# **CASE STUDY: Girl Scout Cookie Sales Go Digital and Milk E-Commerce Innovation**

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A fully baked logistics and mobile order solution brings Girl Scout cookie sales into the 21st century.

The annual Girl Scout cookie drive is ingrained in American culture. In 2014, the annual sale entered the 21st century with Digital Cookie 1.0. This significant e-commerce innovation allows the scouts to use personalized web pages and smartphone apps to hit sales numbers that far exceed anything pre-digital.

Since 1917, Scouts have been raising money for troop activities by selling cookies door to door, at family gatherings, at their parents' workplaces, and from card tables in public locations.

Responding to Scout requests for a new way to sell cookies—one that might be considered safer, as well as more lucrative, in a world that is vastly different from past decades—meant the Girl Scouts of the United States of America (GSUSA) would have to create and implement a new way to take and fill orders.

The New York City-based organization needed an e-commerce solution that would provide an easy and meaningful experience for the young Scout salesforce and troop volunteers. And, the system needed to link to a fulfillment and financial solution that could collect and disburse cookie payments as well as deliver cookie orders to councils or directly to customers. Bringing cookie sales into a new millennium involved old partners—two commercial bakers and 112 Girl Scout councils around the country—and new partners, including employees with skills not needed before, a web developer, and a third-party logistics (3PL) provider.

**COOKIE SALES FROM SCRATCH**

The cookie sale concept was introduced to Scouting nearly 100 years ago when the Muskogee, Okla., Mistletoe Troop first sold homemade cookies in the school cafeteria as a service project. From there, Scouts around the country began baking and selling sugar cookies from a recipe provided by a Scout leader in 1922. Packaging their homemade treats in wax-paper bags, girls sold them door to door for 25 to 35 cents per dozen.

In 1934, the Girl Scouts of Greater Philadelphia Council blew out the pilot lights on home ovens and began selling manufactured cookies. The Greater New York council followed suit the next year. By 1936, GSUSA had started licensing commercial bakers to produce Girl Scout cookies.

Over time, the number of licensed bakers increased to as many as 29. Today, only two bakers produce as many as eight varieties that include two gluten-free options, which would have been unheard of in 1917. The annual cookie sale fundraiser is seasonal, running from November into early April. February is the peak month.

With local troops clamoring for a way to sell cookies online so they could reach far-flung friends and family, and leverage the widespread acceptance of e-commerce, headquarters staff began studying the options.

While the organization knew how to sell cookies and move orders from bakeries to councils, it didn't yet have a recipe for e-commerce. What's more, the national office didn't want to simply make it possible for Scouts to expand their sales territories so they could sell more cookies. They wanted to create an educational experience that would give Scouts relevant high-tech skills that would serve them well in the future.

"It's about the girls learning entrepreneurship," says Sheila Narayanan, chief digital girl experience executive. "Plus, we all know the Scouts have phones in their hands, so let's use that to teach them something."

**THINKING LIKE A START-UP**

To achieve its goal of creating an online platform for cookie sales, and a corresponding app Scouts could use to take orders while selling in person, the 104-year-old organization started thinking like a start-up.

"We needed to think about multiple consumer experiences—for the girls, the adult volunteers, and their customers," Narayanan says. "We brought in new people with the right skillsets who could roll up their sleeves and do what needed to be done, whether it involved technology, project management, or product management."

**A SWEET SOLUTION**

Once it determined the best approach for the customer experience, the organization sent out requests for proposals (RFPs) to help select the best vendors for the technology, logistics, and financial pieces. The financial aspect was particularly important because the GSUSA wanted a logistics partner that could accept payments through the Visa Checkout interface with PayPal, and disburse funds to the parties involved, including the individual Girl Scout councils.

A supply chain consultant helped determine possible solutions and guided the RFP process that led to Evans Distribution Systems, Inc., a Melvindale, Mich.-based 3PL provider that offers fulfillment, contract packaging, warehousing, and other services to several industries.

"We needed a 3PL that could be flexible, work with us and our partners, and make this complex e-commerce ecosystem that runs in the background completely invisible," adds Narayanan. "We needed to make it all transparent and simple for the girls."

"Bigger, more experienced logistics providers were bidding for this business, but we had a lot to offer in terms of scope of service, enthusiasm, and a willingness to be a true partner that would do what was necessary to make this new venture work," says Leslie Ajlouny, vice president of business development at Evans.

