

“A new wave of enthusiasts”: Demand spike in US supplement sector creates new opportunities amid COVID-19

23 Apr 2020 --- The COVID-19 outbreak is giving a boost to some nutritional businesses, with Virun Nutra-Biosciences stating that now is a “great time to start a new brand in the supplement space.” The California-based dietary supplement manufacturer has scored US Small Business Administration (SBA) funding through the Paycheck Protection Program with the help of East West Bank within just 18 hours of submitting its application, which is in sharp contrast to previously reported issues surrounding SBA funding in the nutrition sector.

“I have noticed a new wave of supplement enthusiasts who did not exist before and this is exciting. The pandemic has taught people that dietary supplements are not all snake-oil products. A lot of supplements are backed by peer-reviewed, published data, clinical studies and patented technologies. My guess is that there was at least a 30 percent increase in new consumers who purchased dietary supplements that hadn’t before,” Philip Bromley, CEO and Co-Founder of Virun, tells **NutritionInsight**.

Notably, COVID-19 has spotlighted the immunity-boosting potential of a range of dietary supplements, such as [vitamin C](#), [vitamin D](#) and [zinc](#).

The coronavirus pandemic has greatly affected the fundamental questions of “when,” “where” and “how” of Virun’s business operations. The company has begun operating seven days a week to safely stagger smaller crews to abide by the State of California’s social distancing guidelines and to meet the demand for products using the company’s patented delivery system technology.



“Due to COVID-19, our current facility in Pomona is bursting at the seams. Before the outbreak, we had a total of 25 employees in manufacturing and R&D at our facility in Pomona. Since then, we now have 53 employees and are hiring more staff every week. We just acquired a new 50,000 square-foot facility nearby. This is where our new headquarters is likely to be located and the move is about 18 months premature from our initial plans.”

“I have noticed a new wave of supplement enthusiasts who did not exist before,” Bromley affirms.

people as we possibly can. There are a lot of people out of work and we are hiring employees, paying high salaries and [providing] good benefits. With the support of East West Bank, we can make this happen,”
Bromley maintains.

Setting things in motion

The Payment Protection Program offers loans designed as direct incentives for small businesses to keep their workers on the payroll. The SBA consequently forgives loans if all employees remain on the payroll for eight weeks and the money goes toward paying payroll, lease, mortgage interest or utilities.

However, many members of the nutrition industry have [struggled to take advantage of this scheme](#). According to a Natural Products Association (NPA) survey of its member companies’ experiences, 95 percent of natural products businesses have had their small business loans applications rejected.

Due to the bank’s “focus on precision,” Bromley notes that Virun was able to skip the dreaded queue many other businesses faced and received an SBA loan within 18 hours after submission. The move was notably a group effort. Aside from the vigorous support from East West Bank and the company’s own financial team, Virun’s investors at private equity firm Bluestem Capital also utilized their experience in helping Virun assure the information received by SBA.gov was in a format that SBA.gov would have expected.

The SBA funds have allowed Virun to maintain its current employment status with 100 percent used for payroll. “We are following the guidelines set forth by the SBA.gov and PPP program. This further allows us to utilize existing cash flow to increase our capacity, hire employees and scale-up operations to maintain demand with hospitals and over-the-counter (OTC) distribution,” Bromley explains.

“All this makes me remember when this company was just myself and my partner. It’s nice to see that blank canvas and be able to illuminate change once again,” he concludes.

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