



## **BRAND SECRETS AND STRATEGIES PODCAST #132**

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #132

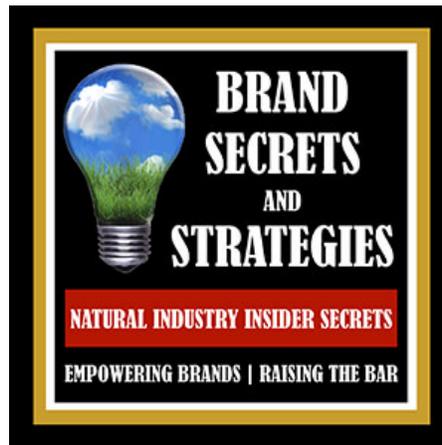
Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

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!**

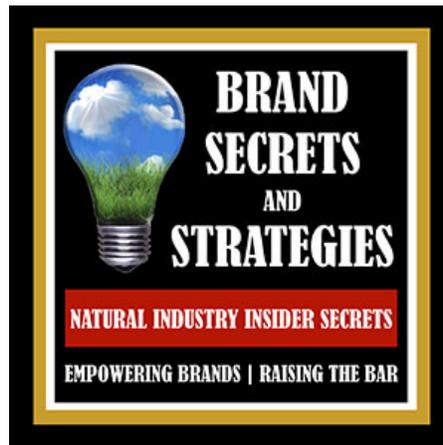
Dan: Welcome. We talk a lot about brands needing to pivot and brands needing to listen to their own heart. Today's story is no exception. This show is about a brand that was doing really, really well and then they hired an expert in the industry to help them grow sales. While the expert did that, it came at the expense of their profitability. Let's face it, retail is expensive. It's pay to play, and the primary reason that most natural brands fail within their first year is because of lack of money, lack of funding. They can't get enough bandwidth or enough growth with what they've got to be successful. From all the conversations I've had with emerging brands, they either lack strategy or fail from following the advice



of someone who tried to be too aggressive, someone who tried to get the brand to grow into too many places that the brand could not effectively support.

That's what today's story is about. This is one of the questions that brands asked me most frequently. I'm routinely asked by brands what my thoughts are about them trying to gain distribution in a distant market, in a market that they don't have the ability to support. A market that doesn't have the infrastructure in place to be able to support the brand and help the brand grow effectively, to be able to support the brand on retailer's shelves and be able to promote and demo the brand as needed by the retailers. Thankfully in today's story, you're going to hear about a brand that was able to make that critical yet difficult decision, to fire their master broker.

Now, obviously I'm not suggesting that master brokers are good, bad or indifferent. What I am saying is that this is your brand and you need to keep your hand firmly on your ship's wheel. It's your strategies, your passion. It's everything that you've put into the brand that's going to help it grow and succeed. The strategies that we talked about here on this podcast and throughout my content and my mini courses are designed to give you the tools and the resources necessary to help you succeed. In my humble opinion, the best of both worlds is for you to have an understanding of what's going on and what needs to go on underneath you, so that you can help guide and direct your team effectively. And this all starts at the top. You've got to know what's possible and what's reasonable, and then you need to help guide your team, both your internal and your external sales team, including your brokers, distributors, agencies, etcetera, to



help execute based on whatever strategies you put in front of them.

Before I go any further, I want to leave a quick shout out to a listener who left a great review. Mike O. says, "Daniel can provide the necessary leadership and knowledge to have your brand grow in a strategic path." Thanks Mike. I really appreciate your review and if you want me to read your review, leave a comment on iTunes, send me an email or leave a comment on any of my posts. Remember, this show is about you and it's for you. If you like the show, please share it with a friend, subscribe and leave a review. I also want to remind you that there's a free downloadable guide for you at the end of every episode. I always try to include one easy to download, quick to digest strategy that you can instantly adopt and make your own, one that you can use to grow sustainable sales and compete more effectively. Remember, the goal here is to get your product on more store shelves and into the hands of more shoppers.

Now, here's Jeff with Bubba's Fine Foods.

Dan: Jeff, thank you for coming on today. Can you please start by telling a little bit about yourself and your journey to Bubba's?

Jeff: Yeah, thanks for having me on, Dan. It's an honor. My journey to Bubba's and to consumer package goods is not a straight line path, for sure. It's been quite the journey. My career started off in the industrial machinery business. My grandfather started a company and we had 12 family members and a family run company making machines and made concrete pipes. That's where I spent most of my life.

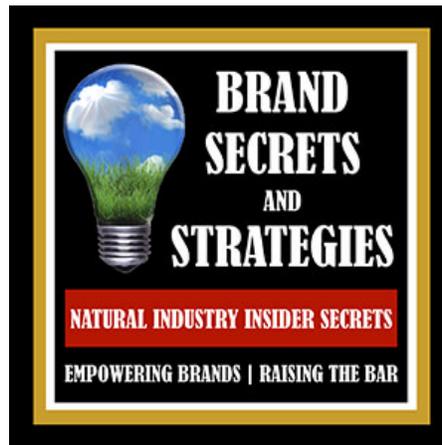


Raised by entrepreneurs, I thought it was normal to go to dinner and draw designs on napkins for machinery and on your vacations go to visit concrete pipe factories. Working a lot and kind of never stopping throughout your day has just been sort of my norm. I did everything in that company from sweeping the factory floor to cost accounting to welding to selling machinery. I got a really good lesson in the manufacturing business through that.

Then we sold that company to private equity in 2007 and I continued to work for the company for a while but then branched out and decided to go pursue something that really, I was passionate about. That was fixing messes in people's lives. I set out to become a life coach to help people with their fitness, their spirituality, their nutrition and stress. Did not know how I was going to go about that, so I started down the path of becoming a personal trainer figuring that would be one component of my life coaching business.

That lead me to crossfit. Within about the first month of me doing fitness training I realized that all my clients were coming to me to lose weight and quickly realized that 80% of weight loss, or body shape change, was not with exercise but with the food. Then I started going down the path of okay, I better figure out the food component just learning myself and reading books.

During this whole time I was struggling personally with Crohn's disease. I had ulcers in my intestine, specifically where the large and small intestine meet at. I spent 10 years struggling with my own health going through periods of just fetal position inducing pain in my gut to losing too much weight. I'm struggling with my own health, at the same time learning about food. I couple of

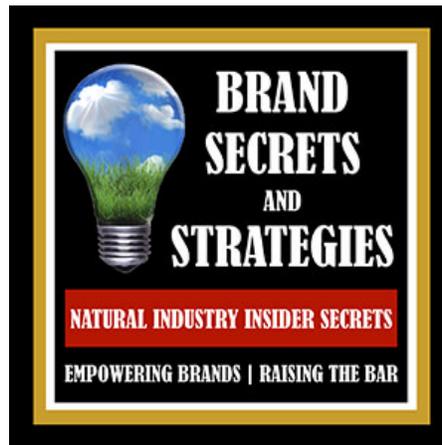


things kind of just started to come together realizing that as I became education that food actually has a significant difference on your gut health and ultimately your overall body health.

I realized that the food I was brought up on, the standard American diet, was more than likely causing my problems and more than likely causing all the problems with my clients who were wanting to lose weight. I decided to experiment with the paleo diet because that was what was sort of prescribed through the crossfit regiment and I was learning that as I was getting into crossfit. I said okay, why not, I'll try it. I had already tried a vegan diet that didn't do well for me with all the legumes. Within one week of the paleo diet all of my symptoms, 10 years of Crohn's disease symptoms went away. For the first time in a very long time I felt really good.

That's when the light bulb went off in my head when it affected me personally realizing that oh, you know what? This food that I've been eating is not designed for the human body. It's designed for taste. It's designed for making money for food corporations, but it's not designed for the human body. That's when I became switched over from victim mentality of oh I'm sick, whoa is me but I'll keep doing what I'm doing to becoming empowered by education realizing oh, I should start eating food that the body was meant to eat. Real food that's not highly processed. Low in sugars.

