How Tabs Chocolate Improved Profitability by 9.4% with Data-Driven Financial Decisions

"I wish I had found Finaloop earlier. The software is killing it for multi-channel brands and is a HUGE upgrade to our bookkeeping process, giving us visibility into real-time, granular P&L and Cash Flow data across all channels."

Oliver Brocato,
CEO & Founder, Tabs Chocolate

Case study

Highlights

Challenge

- Wanted to be as hands-off on the numbers as possible and focus on the marketing side
- Lacked accurate financial data to make fast decisions
- Needed more visibility to identify how much they should pay their creators
- Had no real-time views into how price changes would impact their bottom line

Solution

- Onboarded in 10 minutes to Finaloop's real-time, ecommerce bookkeeping service
- Within 24 hours, Finaloop reconciled all the financial data. After a 1-hour meeting, all open items were closed
- Instant visibility into previously hidden expenses
- Saved significant time on admin tasks so they could focus on revenue growth

Results

15%

Increase in monthly sales by identifying real-time results of split-pricing testing

9.4%

Increase in net profit by identifying impact of discounts and extra costs

7+

Hours saved a month on admin tasks

Full ability to make on the fly, data-driven decisions

Optimized marketing budget and tracking of creator payments

Meet Tabs Chocolate

Tabs Chocolate—a direct-to-consumer chocolate brand that contains effective ingredients to enhance your sexual experience was founded in 2021 by two University of Michigan undergrads.

Tabs—now run by Oliver Brocato—a 21-year-old serial entrepreneur and a viral marketing pioneer—grew in its first year from 0 to 100k+ customers without spending a dollar on paid ads. Tabs scaled to $11 million in just 18 months!

Oliver attributes this rapid growth to his unconventional marketing strategy—focusing only on User-Generated Content (UGC) and influencer partnerships on TikTok. Oliver also utilized a well-structured funnel that prioritizes a luxurious brand identity to attract consumers willing to pay a premium price.

> I'm all about creatives and branding, and want to be as hands-off as possible when it comes to the numbers while still having the financial visibility I need.

tabs

The Challenge

With his sights firmly set on reaching $100m in revenue, Oliver is hungry for innovative ways to achieve revenue growth, including upsells, subscriptions, and drip campaigns.

His comfort zone was marketing and wanted to be as hands-off on the numbers as possible. Instead of dealing with the bookkeeping he constantly was making decisions based on gut feeling instead of actual data. This worked in the early days but not when each mistake cost him thousands of dollars.

As a young founder, with tangible goals for his brand and more than enough cash to make it happen, he found himself hitting a major blocker along the way. He lacked the accurate financial data he needed to make FAST decisions that would actually help grow his profit.

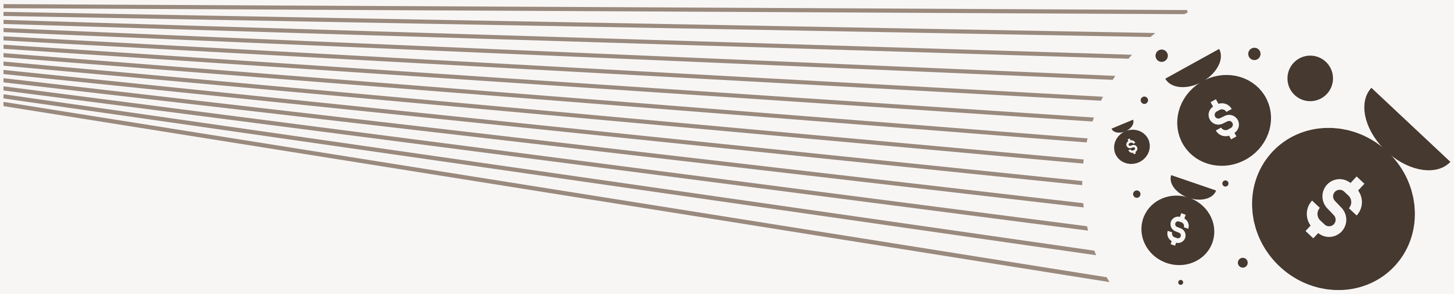
There were 2 major areas where his lack of financial visibility resulted in delays or making inefficient decisions for his growth:

1. Marketing budget

Having masterminded his unique marketing strategy on TikTok, Oliver was all about bringing on more content creators as fast as possible.

