Designed to Make a Difference: Bureh Belts from Sierra Leone

Grant Bridgman, Hannah Fitter, Zachary Fritzhand, Albert Karcher, Timothy Magner

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Dan Heyman, CEO of Bureh, scratched his head thoughtfully as he rode the bus from Boston back to New York. His latest visit to Boston and conversations with his friend and Bureh co-founder, Grant Bridgman, had spurred his thinking about the future of Bureh. The past few months had been difficult for the production side of the business in Sierra Leone.

The Ebola crisis had been devastating for the country and was a stark reminder of the challenges of doing business in Sierra Leone. With less trade, higher prices, and restricted movement of people, it was more difficult than ever to export. While the crisis had caused serious challenges in the supply chain, it did afford Dan the opportunity to focus on Bureh’s distribution and sales, which were mostly in western developed countries.

While most of Bureh’s sales were in the U.S. and UK, the firm had not focused on selling in particular markets, but simply responded to demand. Limited sales channels in Italy, Switzerland, the Bahamas and China had been formed, though the long-term target was an agreement with a retailer like J.Crew or Anthropologie, to distribute Bureh’s products.

Among its competitors Bureh was unique in its focus on belts. Most other businesses in West Africa in the fashion accessory space focused on shoes, or iPhone/iPad accessories. In addition, most competitors targeted women, while most of Bureh’s sales were to men.

In the next year Dan and the Bureh team had to make some critical decisions about the future of the company. There was a big opportunity for seasonal sales, with Nantucket, MA as a particular target. In addition to its distribution strategy the team had to determine if Bureh was going to roll out new products, which had been prototyped, including dog and cat collars, and iPhone and iPad covers. Greater diversity of products was anticipated to increase the scale of distribution, but it would also add complexity to the supply chain. As Bureh looked to scale up production, another key challenge was the source of fabric. As much as possible the team wanted fabric made in Sierra Leone, but to achieve large-scale production, there was pressure to partner with an established West African fabric producer such as Vlisco.

From an Old Belt to a New Business

Bureh was born from an old, worn out belt and Sierra Leone’s street style. It happened while co-founders Dan Heyman (CEO), Grant Bridgman, and Fatoma Momoh worked together as research assistants for Innovations for Poverty Action (IPA), an international non-profit NGO. In February 2011, spurred by a torn belt, Dan and Grant had the idea to take some locally purchased fabric to a tailor capable of reproducing a more exotic version of the torn belt.

Interest in the belts began to snowball: Co-workers and expats inquired about the belts and were soon asking for bulk orders to take home as holiday presents. The “belt guys”, as they were now known, realized there was a broader business opportunity. Since they had steady jobs with IPA, the nascent business was run on the side, in
small batch production runs. Demand expanded from domestic customers to overseas, and shipping was greatly facilitated by U.S. trade agreements, such as the Growth Opportunity Act, encouraging Africa imports.

The company’s progress accelerated during Dan’s time as an MBA student at MIT’s Sloan School of Management, where the business message was further refined. The co-founders wanted to move beyond the traditional aid model, “beyond a culture of dependency, beyond handouts,” their website declares. “We believe in sustainable solutions that create local companies and grow the private sector. Our goal is to support Sierra Leone’s private sector through jobs, investment, and a culture of entrepreneurship.” They decided that everything must be sourced and manufactured in Sierra Leone, including the fabric, buckles, tailoring, and labor. Their second aim was to promote entrepreneurship by reinvesting half of profits into start-ups in Sierra Leone.

As demand increased, they incorporated e-commerce and a dynamic blog about Sierra Leone into their website. They also attended U.S. trade fairs and events to build their brand and generate interest. Their efforts resulted in increased sales, though monthly orders fluctuated between 10 to 150 belts per month.

