

## **BRAND SECRETS AND STRATEGIES PODCAST #137**

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #137

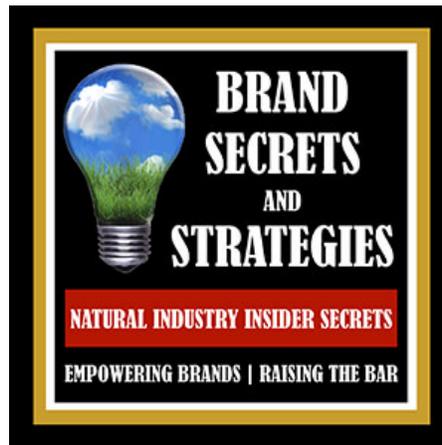
Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

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, would you like to know what the future of retail looks like, especially natural product's retail? In this podcast episode we talk about exactly that. But before you can understand what the future looks like, you've got to take a look in the past. You've got to understand the history of the industry of the natural channel. This is important because it gives you a better feel and a better appreciation for how far we've come. As Walter Robb said in this podcast episode, "It's like the tributaries running into the river that run into the ocean." Understanding where those tributaries build their momentum, where they collect the water, that's

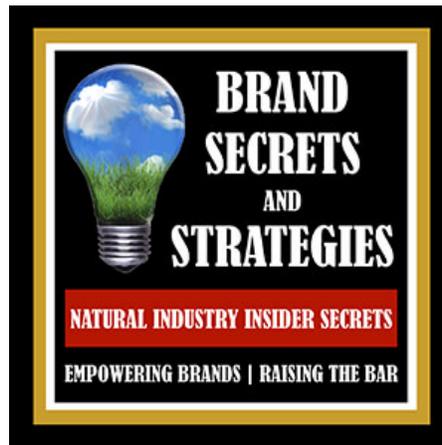


critically important, because that helps you understand this movement, this thing we call healthy eating.

In this podcast episode, I had a great conversation with Walter Robb about the natural channel and his vital role in helping to explode the growth in the natural channel and helping Whole Foods go from 12 stores to 475 stores. More importantly, we talk about the future of retail, what it looks like and what the opportunities are, especially for young disruptive brands. We also talk about a lot of the things that you need to be paying attention to if you want to get your product on more store shelves and into the hands of more shoppers.

Before I go any further, I want to leave a quick shout out to a listener who left a great review. Laura L. says, "Dan is a true expert in category management. His knowledge base is an asset to any natural CPG brand who wants to compete more effectively and grow their bottom line. He has a real heart for helping natural brands thrive. If you're trying to figure out how to manage your category and your product within the category within the store, you've got to contact Dan Lohman today. He's the brand management expert." Thanks Laura, I really appreciate it. If you want me to read your review on the podcast, please leave a review on iTunes, send me a note, or comment on any of my social posts and I'll be glad to include it.

This podcast is about you and it's for you. I also want to remind you that at the end of every episode I include one free downloadable guide that you can use to grow sustainable sales. A quick to digest strategy that you can instantly adopt and make your own. Remember the goal here is to get your product on more store shelves and into the hands of more shoppers. At the



end of this podcast stay tuned, because I've got a free download that I've never shared before. This is the first time I'm making this brand building resource available. You're hear more about it at the end of the podcast.

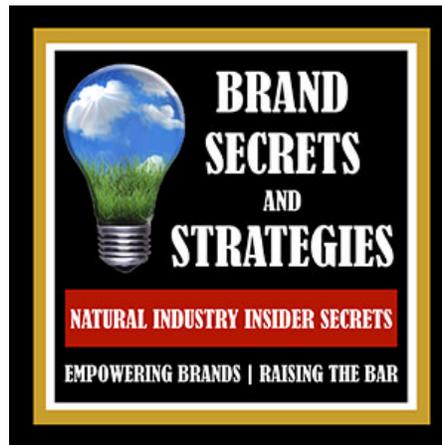
I also want to remind you about my new Brand Secrets and Strategies YouTube channel. The YouTube channel has a lot of brand building videos that you're going to want to check out.

Here's today's special guest, Walter Robb with Stonewall Robb, and the former Co-CEO of Whole Foods.

Dan: Walter, thank you for coming on today. I really appreciate you making time for me. Can you please start by telling us a little bit about yourself and your journey to Stonewall Robb?

Walter: You bet. I'm a 40 year on grocer. I started in 1978 with a little grocery store. As you know, was with Whole Foods until we sold to Amazon in the late summer of 2017. Post Whole Foods, I've been continue to take the same set of values and set up a little company called Stonewall Robb, which is working on investing in the next generation of food companies, trying to mentor CEOs along their way, and generally try to build a healthier world.

Dan: I appreciate that. Just as a side note, I've been a big fan of yours. I've watched you present several times. I've always been in awe of what you've done and what you're doing to help the industry. Thank you. I also want to say that in preparation, I went through all the videos and the podcast episodes on your website. There's so much more to know about you, so I highly recommend anyone listen to that. I've learned a lot more about you. Let's



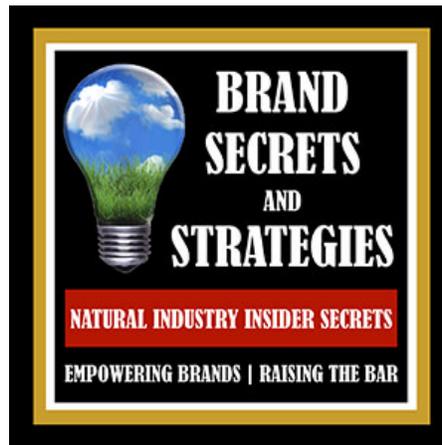
start at what really matters, food. How did you get so interested in food and why did they become so important to you?

Walter: Well, I think the best answer to that is the way life unfolds. I got interested in whole grains and natural food through my then wife and her parents who were grinding their own grain. I was fascinated by the fact we were grinding our own grain and making our own bread. I remember the first loaf of bread, the whole grain bread, that came out of the oven and smelling it and tasting. It was not like any bread that I've grown up with. I just got excited about whole foods, with a small W, and started reading. Read a lot of books and messed around in the kitchen and just realized that the natural food was something I was really drawn to. You got to put it in the context of the times, which is that remember we're talking about the '60 generation.

We're talking about folks that are going to change the world. Why not change the food system along with it?

Dan: Sounds good to me. On that note, why did you decide to launch your own retail store?

Walter: Well, again, as a young person, you're always looking for what you're going to do in the world. Given that I was drawn to the natural foods, I came up with... There was nothing in my background or my family that would suggest I would do such a thing. In fact, part of my family thought I was stark crazy. I got excited about the idea of what I thought natural foods could do for the world. I scraped together some money and put together the store to take that first entrepreneurial step. I had been a teacher before. I had been a farmer. I've done a couple things,



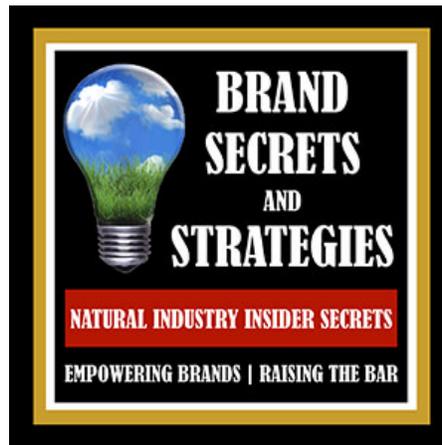
but this seemed like the right direction to pursue. I had no idea, of course, where it would end up.

