

SUPPLY CHAIN NIGHTMARES

OCTOBER 2026

★★★★★

"I'd give 0 stars, but apparently that's not an option. No order. No refund. No reply."

— Jordan E. · Customer reaction

★★★★★

"The hype got me. Never again. Warning everyone I know before they lose their money too."

— Morgan F. · Customer reaction

HANGING BY A *THREAD*

A viral brand, a six-week collapse,
and the operational gap that caused it.





LOOSE THREADS SOLD OUT IN 48 HOURS. SIX WEEKS LATER, IT WAS OUT OF BUSINESS.

The product was good. The marketing worked. The storefront never went down. The brand died anyway, and it died for reasons you can audit in your own operation before your next big week.

Loose Threads is fictional. The sequence is not. Every failure below repeats across growing brands every year.

If you don't run drops, read "drop" as "your busiest weeks of the year." A holiday peak, a Black Friday weekend, a wholesale reorder cycle – any stretch where demand concentrates against a date you cannot move puts the same machine under the same load.



Mia C.

Support request

My confirmation said 3–5 days. It's been two weeks. Can someone tell me when it will ship?

Awaiting reply



@ella_today

X

I was going to talk to someone in store but LT store near me is closed??? what a joke.

♡ 5.2K

Loose Threads is a fictional brand built to reflect real ones. Every failure in this story is drawn from patterns that repeat across growing brands every year. The company, its people, and its numbers are illustrative; the outcomes are not. Loose Threads does not depict any specific company, and any resemblance to one is coincidental.

Customer results are from published Deposco customer success stories. Shopify is a trademark of Shopify Inc.



CHAPTER 1:

THE PLAN

Four people, one heavyweight hoodie, six months of work. They committed to 9,600 units: 7,200 to a fulfillment warehouse, 1,600 to three retail partners, 800 still on the water. They listed on a marketplace to catch what the site wouldn't.

Every decision was correct in isolation. What nobody wrote down was how four channels would agree on how many hoodies existed. The website knew. The marketplace synced nightly. The partners worked from a spreadsheet. The warehouse counted the shelf.

Four systems, four answers, no referee. What could go wrong?

CHAPTER 2:

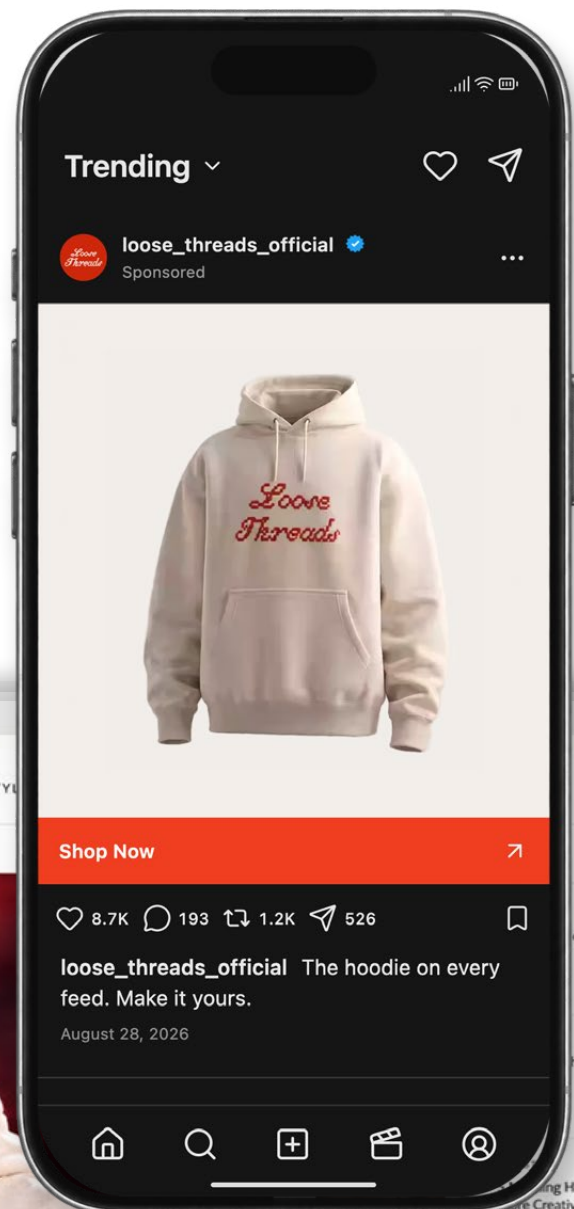
THE MOMENT

The drop went live at noon. 1,600 units in the first hour – a record. At 11:47 that night, DJ Phoenix wore the hoodie on stage in Atlanta. By breakfast, the clip had six million views.

