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E10 - Emily Asks, How Do I Put This Exotic Food In Every American Pantry? RT1M

Transcript

Ryan Moran [00:00:02]

This is The Road to \$1 Million and I'm Ryan Daniel Moran. There's a ton of money to be made in food brands. There are huge, sometimes publicly traded companies that want to buy food brands. Food brands have huge valuations and are also really hard. But if you're able to create a food brand that gets enough customers to love you, the valuations and the amount of money to be made is quite substantial.

Ryan Moran [00:00:34]

Some of the most valuable food brands are small, sometimes single person teams that create healthier versions of popular snacks or introduce new foods into the marketplace. One example is Caulipower, which is a cauliflower foods company that started as just pizza crusts and then went into some other spaces as well. That company passed \$100 million dollars in top line revenue in less than 5 years.

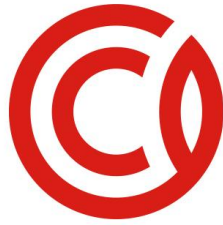
Ryan Moran [00:01:03]

Another would be Smart Sweets which was on Shark Tank, founded by Tara Bosch, and that company recently sold for over \$300 million dollars for existing for less than 4 years. Interestingly enough, both of these brands were founded by women, young women, and they started as single-person companies. That's one of the reasons why I'm always interested in small food brands that are bringing something interesting to the table and are healthier versions of popular snacks.

Ryan Moran [00:01:36]

So, I was very keen to hear from Emily Griffith who started a small food company called Lil Bucks, which is a snack brand that specializes in buckwheat sprouts, organic sprouted buckwheat seeds. And Emily is just at the beginning of her journey but she's already starting to see some really good success and has a very long term vision. It's that vision and that mindset that I wanted to bring to my members inside of our mentoring community called The One Percent.

Ryan Moran [00:02:08]



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And also, I personally am interested in investing in her company. But most importantly, I wanted to introduce the mindset and the vision that it takes in order to have one of these really big companies because a lot of the entrepreneurs that I work with want to make money or have a business idea they want to bring to life, but the idea of raising money or having a really big vision or even a \$10 million dollar exit is hard for them to think about.

Ryan Moran [00:02:34]

I help entrepreneurs build toward an 8 figure exit. But I wanted to introduce them to somebody who was already thinking about that from the start despite the fact that she didn't have a business background, she had less than a million dollars in annual sales, and was a solo founder who didn't know how she was going to do it.

Ryan Moran [00:02:59]

I don't want to spend too much time going into how you came up with the idea for the business because you told that story publicly 1000 times, but I do want to touch on it because I know that the idea for what this brand is came to you kind of on an impulse while you were traveling which is a common story among entrepreneurs. It comes to us in an instant, or in an impulse. Am I representing the story of how this brand came to you appropriately?

Emily Griffith [00:03:26]

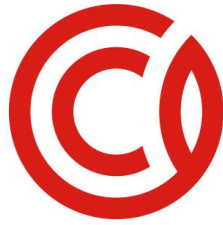
It was just kind of something that was bestowed on me and it was in the right place at the right time, and I was like oh, I am the one. The long story short is that I discovered sprouted buckwheat's popularity in Australia on an acai bowl of course. But that's kind of where it clicked immediately and was like oh my gosh, this isn't a thing in America. We need to bring this back to the US. Simple as that.

Ryan Moran [00:03:50]

So, now, let me ask you because the idea of sprouted buckwheat you said is not a thing in the United States. A lot of entrepreneurs would see that and say there's no market here. There's no one doing this yet. Especially in the ecommerce space, there is this instinct to, if you've got a new idea, well, nobody else, there's no competition. Nobody's proved this idea yet. How did you know, or what gave you the sense, that this was going to be a hit when nobody else had done it before?

Emily Griffith [00:04:24]

Well, the first thing was really, really, really strong intuition based on my own experience. I'm not that crazy of a person, but I had this experience with this sprouted buckwheat, the texture of the super seeds in this acai bowl, and just how I felt after eating it. It's high in protein and it's



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gluten free and grain free, so those things ... And it's high in fiber, so I think with all those things, I just felt really satisfied and I didn't have a sugar crash or anything.