This big switch went on and I said okay, how can I make a difference with this problem that we have? I feel like my life has been driven by mission of we see a mess, our job as human kind is to fix the mess and bring betterment to the world. You know, our legacy on this earth is to did we make a difference? Did we

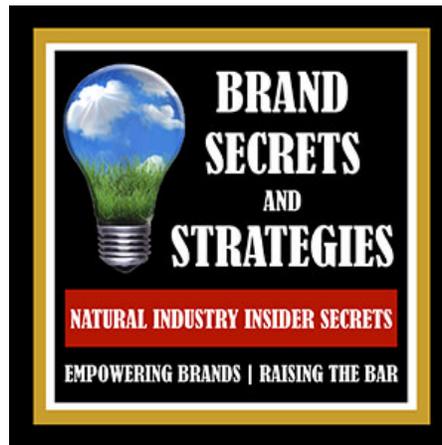


make the world better through our life? I'm thinking about all these things of how can I help with this food system that's really just screwing up our country. I'm missing the foods that I started to give up. I was two years on the paleo diet, feeling great, but missing all my salted snacks. The Doritos, the chex mix, the breakfast cereals that just made up a big part of my diet and I missed that mental, emotional sensation.

Enter my brother-in-law, Jared Menzel, who is my business partner in this company, and he makes a grain free chex mix replacement using low sugar green bananas and nuts and simple real spices. It tastes exactly like chex mix. He brought that to me on a family vacation and I just immediately fell in love with it. You just solved a major problem. You've brought a salty, crunchy snack mix that I've been missing for two years. No one on the market is making something like this. How can I buy this from you? This was on a family vacation that this happened.

Then we just started talking about he could start making it on the side and neither of us had any experience with consumer packed good, but Jared was a Sioux Chef for a well known restaurant so he knew how to make food. We, right there at the breakfast table, we just Googled how do you make packaged snacks and how do you sell the online? We just started Googling how to bring this creating into somewhat of a legitimate fashion to the market.

Realized that for very little money you could start up the food company, and that's key word is start up. At that moment, I said okay, I think we could play around with this. I see a path where I could get back into the manufacturing world which is where all of my experience has been, and see a path where this could be something that could be profitable for us, could fill a major need



in the market. It was at that point we said let's start small and try it out and start to test consumer reactions. That's really the path that it arrived at.

What was interesting was that Jared at the same time, the same time that all this was going on with me and my health history that he was battling Type II Diabetes in early adulthood. He was over 300 lbs and changed his diet per his doctor's request and lost like 150 pounds. He was also, at the same time, on a different path changing his food life because of devastating health circumstances.

Dan: Love the story. Thank you for sharing. I want to back up a little bit and start breaking some of this down. Crohn's is something that I don't think a lot of people really appreciate or understand what it means. You hear about it on TV, yet I know people that have it that it's pretty darn debilitating. It can really have such a dramatic impact on your life. I mean negative impact.

Could you talk a little bit about Crohn's? What types of degrees are there? How does it vary between one person and another person, etc? Just to kind of frame the conversation, what were you going through?

Jeff: Yeah, so Crohn's fits under this big umbrella of inflammatory bowel disease. It often can be difficult for a person or doctor to diagnose what style of inflammatory bowel disease they have. It could be ulcerative colitis, it could be Crohn's. It could just be they don't know exactly what it is, we're just going to call it inflammatory bowel disease of some sort. Very general, it's inflammation of the intestinal tract. Anywhere from the esophagus all the way to the very end.



Crohn's specifically, when it becomes, you start to get ulcers in your intestines. Then it can be anywhere in the intestinal tract, but typically it's commonly where the small and large intestine meet up in a very common place. When it gets bad enough you start to get ulcerations and this leaky gut and they start to heal and they get inflamed. You can get your intestine walls to essentially become so scar tissue that they close up entirely and where you need emergency surgery to remove that section of intestine.

The people who really, really struggle with the disease frequently are going in and out of the hospital getting sections of the intestine removed then patched back together and life can be really miserable. It's got a genetic component, as well. My mother got Crohn's disease when she was about the same age when I got my first symptoms. She had a lot of time in the hospital getting pieces of his intestine removed and she went through a huge learning process before I even got my symptoms. When I started to get my symptoms she was like, "You're getting what I have. Sorry."

She was able to really start to hit me hard on changing diet because that's what ultimately she did. At the time, the doctors who I was going to were not on diet change. It was hey, we're going to treat you with medicine. You're going to have this for the rest of your life. I'm listening to that from that aspect and then I'm listening from the experience of my mother who's like oh, you should change your diet. That's going to be the biggest thing. Changing the diet was really, really hard for me. I would change it for a while, I would feel okay, but then I would go back to eating



the way I used to and cycle in massive amounts of pain as my intestines would start to get inflamed and scar up.

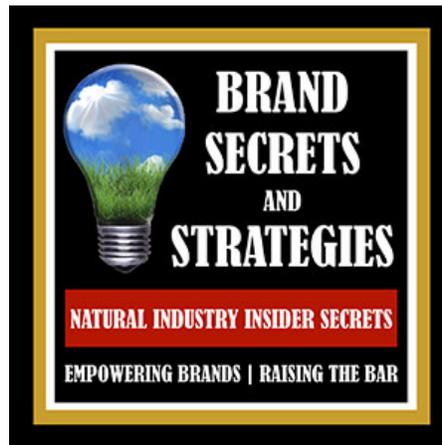
It was 10 years of cycling in and out, in and out because I was unable to leave the standard American diet because I wanted to be a normal American who went to Dairy Queen, at Pizza Hut and had Mountain Dew because that's what everybody else around me was doing and I just wanted to be normal. Yeah, the Crohn's can be extremely debilitating. I was able to manage it fairly quickly with my diet.

Dan: Well, good for you. That's encouraging and it's also interesting that you were told, and this is one of the reasons why I do the podcast. One of the things I love about natural is there's a conventional wisdom that we should treat everything with medications, with prescriptions, etc rather than looking at food as medicine. Thank you for sharing that because I think that's so very important.

Now, the paleo diet. What's unique about the paleo diet that helped alleviate your symptoms and helped, I don't know if it's fair to say cure you but help remedy this problem?

Jeff: Yeah, yeah. Exactly. On the word cure, I don't even view myself as having a disease and I don't view myself as being cured from a disease. I feel like I had a canary in the coal mine who was saying you have symptoms of an improper diet. If I eat a proper diet I have no symptoms. If I eat an improper diet I'll quickly get those symptoms back. It's kind of funny that way.

The paleo diet, the whole gist, the three main elements of the paleo diet is no grains, very little sugars and no legumes. Those



are the three things. The biggest reason why I believe that helped me is it's a very antiinflammatory diet. Very easy to digest foods. Those are the biggest things. High sugar brings high inflammation. I believe it's one of the major reasons for heart disease in our country with inflammation that occurs from that and all the fructose that has to be metabolize and our body struggles to metabolize all that fructose, which causes inflammation.

Then, grains can work wonderfully for some people. People with more sensitive guts they don't work well because they're just harder to digest. Eating lots of vegetables, fruit, meat, nuts and seeds are all generally low glycemic, so low inflammatory and easy to digest and my body just works really well with it. In a really simple term if you look at a dinner plate and say what would a paleo dinner plate look like? Mine looks like half of the plate is vegetables, a quarter of the plate is meat and another quarter is the fruits, nuts and seeds kind of thing. That's in general what it sort of looks like.

Dan: How does paleo differ from Keto?

Jeff: The big thing with Keto is that it's a carb restriction. The biggest difference would be the paleo diet doesn't really concern itself so much with a carbohydrate count for the day. You can do paleo and Keto at the same time. You can do Keto and not be paleo if you're adding in different dairy elements for getting your fats and proteins. The biggest essential part of keto is reduced carb content.