The storefront held. Traffic rose fortyfold in eight hours, and the commerce layer did not blink. Pages loaded, checkout cleared, POS kept selling, customer profiles stayed unified. It captured demand without dropping any of it.

By Saturday, the founders had sold more in 48 hours than in the previous fourteen months. They pushed more inventory into the marketplace, told the partners to take what they needed, and ordered 4,000 more units from Portugal.

They had no way of knowing they had just sold the same hoodies three times.



CHAPTER 3:

THE NUMBER THAT WAS WRONG



Nothing crashed. No alert fired. The website showed 1,360 units left and sold 1,360. The marketplace showed 800 and sold 800. The partners drew against their allocation. Every system behaved correctly according to the number it had been given – and all three numbers pointed at the same hoodies.

Across the website and marketplace, Loose Threads took orders for 9,520 units of a hoodie it had 7,200 of. A 32% oversell. 2,320 orders with nothing behind them.

An oversell is not a failed transaction. It is a successful transaction against nonexistent inventory. The founders learned about it from the warehouse, on a Monday, when the picks came back short.

CHAPTER 4:

THE ORDERS NOBODY COULD FILL

The second failure is worse than the first. Loose Threads had inventory that it never shipped – 720 units in a partner's stockroom, the 800 that cleared customs Tuesday, and returned stock in a bin by the door.

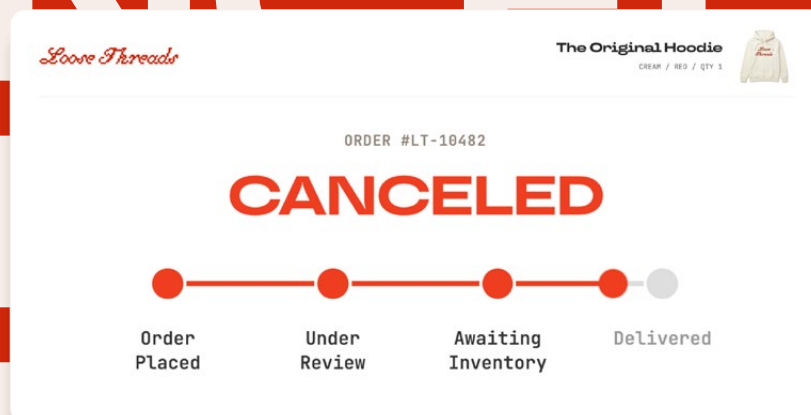
None of it could be reached. They had excellent order capture and basic routing rules. When the one designated location ran out, the queue stopped. Not because the goods were gone, but because nothing in the stack knew to ask what else was available.

Meanwhile, the warehouse was built for 60 orders a day and is staring at a backlog of over 2,000. No wave logic, no scan validation, no way to prioritize by promise date. Temps were hired and handed a paper list.

Three categories of failure:

- ✗ orders that couldn't be filled,
- ✗ orders that could have been,
- ✗ and orders that couldn't get out the door fast enough.

Only the first is a real shortage. The other two are infrastructure, and together they were the largest.



CHAPTER 5:

THE FALL

2,320 cancellation emails over four days. Honest ones, which did not help. The customer does not care about a sync interval. What the customer reads is: you took my money for something you didn't have.

Confusion first. Then, screen recordings of order pages still show "processing" 18 days later. Then, a creator with 400,000 followers reading her cancellation email on camera – the best-performing content the brand ever produced.

On day sixteen, the comments stopped saying "delayed" and started saying "scam." Nobody using that word was lying. From the outside, a brand that charges you and doesn't ship is indistinguishable from one that never intended to.

No customer will ever hear your explanation. Only the result is public, and the result looks like dishonesty.



"Still advertising a restock while our orders never shipped? SCAM behavior. Stay away."

— Nina B. · Customer reaction



"My tracking has said "label created" for nine days. Support keeps sending the same reply. Where is my order?"

