# A Front Row Seat at the Revolution

**12 PROFILES IN DISRUPTION**

PAUL EARLE

PELOTON

HARRY'S

ALLBIRDS

HALO TOP

REBBL

BEYOND MEAT

OLLY

SCHMIDT'S

RXBAR

MUSH

HIPPEAS

HELLO

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HARRY'S
FACE WASH
HARRY'S
FACE LOTION


HALO TOP
birthday cake
280
protein


REBBL
MANGO SPICE
REBBL
CHOCOLATE
REBBL
MOCHA
REBBL
COLD-BREW
REBBL
COLD-BREW
REBBL
PROTEIN


BEYOND MEAT


OLLY
RESTFUL
SLEEP
FOR A HEALTHY SLEEP CYCLE*
Melatonin, L-Theanine
& Botanicals
50


RXBAR
3 Egg Whites
6 Almonds
4 Cashews
2 Dates
No B.S.


MUSH
OVERNIGHT OATS
DARK CHOCOLATE
MUSH
OVERNIGHT OATS
COFFEE + COCONUT CREAM


organic chickpea puffs
HIPPEAS


hello

# 12 upstarts, each essentially brand new.

# Collective enterprise value today:

# $10 billion+

ESTIMATED COLLECTIVE ENTERPRISE VALUE AS OF AUGUST 2019

There is a full-on revolution unfolding in the consumer products world, and it is only beginning. With consumer preferences changing and other conditions emerging making it easier than ever for entrepreneurs to enter once-forbidden territory, practically every category is facing, or soon will face, cataclysmic transformation brought on by the emergence of a brand-new brand.

The stakes are high: prized corporate flagship brands are under attack, and a king's ransom can be made if you're a successful upstart.

I thought it would be interesting to take a closer look. How is it that companies like RXBAR can go from the small kitchen in the founder's apartment to a $600 million exit in essentially a nanosecond? And across myriad verticals, what might these new brand rocket ships have in common?

My colleagues at Northwestern's Kellogg School of Management and the editors at Forbes thought this would be interesting too, and away we went. I profiled twelve companies in twelve months, fortunate to have been given an intimate, inside-the-ropes look at the protagonists of what's next.



The journey took me to both coasts and many stops in between. In the process, I also got to know twelve incredible people in the company founders and/or CEOs; many I now consider friends, and some might even soon become business partners (entrepreneurship, after all, is about doing, not just thinking; I am an entrepreneur and can't help myself).

All in all, an amazing year to say the least.

I hope you enjoy the stories that unfold in the pages to follow. My goal is not only to educate and perhaps at times entertain, but also to inspire. Maybe you read one of these tales and end up in the next series.

**Thanks very much for diving in. Let's go.**

Paul Earle
Chicago
Fall 2019


# Peloton, and the Power of Commercial Spirituality

Originally published in Forbes
October 25, 2017

In business, we are trained to dispassionately frame products in the context of their tangible, rational benefits. What is the thing, how is it made, what does it cost, where to distribute?

Then there's Peloton, the multidimensional home fitness company. Founded just five years ago, it looks like it might be the next $1 billion+ high-growth monster.

I recently spoke with Peloton's co-founder and CEO John Foley about his and the company's roots. His team methodically worked through all details of the business, for sure. But what really sets Peloton apart is its spirituality. Can the incorporeal be a potent business tool? You bet.

Spirituality is not necessarily a direct function of organized religion. (And to be clear, Peloton does not purport to have any formal ties to that world.)

Rather, to me, spirituality is marked by belief in ideas without proof, a transcendent sense of a higher-level purpose, and even out-of-body experiences (from time to time). Peloton possesses these elements in abundance.

Foley's journey as a spiritually driven leader began as a child in the Florida Keys. There, he told me, his parents instilled in him the belief that anything is possible if he worked hard enough.

This hardwiring would be key for Peloton decades later. Foley said that as he first pitched investors on what was—to be frank—a pretty wild proposition, he endured hundreds of rejections. (He eventually found some brave souls who said "yes," of course. They now must be pleased with their decision.)

Perhaps not coincidentally, belief in possibility also permeates the Peloton consumer crowd itself, a growing community of home cyclists who connect through giant monitors to instructor content, and to each other. There aren't many cynics in the bunch.

One feels like he or she is part of something when connecting to Peloton, a welcome bit of escapism in this increasingly dark world. In the further context of current events,

JOHN FOLEY

there is data suggesting that organized religion is in modest decline generally, meaning that other kinds of spiritual networks, like Peloton, will likely continue to grow as an alternative of sorts.

Even the on-bike experience itself can be other worldly. Foley and I talked about the many physiological benefits of cycling classes, which—when the music is just right, you're in sync with the instructor, and are working up a big sweat—can trigger the release of dopamine not unlike a high that comes from drugs. With essentially none of the risk. The possibility of achieving this euphoric state from home exercise is quite an upgrade to slogging through another session on that clunky old elliptical machine in the basement. And about the branding and design decisions, always such a key (and underappreciated) part of launching something new. The name "Peloton" tells a compelling and relevant story: a peloton is a group of cyclists that leads packs, and enjoy aerodynamic benefits from being together. The logo elegantly fuses a "p" with a wheel, and all the product design features are sleek and smart.

The combination of the spiritual component plus such a strong brand has helped Peloton achieve a rare station as a true omnichannel business: it is a dynamic system of hardware and software offerings, and it sells directly to consumers online as well as through its own physical stores. Foley pointed out that Apple and Tesla are some of the few other brands who have gotten all the way there.

What can we learn from Peloton and Foley's journey?

1. **Access a bigger dimension.** Not every business can accommodate such strong belief systems, rabid flocks of followers, and even dopamine, but anything you can do to summon a higher power will help convert consumers into fans.

2. **Choose the right frame of reference.** Many believe that Peloton is competing with brick-and-mortar studios like Soul Cycle and Flywheel. Not really, Foley said. He and his team recognized that the home experience often stinks, and are simply improving it. This focus has been key.

3. **Make it modern.** Peloton's omnichannel nature is representative of how future great brands will be designed. Entrepreneurs, take heed. Intrapreneurs, too: the big established companies must evolve their legacy ways of doing things if they want to stay relevant.

What's next for Peloton? For one, announced just this morning, there is the company's first significant financing offer making it easier for people to get a bike and join the party. The company knows its equipment is not cheap, and is banking that this offer will bring in droves of new fans.

Beyond that, it's anyone's guess. But as you might imagine, Foley thinks Peloton has nearly unlimited growth potential.

And he believes it.


# Harry's, and How to Lead by Following

Originally published in Forbes
November 27, 2017

At business schools, management retreats, and watercooler conversations everywhere, we've been taught to exalt the almighty "first mover advantage."

The term, which some believe was first made popular by Nobel prize winner Michael Spence in 1981, posits that inexorable and perhaps even immutable benefits can be reaped by being first to an opportunity.

While certainly being first can have advantages, by and large the concept is—no disrespect intended to Mr. Spence—a bunch of hooey today.

I'd rather be later to market and the best, rather than the first for first's sake.

A great example is Harry's, the men's grooming company co-founded by Jeff Raider and Andy Katz-Mayfield in 2013.

Harry's is one of my favorites in the "new world order" of consumer brands emerging today, with their beautifully designed and highly functional products; modern, omnichannel business model; deep commitment to customer service; and authentically fun personality.

I spoke to Raider about the origins of the company and the keys to its impressive growth.

Like almost all disruptions, Harry's was borne out of the observation of a specific problem and a mission to solve it. In Harry's case, Raider said, the old line experience to buy razors and blades, frankly, stunk.

We've all been there. First, you have to do a hostage rescue operation to get the product out of lockdown in the blade cabinet. Then comes the sticker shock once you get to the counter.

The thing is, however, Raider and Katz-Mayfield were not the first to aim to solve this problem. Dollar Shave Club beat them to market by almost two years, but those folks weren't technically first either; direct-to-consumer models for razor blades go back decades.

What's more, one doesn't need advanced training in game theory to predict that the

CO-FOUNDER JEFF RAIDER

massive market leader, Gillette, would not exactly be thrilled by new entrants into their space and could be expected to counterpunch...hard.

So why in the world would two dudes decide that entering the razor business is a good idea?

(I'm reminded of Humphrey Bogart's famous lament in Casablanca: "Of all the gin joints in all the towns in all the world, she walks into THIS one!" Besides, Raider certainly didn't wont for something to do: he's also the co-founder of Warby Parker, the popular direct-to-consumer eyewear company.)