Quite frankly, what I believe that people should do whether they have a health condition, or they don't feel good, or they just want



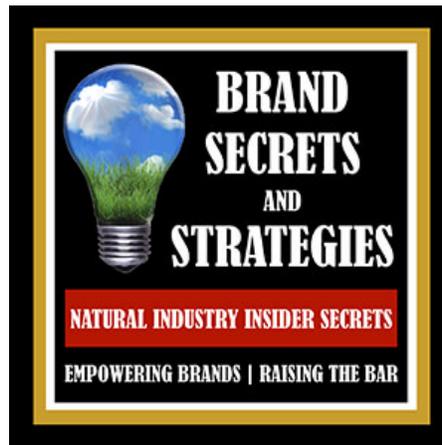
to feel better is to really just experiment with their own diet with N equals one number. You are the experiment and I highly encourage everybody to try a different template for two to three months to see how they feel. Whether that's a vegan diet, a paleo diet, a Keto diet. I highly encourage people to experiment because you'll know. You'll know in three months of trying something how you feel and how that's doing to your body. Your body is very good at telling you things are going well or things aren't.

I really do believe that people are different and not every template, not every diet style may work for a person, so try it out.

Dan: Makes sense. Well, the reason that I asked that question is I was under the impression that carbs also impact inflammation. Create inflammation. Is it your understanding that carbs also impact inflammation?

Jeff: Well, I mean, certainly from the books that I read for the doctors who are Keto fans that's what they say. I have to agree that if that's what their studies have show then they must. From my N equals one experiment when I eat carbs from fruit and vegetables I feel amazing. I do really well with it and the markers, my health markers come out really well with it. It seems to be very good with my body.

I think we're still so much in the stone ages of nutritional research that there's still a lot to know on what is actually happening in our bodies in a negative or positive way. It may not be good for me, it may be good for me. All I can really go from is



from the traditional markers that we can get from our doctor and how I feel.

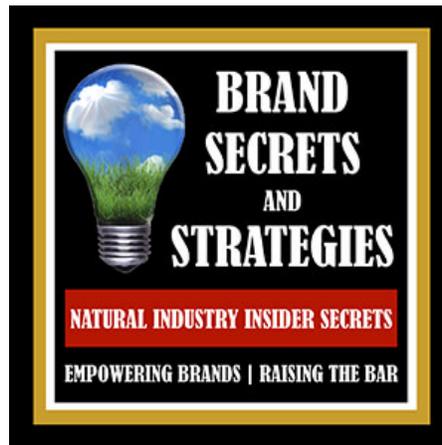
Dan: Right, and the reason why I ask this question is because inflammation is a symptom of a bigger problem throughout our bodies. Foods that inflammation cause a lot of other issues. We could go on for the entire show and talk just about that. Now, you were telling me that Jared had type II diabetes. I understand that there's a sugar component to that, but the other reason I was asking this question, Jeff, is that my understanding is that inflammation is a big symptom of diabetes.

It's the carbs, etc, if you lower that then that helps reduce the amount of inflammation you have in the body. Thus, you're able to heal yourself or get healthier. Does that make sense?

Jeff: Oh absolutely. No, and I'm all with you that inflammation is probably one of the cornerstones of disease in the human body. When your cells are inflamed they are fighting something. When your cells are fighting then they're not working on thriving, they're trying to survive and so it's a completely wasted energy of your body system. Not a good thing.

Dan: No, no not at all. Where I'm going with this is how do you communicate this message through your packaging and through what you're doing?

Jeff: Yeah, you know it's interesting. We really focused on our last, I'll call it my old packaging, talking about food is fuel on the back and try to make a story of that we believe that our bodies are the engines and we need to treat it with fuel. It turns out, we're selling snack food and people are buying snack food for impulse



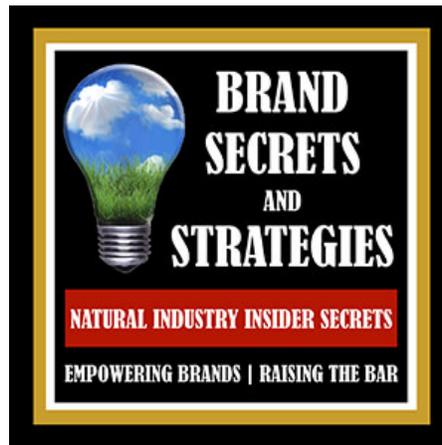
buys because they want something that tastes good. We switched out story with our new packaging that just came out a couple of months ago to be a little bit more fun with it.

As a crossfit coach and a health coach I love to lecture and teach people about nutrition, but we kind of switch gears realizing when people wanted to eat snack food they wanted to eat snack food and they wanted to enjoy themselves. Now, what we talk about is naughty taste and nice ingredients and just try to really break it down to be very simple. We're not doing a lot of education on our package when it comes to hey, you've got to ... This food is bad for you or this food is going to do this to you, whatever like that.

It's more of there's a collective consciousness in our country now that we should be eating real food and not fake food or ultra high processed food. That's our central message. That's what I was missing, that's what I was searching for when I was trying to find a salty snack with something that was made from real food and not a bunch of ingredients that look like a chemical experiment. That's our message in our packaging. Hey, this is going to taste really good, but were also made from just real food.

Try to reduce the complexity of it honestly is what we did.

Dan: No, that's good. My wife calls it frankinfood because you never know what's in it. It's a surprise. You're right, processed foods, I mean they're not good for us and I'm glad that people are catching up with that. I want to go back and tie back into my questions around how do you share that message. At the end of the day, your customer, the consumer that buys Bubba's and understands this is more valuable to the retailer than the



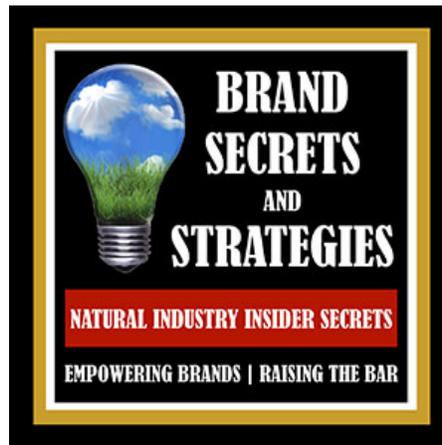
consumer that's just saying you've got a cool package or something like that. Go back to that in a little bit.

I appreciate you breaking all this down. Anyhow, you Googled how to make a snack food and you found out that it was cheap to start your own food company. Now that you've started our own food company, what do you think about that?

Jeff: Our first two years of business we made a profit both years. One, in all my years of manufacturing and helping run our family business that's what you strive for. We set everything up so that we would make money. At that time, those first two years we were making snack food but we weren't growing a brand. Now, I hit my third year and I've started to grow a brand and that's when everything changed and I realized that oh, it was not a lot of investment to start up a snack food company but it is going to take an extreme amount of money to grow a brand.

Dan: Yes.

Jeff: There's a big difference of making snack food and growing a brand. That was probably one of my biggest learning experiences and challenges. When we started out, because I didn't know the CBG space, our initial vision was starting up a website and selling our product exclusively on our website targeted toward people who were doing a grain free diet. That's how I started out. I was very focused. Mostly because lack of experience of knowing where we should go but it also just seemed the easiest. Then things progressed and changed from there and got considerably more challenging as we branched out from just that sales channel.



Dan: You're profitable year one and two because you only sold online. Talk about that. How did that work? Where did you sell your products and how did you connect with the consumer that bought your products?

Jeff: We exclusively advertised on Facebook and Facebook allowed us to sort out who would see the add based on their interest. Anything that was associated with grain free and paleo, cause our target market we just made sure those were the people who were seeing our ad because they were desperate. I was desperate going on a paleo diet looking for salty, crunchy snacks. They just didn't exist outside of kale chips and pork rinds. There just was nothing at that time.

There was a desperate audience who saw the messaging of a chex mix like experience and just bought it from there and repeat purchased through it. During those two years, it started to become less exclusive online because we started to get grocery stores calling us saying, "Hey, we got customers asking if we could stock our product." We started direct shipping to grocery stores in addition to our online shop, which is also very easy busy because there was no distributors involved, there was no free fills involved. It was just shipping out orders to grocery stores just like we were shipping out our online orders to direct customers.

Dan: What was the change? When you said you started building a brand in your three. What caused the change and then why did that suck so much capital out of the business?

