



BRAND SECRETS AND STRATEGIES PODCAST #142

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #142

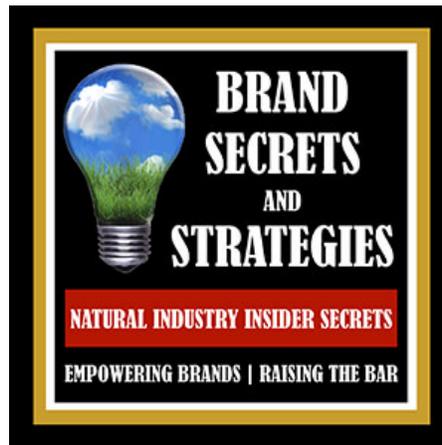
Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

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.

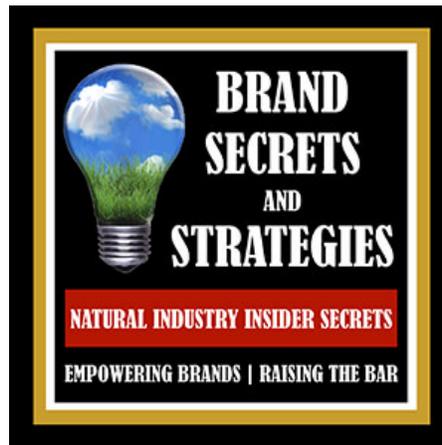
LETS ROLL UP OUR SLEEVES AND GET STARTED!

Dan: Welcome. I spend a lot of time talking about all the different brands that I've worked with, from pre-revenue to multibillion dollar companies. One of the things that really surprises me is that most of the brands, especially in the natural channel that I work with, don't have a business plan. Let me explain. We spend a lot of time as an industry, in fact, we do, I think, an amazing job as an industry, teaching you how to raise money and how to hire a broker, et cetera, but I feel that we do a lousy job of teaching you about a business plan and why a business plan is important.



A business plan is your roadmap. It's your blueprint to success. A business plan is going to give you everything you need to get from point A to point B. Let me explain. If you're a brand and you want to grow to a certain size within a certain amount of time, well you can put that in your business plan so that you know that if you do A, B, C, D in that order, then that's how you're going to get reach that goal. If you want to sell your brand at a certain point, then that's something you need to be able to put in your business plan. More importantly, your business plan needs to be very customized and tailored to your specific needs, your specific business. I see a lot of brands buy business plans that are templates and fill those out. Huge, huge, huge mistake. Your business plan should be so complete that you can give it to anyone and they can run your business for you on your behalf in your absence. That's the goal and that's why this is critically important.

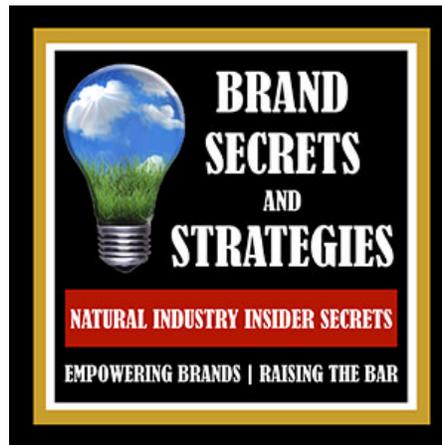
The difference and the reason this is so important to you and why this matters, is because this can determine how long you'll be around. And the best part is, when you're looking at funding, when you're looking at getting into retail, the more complete your business plan is, the easier it's going to be able to get the kind of funding or negotiate the kind of terms that you want. So instead of settling for scraps from a venture capitalist, you can choose to work with venture capitalists that can actually become a strategic advisor or go to a bank and say, "Here's what I need and here's why this matters. Here's what I plan to do with it. Here's how I'm going to execute," and when you're working with a retailer, "Here's how I'm going to sell products in your store. Here's how I'm going to grow my brand. I'm going to start in these stores, in this ZIP Code, and I'm going to grow."



Now, while this may sound kind of complicated, it really isn't. All it is, is you taking the time to think about what do you want your brand to be, who do you want to buy your brand, and then how do you want to have your brand represented long term? Anyhow, this episode is probably going to be one of the most important episodes that you'll ever listen to.

Before I go any further, I want to remind you that there's a free downloadable guide at the end of every podcast episode. I always 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.

I really appreciate you for listening. If you liked the podcast, share with a friend, subscribe, and leave a review. To help me out with this important topic, I invited Michael J. O'Donnell, backer into the podcast. If you didn't listen to the episode that he did with me before, it's Secrets 115, Success = Brand Strategy + Execution. Take a moment and listen to this podcast again if you haven't heard it already. The reason for this is this is what every brand should aspire to. If you leverage these strategies, a strategy we talked about in that podcast and in other podcasts, you can compete head to head, toe to toe with even the big brands. In fact, if you execute these strategies well, you can push the big brands around. This is how I built my career, by pushing big brands around, by using strategies that big brands overlook. And the best part is, is that I've customized these strategies so that they work even better in natural. So here's Michael.



Dan: Michael, thank you for coming on today and thank you for sharing your time. I want to start by talking a little bit about yourself and your journey to where you're at today. Specifically, how did you become such an expert in business plans?

Michael: Well I first started when I left college and graduate as part of Anheuser-Busch back many years ago. I was able to develop both a marketing plan/business plan of going into certain markets throughout the United States. Over a course of the last 42 years, I've been able, I feel, to develop a lot more on this type of, really, exercise that needs to be done. After that, I went into Nestles and again, the exposure I got from Anheuser-Busch going into Nestles, that also helped me understand business planning a lot more thorough on an international scale then coming back, as I like to say, from the planets down to earth, down to the ground and then after that, I went to work for capital where I really took the financial side that they're so well versed in, taking the business plan side and it's really culminated to where I am today with the BelMullet Food and Beverage Group.

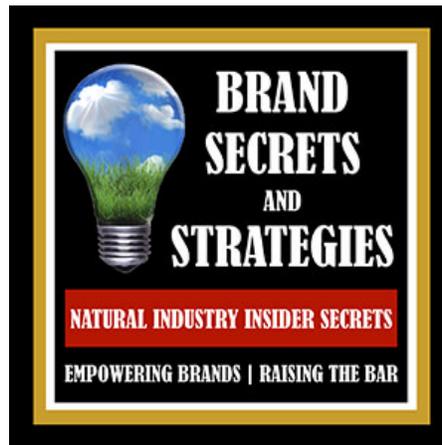
Michael: We're a group that builds business plans, marketing plans and also sales plans but we also do brand management and we also look at logistics. I think some of the things when getting into your business planning is, people, say, "I have a product," they think they have a plan but it's not really thoroughly thought out. Again, I'm one of your biggest supporters because the way of thinking today is really what was needed yesterday. I think you were already a futurist without knowing it and again when you have a solid business plan and what also comes up by your great group, it makes sense for people to take a look at both sides and say,



"Here's my business plan. What's my brand plan in there? Sales, marketing," and finally as we both know, your tactical strategy of sales, marketing, and logistics.

Dan: Thank you for the kind words. I couldn't agree with you more that this is such an important topic. Let me back up and frame this a little bit. First of all, the reason that I invited you to be on, the reason I'm so thrilled about this is that your superhero, your super strength, whatever, is that this is your niche. This is your forte. From everything that we've talked about, this is something that every brand overlooks and so again, let me frame this. Brands are told that they need to go raise money, then they need to go raise more money, then they need to raise more money. Well here's the problem with that. If you're constantly raising money, not focused on what you're doing with the business, then how do you know if you're going to hit the target that you're not even aiming for? One.

