

# They are also an example of how sheer determination can transform a small retail niche business into a thriving digital enterprise. They are Nuts.com.

You have to be a little crazy to put your heart and soul into a small business. That's why the success of Nuts.com is a lesson for those brave enough to keep going when the experts insist their business has reached its limits.

Take it from Jeff Braverman, who transformed his family's 70-year-old bricks and mortar business selling premium nuts, dried fruit, chocolates, sweets, superfood snacks, and more into a booming online enterprise. His grandfather launched



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commercetools is revolutionizing the digital commerce platform marketplace with next-generation software technology. Our leading-edge approach helps retailers create brand value through unique and engaging digital commerce experiences everywhere - today and in the future.



#### THE FOUR

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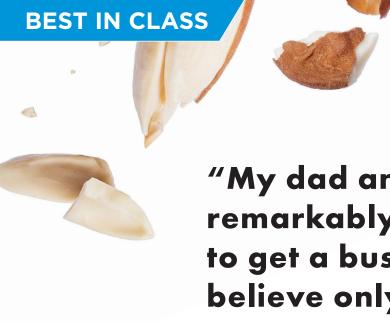
#### HEADLESS

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"My dad and uncle worked really hard, a remarkably, kept it going. It's really hard to get a business to a third generation; I believe only 12 percent of family business get to that point." JEFF BRAVERMAN

the Newark Nut Company in 1929, selling treats at an open-air market on Mulberry Street. "My dad and uncle worked really hard, and, remarkably, kept it going. It's really hard to get a business to a third generation; I believe only 12 percent of family businesses get to that point."

Braverman's affinity for business and love of technology collided in 1999 when he recognized potential in the nascent online shopping industry. Despite having no prior inclination to join the family business, the opportunity was too intriguing to pass up.

"We signed up for the internet because it was free. I kept up with it all through college, but I had no expectation to come into the business because it wasn't a good business. I went into investment banking, gave it about six months and decided I really wanted to create something." That something was NutsOnline.com.

When he officially joined the firm in 2003 there were all of two employees, both of whom are still with the company. "We have almost 4,000 unique products now and

close to 300 employees. We do much of the manufacturing, all the roasting, we make our own chocolate, we package in house and we also have four distribution centers across the country," he said.

The original website built by Braverman and Ben Shakal, the company's original developer who still remains one of the company's technology leaders, was powered by a homegrown PHP-based platform. It stood in good stead for 20 years, but as company CTO Alex Shiferman pointed out, "That existing platform did really well. It was built for very specific use cases, and over time it became a little less flexible: development took longer, we were more likely to break things, and if we wanted to extend it beyond its current functionality, it was much harder."

The company is now implementing a modern, API-first, cloud-hosted SaaS platform by commercetools. Highly flexible, infinitely scalable and robust, the ecommerce solution will keep Nuts.com future ready as it continues to grow.



#### **BEST IN CLASS**

#### Big mistake. Or so the experts said.

Braverman's determination to make the company the best online retailer in the space was nearly undone by challenges that he could write an entire book about, including his quest to purchase the Nuts.com domain name.

"I thought NutsOnline was great but thought there was a better alternative. It took me a while to track him down, but I found the owner of the Nuts.com domain and convinced him to reroute traffic to one of my servers to see if a lot of people were searching for it." They were. Unfortunately, 85 percent of the traffic came from people in the UK who were looking for a similarly named softcore porn site. "When people would type in nuts.com we might get three new customers, but most folks were looking for the porn," he recalled.

"Around the same time, I remember personally tying organza circles with ribbon and filling them with Jordan almonds. They were featured on a wedding-themed Rachael Ray show, and at the end she said, 'I'd like to thank Nuts.com.'"

After a multi-year pursuit, the domain's owner agreed to transfer it to Braverman, and in early 2012 the company rebranded as Nuts.com. "There were naysayers at the time," he admitted. "Things went wrong. Something was off with Google algorithms and for about two months our organic traffic plummeted. Our free traffic, which was a lot, dropped by 50 percent.







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"I had a lot of sleepless nights. We were doing tens of millions of dollars already at NutsOnline. The naysayers said, 'Big mistake. Big mistake.' Two months later everything came back and then some. We saw a better retention rate, and by my calculation it took us six months to get payback," he said. "We really love our customers. Reinforcing our brand and our value proposition is really important. And we've created a business that's far exceeded any of our expectations. ... We took this small business that was really hard and hit the cover off the ball."

#### **Nuts about Technology**

Nuts.com is all about serving up fresh and luscious nuts, dried fruit, chocolates, confections, popcorn, and treats and speeding them to customers wherever they are. A mix of best-of-breed off-the-shelf platforms and homegrown technology and a versatile tech team is powering ecommerce into the future with an emphasis on personalized communication and impeccable customer service.

"We own much of our supply chain, which means we can ensure quality starting with sourcing the best raw products available through production, packaging, picking and packing, and distribution," Shiferman revealed, "We have distribution centers around the country to make sure that we can deliver things as fast as we can, with a large majority of our orders being delivered within one or two days after an order is placed. While we're working to migrate our .com to an off-the-shelf ecommerce platform, commercetools, we are also taking advantage of having a homegrown warehouse management system (built by another long-time Nuts.com employee, Brian Abreu) that gives us the ability to control everything from level of roasting and the amount of salt in our almonds to how we separate allergens at packaging, to using automated conveyors and diverters when fulfilling orders ... we are able to optimize our operations and processes to fit our unique needs, which would be a very difficult thing to do with an out-of-thebox solution.

"Since our technology team is pretty small, we want to focus on things that are going to make us unique, such as a more personalized, custom-tailored shopping experience, and optimizations

on the fulfillment side that enable us to do special things for customers, rather than building another Product Information Management (PIM) system or another onsite search engine" he continued. "Technical innovation for its own sake has little value to us. We pride ourselves on customer service, whether it's product quality, delivery, or packaging, and these innovations will drive that."

The logistics of getting freshly made candy to a customer on time and in perfect condition is a logistical challenge Nuts.com is well prepared to meet, with distribution centers in New Jersev. Georgia, Indiana, and Nevada. "Our logistics can be very complex," Shiferman confirmed. "From shipping items that melt easily to delivering items from different warehouses to complete large orders, our technology allows us to make our processes as effective as possible."

Nuts.com uses an Objectives and Key Results (OKRs) framework to make sure everyone in the organization is on the same page. Said Shiferman, "That helps us prevent distractions and make sure we're all marching in the same direction. The process of getting ourselves aligned is very important. That, paired with a companywide use of Agile methodology ensures that everyone uses the same principles and terminology, which means transparency, alignment, and close collaboration."

Every departmental function benefits from a robust foundation of aggregated data. "We have 20 years of data, and we've invested a lot of effort in the past vear to make more of that data available and actionable. We're now making data-

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ALEX SHIFERMAN

driven decisions such as which products sell well, when they sell, and what drives sales. We can make more tactical and real-time decisions, and our merchandisers and marketers can understand when and why sales lag, how individual campaigns perform and what products drive customers to come back. In addition, that data will enable us to interact with our customers on their terms by allowing us to tailor their shopping experience to their individual needs, preferences, and expectations. That's critical," he said.

One thing that will never change about this deliciously complex company is their desire to serve. Whether it's creating great customer service, tantalizing snacks, or an amazing place to work, Nuts.com is nuts about caring for others. And we are absolutely nuts about that.