Jeff: Yeah, it's interesting. We've been in business almost, it'll be five years in October.



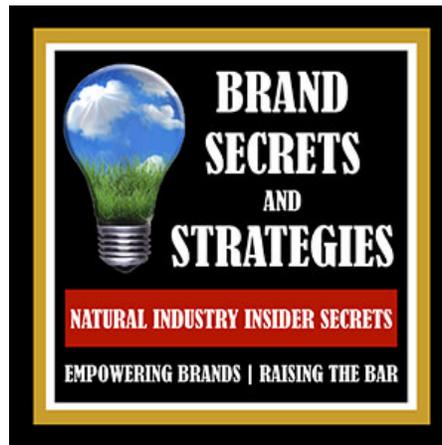
Dan: Congrats.

Jeff: We've doubled our revenue every year through that. It was after year two that we were realizing that hey, we have an audience that likes our product. It's marketable, it's scalable, and only 3% of the consumers are buying their groceries online. They were all being bought in brick and mortar stores. We just got hungry to grow as a company faster. I said okay, well obviously the grocery business is where the volume is so let's start getting into grocery.

One of the real difficulties, the big challenge of starting up this company is finding third party service providers/advisors that you can trust and listen to and who give you good advice. I went through a number of those services that I think I got not so great advice with. One of the first ones we hooked up with a master broker who said okay, you want to get into grocery? That's good. You need to get into distribution. I said okay, well if you can help me get into distribution that would be great, but I really just want to focus on the Western part of the US where I'm at. I wanted to try to start small.

They said, "Oh, no, no. It doesn't matter. You should go out to the whole nation. That way you just have more chances of getting more sales and more revenue." I thought well, this is a guy who's been in this industry for a very long time, okay, let's do it. Overnight the guy got me into it was 12 DCs with KEHE and UNFI from West Coast to East Coast. He said, "Hey, I've got a broker at work that can sell your product in all those DCs. We'll just get going."

That was my first introduction to how much money you can spend getting into distribution. I had never been aware of the concept of

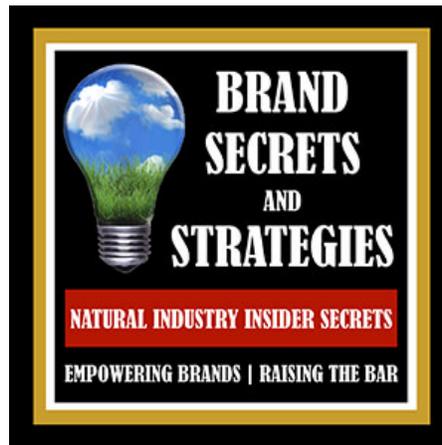


free fills before that time. I had not been aware of NCBs, charge backs, and at the time, my struggle was trying to get into just getting on the shelf of a grocery store. I thought if I could get onto the shelf of a grocery store then everything is solved because that seemed to be really hard. Once you're on then everything is done. Then I just make sales.

That third year was the huge learning process that most of the purchase order that you get from a distributor doesn't come back to you because of all the free fills and charge backs that occur. There was an extreme amount of money lost in that process. Then the other element was, oh, once you're on the shelf if you do nothing your product is probably not going to sell and that's a problem.

Then it was the learning curve of the resources that it would take to actually get your product to move off the shelf. Those two things combined; the free fills, charge backs and then getting velocity on the shelf was just about taken by fire that third year of oh, what just happened to me and where is all my money? That's when the cash burn really started to ramp up and realize that I made lots of mistakes that year of being in that many DCs. What was crazy is we got into DCs without retailer commitment.

I added about a thousand stores that year just because we had the distribution set up so then we just started signing up stores like crazy. You know, over half of the stores still are selling our product, but it was at a very great price. Certainly, I would encourage no one to ever do that approach ever with their small brand. That was one of my major learning experiences.



Dan: I appreciate your sharing that. I didn't want to interrupt because I wanted to hear the whole store. Are you still working with that master broker?

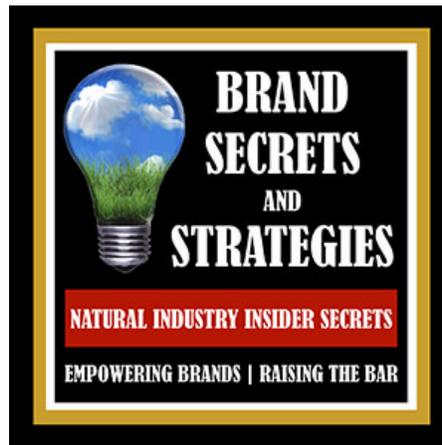
Jeff: No. I'm not.

Dan: Good.

Jeff: After our product got into the DCs and I realized that their broker network was not selling our product I quickly ended that relationship and focused in on only a few DCs and just let all the other ones just run on autopilot and some of them are gone now just because it wasn't sustainable to support all of those. I focused in on the ones that I thought were manageable and would make sense and just let the other ones go.

Dan: I appreciate your sharing that. I mean, okay, so I can call them an idiot now. That is the worst advice I've ever heard. Unfortunately, that's the advice I hear all the time. The reason this show exists, the reason I started writing articles almost 10 years ago and the reason I started putting out content, my newsletter, everything I do is to teach brands that that is not a sustainable strategy so thank you for sharing that.

If you can not succeed in your backyard, how in the heck do you think you're going to succeed a thousand miles away? Or more importantly ... Let me frame it this way. You have Crohn's disease and you go to a doctor and the doctor says we're going to give you medication because that's all they know. Instead of saying food is medicine, instead of teaching you how to live a different lifestyle, how to teach you how to manage and handle and again, I don't want to use the word cure but how to deal with this

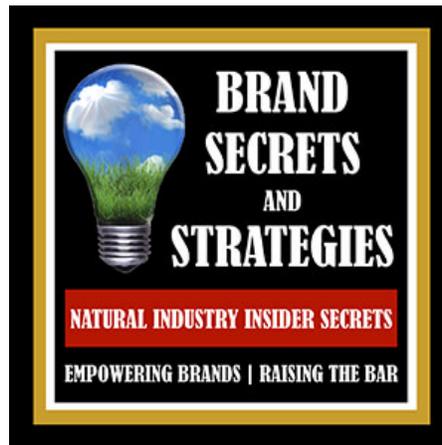


problem that you have a doctor wants to instantly give you medication.

That's exactly what your master broker did. That's exactly what a lot of people do, unfortunately. Let me add a little bit more context to this. Our master broker gets paid on commission, right? Well guess what? They got a huge commission for gaining more distribution, for selling more Bubba's Fine Foods. While they're making a lot of money, they're putting you in the poor house and I see this far too often.

Again, if you go to a doctor that likes to write prescriptions you're going to get a prescription for your disease for whatever ails you. If you go to a doctor, go to a surgeon, they're going to want to perform surgery. You got to a holistic medicine practitioner, they're going to want to try a different strategy. This is what I'm getting at. This is where very brand needs to understand what's going on and what their strategies are and what makes sense for them.

This, again, is why this show exists. The challenge is, this is why over 80% of brands fail within the first year. I'm committed to changing that. Thank you for sharing that. Sorry you had to go through so much pain, but yeah, there's a better way to do this. When you were starting out, when you were talking earlier you wanted to, you're using what I would call a poll strategy. A poll strategy is where a customer walks into a store and says, "Hey, where can I get my Bubba's?" Then the store goes online, finds you, and starts ordering your product. You're direct shipping and that's great because at that point you're not paying free fill, and you're not paying for all those ridiculous fees that do absolutely nothing to move the needle.