Dan: When you've got your own store going, what did you learn? What caused you to want to continue on this path to Whole Foods and beyond?

Walter: Well, it was like part of a large ground swell. It started in the mid to late '70s and then just kept on gaining steam as people realized the connection between food and health. It was certainly not a straight line. It was a perky, jerky, up and down and sideways. It's hard to communicate now because it's become fairly mainstream, but at the time, the sense of mission and purpose that animated all of those efforts was so powerful that it was really like an updraft. I felt it. I worked with it. I kept going. I kept learning. I kept building relationships. From there, it carried me to sell my store to Whole Foods in 1989, store number 12 for the company.

Then from there, to build out to the 475 stores we had when we sold to Amazon. The best thing I can describe it is you're doing something that feels exactly right. You may not know exactly how to do it or if you're doing it right, but it feels right. That's what it felt like.

Dan: Well, that's why I do this. I appreciate your coming on and sharing that. I used to be a grocery manager many, many years ago back in the '80s, dating myself as well. But anyhow, I was a grocery manager for Price Club and retail management before that, but I used to bring in a lot of the natural healthy organic products that were locally grown. In fact, actually one of the first energy bars. I'm right with you there in terms of trying to help



people understand why this matters and why this is so critically important. That was back before healthy food became more mainstream. As you're building your store out... I'm sorry. Go ahead.

Walter: No, I'm just agreeing with you. You got it.

Dan: Yeah. I love it because I've had a lot of... I've had the privilege of talking to a lot of amazing people in this podcast. For example, I was talking to Gary Hirshberg. We're talking about you vote with your dollars and how healthy food matters. If you are what you eat, then what you eat matters. One of the things that I really appreciate when I was listening to some of the content on your website is how you get into the weeds, but more importantly, how you make sense of reading and why that's important. As you were kind of saying, to kind of paraphrase, it helps give us the nutrition we need. It helps build our bodies. It helps keep us healthier longer.

It gives us a lot of the things... It helps us give us the fuel that we need to get through the day. Can you talk a little bit more about that? When you're building your food store, what was the goal? How were you trying to leverage that?

Walter: Yeah. Well, first thing, at that point in my life, I was just trying to make a living, right?

Dan: Okay.

Walter: Do something that I actually enjoy doing. When you're a young person and you don't have a lot of resources, you just try to make it all work. I mean, there was a lot to figure as we went



along, but again, the idea was to create a store where we could begin to support local farmers, where we could bring some organic product to the community, where we could make that sort of impact, bring that sort of alternative we thought wasn't available to the customers in the community. It was a small store. The first one was a thousand square feet, not that big. Then it went to 3,000 square feet at the end as we went along. We wanted to create this place where healthier was available as we saw it.

We started working in the Trinity County where the store was and working with the different farmers up and down the river. Of course, then it went down to the second store in the Bay Area where there was a larger community to affect. I don't know. I think I always said that the store was the canvass upon which we're able to purpose and the values. The store was the expression of the deeper desire to create a healthier food system. We didn't really have all the language that we have now about this, but we talked a lot about whole foods being healthier for you, right? Whole foods in their whole state with nothing taken away or nothing added are more healthier than foods that are not whole foods.

We started with that premise. As you know, Whole Foods started with the premise of no artificial ingredients or preservatives. It was kind of the base case that these food in their whole state are the most health giving, and you should stick to a whole foods diet. That's pretty much where we are now. People have realized the power of eating a whole yam or a whole green or a whole grain of some sort. That's really what it's about.

Dan: Thank you.

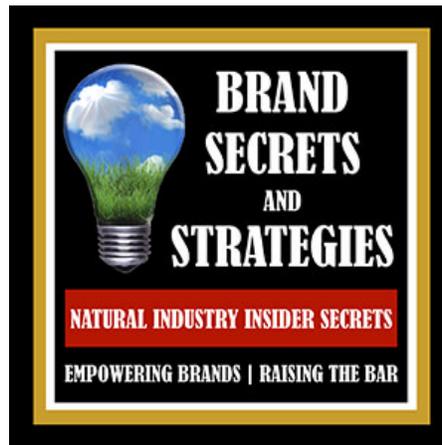


Walter: The store is just a way to bring that forward. You know? You could do it digitally now in ways that you couldn't do then. Obviously the future is going to be a culmination of digital and physical. But at that time, the store was a beautiful expression of those beliefs.

Dan: I love that concept, the expression of a healthy food system, which is so critically important. Again, this is why we're having this conversation. Can I ask you, how much did you influence John Mackey at Whole Foods or was it sort of mutual? Because what I'm getting at is that communicating that message, that value to the consumer and building a strategy or building a retail environment around it is no simple task. How did that come about?

Walter: Well, the industry was fairly small in the early days. John and I had met each other several times. Obviously he was the first one to come from Texas and build the Whole Foods out in Northern California. We had looked at joining up forces a couple times prior. Finally worked in '89 when I was able to sell the Mill Valley store to him, which was store number 12 for the company. Absolutely influenced each other I believe. Look, I learned a lot from John. I still learn from John. He's an incredible visionary. He's got a mind for business. He's got a deep set of thoughts about capitalism in general, the business form that we all practice hopefully in a conscious manner.

I would say that he learned things from me as well. That's why we ultimately evolved into co-CEO roles where we shared respect in one another. We absolutely shared the desire to make Whole Foods the very best that it could be. That's really what joined us together along with the other members of the team. I think it's a



good reminder that you build things by learning and growing with other people or in partnership with other people, whatever your respective roles. You can do it by yourself, but it's more fun and you can build faster and you can learn a ton with working others and the power of the team.

Dan: Well, and I appreciate the fact that again, all the humility that bring you to this industry. Thank you and thank you for sharing. When you're building your team together, what caused you to go from or what helped you go from 12 stores to almost 500 stores? Was it more acquisition based or was it more building your own stores from the ground up?

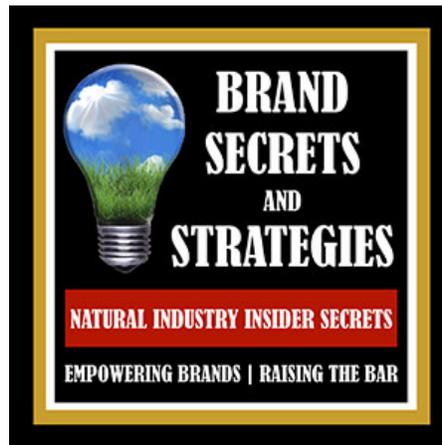
Walter: Well, initially there was a lot of acquisition. As you may recall there was, in the course of four or five years, the acquisition of three of the major operators in Los Angeles, Boston, and I'm trying to remember the third city here, but-

Dan: Colorado.