Emily Griffith [00:04:59]

And so, just based on that feeling, I'm just innocently like surely other people are going to be as excited about these seeds. I have to share this with them. This is unbelievable. [INAUDIBLE 00:05:11]

Ryan Moran [00:05:11]

What I'm hearing you say, Emily, is you liked it and then you justified [INAUDIBLE 00:05:17] my work. But the important thing was that you liked it. The important thing was that you had excitement around this. And then it checked the boxes for hey, this might fly in the marketplace.

Ryan Moran [00:05:32]

Knowing the how often keeps entrepreneurs stuck because they feel like if they have a goal, they need to know exactly how they're going to get there before they take any action. But one of the first pieces of insight that Emily shared with our group was that she didn't know how. She was operating on a moment of inspiration and excitement to bring this product to the masses. And it's been my experience, although it boggles my logical male brain that wants to figure everything out, it's been my experience that that excitement can carry you through the work that needs to be done in order to make something successful.

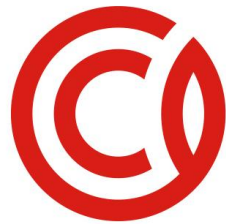
Ryan Moran [00:06:13]

So, in order to have that passion, that motivation, it has to start with a moment of intuition of excitement, or at least interest. So, I asked Emily how she merged that big gap between having the inspiration and the vision for something and doing the work that was necessary in order to make it a win.

Ryan Moran [00:06:35]

A lot of entrepreneurs think they need to be at a certain point before they go out and get help or get support or cast a big vision, and you came in with the vision and made some relationships and raised some money before you even had proof of concept in the marketplace, before you were pacing half a million a year or a million a year, and that is the piece of the story that really stood out to me because I notice your branding is on point. I notice food brands when I try something, I'm like this is different, I haven't seen this before.

Ryan Moran [00:07:13]



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And one of our conversations really early was you were doing a raise and you were already thinking about series A financing. So, you were already kind of thinking beyond where you were. That's the piece of the story that I want to understand because it stood out to me as somebody who might be interested in backing this company, but I also think it's really interesting to a lot of entrepreneurs. Can you help me understand your thought process around casting that vision and building the resources you needed in order to make this win?

Emily Griffith [00:07:50]

Yeah, and I think that also kind of goes back to even the founding story of being excited about it and then figuring out, oh, okay, why am I so excited about it? It aligns with all these trends that I'm interested in. Let's see what we can make happen. But with the ... Building the business, I have the vision, so then while I was in Australia, I'm seeing all these products that have sprouted buckwheat as a hero ingredient all over the country in grocery stores and cafes.

Emily Griffith [00:08:22]

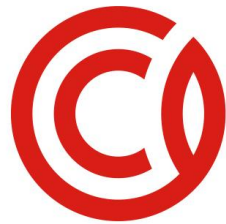
So, for me, I'm like, well, why not? We need sprouted buckwheat. It needs to be in pantries across America. So, there's a big vision to improve American diets and soil health, because buckwheat is good for soil health. And then, now it's back to how do we get there? You don't just randomly launch buckwheat, sprouted buckwheat superfoods into Walmart nationwide, and people don't magically fall in love with it because they weren't all trotting on the beach in Sydney, Australia having their smoothie bowl.

Emily Griffith [00:08:52]

So, there was a lot, obviously, in between that. So, that was where I did a lot of learning, talking to any entrepreneur, especially in the CPG space, that I could on what's required of me to get from A to Z probably. And of course there's a lot of different paths you can go down. You can raise a lot of venture money right out of the gate, but I felt there was still kind of some figuring out on my end to do with the product.

Emily Griffith [00:09:21]

So, we started making it on our own and selling it in markets in Chicago just to get that initial feedback. Is this formula right? Actually all these conversations led to us launching our 2nd product line, Cluster Bucks, just through ... And that's our hero product in terms of mass retail appeal. And that was through talking to people. So, there was always that vision of, okay, sprouted buckwheat has this really unique crunch and health benefits, we're bringing it to the masses. I don't know exactly how we're going to get there but I have no doubt that everyone's going to have it in their pantry.