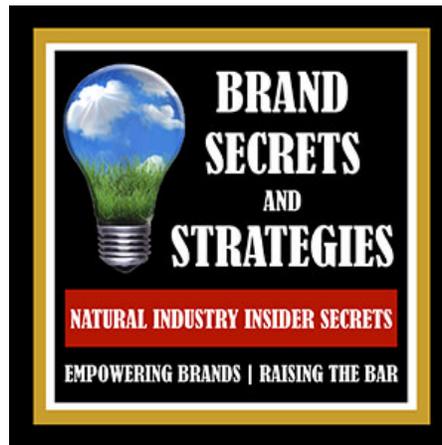
Dan: Two, if you have a solid business strategy, then you've got a blueprint and plans to go from point A to point B. Now you can start selling more product, getting more product in more stores and now you, as a brand, are a better investment, you can negotiate better rates, etc. with the investment group and then the other thing, the most important thing is, this is the strategy that you need to have in place if you want to be successful. Having a lot of money in your pocket and just simply throwing distribution anywhere you can, trying to get distribution, trying to get sales in any retailer is not a strategy. To your point, I think the number one reason brands fail is that they don't know what



they want to do with their product. They think that once it leaves the back warehouse, they're done.

Dan: No, that's where the selling begins. You need to make sure that you get your product from point A to point B. You need to make sure you're getting your product in the right stores, where your customers shop and you need to make sure that you've got a strategy to help get that product off the shelf and into the customer's shopping basket. All of that stuff is so critically important and it needs to be baked into your selling story, which needs to be a part or baked into your business plan. Your thoughts?

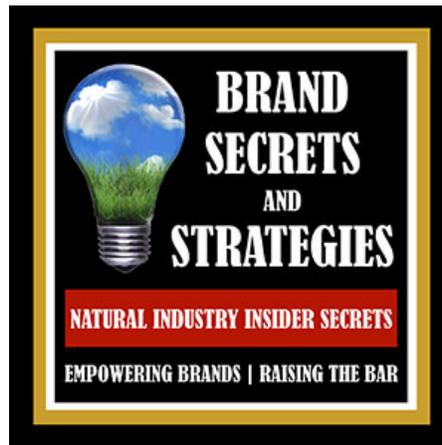
Michael: Right. It is a process that's ongoing. Two things that your plan should be is very focused on where the brand is and who your consumer is, so when you go in to speak to the retailer, that your business plan is exactly the retailer you're going to for hitting the right consumer because not all retailers are the same. I think when I start with brands, they always say, "I'd like to be all over the place," well, if you're in your own back yard and you don't own it, this whole football line, you can't put a fence around the state and say you own it. You don't own anything. That's like recruiting in football. It's the same thing in business. If you're based in Illinois, you should own high-end retailers that you're looking for in Illinois. To your great point there Daniel, understanding, it's in the stores, where's the execution points? How are you working with your brokers? We'll talk about score carding down the pike here, and other activities that ensure that you know where the brand is being sold, how it's being sold and to whom it's being sold.



Michael: We'll talk a lot more about that and I want your interjections and some of your great ideas that are relevant today and are going to be more relevant as we move into the future because what we're going to see in this retail landscape, that's changing almost on a daily basis.

Dan: I appreciate you saying that. Thanks again. You're absolutely right. Here's a thought that I had while you were talking. You've created a product that's revolutionary, it's going to disrupt the world. If you're the only person who knows the recipe for that, how are you going to get it to a co-packer? How are you going to grow it? How are you going to get that in front of more people? Your business plan, think about it as your recipe for your business. If you're not available to be at work, to be there 24/7 or because of all the other stresses, even more than that if it's possible, who's going to execute and run your business on your behalf? If something happens where you get called away or you get distracted helping one client, who's going to keep the ball moving? To your point, yeah, this is so critically important. Michael, again, thank you for coming on and for sharing this. Let's break this down. If I'm a young brand, what are some of the things I should be talking about and thinking about in terms of putting into my business plan? Just the basics. Then we'll start laying on all the other things that are going to help you be successful. Where would you recommend a brand start?

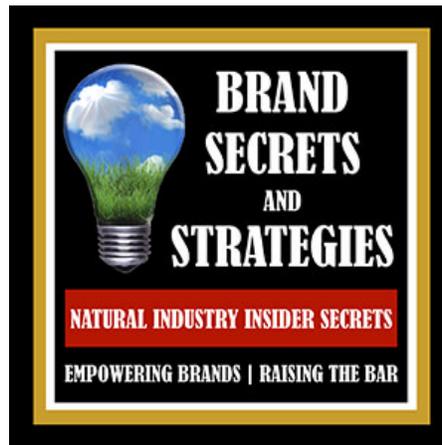
Michael: Right now, I'm working with a great brand. It's number one in its category. It's Crispy Green. Let's take them as a quick example. They've been around for 15 years. They're number one in the category but now, in their business plan, we have to take a real look at where they have to keep growing in the right particular



retailers that they're not in, in the right department and understanding the sales revolutions in those particular areas of the store and in the categories that they play in. For instance, produce with this. When I was brought here, one of the things that we had done is look at the business plan and we are enhancing a lot of the things that some people would say, "It seems elementary."

Michael: She started this business, I'll just get one quick one here, really from her garage and now it is a standing brand. Like I said, number one in the category of the freeze-dried fruits. It is a healthy alternative and it's starting to pick up very well because she was one of the forerunners of all good healthy snacks. Let's now dive into what we say with a business plan. When you look at somebody's business planning, either they're in business for maybe one to five years, I think the first thing they have to put down, to me, is an executive summary. It doesn't have to belong. It's about one page. What is it about your business? Where are you trying to go? Why do you think your brand will be outstanding? I think in a lot of places, people just write it down but they really don't know that first page, an executive summary, really sets the stage for the rest of that business plan that you're doing yourself and you also have to think of, to your point, investors.

Michael: I think some people write a business plan, think it's okay, or they go to certain people that they feel, "It's a friend of mine, he can write a business plan." I always say two things. If you want to go to an amateur instead of a professional and you think you're saving money with the amateur, as I like to say, you don't know how much it's really going to cost you on the long end of it.



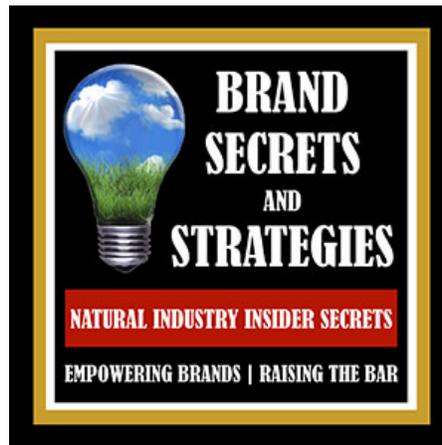
Getting a professional upfront to pay them what they need to get for you to be successful in your plan. The second in the business plan, I think is marketplace and competitive analysis. Now, if you're starting out, of course you don't have the funding per se to go after all the IRI, AC Nielsen, market research, shopper's marketing analysis, and data but you can go on Google. You can also do this. Go into stores that have your competitors and you could go in and I always say to people, "Go to a chain, over 100 stores, five stores, then go to another chain that has five or more stores." It does take time but you can look at the shelf set, you can look at the price ranges, you can see their merchandising activity. You can see their sales mix that they're trying to put together to see how you would fit on that shelf and fit within that category, within that store. Does that make sense?

Dan: That's great advice. In fact, let's back up a little bit. When you and I started, to date ourselves, we didn't have this thing called the Internet. We didn't have smartphones. This is how we did it. We would physically go out and look at stores and see what kind of cars were in the parking lot. Then we'd go talk to the people in the stores, and this is how we got to know the customer, one, which is art I think most people overlook. Again, these are the people that we want to sell our product. We've got to be invested in their business if we expect them to be invested in us. You made the comment, Michael, that this seems elementary. Yes and no. How many times have you done something... I mean, think about you're driving home and it's routine, you're used to doing it but yet there are a lot of things you need to be considering and be thinking about that, while it seems elementary, that you need to be taking into consideration.



