



## FULL CIRCLE

Two entrepreneurs with heart and hustle built a brand inspired by the laid back West Coast culture; learning a valuable lesson along the way.

While on a visit to his Australian in-Laws, Devon Sorenson was casually browsing in a Bryon Bay beachside boutique when his jaw dropped. A round beach towel hung, tauntingly, from a rack.

Back in 2008, Devin and his father had also thought of the concept of a circular beach towel and its hidden functional benefits. For example, with a rectangular towel, you constantly reposition it as the Sun moves across the sky; whereas with a round towel you just move yourself. It also had more surface area, perfect to hold the beach essentials of the modern millennial (Bluetooth speaker, smartphone, external battery to recharge both). At the time, Devin was enrolled in an entrepreneurial program at Royal Roads University and his New Venture group enthusiastically adopted the idea. The enthusiasm catalyzed into aspirations to turn the idea into a real venture. However, Lacking any manufacturing know-how, the idea fizzled, people graduated, Life moved on and the dream went dormant.

The encounter in the Bryon Bay boutique snapped Devin back on path. He returned to Canada clear that he had to bring the concept to North America. He Lit up his colleague.

Glendon Evans, with the whole story. Glendon goes on to uncover the only manufacturer making round towels at the time. They order some samples and christen their nascent brand "Tofino Towels Co.": a nod to the Pacific Westcoast Lifestyle.

*"We wanted Tofino Towels to be to the Westcoast Lifestyle what the Muskoka chair is to the Muskoka Lake country"*

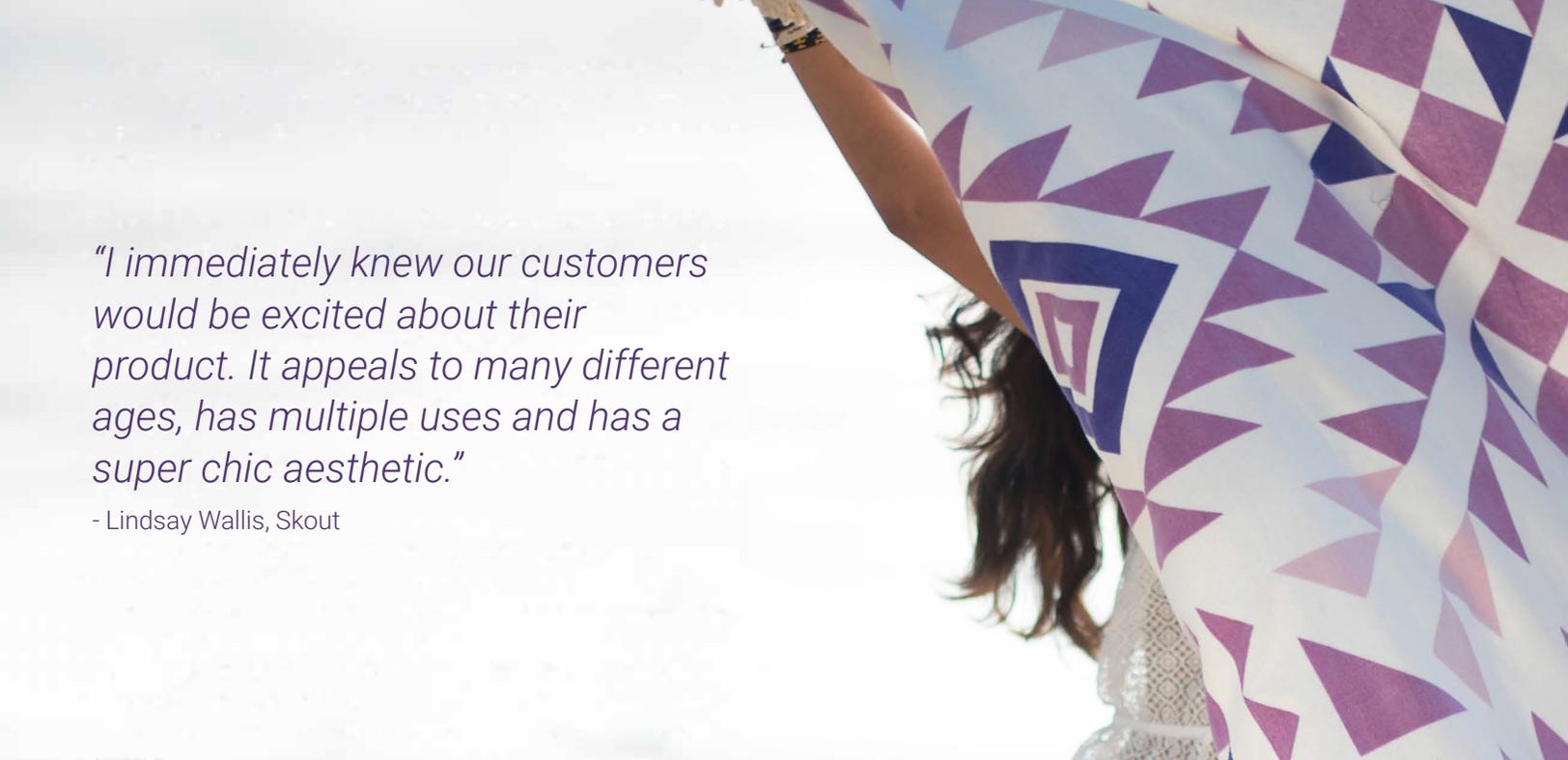
- Devon Sorenson, Tofino Towel Co.

The young men quickly mint an Instagram profile and knock on the doors of a few Local surf shops. Then an out-of-the-blue phone call puts the duo on a new trajectory. A buyer from Pop Sugar, a popular US Lifestyle blog, calls after seeing their product on Instagram and wants to include their product in their highly coveted monthly gift subscription service. An incredible opportunity.

