



WHITE PAPER

# Ernest and Smart Cups: *Changing the drinking game*



**Ernest  
To The  
Rescue**



*Smart Cups is revolutionizing the beverage industry with the first ever line of micro-encapsulated printed energy drinks.*

As the name suggests, the ingredients come in a cup—all consumers have to do is add water. This makes the product easier to ship, store, and carry around than traditional energy drinks, which come in cans or bottles. When Smart Cups needed a smart packaging design that would seal in the product to protect the ingredients during shipment without adding to the weight, or driving up the cost, they turned to Ernest's engineering experts.

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## Formula for success

Smart Cups utilizes patented delivery system technology to print clusters of energy drink mix that are microencapsulated with an outer shell to protect the powder until it comes in contact with water. Once you add water, the active ingredients dissolve completely—no stirring, no mixing, no mess. All you have to do is drink. Smart Cups CEO and founder Chris Kanik calls it, “the perfect pour.”

Once they had optimized the technology, Smart Cups was ready to design the packaging. The only problem was, they had no idea where to start. “I’ve never run a beverage company before,” says Kanik, “so I’ve never sourced packaging. I had tried a couple of companies that were slow to get back to me and not very helpful.” He then reached out to Ernest Packaging Solutions at the recommendation of a friend who worked in the medical industry. That company had experienced great success with Ernest and their Client Relationship Manager, Jason Perez, developing a corrugated shipper for oxygen tanks being sent to consumers. Based on this endorsement and the knowledge that Ernest was skilled at applying its expertise across a wide range of industries, Kanik connected with Perez.





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*When I started working with Ernest, all of a sudden everything started moving quickly. I said, ‘Here’s my idea,’ and they came back right away and said, ‘Here’s what we can do.’ It’s a one stop shop.*

Chris Kanik, Smart Cups CEO and founder

Ernest helped Smart Cups design the packaging for their initial direct-to-consumer product launch. While Kanik had originally envisioned a tube like a tennis ball can to hold the stacked cups, Ernest suggested a moisture resistant pouch, which would protect the product during shipment and is also light, inexpensive, and easy to store before use. And when the company started to look at different heat-sealing sleeves as an added layer of protection, Ernest took them to American Film & Machinery (AFM) to look at different options. Because the cups are made from eco-friendly PLA material, they have a lower heat point. To accommodate their needs, AFM custom built a machine that could apply shrink sleeves to the stacked cups without damaging the sensitive product.



The production equipment and process was wholly designed with the product in mind. Ernest helped Smart Cups develop a unique package structure that incorporates five nested cups with an empty cup at the top to serve as a product seal. This solution helped maximize shelf stability and optimizes cost efficiency of the packaging process, which is key for a startup.

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Thinking at scale is also something that Ernest specializes in. According to Tim Tisher, food processing product manager at Ernest, “When we help design packaging and processes from the ground up, we’re always thinking both about what the client needs today and what they will want when their product really takes off.” For Smart Cups, the initial processing equipment was semi-automated, but they took the Ernest recommendation of extending the conveying so that they could accommodate an automatic bander without having to change out the full line. Within six months of starting production, the company is already implementing this additional automated step to more efficiently meet demand. Tisher notes, “If we had just sold them what they needed at the time, they would have had to rethink their processes later and invest much more unnecessarily. We look at a two-to-three year horizon.”

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*It’s really comforting to know we can call Ernest any time and tell them what we’re thinking, and know they’ll help us. We recently had an issue with shipping weight driving up our costs. They got on it right away and found a solution.*

Owen Dolan,  
Smart Cups COO





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*We have extreme confidence in Ernest. If we call them up about anything in our process, really any aspect of our business, they take it upon themselves to look into it as deeply as possible. I've never heard no.*

