





SILICON VALLEY MEETS HUMBOLDT COUNTY: NABIS FILLS SUPPLY CHAIN GAP

How two childhood best friends built a software-enabled distribution service that's transforming California cannabis. BY JENNIFER BOEDER

THERE'S A CANNABIS founder stereotype that's bemoaned by the old-school legacy community: white boomer men with lucrative pasts in corporate finance and ample access to venture capital money, but scant connection to traditional cannabis culture. The creators of business-to-business cannabis distributor Nabis not only defy this stereotype, but they've also managed to build the largest wholesale marketplace and distribution network in California.

Nabis founders Jun S. Lee and Vince Ning are Korean Americans; Lee was born in Seoul, while Ning is a first-generation American born to Korean immigrants. The late-20s millennials and childhood friends were raised in Northern Virginia and can still reminisce about hiding their teenage pot consumption from parents, teachers and cops. They're also academic and tech industry powerhouses: Ning earned his B.A. from the University of Virginia and worked as a software engineer at Microsoft, while Lee followed up his B.A. from Harvard with a systems architect position at Facebook.

Now they spend their time handling logistics, payment and warehousing for a portfolio of more than 100 brands in the world's biggest cannabis market.

Nabis' story is a testament to the exponential growth that's possible when technological innovation collides with on-the-ground experience, carefully cultivated relationships and practical problem solving.

RECOGNIZING OPPORTUNITY

Ning and Lee's journey to establishing Nabis began in July of 2017 in a San Francisco bar. They were having drinks with a college friend who was running a pre-roll brand and

struggling to transport product to dispensaries successfully. When he told Ning and Lee that distribution was his biggest pain point, their interest piqued. Moving several hundred thousand dollars' worth of federally illegal plant material while collecting massive amounts of cash wasn't part of their work experience. They decided to learn by doing: the next day, they called their friend and volunteered to make his deliveries.

"We were 23-years-old and had no capital," Lee said. "We needed to understand the cannabis supply chain, and delivery driving seemed like the best way to do it. We never wanted to be the tech guys that came in to disrupt the space either — we wanted to respect the history and the culture that California cannabis had, and shipping was a humble way to join the industry, in a way that actually added value for those who came before us."

They spent the next eight months behind the wheels of their own cars, delivering cannabis all over the Golden State. Because this was pre-adult use legalization, many transactions took place in various parking lots and fields, and all-night-long hauls from Humboldt County to San Diego became the norm. The duo credits that delivery driving stint as the foundation of their wildly successful business model. "I wouldn't trade that experience for anything," Lee said.

By wading feet first into the choppy waters of cannabis distribution, Ning and Lee learned how to build their own boat. They developed contacts and established relationships. One client led to the next, and the next, and so on.

"For every order, there's a network effect," Lee said. "The fact that we put the time in to make deliveries and learn what those interactions were like made it much easier to train



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future employees and build software that can help automate that flow.”

Today, Nabis operates a fleet of 55 trucks, commands 46,000 square feet of warehouse space, and according to BDSA, distributes close to 10 percent of the legal cannabis sold in California. The rapidly growing tech company’s plans to scale continue. Since securing \$5 million in Series A funding last fall, they’ve added several large brands to their portfolio and opened a new fulfillment center in Los Angeles, allowing them to increase weekly orders by 300 percent.

The secret to their success? Doing great work.

DELIVERING ON PROMISES

Nabis takes pride in their lightning-fast shipping experience, which Ning compares to Amazon Prime, as all orders can be delivered within 36 hours of being placed. For retailers, Nabis simplifies ordering, delivery logistics and cash remittance, automating the massive amount of compliance paperwork required to ship cannabis. Operational excellence is paramount to their business philosophy.

“We execute on our promises of providing clients with service that is quick, responsible, professional, secure and on

time,” Lee said. “Earning the trust of brands is all the marketing we need.”

Distribution may not be the sexiest topic in the cannabis space — but nailing it is a make-or-break for brands. The best products in the world will go nowhere if they can’t get product into dispensaries efficiently and cost-effectively. Ning and Lee see distribution as the connective tissue that links cultivators, manufacturers, retailers and end consumers. And whether cannabis buyers realize it or not, supply chain efficiency has a significant impact on the cost of the products they buy, as well as on the environment.

“By providing extensive support for our partner brands, our goal is that more consumers will be able to discover cannabis products and develop the same passion for the plant that many of us have,” said Ning, co-founder and CEO of Nabis. “We hope to continue growing our platform outside of California to provide that infrastructure for the entire country.”

The cannabis supply chain is particularly complex, especially when extensive compliance and documentation are factored in. Self-distribution can be inefficient and costly, and Ning and Lee see their services as enabling cannabis operators to reserve their resources for what they do best.