Walter: ...Washington DC.

Dan: Oh, okay.

Walter: That one's later. But in the early 1993, there was Freshfields. There was Bread & Circus and Mrs. Gooch's, boom, Boom, Boom. Initially the acquisition of those three in less than five years was a major driver for the company growth. Obviously adding and integrating all the stores. Subsequent to that, we did about another 18 or 19 acquisitions or M&As, but we also grew well organically, opening 20-25 stores a year for awhile, building out the company. Initially a lot of acquisition and then from there it

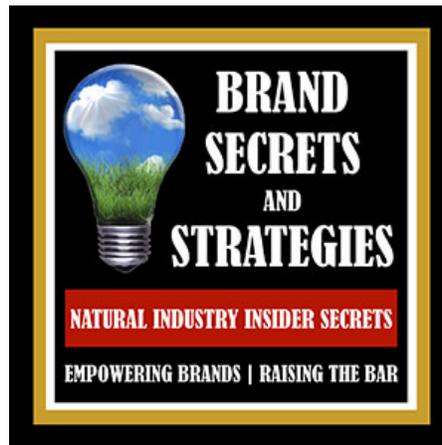


was a combination of strong organic growth. Really I think you need both to do it successfully because you have to keep building up your own internal strength and your team and your momentum.

But when you buy another company or join another company, that always add something to the mix. The recipe changes a little bit. The dynamics change a little bit. You learn from one another and you can add some of that and subtract as you need to. We always described Whole Foods as like a river moving its way towards the ocean. Along the way, the tributaries joining, of these companies that we join with, to make the river bigger and stronger and wider. Have we arrived at the ocean now? I don't know. I'll leave that to you to sort of judge, but we're close. We're close in the sense that we've become into the main body of water, which is the main body of thought about...

I heard a piece on CNBC yesterday saying that a major meta study research showed that food in Whole Foods is the best way to not get diabetes type II. When you're starting your statements like that, you realize that people are getting awful close to the connection between whole foods and whole health. Not just of the individual, but also of the community, of the planet and overall health of the farmer as well.

Dan: I'd like to say that you also made a tremendous impact on mainstream. To kind of frame this, I had a theory that I wanted to prove. For the 2016 category management handbook, I had the opportunity, the privilege to go in and look at every category and understand what was driving sales in every category. To quickly frame this, the genesis of this was a all out with sales. Total dairy was up 1.5%. Organic dairy was up 12%. Organic

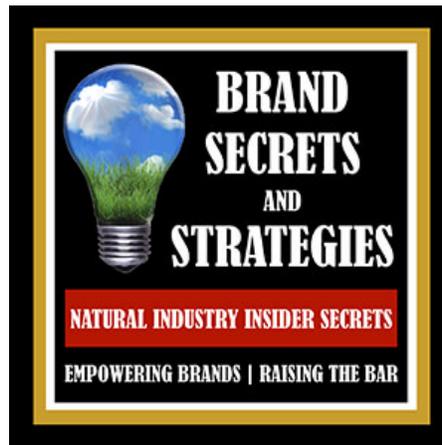


dairy represented only 9.8% of that small sliver of the pie. If you remove that small sliver, then total dairy is up only at .5%. When you talk about plant-based and gluten-free and all those other attributes, it's a smaller sliver and even more dramatic growth.

I'd like to think one of the things I would credit you the most for doing is your impact on mainstream. Giving more voice or more bandwidth or more breadth to this movement that we call healthy eating. Any thoughts about that? Anything you want to share about that?

Walter: Well, yeah. I mean, I think there's an awful lot of people that have been part of this, making this all get to this point in time. I think at Whole Foods we definitely had a strong team. We're very important to the quality of food being established as kind of a benchmark, but I would say also what affected the pace of that was the media. Waking up there was the Alar Story around chemicals and apples. There was various media things that burst out of there that spikes people's interest and woke them up about what they were eating. There was that progression of... The amount of coverage that the food industry began to get particularly in the last 10 years.

There was this scientific community that had began to make discoveries and created linkages that didn't exist, and there was the public policy piece were the Organic Law got passed in 2000, which was a really important milestone to put a federal seal on organic food. It's a combination of the push that we had to build out stores that people felt comfortable in along with the growing selection of product, all the brands that built out these great choices for customers. The regulation improving. The media coverage improving. The science improving. All these things

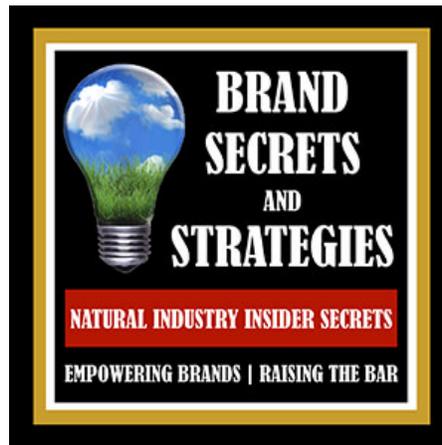


helped to bring all of this forward. It took a village to make it happen. No question about it.

Dan: Absolutely. We're just beginning. Back to your comment, we're not at the ocean yet, but we're on our way. One of the challenges that I find, Walter, is that a lot of the consumers that understand this and get this, these core consumers, the ones that are driving the trends throughout the entire ecosystem, including at mainstream. Like you said on several of the things that I listened to that there's a lot of confusion about what is natural or what is healthy. Again, if you are what you eat, then what you eat matters. That gets into the soil, the composition of the soil, and the nutrients that you're getting in the food.

What do you think is the best way or what do you think the challenges are around communicating that message to the end consumer and then broadening that message over the entire industry?

Walter: It's a great question, Daniel. I think therein lies one of the great business opportunities for the next generation is to say how do we solve for that because as you know I've said out loud, data shows that 80% of customers are just overwhelmed or confused by their choices around food. They know they want to make a healthier choice and they are doing that in different ways, but they're also questioning themselves. One of the reasons is because the science keeps changing so quickly that you're kind of always rocking around. You're figuring out if you got the right information, if you're doing the right thing, if you're doing everything that you can. Do I have a suggestion?

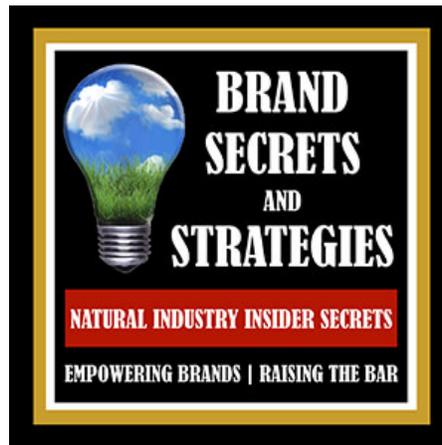


I think as we invite all companies to move to full transparency about their ingredient decks, about their processes, about their sourcing, we invite the brands to do that. We invite the retailers to all step up and provide that sort of information for the customers. We build a more transparent food system that's built on clear standards. I think that is one opportunity. I think what I call the last mile of data or the mile of information. We need to build the pipes in such a way that the customer on their device can access the type of information they need to help them make the choices they need to make. The problem is it's so much. It's overwhelming for most people.