**Chris Kanik**

Smart Cups CEO & Founder

## Taking the world by storm

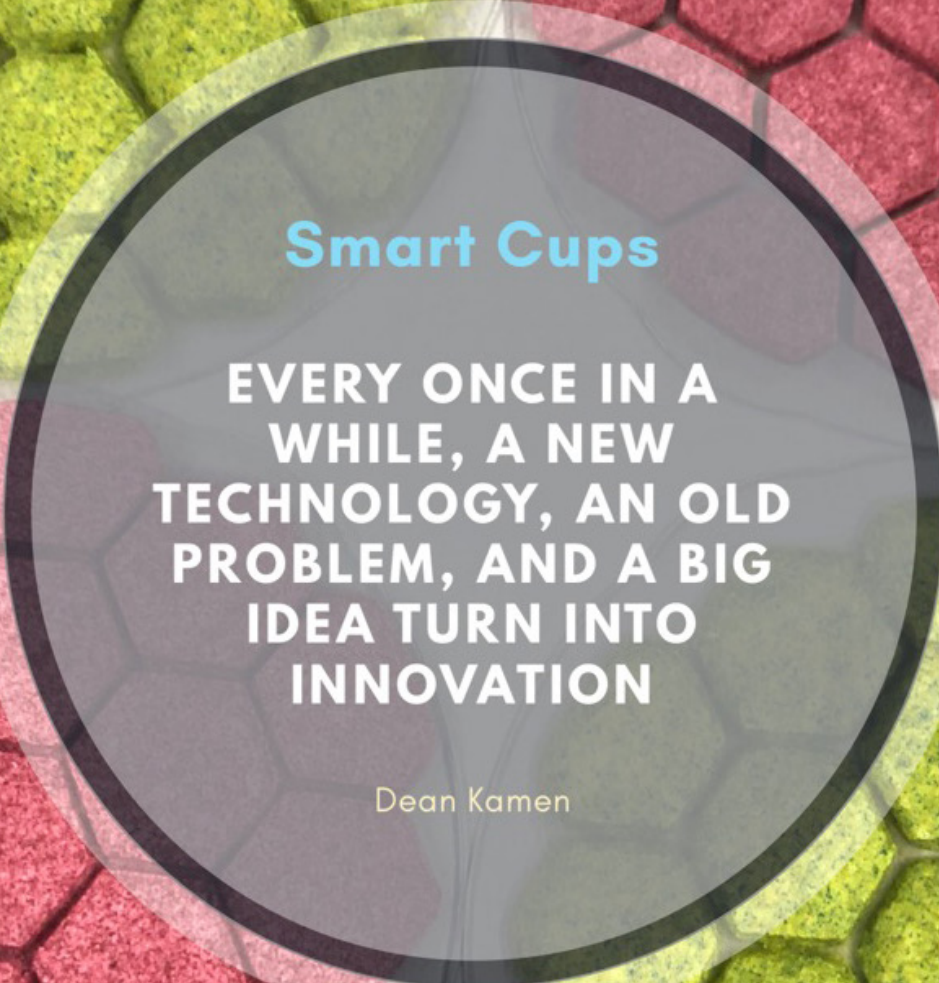
Smart Cups officially launched their line of energy drinks on December 11, 2017. The 9 oz. cup delivers the same effect as a regular 16 oz. energy drink, but it's much lighter and easier to stack on the shelf or carry with you—which also means it's lighter to ship, reducing the cost for consumers. The cups are 100% BPA free, commercially compostable, and made from eco-friendly plant-based materials. Best of all, the drinks taste delicious and give you a real energy boost with no sugar or calories.

Now that Smart Cups has their own manufacturing facility, plus successful FDA and health board inspections, what's next? With many manufacturers, retailers, and distributors already interested in selling Smart Cups, the company is looking to expand. But first they are looking at new packaging options that will work on retail shelves, including Kanik's original tubular concept. The Ernest design team in Los Angeles, headed up by design guru Stephen Simich, developed initial designs that take into consideration everything from color to touch to smell. Says Kanik, "Working with Stephen was a great experience. He became one with the cup. When we're ready to go to retail, that's it—we'll pull the trigger and give consumers a better overall conception of the cup."

The recommended approach is a corrugated tube with a custom printed, machine-applied label that also acts as a moisture barrier and perforated safety seal. Each tube will feature a lid that makes it easy to nest and stack the tubes together for both storage and display purposes. It's a smart design that stands out (and stands up) on the shelf.

The company plans to change the beverage game with their patented Smart Cups Technology™ and integrated delivery platform (IDP) cup, which can be used to print and deliver any company's beverage formula and flavor, branded with their own logo. According to Kanik, "Right now we're just an energy drink company but we have lots of products in the pipeline. Really, we're a beverage technology research and development company."

The possibilities are endless and exciting, and wherever the future takes Smart Cups, Ernest will be there to help them solve problems, find innovative solutions, and raise a cup to their future success.



## Smart Cups

**EVERY ONCE IN A  
WHILE, A NEW  
TECHNOLOGY, AN OLD  
PROBLEM, AND A BIG  
IDEA TURN INTO  
INNOVATION**

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To find out how Ernest can help your business create innovative packaging for your groundbreaking product, contact us today.

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