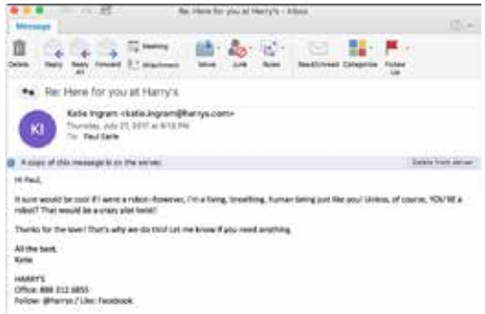
For one, Raider said, they knew that there was a design opportunity. He diplomatically never mentioned them by name, but I happen to know that there have been some consumer gripes about Dollar Shave Club products in terms of both style and quality.

What's more, the Dollar Shave Club brand itself, by its very name, is grounded as a value offering, opening up an opportunity for something a bit more elevated. Harry's, a name inspired by a "grandfather figure" for Raider, has meaning and depth to it.

Raider said they also saw an opportunity to deliver better customer service, amongst other difference makers.

Earlier this year, curious to learn firsthand what all the Harry's hubbub was about, I decided to try it myself. After submitting my order, I received what I was certain was an impersonal email, even though it appeared otherwise. I responded by (politely) accusing the sender of being a robot, to see what—if any—response that elicited.

Here is what wound up in my inbox a few hours later:




HEY, I'M NOT A ROBOT EITHER.

EMAIL SHARED WITH PERMISSION.

Now, scaling deeply human (and really entertaining) customer service like that is difficult. Chatbots are certainly part of the future, but will they ever have that good a sense of humor? For the moment, however, Katie and Harry's made for a great experience.

Here are three lessons from Harry's brave move into a notoriously tough category:

1. **Don't be afraid of those before you, even the big established players.** Most incumbents can be disrupted. Don't play by their rules; change them. There has never been a marketplace environment that so rewards the underdog upstart as today's. [Ed.: In a talk earlier this month at the Kellogg on Growth conference, I discussed what the big guys can do in response. "The Empire Strikes Back" was the theme. They will indeed begin disrupting more and being disruptees less. But it will take time.]

2. **Embrace design.** There are no sure things in business, but the closest you can get is the insertion of beautiful, fresh, human design into a space that doesn't have much of it. And define "design" broadly: story, naming, nomenclature, and tone of voice are all vitally important design elements (and happen to be areas where Harry's has excelled).

3. **Develop real relationships with your consumers.** Many digital marketing gurus have bastardized the notion of "relationship," often using the term to refer to largely impersonal mass communication that is really just one step removed from a well-targeted TV commercial. Try getting to know as many of your consumers as possible, personally.

What's next for Harry's? They bought a blade factory in Germany with much fanfare, and are looking at adding capacity. Raider said they are also thinking about how far their brand can (and should) stretch.

For now, however, Raider said they're simply focusing on creating great consumer experiences.

Indeed, "person" is important in personal care. And in that space or any other, being human is the pathway to first, even if you don't start there.

# Allbirds, and How to Take a Leap of Faith to Success

Originally published in Forbes
December 14, 2017

Tim Brown had a crazy idea.

The former professional soccer star was troubled by what he felt was a lack of sustainable practices in footwear materials and manufacturing, not to mention the over-the-top nature of the branding landscape itself. And he wanted to change all that.

But footwear is a notoriously difficult space. And his product concept—a hybrid runner made almost entirely out of wool—was so novel that it lacked any useful frame of reference. So when Brown pitched the idea as an exchange student in the New Venture Discovery class at Northwestern University's Kellogg School of Management, clinical professor and venture capitalist Carter Cast had... well... a few concerns.

Ultimately, as recounted to me by Brown and Cast themselves recently, Cast believed in Brown as a principled business leader, and encouraged him to follow his passion. Which Brown did, forgoing other opportunities (such as competing on the Olympic soccer team for his native New Zealand).

This embryonic idea became Allbirds, which struck a nerve in popular culture almost instantly after its launch in 2014, and today is one of the hottest lifestyle brands in the United States. It was named by Time as the "world's most comfortable shoe." But were it not for a leap of faith, Allbirds might not have even survived as an academic project.

TIM BROWN

Faith. It is belief without proof, and irrational by definition. And even in this age of "big data" increasingly telling us what to do, faith is required for progress. Faith is provocative as a business principle because the term is so closely associated with a different domain: religion.

Theologian John Buchanan, summoning Kierkegaard and others, argues that all your reason, all your logic, can only take you so far. At some point, to achieve anything meaningful, you have to walk through a door without knowing what is on the other side. This is the origin of the concept known as the "leap of faith."

If you're wearing Allbirds as you read this, it is thanks to the fact that a very small group of people actually took that leap, initially. Faith in any context must have at least some grounding, of course. In the case of Brown and co-founder Joey Zwillinger, their faith in their idea emanated from a belief that if they made "better things, in a better way," success would follow (note that this has nothing to do with shoes themselves; it is a higher-order ideal). Like most great new consumer brands today, as I've chronicled in this space and elsewhere, Allbirds is intensely purpose-driven.

I visited Brown and the Allbirds team at their headquarters in San Francisco last month. Here are other observations about what is making them so successful:

1. **Radical consumer focus.** The company operates a retail store on the ground level of its main office, and all employees, from Brown and Zwillinger to junior staffers, regularly cycle through there as clerks and salespeople. Brown said that this direct daily immersion helps them deeply understand their fans, and allows them constantly experiment with new ideas. What might be some ways established companies can follow suit?

2. **Team first.** The human energy at Allbirds is palpable, and it's driven by a true egalitarian sense of mission and team. It starts at the top; Brown—a former leader in a team sport—gets it. Everyone, for example, takes turns as the receptionist in the lobby. When I arrived, randomly on the desk was Allbirds' VP/Marketing Julie Channing, one of their top executives. (She seemed a bit distracted by something big going on in her "other" job at the company, but she nevertheless carried out her receptionist duties admirably.)

(Note: The night before publishing this, I serendipitously had dinner with a Kiwi who told me that in New Zealand, the custom of "mateship" is particularly strong. It is "friendship" times ten, and apt here.)

3. **Less is more.** In nearly every vertical, simple has never been more compelling and relevant than it is today. In Allbirds' case, they do simple well (which is difficult to do, as Steve Jobs famously said). The product design is minimalist, all the way to the logo appearing as a discrete small tag on the back of the shoe, not the side. Simple also applies to the sourcing guidelines for their materials, and nearly every other element of the Allbirds brand and operations.

4. **Have some fun.** I've always believed that the brands (and teams behind them) that are having fun will perform the best: it is attractive. There is a twinkle in the eye throughout the entirety of the Allbirds experience, from the animated sheep embedded in the confirmation email following an order, to the name itself (a reference to the fact that Brown's New Zealand homeland is inhabited by an abundance of birds; "all" may be a bit over-the-top, but you get the idea).

As I connected with Cast and Brown, I uncovered a startling postscript to their Kellogg experience together. Cast eventually became sufficiently enthusiastic about the Allbirds opportunity that he personally invested in it. His investment thesis: "I believed in Tim Brown." Wait a minute, I pressed. What was initially an idea that elicited a healthy dose of skepticism ended up with you reaching for your checkbook? Cast's second response was the same as his first: "I believed in Tim Brown." He took The Leap, capital "T" and "L" intended. And so did Brown.

(Oh, and for the class: Brown got an A.)


# Halo Top, and How to Be the Beatles of Your Business

Originally published in Forbes
January 26, 2018

Teeming fans in a state of unhinged hysteria. Police horses and barricades. The flash of cameras everywhere. The electricity in the air is practically tangible.

The Beatles debut in America in 1964?

Nah, just a new flavor of Halo Top ice cream being stocked at your local grocery store.

What you're about to read seems impossible, but believe it: Halo Top, barely over five years old as a brand and company, is now America's number one pint-form ice cream. Sorry, Häagen-Dazs, Ben & Jerry's, and other incumbents. What's more, depending on whom you ask, Halo Top might now be America's top-selling ice cream brand, period. Annual revenue is already in nine figures according to most, and Reuters recently pegged their valuation at $2 billion.

By all measures, Halo Top falls in the realm of phenomenology, like the Beatles, the Furby, and other instant smashes striking a nerve at the nexus of consumerism and pop culture.

Earlier this week, Halo Top co-founders Justin Woolverton and Doug Bouton told me the story.

They are anything but classically trained consumer product guys. They met in Los Angeles as mildly disaffected lawyers in a pickup basketball league populated mostly by others like them (one can only imagine the arguments over foul calls).

Woolverton was looking for a creative outlet, and like many wandering souls in Los Angeles, had already been trying his hand at acting and standup comedy on the side. He told me he didn't quite know what his new adventure would be, only that he wanted one.

Then it found him. A diet and fitness nut cursed by a love of ice cream, he wondered one day: why does this creamy goodness have to be so bad for you? "Sugar was the culprit," he said.

So on a lark one night, he bought an ice cream maker for about twenty bucks on Amazon. Then, using his apartment as a test lab, he (literally) whipped up a few batches of a new

CO-FOUNDER JUSTIN WOOLVERTON

kind of ice cream, with a profile inspired in part by Greek yogurt.

