

To put this into perspective, all of our competitors only have a single distribution facility, and the vast majority of them outsource that facility to third party shipping companies. We had big goals, and we executed on them.

Being the largest distributor of emergency preparedness products in North America wasn't satisfying enough for us (and how far we've come, with your great support, having launched from a 2-bedroom apartment in 2008). We wanted to be more, to capture the full essence of the human spirit that always strives to be better, even when you might already be the "best in class" (our personal biased opinion, of course).

In addition to launching our two-day delivery as a standard shipping speed, we re-engineered our food pouches and the specialized packaging materials used that help give the product our amazing shelf-life guarantee. Our packaging strength and durability already exceeded industry standards, but we wanted to make it better, stronger, more puncture resistant, all while continuing to use food-safe USDA and FDA approved materials.

Among many other things we also increased our amount of inventory holdings. We wanted our Kansas City and Richmond facilities to carry a bare minimum of 4-weeks of inventory at any given time, while our Salt Lake facility would carry a bare minimum of 60 days. The industry standard is 2 or maybe 3 weeks of "safety" inventory.

But, as we are now in the middle of the single largest run on emergency preparedness supplies I've seen in our entire company history, we find ourselves deploying every emergency protocol we've ever devised to continue to make it through this incredibly high demand.

Bright and early Monday, January 27th, we started calling all of our suppliers. Everyone, from the rice supplier, to the broccoli supplier, to the company here in the United States that manufactures our exclusive Alexapure Pro Water Filter. We pulled forward all of our future purchase orders and instructed everyone to start sending us as much product as you can, as fast as you can. We placed additional purchase orders with all of our suppliers and partners and put a rush on them, wanting to make sure we could secure all of our raw materials as quickly as possible because we internally predicted that this was not going to slow down any time soon. As of today, it has still not slowed down and we are still receiving orders at a rate (sometimes up to 12x normal volume) than we normally would see for this time of year.

By Tuesday, January 28th, our Kansas City and Richmond facilities were already sold out of several of our most popular products and we were forced to temporarily suspend our two-day delivery guarantee. That's right, within three days we had sold out of what would normally be a month's worth of inventory.

By the end of the day on Tuesday we had our food manufacturing facility running 16-hour days, six days per week (when we normally run 8-hour days, 4 days a week). By Wednesday morning we had literal convoys of semi-trailers headed to our facility from all across the country, carrying everything from green beans, potatoes, pastas, rice, strawberries, oats, and much, much more.

Since this crisis began our entire team has stepped up. There has been more

than one day within the past week where I personally haven't left the office until after midnight. The dedication and loyalty to serving you, our wonderful customers, is echoed throughout the company. Everyone from every department is working countless hours in order to serve you better as we make it through this massive backlog.

We've talked to all of our competitors, and we are pleased to learn that even during this delay we are still delivering orders to customers faster than anyone in our industry. We're pleased to report that 50% of orders that are placed on our website are still being shipped within 24 hours. While on rare occasions some orders may take 7-10 days to ship while we wait on additional inventory, even those orders are still reaching customers faster than anyone else.

Is that good enough? The short answer is no. While we built a larger safety reserve than anyone else and launched multiple distribution centers to enhance speed of service, a crisis like this still shows us how vulnerable we are, not only as a company, but as a Country.

We've already made the decision internally that once this crisis passes and we are able to get back to normal operation that we will be increasing our inventory even further so that we're better prepared for the next time there's a run on survival products. It's happened multiple times throughout our history (although never to this extent) and it will happen again in the future. You have my personal commitment that we will learn from this experience and make additional investments in our collective future.

Won't you join me?

The question we're asked every single hour is, "should I place my order now, or wait?"

The answer is a very clear one – place your order NOW! Reserving your place in line only will ensure that you get these products faster, as we do expect to reach a point where orders may be delayed even further. The absolute smartest thing to do is to act now! In addition to reserving your place in line, getting your orders placed now also helps us communicate to our supply chain increased demand, which keeps everything running smoother.

For those of you still waiting on an order that you've recently placed – we hear you, and please trust that we are working diligently on getting this to you as quickly as possible.

How the story of the coronavirus outbreak will end, none of us know. Some folks are extremely nervous, while others believe this is no worse than the annual flu. (Though it's been said repeatedly that you don't quarantine tens of millions because of the flu). One thing is for certain. It has served as a very somber reminder of how fragile life can be and how important keeping an active mindset of preparedness can be to our survival.

From the folks here at headquarters, to the hard-working employees and suppliers that live in almost every State of this wonderful Country of ours, you have our most sincere thanks for your business and support.

In Liberty,
Matt Redhawk