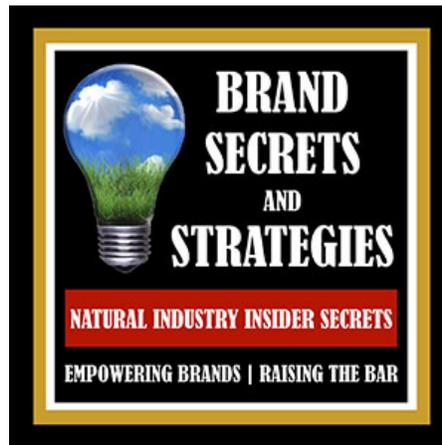


The push strategy, which is what unfortunately your master broker was recommending and what most people recommend today, is the got to go raise some money, and then I need to go raise some money and use a CEO. Then, you need to go raise some money. Then after that, you need to go raise some money. When you finally get a retail appointment it's sit down, shut up, and get out your checkbook. That is not the strategy that's going to help a retailer remain relevant.

Now, granted I'm being a little bit flippant here but the point is this; your customer, the customer that buys Bubba's is far more valuable to the retailer than what they're going to get from the slotting, from the free fill, from all the promotional fees, etc. there are retailers that their whole model is trying to figure out how much they can extract from a brand to stay in business, to compete effectively, etc. Those retailers, without mentioning any names, are the retailers that keep going by the wayside. Why people keep resurrecting them I don't know, but those are the retailers that continue to struggle.

The retailers that are thriving, however, are the retailers that understand that your customer is not a commodity and that your product is not a commodity. I know, we'll get more into that in a little bit. You got rid of your master broker. Congratulations, I'm glad you did that. Kudos to you. You let some of the distribution go by the wayside. The distribution that did not make sense. How did you evaluate the distribution that you had compared to the distribution that didn't make sense? How did you end up with where you were at the end of this experiment?

Jeff: The big thing was geography. We said okay, we are starting to learn what it takes to get velocity and the man power that it

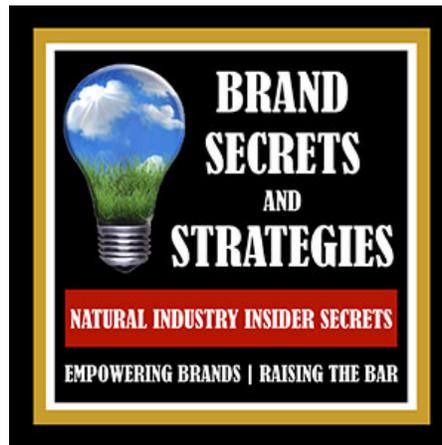


takes. Let's get it close to us. Number one was let's focus on our home state of Colorado so that we can use our own internal resources, our blood sweat and tears to get into the stores and do our tricks and relationship building there to increase velocity. That was number one.

Then number two was the quality of the retailer. We said okay, which DCs have the retailers we want to focus on. We can't focus on all 1500 retailers. Let's narrow it down to the big accounts, natural groceries, whole foods, sprouts, those ... Basically, we wanted retailers that we could grow with so we could build out in their additional regions, as well as what other, we wanted other retailers to look at our sales store that we created. Would they be more impressed that we did well in this retailer versus retailer B? We wanted to pick ones where people would look out and say oh, that's impressive. We want to emulate that. If you're doing well there then you could do well here.

In addition, we also wanted retailers where we had a good target market that was interested in real food ingredients. Not everybody cares about ingredients so we definitely wanted to focused on where the consumer base was dense in those areas. We picked out our three key retailers and then just really started to experiment what all the different marketing levers that we could pull to start to create velocity that was impressive.

During this whole time we had no syndicated data. No IRI no spins, we just didn't feel like we could afford it. It was all trying to find information where we could whether it was distribution reports or our own reporting just so we could at least measure our velocity and see it improve. On year four, that's when we got serious and we just focused in on the DCs that covered our whole



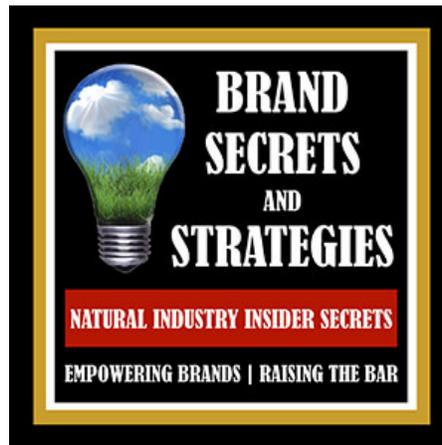
foods, rocky mountain, our natural grocers accounts and our sprout Colorado accounts.

We just tested about everything we could think of to see what would result in increased velocity and what ... You know, there's a lot of things that do but a lot of those can cost a lot of money. We tried to figure out where we could be conservative with our cash and still get good results. We're still learning that and finding that out and I look forward to hearing your advice on those elements, as well.

Dan: Yeah, I look forward to talking to you about that. I assume that's going to be your bottleneck. That is such a key area. One of the things I'm getting at, the reason I say that is because 70-90% of all trade spending is wasted. You're going what? Hold on, how can 70-90% of all trade spending will be wasted? It's because of the stuff you talked about. The free fill, the slotting, some of the promotions. There are better ways to get your product in the hands of consumers than to just throw money at it.

What I mean by that is that if you take a big brand and the big brand has oodles of money, really, really deep pockets. Well, they can buy their way onto any shelf. That's not sustainable. Smart brands like you, you've got to be very creative. If the goal of every promotion is to get your product in the hands of a new shopper than using that measure only then that's where all your efforts and energy needs to be focused on.

What are the marketing levers that you found, Jeff, that made the most sense for you?

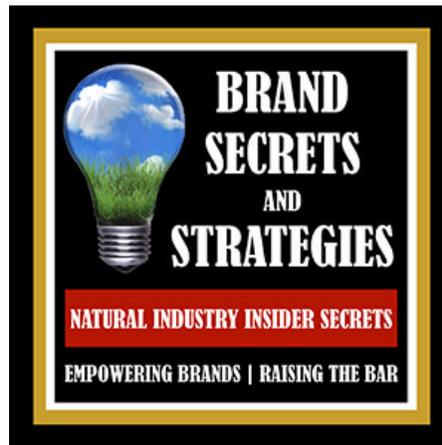


Jeff: At this point in our learnings, when it comes to dollars spent toward results per velocity the number one is getting a secondary display or a third display in the store. That, at this point, feels like the absolute number one thing to do. On a local level, you can do that without spending a lot of cash just by going in and doing your own demos yourself, establishing relationships with every grocery manager in each store. Just asking, "Hey, we want to do really well in your star. When we put up a cardboard shipper, or we put ourselves on an endcap or check out aisle this is what happens to our velocity. We'll help you create those displays, we'll help you move product onto the secondary display. Whatever it takes to make it easy to get that we'll do it for you."

Just sort of feet and the street element of that, that has been our number one answer.

Dan: Good for you. No, that's the right answer. Podcast episode 68, that is the origin story that I use for a lot of my mini courses, a lot of the content that I put out. Essentially the story is many, many years ago when I was selling salty snacks as a DSD driver, again salty snacks being an impulse buy, like you said. I learned, like you said, right off the bat, first hand, that I could create my own sales by having incremental distribution. Having second and third promotional opportunities. Second and third display opportunities, etc, merchandising opportunities.

Long story short, because I was able to provide so much value to the retailer, because I was able to do a better job than the big company out there, the big salty snack brand, I was essentially exclude them from getting promotional distribution opportunities in a new super store when it opened in Denver many, many years ago. The point is this; if you can provide that kind of value, then



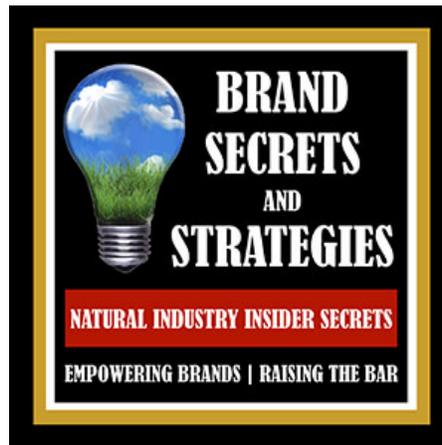
all those other issues in terms of the slotting, the free fill, and all those promotions that don't make any sense and don't move the needle those all fall by the way side. Because now all of the sudden it's your blood, sweat and tears that's earning you the return. Kudo's to you for coming to this.