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Ryan Moran [00:10:00]

Okay, so, you said that you went and interviewed entrepreneurs who are in this space to find out what you need in order to go from beginning stages to a winning business. What did they tell you, or what did you discover, needed to be in place in those early stages?

Emily Griffith [00:10:18]

Yeah, I mean, one was even with food, obviously, from the business perspective we're still in the proof of concept mode, but food you need early proof of concept no matter what, and consumables I think, just because you might think you personally ... Maybe it was just me that was a psycho about sprouted buckwheat and the crunch and whatever, but if you don't prove at least in a sample audience that there are others out there who are discovering this and they're like, oh my gosh, this is so great, to show that it's worth putting money behind to get more people to discover it and have that same discovery experience. So, everyone was like, I think actually I got to talk to the RXBar CEO once.

Ryan Moran [00:11:06]

Is that Peter?

Emily Griffith [00:11:07]

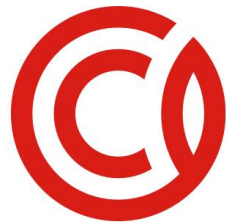
Yeah, because he's from Chicago and so are we. And he has some kind of infamous advice where his dad just told him to shut the eff up and sell 1000 bars, and I kind of got the same thing. I was talking about it for so long, like what's the brand ... And I almost got too caught up in the vision for a while because I'm like, I've built this whole vision for the company and my sustainability and the brand. I did the designs so of course that's natural for me. And finally someone's like, you need to go out and make sure people actually want to eat this buckwheat.

Ryan Moran [00:11:40]

One, you did the work upfront to cast a vision that would require you thinking 5 years out or 3 years out or whatever it takes. But it started with the vision first, and then you said, in order for me to do this in the time that I want to do it, I'm going to need some help in the form of capital and relationships and learning from people who are ahead of me. So, that's the first nugget that I notice about you is that you did the work, or got the inspiration first, or did the work of waiting for inspiration, whoever you want to dice that up. You waited for the inspiration for something that you were willing to cast a vision for.

Ryan Moran [00:12:27]

Based on that, you said, okay, what resources do I need? Whereas most people, most entrepreneurs, are just so eager to take a sale or to make money that they're not casting the



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— B E T H E C H A N G E —

vision for what they actually want, which is why I kind of poke fun at Amazon sellers even though I am one because Amazon sellers go in, they start selling things, and they get to a million dollars and we all celebrate, and I have to work really hard at getting them to slow down enough to say, now it's time to cast a vision for what you actually want to build. Mazel tov, you're selling some stuff. Now, let's actually build something. But you did it, what I would call, the right way of casting the vision first and then bringing in the resources.

Emily Griffith [00:13:16]

I think when you start thinking about what other people are doing too much and you worry about what they're doing and what you should be doing, or vice versa, it's just distracting from your north star and what you need to do. And if you have that within, you have the path to get there, let's get to work. Let's not worry about all of this extra stuff. It's going to stress you out and distract you.

Ryan Moran [00:13:39]

Amen, Emily. Emily, how did you or do you have the plan for how you're going to get to where you want to go at this point? Or are you still letting life fill in the gaps?

Emily Griffith [00:13:54]

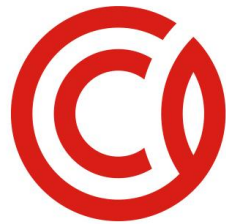
You know what's exciting is we're finally ... And actually now that we're literally starting the 2nd half of the year, I was thinking about Q2 went this year. We closed some funding on republic, I brought on 2 full time employees for the first time from being a solo entrepreneur, solopreneur boot-strapping to being a leader of a team. And we are ... It was a transition quarter from me building out, I would say, almost up until through Q1 of 2021, which is almost ... It's 3 years of me working on this business. It was a lot of figuring out that path since I didn't know it.