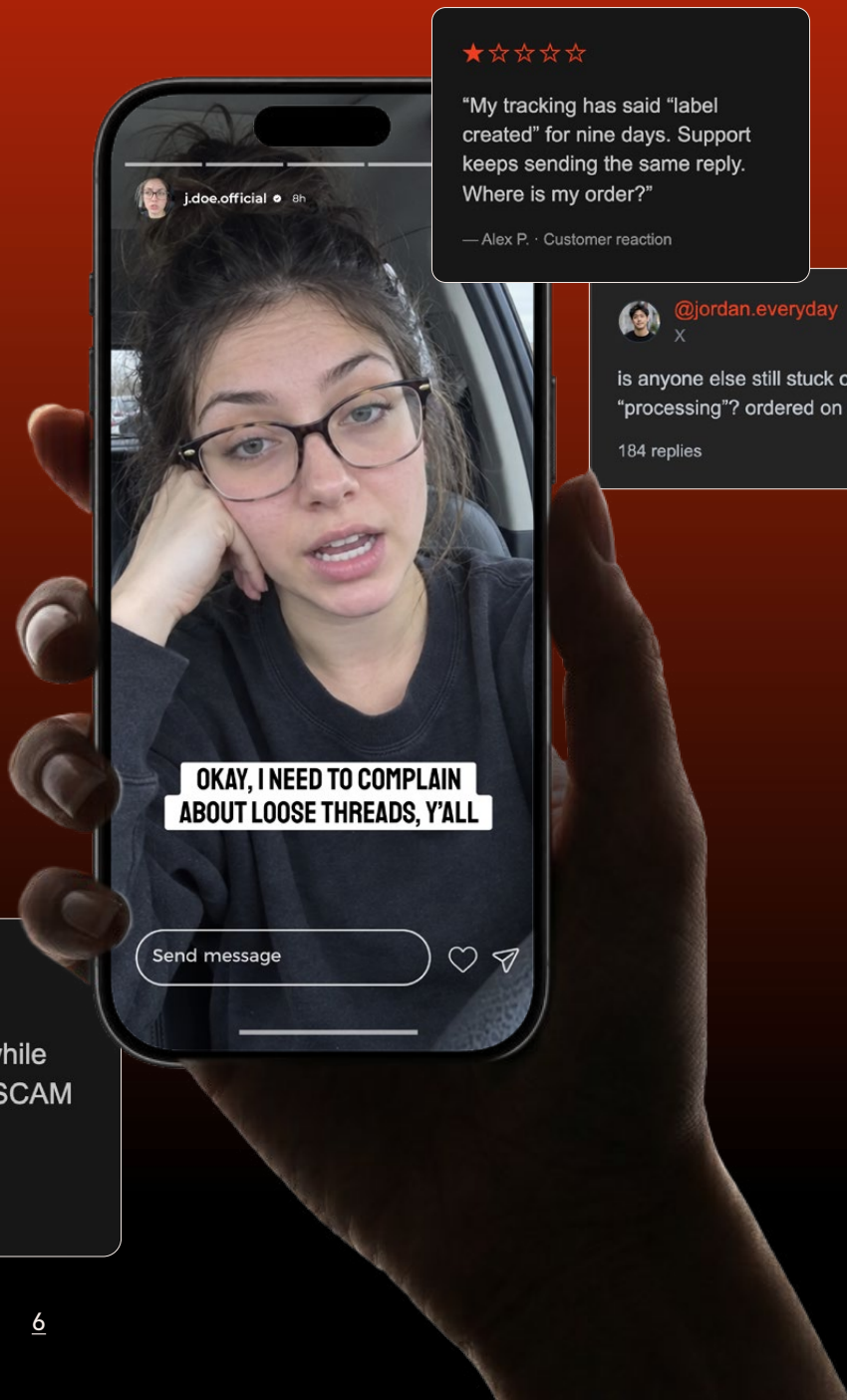
— Alex P. · Customer reaction



@jordan.everyday
X

is anyone else still stuck on
"processing"? ordered on

184 replies



CHAPTER 6:

LOOSE THREADS



On day twenty-three, they paused the store to catch up – right operational call, fatal business one. Attention doesn't wait and doesn't come back on request.

Chargebacks landed. The marketplace suspended the listing on fulfillment metrics. The retail partners stopped reordering – quietly, the way a retailer stops when a vendor becomes a risk. The warehouse invoice exceeded the month's net revenue because handling is billed whether or not it results in a shipment.