Maybe not for you or maybe not for me, but for many people it's just overwhelming. We've got to find... Filtration isn't the right word. We don't want to filter it, but we want to somehow help. We want to personalize the information delivery in a way that allows them to make their choices more clearly. I think the next generation of entrepreneurs will help to make that happen, this last mile of information, because there's abilities to bring that and deliver that in ways that didn't exist before. I hope ultimately all the way back to the farm or back to the seed.

Every person may need different bits of information in order to make those choices, but I think we have an opportunity to build that out now that we know and we agree that the quality of food matters as a baseline. Now let's go from there to build out the different attributes and make that information available to people in a way that helps them to make their own choices.

Dan: One of the reasons that this podcast exist, the reason I do what I do, is to help brands leverage that knowledge. In other words, what I'm getting at is I don't believe that the brand should say,



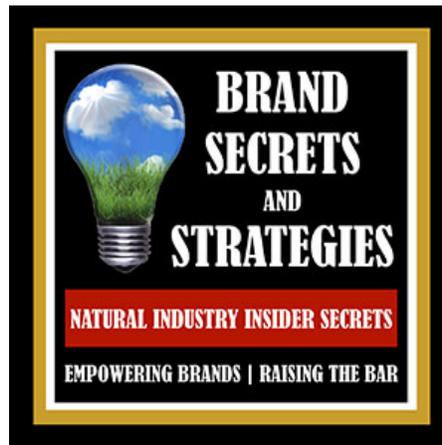
"Hey, I'm a nice guy," and expect the retailer... "Please put my product on your shelf," and expect the retailer to do all the heavy lifting. My philosophy, my belief is that the customer that I drive into a Whole Foods as a brand is far more important than the ingredients in my package. What I'm getting at is if I as a brand could own my customer and build a community around me, around my brand, that I can leverage those insights to expand my base, expand my community, et cetera.

But the point is that I think that's where the education needs to go. By helping brands understand how to communicate the value of that unique customer to the retailer in my opinion is far more valuable than sliding or any of those fees. But more importantly, in my opinion, that's how we start down this path. Your thoughts?

Walter: Yeah, no, I think we're singing out of the same hymnal here in terms of where it can go. I think for brands, they tend to sometimes think in their own terms. I would encourage them to think about the fact that the customers are the center of the universe now.

Dan: Yes.

Walter: Just state their features and benefits and terms that are accessible to the customer or the customer terms because customer just have too many choices. Brands got to get a little more discipline around their message that they're bringing. I'm just saying there's going to be new ways. There already are way new ways to deliver your message digitally, all these different platforms that didn't exist. But it's important that you think about who's receiving it, how they're receiving it, how they're digesting it, how they act it. That's the whole frontier that I think is there



so that we can take this work that we've done and make it even more effective.

We haven't solved it yet. Different retailers have different apps, they have different qualities or different aspects to the app itself, which does begin to move in the direction of personalization. That's what's going to keep on happening so we can really... Whether you're a brand or whether you're a retailer, you all serve the customer at the end. The customer is asking for greater information, also great clarity.

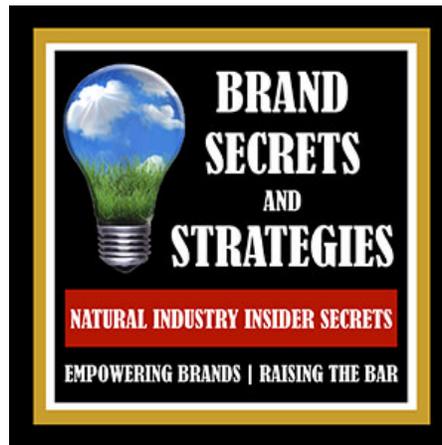
Dan: I appreciate your sharing that. You've talked a lot about the value of intelligence, of technology, et cetera.

Walter: That's right.

Dan: One of the things that I found is that technology tends to commoditize the shopper and it tends to commoditize the products. What I mean by that, Walter, is that there's a big difference between soup with added salt or the soup that has the salt that you get from chicken noodle soup that comes naturally from the chicken or salt that's for example Himalayan pink salt, et cetera, than iodized salt.

Walter: Right.

Dan: What I'm getting at is if you are what you eat, understanding those nuances and then being able to communicate the value or the importance of those minerals to the consumer, to me that's the key opportunity. I think that's the thing that's missing. When I look at the technology, the syndicated data providers, et cetera, nobody gets that right. Do you have any ideas around that?

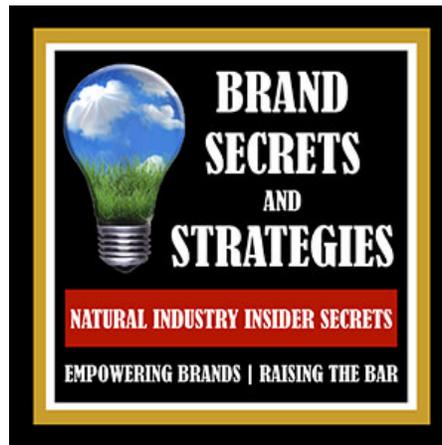


Walter: It's a really good point, but I think technology in general has allowed a wider reach for the quality of these foods and faster so brands can build direct relationships with their customers, not going through the intermediary if they so choose. Brands have been built out to the five, \$10 million level directly to their customers with new sorts of exchanges in information. With respect to the data collection, which is what you're saying, yeah, no, I think... Look, the force of the market as somebody gets bigger tends to want to commodify and just become cheaper and cheaper and cheaper. The whole premise of this industry is that we're not going to race to the bottom.

We're going to continue to race the level that we're striving for as we produce the quality of food, and then quality of food cost more to produce quality food. We're going to stand behind that until we find the right balance point between the growth and the pricing. I heard that question a thousand times, obviously at Whole Foods, is the price and the quality, how do you think about those two things together. But to your question, I think the data will have to get more specific. Using your salt example, if you're just looking at the salt category and you're not picking up those differences in the product choices that are for the customer, the data is not going to be as helpful as it would be otherwise.

But look, those data collection systems are in the first inning. It's not the data itself. It's all the algorithms and the AI that's going to sit on top of that that's going to be able to sort that out into a more meaningful personal form for the customer.

