HOLISTIC HOUND

HOW HOLISTIC HOUND USES FULFILLMENT AS A COMPETITIVE DIFFERENTIATOR

ABOUT HOLISTIC HOUND

Holistic Hound is a pioneer in the burgeoning CBD industry. While the majority of CBD companies chose to wait until the passing of the 2018 Farm Bill to officially launch their products, Holistic Hound's owners, Duncan and Heidi, took the calculated risk of launching their products before nationwide acceptance of CBD occurred. As a result, Holistic Hound's entrance to the space was solidified before the vast majority of their competitors ever entered, and the results speak for themselves.

With the official launch of their CBD dog and cat supplements in 2016, Duncan and Heidi achieved triple-digit annual growth during their first three years. This has been followed by mid double-digit growth in 2019. Today, Holistic Hound's seven full-time employees are servicing more than 1,800 wholesalers and pet stores across the nation. These B2B channels constitute 75%+ of sales. However, they also offer products directly to consumers via their website. Both channels are experiencing promising growth. But, with such rapid growth often comes an array of logistics-centric challenges, and Holistic Hound's scenario was no exception.

"Our current setup with Ware2Go gives 70%+ of our customers access to guaranteed 2-day delivery, which has been a huge value-add when servicing clients and wholesalers on the other side of the country. And, it hasn't added any costs or required us to hire additional staff."

DUNCAN SCHMIDT
CO-FOUNDER & CFO, HOLISTIC HOUND

THE CHALLENGE

During the company's first 1-2 years of operation, Holistic Hound had only a handful of competitors. Wholesalers and retailers were getting numerous requests for CBD products from customers, and since there were only a few functioning brands at the time, Holistic Hound was able to easily expand their partnership network. And once nationwide CBD acceptance occurred, their distribution partners were happy to deploy their products in other stores across the country. However, with an influx of hundreds of new competitors coming into the market during 2018-2019, Holistic Hound was forced to find additional ways of differentiating themselves in the market.

To combat the risks of losing business to new brands, Duncan, Holistic Hound's CFO, began to look at the business from a standpoint of efficiency, rather than just focusing on the quality of the product. This analysis uncovered some interesting findings. By early 2019, Holistic Hound was shipping 40% of their products to wholesalers on the East Coast. However, with all their orders being fulfilled from a warehouse in California, it took 4-5 business days for shipments to arrive. And as Duncan's competitors on the East Coast began offering delivery to these stores in 1-2 days, he realized he had to find a more efficient method of reaching his partners.

WHY HOLISTIC HOUND CHOSE WARE2GO

As Duncan evaluated his fulfillment options, it became clear that in-house expansion would not be feasible. Holistic Hound only had seven employees, and the costs of purchasing or leasing their own East Coast warehouse would be prohibitively expensive. Instead, Duncan turned his attention to outsourced fulfillment providers. And in January-February of 2019, an evaluation of numerous 3PLs and other warehouse providers culminated in the selection of Ware2Go as their "on-demand" warehousing solution.

With their deployment of the Ware2Go warehousing and fulfillment solution in March 2019, Holistic Hound was given access to a nationwide network of fully-vetted warehouses that enable them to store portions of their inventory in facilities on both the East and West Coast. This ensures that they always have stock positioned as close to their end customers as possible. And as new orders are captured, Ware2Go manages all B2B pick, pack, and shipping services on Holistic Hound's behalf and guarantees order fulfillment for the majority of their clients within 1-2 days.

THE WARE2GO VALUE-ADD

Turnkey Fulfillment. With Ware2Go, Holistic Hound gained access to a nationwide warehousing network with dedicated teams of fulfillment specialists that manage all pick, pack, and shipping workflows on their behalf.

Next-Level Customer Support. Holistic Hound receives direct, around-the-clock support from their Ware2Go Customer Success team, all of whom have 10+ years of experience in the logistics environment.

Real-Time Inventory Visibility. Holistic Hound has complete visibility to their inventory levels and fulfillment statuses across both their in-network warehouses via Ware2Go's cloud-based solution.

Guaranteed 2-Day Delivery. 70%+ of Holistic Hound's wholesalers get guaranteed 2-day delivery through Ware2Go. Accessing these capabilities have not added any costs for Holistic Hound or their partners.

KEY SUPPLY CHAIN IMPROVEMENTS

OF HOLISTIC HOUND'S CUSTOMERS GET GUARANTEED 1-2-DAY ORDER DELIVERY

REDUCTION IN SHIPPING EXPENSES COMPLETELY OFFSET THE COSTS OF ADDING AN ADDITIONAL WAREHOUSE TO THEIR NETWORK