It was really good, and a few of his health-conscious friends thought so too. Believing he was onto something, it was back to Amazon: he bought a how-to book about starting a food business.

Bouton soon joined him, adding business rigor to complement Woolverton's product


A PRODUCT, OR ART? YES. HALO TOP

passion. And they both intensively committed to the sales process, beginning with pitching Whole Foods stores in southern California. Timeline: 2012.

Fast forward to 2016, past untold rejection, several brushes with financial death (including huge personal credit card debt and a dust-up with predatory lenders), and one brush with actual death (in the early days, Woolverton distributed the product himself out of his car, and the fumes from the dry ice created extremely dangerous air quality issues that once nearly caused him to pass out on the freeway). They persevered through it all, continued to innovate, and became a sensation.

The founders and I discussed whether there is a playbook to what I'll call Brand Beatlization. (Bouton wanted to be Ringo, by the way). Certainly, timing and good fortune were contributors. There are, however, a few key lessons from their explosion onto the scene:

1. **Make sure your product is truly different.** Many innovation leaders myopically convince themselves that their creations are revolutions, when actually they are just low-impact evolutions... at best. By using new ingredients like stevia and adding more air into the product, Halo Top created a healthier pint that one could (in theory) responsibly consume in a single sitting. This was and is massively novel and meaningful.

2. **Design design design.** Woolverton and Bouton are proud of the Halo Top look, and appropriately so. This is a great example of brand as art, and there is nothing else quite like it in their space. Practically every time, beauty sells. They have a robust side business of Halo Top merchandise for this reason. One question to ask yourself when you're evaluating a design identity idea: Is it Tee-shirt worthy?

3. **Watch that tone of voice.** This is not a scolding from your mother. Woolverton and Bouton took great care to nail the vibe of their communications, from minutiae on the container to all other touchpoints, establishing a fun, cheeky dialogue that engaged people in conversation. They are reveling in their noncorporate independence, and it's attractive.

The dynamics above are representative of a trend in the consumer sector today that is changing the game. I discuss this often with my friend Craig Dubitsky (founder of Hello, amongst other things): Don't create a brand that people buy; create one they can join. And forget the word "consumers"; the best


new brands today have fans.
I was once skeptical of overtly participatory brands—I don't want a "relationship" with my mayonnaise, I maintained. But times have changed, and I'm sold.

What's next for Woolverton and Bouton? Well, like many other high-flying new brands today profiled in this series, they are opening physical locations, having recently introduced the Halo Top Scoop Shops. They are also looking to expand internationally (might that be "going on tour"?). As for other details, they politely demurred. Certainly they are on the radar screens of strategic acquirers.

"Can't Buy Me Love," Paul McCartney sang. Perhaps, but you can buy an ice cream maker and a how-to book. And head up the ladder to the top.


# REBBL, and How Magic Can Power Your Brand

Originally published in Forbes
February 20, 2018

Sheryl O'Loughlin was getting the feeling she had seen this movie before.

The food and beverage superstar is familiar with winning ideas, having been either a co-founder or board member of four companies that achieved successful exits: Plum Organics (Campbell's), Zuke's (Nestlé), Gardein (Pinnacle Foods), and thinkThin (Glanbia plc). And earlier she enjoyed a successful run as CEO of privately held Clif Bar, Inc.

O'Loughlin, at the time ensconced at her home in Sonoma Valley working on her book, had been recruited to advise a fledgling beverage enterprise called REBBL (an acronym for "roots, extracts, berries, bark, and leaves"). The company was ramping up production for its "super herb powered" coconut-milk drinks, packed with purported benefits for the body and mind, as well as its alliance with the humanitarian organization Not For Sale.

O'Loughlin wasn't seeking a new full-time gig. She had been through the wringer in the past and was enjoying life's finer things.

But as she began to dive in, she told me, a realization jolted her like a thunderclap. "Oh my gosh," O'Loughlin recalled thinking. "REBBL has the friggin' magic."

She hit pause on her more leisurely pursuits and joined REBBL as CEO. A few years in, she says, REBBL is now distributed nationally, and is on a path to exceed $15 million in annual sales.

As O'Loughlin and I spoke a few weeks ago, we explored this notion of infusing—or discovering—"magic" in brands. The great brands have it. All should strive for it. What is "magic," anyway? Webster says it is "an extraordinary power or influence, seemingly from a supernatural source," amongst other things. Dictionary.com says magic is the "art of producing a desired result through the use of incantation."

Referring to magic as "art" is apt. In fact, many scholars have written that magic is essentially the opposite of science, categorizing it in the realm of the paranormal and other extraterrestrial phenomena.

SHERYL O'LOUGHLIN

Some argue that magic is a form of religion in its deific summons; indeed its etymology links to "magu," an Old Persian word for "spirituality." Others argue that magic is the anti-religion, an instrument of demons. Voodoo is often cited. Sorcerers—whom I suppose are wizards' less-likable cousins—are magicians for evil.

But let's focus on the positive, shall we? Mojo and talismans are among many elements believed to be imbued with favorable magic. And few would argue with good magic's impact. Spellbound feelings of wonder, awe, and enchantment abound. (For those interested in brand engagement, start there.) Bottom line: whether magic is evoked intentionally or not, brands and experiences that have it can be enormous commercial successes. Disney's Magic Kingdom is perhaps Exhibit A.

Back to REBBL. From whence is its magic derived?

The liquid, for starters. A highly unique "elixir" (their words) comprised of exotic ingredients with hard-to-pronounce names from distant places, REBBL is essentially Indiana Jones in a bottle. And as anyone in the entertainment world would tell you, adventure, mystery, and intrigue—when done right—can magically suspend disbelief, yielding blockbusters. In extolling the product's performance virtues, O'Loughlin referenced the goodness of what she and their innovation guru Palo Hawken call "plant queendom." This evocation of an alternate reign, of course, suggests the role of a powerful higher source—a key linchpin of magic. As the millions watching Netflix' "The Crown" know, the monarch is supposedly an agent of God (and queens can be cool). REBBL's business model has some pixie dust, too. O'Loughlin referred to their approach as "regenerative," meaning that the more success the business has, the better their foreign growers do, and the better their charitable arm will do in protecting growers' interests. A triple win and virtuous circle, all benefiting something greater.

ELIXIRS INUSED WITH "SUPER HERBS"...AND MAGIC?

We've all heard of the Midas Touch. How about the "Merlin Touch"? With REBBL and others as your guides, here is how your brand can win through magic:

1. **Alchemy.** The art of alchemy, which can be traced back at least four millennia, always danced back and forth between worlds, pitting science against religion, and juxtaposing magic with the tangible. To me, the essence of alchemy is connecting existing dots in a new and meaningful way, which happens to also be the essence of creativity. REBBL alchemically crossed novel product ingredients with a novel model. What new combinations can you make

2. **Purpose.** O'Loughlin said that REBBL began as a "cause looking for a company," originating out of co-founder David Batstone's desire to discover a product manifestation of the values espoused in Not For Sale. So the almighty Purpose was there well before even the idea of a beverage brand took form, hardwiring the offering with a higher calling. What is your brand's lofty Purpose? There had better be one.

3. **Tension**. O'Loughlin and I spoke at length about the great benefits of healthy tension in a brand. For example, REBBL is bent to prove that their complex "super herbs" can also taste good, two notions that previously had trouble coexisting. The energy arising from productive conflict can have... well... an aura to it. How can you find some strange bedfellows, and make them work for you?

What's next for REBBL? O'Loughlin didn't offer many details other than to say she is optimistic, predicting that 2018 will be a "breakthrough year."

Perhaps a magic carpet ride of sorts?

Follow the playbook above and you, too, can achieve brand abracadabra.

# Beyond Meat, and How Radical Wins

Originally published in Forbes
March 22, 2018

"Anything in life worth doing is worth overdoing," Navy SEAL Shane Patton famously informs his cohorts in the 2013 hit biographical thriller "Lone Survivor." "Moderation is for cowards."

It's one of several unofficial SEAL credos (incidentally, this line has also been attributed to Mick Jagger in a different context, and an amended form of it appears in my own manifesto).

Whatever its origin, the credo applies well to innovation and entrepreneurship.

To be worth doing, new offerings can't just be better. They must be radically better.

Seth Goldman would know. The co-founder and former "Tea-EO" of Honest Tea—a beverage trailblazer that was acquired by the Coca-Cola Company—lives this belief. And he is putting it to work again in his latest adventure as executive chairman of the plant-based protein company Beyond Meat.

Goldman and I recently sat down at the Expo West innovation extravaganza in Anaheim and talked about going radical.


Beyond Meat certainly aims to be different—extremely.