Dan: What I do is I pay attention to where the ripple in the pond starts. In other words, I've got an ideal. I want to come up with how do I get this to market, what do I do with it. What I focus

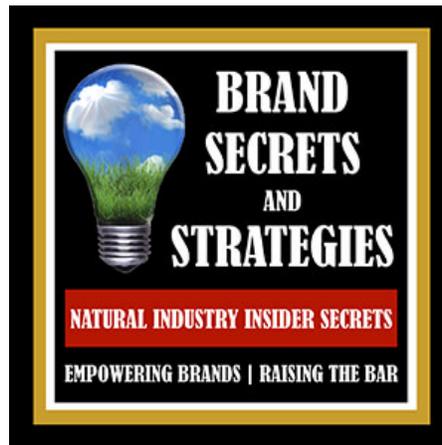


on, Walter, my secret sauce, is paying attention to those nutrient rich foods, et cetera. Chia for example or gluten-free, back before it became a big deal, I knew that it was going to be a big deal because I was watching those ripples form long before they became a tsunami and ended up on a Walmart shelf.

That's what I'm getting at is helping the brands understand first of all how to capitalize on that, what are the trends, skating to where the puck's going, and then more importantly, helping the retailer appreciate the value that you're driving on the shelf. Back to the organic milk example, what I find is that a lot of... You were talking about at one point the comment "just give me a whole paycheck" or the fact that you're talking about the value or the cost of food. I believe, I firmly believe, that brands should not apologize for having the very best ingredients. With that said, it's about the value.

The reality is that consumers will pay a premium for products that meet and exceed their needs. If not, decadent products and luxury products would be declining in sales, but they're not. How do you recommend that a brand focus on the value that they bring to the retailer, to the consumer as opposed to the bottom line cost?

Walter: Yup. Well, first of all, I love that you have a secret sauce. Thank you for revealing that on the podcast. Everybody should have a secret sauce. Number two is I think that the price quality question will probably go on for eternity. But you got to remember that not everybody can afford the quality of food. That's one of the big issues for me in this next body of work is I really feel strongly about the democratization of access to fresh healthy quality foods because we all know the impact that has.



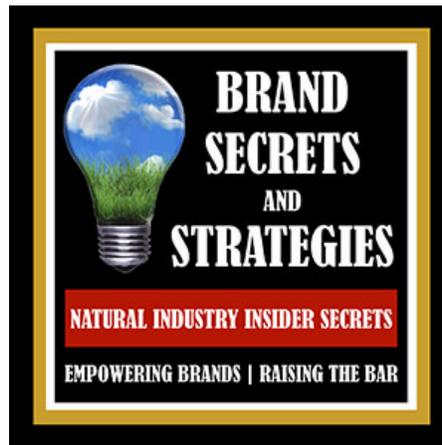
Whole Foods was not able to serve anybody. We never served probably more than 20-25% of the U.S. population.

What we want to work with overtime here as we continue to hold the line on quality is to build the quantity up to where we have it available to more people so that they can have the benefits of that. Whether it's going in the inner city communities, whether it's looking at our programs, whether it's building stores out in different areas, whether it's just building in areas to where the price point can come down, all those things will be part of making sure that this food that we have helped to nurture and support over these 30-40 years can be available to more and more people. That is a big theme of the future.

It's a big challenge I think is there for the food industries to take the quality of food and make it accessible to far more people.

Dan: So critically important. I agree with you 100%. This is why I do this. My mission is to make a healthy way of life more accessible by getting more healthy brands to more store shelves and in the hands of more shoppers. That includes online. Basic supply and demand. The more that we can increase the demand, the more that we can affect the price. One of the issues that I'm also finding or trying to help these brands deal with is the cost of getting their products on a shelf. Natural brands, especially small natural brands, are so unfairly burdened with cost that the larger companies don't have to take on. For example, slotting in the broker or the distributor and stuff like that.

Going back in time, I remember when we had several distributors even in Denver, Colorado. They're gone now because of the inefficiencies and stuff. They do have a need. But my point is, if



we were to make it easier for the brands to get their products onto the shelf, to lower their cost of goods, to help the retailer remain relevant, I mean relevant compared to other competitors in the market, et cetera, to me, that sounds like one of the things that we can do to help improve the food system and solve some of these problems. What are your thoughts around that?

Walter: What I hear you saying is that if we... What I see happening is that there's more brands being created than ever before, right?

Dan: Right.

Walter: There's all this new generation of entrepreneurs that are taking the food system in all different directions. It's a lot of new foods and a lot of diversity of foods that hasn't existed up to this point. We talked about their path to market is not just to go on the store shelves anymore. Their path to market is to go on the e-com platform or the online platforms and sell there. That's what a lot of the young companies have done to get to market. I think both pathways are necessary, that some customers want to be served in the store. They want to be served online.

That's just the way, but the online shopping penetration of the U.S. is probably 5%, probably going to 20%, of folks that are going to shop online. I'm not sure I completely understood your question, but I think this explosion of new food choices it's happened over the last five years. The explosion of diversity of foods and source of foods is very exciting and has really shaken up the marketplace in a way that we haven't seen since I've been a grocer. I've never seen the explosion of new choices and new products that's happening right now.



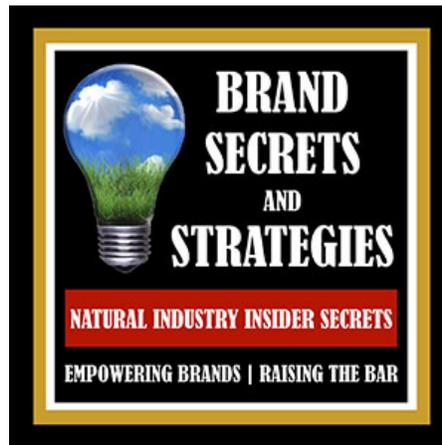
Dan: Which is really exciting. What I was getting at is that I'm a category management expert by trade. First person certified at the highest civil category management proficiency. What I was getting at is that if we can help brands identify which promotions make the most sense, how to maximize your trade spending, how to identify what stores you need to be in as opposed to just get into any store that says, "Hey, you're a cool product." To be able to help those brands basically be able to get more runway, to be able to do more. Then as a result, those brands could do more good to support some of the other causes you have. That's what I was getting at. When we're talking about getting more of those...

Walter: Well, you're right about that. You're right.

Dan: Go ahead.

Walter: Yeah, you're right about that. The resources are not unlimited. They have to make choices. Increasingly, I see a tension between their desire to market directly versus to market with and through the retailer. They have to do both, and so they've got to decide to put in that. They need help thinking about that and which resources to put down where. If they're going through a category review process, which you know intimately, they're deciding whether to join the marketing programs of the retailer or are they thinking about investing in the Instagram platform, whatever it might be. They have to make choices on where to allocate their dollars. It's complicated.

There's far more choices to go to market today than there were even 10 years ago. To answer your point, I agree with you.