Dan: It's technology makes it easier for us to dumb ourselves down. We need to work harder, I believe, to make sure that we're taking a look at what's going on out in the world. For example, what kind of zip code does your particular product align with? Where do you find those customers? Minimum. That's the bare minimum. Then number two, where do you find those stores? What you were talking about a little bit earlier, same with you, I'm sure. I can't tell you how many brands I've talked to that have got a great product and they're up in New York, New Jersey, up in your part of the world and then they get distribution in Texas or California and I ask why? Because it doesn't make any sense at all because they can't be there to service the product. They don't know who the customer is, etc. to your point, you've got to be able to own the space that you're in and then as you're starting to grow, then you want to start growing into stores that make sense.

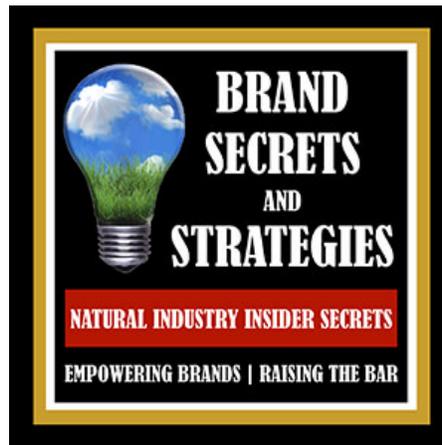
Dan: Quick story, I was working with a product once, actually talking to the brand owner. She had an \$11 jar of peanut butter and she wanted to get distribution at King Soopers, which is a Kroger division here in Colorado. They tested her product and they put it in a variety of stores. Now instead of engaging the retailer and saying, "Here are the stores that I think I can do best in for you," remember, it's about the retailer, they put her product in a lot of different stores based on what they think. Just kind of random, whatever. So they put their product in some blue-collar neighborhoods that don't have the higher income that are going to spend \$12 on a jar of peanut butter. Guess what? The product failed in those stores. No-brainer, right? Back to your comment about elementary, we've got to be smart, we've got to help guide the retailer and so the reason we're having this conversation is



that in your absence, how do you want your brand to be portrayed? Where do you want your brand to be sold? Where's the best opportunity for you to get in front of the right customer. I agree with you 100 percent. Please continue.

Michael: To your point, you just brought it up. When you stay in your own market, you're going to make mistakes, folks. I want you to understand that but if it's in a smaller market and it's very corrective, and if you're on a national stage, as I like to say, we just did something bad and it gets out over a large number of stores. When you stay in your own market, you can, within your business plan written, you stay within your process as I like to call it, and you can make some adjustments, then you go back to your business plan, re-write certain things that you thought were going to happen but didn't, but you were able to improve on it. You update your plan at all times. I think that's one of the biggest things I see. You have to be fluid. A plan to me, I always tell people, "Let's write down 75... Really hard." The other 25 percent, "Mike, what do we do?" That's the flexibility quotient, I call it, where you can be able to move in and out within that market that you actually put your fence around and get it right, and then as you go national, what did we do really well locally? Then we look to the region and as you expand...

Michael: Again, I go back to my famous line. All retailers are different but you have some sort of a, as I call it, a nice game plan, a business plan that you're able to adjust to that, so then you understand certain retailers are different from other. Why do some cross-merchandise and others don't? That's some of the things also that you talk about. Yeah, cross-merchandising's hard work but the retailer sees that you're a partner and you can help going into



these other categories, which it is hard work to work with those buyers. It's a win for the store. It's a win for the consumer. Plus it's a win for you. If you have what I call the three-level win, consumer, retailer, and manufacturer, it's a great day.

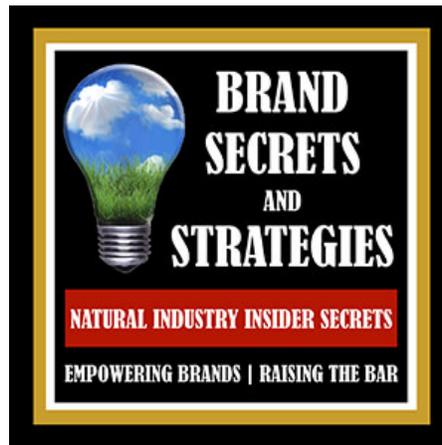
Dan: To go a step further, if I can make this easy for the retailer to succeed on my behalf... Think about it, generically, retailers don't make anything. They sell the real estate that your product takes up on their shelf. All other brands are coming in and saying, "Hey, I'm a nice guy, got a great slogan, cool t-shirts, and stuff, please put my product on your store. Please, please, please." That strategy doesn't work. By the way, then they get out their checkbook that strategy doesn't work but if you can become a value-added resource to the retailer and help guide them to drive sales, by leveraging the strength of that unique consumer you drive into their stores, that's the win. As a grocer, I almost never saw that. There were a couple of brands way back then that were small enough where they able to focus on, how do I help you sell a product? How do I ensure that you don't have out-of-stocks? How do I ensure that we're in the right stores? And everything else. That's where we're trying to go with this. As you're talking to a brand about building a business plan, I agree with you 100 percent.

Dan: This is a living, breathing document. This is something that needs to be changed and modified as you grow, as trends change in the market, as you get into different stores. Where do you start? What's the first thing you need to do?



Michael: Like I say, we start with the executive summary. Again, that's very important. We just talked about the marketplace and competitive analysis. That's number two. Number three is your sales and marketing objectives. You have to have objectives because again, I go back to, where do you want to be? "Everywhere." Logistically, financially, it's not going to work. So, when you talk about your sales and marketing objectives, here are the objectives that you should have and this is where I get a little detail the people don't understand. What's the sales and marketing objectives for this retailer A? Retailer B? Then a little bit above it is really the region you're in. So when you have those two, the region again, down to your retailers, then into your independent business retailers. Those three things are enough to are only on when you're building a brand. This is a startup for that. I've worked with brands that are at 10 million up to about 100 million. We sort of know where the objectives are but we're going to have to change them now because we've not in other markets and we're not servicing the right consumers that are looking for this product as well or brand there.

Michael: When people look at business plans, you have to know who you are today and another line I like to... What do you want to be when you grow up? If you're already grown up, you should have a good idea... So when I come in, I really look at that point, what are your sales and marketing objectives? Have you hit them all? The ones that you put out. Why didn't you hit them all? Was it a financial reason? Was it picking the wrong sales personnel? Was it picking the wrong brokers for that particular... They have to play very well together. I know when people ask me about salespeople, the first thing I try to tell them is, find a salesperson that really understands what you've always been a great



proponent of, category management. That's where this business is. The days of, "I know Joe the buyer," those days are gone. We're now looking at analytical retailers that are data-driven, so your salespeople should have that basic skill. If they don't, they should take your courses as well because that, to me, is really where it has to be. You have to have that foundation.

Michael: Second is, you have to have someone who might have sold in different categories. They're going to bring different views to your company that would help you build the brand. I think that's quite important. The last thing, let's get to the brokers that I mentioned. Most brokers are very good. There are some now that are moving exceptionally quickly into getting into this data and I think that's very important. But then again, your salesperson should know the data as well if not better than them to help them sell your story with the brand when you can't be there. That's something of the things when I look at sales or marketing objectives, is, it's about the product. You've got to have a process and you have to have the right people. The three basics.

Dan: That's exactly what I was hoping you would go into. I know I said, what is the first thing you need to do? But to your point, research. This is exactly why I put together the free Turnkey Sales Story Strategies Course to help point brands in the right direction. To give them a healthy foundation. So when you're talking about having the right people or aligning yourself with the right people, how do you know? That goes back to research. Knowing who you are and everything else. That's critical. I think a lot of people overlook that. In fact, actually, that is the Achilles' heel of the big brands. They spend so much time saying, "Hey, look at us," they forget to think about who's buying their stuff



and why it matters. If they focus more on the customers, I think that conversation would change. Thank you for sharing all of that. Now that you know who your customer is, and you know what stores you should be in, now what do you do?