The company was founded by CEO Ethan Brown in 2009 as a plant-based protein alternative to answer what he felt were growing challenges in the meat business, ranging from changing consumer tastes and nutrition preferences to supply and production issues. Its signature "Beyond Burger" launched a few years later.

A BIG STEP BEYOND.

Goldman—who was actively looking for what's next and initially made contact with the company by simply writing to the general email address—said he was attracted by the degree to which the Beyond product bested the existing meat substitutes at the time.

"I thought that if the meat industry wanted to concoct a conspiracy to discourage people from pursuing plant-based diets, veggie burgers would be a great strategy," he quipped. "Because most carnivores taste them once and then conclude that they don't want to be a vegetarian that badly."

The key for Beyond, Goldman said, was the exhaustiveness of its product development. As many incumbent veggie burgers relied on ingredients like quinoa and black beans to "kinda sorta" simulate a real burger experience, Beyond went much further.

For starters, the Beyond team repeatedly placed a number of traditional hamburgers into an MRI machine to microanalyze the assemblage of proteins and fats. (I hope those poor burgers weren't claustrophobic.)

Then, by scientifically arranging plant-based elements to mimic the structures the MRI showed, the team was magically able to create a product that essentially replicated a hamburger's sensory aspects.

What happened? Sizzle—figuratively and literally. Now real meat lovers could experience plant-based burgers that would perform on the grill like hamburgers, an important ritual. The Beyond product also retained the moisture, char, and chew of a hamburger, and can even emit a hamburger's aroma. All with zero cholesterol.

While the widely held perception is that consumers are converting to new vegan/vegetarian diets in droves, Goldman said that the percentage is still only around 5%. He and the team are banking on moving that number beyond.

The early results suggest there's a chance. Since its debut, the company says, Beyond already has sold more than 11 million burgers, and today is available in over 25,000 grocery stores and restaurants nationally.

Future product research and development will be run out of a gleaming new facility they recently built in Southern California that they say is considerably larger and more sophisticated than their prior one, so expect more innovation to come. Their new Beyond Sausage product is one example.

Here are three keys to the company's successful foray beyond meat:

1. **11x.** In serial entrepreneur Peter Thiel's opus Zero to One, he counsels founders to build technology that is "10x better" than the incumbent's. Well, as someone devoted to progress—okay, and a fan of the movie "Spinal Tap"—I'm one-upping Mr. Thiel and suggesting you turn your product up to 11, as the Beyond team has.

2. **Location, location, location.** When it comes to sales, intelligently selecting your channels and customers is important, but so too is where you are shelved inside the store itself. The Beyond team shrewdly persuaded retailers to stock them in the traditional meat section, furthering perceptions of their brand as a viable substitute. Be strategic about your in-store placement. This applies to digital retail environments too, by the way.

3. **Own it.** I'm seeing more and more progressive new brands, like Beyond, handling as much product development and production in-house as they can (in some cases even acquiring their own manufacturing facility, as Harry's has done). With product uniqueness and authenticity more important than ever, how might you better control the making?

In transcending not just physical products but also consumer behaviors, the word "Beyond" in the company's name is apt. Whatever your space may be, you may find success by designing way beyond it.


# Olly, How to Create a Winning Brand, and the Pixies

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"Well," Ronald Reagan quipped to Jimmy Carter and later Walter Mondale, "There you go again!"

He was referring to policy positions of the day, but were the Gipper still around, he might say the same to Eric Ryan.

Ryan, co-founder of Method, the iconic line of beautifully designed cleaning products that was acquired by Ecover and then SC Johnson, is at it again.

His latest adventure is Olly, a comparably design-forward nutritional supplement brand he co-founded in 2014 that is already exceeding $100 million in annual revenue, according to reports.

Ryan and I met last month to discuss Olly, and the keys to success in the consumer sector generally.

There is a playbook of sorts.

For starters, nearly all new disruptors these days—including Ryan's—leverage the potency of design. Olly emerged as a petunia in the onion patch that was the cluttered mess of the vitamin aisle.

As I've often proselytized myself, the closest you can get to a "sure thing" in business is introducing inspired design into a space without any.

Ryan agreed. "There's no such thing as a boring, tired category," he said. "Only boring, tired brands." To those who claim that some spaces just can't accommodate innovation: wrong!

Additionally, more and more consumer disruptors are what Ryan calls "lifestyle brands," rooted in purpose and values rather than physical objects per se. For instance, Olly's "Life With A Lift" ethos establishes a higher calling long before any consideration about what's actually in the vitamins.

The idea of a new brand succeeding through design and lifestyle is spreading virally and being deployed by more and more entrepreneurs. Including many who worked with Ryan in Method's early days. One of them is Craig Dubitsky, who formerly served on Method's board and went on to co-found

ERIC RYAN

Eos (the brand best known for its golf ball-shaped lip balm), and then founded Hello, a rapidly growing "friendly" new entry in oral care.

If one were to create a "family tree" of consumer entrepreneurs and the work that inspired them, most lines would ultimately track back to Ryan, his Method co-founder Adam Lowry, and their outlandish gambit in San Francisco to launch a cleaning products startup competing with established giants such as Unilever, Procter & Gamble, and Clorox back in the early 2000s.

A similar exercise might apply in the music world with the Pixies, who directly inspired the creation of countless huge new acts (Nirvana famously being one of them), who themselves then inspired countless others. A massively influential piece of our musical landscape today can be traced back to Charles Thompson, Kim Deal, and a completely new sound coming out of Boston in the 1980s.

But back to Olly. Design achievements notwithstanding, what really makes Ryan's heart glow is the company's unique culture.

He spoke of this often as the Olly's not-so-secret weapon today.

The company has invested heavily in its stunning physical location in San Francisco's Presidio area; a robust volunteering program; well-defined company values, which are reinforced often at company-wide gatherings; and something that Ryan calls "Camp Olly," which I must confess I still don't completely understand (I was never really the camping type anyway; some friends jokingly call me an "indoorsman").


Ryan knows that a creative, values-based culture is a force multiplier. He also knows that a culture of entrepreneurship is difficult to replicate inside the large corporations that are his competitors. Most big guys are trying, and some are starting to actually close the gap, but it's a challenge.

Peter Drucker wrote that "Culture eats strategy for breakfast." It certainly does in this instance. That, and I suppose some Olly bars if it's still hungry.

A summary of consumer brand Disruption 101, Eric Ryan-style:

1. **Make it beautiful.** Almost any product in the store can be made more visually appealing; chances are, yours can too. Beauty sells.

2. **Make it purposeful.** Ask yourself about "the why" before you solve for "the what." Today, mission matters more than the goop in the tube.

3. **Design a creative culture.** Founders can only do so much on their own. When the DNA is transferred to others on the team, growth blossoms exponentially.

Ryan and I concluded our conversation by talking about where the Methods and the Ollys of the world fit in the broader scheme of consumer brand evolution. He spoke of model changes over time: from the 1950s through the 1990s, companies built brands through massive advertising, then dynamics such as those outlined above became more relevant. What's next, he surmised, will be a big new wave of "omnichannel" plays, namely, brands with a big business selling directly to consumers online as well as through traditional physical retail.

Suffice it to say that Olly will be ready. And should Ryan ever found another bold new change-maker in the future, he will be ready. There he goes again.

Postscript: Shortly after I finished writing this piece, I found myself talking about Olly over dinner with a group of folks. The person sitting across from me remarked, "A design disruption in vitamins? Duh!" I responded that he just afforded this new brand, or any new brand, its highest compliment: it seems obvious in hindsight.


# How to Win by Breaking GOOD: The Story of Schmidt's Naturals

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May 23, 2018

An 800-square-foot home transformed into a rudimentary lab. Pots, pans, and other sundry household objects repurposed to make the first handcrafted prototypes of a revolutionary new product. The founder, a newcomer to the industry, working around the clock to produce and deliver for an exponentially growing cadre of adoring fans.

AMC's masterpiece "Breaking Bad," right?

Nope. It's Schmidt's Naturals, a Portland, Oregon-based maker of natural personal care products, such as deodorant and soap, founded in 2010. Without any outside equity financing, Jaime Schmidt and her team grew the company from her kitchen to national distribution and, according to multiple reports, sales of nearly $50 million. Earlier this year, global packaged goods giant Unilever purchased the company in a monster-sized deal.

Last week, Schmidt told me the improbable and inspiring story of her journey.

Hers is not the background of a typical consumer products leader. The pathway to the leading edge of innovation? Low-level stints at a staffing company, a gas technology firm, and a mental health organization. And plenty of odd jobs on the side, including the graveyard shift at a Portland hot dog shack, where she "sold greasy food to drunk people all night."

