



BRAND SECRETS AND STRATEGIES PODCAST #44

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #44

Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

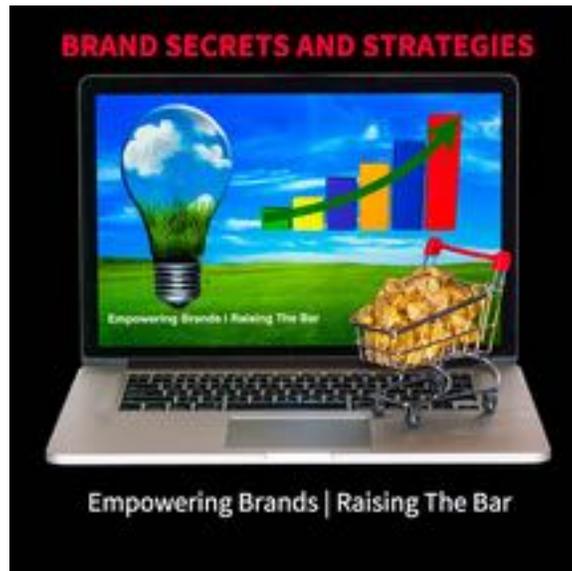
I'm your host Dan Lohman. This weekly show is dedicated to getting your brand on the shelf and keeping it there.

Get ready to learn actionable insights and strategic solutions to grow your brand and save you valuable time and money.

LETS ROLL UP OUR SLEEVES AND GET STARTED!

Dan: Welcome. Today I'm gonna share with you the audio recording of the Category Management Association Natural & Organic webinar series. This is the fourth webinar that I did for them.

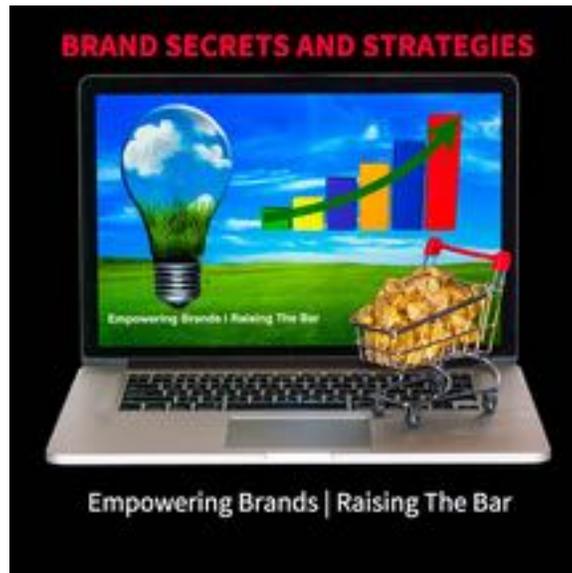
Marti: Well, we appreciate everybody joining us this morning. Thank you for coming to the CMA webinar. This is our final series: What is the future in brand strategy for National Organics? Our final in the series for Natural & Organics that are really interesting. This one's



gonna be different today. So, again, I appreciate all of you who are joining us today. This is gonna be led a panel group, panel discussion led today by CMA Natural & Organic advisor, CPSA Organic & CPG Industry advisor, Category Management Solutions, Dan Lohman. He has managed to gather a lot of great people, companies. You're going to hear about some of their trials and tribulations and be able to talk with him at another time as well.

This Natural & Organic series, this is the fourth one. We've had four. The first one was: Removing the myths, understanding the organic and natural trend, because we know there's a huge headache out there in the Natural & Organic world. We've also had Bill Bishop, Brick Meets Click, and talking about creating brand strategies that drive sales at retail. We've talked with category partners and learning about organic sales beginning in produce. So today is a panel discussion talking about the future of organics and natural. Remind you of the CMA, the Category Management Association, and Sharper Insights conference that's coming up right now. It's coming up May 7th through 9th at the Gaylord Opryland in Nashville, Texas. Yes, you do still have time to sign up. You should. As Dan and I were talking earlier, it is a huge way to network and talk to people that are in your own business. So having said all that, we really appreciate everybody joining us today.

I'm going start off. Alex Hanifin is the CEO of Alpine Start. Alex is a native of Boulder, talking from Boulder today, has spent the last 10 years in natural products industry, growing brands and



launching new products. Robbie Vitrano will be joining us possibly at the end of the session. Of course, we all know how the fires come up in the day so he's taking care of that. He is a CEO, co-founder of Good Spread, an organic food brand that activates solutions in the global malnutrition crisis. We also have with us today Megan Reamer who's the co-founder and CEO of Jackson's Honest. Megan and her husband, Scott, started Jackson's Honest as a way to share their son Jackson's story and the delicious snacks, so always I get hungry in these things, potato chips, tortilla chips, so forth. Chuck Muth is a senior leader with strong background. He is currently the chief growth officer for an innovative plant based meat company called Beyond Meat, based in El Segundo, California, I don't know if I pronounced that right, Chuck, El Segundo, California.

Chuck: You did.

Marti: Thank you. First off, we're gonna start off with Dan Lohman. Dan, if you want to move everything along and let people talk about themselves, you're on now. So thank you.

Dan: Thanks.

Marti: And real quick, though, I am gonna have handouts on the screen a little bit later, about halfway through the presentation. People will be able to pick up information on each one of these companies and their people. Thank you very much. Thank you, Dan.



Dan: Thanks, Marti. I appreciate it. I want to start by saying thank you to everyone who has shown up today. I especially want to thank all the panelists for being here, especially on late notice, and I want to thank the CMA for giving me the opportunity to help bring this message to your audience. As you know, I'm the first CPSA. The point being is that I'm well rooted in category management. And by the way, if you get a chance, I would highly recommend that you attend the conference. I'll be speaking there. Make sure you say hi.

So with that, I'd like to start out by asking all the panelists to frame a little bit about the category that they play in, about their brands, some of the struggles that they have, and a little bit about their mission. So, Megan, you want to go first?