Emily Griffith [00:14:38]

I had the vision and we were getting those first customers, building the brand, building the products, but all of that was kind of lining up those ducks to make sure that they're in ... We contracted our regenerative farm so we're actually directly connected to our mission to improve soil health. So all these things are lined up. We're not big yet, but it's all there so that these things will be the same in a million, \$5 million, \$10 million in sales, and now we're into the growth stage.

Emily Griffith [00:15:09]

So it's been a big mindset shift for me from creating the thing to growing the thing, and that was a really scary thing to sit in for about a week because I'm such a ... If you can't tell, naturally, I am a ... I'm a very creative person. I design ... I'm a graphic designer. I love the



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vision. I love the building and figuring it out, and then now you transition into the growth where it's like, we have this all set up. Now it's time to execute and be focused on the goals.

Emily Griffith [00:15:41]

We were talking about this the other day, on making sure we do focus on what's going to get us to the next level as fast as possible. And so now, it's just kind of, as a leader, staying focused on that north star and not getting too distracted with other cool things. So, build the brand or improve, we're always going to be improving or doing that, but the forefront of our minds is growth, executing on the plans.

Emily Griffith [00:16:04]

So, very, very clear in terms of tactical stuff of what we need to do to get to that series A level. There's a lot of things that we're still building on at the series A level, which is when we're talking about going into mass retail, Walmarts, kind of stuff like that that I don't totally know the exact execution. I know we're going to need more people to help with that. But the next 2 years, or next year and a half ...

Ryan Moran [00:16:34]

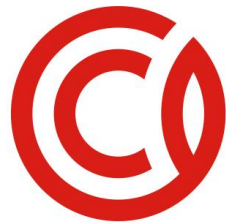
It's part of the plan. In competitive markets, especially in ecommerce businesses and food brands, all of the focus at the beginning of the business has to go into customer acquisition. That's how you win. There's a reason why Coke and Pepsi spend billions of dollars acquiring customers for something that costs \$0.50 cents. It's because when you become a customer of a brand, you tend to buy it for a very long time. So, when you have a food brand or any ecommerce brand, the hardest part and the most important part is doing the work at the beginning to get that base level of customers.

Ryan Moran [00:17:14]

However, most entrepreneurs don't want to "lose money" in order to get customers. But I see it as an investment in order to get the customers that you need to have a profitable and successful business. So, I ask Emily how she was spending the money that she raised in order to make this company grow, and how she felt about losing money in the short term in order to build an asset that was worth scaling and selling.

Ryan Moran [00:17:46]

Now, Emily, I can't imagine that someone who's as early stage as you that has 2 full time employees on a new business, I can't imagine that you're profitable or at least extremely profitable. So, do you worry about money at this stage in the process or do you feel comfortable and confident in kind of where you are in this stage of the vision?



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Emily Griffith [00:18:15]

This is the beauty of understanding your financials and your cash flows and how you're raising money and how that's impacting the business. So, the money we raised is growth capital. We do have really amazing margins so that it's building the business, but everything that's going into it on top of those margins is the investments going into paying for payroll, which we're just not at the level that that would naturally support it, contracting regenerative buckwheat, any kind of growth capital in the marketing sense, mostly marketing.

Emily Griffith [00:18:52]

And so, I knew, I kind of mapped out where we want to get to to get to that series A level and beyond, so I have a 5 year financial plan and really try to be very realistic as possible. And then looking at our gross margins, that's going to help cover some of the growth expenses, but if we want to grow to these retailers and get this online presence, these are the things we're going to need. So, then kind of coming up with okay, what's that extra capital we're going to need? And came up with that figure, and now I'm very comfortable with that figure and it's going, and I'm just comfortable knowing it's part of the plan that when you're spending growth capital that it's going to check out.

Ryan Moran [00:19:37]

So, this is what I've heard you say. The money that you raise is going into variable costs, meaning you could always fire those people. You could always cut down on your marketing expense. They're expenses that are not permanent. That's such a key insight that I want to highlight for entrepreneurs, because so often they think if they're running in the red, something is broken. That isn't always the case. Sometimes it is the case, and you need to change some things.