Following a pilot digital cookie sale with one council, GSUSA launched Digital Cookie 1.0 in late 2014. It was a resounding success, especially for the first year of a start-up operation. Scouts placed more than 350,000 orders using the digital cookie platform, driving the sale of nearly 2.5 million additional boxes of cookies and yielding an additional $10 million in sales for councils.

As expected with such a new endeavor, the parties involved identified areas they wanted to enhance and improve the following year. Changes to Digital Cookie 2.0, launched in late 2015, include widespread availability of the smartphone Digital Cookies Mobile App, and a significantly enhanced web experience for the girls.

While the inaugural 1.0 website focused on digital transactions, a 2.0 expansion allows personalized sales pages for 110,000 participating girls. In addition, it incorporates games that teach entrepreneurship lessons, the capability for girls to upload videos with a personal sales message to friends and family, and templates they can use for email sales messages.

On the fulfillment and financial side of 2.0, Evans focused on responding to concerns about 1.0 shipping costs by putting the small pack delivery component out for bid for the first time. A UPS/U.S. Postal Service partnership offered the best solution.

**HANDLING THE DOUGH**

The biggest challenge for Evans from the beginning, though, was the financial component. To meet GSUSA requirements, Evans created custom software that tracks orders and payments, as well as generates reports for GSUSA, Evans, and Little Brownie Bakers, which is the cookie supplier for orders placed through the website platform. The baker uses the data to generate just-in-time cookie deliveries to Evans' Melvindale facility from its bakery in Louisville, Ky. The custom software also provides weekly secondary reports to 60 Girl Scout councils.

In addition, data from the financial system is constantly "pushed back" to each Scout's Web dashboard so she can monitor orders as well as track shipment and delivery on an estimated 240,000 total transactions during the last quarter of 2015 and the first quarter of 2016.

"It's still an evolving process," notes Sean Mueller, director of customer solutions at Evans. "We're always tweaking and improving the data collection and working to make it more automated."

The data from the transaction software is linked to the 3PL's warehouse management system and prints directly to the floor. During peak periods, which are predictable based on past history, orders are filled from a dedicated line. Those arriving by 11 a.m. are filled and shipped the same day.

The busiest day found pickers assembling nearly 7,000 packages with an average of six boxes of cookies per package. By late March, shipments had dwindled to three or four packages daily, handled from a line that serves other clients as well.

Evans warehouses no more than one week's worth of cookies at a time and can get an emergency shipment in 24 hours if needed.

"Because of the cookies' just-in-time delivery from the baker, the operation takes very little space. It's more about managing the information flow and providing a flexible, experienced workforce," says Ajlouny, referring to the dedicated cookie team during peak cookie-selling season. That group shifts to other clients with seasonal co-packing programs that run during opposite months.

**A HANDS-ON EXPERIENCE**

Evans recently took the Scout learning experience to the next level by hosting a special digital cookie supply chain event at its distribution facility. About 65 Scouts from eight Girl Scouts of Southeastern Michigan troops attended evening presentations on how the cookies are made and delivered to Evans, and how orders are filled, shipped, and delivered. In addition, each girl picked and packed her own order of three boxes of cookies. The girls picked the right cookie boxes, packaged them and attached the label, and followed them down the conveyor to the back of the UPS truck for delivery to their homes.

"Our goal was to show the girls what happens after the 'click' on the website," says Ajlouny. "We did that and had a good time, too."

Early reports from Digital Cookie 2.0 indicate that sales are up substantially for the 2015-2016 cookie drive over the previous year. With the second selling season wrapping up, GSUSA and its partners will begin preparing for 3.0 by reviewing lessons learned from their second year. They already know that good communication contributes to the program's success.

"We need to constantly communicate because there are so many parties involved, from headquarters to the councils," says Mueller. "Everybody's committed to continuous improvement. We're all working hard to get it done."

"We all understand that this is about the girls and the experience they need to have," adds Narayanan of GSUSA. "We work together to give each Scout an experience that builds her courage, confidence, and character."

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**ASSIGNMENT – Worth 100 points (Case Study Rubric)**

1. Read over the history of the company at <https://www.girlscouts.org/en/about-girl-scouts/the-girl-scout-difference.html>
2. Prepare a research paper with the following elements:
	1. Overview of the company history – include company’s mission statement and core values
	2. Answer the following:
		1. The Challenge
		2. The Solution
		3. The Results