Sorry it costs so much headache before, but that's the way that I think every brand should be focused on. By the way, you were talking about syndicated day ... First of all, that was presyndicated data before companies really started doing this. They were starting to capture but they weren't really selling it yet, at least not to this degree. Even back then, retailers, because I provided so much value to them in the law of reciprocation they wanted to help me succeed. They gave me their internal numbers. How was my product selling relative of my competition, etc.

Obviously, I had to go through the data and clean it up and figure out which UPC is what, etc. but not a problem. That was easy to do. Fast forward, most of the companies had the most success with again, because I provided so much value to the retailer still share their internal data with me. I didn't have to go pay for the expensive data that sometimes doesn't answer those questions, anyhow. We can talk more about that later if you want.

Year five. What happened in year five? How are things going and where are you at today?

Jeff: Okay, so year five is very interesting. Now we're buying some syndicated data. Now we're seeing where our brand stacks up in our key retailers that we've been focusing on. That's been one of the more exciting things this year. Realizing that hey, we now, we



can show that our brand is in the top 10 of much larger better for you brands than us because several of them and, for the first time ever we are starting to create sales stories for other retailers based on data as opposed to just going with our attributes of our product. That's super exciting and we're just starting to use that.

Probably one of the biggest shifts that occurred to us here for year five was we took all our P&L info from last year and carved it out into our sales channels and then took a look at what our net margin is for each sales channel that we've been in. That was an extremely eye opening experience of just again, showing how capital intensive the grocery business is to do well.

We've shifted resources internally with our sales staff, marketing dollars and we've pulled off our expansion of the grocery business. We're still just as much focused on our key accounts that we've called strategic accounts, but we're not going after new ones. Instead, we switched our sales channel efforts and we're expanding our business with non grocery related business. Just because the net margin is friendlier and it's cleaner business. I say cleaner, there's no free fills, very little promotion costs, very little need for demo and that's what we're wanting to establish a really nice solid base with here in the next two years.

Those sales channels, again, doubling down on eCommerce, going after food service. When I say food service specifically office supply. Not restaurants but bringing snack foods to offices for the progressive companies that are feeding their employees that way. In addition, the gift box snack box markets that are out there. Also, considering I'll call it premium private label, which I think there's a big difference between premium private label and



just standard private label. We're also digging into some efforts on premium private label to a small degree.

All of this is based on how can we manage our cash efficiently? How can we reduce the need to need venture capital money that will all be going into that grocery sales channel? Instead, let's just make our own money through more clean sales channels. That's our big shift here in year five.

Dan: I think that's beautiful. I mean, that's absolutely what brands need to be doing. You need to succeed in your backyard. There are so many untapped opportunities. For any brand listening it just does not make sense for you to follow the same old tried and true strategy that hasn't worked for most of the brands before you meaning try to grab distribution and traditional retail, etc or natural retail or mainstream retail whatever you want to call it. Instead of, maximizing each and every selling opportunity in your market.

Here's the brilliance in what you're doing, if you haven't thought of this yet. Let me frame this for you. You've got a solid brand, or at least you will have a very, very solid foothold in the state of Colorado. For another brand to come into your market and try to knock you off that pedestal is going to be extremely difficult meaning that you've protected yourself and you're better able to defend against competition. One.

Two, because you have a robust selling story with a proven track record, now when you're ready to expand you have a strategic plan so that you can expand to markets that make sense like maybe New Mexico or Utah or whatever is close by where you can actually handle and manage the distribution. Honestly, one of

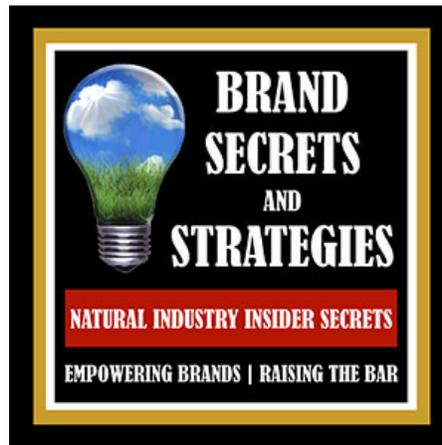


the things that I'm surprised you didn't say is you didn't go to a DSD truck type system. That might be something you might want to think about. The whole idea behind it there is that the DSD driver makes a commission for selling your product. They can decide when they wake up.

This is what I loved about that job is that I could wake up every morning and decide how much money do I want to make? If I hustled I could do exceedingly well. For example, within five months, actually within the first couple of months being with the company I was the top sales person every month and I more than doubled the volume of every route because I learned how to do exactly what we're talking about. How to set up incremental displays, how to support the retailers that I had the best success with where my customers were better aligned, etc.

I think one of the other challenges that a lot of brands have is they're not focused on where your consumer shops. I'm glad you pointed that out, as well. You're selling story. I'd love for you to talk a little bit about what is your selling story, if you can, and talk about how does your packaging drive the customer back to your website to talk about your origin story, the founder story and why good food matters.

Jeff: Yeah, so our big selling story both from a brand and to a retailer is, as I mentioned before it's very simple, we have a naughty tasting snack food made with only really nice ingredients. From the research we've been doing that seems to be the biggest trend going on and we believe is going to continue to grow. That is, people caring about the ingredients they eat, are they simple , whole food ingredients or are they things I can't recognize.



We're going to offer both simple ingredients and both a naughty, delicious taste that's craveable. In addition, have a nice crunch. There's this trifecta we believe of the good for you snacking, taste, crunch and simple ingredients. That's what we talk about on our site, that's what we talk about on the back of our package, but we tell the retailer. When we're crafting our story to the retailer, we're bringing that along with the syndicated data that we're producing in Colorado saying here's what we can do.

Then, we're trying something real novel on our package that we haven't seen other people do. Next month we'll be getting our new batch of packaging. On every single package we have on the bottom of the pouch says, "Hey, still looking for those hard to find ingredients? You're not going to find them here, either. If you go to this URL, we've got something fun for you."

Dan: Cool.

Jeff: Our goal is for the customer to click on that, give us their email, and now we've established a relationship with somebody who bought our product from the grocery store and now we can give them things. We can give them discounts that can drive them back to the retailer. We can give them discounts that can take them to our website. We can inform them of our mission of why we started the company.

We're really anxious to get that going and see how that works. I don't know what percentage of consumers will take the time to connect by reading the packaging and saying oh, I should check this out or not, we'll find out. We're really looking forward to being able to just create ongoing dialogue and provide them with

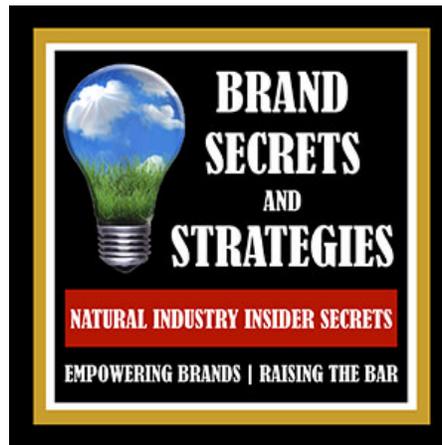


benefits whether it's with information or special promos or just news on new products, etc. That's what we're going to try.

Dan: I think it's a brilliant strategy. I think honestly the answer is you should get enough responses and the point being how do you measure that? What does that mean? Well, if you have enough people that are joining your club, your community, and I do mean your community, then that community is going to help you iterate. It's going to tell you that your new product makes sense or doesn't. It's going to help you decide how to develop the next strategy, the next level of innovation. Where to promote, etc.

I mentioned trademark and kind of touched on it a little bit, and this is exactly why I wanted to bring this up, so thank you for sharing that. Great strategy. If I walk into a store, Jeff, you don't know who I am. You don't know what I did with your product, you don't know who I shared it with or anything. However, if you could drive me to your website, grab my email address, etc, and start developing a relationship with me that is brilliant. More importantly, if you can reward me a loyal Bubba's consumer shopper through your website, then that helps convert me from an occasional customer into a loyal evangelist. As a result, you can actually reduce your trade spending by putting your money where it makes most sense. Great, great, great strategy.