Michael: I'm glad you brought it up. Now you get into your plan, who's your target consumer? You and I and again, if you take Daniel's courses, he's right, people have the old grifter, the demographics remember that we grew up with. It's two kids, X amount of income, this is what they do and that's it. One of your great webinars in your course, you bring out a lot more and I suggest to people, you better see what you do is what I call waterfall effect. It just doesn't come to one bucket. It flows down from where these natural, organic consumers are that they are very, very driving by where the product is sourced, the type of packaging. Is it environmentally friendly? These are different things from when you and I grew up but we've been smart enough, both of us, to see these adjustments and to put it into a plan. That's what we do at BelMullet Food and Beverage, is to tell people, that's what these consumers are now.

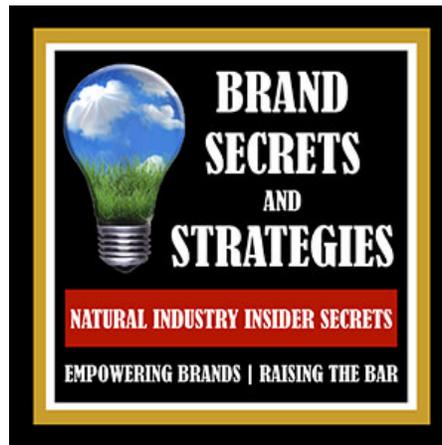
Michael: It's not as homogenized, as I like to say than it was even 20 years ago. That's why you saw the rise of all these high-end brands. You see the rise of craft beers and other things. The consumer to me is fragmented, but they have one thing in common, is that they want quality. That is one thing that I keep telling people, is if you've got a great quality product, and you have a great quality process along with great quality people, that comes across. It really does. That's one of the other things when I talk about the target consumer. Another thing that you hit on, it's the consumer journey. What is the journey? This is part of



that shopper's marketing, which is, it's been out there but now it's beginning to raise, I would say, more of its exposure, because you and I know, people used to say, "It's a female." There are other driving factors in the household that are asking that purchaser to buy that brand.

Michael: The husband, the children. Most people have their parents living with them. Again, we're seeing a changing environment in the household, so you should understand that consumer journey of why they're going to the store and why they have lists and how you could probably get that consumer to buy your product in the journey through the right type of merchandising that you always talk about, the right type of pricing, the right type of different display mechanisms and other things to get impulse sale for a consumer that's there.

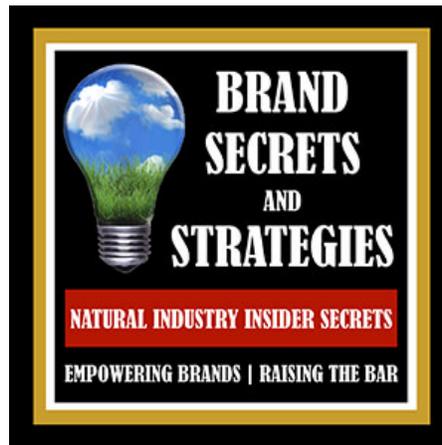
Michael: The next is the marketing sales strategy. This is the one that's probably the biggest hang-up I see because people blend both and they think it's the same. Marketing and sales should be together in the plan and they should interlope like that but... Sorry, I made a mistake on this. They should be like this. I still see plans, here's marketing and here are sales. There's no connection. There is none. When I sit with certain companies, the salespeople complain about the marketing, the marketing people complain about sales and my first question is, "Have you guys sat together and talked?" "No, they don't want to hear us." It's like, the famous joke is, "Why are we getting divorced?" "She never listens to me anyway." Do you know what I'm saying? It doesn't make a lot of sense. You have to talk and that's where I see a lot of companies make mistakes is that their marketing people are segmented somewhere in the building and the sales.



Michael: Other successful organizations that we've help build, we make sure that they're pretty much together, so there's a constant conversation, a good conversation to talk about the consumer. In the business plan, to me, that's quite important. What's your feeling on it?

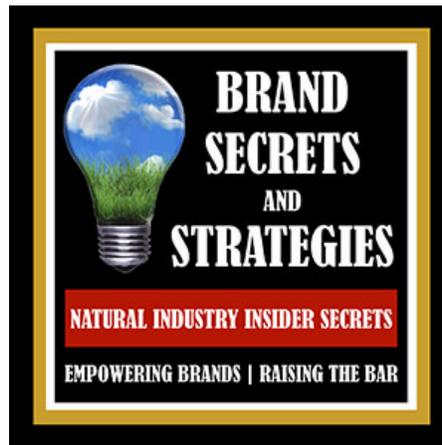
Dan: I agree. I couldn't agree with you more. I think that that makes so much sense. One of the reasons why I'm so appreciative of what you bring to this conversation and what I love about what you do is that you get that, you understand that and so to frame it, a lot of solution providers, a lot of brands are extremely siloed in their approach. "This is the way we do it because this is the way we've always done it." Period, that's it. But when you look at the big companies, especially the big comps that I've competed against, again, part of their Achilles' heel is that they're so siloed and as a result, they're so fragmented. Again, sales, marketing, I mean marketing and sales being our two different parts of the business and now being intertwined, that's a huge, huge, huge issues. If you're talking about the consumer being a generic... A commoditized consumer, as we're always talking about, then that overlooks the value of your consumers. Let's back up a little bit.

Dan: The consumer that buys natural, organic, healthy products is the consumer that is not as price sensitive. The consumer, as you said, that wants quality over price. The consumer that's going to go out of their way to find the products that best meet their needs. Food is medicine, among other things. So you take that consumer and you give them what they want and this is how you help the retailer remain relevant. This is how you help grow your brand. This is how you help grow some profitable sales across every category while the big brands are struggling because



they're still genericizing or commoditizing that consumer. They're overlooking it. To answer your question, it's critically important that brands, especially small, disruptive brands, as they put together their business plan, are thinking about what's unique about their brand, what's unique about the consumer that buys your product and you don't get that through a focus group. You get that through talking to customers, having a personal relationship with them, etc. and then take that information, to your point, to the retailer and help the retailer understand why you matter more, why you matter to them.

Dan: In other words, if a big brand can come into a retailer and dump a bunch of money to drive sales, the fact that they're over-promoting is just pulling dollars out of the category. However, if you're a small, disruptive brand and you can't afford to promote as much, which you shouldn't, then that's driving profit in the category. Be able to celebrate that. Anyway, where I'm going with that is that that needs to be baked into your business plan and it all begins with having a thorough and robust selling story and that is actually the cornerstone of you knowing, as you said, who are you? Who do you want to be when you grow up and connecting those dots. Thank you for sharing that. Once you connect some of those dots or we start putting some of this together in your business plan, then where do you go from there? When you're looking at finding the right people, the right strategies, the right systems, and processes, how do you incorporate that into your business plan so again, someone else can run the business in your absence?



Michael: The last thing on this when you talk about it is the marketing and sales budget. To me, it's an overview. It just has to be quick but I want people to understand, when you put this overview together, you may just think you're scrambling some stuff, things down, a couple of numbers and then, okay, we'll get back to it. I think this is an overview sheet that you've really got to think about. What dollar that I'm going to use in marketing, that's going to drive my sales? Then at the same time, the sales overview, the overview of marketing and sales, what type of sales activities are we going to do to ensure that the marketing is working together like this, hand in hand, that there is something there?

