



# The Rag Company

Polishing up powerful packaging efficiencies.







### It's a rags to riches tale for The Rag Company. While you may not know their name (yet), you've probably used their products.

In the last seven years, the company's high-quality microfiber towels have grown in popularity and global distribution. Just like Ernest, The Rag Company started out of a garage. However, that garage belonged to co-founders and co-owners Jeff and Carolyn Hennen. Today, the company has expanded to more than 50 employees operating in a 50,000-square-foot space, and ships to 75 countries worldwide. And, like us, they've taken on the huge task of making an everyday product cool. Who doesn't want to polish their car with a microfiber towel called the Gauntlet, Eagle, Drago or Cyclone?

As the company found a growing and enthusiastic niche in car detailing, it has expanded its inventory beyond microfiber towels to include detailing tools and accessories, kits, fun swag and gear, and chemical products. While The Rag Company's great products speak for themselves (and word of mouth is HUGE), to grow demand, the company also created an innovative in-house media strategy that has built a big following (sound like someone else you might know?). As their global reach was expanding, The Rag Company needed to make sure it could stay ahead of the booming customer demand. That's where Ernest came in with a deep scrub of the company's packaging, shipping and logistics processes.



The Rag Company is known for a high-quality product that customers are passionate about. We needed a packaging partner that understood fast turns and high growth. The fact that Ernest is a family-owned company and super savvy about social marketing was a huge plus. We get each other!

### **Carolyn Hennen**

Co-founder and Co-Owner
The Rag Company

## Sparkling inventory expertise

As The Rag Company expanded its reach and appeal, being able to efficiently support global distribution was an increasing concern. With growing demand, the company needed to make sure they had the right packaging available at the right time. That's where Ernest Managed Inventory (EMI) came in. With EMI, The Rag Company no longer has to worry about packaging materials inventories. Ernest Client Relationship Manager, Debbie Thomason, visits the warehouse weekly to make sure they're fully stocked based on established maximums and minimums for each SKU.

## A little polish on the warehouse floor

Another challenge the company faced was the lack of floor space. As demand surged, The Rag Company found storing boxes and packaging materials on-site was becoming too challenging and needed to prioritize inventory of their 150 different microfiber towels. Debbie solved the issue with the Ernest Just-In-Time (JIT) program. Now, Ernest keeps up to a 60-day inventory for them in our warehouse with next-day delivery. Plus, Debbie can run reports to show future usage predictions for more proactive planning. With EMI and JIT, The Rag Company never has to worry about running out of packaging supplies and can stay fully focused on fulfilling orders.

# Simplification makes processes spotless

In addition to optimizing inventories, Ernest management and logistics experts walked through The Rag Company's operations, inspected packaging practices, and identified things that just weren't working as they should. We found that they needed sturdier structures in their boxes to allow them to ship overseas without the boxes falling apart. Employees were also relying on the guess-and-check method to track the location of boxes, which was inefficient to say the least. Ernest had the answers.

The Ernest team helped them level up their shelving to make it more efficient. We added bays between storage, shifted the warehouse layout, and organized the shipping area, including labeling locations for each box. In addition, Ernest introduced automated pallet wrapping to reduce the risk of damage during shipping. The team developed a specific packing protocol, then conducted pallet stress testing to make sure each pallet could hold the designated loads. Together, these solutions have made a huge impact for The Rag Company team—a combined packaging savings of approximately 25% per year. Plus, it allowed them to focus on the most important tasks at hand: running their business and growing into the future.

### 66

With our high inventory turns, we want to make sure we are able to deliver in a timely fashion. So, we want a partner who can be there not only for the big moments, but for the small ones as well. Ernest is that company. They have been instrumental in making sure we can deliver by tightening our shipping and packaging processes. They've also been there for the small moments. For example, when our warehouse team was hungry, our Ernest rep, Debbie [Thomason] brought tacos!

#### **Levi Gates**

Brand Development Manager
The Rag Company



## Branding that makes its mark

Ernest also helped The Rag Company continue to build awareness by integrating branding into its packaging. With different box sizes and shapes to house their various products, printing custom boxes didn't seem to be in the cards. But when it comes to building brand recognition, Ernest can always deliver. The Ernest team recommended a custom water-activated tape with a preprinted logo. This flexible solution ensures every package is branded without requiring large inventories of many boxes.

## Detailing a bright future together

Whether it's efficient inventory management, streamlining processes, keeping the warehouse clean and efficient, or making sure your branding is front and center, Ernest is here to help. To ensure The Rag Company continues to succeed, we schedule weekly visits to discuss the best solutions for any challenge at hand. And as they look to expand their operations with powerful social media outreach and by extending their physical space by another 35,000 square feet, we're at the ready to provide any and all automation equipment and innovative packaging processes to help them along the way. In other words, the future is looking bright for The Rag Company.

66

As a team, we work really hard.
We appreciate having a partner
like Ernest that matches our
passion for what we do and
gives us solutions that deliver the
impact we need to grow.

#### **Gabe Garcia**

Media Production Manager
The Rag Company



# Point A to Point B with N-O problems.



Since our warehouses are located within a 100 mile radius of our clients, we'll get it where it needs to go, efficiently and sustainably.