Megan: Yeah, sure. I'm happy to start it off. Thanks for having me here today. Again, I'm Megan Reamer, I'm the co-founder and CEO of Jackson's Honest. And as Marti mentioned, we founded Jackson's Honest and started it really with this intention around sharing this really specific dietary need really that we had in our own home for our son Jackson. He had this undiagnosed, rare autoimmune disease for many years, and I'd say at least 10 years before we were able to name it and identify it, and we watched these symptoms increase and this slow regression happen, and we needed to change his diet around to address some of what we assumed and later realized was this inflammatory process.

And so what that meant was really a paleo and ketogenic diet, and trying to find foods that lined up within that space 15 years



ago was a challenge, and so we ended up making many of the foods you see now on the shelves at home, broth, jerky, sauerkraut, fermenting kombucha, all of that stuff, and these chips were one of the things that we made from scratch because we were specifically looking for a certain type of fat to use, and they were along the saturated fat spectrum, and we were specifically using coconut oil for reasons I won't go into here, but they were very different the polyunsaturated vegetable oils that we were finding in other foods.

And so that's really how we started making them in the first place, and then as time went on and we started to see some of those other foods that we were making at home pop up on the shelves, we just weren't seeing these chips. And so my husband and I decided to launch our own company and tell our son's story through this product and now kind of the extension of other products. And so what we started with, potato chips cooked in organic coconut oil, we not make tortilla chips and are launching grain-free puffs within the next month.

And so that's some of the background about how we came to be working within the salty snacks space, which is, as I'm sure you all know, a highly competitive and fast-moving and high-velocity category. And so for us I think one of the challenges we've had certainly initially was just speaking to what that differentiator was in our product, right? Why coconut oil, why that mattered, and why we weren't the only people looking for it, why it was a much larger demographic than we expected it to be when we launched.



And certainly, then I think buyers have at least initially realized whether people are looking for that particular fat and that particular product and kind of existing in this better for you space within that aisle.

And so along with selling that story and really convincing buyers that that was the case and that people did want a different option down that aisle, we also had to talk about pricing and accepting that our pricing as a premium product is going to be different and that philosophy around that with how we're approaching and what we're offering customers is not going to be a race to the bottom, but needs to be this mutually supported action within that retailer and within that account. So there's a space to embrace that premium pricing and bring this more economically-diverse customer to that aisle and increasing the penny profit in the same manner and typically increasing the basket size and kind of bringing this novelty-seeking customer back into that aisle and hopefully extending that into other categories within that store as well.

And so I think I can dive into different pieces of what some of our challenges have been. I think there's a distribution challenge, a significant one that we faced in working with more conventional retailers and how we get product there. But I'll stop there and just allow the space for everybody else to introduce and speak to their products as well.

Dan: Thanks, Robbie, and thanks, Megan. Do you want to go next, Alex?



Alex: Hi. Sure. No problem. Thanks so much for having me. I'm really excited to share some of our story with everybody. Yeah. So Alpine Start, we're a premium instant coffee. We've been around for about two years, and as of right now, we're in the coffee set, the coffee channel in the store, and coffee has been a really fun category to play in, everyone loves coffee, it comes in many different kinds of forms, and whether it's an ingredient or just your regular coffee in the morning and there's so many different ways from beans to ground to instants, and different formats, too. So packaging is also a really big play in the coffee category.

So it's been really fun for us to kind of learn a little bit about that. And the instant in specific within the coffee set has really been kind of outdated, if you will. No one has really touched it in a while. And when we look at competitors, it's also very interesting because we've got the natural channel, which is made up of Mount Hagen and a few other kind of imported coffee brands, and then when you look into the conventional channel it changes a lot. It goes all the way to Folgers and Maxwell House and Starbucks. And so from a competitive kind of strategy, it was really interesting for us to sort of look at how we play against everybody, but also be very channel-specific as well.

And so, yeah. I don't know. We kind of landed on the single-serve idea was kind of where we wanted to play, just the convenience factor. We're very much a lifestyle brand as well. So the usage of our product, we encourage people to take with them on adventures. So whether you're backpacking or hiking or you're



traveling is sort of where it all began. And one thing that I think is super interesting that I think a lot of us probably share in common is you don't really know out of the gate who your competitors are or kind of what the behavior is totally going to be. You can sort of guess as best you can with data and market research and focus groups and whatnot.

But until you're really in the market, you don't totally know really what's going to happen or how the market is going to react. And so for us it's been really fun to just sort of throw our product out on the market and say, "Okay, what's our innovation opportunity? Who are we actually taking market share from?" And we learned actually that instant isn't just our competitor. It was Keurig and cups and all the other single-serve components. So we kind of had to kind of broaden our view of, "Okay. How do we want to speak to our consumer?" And so, yeah. That's kind of been our latest insight. And, yeah.

Dan: Great. Thanks. And by the way, you're going to hear a common theme here how entrepreneurs are usually solving a problem for their self first. Chuck, would you like to go on? And I know that you are the entrepreneur that made the product, but the reason I wanted to have you on is because you've got a different perspective and you're the one that's, I don't want to say pouring gas on it, but really helping to accelerate it and get it in more stores.

Chuck: Yeah. Thanks, Dan. And to your point, I'm the only non-entrepreneur on this call, on the panel I should say, and although



I've worked with many entrepreneurs over the years, I feel very privileged to be associated with them, because I think they're a special kind of person to begin with because you're putting really everything into the business yourself. I mean literally everything. So I do have an incredible respect for entrepreneurs. But I am more a professional manager. I've spent most of my career on the beverage side, and including managing Coke's venture and merging group, which is their entrepreneurial brands that they acquire for sales and commercial. About a year ago, not quite a year ago, I actually joined this amazing company called Beyond Meat.

And so our field or the categories we've competed in are plant-based meat alternatives, and like many other great competitors out there in the space, we initially started as a frozen grocery item essentially. So we were sold in the supermarkets or natural stores, typically in the frozen case with the other meat plant-based meat alternative brands, and the primary shopper for that space is the vegan-vegetarians or significant meat reducers who are looking for protein products, for instance, that they can consume that they can buy. About a year and a half ago we ...