**Managing a Supply Chain in Sierra Leone**

Manufacturing belts in Sierra Leone requires a creative and flexible approach to supply chains. Grant and Fatoma discovered many unexpected constraints, as well as opportunities to innovate on the design and source of the materials when they set up the supply chain in 2011. They focused on designing the supply chain so that Fatoma could operate it easily in the long run. Two strategic decisions that they made were (i) use locally sourced materials, and (ii) to keep the suppliers (tailors, blacksmiths and cloth traders) producing belts on a contract basis. Critically, the latter decision enabled the new company to be more patient and innovative with supply chain developments, as it removed the pressure of fixed monthly overheads. Bureh has relatively few business costs outside the actual material and labor costs of each belt. The cost to manufacture a belt in Sierra Leone is roughly $6.50. Shipping adds roughly $3 per belt, and labeling adds $1.20 per belt. In total, Bureh budgets **$10.70 per belt**. A breakdown is provided in Table 1. This excludes fixed overheads, which are mainly the costs of managing US inventory and the e-commerce website.

Manufacturing Bureh’s belts involves the following supply chain players: (i) Blacksmiths producing buckles; (ii) Cloth traders selling imported and locally woven cloth; (iii) Second-hand rope traders; (iv) Tailors sewing together the final product. If an order for 100 belts is requested in the US, Fatoma will first place an order with the blacksmith Sheku for 100 buckles. Sheku and his team of three to five colleagues are all handicapped with limb disabilities, predominantly due to polio. Led by Sheku they make high quality buckles using open pit fires and reclaimed stainless steel from the fuel tanks of scrap vehicles. Sheku’s production capacity is 50-60 buckles per week. The speed of buckle production is the primary bottleneck in the Bureh belt supply-chain. Bureh has found that it needs to stockpile buckles whenever it has the opportunity in order to facilitate orders that require a quicker turn-around.
In order to scale up Bureh would have to take on two main competitors: social enterprises selling African fashion, and African fashion companies. At the heart of Bureh’s raison d’etre was a business model that connected consumers with African-made clothing. The company cared about sustainability and improving Sierra Leone’s manufactured products, and the people that Bureh work with, add a noteworthy and valuable story to the belts as well. However, there is one significant weakness in Bureh’s supply-chain if it wants to significantly increase the size of its operations. It is not the buckles; the production of buckles could be increased if Sheku were to hire and train more people. It is not the tailoring; there are many tailors that could assist Sheku in Freetown. The weakness is that the cloth that is bought from local traders in Freetown is not manufactured anywhere near Sierra Leone, and the designs of the fabrics sold in Freetown change frequently and unreliably. Currently, each design of Bureh’s belts can only be produced in limited quantities, but if Bureh wants to secure larger contracts with retailers overseas, they need to find a reliable way of sourcing cloth with the designs that their buyers want. Bureh does produce some lines of belts using locally woven cloth from Koinadugu, and this supply is scalable. However, the more bright and patterned African wax print cloth, the designs most in demand by the international fashion market are all imported.

### Bureh’s Competitors

Recently, during the devastating Ebola outbreak, Bureh was able to stockpile 1,500 buckles because Sheku was able to increase his workshop’s capacity to 150 buckles a week, due to other sources of business for his workshop becoming scarce. No other blacksmiths have been found who can make a buckle of the same quality.

Fatoma then purchases cloth from the traders in downtown Freetown or Koinadugu in the north, according to the style that has been ordered. The cloth and the completed buckles are then delivered to Bureh’s chief tailor, Osman. Osman purchases second hand rope from the docks of Freetown for Bureh, typically reclaimed car seatbelts, and then sews the belts together with the help of his apprentices using foot-pedal sewing machines. Osman is capable of making 150-300 belts a week, depending on the style required. The completed belts are given a thorough quality check by Fatoma. It took a full year and many iterations in the design of the belts, with Grant and Fatoma working closely with Osman to develop a belt ready to be sold on the international market. Finally, Fatoma packages the belts and sends them by airfreight to the US, where they are delivered to a warehouse in New Jersey that handles Bureh’s inventory and mailing logistics. The full cycle of the supply-chain, when running smoothly, from the order of 100 belts to their arrival in New Jersey, takes four weeks.