Michael: I think I see too many plans where they scribble numbers down and I just ask them a couple of questions and it's almost like, "Well, we think it's 250,000 to 300,000 in marketing. A couple of things here for sales is about half that." "How did you come up with that formula? Because it doesn't seem correct to me." And then, "Before we get deeper into this, just give me a couple of ideas for activities." "We're going to put up a website." And it seems to me it's very basic. I'm going to say something to a lot of people. I would listen to a lot of your podcast. I still do. I've got some news for people. If you listen to Daniel's podcast and take his courses, they're a lot better than what I'm seeing coming out of the universities. I speak at two universities here and I look at the textbooks. A lot of them are not even updated to the point, folks will be stunned. Some of them only have a chapter on eCommerce and then consumer behavior. I see just a couple of changes but you and I know, focus groups, they have definitely changed and other mechanisms within that marketing avenue that I think are very lacking. When you listen to certain people



that you've had on, the gentleman from Ethan's. I could go on and on.

Michael: If you listen to them, they sort of know. I think they have very good business plans because you can hear them recite what they're doing in the marketing side and what they're doing on the sales side. So there's that great, like "I always like to do this." They're not praying for sales. They're together for sales. I think that's part of it.

Dan: Thank you for sharing that. Go ahead. I'm sorry, what?

Michael: Then next to sales and marketing, it's a tactical detail. What're your tactics? Now let's put the tactics together. I think a lot of times, people miss that and this is where you've got to understand the word strategy and then understand the word tactics. You may find this interesting but let's take sales first. I like to write it 30, 60, 90. What are we going to do the first 30 days now we're rolling out the brand? What are we going to do the next 60 days or 90 days? I've done that here at Crispy Green and other companies I've worked with over the last 15 to 18 years and I could say this very comfortably to everybody. You have to have that and check it almost daily when you're done. Am I going to get this done in 30 days? Is it correct? Do I have to add something or subtract something? At least you have a process in place that's allowing you to keep your thought process going on. It's the same thing on the marketing end. We're going to do the first 30 days, 60 days, 90 days. But yet, they're combined together that you're moving the train down the tracks at the same speed. It's not sales is up here, marketing's here.



Michael: You're working in concert with both. On the tactical detail, it really is getting down to the nitty-gritty. It really is getting so granular, you may think your baby analysis to paralysis, if you've gotten that you've done okay because now you know you need to back off, and I see that a lot where I see too many, what I call, high overview statements in this particular section five that I have and it's not good. It's really not. Your thoughts on that?

Dan: I agree with you. First of all, let me back up. Check's in the mail, thank you so much for sharing that. I agree with you completely. Everything you've said. Let's back up and talk about Ethan's. That was episode 129. One of my favorite episodes because we talk about the journey of the customer. We talk about the importance of knowing the customer and if you don't know that customer, how do you know who you're shooting for? How do you know who you're marketing to? To your point about focus groups, I was sharing with you, one of the last times that we talked, I worked for a big brand that had a product that was going to revolutionize the category. I mean, it would've been the best product out there and the marketing department was really excited and they put it out there but they kind of forgot to talk to the category management department. Category management was brand new back then, or sales. And guess what? It didn't fit on the shelf.

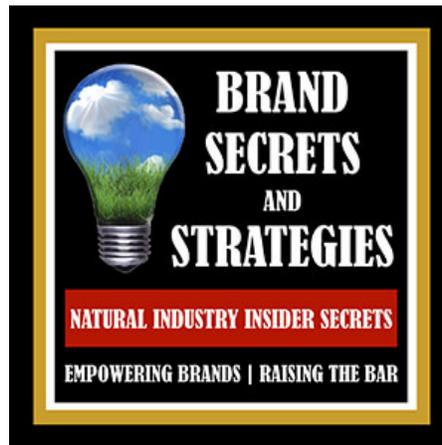
Dan: All that effort was for naught and the product failed and they discontinued it. You've got to integrate these different departments. The other thing is like you said and I appreciate you sharing this, if you don't know who your customers, really know your customers, intimately know them, not as you said, 2.3 kids and college-educated, etc. but where do they shop? How active



are they? How engaged are they in the community? If you don't really get to know your customer and then how does your customer use your product? Well, then how do you develop a plan with them? When you're talking about, what drives sales? Think about it, if you back up a little bit, your goal as a brand is to be able to grow and thrive and part of that means that you need to more effectively spend your money, not just throw it away.

Dan: So if a big part of your budget, 70 to 90 percent of your budget is focused on getting your product on the store shelf and into the hands of the shopper, you would think that would be a priority but to your point, most brands overlook this. I would think that a brand that understood this would understand the value of making sure that they're on top of this. I'm actually coming out with a trade marketing course that'll be on shortly that'll be soup to nuts everything you need to know where we'll talk about this. But going back to what you're saying, if you don't know what your customer looks like and you don't know how you're going to get in front of that customer and you're not in the right store, all this stuff that we talk about in terms of execution, then you're going to fail. I love the fact that you're talking about 30, 60, 90-day plan.

Dan: Again, this is one of the reasons why I wanted to have you on because this isn't something that you write, you shove into a desk drawer and you bring out once a year. This is something that you work on on a constant, consistent basis. If you've got a problem with distribution, you've got an allocation problem, you don't have enough product to support a promotion, you've got to react and you've got to constantly be adjusting your numbers so



that you know exactly where you're going so that that target that you're aiming for is in your crosshairs and you have an opportunity to hit it. The difference between the brands that succeed and the brands that fail is the brands that fail typically don't have a robust plan. They don't execute. They don't follow through. There's just a little bit of a difference in some cases between the brands that succeed and thrive and grow and explode their sales because a little bit every day helps to move you toward that goal, then the brands that fail.

Dan: I agree with you completely. When you're talking about category management being a function of what everyone should be bringing to this equation, thank you for sharing that. My mission is to help healthy products get on more store shelves and in the hands of more shoppers. Fact-based selling is the way to do that. In other words, go to a retailer and say, "I'm a nice guy, got a great product. Here's why it needs to go on the shelf." Not because I'm a nice guy and not because I can buy you golf tickets and send you on a trip or whatever, like we used to, but if I can show you why it needs to go on the shelf and how, if you put it on the shelf in this place, this is how you've going to drive that customer's sales, etc. that's far more important.

Dan: One of the things we talked about earlier, it's always fun to reminisce and get back into where we were in the past, is how we used to go out of our way to basically bribe customers, potential retailers, to buy our product as opposed to giving them a reason, an incentive to sell their product and help us help them drive sales. It gets back to contribution. Thank you for sharing all that.



Dan: When you're talking about analysis paralysis, a lot of people don't understand the numbers and they don't understand how to look at the numbers and make sense of this, kind of what we were talking about a little bit earlier, where salespeople sadly don't have that skill set, especially today, where they can understand, what are the reasons that a product is driving in sales? I'm not talking about reports. What story is the data telling you? How would you recommend that a brand look at the data so that they can learn how to tell that story and then more importantly, how would you recommend that a brand help amplify that story across their entire sales funnel?

Michael: The first thing is, to your point, I think a lot of people, they run out and they get the data. The thing is, they say, "Okay, now we have it," and it's like, you just bought a car but you think you know how to turn it on and you think you know how to drive a stick shift with six gears to it. No, it's a little more complicated than that. I think the first thing that I see, especially with all of this information that's out there is, they just look at it in a top-line factor. For instance, I'll give you one. We had a company, they did extremely well and they had one package, one size but in the other package, it had actually six of the first, primary package. Now if you looked at the numbers, you'd say, wait a minute, our numbers are down in sales and everything because we're not selling that particular skew.

Michael: No, the retailer was opening that package and putting it back into the particular area of the sale so the single unit sales went up, which drove your average price down but people would say, "It's got to be..." To your point, no. One of the things that you haven't... One of your courses is that example, the Excel



spreadsheet. What you show is to take a snapshot report and break it down further, to show, and amplify exactly why you've been successful or to help the retailer understand, what a minute, here's the reasons your average pricing when down. It could be two things. What was the change from the last time we... This is another thing that I'll dive back into. If you have a broker there and the broker's not giving you the reports either from the store or they're not helping you with your IRI, then you're really a lot more behind.