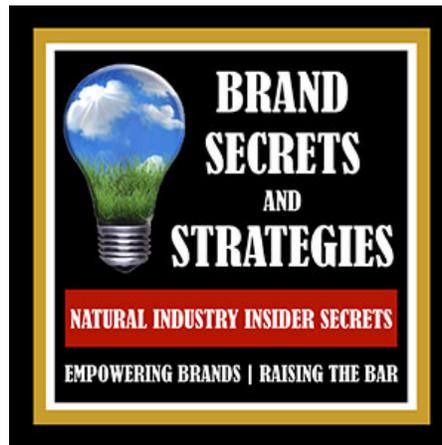


Dan: Well, yeah. I agree with what you're saying. I believe a brand needs to have a dual platform. I am 100%... In fact, a lot of times I'll recommend that emerging brands start in digital or online so they can get the runway so they can afford to go into traditional retail. As brands are building out and growing at retailers, what can a retailer do to help a brand? What do you see the future of that being?

Walter: Yeah. Well, I think it starts with the right attitude that the retailers and the brands need each other. I mean, we learned at Whole Foods that there's a limit to how much private label the customer wants. The customer wants the brands and wants the stories. That was at least our experience at Whole Foods. If we went too far in a category with a private label, we got a lot of pushback from the customers saying, "We want to see the right balance of the brands." I think it starts with a mutual respect and appreciation for each other. Hopefully in Whole Foods there was a core value, win-win relationships, but we didn't always...

I think there were times we were not always true to that value and the suppliers let us know that. There were times perhaps where they would ask too much or want too much. I think it's a dance that goes on all the time, but I think it starts from this idea that these entrepreneurs are producing products or bringing products that are really exciting for customers. Increasingly, the customer is looking for what's the next thing or what's on the edge. I know Whole Foods is looking for new ideas not just more of the same to build out a category as they build out a category.

I think if the retailer can be a good partner, pay on time, execute the agreements that have been made, the commitments that have been made in terms of purchasing and distribution and store face

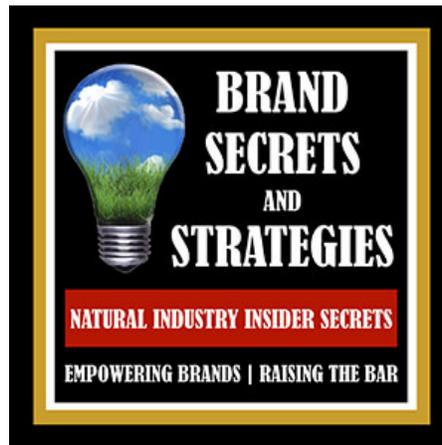


things, if the brand can stay in stock, have the inventory when it's needed, step up and support their brands with demos and also innovate, in other words, keep moving and keep bringing new things forward as part of that brand, so investing in the brand itself so that the retailer's investment in the brand is worthwhile, then I think you'd have a winning proposition.

Dan: On that note, actually I never share this with anyone else, but right before you guys did the buyout at Amazon, I knew something was up. I didn't know what it was, but I was actually approached by your category management department to help them with some of this. Because my philosophy is that a brand is responsible for their product whilst it's on there on the shelf. It's not the retailer's responsibility to make sure they've got enough to support a promotion, et cetera.

I'm trying to teach the brands how to understand their numbers, how to understand how much of an increase they expect to get out of a promotion so that the retailers aren't always behind or having to try to solve either problems that really aren't in their... That really are beyond their way of thinking. What I'm getting at is that there's no retailer who can possibly be an expert in every brand, every category and every consumer shop or store. That goes back to what I was saying before. Helping the brands help their retailers by as you said becoming a good partner, I think that's what's missing in this industry. Your thoughts?

Walter: Yeah, no, I think we covered this topic. I think that's the right guidance. It's different in every case. I can tell you, I heard a thousand presentations plus some from different brands. Everybody approaches this slightly different, but I think those are the elements of a successful moving forward. They take different



shape and form in each individual relationship depending on the product. It could be a supplement, it could be a booster food, whatever it is. It's relationships is what we're really talking about here, establishing a good two way relationship that then will translate to the benefit of the customer.

Dan: Great. I appreciate that. When you sold Whole Foods to Amazon, what was your relationship with them? Did you stay on for a little bit longer and what did that look like? Are you involved in that anymore today?

Walter: No. Actually we sold 100% of the company to Amazon. We had a board of directors because we were a public company. At that time, we wound down the board of directors because we were no longer a public company. We were wholly on a subsidiary of Amazon. The only responsibilities I have at Whole Foods today are chair of two of the foundations that we help start, Whole Kids and Whole Cities, but I have no operating role with the company. Certainly still have wonderful relationships, friendships and connections there, and it's nice to see the next generation of leaders coming up, ones that we hired and mentored, but that's the extent of my role right now.

Dan: In these other things that you're doing at Whole Kids, et cetera, what does that look like? Because I think that's a fascinating program. I am such a proponent of teaching children about healthy nutrition going back to where we started this conversation. Can you talk a little bit about that and what did you do? Because I've heard you say that that's one of your most proudest achievements.



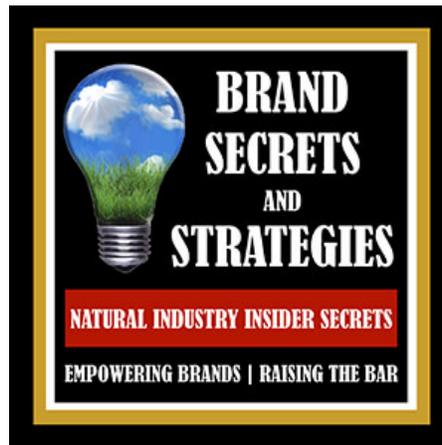
Walter: Yeah. I mean, I'd love you to do a podcast with Nona Evans who's the executive-

Dan: Sign me up.

Walter: ...director. She's fantastic. You'd get it right from the heart. But essentially let's go back to the idea that a business exist for a greater purpose than making money. In our case, it was to bring more healthier foods to the world. As part of that, as you get bigger and large, you can imagine you can do more things. We thought about the nonprofit world and where could we do some additional good, which led to the formation of our first foundation, which John really championed, which was Whole Planet, which was this idea of giving back into the communities from the countries in which we bought product to try to help those communities, and particularly the women in those communities, through the loan program and so forth through what we call the Whole Planet Foundation.

Then from there, the idea was the second foundation, which is around helping kids, was just inspired by the fact that if you want to help people change their eating, you got to start when they're younger, whether they either put their hands on the soil or give them healthier food. What Whole Kids started with was a single salad bar. Now I think it's over 8,000 salad bars or something that we've put out there, including also then school gardens and also education for teachers who are stressed and strapped for time. We have a chef who comes in and helps them learn how to think about nutrition and talk about nutrition in the classroom.

The Whole Kids and then Whole Cities is really about the access for healthy eating education particularly in the inner cities, in



communities where they don't have a plethora of choices you probably enjoy in your home community. There are many places like that that have mostly fast food joints. Whole Cities is all about this idea of helping in the communities where they don't have the fresh food access, but helping them make that journey and helping them with the information about that in a culturally relevant way.