And we're a mission company, so our true goal is to encourage more plant-based consumption of products and, of course, less meat. A lot of reasons for that. We know that from a health perspective we know that plant-based diets are better for you. From an environmental perspective, we also know that the number of animals that are consumed every year, are raised and



then consumed I should say, is both an inefficient food source, but also one that contributes significantly to greenhouse gases. We see reports anywhere from 18% to 50%, depending on who you listen to, but either way, it's a very, very big, significant problem.

And then finally, the animals themselves. There are 66 billion animals a year that are killed for meat consumption. So with that in mind, we know that vegan-vegetarians are already there. We don't actually target with our newest items the vegetarian and vegans. We're actually targeting the meat reducers or flexitarians or what have you. So we introduced a product about 18 months ago called Beyond Burger and it's really been a breakthrough product for us. It is a plant-based burger patty basically that looks just like a beef patty. In many respects, it looks, tastes, feels, texture, smells much like a beef hamburger. So consumers can make that switch without feeling they're sacrificing.

And when we did that we did not want to merchandise in that vegan box. We wanted to bring it to the larger audience, both from business reasons, but also, again, from a mission perspective. So we addressed the meat space, the meat counter itself, and you can imagine the difficulties in convincing a meat category buyer who's probably spent most of their career, if not their entire career selling animal-based products to convince them to actually put a vegetable or based product in that counter. Fortunately, there are some very progressive retailers out there today, and for good business reasons, and among those chains



like Wegmans and Kroger and then Safeway and many others gave us a shot in there and it took off.

So, yes. We're still very strong and natural, Whole Foods is a very, very good partner for us, but we're now selling in over 8,000 supermarkets around the country, most of them conventional. So that's been a big change. And, again, that was our biggest challenge in terms of getting it out there. We now have a new product we just launched called Beyond Sausage, which is just getting out as we speak, and as soon as we can produce enough of it, we'll be everywhere because it's an amazing product and very high demand. So ...

Dan: Thank you I appreciate it. So, again, the common theme is that every one of these brands that you're going to hear in Natural are solving a unique problem, they're disrupting the industry, they're finding a way to connect consumers to what they want, as opposed to just a new flavor or something like that. So let me go on. One of the things I typically start every webinar with, and I wish we could have a show of hands of who's been here, is I typically start with the concept that consumers are confused, as well as big brands, bit retailers, big solution providers. They do not have a clear understanding about natural, non-GMO, organic, clean label. It's critical that everyone on this call understand this and be able to communicate that to their shopper.

One of the things I framed is that it's that organic shopper that's driving sustainable sales across every category. I gave you an example in the 2016 Category Management Handbook. I have



more current information if you see me in Nashville. I'll share that with you. But the point is this. If you remove organic from most every category, every category is flat or declining. Now, what's really exciting is when you pay attention to the other attributes like plant-based, non-GMO, gluten-free, etc., those are driving even more growth to the category. So big brands and solution providers tend to commoditize natural consumers and products. Understanding what makes natural natural is the key to driving sustainable sales across every category and every channel by focusing on the core natural shopper their needs and wants.

So I'd like to make the analogy that like the ripple on the pond this is what's driving all the wellness trends across every category. So the next thing I want to point out is that the core natural shoppers are not clones. We read labels. We look well beyond the four corners of the package before we make a buying decision. Friends and families and recipes are one of the key drivers. That's one of the things that differentiates these brands. So can we start with you, Alex, and could you share with us what your core consumer looks like, what do they buy when they buy your product, and why is that consumer different than, as you said, the consumer that buys the regular stuff, the Starbucks or whatever?

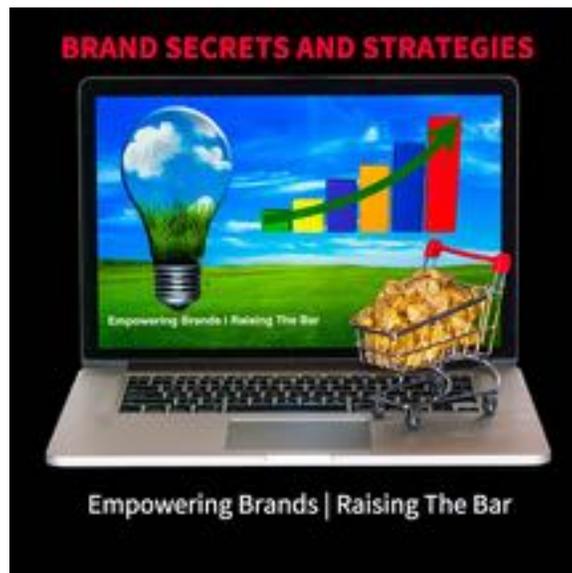
Alex: Yeah, absolutely. Yeah. So I'll kind of start with that first part of just kind of who is our consumer. And the average person drinks three to four cups of coffee a day. And so that was kind of where we always start off is, okay, where are they getting this coffee?



What do they like? And what we really learned was we're one of those cups of coffee. And so when I think when you think about your day, you generally have a cup of coffee in the morning, and whether you like to have a slow, mellow morning, do your French press or share coffee with a significant other or a friend and then sort of start your day, or you're rushing out the door and you're already forgetting something and you're five minutes late. So we kind of say we fall in throughout your day.

So whether you're rushing out the door and you just need a cup of coffee here in just a few seconds, all the way through it comes two o'clock and you just need a pick-me-up, and you've already gone to the coffee shop, you don't want to go spend another four dollars at your coffee shop, or the Keurig or coffeepot at work just isn't that great. We're sort of one of the alternatives to that. So we say we're really for kind of just the active consumer. We've made it accessible in the single-serve packets. You can use hot water. You can use cold water. You just add it to pretty much any liquid. Almond milk is really great. So we've just made it really easy for the consumer who just wants to just continue their day but needs coffee and wants to enjoy something. And, yeah. So that's kind of the usage occasion I would say for who we're targeting. And then in terms of just other brands, we're working on just sort of cleaning up the instant coffee category.

