

Clean Energy Drink Maker Kill Cliff Fuels Omnichannel Growth Deploying Acumatica Cloud ERP

OVERVIEW

Kill Cliff was founded by a U.S. Navy Seal who wanted a better energy drink for those in the military. His blood orange flavored drink took off, other flavors followed, and sales zoomed into the multi-millions. But the company operated on QuickBooks, which couldn't handle that growth, nor did it connect with the company's inventory system, its three Shopify stores, or its other operations tools. Kill Cliff deployed Acumatica Cloud ERP, gaining seamless connections to Shopify, its 3PL partners, and its contract manufacturers, streamlining organizational processes, and gaining full insight into inventory.

KEY RESULTS

- · Consolidated disparate systems into a single, connected business management solution becoming more efficient
- Gained real-time visibility into inventory at 3PL, contract manufacturing, and distributors, providing insight, better planning, and forecasting
- · Obtained real-time data and dashboards, gaining insight for better production, inventory, and sales decisions
- · Eliminated spreadsheets and manual double data entry into disconnected systems, saving time and lowering frustration levels
- Automated tasks making team more efficient
- Shaved two weeks off monthly close, allowing executives and the finance team ٠ members to focus on strategic growth initiatives

CHALLENGES

Founded by a former Navy Seal in 2011, Atlanta-based Kill Cliff began selling sports beverages to help athletes and those in the military recover from strenuous activity and physical exertion. Kill Cliff saw some early success selling direct-to-consumer with some regional retail presence but grew significantly by selling to CrossFit and other gyms. The highly functional, low caffeine, no sugar line soon expanded to five flavors.

Encouraged by the clean energy drinks' success, executives further expanded distribution into retail stores including QuikTrip, Vitamin Shoppe, GNC stores, Whole Foods, Kroger, Hy-Vee, and Walmart, as well as to U.S. Navy and U.S. Marine Corps bases. In addition, Kill Cliff launched its own online store, and began offering its products on Amazon through a distribution partner.

Kill Cliff annually donates to The Navy Seal Foundation, to which it has contributed more than \$1 million. Giving back to the community is central to Kill Cliff's mission.

The company has expanded its products in the past five years, launching three new lines: Ignite, a caffeinated line, in 2018; a CBD-infused line in late 2019; and a higher-octane line that mixes a higher dose of caffeine to its CBD drinks in 2020.

"The 2019 U.S. Farm Bill allowed CBD into food and beverage as long as it was less than .03 percent," says Andrew Schutt, Kill Cliff's CFO. "That's from a federal standpoint. Every state has its own, different regulations. CBD drinks are an emerging market and we wanted to be at the forefront. We weren't going to wait for the perfect landscape or marketplace."

To further cement its position as the nation's first CBD sports drink and build brand awareness, Kill Cliff secures major sponsorship deals with action sports and related influencers. The Atlanta Braves, Joe Rogan, Sanford MMA (now known as Kill Cliff FC), and a recent Esports Tournament with Israel Adesanya are just a few of its endeavors and examples. Kill Cliff also signed a national CBD distribution deal and launched its own OTT network app Kill Cliff TV.



Company Kill Cliff Inc. https://killcliff.com

Industry Food and Beverage: Clean Energy Drinks

Number of Employees Approx. 20 full time employees

Locations Atlanta, GA

Products

Acumatica Retail Edition with:

- <u>Native Integration with</u> Shopify Connector
- CRM
- Acumatica Support
- ShipStation
- SPS Commerce Fulfillment (EDI)

Customer Social Sharing Details @killcliff



https://facebook.com/

https://www.instagram. com/killcliff



https://youtube.com/ killcliffmedia

Partner Details



SWK Technologies www.swktech.com



Customer Success

Outgrew QuickBooks

Although Kill Cliff grew rapidly and was successful, its back office operations weren't keeping pace. "The company had really outgrown QuickBooks, and when I got here, it was a slug to get information from," says Schutt. "I spent 90 percent of my time making sure the data pull was right and combining it with other sources, and 10 percent analyzing it."

QuickBooks, he says, was not connected to any other system. "Everything was manual: sales, reporting, inventory," Schutt explains. "It really was a lot of work to understand what inventory values were at different locations, at manufacturers, and 3PL providers. We had to call people up to get data from here, get from there, and it was a herculean effort."

As an omnichannel sales company with four contract manufacturers for its products and 3PLs for distribution, Kill Cliff has a complicated organizational structure. It sells through its own website, to retailers, resellers, several distributors, and direct-to-store distributors as well as to military commissaries and a distributor who sells on Amazon. None of its systems were connected. In addition to three Shopify sites, Kill Cliff used SPS Commerce, Cadence, which is a 3PL site, HubSpot, and an Order Management system supplied by one of its 3PLs that also handled inventory; and ShipStation.