Michael: Where I'm going with this is, you should be looking at the IRI data. You break it out so wonderfully in that example spreadsheet you have, is that big folks rip it apart, just because you think it's this, it's only giving you that. That's all it is. When you say, "No, let's rip it apart, do a deeper dive," and all of a sudden, you're going, "I have a better story to tell and I can take corrective action, not to be de-listed but actually to enhance my sales in that retailer." I think when you look at category management, there are many, many books out there and I've read them all and they're all good but with your courses, it's more real-time of what's happening today and what's going to happen tomorrow. I think people don't understand, "I read this book..." Some of the books have been well-written, don't get me wrong, but some of them are three to five years old.

Michael: This particular type of data is advancing almost on the hour. Just take a look at Amazon as an example. To me, is to break it down further. That's granular, I always say. Now you've got to the skew, tier pricing, tier positioning and last into the process of how you're going to fix it. I think if you follow it that way, using Excel spreadsheets, understanding your numbers, then putting



together a good, solid business review, that retailer will say, "You know what? This person took time out of that little report to break it down to make me understand," because Daniel, you and I know, let's take a particular category and it has maybe 12 sub-categories in this category. I'm going to say this right now and people will be stunned. If you think that retailer's the expert on all the skews on the shelf, you're kidding yourself.

Michael: They'll probably know the top 10 by looking at that computer. There it is. But when you come in and you're number 11 or number 12 or number 13 or number 14 or you have the granular stuff to move up, that retailer's going to listen to you because he can see, or she can see that you took time to analyze the numbers correctly to say, "Hey, here's some corrected measures. Here are some ideas that I have. Here are some other thoughts I think to help you improve your profitability," and if you say that last one, "Improve your profitability," don't tell me a retailer's not going to listen to you. They will.

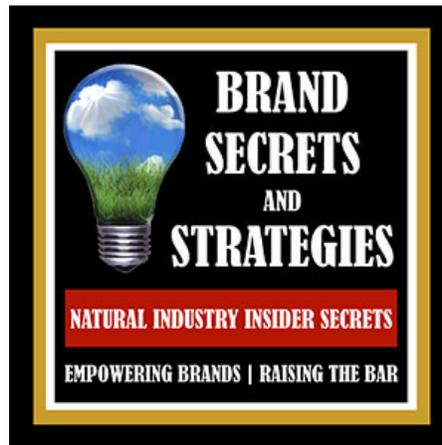
Dan: Absolutely. That's how you open the door. Thank you for saying that. That's what I'm trying to do. I'm trying to get people to start thinking more about the data, how it works. You hear me on the podcast saying that when you talk into a retailer and you hand them a report and you say, "Here I go, look, I printed this our myself and by the way, changed the ink cartridge. Doesn't it look nice?" That's just a waste of paper and ink. I'm not a fan of reports. Now, full disclosure, that's how I built my career, by building these reports because we didn't have what I would call push-button category management. That's a starting place. You take those reports and that gets you started down the path of, why what happened happened. That's the question that we need



to be asking. Why what happened happened. In other words, what drove the sales increase? What drove the volume increase? Why is this brand number one versus this brand's number two, etc.?

Dan: To your point, if we start getting down and understanding the story that the data's telling us, and being able to help the retailer understand that, that's the win. Why does this matter? Because I built a career out of pushing around big brands because I was able to give the retailer what they wanted and what that meant to me and the brands that I've worked with, incremental merchandising, free slotting and on and on and on. In other words, things that my competition didn't have access to or would've had to pay a lot of money for. In addition to that, some of the retailers, because I was able to help them at that level, would ask for my advice and counsel about other categories that were totally unrelated to what I was selling or helping me, asking me to validate another brand's deck.

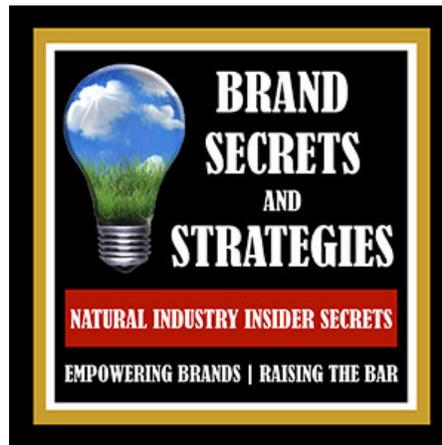
Dan: The point is this. When you're talking about your business plan, you're understanding what the data tells you, that's critically important. Now what we're talking about, Michael, is, how do you bring that to life? That's the next step. You've got something, a living, breathing document that you're going to continue to update and work on and add to and enhance as you grow, as you develop, etc. Now, this is the critical component. Thank you for bringing this up. If you don't figure out a way to add value to that, then you're just another package on a retailer's shelf. You add no value. So the push strategy versus the pull strategy, we've talked about this a lot.



Dan: The current strategy today is, you get out your checkbook and you just start writing checks. It's a push strategy. How much can I force you? How much incentive can I give you to buy my product? Whereas the pull strategy is, how can I help the retailer drive my profitable shopper into their store to buy my product? Then when they buy my product, what are the other things that they want to buy? So this is where we're going with this. This is why this is critically important. By the way, when I help mentor and work with a lot of brands that are getting ready to pitch their business in front of investors, most of the brands don't know this. The brands that I've worked with have had unbelievable success and not only do they succeed in, or do they have a better track record in the pitch slams but then they've got something that they can use and build on when they go forward.

Dan: Again, this is one of the reasons, one of the key reasons why I wanted to have you on this podcast, on this course, is that, in my opinion, this is your superpower. Being able to read a lot of business plans, being able to understand what they're saying, being able to fill in the gaps and then being able to understand it not only from a consultant, not only from a brand but from a potential investor or a bank. Your thoughts? Do you want to add to that?

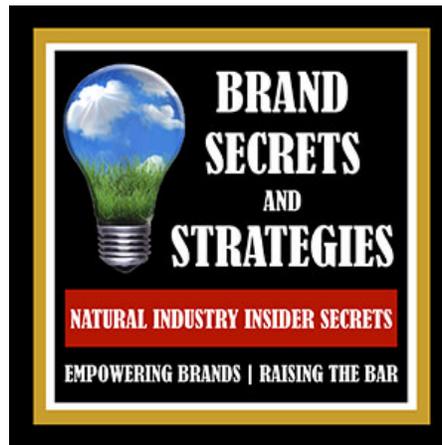
Michael: No. You hit it right in there because then this is where we could walk into the deployment process I call it. Now you got everything done, how are you going to deploy these resources? This is probably the easiest out of because now you've got pretty much everything lined up and now, how are we going to deploy our sales team and our marketing team and all the resources



we've lined up now to go to market? I'm going to keep it simple for this particular segment. If you feel confident you've got the right salespeople, you have the right broker, you picked the right retailer and you also logistically are sound enough to get it to market knowing your inventory and all that, you should be successful. But I will say this and I'm saying it very lightly, this may be the most painful because it's like you're going to battle. You got to make sure your tanks are in line and you have enough armament to shoot.

Michael: I've seen people with no... "I got bullets, where are the tanks. Where's the infantry?" The salespeople. "We're going to hire them next week." "That's a little late here. We got to go to war here. We got to go to battle," as I like to say. So, this is part of it. The next one is the sales and marketing plan review. Now you've deployed everything, now you're moving along, I think this is where you review everything that you're doing almost, to your point, on a daily basis. You brought up a great point before. I've seen a lot of 30, 60, 90 folks do this desk. The ones that I have working here with this great brand, Crispy Green and others, I keep it on my desk every day. So at the end of the day, I write out a plan, so I still use time design and I have my... I make sure I check the. Am I moving the business ahead for the brand? Are we, "Deploying all the resources that we have aligned to make sure we're going to win?"