Right now it's just been sort of legacy brands. There really hasn't been any organic options, any clean label options. There's really been no stories or roots in terms of founders as well within the



brands. And so I think that we're trying to relate to consumer who want to know that. And honestly, all the brands that are on this webinar right now I think are very similar in the sense of we're just trying to make a better for you product that doesn't exist at the moment and consumers have been asking for it. And whether it's the product itself or the brand story and the mission and the values that are behind it, I think that both are equal enough. And, as you mentioned, consumers are reading labels and they're reading the copy that's on packaging and they're going to your website and they're following you on Instagram. So they're doing their homework and they're research pretty immediately, and so are retailers I would say.

I think it's equally as important for retailers to do the same thing. It's not just about, okay, cool, there's a gap in the market and we can fill you right here in the shelf space, it's also about what are the reviews in other areas, what are people saying about you on Instagram, what are you doing to help your community and come together. And so I think that that's our biggest standpoint is we kind of joke that we're an outdoor brand that happened to make a really good instant coffee. Andy and I really stand behind that because we want to continue to encourage our consumers to take our coffee with them wherever they go, and I love to hear where they're going, whether that's a fun trip or whether they're camping with their family, those are the stories that make us want to get up in the morning and continue to make this coffee.

Dan: Thanks. I appreciate that. Chuck, do you want to go next?



Chuck: Yeah, yeah. And, as I said up front, our focus has been meat reducers and flexitarians. We know vegan-vegetarians will naturally for the most part gravitate to our products, although some will say that our products look too much like meat, so it's not good, but we know that the will, but only 5% of the US consumer is categorized as vegan or vegetarian. So it's a very small audience. And, again, we're trying to expand the mission. So our approach has been to create products that don't feel like a sacrifice, that feel like for somebody who has eaten meat their entire life, that you could make us, which even if you don't do it every day or ever become a complete vegetarian, you can at least switch a meal out or two meals out or a couple meals out a week center plate protein and it not have to be a steak or a sausage, pork sausage, or a beef patty or something.

So we can provide products and our goal is, very frankly, to make it so you couldn't tell the difference, so you wouldn't be making any sacrifice, and after all, if we could provide a plant-based better for you, better for the environment, better for the animal product that tastes exactly like its animal counterpart, what would be the barrier for you to make that switch? And so we're a continuous improvement company. We have many, we have roughly 30 researchers working on the product itself on a daily basis that are highly motivated, and we are trying to improve the existing products we have and expand into other spaces, into other meat categories.



We're very fortunate right now that at least in the fresh meat space, in the meat counter there are no real competitors today, so I don't face some of the issues that Alex and Megan are talking about right now. We certainly know that will be coming. But for now at least in that space, and I'm excluding the frozen or dairy alternative type of areas, at least in the space we're in right now, really we are the category in that meat counter. So, but it's incumbent on us to continue to make improvements, to continue to innovate, we have a lot innovation in the pipeline, and to continue to meet those consumer needs. Now, I want to add I just saw, it came across my desk this morning, there was a Publix meeting this week where I think they had all their lead category folks there, it was a supplier meeting, and one of the key categories was the plant movement.

I think it was Plant Power or something they called it, and one of the, and I wasn't at the meeting myself but somebody from our team was, and one of the bylines was that they expect this year that they'll have 38% more consumers buying plant-based products than the year before. So that's significant and a significant movement that's happening, frankly, across not just the natural channel, of course, but also conventional channels and retailers are paying attention to it. So it's creating a lot of opportunity and/or organic brands to compete and a lot of the big companies have a hard time doing that on their own. So that's why you see big companies acquiring some of these smaller companies to get into this space and to acquire some of the growth opportunities that are there right now.



Dan: Well said. Thank you for sharing that. In fact, that again goes back to what I was saying earlier that it's these small disruptive brands that are driving sustainable categoric growth across every category and every channel. Megan, your thoughts?

Megan: Yeah, sure. I think I could echo what Alex and Chuck have both said as well, and Jackson's Honest exists in much the same space. I think the way to consolidate that information or present it here is that we believe that we're sitting at the intersection of some major food trends. And so just as why Jackson's Honest started is just as important as how we make our products. And so we're in this story-based economy and it's very much driven by mission-conscious consumers. And so the how and the why around our products matters. It's not just what's the price point and does it satiate a quick snack that I need. There's more to the story, basically. And so, as I think Chuck and Alex and others would agree with, consumers are buying into the brand just as much as they're buying our products.

And so along very dimension that we value as parents and why we started this business, consumers are valuing that as well. And so our ingredient quality and the type and the production methods and the recipes and the transparency and the philanthropy and the mission behind what we're doing. So it kind of for us we feel like we're sitting in the middle of this space that is, to what Chuck spoke to, a plant-based saturated fat that we use, simple ingredients so that it's transparent. They're easy to understand, easy to read. They line up along a lot of different



trends that are happening right now. So paleo, for instance, we offer a sweet potato cooked in organic coconut oil with sea salt.

That's pretty easy to get behind and feel like I don't need to forgo this snack and this salty satiating snack that I like because I can buy this sort of substitute or this alternative choice that meets that need and lines up along these macronutrients, the carb, the fat profile that I am looking for. So there's this sort of intrinsic nutrition and this nutrient density around it with where the ingredients that we are trying to line up all along that spectrum, it's not just what type of fat are we using, it's what type of potatoes, what's the carb source, and that they're heirloom varieties, for instance. And so and then kind of supporting all of that is our story and our mission and why we do what we do.