But his marketing strategy was new, with little comps out there about what he could and should pay the creators. As opposed to traditional paid advertising which comes with established recommendations for marketing budget allocation, this was a whole new ballgame for Oliver.

Without financials he could rely on, he had no idea how much he could actually afford to pay his content creators and affiliates and was left to pull numbers out of thin air, based on nothing but gut feeling.



2. Setting pricing

Oliver also faced difficulties when setting optimal product prices. With no competitors, Tabs had no price anchor available. Oliver set his price at $19.99 per chocolate, establishing his brand as a luxury product. Despite the fact that the price was set without financial back-up, surprisingly, the price point worked.

With the high customer demand, Oliver tried to split-test new prices. He needed to understand how any price increase would impact his margin in order to set optimal product prices. But he couldn't trust the accuracy of the numbers he was getting from his bookkeeper.

With ambitious goals of scaling up Tabs and expanding the businesses to customers outside of the US, as well as diversifying product lines to include new flavors and new markets such as CBD, Oliver needed a solution which showed him the real breakdown between his gross revenue and net revenue, and his real-time COGS (Cost of Goods Sold) per SKU, rather than basing his numbers on pure guesswork.

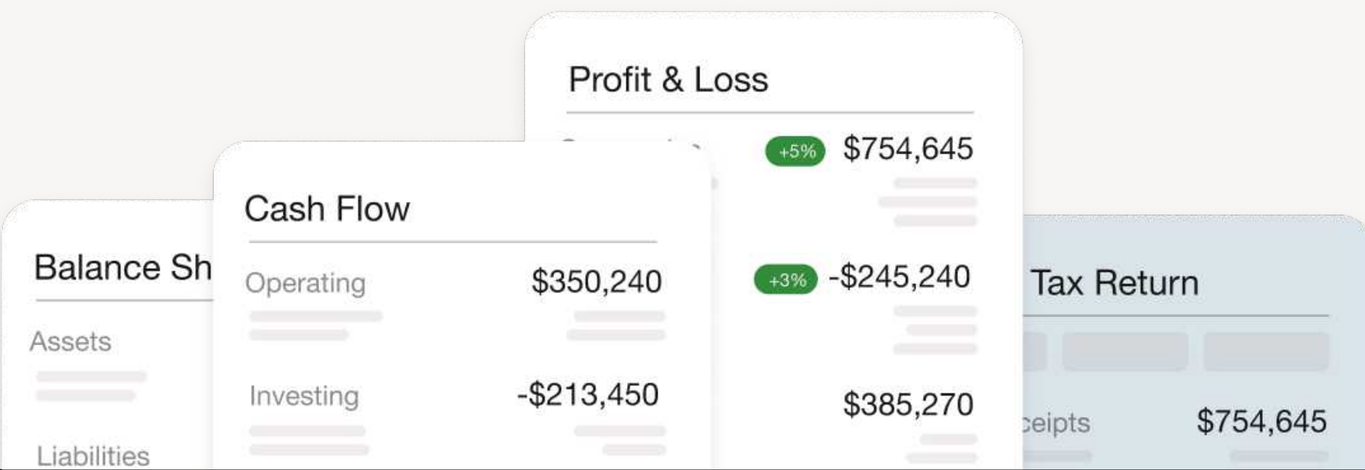
The Solution

Oliver heard of Finaloop from fellow 8-fig brand founders he was in touch with. He reached out to see how Finaloop can help him scale by giving him financials that wouldn't slow down his lightning-speed business decisions and execution.