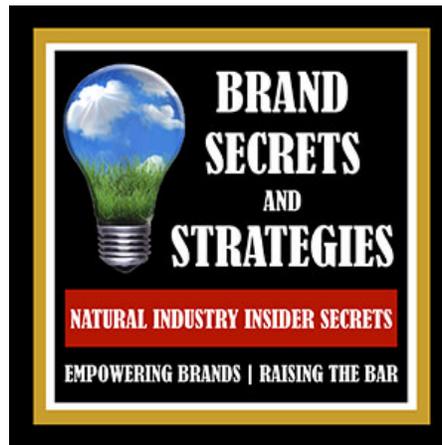
Michael: The sales and marketing plan, it's the same thing. Now you're saying, "Okay, our sales are here and all that, now let's go into the next." This is the budget financial responsibility. This is very key because I think some of the things that I see with people is well, this private equity group, this, look at all the money they



have. It's their money. You have to respect their money. I think sometimes some people walk in, "Well I got their money," No, no, you got their money. It's investment money. Now when the ink is dry, or as I like to say, three seconds and three minutes, whatever comes first, you're on the clock. So as soon as that happens you should respect that. I put this budget financial responsibility in. Make sure you're looking at your budgets. Maybe on a Saturday morning, you know? How is our revenue from week to week? How is our expenses week to week? Are we being good prudent cost-efficient stewards of their money?

Michael: I think that's a very big thing and I want people to understand this. And another thing, we'll talk about it at the end. Budgeting is very difficult. It's not easy because you've got to go line by line and in this financial responsibility, because you've already billed them upfront, you're still looking at it. This is a time and a place that you could move certain resources into other areas that you'll get, "The bigger bang for your buck." I've seen it when too many people, "Mike, we laid this out." Things change. This retailer may go out of business. A new one comes into play. Another buyer comes in who wants to expand your brand already in that region. So there are certain things, okay now it's our financial responsibility. What are we going to do? Because here's the other part of this budget financial responsibility, I'm glad you brought up with the push and pull.

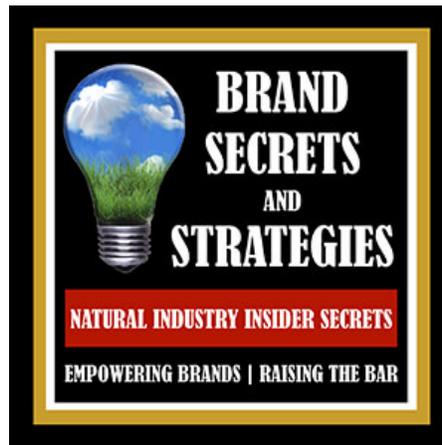
Michael: When we had push, it was mass advertising. I got news for you folks. The only difference is it's not TV anymore, it's on the Internet. If you can use your Internet it's probably the least expensive but it should be the most cost-efficient if you know



exactly what to do. Some of the things when we walk into retailers, do you have an e-commerce name? Do you have one? Yes. And we actually outlay it in the business review or when we're coming into a retailer and they're like, "Wow, that's what we're doing too." They want to see... People laugh but you don't have to have 20, 30 people anymore. You could have two to three really sound people doing some wonderful things and they're working with the e-commerce and the retailer because yeah they need the clicks but they still need the back-side, as I said, you go through the front door for the bricks. You have to have both.

Michael: If your e-commerce is in line and you can put some extra... Again you look at your budget financial responsibility and say, "We can move a couple of more dollars here, which would probably get us more profitable sales instead of throwing ATM money into another price promotion on that." One thing I'm going to say and then I'll get off of this at the end, is I think today price promotions is something that is needed but I'm going to say to everybody here today, last year \$277 billion was spent. The total lift was 2.44 percent. Now that should be alarming to people but then the industry grew. Natural organic, that \$90 billion. If you took out natural and organic products, folks, the industry itself in food and beverage would have had a decline of 2.7. So Daniel's point he's always been saying, it is about a quality brand. It's about pricing it properly. It's about knowing the consumer.

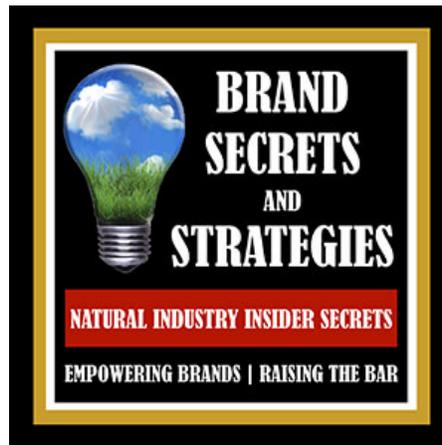
Michael: These consumers that are health-conscious, that also have the opportunity to go out and find good quality brands, I've got some news for you folks, number three is price. Three different reports I've seen in the last six months, number one is quality, number two is social responsibility, that jumped up to number two, and



number three was price. So it's about quality folks. People will pay for quality. As I always said, if price was everything we'd all be drinking Schaefer Beer and driving Volkswagen Beetles. It's not about price. Hopefully, this sort of gives you this budget financial, as I call it, responsibility, it's really when you take someone's money it's really something that you've got to really manage it to the penny. And if it is and you're conscious of it but you're spending it correctly, using the business plan that you've built and you know it's going well, you'll be okay. Any thoughts Daniel?

Dan: No, you're exactly right. I was going to say if you manage it to the penny and if you respect it then they're going to bend over backward to help you grow and succeed. You are going to become more valuable to that particular investment group, company, bank, doesn't matter what it is. Because they know, like and trust the fact that you're going to be able to provide value to them. So now, instead of getting the bottom of the barrel type of investments, you're able to get premium investments that might come with strategic advisers and opportunities that other brands wouldn't get. I agree with you completely. This goes all back to having the right people. Surrounding yourself with the right people. I believe that every owner needs to keep their hand firmly on the rudder of their ship. If you can't do this, if this isn't your forte, because this can be complicated, then find the right people to help you.

Dan: Make sure you've got the absolutely perfect person to help guide you. By the way, my background's in accounting so I understand budgets and all that other stuff. But it's not that easy. Especially for a lot of people. Then when you get into advanced category

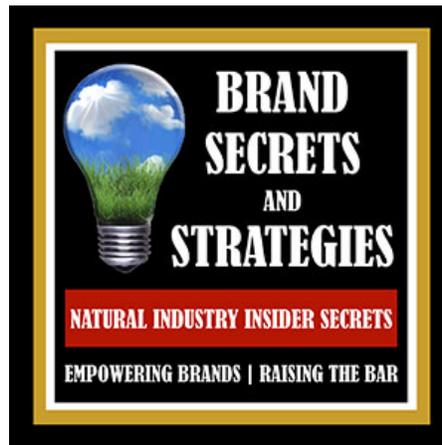


management, that's a whole other animal. It can be very complicated. So, don't want to make light of this and pretend that this is a get rich quick, what we're talking about here is the difference of, do you want your brand to be around for a month, a year, a week or longer? If your goal is to be able to sell your brand, well would you like to sell it for more money or would you like to give it away because you don't know the value and you don't know how to manage your business?

Dan: If you wanted to give your brand, pass it on to your family as a legacy, well do you want to give them something that's going to live and breathe on its own or do you want to give them something that they need to quit their day job and work 24/7 and bail water to kind of keep this thing afloat? So I agree with you completely. This is critically important and this is something that everyone needs to be focused on. Again, it's the difference between, are you going to be around or not? It's the difference between what is your future, what are your goals? If you've got the business plan and you've got all these things that we've talked about today baked into your business plan, then again, you can hand it to someone else and they can execute your plan and you can let someone else help manage that while you as the founder start focusing on the things that excite you, like innovating and so on and so forth.

