



i-parcel™

# Minnesota business finds the picture-perfect solution for cross-border commerce

How LemonDrop Stop solved sour currency, tariff and tax issues with a streamlined international commerce solution from UPS i-parcel.



## Case Study: LemonDrop Stop®

LemonDrop Stop's eye-catching designs drive a thriving photographic backdrops business where cross-border e-commerce could reach 20% of web sales within the next two years.

### Challenge

Growing cross-border sales wasn't so easy for LemonDrop Stop. The company originally encountered problems with international fulfillment and returns. Worse, online systems didn't accurately calculate international costs, leading to a shock — a huge unpaid tax notice.

### Solution

UPS i-parcel introduced an end-to-end cross-border solution which eliminated fulfillment and returns issues while enabling an international checkout custom built to meet the needs of global shoppers. Front-end website solutions offered currency conversion, international payment options, and all taxes, duties and fees displayed at checkout.

### Results

- Fully trackable, affordable international delivery in 5-8 business days
- Local currency conversion
- Duty and tax calculated in the shopping cart
- International return solutions

# A world of opportunity for LemonDrop Stop

International expansion has long been a company's most rewarding, yet too-often untapped, resource. Although U.S. export goods totaled \$2.1 trillion in 2011, small-to-medium-sized businesses were responsible for just a third of that, according to the International Trade Association.

For Floyd Baker, COO, and Jessica Baker, president and CEO of LemonDrop Stop, the decision to "go global" initially strained their resources — and their patience.

The husband-and-wife business, based in Monticello, Minn., sells photographic backdrops domestically and abroad through its lemondropshop.com website. But its international business was plagued by taxes, and bookkeeping and accounting hurdles.

"I was spending 90 percent of my time working orders outside the U.S. that were only 10 percent of our business," says Floyd Baker.

The photography supply shop needed to refocus.

With little experience in international commerce, the Bakers outsourced fulfillment to warehouses and vendors in the United Kingdom and Canada. Instead of doing it themselves, they batched orders and sent them to companies in these two countries for processing and shipping.

The sourcing strategy had no shortage of problems. While the Bakers could get orders out in two or three days, the fulfillment partners usually took a week or longer. Returns were a challenge, often taking weeks to manage. Worst of all, a checkout system failed to accurately calculate the full costs of shipping, tariffs, duties and fees.

Things truly soured for LemonDrop Stop when the company learned it owed \$50,000 for underreported Canadian duties and taxes while expecting a \$2,000 refund. This small business faced the possibility of years of legal hassles.

## UPS i-parcel to the rescue

To overcome tariff and tax issues and grow the international business, the UPS Customer Solutions team recommended the innovative UPS i-parcel currency and payment management system that enables localized shopping and shipping for global consumers.

"UPS i-parcel can transform any e-commerce merchant into an international company," says Brian Ritchie, a UPS senior account manager. "It's a cost-effective, end-to-end global solution for companies like LemonDrop Stop."

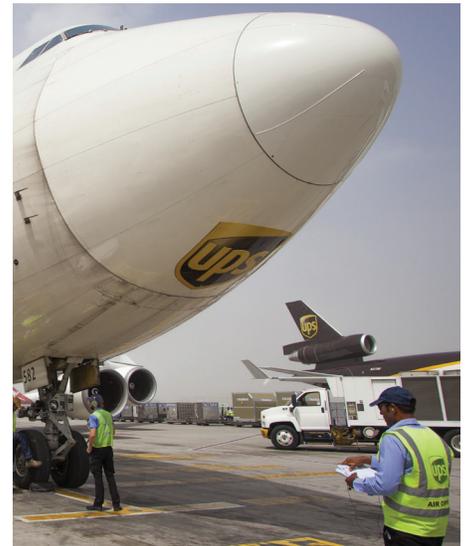
With minimal upfront expense and easy setup, the UPS i-parcel solution can instantly enable an international shopping experience by adding code to the merchant's website. It streamlines the management of currency conversions and international payments, customs documentation, and all taxes, duties and fees. Businesses can offer a localized experience on their international websites, supporting customers in 100 countries with more than 70 currencies.

The end customer's experience improves. Processes, including tracking and returns, run smoother. Risk diminishes. It's a cross-border solution with a tailored experience that feels as natural as shopping in your home country.

"We spent a lot of time learning how to export internationally," says Baker. "Today, I let the experts do what they're good at, and I do what I'm good at — branching out into related products we didn't have time to touch before."

## Cross-border solutions for a connected world

LemonDrop Stop credits Ritchie and his Minneapolis team — UPS Solutions Manager David Zanko, UPS International Account Manager Dan Toellner, and UPS i-parcel Product Development Manager



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— Floyd Baker, COO, LemonDrop Stop

Doug Takeuchi — with making cross-border troubles melt like... well, lemon drops.

"I'm ecstatic that I learned about UPS i-parcel," says Baker. "And I did a little happy dance when I received a notice from the Canadian government that we no longer owe taxes there."

"This solution shows UPS's deep understanding of local economies, and the needs our customers have in those markets," says UPS i-parcel Marketing Manager Kevin Wasik. "We recognize the opportunity for our merchants and also the complexity of going global."

"Regardless of what countries your orders are coming from, UPS can provide e-commerce solutions that really enhance the customer experience. We do so much more for customers than shipping," he says.

Like taking away cross-border headaches. For good.

Ready to start or grow your cross-border e-commerce business?

Contact your UPS account manager to get started. Visit [i-parcel.com](http://i-parcel.com) to learn more.