Each of these foundations came out of the journey of Whole Foods and the desire to do more and to impact more than we could do just by building stores, but taking on a larger role in the world, which Whole Foods paid 100% of the GNA on these foundations, so all the money raised went to the work itself. I think we're all collectively very proud of what those foundations have done. Whole Planet is the oldest, Whole Kids is the middle child, and Whole Cities is the young one. But I mean, they've had an amazing impact not just on the communities they've served, but also on the team members who feel so proud and had the opportunity in many cases to volunteer just continue to support that work.

Dan: Well, and that's where the ripple begins because if you are what you eat, what you eat matters, and if we can help young people appreciate food and the value of healthy nutrition, I think it's how we change the world. You've got a lot of other initiatives that you're involved in now. Food waste being a big one. I know that you've invested in FoodMaven in Colorado. Can you talk a lot about that? One of the reasons that this is important to me is because I've worked in the backroom. I know as a grocery manager how much food we threw away. It's staggering. I don't



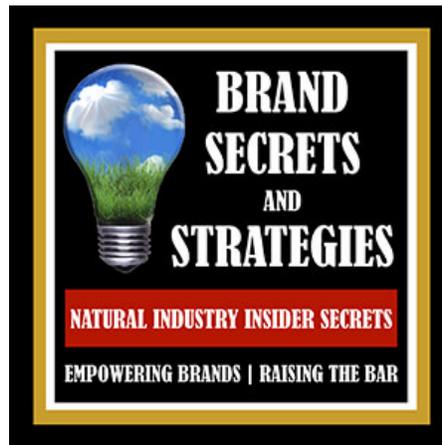
think people could even grasp the amount of food. It's sad that that happens.

What got you interested in that and then talk a little bit about that if you don't mind? Then what can we as brands do to help support that kind of initiative?

Walter: Well, I think there's already at least 10 that I've seen, up cycle brands in the marketplace, offering to customers a choice to support the full use of the materials in the manufacturing process, which is kind of exciting. I think many more to come. Certainly that trajectory, any brand could start to think about their ingredients in that way or thinking about there's a cracker that is going to come out soon that is going to take all the whole rotation of crops on a field. When the farmer typically does crop work, all that will be put into the product.

All that stuff is happening, but the mind-boggling number is, Daniel, that we either waste or lose somewhere between 40 to 60% of the food that we grow in the United States. I mean the farmers... I was at a farm two weeks ago that's 100,000 acres. His number in the field is 40%. 40% they don't even take out of the field. That's at scale. Then you throw on the stuff that you and I have seen in backrooms or whatever, you're probably pushing north of 50%. Then there's also the food that gets distributed in such a way that it doesn't meet spec or whatever and it goes to the dumps. 25% of our dumps are food.

We've got a massive challenge and a massive opportunity because we have so many kids hungry, because we have so many people needing access to the food, and yet we're wasting or losing a large percent of the food that we're growing that takes so



much to grow it. I see it as an issue that we might not have been able to think about 25 years ago as we were focusing on just building the baseline around quality, but we now have the bandwidth to take this thing on. Many companies are doing that. A test going in London had their CEO as zero tolerance for food waste and is working in that direction.

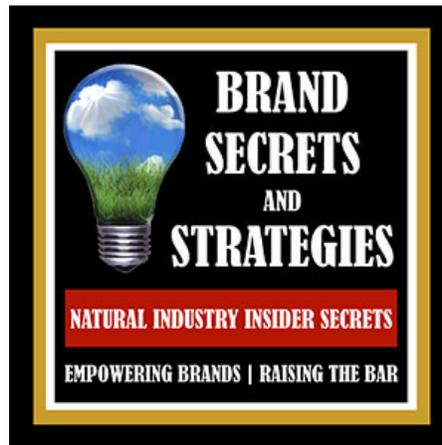
We have FoodMaven in Denver which is making a market for the lost food and trying to create a place for that to come to market at discounted prices in a win-win business model. We have the ReFED nonprofit organization based in San Francisco which is working on public policy around this. You start to see some cities that are requiring businesses to have plans around their food waste so that they're being more thoughtful about it as they go through their business. I think you're seeing an issue the time has come or is coming. You got hotel chains that are saying they realize that this is costing a tremendous amount of money and customers also want different assortments of foods.

I'm obviously involved with FoodMaven. I like what they're doing, which is essentially combine the old world logistics of picking the stuff, but then the new world of data and technology to personalizing their offer to you as a chef or a buyer so that you can make that choice of food. I think it's food access, food waste, these are huge issues for the future. There's just an extraordinary amount of food that never gets out of the field.

Dan: Scary, scary, scary.

Walter: We've got some work to do.

Dan: We do.



Walter: We got some work to do.

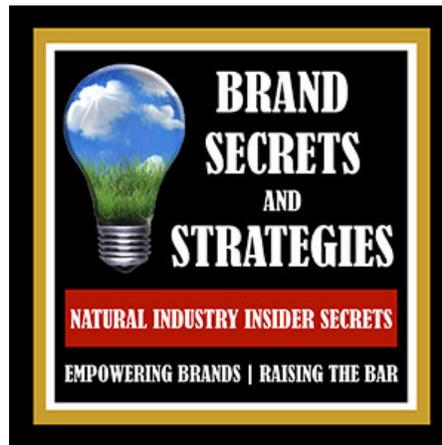
Dan: One of the things that I'm trying to help brands do, again bringing back to the strategies and the secret sauce, et cetera, is the demand planning. Helping a brand more effectively plan for promotions, regular turns, et cetera, including working with retailers and helping to fix the supply chain issues so that when the product gets picked out of the field, it shows up on a store shelf a lot quicker, trying to compress that, and some interesting strategies around that. I mean, some of the companies I'm talking to, et cetera. You are also a fan of Apeel Sciences. I looked at them on their website.

What a cool technology to be able to extend shelf life. Are you an investor in that or advisor? You are an advisor, right?

Walter: I'm an investor. I'm actually a board member as well for that.

Dan: Cool.

Walter: James asked me to go on the board, so I'm on the board. Intimately involved with the company. It is, as you say, extraordinary breakthrough in the technology. What is most phenomenal about it is that it's usually using nature to... Working with nature rather than trying to dominate it, which is what I think characterized most of our industrial production efforts over the last 50-60 years. What I mean by that, he takes food waste. He takes the lipids out of that, bits of compound, which he sprays on the vegetables to essentially create a second peel if you will. It radically slows down the oxidation and respiration of the vegetable, allowing it to extend the shelf life naturally.



That is to say working with nature's own laws. It's going to be a worldwide company. It's extraordinary. It's just a breakthrough of science, but science in harmony with nature that is phenomenal. I think James is an unbelievable entrepreneur. He's building a great team. He's already been accepted by the EU and is looking around China where they could definitely use some help on this sort of thing. But think about the potential for helping communities after a disaster or helping inner city communities where you could extend the life of fresh produce and make it at the same quality level, not a deteriorated level. It's a phenomenal company. Phenomenal.

