

Success Story

How Stix-to-Go Protected Margin
Amid 2025 Tariff Headwinds





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Client Name :

Stix-to-Go

Date :

06 / 25 / 2025

Background:

Stix-to-Go sells a high-volume, low-cost product: the small plastic stick that seals coffee cup lids. It's simple but critical. With the growing cost of plastic resins, supply volatility, and tariff exposure—particularly on imports from China and Vietnam—the unit economics of this item were under threat.

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.

As geopolitical tension and inflationary pressure ripple through global supply chains, many food and beverage manufacturers are feeling the squeeze: increased tariff exposure, rising material costs, and shrinking margins. For Stix-to-Go—a Boise-based packaging brand serving national beverage retailers—these challenges came to a head in early 2025.

Facing pressure from rising resin prices and trade disruptions, the company needed to stabilize margin on a key product line without jeopardizing pricing commitments to its most prominent customer—a national coffeehouse chain with millions of cups served daily. That's when they partnered with J Gardner to unlock their value chain advantage.

The Challenge

J Gardner was engaged to help Stix-to-Go:

- Maximize margin on a high-volume item
- Navigate sourcing options in the face of shifting tariffs
- Align intercompany pricing with regulations
- Deliver pricing stability to their national retail partner

Our Approach: J Gardner's Value Chain Advantage

1. Strategic Sourcing Optimization

J Gardner conducted a global sourcing comparison using our 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)



J Gardner listened, and provided solid solutions, while recognizing the importance of our culture."

- President, Stix-to-Go



Each option was modeled against current and anticipated tariffs, lead times, freight costs, and customs risk. The recommendation? A flexible sourcing strategy that could toggle between Korea and Vietnam depending on geopolitical shifts, while minimizing landed cost volatility.

Outcome:

- Scenario planning ready for any tariff changes
- Reduced risk of margin compression due to trade policy shifts

2. Dynamic Pricing & Profit Modeling

To gain visibility and control, J Gardner developed a full-stack pricing model dashboard, showing costs from resin to retail.

The dashboard allowed the client to:

- Toggle profit levels across the supply chain (factory, affiliate, customer)
- Align teams on a single "truth" across finance, sales, and ops
- Simulate pricing under various sourcing and margin conditions

Outcome:

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

3. Regulatory & Compliance Planning

Given the international nature of the transaction, J Gardner worked with STIX's legal and finance teams to ensure full compliance:

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

Outcome:

- Full compliance with global trade laws
- Lower risk of double taxation or customs audit exposure

Impact

Despite a volatile supply 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% 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 tariffs, resin pricing, or sourcing risk are eating into your margin, now's the time to talk. J Gardner's Value Chain Advantage Services: Strategic Sourcing, Dynamic Profit Modeling, and Compliance Alignment. Let's unlock your hidden margin and protect your pricing strategy.

JGARDNER

What're you leaving on the table?

In 30 minutes, our Growth & Margin Snapshot will show you where you're losing margin, momentum, or missing opportunities—and what we'd do about it.

[GET STARTED](#) ►

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 BILLION

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.

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Defenders attack, and attackers defend.”