Dan: Great segue. And so, again, I want to point out that no compromise, that is at the cornerstone of natural. And, again, if you want to understand why natural is natural, it's no compromise, no compromise to the ingredients, total transparency, etc. By the way, I forgot to mention that everyone on this webinar has either been on my Brand Secrets & Strategies podcast and/or will be on in the next few weeks. So if you want to learn more about the brands and their individual stores, please tune into that.

And, by the way, thanks for the segue. So a big part of what makes natural natural is community. Two on the panel were classically trained in the strategies and tactics that focus on the four Ps or what I would prefer to call the five Ps. We evaluate



brands' performance on the same metrics as probably everyone on this call. My point is this. While we do pay attention to profit, natural brands tend to put that lower down the list, as everyone has just said, about mission and purpose for their brand. Chuck, this is why I really want to join the brand, because you're learning how this entrepreneurial spirit works and how these brands function coming as a SVP of Coke to first Honest Tea and now Beyond brand. So could you share what you've learned and your perspective kind of being on both sides of the equation?

Chuck: Yeah. I mean, first of all, working with entrepreneurial brands and brand owners is a lot more fun. I mean for sure. I mean it's just a lot more alive. It comes with challenges, too, but the bureaucracy is not there that you would find in any big company. I'm literally looking at our founder right now just right down the hall from me probably wanting to talk to me. And it's just a very loose culture here, a lot of fun, a lot of interaction, a lot of engagement between everyone. So it's been ... And I've worked not only with Honest, but I also managed all the or most of the entrepreneurial brands that Coke had acquired.

So I got a great opportunity to be exposed and work with all the entrepreneurs that were involved with those brands and they're all special. I mean it's really a lot of fun to work entrepreneurs because they believe so much in the mission and what they're trying to accomplish. Now, it does come with challenges. I'm not going to deny that. And so it's nice to have a good balance of entrepreneur energy and spirit and culture and some discipline

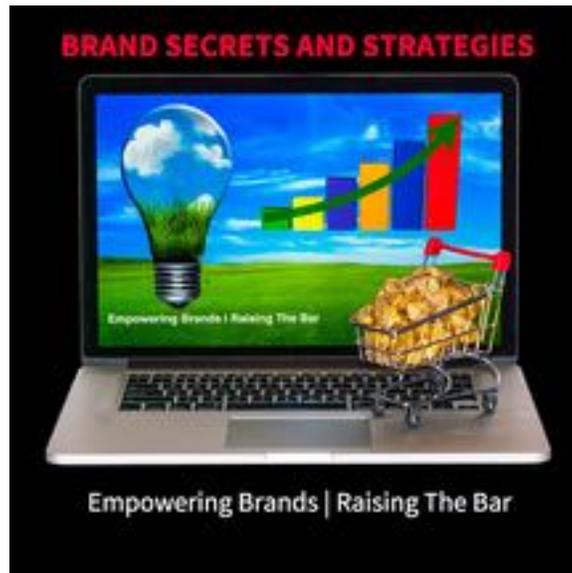


and a little bit of process, which is not always a bad thing, to especially just scale up. As you scale to get bigger, it does require some more processes to manage that business. So that's it.

Dan: Thanks. Alex, your thoughts?

Alex: Yeah. And I completely agree with everything that's been said. I actually came from ... I've been in sort of all situations in the food industry where I've started with startups working directly with the founder sort of supporting them and watching the growth happen in that way. I've been through two acquisitions. So I've gone to both Hain Celestial and also Pinnacle, and I've gotten to experience what it's like to be in larger brands as well where actually founders aren't present, and companies are just now being run by teams and generally have gone through kind of the growth. And, anyways, and then I've also started my own business.

So I've really seen kind of the all the avenues and all the views, and I think one word that you really brought kind of was "community" and I don't know if I would really have fallen so hard in love with the food industry if the community just wasn't so amazing, every company that I've worked for has had that, and I think whether you're the founder or not the founder, we all have a similar passion, which is food, which is great. And there's just so much connection and conversation that happens around food, especially when you're all trying to kind of go against a similar mission or vision, which is to make it a better for you or expanding into a new category that hasn't really been in



existence yet or just trying to make something organic that hasn't been organic in the past.

There's just little milestones, too. That can be very accomplishing. But, at the end of the day, it's a group of people that have made that happen. And, yeah. I could talk forever about how important I think having a strong culture and community is within a company, and founders generally kind of help it, what should I say, kind of expand that or lighten that up a little bit more just because it is kind of their baby. But, yeah. I think just having that mission vision within a company surrounding a good culture and a community is maybe the secret sauce to really having a successful company.

Dan: Absolutely. Megan, your thoughts?

Megan: Yeah. I mean I would agree with Alex 100%. I think that the team that we've been able to build here at Jackson's Honest has been drawn first and foremost to the why of what we're doing and the mission and the story around it. At the end of the day, we all need to try to run a successful business as well. And so balancing the building of that company and that brand, because you are truly in the trenches together working and solving problems every day and bringing your company to the next level, whether it's from a million dollars in revenue to five million the next year and what that means on a supply chain and distribution and sales level, and just I think the speed with which the business changes and the evolution has its own set of challenges.



And so having this core group of people who believe in what they're doing, are okay with putting it all out there, working late hours, truly getting behind this and building a brand that they can see entering the marketplace and changing in the marketplace in the way that it does is empowering, not just for the founders and the people with the original idea, but the rest of the team who's helping execute it.

And so it is its own special culture and I think that for us we've just continued to try to keep that special sauce, as Alex called, just keep that spirit alive in how we've grown over the past several years and how your business has to evolve at some point and some of those decisions that you may need to make that seem like they weren't the ones you would make several years ago, but they're what you're facing now and times change. And so just keeping that core group of people together and the buy-in there is critical. And so I don't know that I've got much more to offer besides what Chuck and Alex have said because it all rings true for me.

