nChannel Case Study
theBalm Cosmetics

theBalm Cosmetics enlists nChannel to Power their Customer-first Strategy

Overview

Country or Region
USA

Industry
Founded in 2004, theBalm Cosmetics offers high-quality beauty products that make it easy for women on-the-go to look and feel their best.

Customer Profile
theBalm sells direct to consumers via its flagship store in San Francisco and it's online store with over 80 products. They also have partnerships with major retailers like Kohls and Duane Reed.

Business Situation
In 2016, theBalm revamped their website and took a fresh look at their operations to create more effeciencies for their growing business.

Solution
nChannel helps theBalm automate online order processing and inventory management, especially during their high-volume online flash sales.

Benefits
- Eliminate manual data processing between NetSuite and Shopify Plus
- Real-time visbility into order processing and inventory
- Accelerated order fulfillment
- Gracefully manage online flash sales and process 12,000+ orders in 24-hour periods

San Francisco based cosmetics company, theBalm, offers high-quality beauty products that make it easy for women on-the-go to look and feel their best. theBalm was founded in 2004 with a simple mission - to be there for their customers when they want to look good in a matter of minutes. That meant not only creating affordable premium products but also building a company that reflected its mission from the inside out.

From product and packaging to delivery and support, female empowerment underpins the customer experience. As a result, theBalm has earned over 2.4 million Instagram followers, which powers its unique brand and subsequently sales. theBalm sells direct to the consumer via its flagship store in the heart of San Francisco and its online store where customers have their choice of over 80 products. Additionally, theBalm has partnerships with major retailers like Kohls and Duane Reed.

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nChannel Case Study

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In step with their mission, theBalm prides themselves on their fast response times to customer service inquiries but are continually exploring ways to drive more value. In 2016, they seized on an opportunity that went virtually unseen by their customers but resulted in an experience that would deepen the relationship with their raving fans.

The Challenge

theBalm's customer-centric approach starts with a small team of young women who are laser-focused on delivering customer happiness. When theBalm decided to revamp their website in 2016, they simultaneously took a fresh look at their operations. It was then that they seized the opportunity to create more efficiencies that would help them better achieve their prime directive.

One of theBalm's key challenges was inventory management. Orders weren't making it through the process, causing order delays and backlogs. Even though the team was working fast and furiously to ensure customers were unaffected, the Operations department had difficulty reconciling online sales. Their small team spent valuable time locating products, processing orders, and printing labels. With over 80 SKUs, they needed a better way to achieve productivity at scale.

"One of the main things we wanted to focus on was our ability to keep proper track of what was being sent, so customers received the correct order. We had just integrated a scan and pack process in our warehouse, but our online orders weren't making their way through that

process. Having no record that 500 pieces left the warehouse was a big deal for us. We also wanted to tie down our inventory and make sure that orders were correct for our business-to-business customers." - **Mayra Aguilera, Operations Manager**

As part of the website redesign, theBalm decided to switch eCommerce providers from Magento to Shopify Plus and continue using Netsuite as their ERP. It was during the development phase that they learned about nChannel from Shopify Plus, who recommended that nChannel's integration capabilities would accurately sync orders and inventory between Shopify Plus and Netsuite.

The Solution

After Shopify Plus recommended nChannel, theBalm set an aggressive deadline for launch with an internal mandate to ensure the process would not affect its customers. Almost all tracking and inventory management were manual, and their workflows were fragmented - all of which were not sustainable for their growing company. Specifically, theBalm was looking to create efficiencies in the following areas:

- Gain visibility into their B2B and online inventory. They no longer wanted to wait two weeks to reconcile inventory between channels.
- Speed up processing and use their operations workflow and scan and pack software for all channels, not just for B2B.
- Eliminate all manual order processing, including automatically generating shipping labels and notifications.

nChannel Case Study

theBalm Cosmetics

To automate online order processing and inventory management, nChannel migrated theBalm's customer information and order history from their previous eCommerce provider Magento to Shopify Plus. Then, nChannel synced over 80 SKUs from Netsuite to Shopify Plus to eliminate all manual entries. Next, nChannel configured their pre-built connectors to automate the following workflows:

1. Sync online orders from Shopify Plus to NetSuite as orders are placed.
2. Sync shipping information from NetSuite to Shopify Plus after order processing.
3. Sync inventory counts from NetSuite to Shopify Plus to ensure accurate inventory levels.

shopifyplus

1. Orders   **n**   2. Shipping
3. Inventory

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Two people from the operations team worked with nChannel to set up the new system and ensure the data was flowing correctly. They completed the implementation in just a couple of weeks without any disruption to theBalm customers.

"The implementation process was very smooth. We were on a very tight deadline because we had

a specific date that we wanted to meet. We had a lot of customers that needed to be migrated from our old eCommerce platform to Shopify. That was the biggest pain point only because there were so many of them. But overall, it was a quick process, and we did everything in our power to make sure that customers were unaffected." - Mayra Aguilera

The Results

Before the nChannel implementation, theBalm had to contend with delayed order tracking between their online and B2B channels, making inventory management a nightmare for their small operations team. After the nChannel integration, theBalm gained real-time visibility into their order processing and inventory, which in turn, accelerated fulfillment. With full control over their inventory software and workflows, theBalm eliminated all manual processing and fully leveraged their scan and pack software. Orders were processed and shipped faster - a shift that maps directly to the company mission to help customers look good in minutes.

"Processing has become so simplified that if one person is not able to do it one day, another person can step in and pick it up." - Mayra Aguilera

In the three years since launch, order volumes have exponentially increased. Moreover, the team can scale operations to focus on aspects of the business geared towards growth using their customer-first strategy. To that end, theBalm leveraged its new eCommerce stack to launch what has become a fan favorite and key revenue driver - flash sales.

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Flash sales can last anywhere from one to four days during which order volumes increase from 50 to 10,000 or more during the sale. theBalm turned to nChannel's support team for advice on how to seamlessly handle the magnitude of volumes coming through the system each day of the flash sale. Given nChannel's experience with the intricacies of Netsuite, they knew that Netsuite's throttling limits would affect their ability to process orders in a timely and accurate way. To circumvent this potential problem, nChannel proposed the following:

1. **Upgrade NetSuite:** NetSuite can slow down or lock up if it is flooded with too many requests. Therefore, theBalm upgraded to a plan that increased their bandwidth.
2. **Upgrade to a dedicated cloud processor:** nChannel processes theBalm's order data on their own unique workflow queue. A dedicated cloud processor gives them confidence that there's no disruption or lag when they're syncing orders to NetSuite during a flash sale.
3. **Rely on the nChannel system:** nChannel manages and maintains the flow of orders to NetSuite from Shopify Plus to prevent NetSuite from becoming overloaded. nChannel ensures that orders are not lost and workflows can continue uninterrupted.

With this plan in place, theBalm was able to confidently initiate a flash sale that generated more than 12,000 orders in one day. Orders were processed within two hours of the sale. Order confirmations and shipping notifications were sent to customers delighted to know they would receive their products right away. In the two years since launch, order volumes for flash sales increased on average 17x when compared to daily order volume.

> "I think a lot of what I attribute to the nChannel relationship is a better handle on seeing what inventory we have. Before we didn't have our online orders in our inventory software for a week or more. We were unable to use the workflow we had in the warehouse for every order. Now we have a real-time view of our complete inventory that has gone out to our online and B2B customers. That is big for us because we can see what we can allocate to our other customers."
>
> - Mayra Aguilera, Operations Manager

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