Meanwhile, the "maker movement"—a trend towards homemade everything—was gaining steam, especially in craft-centric regions like the Pacific Northwest. Feeling like she wanted more out of life, Schmidt began to explore things she could make besides hot dogs. A friend of hers was teaching herself how

JAIME SCHMIDT

to make shampoo. Armed with some DIY manuals from a local bookstore, Schmidt followed suit, and expanded into deodorant. Now pregnant, she was concerned about the widespread use of unnatural ingredients in deodorant, and wanted to create a better alternative for herself and others.

Schmidt transformed her home kitchen into a lab, and hung a tapestry from the ceiling to make a "private office" out of her small dining room. At first she packaged the goop in mason jars, to be applied to one's pits by hand (you read that right), and innovated around a wide range of fragrances. The offering was unique...and people loved it.

She sold primarily into farmers' markets at first, allowing her to regularly glean real-time feedback. "My customers were my focus groups," she said. "Every week they'd spark ideas, and I'd be back the following week with a new sample."

A few years in, with her base growing, Schmidt knew she was onto something big. Describing herself as a quiet person with an inner competitive streak, she decided to figure out how to ramp up production...at least a little bit. First, she "commandeered" what sounds to me like an abandoned coach house nearby (she didn't offer any details, and I didn't ask). She hired a friend, and taught him the trade. "He'd go in there, blast punk music, and make deodorant all day and night," she said. She also began using new ingredients, like lye, in her kitchen lab at home. The saponification process with lye can be extremely dangerous; her "R&D" investment to prepare was a $3 book called "How To Make Soap: Without Burning Your Face Off."

Eventually, she brought on an outside partner: successful entrepreneur Michael Cammarata. He provided additional business sophistication and know-how, and amongst many things, helped the company expand into a more proper production facility. They then began pitching national retail accounts like Amazon, Walmart, and Target, who gobbled up as much product as they could get.

With a unique offering, an authentic homespun story, and passionate fans, it wasn't too long before the big guys like Unilever started knocking.

Here are four keys to Breaking Good, Jaime Schmidt-style: bootstrapping your way to a winning consumer brand:

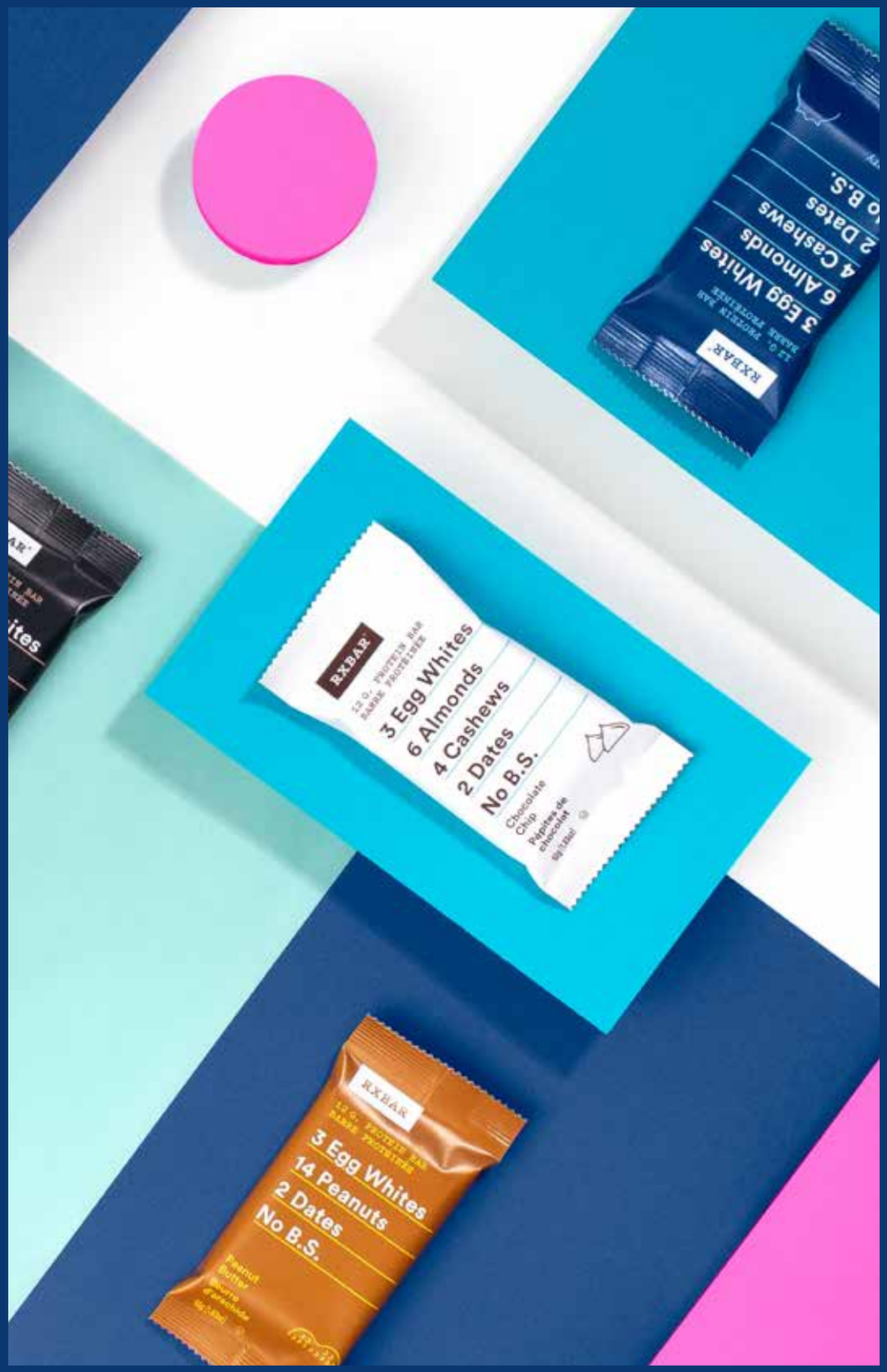
1. **Strategy ex post facto.** Schmidt's Naturals launched without any formal research, a financial forecast, or a competitive analysis. "If I had really studied this market in a traditional sense, I might have concluded that I shouldn't do this," Schmidt said. Instead, she had her fans, intuition, and fate illuminate her path.

2. **Say "yes" first, and figure the rest later.** As the business gained popularity, retailer interest far exceeded her capacity. Rather than miss an opportunity, Schmidt said yes, and then, behind the scenes, developed entirely new and innovative methods to deliver. What's that line about necessity?

3. **Make sure it's really different.** Time and again, I see big companies and small ones alike fall into the trap of convincing themselves that a new offering is a breakthrough, when in reality, nobody else really cares. Your bar for what defines "different" must be extremely high.

4. **Embrace your naïveté.** There are myriad examples of disruptive new businesses started by total outsiders. Schmidt's is a classic case, and so is another company profiled earlier in this series: Halo Top ice cream (also first produced in the founder's kitchen, incidentally). Don't be intimidated by your lack of industry knowledge; use it as an impetus for rewriting the rules.

Schmidt's Naturals is proof of the value that can be created simply by trying something, however crude the first iteration may be. Inertia is innovation's mortal enemy. If you have an idea, follow Schmidt's playbook... and that of another rather successful brand out of Portland: JUST DO IT.




# RXBAR, JFK, and How to Win the Hard Way

Originally published in Forbes
June 27, 2018

Pretty much everybody told Peter Rahal that he shouldn't do it.

The twentysomething manager in a nondescript job at a food-service company had an idea for a new kind of protein bar, and was thinking of dropping everything to pursue the opportunity. People told him he was crazy: the market was too crowded already.

Until it wasn't.

Rahal and a partner went forward in the face of critics, and RXBAR was born. The graphic, clean packaging along with an ingredient profile explicitly lacking "B.S." (their words, right on the label) made RXBAR a smash hit with consumers instantly, as is well documented. And last fall, just five years after launch, they sold the company to Kellogg's for a reported $600 million.


"Of course it was competitive," Rahal told me a few weeks ago on the roof deck of the company's sparkling new headquarters in Chicago, reflecting on the early days. "This is the United States. Everything is competitive!"

Rahal spoke frankly about the hardships that he and his team endured on the path to success, perhaps most notably, the battles with one of innovation's most powerful and menacing enemies: doubt.

He had a strong point of view about doubt's agents.

PETER RAHAL

"They're just [expletive deleted] haters, and you can't listen to them," he exclaimed, as he bolted up from his chair and began pacing. "They automatically attack anything that is unfamiliar, and try to derail all things that haven't been done before."

In other words, anything innovative and entailing risk.

Rahal argued that innovation "never makes sense at first," and looks for anomalies. "I like ideas that are a little weird, a little crazy, seemingly impossible," he said. Required: a courageous leap.

Rahal was ready for the battle, with experience in overcoming challenges spanning his entire life. A Dyslexic since birth, he told me he was long accustomed to everything being more difficult. Perfect training for an entrepreneur.

