


CRAIN'S

IF I KNEW THEN...

In this ongoing series, we ask executives, entrepreneurs and business leaders about mistakes that have shaped their business philosophy.

Rashim Oberoi

PRESIDENT, SIMPLY7

By **Nicholas Sakelaris** |  @Reporternick1



About the company:

Oberoi started [Simply7](#) because he wanted to make more natural, on-the-go snacks for health-conscious consumers. The products have zero trans-fat, no preservatives and are gluten-free.

The Houston-based company launched in 2011 with lentil and hummus chips and has since expanded to quinoa, kale and veggie chips. The products are available at several major grocery stores, including Walmart, Kroger, HEB, Safeway and Target.

The Mistake:

In 2014, Simply7 launched the quinoa chip, a healthy, all natural snack made from quinoa grains imported from Peru and Bolivia. This was a huge step for my company and we grew accordingly to meet the increased demand.

We weren't even close.

The quinoa chips flew off the shelves faster than we could make them. The demand was more than double what we expected.

We had to scramble to get more quinoa, which isn't easy since it's imported from South America. It really put a burden on our production line, too. That in turn put stress on our sales team, who had to tell customers their delivery would be a few weeks late.

We had to expand our assembly line quickly, which required flying in parts and machinery from all over the world. Any downtime from a broken machine put us more behind.

Overall, it was a strain on our entire company because we didn't anticipate the popularity of the quinoa chip.

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The Lesson:

When it came time for Simply7 to launch the kale chip in late 2015, we took a totally different approach. It started with our suppliers.

Instead of ordering what we might need, we made sure the suppliers could scale up quickly if needed.

We've also added a storage facility where we keep the raw materials in case demand spikes beyond expectations. That allowed us to order more raw kale, for example.

Kale is growing in popularity to the point where it's mainstream. But there's still not enough raw supply in the market. Using the lessons we learned from the quinoa launch, we've been able to source enough kale, store it on-site and produce enough chips to meet demand.

As a business owner, you have to learn to plan for the unexpected with your employees, your suppliers and your customers.

Simply7 has more than doubled in revenue every year since it started in 2011 and currently has 100 people working at the plant in Houston.

Follow Simply7 on Twitter at [@Simply7Snacks](#).

Pictured: Rashim Oberoi. Photo courtesy of Simply7.
