CASE STUDY
YOUNG NAILS

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Run by the dynamic Salo brothers and respected for next-level product innovation and education, Young Nails Inc., is a professional nail care manufacturing company exporting to more than 40 countries worldwide and distributing domestically to 3,000+ stores. But for CEO Habib Salo, the company does more than just manufacture and distribute nail care products. "What we really do is teach nail professionals, or anybody who's passionate about nails, how to be successful with nails."

BACKGROUND

Having had four controllers in four years, Young Nails was struggling to hire a financial professional with the right mix of experience and a willingness to dig into the details. "Because of our growth, finding someone with the right expertise was a challenge," said Salo.

In 2018, Young Nails began to shift its model from selling to large distributors to individual salons. As a result, they were experiencing smaller orders, but additional order volume.

CHALLENGES

Financial Reporting
Without a consistent finance team, Young Nails was behind in financial reporting, and therefore, without tangible insight into the profitability of their sales channels.

Inventory
A shift in model meant a greater need for inventory discernment and an entirely new e-commerce solution. Young Nails had no real-time inventory data and was scrambling to get product in time to sell it; or worse, running out of stock resulting in lost sales. Stemming from the same issue, they were also unaware how much of their lost profits was due to reshipping, damaged or missing product.

SOLUTION FRAMEWORK

Financial Reporting
ORBA's Cloud CFO services provides Young Nails with a dedicated team of financial professionals, proactive in their approach with weekly check-ins and monthly meetings.

Inventory
ORBA's Cloud CFO team tackled the inventory issues, providing a smooth transition to an omnichannel solution—implementing NetSuite and procuring numerous integrations that work with the robust ERP system.

> " One of the biggest struggles, especially in the finance department, is finding someone who is not only competent, but also, who you can trust. "

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RESULTS

With regular access to ORBA's Cloud CFO team, Young Nails has real-time insight into financial reporting and sales channel profitability. Sales revenue experienced a 29% increase comparing 2018 to 2019 YTD. Salo elaborates, "[W]e now know this is where we're headed." Young Nails' shift in model shaped a need for an entirely new omnichannel e-commerce solution, in this case BigCommerce, integrated with Celigo for NetSuite. By implementing RF-SMART for NetSuite, Young Nails gained cloud access to a barcoding scanner solution and accurate inventory data. Combined with the EDI solution, SPS Commerce, Young Nails can now operate knowing that they can service customers while adhering to EDI best practices, providing an opportunity to focus on business growth. When Salo explained to a third party who had implemented the NetSuite system, "[T]hey were shocked. 'It's not supposed to go this smoothly.' They said it's probably one of the best go-lives they'd seen."

FORWARD THINKING

What's next for the dynamic brother duo and their cosmetics enterprise? Given their new ERP solution in NetSuite, combined with the Cloud CFO Strategy Sessions, Young Nails is positioned to hit their revenue goal by driving growth with the new access to real-time data.

Young Nails plans to fine tune that data to fuel marketing campaigns to move specific products and offer value to their customers. Salo says, "[H]aving that data is not an option. It's an absolute necessity."

Young Nails Sales Revenue
Comparison 2018-2019 YTD

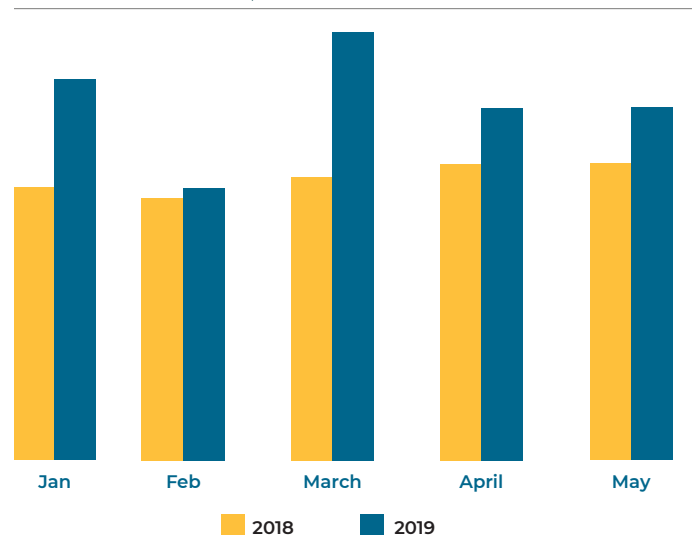Jan   Feb   March   April   May

■ 2018   ■ 2019

FIGURE 1
From 2018 to 2019 YTD, Young Nails experienced a 29% increase in sales revenue with excellent forecasts which will continue sales growth through the remainder of 2019.

> " Now, data is accessible. To drive growth, especially for our marketing efforts, having data is not an option. It's an absolute necessity. "

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