dragonfly



WHITE PAPER

Ernest and Dragonfly Energy:

Ernest helps Dragonfly take renewable energy to new places





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Dragonfly Energy is leading the green battery movement and setting a new standard for energy storage. The company's reliable, rechargeable lithium-ion batteries empower people to live their lives the way they want to, off the grid or on the go. Their goal is to make green energy available for everyone, paving the path to a renewable future. When their operation, which includes engineering, manufacturing, packing, and shipping, began to outgrow their space, Dragonfly turned to Ernest to help them find a better way to manage the highly specialized hazardous material packaging that's required to ship their product.

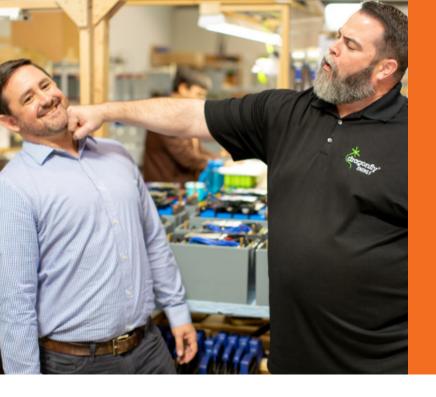
Off the grid and on the rise

Dragonfly Energy and its consumer-facing brand, Battleborn Batteries (a nod to the Nevada state motto), are on a mission to help people live more efficiently, powered by safe, reliable, and affordable lithium-ion batteries. Founder and CEO Denis Phares left a tenured job in the Aerospace & Mechanical Engineering department at USC to pursue his vision of making an impact in energy storage. Together with COO Sean Nichols, formerly VP of Sales and Operations at AIMS power, they started the company out of Nichols' garage (just like Ernest—a sure sign that the company is destined for greatness!) before moving into a small warehouse in Reno, Nevada, where they began manufacturing and shipping 5-10 batteries a month.

Living off the grid is not a new concept, but in recent years it's taken on a new face. Rick Harrison, star of The History Channel's hit reality show, Pawn Stars, spends several months each year living off the grid in his compound outside Las Vegas, Nevada, which includes a hydroelectric power plant, wind turbines, and solar energy powering three houses, two garages, and a full-blown machine shop. When Harrison was looking to replace his lead-acid batteries with a safer, more reliable alternative, he contacted Battleborn Batteries. He was so impressed with their product, he invited Phares and Nichols to visit his ranch and even recorded a video for Battleborn's YouTube channel telling the world how much he loves their product.

With the rising trend toward choosing to have fewer things and more experiences, Dragonfly batteries began to take off—but when their orders began more than doubling from month to month, their little warehouse started to feel small. On top of the production operation, Dragonfly was also managing all of its packaging supplies in-house, which was taking up valuable floor space. What they needed was a partner to help them think outside the box. Luckily, Nichols knew just who to call.





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A business that doubles in size takes a lot to manage. To have someone I can trust is a load off of my mind. Will is just like one of our team members... except he's not on the payroll.

> Sean Nichols COO, Dragonfly Energy

Ernest to the rescue

Nichols has known Ernest Packaging for many years, having done business with them before he and Phares launched Dragonfly Energy. So when they needed a packaging partner to help take their operation to the next level, Nichols called his old friend and Ernest client relationship manager, Will Mannella.

Dragonfly started out shipping smaller batteries using a standard box with foam end-caps to hold the product in place during shipment. But when they engineered a larger battery using the same lithium-ion technology, they needed a sturdier solution that would protect the heavy product during shipment and also meet strict safety guidelines.

First, Ernest replaced the foam end-caps with a foam-in-place system to make Dragonfly's packing process more efficient. Foam-in-place allows the Dragonfly team to dispense custom amounts of foam to place in the carton with their product, which lets them accommodate multiple products and sizes with one system, simplifying the packing process and increasing efficiency. Dragonfly was growing so fast that before the first tabletop machine they ordered had arrived, they had to upgrade to a larger one. In one month they went from ordering five-gallon drums of foam to needing 55-gallons to keep up with their orders. Sealed Air, which supplies the foam-in-place system, worked with Ernest to create custom molds for Dragonfly, so they could begin pre-forming the foam. Now all they have to do is tape the foam form to the bottom of the box and drop the battery in. The custom molds speed up the packing process even more and ensure every package looks the same.

More space, less worry

The next issue Ernest helped Dragonfly tackle was managing their packaging product inventory. Because lithium-ion batteries contain a hazardous material, Dragonfly has to ship them using 4G-rated, UN-certified boxes that meet strict international safety requirements. The certification process is complicated. First the box has to be independently tested with the product and very specific packing materials inside. This includes the foam and even the plastic bag. If it passes, the boxes are manufactured with rating and hazardous material codes specific to those contents printed on the outside of each box. Because the certification is unique, Dragonfly had to meet a minimum order, which severely restricted cash flow and the company's extra space due to storage.

"Will stepped in and saved the day," says Nichols. In addition to helping Dragonfly navigate the complicated certification process, Mannella suggested using Ernest's "just in time" inventory management program. Now Ernest stores Dragonfly's boxes, plastic bags, and paper packing tape in their Reno warehouse, freeing up considerable space—and giving Dragonfly one less thing to worry about. When they need more shipping supplies, they just call and Ernest delivers.

"If we ship a product without a piece of the packaging, we're breaking the law. Ernest makes sure we have everything we need in plenty of time," says Nichols. "And because they're local, we can get it the same day." With Ernest taking the packaging off their hands and out of their floor space, Dragonfly was able to retrofit its warehouse and rework its workflow to increase efficiency across the board.

We're all about customer experience, and packaging is a big part of that. When you deliver someone an expensive battery, it has to look beautiful. Ernest has helped us make that happen.





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When our company grows, our relationship with Ernest grows too. Ernest has really shown up for us. When they see a challenge, they solve it right away. I know I can trust them to get the job done.

Sean Nichols

Powering the future

Now that they've got their operation flowing smoothly, Dragonfly Energy and Battleborn Batteries are charged up to keep expanding. With the Rick Harrison video hitting screens everywhere, the company hopes to reach the Pawn Stars fan base and hundreds of thousands of YouTube subscribers. Whatever Dragonfly needs moving forward—from packaging solutions to office supplies and janitorial needs, Ernest will be right there with them.



To find out how Ernest can help you get charged up for growth by handling your packaging and inventory needs, contact us today.

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