

Energy Boost

HANSEN'S RELOCATES ENERGY DRINK DISTRIBUTION TO ACCOMMODATE GROWTH

Over the past few years Hansen Natural Corporation (Hansen's) has become a major player in the energy drink market with such products as Ace, Joker and Monster. Monster, in particular, has been flying off shelves, competing head-to-head with Red Bull for the "No. 1 energy drink" title and landing an endorsement deal with motocross superstar Ricky Carmichael. Monster's meteoric rise has left Hansen's with the challenge of keeping enough product in stores to satisfy the demands of a thirsty public.

Moreover, Hansen's distributor was inadequately suited to meet the consumer's increasing appetite for the energy beverage. Switching distributors meant finding a new warehousing solution and relocating its massive inventory of energy drinks.

Additionally, given the rising product demand, the beverage manufacturer needed to work with a partner that could adapt quickly and provide solutions to both anticipated and unforeseen challenges of the future. Hansen's turned to a long-time business partner CaseStack to assist with the task of relocating an immense amount of product from its old distributor's warehouse.

LOGISTICS KNOW-HOW

Integrated logistics outsourcing provider CaseStack had been working with Hansen's since 2002, providing consolidated shipping support for the energy beverage maker's natural sodas at Wal-Mart distribution centers in California.

CaseStack enables mid-size companies to cost-effectively ship products and warehouse them by utilizing

its national logistics network and Web-based technology. With warehouses spanning the United States and an extensive network of shippers, CaseStack can transport its clients' products to any U.S. location overnight while securing cost-effective transportation rates.

From past experience, Hansen's knew that CaseStack could handle the large move in a very tight timeframe. Additionally, Hansen's was confident that CaseStack offered the service and progressive outlook it needed to meet growing demand and handle future expansion.

Furthermore, CaseStack's Texas warehouse was only one mile from Hansen's main manufacturing facility, making it a convenient option.

"We've used CaseStack for a long time and have an extremely solid relationship," says Gareth Bowen, senior vice president, Hansen's. "We knew that they had both the warehousing capabilities and the logistics know-how to handle the job."

A MONSTROUS MOVE

Hansen's decision to switch distributors meant that the entire Monster product inventory had to be moved out of the old distributor's Texas warehouse and into the CaseStack facility. CaseStack completed the monumental task of moving 160 truckloads of product to the new warehousing facility in a very short amount of time. The move was

complete in May 2006.

The move went so well that, in 2007, Hansen's decided to repeat the process and switch its Ace and Joker lines to CaseStack warehouses. This second wave of Hansen's product arrived in the spring of 2007 when CaseStack accepted 170 truckloads of Ace and Joker beverages — this time it completed the task in an even shorter amount of time — only one and a half weeks.

"What impressed me most about CaseStack was its ability to move

and delays, but CaseStack handled it efficiently and effectively."

To move the Ace and Joker inventory, CaseStack coordinated and moved 26 truckloads a day of product into the warehouse (a typical day usually includes around 10 truckloads). To accommodate such a massive movement in volume, CaseStack dedicated a special section of the warehouse to Hansen's energy drinks.

With the new system, when Hansen's receives an order for Monster, Ace or Joker, CaseStack



The successful move of 160 truckloads of Monster product to CaseStack's warehousing facility in Texas prompted Hansen's to put the distribution of Ace and Joker products in CaseStack's hands as well.

product quickly," says Bowen. "Normally a job this big would be fraught with all kinds of difficulties

handles the process of getting product ready to transport to customers, including making sure that the

requested quantity of the correct item is available for shipping.

CaseStack currently warehouses and coordinates not only Hansen's product manufactured in Texas but also product made in Minnesota, Missouri and Oregon. From its Texas warehouse, CaseStack then ships out the energy beverages to the nation. In addition, CaseStack handles some warehousing and consolidated shipping for Hansen's juice beverages in the state of California.

"CaseStack has provided excellent lines of communication and been extremely responsive to our requests in terms of short leads on orders and handling products," says

Bowen. "Working with them means that we don't have to worry about shipments being late, mishandled or misdirected."

DATA ON DEMAND

Hansen's also benefits from CaseStack's proprietary Web-based technology. As soon as products enter the warehouse, CaseStack inputs them into an online system that allows Hansen's to interface with its inventory, gaining valuable supply chain information – all in real time. Hansen's employees simply log on to the CaseStack Web-based interface, which allows them to check inventory, monitor shipments and change product

description. The system is user-friendly and available to Hansen's employees 24/7. Additionally, CaseStack representatives provide the added service of inputting data into the system for the Hansen's logistics team.

"Their system enables us to maintain tighter control over our order-to-fulfillment process, which helps us make more strategic supply chain decisions," says Bowen.

Hansen's and CaseStack are currently working together to streamline the order-to-fulfillment process by implementing electronic data interchange (EDI), a system that aims to enable the electronic communication of business transactions such

as orders, confirmations and invoices, between organizations.

Among the many advantages provided by this upgrade, the new system will simplify the order entry process by eliminating an entire step, thus reducing administrative burden, as well as potential for errors.

ROOM FOR GROWTH

With the help of CaseStack, Hansen's is dealing effectively with its Monster, Ace and Joker growing pains and meeting the burgeoning demand for its energy drink products.

"CaseStack has done everything right so far," says Bowen. "As we grow, I expect our business to grow with them as well."

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