Dan: No. That's great. In fact, Alex kind of stole a little bit of the next question. Great segue, though. So let me frame it this way. One of the most important things about community, what makes natural natural, is the fact that we all work together. So Seth Goldman reached out to Ethan and wanted to be a part of Beyond Meat and then he got Chuck involved. One of the stories I was hoping to share today is how Robbie Vitrano, who competes directly against Justin Gold of Justin's, sits down and has coffee



with him and Justin mentors him. Alex has shared several great stories, as you have too, Megan, about how the community comes together. I imagine, Chuck, your older days the Coke and the Pepsi wars. I mean those are not the enemy, but trying to beat those other guys, so to speak.

But the point is bringing quality talented people into your ecosystem to help support you and help you grow your brand and help you avoid some of those pitfalls, that's why I do what I do. That's why we're doing this today and that's why we're doing this webinar. So, Alex, could you start out by talking a little bit more about that? And I'd also like you to get into the Naturally Boulder piece. And the reason that's important is because I don't think a lot of people understand that Boulder is a unique community, and being extremely well-tied to and integrated in Naturally Boulder, you're bringing the industry thought leaders together to help support those young entrepreneurial brands. Alex?

Alex: Yeah, absolutely. And one thing that I would kind of start off by framing it is your career is going to change so much. Mine has over the last ten years all the way from kind of what I mentioned, going through two acquisitions, working for a handful of startup business, but also established businesses, and the one thing that stayed in common, though, which really continued to see that growth in my career was my community and my mentors. They saw my career grow just as much as I experienced and I'll just mention Jane Miller who she's an amazing woman who's been in the industry for, I don't know, much longer than I have, and she



was one of the first female executives at Frito-Lay kind of in the man's world of business.

So she really has had some great experience and some great insight of being a woman entrepreneur and she's just been such a wonderful light that I've been able to follow. And I don't know, Megan, maybe you've had some experience in this, too. But I mean being an entrepreneur, first of all, is really challenging and really hard. There are so many ups and down. There are so many celebrations. But there's also so many pitfalls as well. And that's just kind of the rut of starting a business. And then I'm also 28 years old and also a female. And so I kind of had a lot of things, unfortunately, kind of not necessarily in my favor. I wasn't really being taken seriously. There's just a lot of, I don't know, just kind of judgment that comes long with those things.

And so having mentors was really just the key to continue to keep my head held high and just to have that motivation and to say, "You know what? We're just going to keep going." And I have these people who are behind me and they believe in my. And Naturally Boulder is an organization here in Boulder, and I actually started with the organization kind of right at the beginning of my career ten years ago, and they were very small at the time. We were maybe a couple dozen people just wanted to get together after work and just talk about the industry. And, yeah. Boulder is a very special place.

So we definitely had I think a little bit more of that nurturing sort of mentality to go along with it. And then the mission of Naturally



Boulder essentially was to nurture conscious growth leadership and innovation in the natural products community, and we really stood by that, and as that grew, our membership grew. And so ten years later we've got over 1,200 people who are members. We've got over 70 sponsors that are all within the natural products industry. We have events almost every week I would say, whether they're an education series of learning from some of our local lawyers in town of how to get a trademark or what are some food safety laws that we should all just be aware of all the way to how do you make a P&L and more of the financial side of businesses.

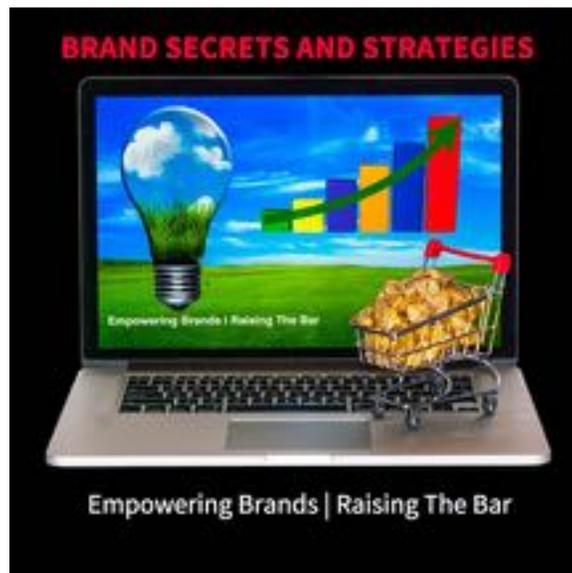
We also just get together sometimes and network and just tell stories and get to know each other. So that I think just highlights the importance of having the community. And when you're a small business, sometimes it's challenging because you don't necessarily have the funds or the financial structure yet to hire the team. And so it's like what do you do? Where do you go? Or it could be the contrary where you work in a very large company, but we all know that sometimes large companies, it's hard to maintain a culture when you have 600 employees, and we all have families and friends and stuff outside of work, so it's hard to kind of keep that going. And so Naturally Boulder was just a really great avenue for the one thing, like I mentioned, when your career is always growing and changing, Naturally Boulder was sort of always there with the same mission, which was just to nurture and to just bring everybody together that wanted to talk about how to grow our natural products community.



Dan: Thank you. In fact, actually, on the podcast that we talked about, as with almost every other podcast I've done, it's all about those mentors, those industry icons. They bend over backwards to help you succeed. They are invested in your growth. Megan, your thoughts?

Megan: Yeah. I mean I think I can piggyback on Alex again here. And, naturally, Boulder has been a fantastic resource for me personally, as well as Jackson's Honest. I have attended a lot of those events that Alex is speaking about. I am part of a CEO sort of round-table group that has been amazingly supportive and helpful and just insightful around ... I think it's really easy as an entrepreneur to feel like you're on this island and that you're navigating waters that no one has ever been through before or how do you do this. And so getting together with this collective conversation and hearing the same experiences and the same challenges from people who've been in the business a long time is wonderfully supportive just emotionally in addition to maybe trying to find an alternative way to think about a challenge that you're going through with whatever it is, freight or distribution or supply chain or sales, anywhere along that business spectrum.