He was skeptical at first, having only worked with old school bookkeeping firms and not fully realizing how many errors and inaccuracies were hiding in his old books. Finaloop walked him through his old financials pointing out a significant amount of errors in the numbers. It was a scary reality call, but he onboarded to Finaloop that day and never looked back.

Within 24 hours, without any form of payment, Finaloop reconciled and categorized his financial data. He also worked with his Finaloop Onboarding Specialist to walk through his numbers and get everything set up accurately from Day 1. The walk-through was eye-opening.

Finaloop identified areas he had little visibility into beforehand - such as the significant impact his discounts were having on his bottom line and certain expenses he wasn't fully aware of until he saw the direct impact on his financials.



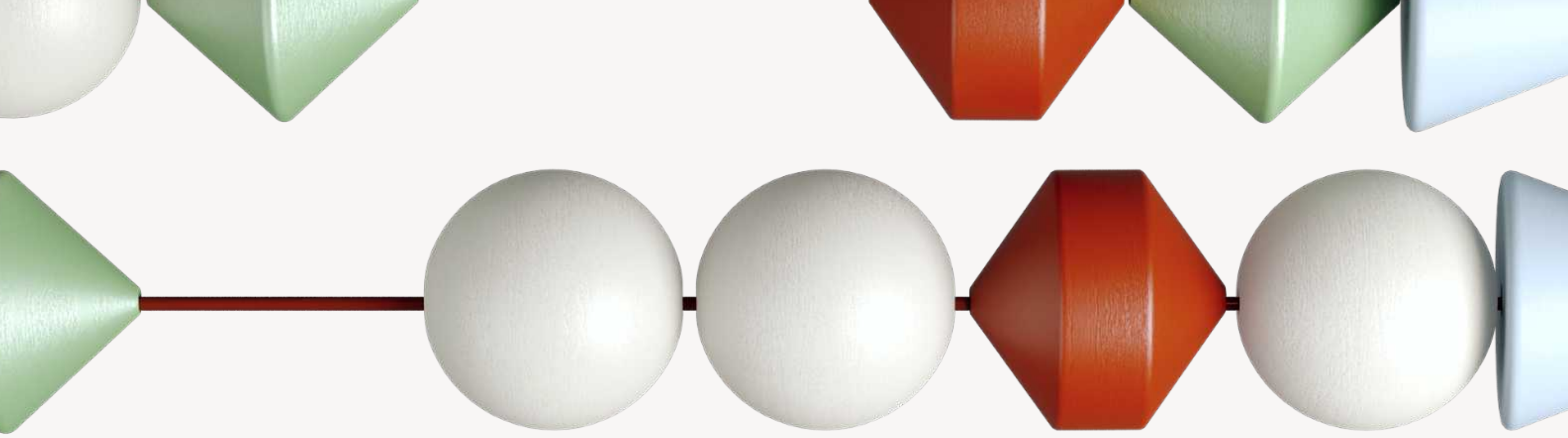
The Results

After the 1-hour meeting with his Onboarding Specialist, he had access to Finaloop's real-time inventory and COGS tracking, sales channel integrations, real-time P&L, cash flow, and balance sheet, and AI-driven expense categorization. Now, the Tabs team spends only 20 minutes a month on bookkeeping tasks and Oliver has all the data he needs to make more data-driven decisions.

> "Transitioning to Finaloop completely changed the role financial data plays in my decision making process. The software seamlessly automated the entire bookkeeping process, eliminating the human error factor almost entirely. The real-time updates on financial status were incredibly valuable, and gave me a clear and up-to-date picture of the business's financial health."

Within just a few weeks of onboarding, Finaloop helped Tabs:

- ✔ Increase monthly sales by over 15% by identifying the best price point based on real-time results of split pricing testing
- ✔ Increase net profit by 9.4% by identifying impact of discounts and unnecessary costs that were hidden in the financials
- ✔ Save 7+ hours a month on admin tasks
- ✔ Optimize marketing budget and track exactly how much they were paying per creator, allowing more visibility into the bottom line impact



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