Dan: I am thoroughly impressed. I'm watching the video on their website. I'd love to have them on the podcast, side note. But anyhow, it's interesting about what they're doing and to be able to celebrate those kind of new strategies. I think it's really inspiring when we share stories like that. Thank you for that. I never understood why we put wax on apples, which is kind of strange, when now we've got a way to extend the life an apple. Talk about please Stonewall Robb. What is the goal there? What are you trying to do? Is it an incubator? Is it just sort of a hub for your ideas, your brands, et cetera?

Walter: Yeah. If you go to my website, it tells you what the Stonewall... Where it comes from, which is our family compound. It's a platform. It's a place from which to continue to bring my values forward in the world, whether it's through speaking, whether it's through investing, whether it's through consulting, whether it's working part time with S2G Ventures out of Chicago as executive in residence. It's just my base camp if you will. I'm also using it when I invest in companies directly. That's the entity that I use.



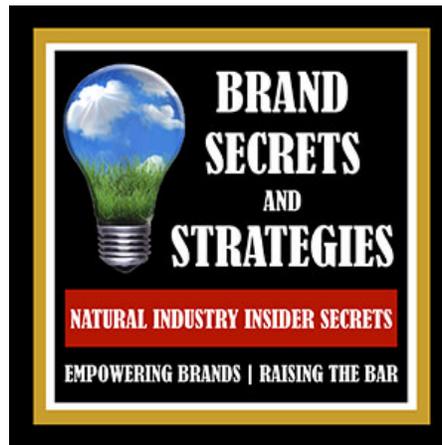
It's still in formation and I have many more miles to travel and many more ideas to try, but it's my home now. It's got a really pretty cool story on the website kind of what it means to our family.

Dan: It does. Again, the resources in there, all the different talks, listening to that, I've learned so much more about you. Again, you're so humble and I'm so thoroughly impressed with all the things that you've done, how forward thinking you are, because we need more thought leaders like you in this industry to help solves these problems, to bring these problems to bear, to help shine a light on them. Going back to food waste, I used to be a DST driver years ago. To watch the food get thrown out was just mind-boggling, that when I was trying to feed my small family. Anyhow, thank you for all you're doing there. Is there anything else-

Walter: You're very kind to spend time on the website, but thank you for doing that. Yeah, I think we're all in this together. We know that now more than ever as the climate heats up and we realize that there's a lot more that joins than separates us. We got to figure this out. We're going to do it as a team and we're going to do it as multigenerations.

Dan: Right.

Walter: Whatever my role is your role. We all play a role. We all help to push it forward. We are more aware now than we were 30 years ago. Our instincts might have been right, but we know a lot more now, so therefore, we really have a duty and a responsibility to act that and to bring these things forward. There's a lot more that's possible now than was possible 30 years ago. All in its due



time. To everything there's a time as the bird sang in that song. I don't know the name of it was, but this is the time now to take the learnings and the foundation of the last 40 years and push it forward into the ocean, all the way into the ocean.

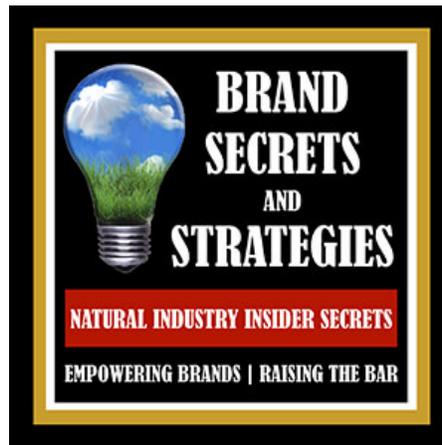
Dan: Well, in my opinion, that's what makes natural natural. That's why I love this industry because we do so much to help support each other My mission, your mission, et cetera, they align so nicely. Thank you for sharing that.

Walter: You're welcome.

Dan: I know we're coming up on the end of our time. Is there anything else that you like to share?

Walter: I think just for people to recognize that we really have come to a juncture after 70 years post World War II, plus or minus, that we're on the doorstep of some meaningful changes, whether it's on the farm in the negative sense, the fact that farmers are not fully appreciated in our society for what they do, to the lost of soil and the production of food as it is, to the overuse of pesticides and fertilizers, but to the emergence of this new type of botanicals that are showing and plant commons that are going to outperform the synthetic chemicals. We got this potential for a revolution up and down the value chain in food, which is really exciting.

We are literally recreating or creating a new food system in these different companies some of which we've talked about today. For people to see the magnificence to the moment and to double down on their efforts from wherever angle they're coming, to harness the power of technology and data platforms, not to be



beholden to them, but to harness them for the purpose of giving the customer better choices, more choices, faster choices, towards that healthier end, then I guess I find myself fortunate to be at this. I'm passed halftime in my life, definitely in the third quarter, which is okay. You like to turn it back sometimes, but wonderful experiences I think give me the benefit of perspective.

But also I'm genuinely excited about what I see as possible going forward. I'm so impressed with the quality of entrepreneurship and talent that is bringing some of these ideas to life in the form of new companies, new brands, new retail ideas. In general, I land on the optimistic side that we're onto something good here.

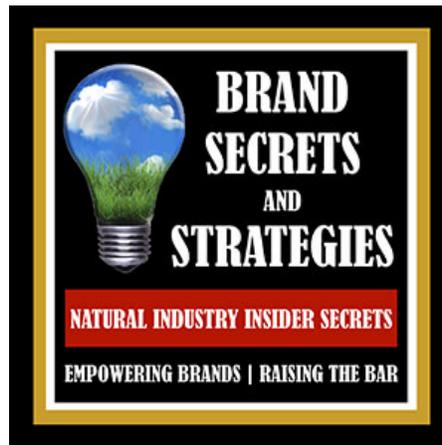
Dan: Absolutely. I couldn't agree with you more.

Walter: Good intentions.

Dan: Well, it is. We think we've got a very exciting future. I think that again working together we're going to solve a lot of these problems. I think that the future is bright. I believe that completely. Thank you again for coming on. I really appreciate your time.

Walter: You're welcome. Thanks so much, Daniel.

Dan: I want to thank Walter for coming on today, and for sharing his insights and his passion for this industry. It's so inspiring to listen to someone who's so humble, who's given so much to the industry, and we can learn so much from him. So thank you again, Walter, for sharing your insights. I'll be certain to put a link to Stonewall Robb on the podcast show notes and in the podcast web page.



For this podcast, the free download that I mentioned earlier, something I've never shared before, is **How To Get On More Store Shelves**. I thought that this would be the perfect free downloadable guide. This free downloadable guide covers several things that you need to be thinking about when you get ready to present an item to retail, whether you've got distribution or you're starting out brand new, these are the things that every brand needs to know. You can get this instantly by going to [brandsecretsandstrategies.com/session137](https://brandsecretsandstrategies.com/session137),

You can get instant access to this free downloadable guide at [brandsecretsandstrategies.com/session137](https://brandsecretsandstrategies.com/session137). Thank you for listening, and I look forward to seeing you in the next episode.

Stonewall Robb <https://www.stonewallrobb.com>

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.