The only problem? They don't have the cash to take advantage of the opportunity. Devin asks Pop Sugar for more money upfront while Glendon negotiates a Lower cost with the manufacturer. After some horse trading, a deal is struck. The product ships straight from the manufacturer to Pop Sugar in California and overnight. A Large infusion of cash appears in Tofino Towel Co.'s bank account.

However, besides a cash injection and planting 5,000 towels into the US marketplace, the exposure from Pop Sugar doesn't do much to propel Tofino Towel Co forward.

Instead, Tofino Towel Co's big break came when a well-connected sales agent purchased one of their round towels



*"I immediately knew our customers would be excited about their product. It appeals to many different ages, has multiple uses and has a super chic aesthetic."*

- Lindsay Wallis, Skout

for her home and saw beyond the towel's functional benefits. Stacy Moore, of Jade Sales Agency, saw it as a stylish, decorative accessory.

"I bought one of their towels to Layover an outdoor Lounger by our pool" said Stacy Moore, "I knew I had to reach out to these guys. It's not just a towel. It's style meets function."

After a conversation with Devin, Stacy was brought on board to expand the retail reach of Tofino Towel Co in Eastern Canada. She strategically targeted the most influential stores and hired a dedicated sales rep to pound the pavement. The strategy worked: Other stores followed the Leaders and in short order, Jade Sales Agency had Tofino Towel Co in over 100 stores in Eastern Canada.

"I have to give Devin credit" adds Moore, "He's a very driven individual and strong in sales. He could have tried to do it himself, but he is smart enough to know that he can't be on the front Lines all the time or maintain the relationships with stores Like someone in my position could."

After seeing the impact that the right agency can have, Devin and Glendon were eager for a West Coast equivalent. Moore connected them with Skout Showroom. Lindsay Wallis, one of the principals of Skout, immediately brought the young brand into their portfolio and rapidly added 125 stores in Western Canada.

"Partnering with Stacy Moore at Jade and Lindsay Wallis at Skout was a game changer for us" admits Devin, "In this industry, it's actually the sales agencies that play a big role in helping influence what the next big product or brand is. The rapid growth of our brand is Largely because we got two of the best fashion sales agencies in Canada representing our brand."

And herein lies a lesson for budding entrepreneurs: Flashy marketing may be sexy, but - as Tofino Towels learned - professional sales representation and behind-the-scenes distribution and fulfillment were the maker or break pieces.

With the endorsement of these tastemakers, Tofino Towel Co's orders increased significantly and, thanks to the Pop Sugar deal, Devin and Glendon had the capital on hand to realize the opportunity.

Both the experienced sales agents had some blunt advice for the young entrepreneurs about their fulfillment; the art and science of smoothly getting the product to the buyer.

"They basically told us 'Your turnaround time on fulfilling orders is note good enough. You have to do better" said Devin.

Both agencies told Devin and Glendon to connect with Ben Martin, who runs Evolution Fulfillment; a distribution warehouse in Delta, BC. Evolution specializes in high-tech 'pick and pack' fulfillment for fashion, footwear, cosmetic and jewelry brands who target the North American marketplace. The encounter was another eye-opener for the two young entrepreneurs.

*"We didn't even know businesses like that existed. We always envisioned fulfilling orders ourselves or hiring people in-house to do it. If it weren't for Evolution, we'd still be packing boxes in the basement of our house."*

- Glendon Evans, Tofino Towel Co.



Outsourcing allowed Devin & Glendon to focus on their day jobs and on the design and marketing of Tofino Towel Co. It also improved operational efficiency.

The warehouse would count each individual towel coming in from the manufacturer and report any discrepancies: a key process that was previously a guessing game.

"We would just hope that the manufacturer had sent us 5,000 towels" said Glendon, "We didn't have the time to count them all".

The biggest advantage was cost. Evolution's entire business was tuned for smooth, transparent fulfillment and, given the volume: they got better freight rates than Tofino Towel Co could on its own.

"Fulfilling orders ourselves wouldn't be as accurate, wouldn't be as efficient and it wouldn't be as cheap," said Devin: "And more importantly, if you want to play with the big boys like Chapters-Indigo, for example, you must meet a threshold of fulfillment standards or

you're not even allowed at the table."

Moore echoes the advantages of outsourcing non-core operations like sales and fulfillment: "It allows Devin and Glendon to focus on design, branding, marketing and so on. It's a good lesson for up and coming entrepreneurs. Let [fashion sales agents] take care of relationships with retailers.

Let companies [like Evolution] handle the backend infrastructure: warehousing, picking and packing, labelling compliance, EDI, quality assurance, accounts receivable, et cetera. If you're in it for the long-haul, it's completely worth it."

"You can have a beautiful product" said Moore, "but if you don't have the back end sorted out, your product will fail. [Neglecting distribution and fulfillment] is a fatal mistake."

The young brand professionalized their operations just as an influx of stiff competition crashed the party.

"Three months after we started selling in North America, another competitor popped up with a round towel" said Devin, "Now there's competition left and right, from cheap to premium offerings."

The young company now has a staff of four (not including their sales and fulfillment partners) and, despite stiff competition from knock-off brands, managed to grow their revenues 30% in 2017-

Competing in a hyper-competitive market of their own creation is the beginning of Devin and Glendon's next chapter.

"The vast majority of brands just slap their label on a generic towel coming out of China" said Devin, "We've chosen to put our heart and soul into collaborating with Canadian artists, brands and local designers to make original, versatile, functional and fashionable works of art. Our goal is nothing less than to become an iconic Canadian brand"