(He further pointed out that his dyslexia also allowed him to pursue pattern recognition differently, as well as nonlinear thinking. These undertakings are, of course, the bedrock of breakthrough creativity. Indeed, other great entrepreneurs and creative people—Steve Jobs, Steven Spielberg, and Richard Branson being three of them—have thrived in spite of dyslexia. Or, because of it? Branson in particular frequently preaches about dyslexia's "advantages.")

Back to the nobility of tough challenges, especially amidst a healthy dose of skepticism and uncharted territory. The story of Rahal and RXBAR got me thinking of John F. Kennedy's famous address announcing our country's intention to win the "space race."

"We choose to go to the moon!" Kennedy declared on a sunny fall day in 1962. "And do the other things. Not because they are easy, but because they are hard." The brazen audacity of this statement forced entirely new behaviors of innovation that never would have surfaced in response to a more measured goal. I write about this in my own manifesto.

When Neil Armstrong made his giant leap onto the surface of the moon in 1969, he validated the idea of identifying great obstacles for what they are, and soldiering through them—or, through guile and ingenuity, around them.

As this column is published, our Fourth of July holiday is around the corner. Perhaps prompted by Rahal's reference to the United States and the virtue of achievement against the odds, and JFK's bold push of our nation into outer space, I find myself pondering what the essence of the great American spirit really is (and what it sure as heck is not; don't get me started).

Learning from Rahal and RXBAR, what might be your prescription to achieve greatness? Here are three lessons:

1. **Attempt the impossible.** RXBAR pulled it off, but there are even benefits to falling slightly short. The namesake and founder of my former shop, Leo Burnett, famously wrote: "Reach for the stars. You might not get one, but you won't end up with a handful of mud either." You'll change the paradigm if you set a seemingly unattainable goal, intentionally. Try it.

2. **Yes, you can.** There are many business leaders who have impeccable pedigrees academically and in every other way. Kudos to them; they have earned their good stations. But for those with disabilities, or who have traveled a bumpier path for whatever reason, don't for one second think there isn't opportunity. And what you believe is holding you back might actually be an advantage. Exhibit A: RXBAR, $600 million in enterprise value, and Peter [expletive deleted] Rahal.

3. **Be radically frank and open.** If you know me or have read prior columns in this series, you know I'm a certifiable fanatic when it comes to branding and design. What is brilliant about RXBAR from a creative standpoint is the brand's simple approach to transparency. Kimono: open. This strategy is highly relevant, disarming, and powerful today. If you have a simplicity story, celebrate it. And if you don't, maybe rethink your product itself.

As you enjoy some time off next week, take a step back and be mindful about how many of the products and services you experience were considered impossible before the founders—real people like Peter Rahal—proved otherwise. And after the sun sets, as you gaze up at the fireworks, look at the moon as a reminder of what can be achieved if you give it a shot.


# MUSH, Mark Cuban, and How Space Aliens Win

Originally published in Forbes
July 30, 2018

I slammed on the brakes.

I was practically running to a meeting amidst the masses at the Expo West natural products show, and encountered a brand unlike anything I'd ever seen. Screeeeech, went my loafers.

It was MUSH, a new kind of oatmeal called "overnight oats." The novel twist on an old product, the eccentric name, the stenciled logo, the sleek packaging with a vague fashion vibe to it... This brand had the "it" factor in abundance. This oatmeal was cool, figuratively and literally.

A brief conversation with MUSH co-founder and CEO Ashley Thompson affirmed all of my suspicions that they were onto something. I also learned that I wasn't the only one who saw potential: the famous entrepreneur Mark Cuban had recently won a bidding war for the MUSH deal on ABC's hit show "Shark Tank" (I guess I missed that episode).

Last week I caught up again with Thompson—and this time she brought Cuban into the conversation too. Here's the story.

Thompson and co-founder Kat Thomas met in 2012 as recent college grads hired by Goldman Sachs for their first "real" jobs. Thompson, a quant wiz from Columbia; Thomas, a standout athlete from Duke. Goldman training sessions group newbies alphabetically; serendipitously, the closeness of their surnames paired them.

Thompson said that during long days on the Goldman trading desk, she yearned for fuel that was nutritious, portable, and required little preparation. So she began bringing in something she initially created as a "hack" as a kid: cereal and oatmeal soaked in milk the night before. A mushy delight.

Meanwhile, Thomas was feeling the entrepreneurial itch. She wanted to embark on a new adventure, of some kind, soon. She and Thompson met a group of friends in Miami one weekend in early 2015, and it hit them: Let's bottle oatmeal!

A quick marketplace scan showed there was nothing like what they envisioned. Go time.

ASHLEY THOMPSON

Thomas resigned to chase the opportunity full-time, and Thompson soon followed. They moved to San Diego (at the time, Thompson's fiancé was a Navy SEAL stationed there). MUSH opened for business in May 2015.

With limited resources, they sold about $80,000 in product in their first full year. "It felt like a lot of money," Thompson recalled. "We were only at a few local farmers' markets."

Two pivotal decisions defined the company's early days.

The first was a move to high-pressure pasteurization (HPP), which significantly extended MUSH's shelf life without having to load it up with unhealthy preservatives. This method had rarely been used on a product like theirs, and Thompson recalled that "most experts said we were crazy." But it worked.

The second was applying to "Shark Tank." "It was a total flyer," Thompson said. "We never thought anything would happen."

It did. They filmed in June of 2017 and the episode aired a few months later. The founders were so compelling, they flipped the script: the sharks began pitching them. In the push for MUSH, Cuban ultimately out-dueled renowned food and beverages investor Rohan Oza.


His winning offer: $300,000 for a 10% stake in the company, plus an unlimited line of credit.

I asked Cuban what made MUSH so attractive to him. "Loved the product. Loved the women behind it," he said. "Their drive. Their preparation. Their focus. Their savvy."

Fast-forward to today. MUSH—barely over three years old as an enterprise—is now distributed in 14 states in addition to its online business. Thompson said that sales have not yet topped $10 million but at the current rate of growth, she hopes they will soon.

Here are three keys to MUSH's success so far:

1. **Alien invasion.** Practically every element of MUSH is not just different, it's radically different. This brand may as well have descended from another planet. As I work with established companies through my own design and innovation business, I see them time and again convincing themselves their innovations are meaningfully different, when they really aren't. To make matters worse, their own testing measures reject the eccentricities at the ends of the bell curve where all the magic is. Thompson and Thomas weren't saddled with any such legacy orthodoxies, and it shows.

2. **The Joel Goodson factor**. As I write in my own manifesto, the best entrepreneurs have a bit of Joel Goodson in them. Thompson and Thomas chose a brand name they knew was polarizing, introduced an unproven new product form, rolled the dice on a novel production solution, and said "what the [___]" in pursuing "Shark Tank." I'm a fan of strategy ex post facto: Try a bunch of different things, and whatever works, bam: your strategy.

3. **Think small.** In this series, almost all big disruptors started at nano-retail; consider the farmers' markets for MUSH and Schmidt's, or in the case of Halo Top, the trunk of the founder's car. For aspiring entrepreneurs, simply make something and sell it; forget about mass at first. For corporate leaders, given that starting small is central to the innovator's playbook, tell the beancounters to let you try it.

Looking ahead, the MUSH team is undaunted by the likelihood that the incumbents will strike back. "MUSH will be nimbler, continue to innovate, and stay in front," Cuban said. "MUSHers love their MUSH. If we do our job, any store that stopped carrying us would face a mutiny."

Whether MUSH is actually from outer space or not, the sky is the limit.


# Hippeas, and How Design Makes You King

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The dude didn't even have a product yet.

But there was Livio Bisterzo, pitching his vision for a new snack brand to an influential group of Starbucks executives. Their response: thumbs-up.

Bisterzo said he was elated...for about thirty seconds. Then his mind went to: "Whoah, now I have to figure out how to make this stuff!"

It was 2016 and the new brand was Hippeas, a chickpea-based extruded (puffed) snack with insanely engaging you-can't-miss-it packaging graphics, a lovably eccentric 1960s vibe, and a tasty product.

Suffice it to say that Bisterzo figured out how to deliver. Having initially launched as a Starbucks pilot just over two years ago, the Hippeas business has exploded. The brand is now sold in 50,000 locations across multiple channels in two continents, and is on a trajectory to reach $100 million in annual sales before too long.


Given how it started, Hippeas is a testament to the power of the intangible. Last week Bisterzo told me the story.

A serial entrepreneur born in Italy, Bisterzo said he had been experimenting with new ideas forever. He'd enjoyed some measured success in a number of consumer spaces, but by his own admission, he had "failed miserably" elsewhere. In 2014, exhausted and fearing burnout, he hit pause to travel, explore emerging trends, and seek fresh perspectives.

He quickly became obsessed by innovation in the natural foods space generally, and in

LIVIO BISTERZO

the multiple nutritional benefits of legumes specifically. He focused in on chickpeas, and moved his family to California to embark on a full-time quest to create a new business.