I've got a lot of ideas around how to do that. In fact, there are a lot of podcast episodes where I talk specifically about that. I think that's great that you're doing that. I really applaud you for going down that path. I think your strategy makes a lot of sense. I think it's a great strategy. I think you've got a really bright future and I love the fact that you're focused on where you have the best opportunity.

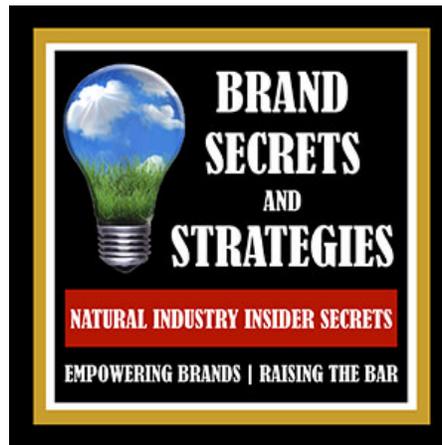


Is there anything else that you want to share about Bubba's before you tell me what your most pressing challenge is?

Jeff: Yeah, I mean my big thing is that there's a better for you set and there's a good for you set. Better for you food there's still, there's an upgrade from conventional, but there's still a lot of ingredients out there that's highly processed. Whether it's natural flavors that are very untransparent of what you're getting, very high processed, potentially. What we're doing at Bubba's is not doing better for you but doing good for you. We are very, very focused on very simply ingredients that you find in your own pantry in your own kitchen and making it taste really good. It's what we're all about. We've drawn some pretty hard lines in the sand on what we'll accept and what we won't for our ingredient list.

It's what I would love to see more and more brands do. I applaud each new company that gets onto the scene that's really elevating the ingredient list more for, number one, for the health of the consumer. Number two, for the taste and, tweaking the taste buds and hopefully both of those together. That's what we're about and we love seeing more and more companies focusing on that, as well.

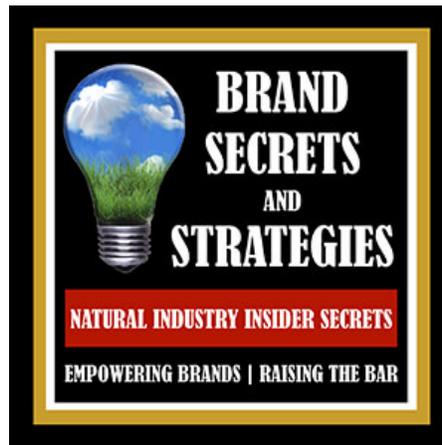
Dan: Good for you. In fact, one of the things I was going to challenge you to do or suggest you do; love your website, but I wish you would add that part of your story. I wish you could talk more about your personal story. Crohn's and diabetes and what does that mean and how does this product help those consumers? What I'm getting at is again, the customer that buys your product is far more important to the retailer than your product itself. Than the packaging, than the slotting, than anything else you put in the store.



If you can leverage that story in retail, that's going to help you help the retailer remain more relevant. In other words, how does a retailer keep a customer coming back into their store again, and again, and again? How does that retailer keep their customer from going to their competition? How does that retailer keep their customer from shopping online? If you could help develop that relationship and educate that retailer about your unique consumer and your website is the best place to do that, I believe. That is going to help you remain relevant and it's going to help you get to the point where savvy retailers are going to be, "Hey, Jeff, here's how well your product is doing in our store so that you don't need to necessarily go by the syndicated data, you can use that for other things."

You've shared with me a little bit about your purchase, honestly, I would love to have seen you get more bang for your buck and understand what's going on in the competition and other products, etc. We can have that conversation offline, but the point is this; you compete against every brand that's out there. The way the brands are segmented today and into the databases does not necessarily reflect the way the consumer shop the category. If you can talk about how you're Paleo and how you're unique and different and why you're and different diabetic friendly, etc. Then that's something that's going to help differentiate you on a retailer shelf.

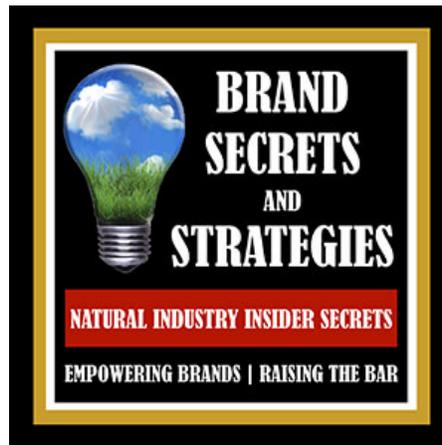
Anyhow, I told you when we talked earlier that I'd give you an opportunity to ask me about your most pressing bottleneck to see if I could help you solve it. What is your most pressing bottleneck?



Jeff: I would say this. If we get into, when we get into a new retail chain that's outside of our core are and they bring us in and it's 100 store chain, what's the number one thing that you would do to make sure that we get off on the right foot and establish some good velocity and so that consumers can actually find us? Maybe one isn't the right answer. Maybe it's five. What's the most important thing?

Dan: Great question. We've kind of been dancing around that a lot. Let me start with this; first of all where does your core consumer, your ideal consumer shop? I put together my free turnkey sales story strategies course to help you identify what that consumer looks like. What I mean by that is what does your ideal consumer look like? Not just someone who wants a healthy snack. More importantly, what does that consumer look like? Are they someone that's trying to deal with any sort of health issues? Or someone that is trying to deal with diabetes, or Crohn's or any ... Is your core customer going to be somebody that is, has very, very high standards and is trying to use food as medicine? Let's put it that way.

Where does that customer live? Then next, as you've identified that, when you go to the retailer, help guide the retailer to understand where you're going to perform the best. Where you have the best opportunity for success. Let me explain; King Supers in our backyard. I was working with a brand many years ago that made a \$12 jar of peanut butter. King Super's had a program, I think they still have it, where if you're a local brand then you get free fill. No slotting. Yet, King Super's was putting those products in what they call test stores. Putting it in neighborhoods where you've got consumers that have high

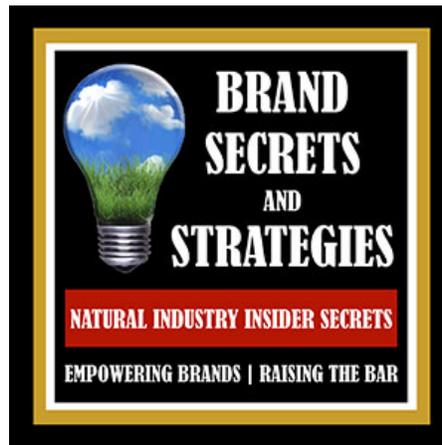


demographic, high income, etc, well educated, that makes sense. Those neighborhoods, that's a no brainer.

Then they were also putting it in neighborhoods where there was a blue collar work force where there wasn't a lot of discretionary spending. A \$12 jar of peanut butter, that's not going to do well. In addition to that, those customers are not the kind of customer that you'd see at the gym. Or not the kind of customer that is in the position where they understand the benefits of food as medicine. Not to the degree of the other customer.

Jeff, the first thing is you identify where are the customers that you want to shoot for. By the way, that might mean that the retailer that you're interested in going into, you might want to rethink that, as well. You don't want to go into a retailer that commoditizes their offer, meaning that every shopper is the same and the way that we're going to get in front of them, the old strategy, the push strategy is we're just going to throw a lot of money on it. Where's the consumer that caters toward the kind of consumer that would buy Bubba's?

