How Stix-to-Go Protected Margin by Re-Architecting Its Value Chain

Success Story — Food & Beverage Manufacturing, 2025

StixToGo®

2025

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Client Name :
Stix-to-Go

Date :
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Background:

Stix-to-Go sells a high-volume, low-cost product: the small plastic stick that seals coffee cup lids. It is simple but critical. With the rising cost of resins, shifting supplier performance, and mounting logistics volatility, the unit economics of this item were under pressure.

At the same time, their major customer required pricing predictability and operational continuity. Any change in cost or compliance had to be handled behind the scenes, flawlessly.

The Challenge

Inflation and supply instability were squeezing margins across the food and beverage sector.

For Stix-to-Go, a Boise-based packaging brand serving national beverage retailers, these pressures reached a peak in early 2025.

The company needed to stabilize margin on a key product line without disrupting pricing commitments to its largest customer, a national coffeehouse chain with millions of cups served daily.

They partnered with **J. Gardner Group** to **re-architect their value chain** for long-term cost efficiency and revenue protection.

> **J Gardner listened, and provided solid solutions, while recognizing the importance of our culture."**
>
> *- President, Stix-to-Go*

Our Approach: J Gardner's Value Chain Advantage

1. Strategic Sourcing Optimization

J. Gardner conducted a global sourcing and logistics comparison using proprietary cost-modeling tools.

Scenarios included:

- EXW (buying at the factory gate)
- CIF (importing directly from Asia)
- DDP China (with full delivery duties paid)
- DDP Korea (leveraging a free trade agreement)

Each option was modeled for lead time, freight cost, and total landed economics. The recommendation was a flexible sourcing model that could shift between partners and geographies as conditions changed, minimizing cost volatility and preserving margin certainty.

Outcome:

- Scenario planning ready for any supply or cost shifts
- Lower risk of margin compression caused by supplier or freight changes

2. Dynamic Pricing & Profit Modeling

To gain visibility and control, J. Gardner built a full-stack pricing model that traced true cost from resin to retail.

The dashboard allowed the client to:

- Toggle profit levels across the supply chain (factory, affiliate, customer)
- Align finance, sales, and operations on one version of the truth

- Simulate pricing under different sourcing and margin conditions
- Make faster, more confident pricing decisions

Outcome:

- Real-time visibility across three business units
- Faster pricing cycles with fewer surprises

3. Regulatory & Compliance Planning

Because the supply network crossed borders, J. Gardner worked with Stix-to-Go's legal and finance teams to keep structure and documentation compliant and efficient.

- Evaluated the First Sale Rule to minimize taxable base
- Developed a transfer pricing strategy aligned with IRS and OECD guidance
- Created documentation templates tailored to EXW, CIF, and DDP arrangements

Outcome:

- Full compliance with trade and tax rules
- Lower risk of double taxation or customs audit exposure

Impact

Even in a volatile environment, Stix-to-Go achieved:

- Stable or improving gross margin on a high-volume SKU
- Reduced landed cost variability across sourcing geographies
- No price changes required for its top customer
- 100 percent compliance with intercompany pricing documentation

> **I believe, in business, you have 'thinkers' and 'producers'. J Gardner is both. Very rare."**
>
> *- President, Stix-to-Go*

Why It Mattered

J Gardner's strength lies in combining operator experience with precision analytics. Our models integrate finance, logistics, sourcing, and compliance into one clear picture—so clients can move with confidence.

- **Strategic Clarity** — Big-picture thinking backed by scenario flexibility
- **Operational Control** — Tools that guide decisions, not just reports
- **Regulatory Confidence** — No guesswork in audit or transfer pricing exposure

Facing Margin Pressure?

If sourcing risk, resin pricing, or logistics costs are cutting into your margin, now is the time to talk.

J. Gardner's Value Chain Advantage Services

Strategic Sourcing | Dynamic Profit Modeling | Compliance Alignment
Let us help you uncover hidden savings and protect your pricing strategy.

J Gardner Group

Value Chain Advisors

Growth-Minded Consulting For Margin-Minded Brands

J Gardner partners with ambitious food and beverage manufacturers and consumer brands to transform their value chains. We help you cut through the friction, strengthen your margins, and build lasting momentum, so you can **grow wisely** and **win fairly**.

Operators Turned Advisors

We've been in your seat. Now, we're on your side. Our team of real-world, C-level experts fixes what's broken, accelerates what's working, and drives results. Here's how we help:

Smart Growth

We identify new sources of revenue, potential markets, partners, and growth opportunities.

Value Creation

We recover margin with precision cost modeling, strategic sourcing, and operational optimization.

Product Optimization

We trim portfolio complexity, boosting ROI, and building faster product pipelines.

Their Success is Our Success

Here are just a few of the ways we've helped our clients grow wisely and win fairly.

5,191

Agreements Negotiated

$3 BILLION

Total Cost Savings

$100 MILLION

Largest All-Time Single Savings

$80 MILLION

Largest Savings in Food + Beverage

The best teams build from the back and move forward as one cohesive system. Jonathan Gardner grew up in Small-Town, South Carolina, where grit, humility, and fluid team play shaped his early view of leadership. Over a three-decade career, from General Motors' cross-functional creativity teams to launching J. Gardner Group, Jonathan has refined the Total Value Chain: a model where sourcing, planning, and selling move as one cohesive system to deliver sustainable, end-to-end growth.

Defenders attack, and attackers defend."