And so I've found Boulder to be, through Naturally Boulder as well as just Boulder as a community, very supportive, a lot of outreach from people who have, again, who have been in this business a long time and have a lot to share and want to share that experience. So I also have sort of these other mini-support groups of co-founders and CEOs that operate different types of



businesses in Boulder, one is a snack food company as well, and she and I get together, she's also a woman, and we get together a lot and just kind of share what we're doing and see if I can help her or she can help me, and it's very collaborative and supportive.

And so I think not just having a mentor who has been in the business a long time and can help understand some of the challenges and how to navigate through them, but a peer as well has been very helpful for me to just find that support along different paths. And so I think that's been a really big supplement and a really big hole that I needed to fill as part of this journey, and once I've been able to plug that in, it's been, yeah, it's just been really helpful in this nice community to feel part of.

Dan: And then it'll also help hold you accountable to what you're working, keep you within those guidelines. Chuck, your thoughts?

Chuck: Well, let me talk about it from several ways. First of all, of course, I've had many mentors through my career. Most of it, by the way, was actually on the distribution side on the Coke bottling side. But more recently, Mark Rampolla, who was the founder of Zico, Seth Goldman, who was the founder of Honest, and now Ethan Brown is the founder of Beyond Meat, have all been inspirations and in their own way mentors for me, even though we have maybe different skillsets, but I've really come to appreciate what entrepreneurs go through and how their mindset is, and I both Alex and Megan are there, and I'm sure many other entrepreneurs on the phone are there.



I know for sure that in Seth and, in fact, it was Gary Hirshberg who was on your podcast recently, Dan, was an earlier mentor for Seth, and then for Ethan Brown at Beyond Meat, Seth was a mentor in a lot of ways. So I think it's good to have someone that's been through that experience or maybe has been there before can help you think through or make some decisions where it's really hard to go to anyone else. And so I think for entrepreneurs finding someone who can be that person for you or persons is helpful. I think, as an entrepreneur, I think your podcast, for instance, is I think very instructional. I think also things like Expo, Expo East or Expo West, Expo West recently, it's great to walk the show and talk to other entrepreneurs, get to know them.

I was asked by a couple of our investors to meet with some entrepreneurs there who were fairly early in their development but were displaying there and to talk to them, and sometimes it's amazing what they don't know yet because they just haven't been through it. So just to sit down and talk to them for an hour and walk through some issues that they're having I hope was helpful for them. There's things like NOSH and there's other events, BevNET if you're on the beverage, that are good to go to because you're surrounded by other entrepreneurs there and you get to ... I think I saw John Craven was on your podcast also.

Dan: Yes.

Chuck: So that organization as well. So I think that's great. And as far as the culture, I think those are good points. I know even when I



was at Coke culture was literally my number one objective, because if you can't get that right, you really can't get the organization to act and behave in a way you want it to. So I know culture is something I talk about a lot, and I don't think I have time here today to talk about everything, but I will say that, and particularly where I'm at, we have people scattered all over the country. So it's really critical for us to have regular connection points where we get together, share stories, share best practices, and then physically get together because you're really alone. Many of these folks are alone. They're out there by themselves. So physical get-togethers where we can have some fun, we can break bread together, we can talk about common problems, we can share best ideas, we can hold each other accountable. So those things are all part of that building the right culture within your organization whatever that may be.

Dan: I would still call you an entrepreneur. So thank you for sharing that. I've got a couple more questions, but we're running up close to the hour. Do you want to open it up, Marti, to Q&A, if there are any questions?

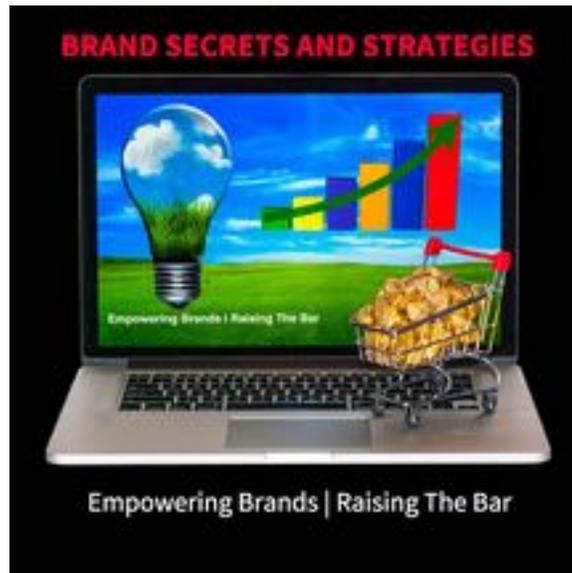
Marti: I was just going to say. If anybody has any questions, throw them on out there. We'll be happy to. And I hope people are seeing the handouts. There's handouts on all of the panelists as well so you can get in touch with them or Dan as well. And, of course, you can come through Member Services at CMA. If there's any questions out there, just raise your hand or put them



in the question box. We'll be happy to take them. Go ahead, Dan, and I'll collect them and see what we've got.

Dan: Yeah. I appreciate. Okay, thanks. Well, one of the other things I really wanted to talk about was the importance of natural being natural, and this is kind of covered in terms clean label, plant-based, and nutrient-rich, etc. One of the next subjects I really wanted to get into, though, was channel. And my point here is that the old way of doing things is you had to get in on a retailer shelf. Well, that can be very expensive, especially for a small brand. And so Robbie has done an amazing job building out an alternative channel, and, Alex, you have as well. Could you share, Alex, a little bit about what you did? And where I'm going with this is that it gives the brand runway to be successful in other places, and that helps grow the brand without putting the undue burdens on it that your traditional getting on a retailer shelf would be.