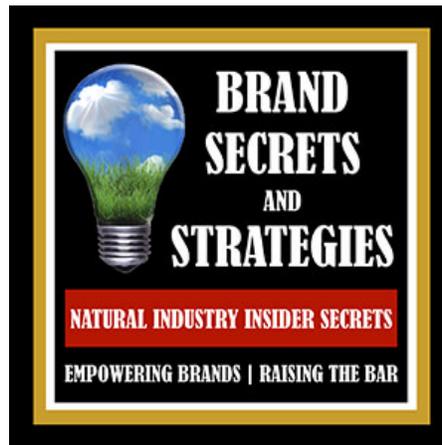
Next, where are the stores that cater to your ideal consumer? Once you understand that, then you need to think about what is the volume potential in that chain and in those stores specifically? Then as you go to the retailer, and this is where I'm really getting at, then you need to help guide the retailer to help them drive sales in their stores by leveraging the strength of your unique consumer. What I mean by that is you don't just walk into the store and say, "I'm a nice guy, I have a cool package, etc. Please put me on the shelf."



Instead, you tell the retailer where you need to go on the shelf, you give them a logical fact based reason. If you put us here, here's what we're going to be able to do for your customer. Here's how we're going to grow foot traffic, etc. You have a strategy that says here's how we're going to promote a product, here's how we're going to support it, here's what you can expect from us. Again, going that extra distance. Podcast episode 68, you know, I talk about the origin of some of this. You talked a little bit about it with demos and some of the programs you've got out there.

Your second and third merchandising opportunities. If you can bake that into your selling story when you go to the retailer off the bat and when you first start working with the retailer and you share these strategies with them and you basically tell them look, we're here to form a partnership. It's not going to be a transactional relationship like you have with most brands on your shelf. Instead, we're here to help you succeed by leveraging the strength of our unique consumer. That's how you should start every conversation.

Unfortunately, that's not the advice that you're going to get from most of the people in the industry because going back to what we started with. If you go to a doctor that believes in surgery, they're going to want to get out their knife. If you go to a doctor that wants to prescribe medicine to fix your symptoms, they're going to get our their prescription script, right? If you go to a doctor that you were saying, instead, rather a gym and it's going to teach you the strategies you need to improve your diet through nutrition, etc, that food is medicine, then that's what they're going to teach you.



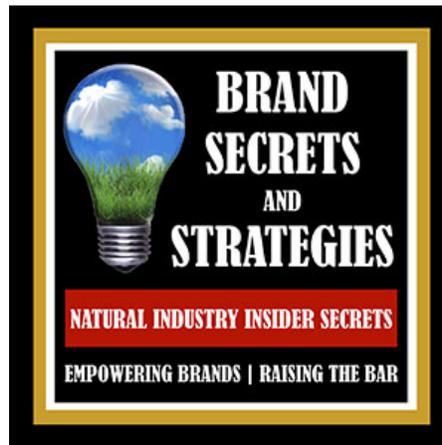
My belief is this; that the best way for any brand, especially a brand like yours to succeed, is to partner with the retailer and help the retailer understand what their core consumers ... In other words, every time you get in front of a retailer, leverage that as a selling opportunity. Don't just go in there and say, hey we're nice guys. This is a cool product, cool package or whatever. Tell them what the trends are, tell them what's going on in the market place. Tell them what you're saying. "We did this promotion at retailer X. We had a promotion and we did 150% increase in volume that week.

Give them the information and the tools that they need to be successful with your brand. Does that answer your question?

Jeff: Yeah, yeah, yeah. That makes total sense. I really like the idea of figuring out which specific stores may be in the best demographic area and really focusing in on those, too.

Dan: So critically important. Again, it goes back to you hired a master broker and their strategy was to instantly get out their knife and start cutting. Instead of thinking about where does your consumer reside? How smart is it, or how stupid is it for you to have distribution clear across the country in a store that you can not support because you physically don't have anyone in that store.

To be committing to situations where it's how much money can you pay for the slotting and for the distribution? I mean, if you go back in time, back when I started this industry, we had distributors. All the big brands had distributors. They've gone by the way of the dinosaurs because of the inefficiencies. I'm not saying every distributor is inefficient. I'm saying that there are a



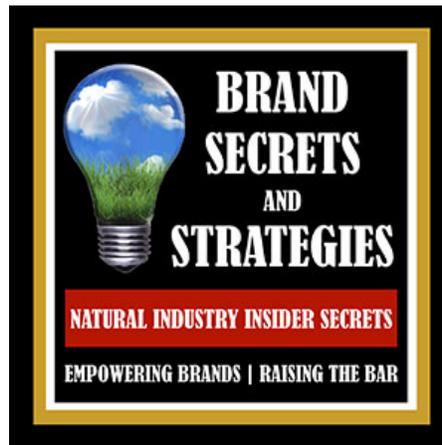
lot of things distributors could and should do to make it easier for brands like you to succeed. That includes telling you where they sell your product. Giving you the resources to help them close sales gaps. Helping you work more closely with the retailers that they support instead of looking at you as just another transaction in their average day if that makes sense.

Any other questions you have, Jeff?

Jeff: No. No sir. It's been very great to listen to you and I'm glad to be getting all your other emails and digging into your other content, too, Dan. It's extremely informative.

Dan: Well, I hope it helps. Thank you for saying that. I do this because I want to make a difference. When I started putting out this content about 10 years ago, the goal was to challenge brands and retailers to be more strategic. The reason category management exists is to weed out much of the wasteful spending in the industry. Really, that's why it started in a nutshell. In other words, how can we make sure we've got enough product on display in the back room to support a promotion without having overstock.

Something as simple as that you think of it as well that sounds like a no brainer. But actually, it's a very difficult thing to manage with the variety of different stores and their sales volume and stuff like that. To go one step further, how do we decide where are the most effective promotions? How do we align your core customer with the products that they want to buy? Help them buy the product, help them find the products.



My mission, Jeff, is to make our healthy way of life more accessible by getting Bubba's on more store shelves and into the hands of more shoppers. This is how I do it.

Anyhow, thank you for coming on. Thank you for sharing your story. This has been very helpful and I really appreciate ... Oh, I forgot to ask you. Do you manufacture your own product?

Jeff: Yes, that seems to be a bit uncommon, but we do.

Dan: I figured you did with your manufacturing background, and because you're able to control cost. Kudos to you, I should have asked that earlier, so thank you. Thank you for coming on and I look forward to our next conversation.

Jeff: Okay, thank you, Dan. I appreciate it.

Dan: I want to thank Jeff for coming on today and for sharing his insights and for sharing a story. This is a story that every brand needs to hear. You need to remain firmly in charge of your brand. You've got to keep your hand firmly on the wheel of your ship. The strength of your brand is good leadership, and this is where you need to find the right people to surround yourself with and you need to have the right strategies to help grow your brand. I'll be sure to put a link to Bubba's Fine Foods in the podcast show notes and on the podcast webpage. Today's free downloadable guide is a merchandising checklist to grow sales and shopper loyalty. I thought this would be fitting because this is all about how do you merchandise your product, where do you merchandise it? And a big part of that is knowing the ideal store for you to make sure that your product is in. One of the things I see a lot of brands do is they stretch themselves too thin. They



get into stores that don't make sense where their core customers don't shop.

You can download the show notes and this free downloadable guide at [brandsecretsandstrategies.com/session132](https://brandsecretsandstrategies.com/session132). Thank you for listening and I look forward to seeing you in the next episode.

**Bubba's Fine Foods <https://bubbasfoods.com>**

### **This episode's FREE downloadable guide**

Real shopper loyalty is earned not found on plastic cards. Your brand's real strength is its ability to convert casual customers into brand ambassadors.

CLICK HERE TO DOWNLOAD YOUR FREE STRATEGIC GUIDE:

[\*\*Merchandising Checklist To Grow Sales and Shopper Loyalty\*\*](#)

Thanks again for joining us today. Make sure to stop over at [brandsecretsandstrategies.com](https://brandsecretsandstrategies.com) for the show notes along with more great brand building articles and resources. Check out my free course Turnkey Sales Story Strategies, your roadmap to success. You can find that on my website or at [TurnkeySalesStoryStrategies.com/growsales](https://TurnkeySalesStoryStrategies.com/growsales). Please subscribe to the podcast, leave a review, and recommend it to your friends and colleagues.

Sign up today on my website so you don't miss out on actionable insights and strategic solutions to grow your brand and save you valuable time and money.

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.