SLAYING BACK-TO-BACK PEAK SEASONS:

## How Quiet Platforms Keeps Tipsy Elves On Top



Strong communication, seamless logistics and innovation keep the holiday cheer flowing.

Tipsy Elves, a name synonymous with outrageous holiday apparel, has carved a unique niche in the fashion industry. Founded in 2011 by friends Evan Mendelsohn and Nick Morton, they started with a playful twist on a Christmas classic—the "ugly" sweater. But their dedication to quality and humor has propelled them far beyond a seasonal fad.

Their growth is nothing short of stellar. Before their momentous debut on Shark Tank in 2013, Tipsy Elves boasted revenues of \$900K. Today, they're approaching \$100M annually and manage a vast inventory of well over 25,000 SKUs.

However, the early years were fraught with logistical nightmares. Tipsy Elves cycled through four different 3PL providers in their first five years, experiencing lost shipments and resorting to desperate measures like employees flying out to support the warehouse in order to manage peak season fulfillment. Tipsy Elves, the undisputed king of outrageous holiday apparel, knows a thing or two about spreading cheer. But with back-to-back peak seasons for Halloween and Christmas, ensuring on-time deliveries can feel like a logistical nightmare. This case study explores how using a 3PL provider specializing in apparel, Quiet Platforms, has become Tipsy Elves' secret weapon. We'll delve into how Quiet's expertise, communication, and commitment to innovation have transformed Tipsy Elves' operations, keeping the holiday cheer flowing seamlessly all year round.

In 2019, they made a strategic shift, partnering with a specialty 3PL focused on apparel, Quiet Platforms. This move transformed their operations. The next five years saw a dramatic increase in efficiency, on-time deliveries, and a significant reduction in headaches for the entire team.

## Peak Season Perils

While Tipsy Elves enjoyed impressive growth, their success was hampered by a major logistical hurdle: navigating the treacherous waters of back-to-back peak seasons. Halloween and Christmas, their busiest times, demanded a fulfillment operation that could scale rapidly, handle a diverse product range, and ensure timely deliveries.

Their initial forays into the world of 3PL providers, however, were more trick than treat. Traditional partners struggled with the rapid scaling needed, the diverse product mix, and the sheer volume of orders that flooded in during these peak seasons.

Inventory management became a constant battle, with leftover stock literally stockpiling and driving warehouse costs up. To meet the overwhelming order volume during peak seasons, Tipsy Elves staff dedicated long hours, even resorting to temporary on-site stays at the 3PL warehouses, to augment the fulfillment team. The dream of delivering holiday cheer turned into a seasonal nightmare, leaving Tipsy Elves frustrated.

They needed a partner who could manage peak seasons easily, and who could help them innovate solutions to manage their complex catalog and fulfillment processes to better manage costs.

"Quiet Logistics has been the best 3PL we've ever worked with."

Natalie Haines, Director of **Supply Chain Operations** and Logistics, Tipsy Elves



**Expedited orders** on time for Nov & December 2023



Orders on time during peak in 2023



**135**<sup>K</sup>

Orders during peak season



## Partnering With A Peer

In 2019, Tipsy Elves realized a traditional 3PL wouldn't suffice. They needed a partner who not only understood their quirky holiday business, but also possessed the vision to innovate alongside their rapid growth.

Enter Quiet Platforms, a 3PL with a pedigree unlike any other. Born from the DNA of apparel giant American Eagle, Quiet Platforms spoke Tipsy Elves' language—the language of seasonal spikes, massive amounts of SKUs, and keeping customer promises. This shared language ensured Quiet Platforms could anticipate Tipsy Elves' needs, no matter how fast orders were coming in.

Furthermore, Quiet Platforms already successfully handled fulfillment for a billion-dollar premium retailer. This not only guaranteed ample capacity for Tipsy Elves' growth, but also presented an opportunity to leverage Quiet Platforms' optimization techniques as Tipsy Elves scaled. Gone were the days of scrambling during peak seasons —Quiet Platforms became an extension of the Tipsy Elves team, adapting effortlessly to the holiday rush.