The primary strengths of Bureh’s supply chain are its flexibility, low overheads, and the presence of a reliable manager, Fatoma, to oversee the production and ensure a high standard of quality. The story of how each belt is made, the recycled products, and the people that Bureh work with, add a noteworthy and valuable story to the belts as well. However, there is one significant weakness in Bureh’s supply-chain if it wants to significantly increase the size of its operations. It is not the buckles; the production of buckles could be increased if Sheku were to hire and train more people. It is not the tailoring; there are many tailors that could assist Sheku in Freetown. The weakness is that the cloth that is bought from local traders in Freetown is not manufactured anywhere near Sierra Leone, and the designs of the fabrics sold in Freetown change frequently and unreliably. Currently, each design of Bureh’s belts can only be produced in limited quantities, but if Bureh wants to secure larger contracts with retailers overseas, they need to find a reliable way of sourcing cloth with the designs that their buyers want. Bureh does produce some lines of belts using locally woven cloth from Koinadugu, and this supply is scalable. However, the more bright and patterned African wax print cloth, the designs most in demand by the international fashion market are all imported.

### Table 1. The Cost of a Bureh Belt

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buckle</td>
<td>$2.00</td>
</tr>
<tr>
<td>Rope</td>
<td>$1.00</td>
</tr>
<tr>
<td>Tailoring</td>
<td>$2.00</td>
</tr>
<tr>
<td>Pouch (cloth packaging)</td>
<td>$0.50</td>
</tr>
<tr>
<td>Cloth for belt (Ave. cost)</td>
<td>$0.50</td>
</tr>
<tr>
<td>Fatoma’s Quality Check</td>
<td>$0.50</td>
</tr>
<tr>
<td>Bureh Label</td>
<td>$0.50</td>
</tr>
<tr>
<td>Store Hangtags</td>
<td>$0.70</td>
</tr>
<tr>
<td>Ave. Shipping Cost</td>
<td>$3.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10.70</strong></td>
</tr>
</tbody>
</table>

Fatoma’s Quality Check

In any case, the full cycle of the supply-chain takes approximately one year and many iterations in the design of the belts, with Grant and Fatoma working closely with Osman to develop a belt ready to be sold on the international market. Finally, Fatoma packages the belts and sends them by airfreight to the US, where they are delivered to a warehouse in New Jersey that handles Bureh’s inventory and mailing logistics. The full cycle of the supply-chain, when running smoothly, from the order of 100 belts to their arrival in New Jersey, takes four weeks.

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Leonean well-being by building the value added manufacturing segment of the economy. In this context Bureh faced the challenge of distinguishing themselves from a number of other firms.

One of Bureh’s competitors is Styled By Africa (SBA) “an award winning online destination for people interested in exploring the best contemporary African fashion.”1 The founders Kiran Yoliswa and Alae Ismail serve “other like minded Afropolitan around the world.” SBA sees itself as a tool for sustainable trade by selling products produced in Ethiopia, Zimbabwe, Tanzania, Kenya, South Africa and Ghana. SBA was awarded a social enterprise award from UnLTD and the School of Oriental and African Studies (SOAS). Although their marketing is similar SBA’s price point is far higher than Bureh’s products.

The second type of competitors are African fashion companies that do not explicitly include social enterprise, sustainable trade or supply innovation in their mission, but are owned and run by Africans (Minerais,2 Inyu,3 and EJ African Products4). In some cases, it is not clear that the companies selling African fashion is owned by Africans (The Royal Native,5 and African Premier6), but these companies could still compete with Bureh as an African-fabric belt producer.

Next Steps for Bureh

Scaling Up

In order to grow and attract large purchasing volume clients Bureh needs to offer a reliable portfolio of products. Currently, their model is based on unique designs and cannot be scaled to suit big retailers who want to order thousands of the same model of belt. Bureh faces a sourcing challenge that is complicated by the area in which the company operates. Bureh has to be able to offer large retailers standardized belt design options with a portfolio of fabrics to choose from. Production of the fabric is done all over the world, but not in Sierra Leone or its neighboring countries. Control of the patterns is a big challenge for Bureh since the location makes it difficult to source reliable and standardized patterns to fulfill orders without being involved in fabric production. If Bureh wants to scale its production, it has a choice to make: (i) Bureh could purchase large volumes of running fabric and stockpile it in Sierra Leone, or (ii) Bureh could outsource its stockpile of fabric to an existing cloth wholesaler or manufacturer, or (iii) Bureh could develop the manufacturing capability within the organization to fulfill large volume orders.