Emily Griffith [00:20:15]

It's hard.

Ryan Moran [00:20:15]

It is, of course. Your mental mind, your mind goes to what are my investors going to think? Am I going to end up working at Walmart? Of course, your survival brain kicks on like that. But the point of raising money or taking on help is to make the investments that, long term, build that foundation. Which means if you build \$100,000 dollars and it all goes into the acquisition of customers and you lose your \$100,000 dollars, you still have the customers that you've acquired, and if you're done a good job of nurturing them, spoiling them, turning them into



raving fans, turning them into reviews, turning them into followers, you still have a more valuable asset than before you lost the \$100,000 dollars.

Ryan Moran [00:21:04]

So, the point is to invest that money you raise wisely and not see it as money you lost, but money that you invested that build the value of the asset itself, which is the business. Most people who are bootstrapping do not understand this, which is why they don't feel comfortable casting that long term vision and thus raising the help that they need in order to go into that direction.

Ryan Moran [00:21:31]

What impressed me so much about Emily's approach in particular is from the very beginning, she's creating the relationships and partnerships that she needs in order to be successful. She is doing the hard work of creating relationships with investors and making hard decisions about what is her company worth, and what is the vision of her business long term? She's starting to look at what agencies to work with rather than figuring out every sales channel and knowing how to sell on Amazon and Walmart and through your own funnel.

Ryan Moran [00:22:04]

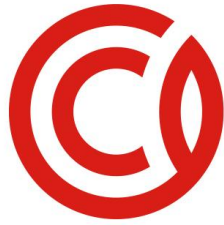
She's creating relationships with people that will do that for her. That's the foundation of a mindset that we teach our students. We call it the owner's model and it's where the entrepreneur is in the visionary seat. They cast a long-term vision for what they want to create, what they want to bring to this world. We don't worry about how we're going to do it or knowing every piece of the puzzle. We want to know the what and the why we're doing. And then we create the relationships with people who are excited about that vision who might want to fund it, who might want to carry out the sales processes, the relationships that open up new opportunities for that vision to come to life.

Ryan Moran [00:22:41]

That is how you build a successful business that you can scale and sell. So, I wanted to bring this example to our mentees inside of The One Percent because that mindset is what will carry Emily forward and what entrepreneurs can do in order to stay in that owner's seat and cast visions that create change.

Ryan Moran [00:23:04]

And where's the best place for people to try Lil Bucks? I just get them on Amazon. I hope I can strong arm you into convincing you that Amazon is your best play for the next year. But where's the best place for people to try it?



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Emily Griffith [00:23:19]

Yeah, I mean, actually that's funny you say that because we finally launched our Amazon ad campaign today. So excited. But yeah, so, [Amazon.com/lilbucks](https://www.amazon.com/lilbucks), or [lovelilbucks.com](https://www.lovelilbucks.com). [L-I-L-B-U-C-K-S.com](https://www.L-I-L-B-U-C-K-S.com). That's probably the easiest. And then in California and the midwest, we are in a good amount of stores so if you look at our store locator, you might just skip the shipping aspect, save the planet.

Ryan Moran [00:23:49]

Cool. Fantastic. If you are an entrepreneur who wants to go through a similar process of crafting the vision for your business, of creating those partnerships that can set you free to be in that owner and visionary seat and you want to have a profitable launch but you don't want to manage all the details of the business, we teach the owner's model to our students inside of the Capitalism Incubator, which is our Incubator for helping entrepreneurs get clear on their vision, launch profitably, build relationships, and have the foundation for a 7 figure brand that they can sell, brands like Emily's.

Ryan Moran [00:24:25]

And we have a fund that invests in these businesses. I hope to invest in Emily's. And we invest in businesses that come from our Incubator as well. So, if you want to find out more about what we do and you want to start a business that you can scale or sell, one that reflects the vision that you have and the change that you want to create in this world, head over to [Capitalism.com/inc](https://www.Capitalism.com/inc). [Capitalism.com/inc](https://www.Capitalism.com/inc) where you can discover how we use the owner's model to build 7 figure businesses that you can sell.