

CASE STUDY: PATAGONIA

Patagonia is an American based company that manufactures, markets and distributes a wide variety of apparel and accessories for consumers with outdoor lifestyles. The company is focused on creating quality products in a way that is sustainable and environmentally-responsible.

Partnership History

In 1996, Patagonia wanted to adjust their global sourcing chain because they were experiencing long transit times for US materials and finished goods as well as high duty rates on foreign materials. To reduce costs and create delivery efficiencies, they sought to leverage NAFTA duty benefits by working with a cutting facility that was in close proximity to or under the control of a sewing factory in the US. Knowing Patagonia was seeking a manufacturing partner that would be **more cost-effective** and had experience in producing one of their key products, polar fleece, one of Patagonia's competitors referred them to NovaLink.

Although NovaLink only manufactured Patagonia's polar fleece products at the beginning of the partnership, our portion of the business has grown as a result of our **quality, speed to market and deep understanding of Patagonia's products**. During our 19 year partnership, NovaLink has manufactured a variety of products for Patagonia, including performance undergarments, beach dresses, swim trunks and others.

The NovaLink Approach

NovaLink utilizes a full-package model for our partnership with Patagonia. In this model, NovaLink provides the capital to manufacture Patagonia's products, including the inventory and equipment, and sells the completed unit back to Patagonia. The final product sold back to Patagonia is inclusive of both labor and materials and is **certified for direct distribution to the end consumer**. NovaLink has focused on what is important to Patagonia over the years and has modified the partnership to meet the changing demands. Implementing sustainability programs and added services has been a part of making NovaLink a valued partner.

NovaLink has remained a trusted supplier partner to Patagonia for 19 years. This relationship has been successful as a result of NovaLink's:

- High quality
- Competitive pricing
- Speed to market
- Responsiveness
- Flexibility with minimum order quantities and capacity
- Scalability
- Established delivered duty paid (DDP) terms
- Compliance with sustainability efforts