Alex: Yeah, absolutely. And I know we're running out of time so I'll make this really quick. But we really got lucky. REI is just absolutely the most amazing retailer I've had the pleasure of working with so far with Alpine Start. They took us on very early on and they gave us a national launch pretty much right out the gate and that was really where we just got out start. And there's brand builder categories and then there's also categories where you kind of already have to be established, and I would say that REI is a brand builder retailer, and so that was really great for us. And then also expanded pretty quickly into Natural and Whole

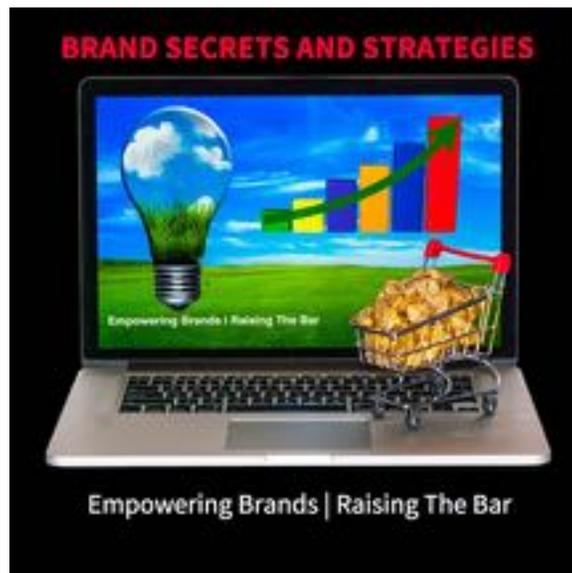


Foods, again, a really, really great retailer to work with, and I would say it's also sort of a brand builder retailer. I think consumers go there to look and they're excited to find new products and new brands.

And then once we sort of did that, we expanded into conventionals. We went into HEB, which, again, could not speak more highly of a great retailer to work with. So then we kind of started dipping our toes into conventional. And then e-commerce is another really big one. And, again, e-commerce is a really great channel I would suggest everybody to at least, if you can't play in the channel, at least learn what you can about it because it's a big behavior if not just a channel. So, yeah. I would say look at your brand building categories or your retailers. And look outside the box, too. I was just approached yesterday by Home Depot. Who would've thought Home Depot would've been somebody who carries it? But it's great.

Dan: That's cool. Megan, your thoughts?

Megan: Yeah. I think that there's been this traditional expectation is you're launching a natural product, organic product that you go down that avenue first that you have to launch in the natural channel and launch with Whole Foods and post good numbers and prove that out in that space before you can even turn around and look at working with any conventional retailers or having it go to market anywhere else, and that has shifted so dramatically that would agree with Alex. You can really think about different channel strategies right out of the gate, and maybe you offer



something through your e-commerce channel that you're offering something differently through Publix or Wegmans or another retailer you may be working with that you offer something different through Whole Foods, and while that can be kind of a larger skew mix than you might expect, there are so many ways to skin the cat I think now in how you launch a product and how you bring it to market that have not been there historically and continue to change pretty rapidly.

Dan: Absolutely. And I know it's not what you're focused on right now, Chuck, but Seth Goldman was telling me that they just got Honest Tea in a McDonald's happy meal, talk about alternative channels. So that's really cool. Anyhow, your thoughts, if you want to bring it home?

Chuck: Yeah. Well, I mean I wasn't here from the beginning, so I have to look back from what people have said, but I know that even for some of the brands at Coke, the [inaudible 00:52:40], I mean natural plays a big role. So I mean I think it could be a mistake to jump to conventional too quickly, particularly if you're in a true natural space, or the folks you have a better concentration of consumers shopping in natural that is going to read labels and understand what you're doing and why you're doing it. So I think building a core consumer base in natural first, and, by the way, at the same time doing e-commerce folks have mentioned, even if you're doing it yourself, I think it's important to build a base, and I would also say that geographically you should build that base.



So build it in your backyard, build it close to where you're at, build it someplace you know before you look at a national expansion too quickly is some of the advice that I've seen through my experience and people I've talked to. I can say that today the world is changing quickly. So while we still owe Whole Foods a lot of thanks, and not only Whole Foods, but many other natural stores I'm sure, I won't mention them all, that have really been the core of our brand. Today we're well-accepted in many other really conventional retailers that are very progressive today, some of them, again, I'm sure I'll leave a few out, of course, Wegmans, but really Safeway, Albertsons-Safeway and Kroger are being very, very progressive today, Stater Bros., some of the retailers on the West Coast, even Wakefern back east and [inaudible 00:54:07].

So there is a huge acceptance today in conventional to get into the space, but I think you still need to build your core first and build it out from there and make sure you have a core consumer base and a story to tell. And, of course, social media does a lot to get your branding out there. We do a lot social media, which is, again, helping build fans and build interest in the brand, which then helps you sell through when you get to retail.

Dan: Thank you for saying that. I'd like to wrap up by saying thank you, everyone, for attending today. Please let the CMA that you like this content, that you want to see more of this content, and this all goes back to what makes natural natural. Now that you understand what makes natural natural, it's going to give you a



competitive edge, it's going to give you an opportunity to help nurture those small brands that are going to help grow sales across every shelf and every channel. Marti, thank you for making time for me. You too, Dianne. And, again, I want to thank Chuck, Megan, and Alex. And I'm sorry Robbie wasn't able to attend. But thank you, everyone.

Marti: I really appreciate this, you guys, a lot of information. I hope you were able to get the handouts or just contact the CMA for more information. It's so ironic that Megan brings up Whole Foods. Alex brings up REI. I saw that at REI myself here in Texas. And Chuck bringing up Beyond Meat in HEB. We've actually seen that there as well. So I really appreciate all the information. Again, you can get on Dan's podcast and hear all the panelists as well. Thank you, everybody, for showing up today. And, Dan, Chuck, Alex, Megan, appreciate your time today. Everybody have a great weekend.

Dan: Thanks.

Chuck: Thank you.

Megan: Thank you.

Marti: You bet.

Dan: Thank you for joining me today. You can download the show notes at [brandsecretsandstrategies.com/session44](https://www.brandsecretsandstrategies.com/session44). I'll look forward to seeing you in the next episode.



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I appreciate all the positive feedback. Keep your suggestions coming.

Until next time, this is Dan Lohman with Brand Secrets and Strategies where the focus is on empowering brands and raising the bar.