The partnership wasn't just about size and experience. Quiet Platforms assigned a dedicated account manager who fostered open communication and a collaborative spirit. Unlike previous partnerships with unanswered questions and excuses, Tipsy Elves finally had a partner who listened. This clear and consistent communication meant immediate answers to inquiries. Additionally, Quiet Platforms became fully accountable for meeting delivery promises, proactively managing on-time deliveries and optimizing inventory levels.

"Peak season is no longer a panic. Now, nothing special is really done. We just work together with the forecast, make sure we are both comfortable with the numbers and do the job. Last holiday season, we met 99%+ SLAs and no one slept at the warehouse."

Natalie Haines, Director of Supply Chain Operations and Logistics, Tipsy Elves



"Clarity and ease of communication are crucial for us at Tipsy Elves, whether it's shipping a package or managing inbound merchandise," explains Hilda Martinez, Lead Inbound Inventory Coordinator for Tipsy Elves "The Quiet Platforms team is fantastic – they're easy to reach and always follow up on inquiries. Weekly meetings with the leadership team ensure we're all on the same page. Overall, communication has gotten significantly better, especially with the addition of Slack. It allows us to ping the team directly and get faster responses, which is a huge improvement over email."

## Innovation Makes The Difference

While efficient order fulfillment was a game-changer, the true magic of the Tipsy Elves and Quiet Platforms partnership lies in their commitment to innovation. Quiet Platforms goes beyond simply moving boxes, investing heavily in the science of retail to solve complex challenges and unlock new opportunities for Tipsy Elves.

One of Tipsy Elves' biggest challenges is managing old inventory, particularly slow-moving items from previous seasons. At their size, this costs in the millions at Amazon warehouses, requiring Tipsy Elves to open a dedicated San Diego facility for repackaging and fulfillment—a cumbersome and resource-intensive solution.

Here's where Quiet Platforms' data science expertise shines. Their advanced reporting tools provide granular visibility into Tipsy Elves' inventory, pinpointing items that haven't sold in a specific timeframe, like a year. This clear data empowers Tipsy Elves to make strategic decisions about their older stock, and organize programs to liquidate the stock.

Quiet Platforms' innovative spirit extended beyond inventory management. After working with customers like Tipsy, Quiet created and piloted an innovative all-in-one <u>Click2Door</u>™ program, where Quiet uses its tech and people smarts to guarantee delivery, taking full accountability and ownership of the whole package journey. When using its full strength of managing logistics, Quiet believed they could save Tipsy Elves on average \$3 per order. So for the 2023 holiday season, Tipsy strategically moved a portion of their inventory to Quiet's Atlanta warehouse to pilot the program. This seemingly simple change yielded significant results, demonstrating cost savings exactly as predicted—\$3 per order. Plus, Quiet exceeded the on-time delivery SLA for the time period, delivering 99.7% perfectly. In July, Tipsy Elves plans to ramp up this initiative, sending a significant portion (70%) of their inventory to Atlanta, further optimizing fulfillment costs.



"We really love the Quiet Platforms freight program! In the past, we lacked visibility into our shipping costs. We never knew our average cost per method. Now, with Quiet Platforms,

everything is crystal clear. The reporting and invoices show us exactly what we're spending. We can even see the savings since shifting to Atlanta. It's exactly what they presented – a \$3 per package reduction."

Natalie Haines, Director of Supply Chain Operations and Logistics, Tipsy Elves

Another innovation that resonated with Tipsy Elves was Quiet Platforms' freight program. This program leveraged technology to automatically select the most cost-effective carrier for each shipment, ensuring optimal value. Furthermore, Quiet Platforms' extensive network offered a vital layer of redundancy. In the event of unforeseen circumstances like bridge closures or severe weather, Quiet Platforms could seamlessly reroute shipments, ensuring on-time deliveries even amidst logistical disruptions.