Then he experienced a bit of serendipitous good fortune common to many entrepreneurial success stories. In writing down possible names for his future product on a whiteboard, the word "hip" from one riff randomly appeared directly above "pea" from a different one. He contemplated the two as a pairing. Shazam: he knew that he not only had his name, he also had a nearly limitless assortment of consumer hooks. And a design brief that practically wrote itself.

And oh did the design ever deliver. In what he called a "special kind of partnership" with the renowned design firm JKR, Bisterzo went to market with a stunning look completely uncommon to the industry. Frankly, I am at a loss for how to objectively describe this work. But I just love it. (A brilliant former colleague of mine from Saatchi & Saatchi once told me: "Great design is like pâté de foie gras: you can thoroughly enjoy the experience without completely understanding what's in it." This precept is apt here.)



Bottom line: In today's climate, a name is more than a name, and design is no longer just window dressing. If they are good enough, they can be as important in the consumer experience as the "thing" itself. And that goes for social mission, too: Hippeas touts a give-back alliance with Farm Africa. So in this context, the idea that Bisterzo could sign on a huge customer prior to having the actual product makes more sense.

I knew the Hippeas story sounded familiar, and indeed it's because my friend Craig Dubitsky launched his line of Hello oral care products in the same fashion: while he had carefully thought through the unique product benefits, the creative came first. Sensational graphic design and a friendly twist on nomenclature helped win a purchase order from a major retailer before the first tube of toothpaste was even produced. Today, Hello has become America's fastest-growing oral care brand.


"Nail the magic, and the math will take care of itself," Dubitsky said.

Here are three pages from the Hippeas' playbook that might help you catapult your brand to success:

1. **Pitch a prospective buyer ASAP.** Don't get bogged down in strategy and planning (this problem is particularly severe in a corporate setting). Do what Bisterzo did: as soon as possible, see if a customer will engage emotionally around your idea and commit to buying. Your offering doesn't have to be finished and perfect; in fact, better if it isn't (that way, you can calibrate to meet customer needs).

2. **Make it campaignable.** At Earle & Company, my innovation and design collective, one of the internal tests for our own new brand creation work is "campaignability." Does the idea naturally lend itself to marketing communications, in-market activation, social engagement, partnerships, and beyond? Hippeas is a great example of a new brand hardwired for all of these things. The "Give Peas A Chance" line is one of many strong marketing elements they use that are no-brainers.

3. **Design from Mars.** In last month's profile of MUSH, I wrote about the potency of design that is so novel it may as well have descended from another planet. Hippeas is another great example. If you really want to stand out, your design aesthetic has to be more than just different; it must be radically different, bordering on otherworldly.

Up next for Hippeas? For one, Leonardo DiCaprio recently came in as an investor. (I imagine he pointed at the packaging and exclaimed, "King of the world!")

The company is also promoting Joe Serventi to the role of CEO, allowing Bisterzo to focus on the brand and partnerships. Serventi, a veteran of snack brand Pirate's Booty, and earlier, Vitaminwater, initially discovered Hippeas at a trade show. "It was love at first sight," he said.

Whatever the future holds, Hippeas has proven the potential of raw new ideas. And for that: hip, hip, hooray.


# Just Saying **Hello:** How Friendly Can Be First

Special supplement to this edition
Summer 2019

Fight cavities. Annihilate plaque.
KILL bad breath.

"What's with all the warmongering," thought serial entrepreneur and design disruptor Craig Dubitsky as he walked past the oral care aisle several years ago.

"Shouldn't this category be all about warm smiles and amiable greetings?"

He answered his own question, resoundingly: yes, and the "naturally friendly" Hello brand and company were born. Some might even say it's a movement.

That was 2012. After humble beginnings that included a few early pivots and plot twists, Hello is kicking some serious a-- today. Check that: "kicking a--" is out of character. Rather, let's say that Hello is politely getting along quite well, thank you.

Dubitsky says that Hello is now the fastest-growing oral care brand in the US, contributing the majority of growth to the natural segment of the category. Hello is now carried in close to 50,000 stores nationwide, and has fielded inbound interest from retailers across 85 countries.


At the heart of the concept of disruption is incongruity, and certainly Hello fits the bill. Put simply, it does not play by any of the rules in its category.

Take the product formulation itself, for starters. Its profile is almost entirely natural and as such starkly contrasts the incumbent leaders in the space, many of which still have chemicals that are so harmful they are not even allowed in hand soaps or soft drinks. "So why is it okay to have that kind of nonsense in your toothpaste?" Dubitsky asks.


**CRAIG DUBITSKY**

The provenance of the ingredients are important to the Hello team: It recently debuted a video highlighting the mint farm in Oregon where its natural mint is sourced. The cheeky headline: "Things just got minteresting."

This tasty flavor must be making them a mint (sorry; two can play that game).

Then there is the graphic design: clean, bold, and vibrant in a category where most of the competitors look like they were picked out of a hospital supply closet.

The custom secondary packaging—made from FSC-certified paper and printed with soy-based inks—is also unique to the shelf, evoking cues from spaces ranging from craft to luxury. This is clearly not your grandparents' toothpaste.

Perhaps most unique is Hello's fresh approach to brand nomenclature, a far too infrequently utilized field for differentiation. In a category accustomed to warring claims, the brand's good cheer and friendliness are, well, disarming.

Dubitsky also subscribes to disruption in the consumer experience. For one, he makes himself available to any and all consumers who want to Skype him; as long as he's not in a meeting or driving (or sleeping, which he does infrequently), Dubitsky will try to answer. He says that the surprise and delight he encounters when he interacts with people from all over the world who can't believe they got through to him—just a regular guy on a mission—is one of his favorite parts of the job.

Ever-mindful of the importance of a sense of humor in marketing, Hello also periodically commercializes wild experiments, such as its most recent one: Spyt (pronounced "Spit"), a fleet of working sinks mounted on mobile electric scooters, enabling people to brush their teeth wherever and whenever they choose.

When I asked Dubitsky whether "Spyt" is a serious brand and business extension, or the company just having some fun, he politely demurred. I think either is well and good: consumers can discern which brand is enjoying what it is doing and which isn't, and the former almost always wins.


Hello is not Dubitsky's first rodeo as a consumer products maverick. Years ago, he was one of the founding investors and board members in Method, whose co-founder Eric Ryan is also profiled in these pages as the founder of Olly. Later, Dubitsky co-founded Eos, best known for its iconic lip balm that resembles a colorful golf ball.

Is there a playbook that Dubitsky is following? Absolutely. Say hello to three keys to success, Craig Dubitsky-style:

1. **Beauty wins.** One element of Dubitsky's modus operandi is as simple as it is obvious: Find a category vulnerable to the insertion of beautiful and rule-breaking design. It is no coincidence that this belief is also held by most of Dubitsky's disruptor peers, including all of them
in this compilation. It works.

2. **Watch your tone.** Dubitsky takes great care to ensure that every last detail, no matter how seemingly small or nuanced, is thoughtfully and intentionally written to communicate a consistent vibe. Yes, that even means things like usage instructions and legal copy. Everything that appears on the package or anywhere in the brand ecosystem should evoke the same voice and feeling, and everything is a copywriting opportunity. Note: "Everything" means everything.

3. **Embrace change.** While the friendly brand DNA has been consistent from the outset, the expression of Hello that is doing so well in the marketplace today is quite different from where it started: the packaging has changed substantially, as has the product lineup itself. Great entrepreneurs need to be both nimble and courageous in constantly iterating around even the most foundational parts of the business.

What's next for Dubitsky and Hello?
I suggested that with his friendly positioning, perhaps world peace is worth a shot.

Possibly overambitious. But if you know Dubitsky and his plans for the brand, not by much.

# Synthesis

Each story above is unique. Each business case is unique. Each founder is unique. Startups are like snowflakes in that no two are exactly alike.

Across twelve different verticals and a vast range of other circumstances, however, four common themes emerged.

What follows are those themes. Consider this a playbook, of sorts, for disruption:

1. **Radical differentiation.** Any veteran of corporate innovation adventures, like me, has encountered unfortunate processes that sand down the sharp edges of an idea until it has regressed from something interesting to an inconsequential tweak. External disruptors, on the other hand, don't bother with incrementalism. Seth Goldman, chairman of Beyond Meat, spoke to me at length about creating products that are "radically different" from the status quo. RXBAR's Peter Rahal spoke in similar terms about the food that he and his partners created; at the time, there was nothing like it, and the same applies to the magical "elixir" that Sheryl O'Loughlin and her REBBL team are rolling out. "Radically different" applies to design as well, as pioneers such as Eric Ryan (Olly), Livio Bisterzo (Hippeas) and Ashley Thompson (MUSH) demonstrated via their gorgeous packaging that eviscerates the visual orthodoxies of their respective spaces. The bar for what is truly different—and therefore potentially meaningful—must be extraordinarily high.