Kill Cliff's outsourced model allows the company to run very lean staffing for its size.

Herculean Effort to Understand Inventory

Kill Cliff's success comes from its agility and innovation - it quickly launches new products moving from concept to SKU in about three months, Schutt says. "It takes us a month and a half to get the flavor right then we test it online to see how our consumer base reacts," he says. "If sales go well, we incubate it for a while and then make it available for commercial distribution."

With inventory at contract manufacturers and distributors, it was hard to understand stock levels and was mostly "the best guess on our books," says Schutt, adding he worried each month about what "unexpected inventory adjustment might need to be made."

When he joined Kill Cliff, Schutt's top priority was moving onto a consolidated system, one that could unite the company's disparate systems into one platform. "We have a lot of outside inputs because we didn't want to have to double or triple our workforce," he says.

SOLUTION

Flexible, All-in-One Cloud Platform

Schutt hired outside consultants to work with him to evaluate ERP systems, which allowed his internal staff to concentrate on operations.

In addition to automating manual tasks, Kill Cliff wanted a user-friendly, cloud-based system that united operations with accounting functionality. The ERP needed to be affordable, connect to third-party applications, and scale for rapid growth. Schutt narrowed his choices to Oracle NetSuite and Acumatica.

"Acumatica was a better price point," he says. "I knew after a year or two with NetSuite that they would jack up the price. I also felt Acumatica was more user-friendly and intuitive, which would help in training, and it offered more flexibility, which would better serve our needs in the future."

"With NetSuite, we would have had to make it work within their (business) system, which doesn't have much give and take," he added.

Prior to Acumatica, accounting, and operations were two totally different systems, and now that they are united in a single platform, it is important to have an open API platform so third-party systems can talk, Schutt says. "We wanted to automate as much as we could."

Acumatica Gold partner SWK Technologies helped Kill Cliff deploy Acumatica.



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Andrew Schutt,
Chief Financial Officer,
Kill Cliff



Customer Success

BENEFITS

Seamlessly Connected Platform, Positioned for Growth

Acumatica's open platform allowed Kill Cliff to seamlessly connect its systems so data flows in real-time. Having data in a connected system streamlined operations. Schutt no longer wonders what they may have missed or what may have slipped through the cracks.

"I have more confidence in numbers from a reporting standpoint," he says. "Everything is now in one system and Acumatica became the source for all data. There are no more huge P&L adjustments. And I'm not losing as much sleep wondering about an unexpected adjustment I may have to make."

Kill Cliff closes a month 50 percent faster. Whereas it previously took until the end of the next month to close, the team now gets it done in two weeks.

Full Inventory Transparency Across Channels

Having Acumatica allowed Kill Cliff to expand its product footprint, manufacturing partners, and distribution partners.

"We built out more capacity and added more partners, which we integrated into Acumatica," Schutt says. "We have gone from one primary 3PL to adding a location in Arizona, then we added a location to sell to Walmart and found a consolidator to warehouse inventory. So we currently have three 3PLs, four co-manufacturing partners, one of which has two locations, and Acumatica made that expansion easier."

"Now we know where inventory is, and when it's in transit, which helps us build out our aging reports and do some analysis to figure out what aged inventory we might have to mitigate, which has been a big help," Schutt says.

Shopify Connector Streamlines E-Commerce Sales

Acumatica seamlessly connects to Shopify, which sends data in real time, eliminating manual journal entries. "The data comes in real-time, and we can see what's gone out and what has not," he says.

Having full inventory transparency has allowed Kill Cliff to perform multiple accurate forecasts despite having a complex operating environment.

Continued Rapid Growth

Automating workflows not only saved time but allow Kill Cliff to concentrate on what it does best: selling sports beverages. With numerous new sponsorships and the addition of Southern Glazer's Wine & Spirits as its national distributor for its CBD lines, Kill Cliff expects to post sales records and enjoy continued rapid growth, says Schutt.

"There is a lot of good stuff ahead," he says. "We have a real good product portfolio, a lot of opportunity as the business gets further capitalized, and a plan to fill the shelves with Kill Cliff drinks when it comes to CBD, coffee, and water. We have a good system that will grow with us."

"Having all the data in one place allows you to grow right, understand different sales channels and customers, and see what our margins are and model opportunities as they come up," he adds. "The better your system, the more timely the data, the more time you have to analyze it, allows you to ultimately make better decisions."



With Acumatica, we have a great system that will grow with us.

Andrew Schutt,
Chief Financial Officer,
Kill Cliff