside of the U.S."

— DANA RUSSIKOFF, SURESHADE CO-FOUNDER AND BUSINESS LEADER

Global Sales

As the U.S. boating market faced some tough years with the economic downturn, the business was able to keep moving forward with a good flow of projects abroad. In addition to pursuing U.S. projects, SureShade was working with dealers in places like Curacao, Puerto Rico, Bahamas and Australia, as well as builders in countries like Italy, Estonia and Dubai (basically anywhere the sun was shining and boating was thriving became an opportunity for sales).

OEM Model Launches

Boat builders have been debuting new models with the SureShade system each year since initial commercial launch... helping the company break records year over year at each major international boat show (Miami and Fort Lauderdale). Shades as a factory option or standard feature on new models boosted sales (particularly with high volume models) and created steady demand from dealers and private boat owners for aftermarket sales as well as the growth of more OEM clients. To meet the demand for more models offering the shade, builders began adding it to more models in their line and retrofitting existing models.



Production Efficiencies

A streamlined design, production, assembly and installation process helped meet increasing demands as the company grew. With 80% of components standard regardless of application, along with a combination of in-house manufactured and outsourced components, SureShade was able to maintain a scalable production workflow.

Dealer Value & Support

SureShade developed a dealer sales process that gave them the tools to sell and install shades, creating a new sales and service revenue stream for dealers from aftermarket installations. As new models were introduced at OEM dealer meetings, the SureShade team was on the docks to represent the new option and support dealers in their sales process.



DESIGNED, MANUFACTURED & MADE IN AMERICA

With production and assembly facilities located in Philadelphia, PA, SureShade is proud to be the only American designed and manufactured retractable boat shade.

An American small business success story in the boating industry, SureShade co-founders funded their initial business growth through SBA loans and personal investments – without the support of outside investors or partners.

Today, their growth is fueled by their dedication to delivering a quality product that consumers want – resulting in unprecedented sales growth with builders, dealers and private boat owners.



“The combination of a strong brand, robust patent protection and exceptional customer service helped secure our niche position as the market leader for innovative, attractive and convenient boat shade solutions.”

– DANA RUSSIKOFF, SURESHADE CO-FOUNDER AND BUSINESS LEADER

Consumer Demand

As consumers see new innovations come on the market they are demanding them... and even expecting them. That's exactly what started happening. SureShade's sustained growth has been fueled by the rapid adoption by private boat owners as a must-have marine accessory. On average, a SureShade retractable sunshade system as a new feature represents a relatively small percentage of the cost of a boat... but the impact on comfort makes a huge difference to a boater's experience. It's a value-add feature that boaters demand, helping to sell more boats.

Boaters and dealers are continually sharing that the shade is often one of the first innovative features to catch a boater's eye.

“Many people are drawn to the shade before they check out the boat – it's a great way to catch their attention”.

– Chris Jamieson, Hampton Watercraft & Marine in NY (Boston Whaler, Tiara & Formula dealer)

“Adding the SureShade feature on our Formula models has been an outstanding addition to our line.”

– John Adams, Formula Boat's Exclusive Designer

“The automated shade system allows us to maintain a flagship feature of the Cantius line – no canvas to fret over.”

– Jon Viestenz, VP of Marketing at Cruisers Yachts

THE FUTURE OF BOATING IS HERE

By the end of 2014 SureShade will be capping off the year celebrating yet another major milestone – 50 in 5 – with their shade available on 50 boat models within 5 years at the 2014 Fort Lauderdale International Boat Show.

With a lot of blood, sweat and tears co-founders Ron and Dana Russikoff developed a product and a business for an industry niche that did not exist 5 years ago. There were many challenges along the way – from initial cash flow to first installations and inevitable growing pains – but they remained committed to the growth of the business... and the industry.

What started as an idea became so much more. It became a standard for the industry that builders prefer and boaters demand.



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