Six weeks after the biggest day in its history, Loose Threads was done. It had 5,600 units of an excellent hoodie and a name it could no longer use.

The demand was real. The brand was real. The failure was everything after "Add to Cart."

REWIND:

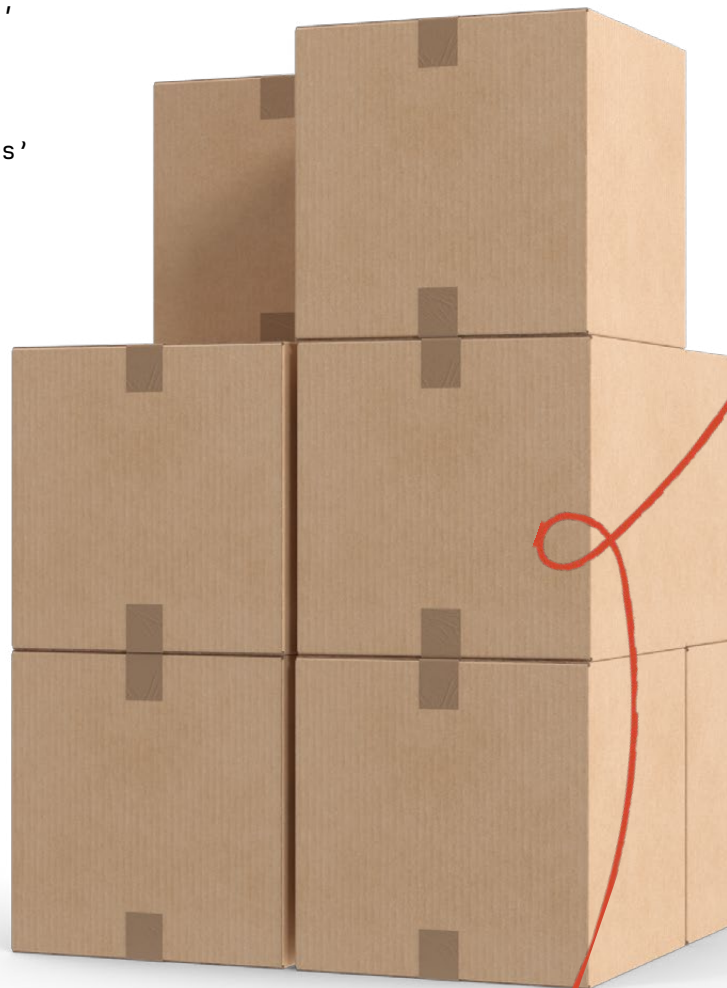
THE SAME DROP, BUILT DIFFERENTLY

Same hoodie, same clip, same 9,600 units. Change one thing: put an operational layer under the storefront. Shopify stays the platform of record – storefront, POS, checkout, order capture, identity. Deposco sits beneath it, synced bi-directionally.

The inventory question. Instead of four numbers, one, then divided on purpose. Available-to-promise is calculated for each location, but no channel sells against it all. The website and marketplace each get an allocation. The partners' 1,600 is channel-fenced. A buffer means the storefront never promises its last unit.

Why the oversell never starts. At the peak, a hoodie sold every few seconds while the marketplace worked from a count eleven hours old. Here, every sale draws down the same figure, and the storefront refreshes about every 5 seconds. The most it can be wrong by is a unit or two, and the buffer covers that. When a channel's allocation is spent, the listing flips to sold out. Nobody has to catch the oversell. The system never lets one start.

The orders get filled. The 720 units at the partner are visible, so they're sellable. Routing sources from the closest node with stock. Ship-from-store turns a retail location into a fulfillment point. Returns and the late container join the pool on receipt. The brand doesn't run out – it reallocates.



The warehouse holds. Orders arrive prioritized. Wave and batch picking replace the paper list. Scan validation catches what new temps inevitably miss. Deposco customers run 99%+ order accuracy through exactly this kind of swing.

The margin holds, too. Rate shopping at allocation, zone-skipping, and multi-node sourcing against a promise date the operation can actually hit.

And the sellout works for the brand.