There are a number of challenges with Bureh purchasing large volumes of running fabric itself. In Sierra Leone there are a limited number of fabric wholesalers and designs change very quickly. Therefore, after presenting a

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2 https://minerais.co/about-us/
3 http://www.shopinyu.com/categorie-produit/accessoires/
4 “I started buying baskets and beaded necklaces that the old village ladies were weaving and making respectively, and sold them on the market as well...I joined hands with a very very talented young man by name Emmanuel Opoku who uses African Wax Prints in making ladies shoes, purses, bags, etc which we sell on the Ghanian markets.” https://www.etsy.com/shop/EJAfricanProducts/about?ref=annonce
5 http://www.theroyalnative.com/collections/accessories
6 “We are one of the largest manufacturers and dealers in China that deals with African fabrics so we have access to the Lowest prices.” http://www.africanpremier.com/accessories/customised-accessories.html
sample to a potential client it is possible that the design may no longer be available to purchase in the volumes necessary to fulfill the order.

A first possible solution would be for Bureh to hold large volumes of running fabric in its own inventory. However, there is no guarantee that large retailers would be interested in all of the fabric styles that Bureh stocked, which would add significant risk and capital outlay to the business. Bureh could mitigate risk by passing the decision on to a retailer and only fulfilling customized orders. Another way to mitigate the risk would be for Bureh to outsource the inventory of cloth to an established cloth wholesaler in Freetown, option two. If Bureh were to build a close relationship with a cloth wholesaler such that the wholesaler would reliably share its inventory records with Bureh, then Bureh could make orders off of that inventory. Bureh’s third option is to develop the manufacturing capability to fulfill large volume orders within the organization. The company would expand down the supply chain and become more vertically integrated. To develop this manufacturing capability Bureh could invest in a fabric manufacturing facility themselves or help develop a fabric cooperative. With both of these options Bureh would have to address the issue of the quality of materials in the region. The locally produced dye in West Africa is known to run and so Bureh would likely need to look for suppliers outside of the regions to ensure the quality of their products.

The Threadless Model

While Bureh’s business model is grounded in Sierra Leone, Dan and the Bureh team considered if there might be areas of the business that could be outsourced without sacrificing the social and economic benefits to the local community. Dan had heard about the success of a crowdsourcing model pioneered by T-shirt company, Threadless, and was intrigued. By incubating a community of designers online, Dan could eliminate costs associated with internal design of the belts, and have designs judged and ranked by an engaged online community. This would ensure that designs that went into production were the most desired and had existing demand. It was also an excellent way to introduce Bureh’s cause and product to a diverse global community without an intermediary retailer.

By embracing the crowdsourcing model, Dan would have to relinquish control of the designs to the community. Was the product the right fit for such an open framework? T-Shirt designs are practically infinite, whereas belts are accessories with more limited design potential, especially given Bureh’s cloth and sourcing constraints. Given these circumstances, it was not certain that Bureh could produce the winning design on a given week. The model’s success was underpinned by production flexibility, which Dan did not have in Sierra Leone.

Dan also feared that by embracing a crowdsourcing model he would eliminate the option of engaging with larger, high-volume retailers who would have strict procurement requirements running counter to the open-source online model. It seemed as if the three options were mutually exclusive. What was the best path forward for Bureh?
Exhibits

Exhibit 1 - eCommerce Sales Volume

26.6% growth per year

Exhibit 2 - eCommerce Sales Revenue

25.6% growth per year
### Exhibit 3 – Summary Statistics

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total belts produced, July 2012 – July 2014</td>
<td>3,636 Belts</td>
</tr>
<tr>
<td>Total belts Sold, July 2012 – July 2014</td>
<td>3,000 Belts</td>
</tr>
<tr>
<td>Inventory in NJ warehouse, March 2015</td>
<td>263 Belts</td>
</tr>
<tr>
<td>Total estimated inventory value (US &amp; SL)</td>
<td>USD 26,000</td>
</tr>
</tbody>
</table>