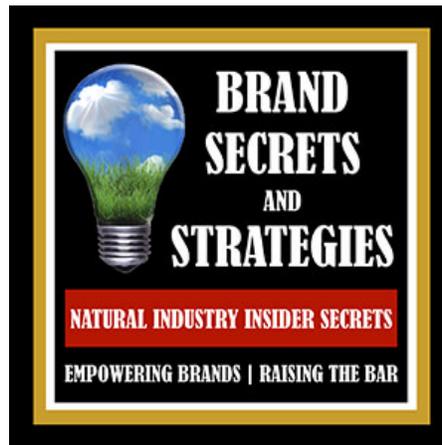
Dan: So there are so many wins but if brands don't start doing this correctly today then they're going to go the way of the dinosaurs. So thank you so much for sharing this. What else have we not covered that we need to talk about?

Michael: The last thing is, is that there's the appendix in the back that I always tell people, this should wrap up your story. Here it is,



about the product, about the process we got and our people. Here's the last page. It's about, what I call, profitability and you'll laugh when I... It has a slash and what I call, promolo. What promolo is, for me, is a prolonged, exciting time to grow. So if you have the profitability, the promolo as I call it, and I will have it for the handout, is an acronym for me because it really means that. I think you brought up some great points. One of the things I see too many times with brands is that they get up and you know, you go to trade shows. "I want to be \$600 million, Mike, in eight years." "Good, can you give me the six winning lottery numbers for tonight? That's 200 million. I mean this is a great prediction." If you look at brands that have been sold recently, I'd like to tell all the great viewers this, you've seen brands sold for 400 million and 300 million.

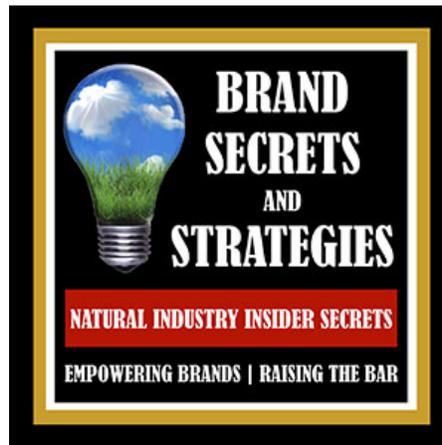
Michael: The average age of those companies was 27.2. So they did become an overnight success over a quarter of a century-plus. So those are the things you have to think about. Yes, there are certain brands, one out of, I think if remember the number, one out of 11,000, that ramp up within a decade. Okay? Think about that. So the odds are if you're going to build a brand and you want to be in for the long haul and you know the product can be correct and if your business plan, marketing sales plan inside of it is correct, it makes sense. One other thing and then the last. When you go to bankers, know your numbers better than you've ever done because I've seen too many people guess at it or they say things about it. Another thing, in business planning and you're going out, try to find the right partners you want to be with that understand it. Now you may get some good partners that don't understand the category.



Michael: So when you're explaining it, you should explain it to the size of the package of your competition in fact sometimes, that you understand the entire category, inside that subcategory and everything that gets involved in your product because I really believe that that is where some of the failures are when people are trying to raise money. The last thing is that, again, I think as you go in, if you don't invest in yourself, you won't get a rate of return. So such as Daniel's great course as well, I'm a big proponent of it. I pick up a lot of Daniel's stuff because I don't know everything. So if you're the smartest man in the room, I think I got some bad news for you. You're in the wrong room. Listen to podcasts. Take Daniel's courses. Be an active lifelong learner and you'll be surprised. And talk to other people that have gone through this journey of building business plans. Bring them on.

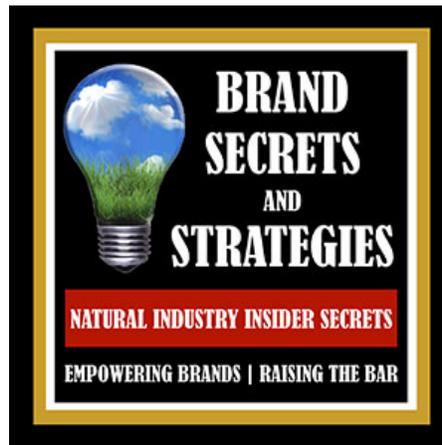
Michael: Another thing, if you're looking for financing. Maybe you make your supplier a partner. I've done that with a couple of them. So there are other things you can do that are creative, that I've learned from other great experts out there, that have been successful with that. So there's not just a one way to be successful, there are numerous ways. Find those people who've done that. There is a black swan out of many white swans that you'll find that can help you do that.

Dan: Well thank you for sharing that. I love the fact you said to invest in yourself and know your numbers. It is embarrassing to watch a brand, either on Shark Tank or up in a pitch slam or working with an investor, that doesn't understand their category. This goes all back to everything we've talked about. When we were younger,



we had this thing called the five-paragraph paper. You tell someone what you're going to tell them. Then you break it into three key points and then you tell them what you told them. That is the perfect recipe for a solid business strategy, with everything else included in there. Michael thank you for sharing that. To kind of frame why this... to recap why this is so very, very important, is that this is the blueprint to success. This is the blueprint to help you get your product on more store shelves in the hands of more shoppers. Thank you for the handout. So the hand out will only be available in the mini-course. So if you're listening to the podcast, you're listening to the YouTube version of this, the hand out will only be available in the mini-course, which is free. There will be other content in there that'll make it certainly a lot more valuable. Thank you for sharing that. Thank you for coming on today. Any last parting thoughts?

Michael: No, I just... Again I'm a big fan of you because one of the things folks I want you to understand is, he has many thought leaders in this industry. If you take a look at the names that he has on his roster or on his podcast from one to, I think he's up to 141 I think? I think it'd behoove you not to listen to something on the radio but as you're driving back and forth to your business, to listen to his podcast. There's always a nugget of information, a nugget of help or another nugget of another thought that you may have never dawned upon you to be successful. I'm big with that because, again, I think podcasts are the greatest things but again I'm a big fan of Daniel's and you need to really take a look at his courses because it's not just a textbook you're learning



from, he's giving you examples that have been successful that can lead you to your own success point in your brand.

Dan: I can't thank you enough and thank you again for the kind words. Yeah, well someone once said, "Wait a minute, your podcasts are a bit long." I said to him, "If you had an opportunity to sit down with Gary Hirshberg, John Foraker, Walter Robb, Seth Goldman, Phil Lempert the Supermarket Guru, Jon Sebastiani, I mean the list goes on and on, would you?" They said, "Yes." I was like, "Exactly." That's the point. Knowledge is power and we need to continue learning. This is, I think, one of the most important things. This conversation we're having, one of the most important things any brand can do, learn, grow, make sure you've got that healthy foundation and make sure you've got that roadmap so that your brand can be successful so that you don't become one of the statistics. Michael, thank you so much for coming on today. I can't thank you enough. And thank you for being such a good friend and thank you for being such a good valued resource to our community. I look forward to our next conversation.

Michael: Thank you Daniel and continued success on your journey. Thank you.

Dan: Thanks. Appreciate it. I'm not a football expert. At the beginning of every year he sits down with his team and says, "Gentleman, this is a football." Sits down with a bunch of pro-ballers and says, "Guys, here are the basics. We need to go back to the basics on a regular basis." To your point elementary, that's what I was going to say is that that is so critically important because we all get blinders on. We all get distracted. If we're not able to focus on the basics and be able to do the things, or move the ball forward, etc. like using one of your analogies, then we're losing sight of



the journey, of what's in front of us, of what's important. So thank you for sharing that.

Michael J. O'Donnell

President

The Belmullet Food and Beverage Group is ready to assist you.

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Thanks again for joining us today. Make sure to stop over at 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. 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.