2. **Modern business model.** Legacy companies have a big problem: they do want to innovate, but their ancient business models, infrastructure, and systems often won't allow it. New enterprises, however, are not saddled with this baggage, and design their business models for modern relevance from the beginning. Peloton founder John Foley, for example, told me about his vision to build interrelated systems (not just products), and the need to think about go-to-market solutions holistically (online direct, owned bricks-and-mortar, third-party retail...at once). Don't chisel new ideas into old frameworks.

3. **Strategy ex post facto.** I have long been a vocal critic of traditional long-term strategic planning processes, and the research methods that often feed this beast. The reason: most big new ideas begin as small experiments and grow to prominence only through rapid trial and iteration. I vividly recall Schmidt's Naturals founder Jaime Schmidt's reaction when I asked her about her strategy in the early days: laughter! Of course, there wasn't any; she simply made things, had her customers try them and then returned with improvements (it worked, and she continued doing this all the way to a giant exit to Unilever). "My customers," she said, "were my business plan and my focus groups!" Halo Top's Justin Woolverton similarly experimented with dozens of different product solutions, in real time with real customers, until he cracked the code. Another replacement for old-line strategy is Purpose, capital "P" intended: a set of mission-based principles as a guiding light for all activities. Allbirds' founder Tim Brown and I discussed this concept in depth. In my opinion, there is no better example of a modern purpose-driven brand than his. This strategy ex post facto approach is potent, yet remains completely foreign to most incumbents (although some are just now starting to consider it). Hello and Craig Dubitsky similarly evolved substantially in the early days, and quickly at that.

4. **Productive naïveté.** Of the twelve mavericks I interviewed, not one of them had any experience directly in the businesses that they subsequently invaded. This outsider's orientation allowed them to break many category rules, either out of blatant disregard for them, or in some cases, not even knowing what they are. Jeff Raider and his Harry's team openly—sometimes brazenly—celebrate their "undocumented" status as newcomers to the shaving business. The virgin eyes of the outsider, combined with fresh approaches to challenges that grizzled industry vets would have deemed intractable, comprises a leadership trait that I call "productive naïveté." Remember, "know-it-all" is a pejorative term; use your lack of training in a vertical as an advantage. Of the four themes emerging from this series, productive naïveté is of course the most difficult for established incumbents to adopt. The act of simulating outsider behavior is one idea (and is something I do with my partners and clients often as a practitioner).

For those interested in consumer brand innovation, embrace the fact that we are living in an incredibly thrilling and rare window of time; today, there are so many opportunities that not that long ago would have been dismissed as fool's gold. It is my sincere hope—indeed the purpose of all of these writings throughout this year to remember—that this series inspires upstarts and corporate innovators alike to go for it. Regardless of source, we all benefit. Cheers.

# Epilogue

Since the original profiles were published, a lot has happened. I mean, A LOT!

Two of the companies have since gone public or filed to do so: Beyond Meat, and Peloton, respectively. The Beyond Meat IPO has been one of the most successful in years; as of this writing, the stock is up over 100% (that is not a typo). As for Peloton, reports have the valuation of the company hovering at around $4 billion (again, not a typo)-not too shabby for something that was dismissed as a bad idea by many cynics in the early days. Congratulations to Seth and John, and their great teams: I wish you and your new public shareholders well.

Schmidt's, now part of Unilever, is going global, and my friend Jaime's travel schedule is now like a modern-day "Where's Waldo" game. Jaime has also launched Color, her own investment and development platform for interesting new consumer product ideas, and Supermaker, a content platform for the "maker movement" from whence she came.

And speaking of Unilever, in April 2019 it was announced they were acquiring Olly in a jolly-sized deal comfortably into nine figures. Congratulations to Eric on another great outcome, and also for his latest adventure, announced around the same time: Welly, a similar design-driven play in first aid products for kids. A Welly is not a Band-Aid, it's a "bravery badge." I love that!

And speaking of acquisitions, it was recently announced that Edgewell, the maker of Schick razors and other brands, was acquiring Harry's in a deal valued at over $1 billion. Congratulations, Jeff and team: your edge has done extremely well (sorry for the play on words, too easy).

Peter Rahal has stepped down from his post as day-to-day head of RXBAR and is turning his attention to, you guessed it, creating and backing more disruption in the consumer products space, and other areas. Peter is a force of nature and we'll all hear from him again soon, I'm sure.

Livio Bisterzo is developing additional design-centric brands via his Green Park platform, building off of the wild success of Hippeas. One of his latest creations, a sustainable toilet paper brand launched earlier this year called Reel, proved to be so popular that they sold through all their inventory in days.

Tim Brown has continued to grow Allbirds and recently released a new shoe made out of stuff from trees, of all things. The company is sparking the creation of many new ventures throughout sustainable apparel and footwear, buoyed by their success. "We aim to be the Allbirds of ____" is common in pitch meetings now.

REBBL, MUSH, and Hello continue to rapidly build distribution and fans. Keep an eye on them.

So, these world-beaters are hardly resting on their laurels. It would be entirely believable if I could write twelve profiles of these twelve people twelve years from now, and the stories that have not yet been written would be just as interesting as the ones that already have been.

They are greatly inspiring to others, and that includes me. And on that note, with the ambition to participate in the revolution as more than just an obvserver, I'm starting to develop a number of my own new brands through a venture entity called Country Mile. My Earle & Company consultancy is also helping other companies jump in. We have some great partners and it has been fun so far.

To be continued...

# The Author

Paul W. Earle, Jr is a brand and innovation professional, entrepreneur, intrapreneur, and lecturer with significant experience in design, the development of new products and services, new venture formation, intellectual property licensing, marketing communications of all kinds, and traditional brand management and strategy.

At present, Paul is principal of Earle & Company (EarleAnd.co), an innovation firm that develops both front end creative solutions and innovation training workshops for growth-minded companies of all kinds. He is also a contributor to Forbes, where he covers innovation in the consumer sector. Finally, he is an adjunct faculty member at Northwestern's Kellogg School of Management, where he co-teaches the popular "Corporate Innovation & New Ventures" class, a lab immersion that pairs student teams with top corporate partners such as McDonald's, Visa, Procter & Gamble, United Airlines, Beam Suntory, Hyatt, E.&J. Gallo, PepsiCo, Moen, and many others.

Prior to launching his latest enterprise, Paul was executive director of Farmhouse, the innovation and new venture center of the global creative agency Leo Burnett. Founded by Paul in partnership with Leo Burnett management in 2011 and operating successfully through 2016, Farmhouse developed new brands, new product and service concepts, and other new kinds of designed experiences for premier clients such as Procter & Gamble, McDonald's, Kellogg's, Allstate, E.&J. Gallo, and others. While at Burnett, Paul also co-authored the strategy that led to Publicis90, a global open innovation platform—the first of its kind in the big agency world.

On his own, prior to joining Burnett, amongst other adventures, Paul was part of the founding team that created and launched ANGEL'S ENVY, a whiskey brand that achieved near-instant success and would ultimately be acquired by Bacardi in 2015.

From 2001 to 2009, Paul served as founder and president of River West Brands LLC, a dormant brand acquisition and redevelopment company that later became part of Omnicom Group (NYSE: OMC). River West acquired and relaunched well-known but distressed brand properties such as COLECO toys, BRIM coffee, EAGLE snacks, NUPRIN analgesics, SALON SELECTIVES hair care, and a number of other icons. Paul and his work earned feature-length profiles in the New York Times, NBC's "Today Show," NPR, BBC, and other prominent media.

Earlier, Paul worked in brand management at Kraft Foods Inc., outside Chicago, principally on Kraft Mac & Cheese. He previously worked at Saatchi & Saatchi Advertising in New York, where he served the British Airways, General Mills, and Johnson & Johnson clients.

Paul holds a BA from Hamilton College and an MBA from Northwestern University's Kellogg School of Management. He lives in the Chicago area with his wife and two sons.

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And special thanks to the twelve incredible people who made time out of their ridiculously intense schedules to contribute to this project—In order of appearance: John Foley, Jeff Raider, Tim Brown, Justin Woolverton, Sheryl O'Loughlin, Seth Goldman, Eric Ryan, Jaime Schmidt, Peter Rahal, Ashley Thompson, Livio Bisterzo, and Craig Dubitsky. I consider myself fortunate to know them. And I predict that someone, somewhere, reads about what these folks are doing and thinks, "I want to do that too!" And actually does it. That would be a great outcome for me, and now that I know each of these people, I am certain it would be a great outcome for them too.

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Special thanks to Curion, a proven leader in innovation for forward-thinking companies around the world, for sponsoring this production. Cheers to you, to your great partners everywhere, and to what's next.