The creator posts an unboxing instead of a cancellation email. Every hoodie that lands on time is proof that the brand is real, and everyone who missed out becomes someone who won't miss the next one. "Sold out" stops meaning they took my money and starts meaning you had to be fast. The four-thousand-unit reorder that was dead stock is now inventory for drop two, with buyers already waiting.

Beat	Without an operational layer	With unified fulfillment
Inventory	✗ Four systems, four numbers	✓ One ATP figure, segmented by channel
Selling	✗ Oversold 32% on the hero SKU	✓ Sells what exists, everywhere it exists
Routing	✗ One location; queue stops when it empties	✓ Sources from the closest node with stock
Stores	✗ Sales channel only	✓ Fulfillment node – ship-from-store, BOPIS
Warehouse	✗ Paper picks, accuracy falls with headcount	✓ Guided picking, scan validation, balanced labor
Shipping	✗ Single carrier, flat rate, static promise	✓ Rate shopping at allocation, dynamic promise
Outcome	✗ 2,320 cancellations and a dead brand	✓ A sold-out drop and a second one to plan

Every row is the same drop. The only variable is what was underneath it.

SUCCESS DELIVERED

BRANDS THAT RAN THE SAME DROP AND SURVIVED

The rewind is not hypothetical. Three Shopify brands hit the same wall and came out the other side.



PSYCHO BUNNY started Shopify-first with one store and basic inventory, then scaled to nearly 150 locations globally.

A light ERP left the gap open: “We were selling inventory we didn’t actually have in stock.” After Deposco, short ships fell 90% – from 10% of orders to 1%. Available-to-promise stock rose from 20% to 30%, with 60-70% of store inventory now sellable. Mid-Black Friday, with the season going badly, they opened store inventory to fulfillment and hit revenue targets through flexible routing. Same trapped inventory as Loose Threads, opposite outcome.



FEATURE, a Las Vegas sneaker boutique, ran 98,000+ SKUs across five unscalable inventory systems, resulting in overselling and chargebacks as the steady state.

Deposco went live remotely in under a month, the day the legacy system shut down. Overselling and chargebacks eliminated. Order accuracy up 125%, daily shipments up 52%, SKUs managed up 78.3%. Segmentation now lets them allocate to stores deliberately, rather than defaulting everything to the website.



DIME BEAUTY runs about 90 SKUs against nearly a million DTC orders a year, plus Amazon and Ulta wholesale.

Their exposure came from product bundles – a kit sells, and the component stock behind it has to move correctly across every channel at once. That is inventory math that belongs in a master system, not in a storefront. Deposco became that master beneath Shopify, and then added deliberate control over what each channel sees: “Now with real-time master inventory updates, we can even set buffer levels, like pushing only 96% of stock to Shopify, which helps prevent stockouts.” Daily picking and shipping capacity up 232%, from 10,275 units a day to more than 34,150, with inventory accuracy held at 99.5%+ and indirect labor costs down 14%.



WHAT A DROP ACTUALLY REQUIRES

Five things have to be true before the countdown starts – or before your next peak, if the concentrated version of your year is a season rather than a day.

1.

One inventory number, everywhere, in real time. Can you state right now how many units of your hero SKU are sellable across your whole network?

2.

Routing that can ask a second question. Can a store fill a web order today, without anyone making a phone call?

3.

A warehouse process that survives new people. Does your accuracy hold when you double the pick team?

4.

Shipping decided at allocation, against the promise. Do you know how many orders last month arrived earlier than the customer needed, and what that speed cost you?

5.

The ability to allocate on purpose. Can you decide in advance which channel gets which units – and hold some back?

DON'T BE THE NEXT LOOSE THREADS.

The uncomfortable truth in the Loose Threads story: the thing every founder is working toward is also the thing most likely to end them.

Loose Threads did almost everything right. They made a product people wanted, earned a viral moment most brands never get, and chose a commerce platform that performed flawlessly under forty times its normal load.

They just never built the execution layer that turns a sale into a shipment. That gap is invisible while you're small, which is exactly why it's dangerous. A great front-end does not warn you.

See what your back end is missing. Book a live demo and walk your next drop through the five requirements above. You'll know within the hour which you actually have.

Already on Shopify? The Deposco Fulfillment app is on the Shopify App Store at apps.shopify.com/deposco – real-time inventory sync and order routing, no sales call required. Most Shopify + Deposco implementations go live in 90 days or less.

