



## Episode 027: Carrie Lumb-Dewey – Connecting With Your Consumer

- BEN            Welcome to the Barcode Podcast. My name is Ben Ponder. I'm your host, and I'm really excited to have [Carrie Lumb-Dewey](#) in the studio today. And we're going to be talking about her really fascinating CPG journey, and specifically, some things around Stubb's and McCormick and what it's like to transition an independent brand into a larger, big food or big CPG company. So, we're going to talk about a lot of different things. I want to remind our listeners and viewers that the barcode podcast is presented by Titanium CPG Insurance. Titanium protects for thinking consumer brands with a range of insurance products and risk management services that are designed specifically for natural and organic food and beverage brands. You can learn more online at [titaniumcpg.com](http://titaniumcpg.com). So, Carrie, welcome to the studio.
- CARRIE        Hi Ben, how are you?
- BEN            Oh, I'm so great. So really glad to have you here. Excited. I think we've kind of talked a little bit before the show, I'm excited about the different topics that we're going to touch on. But before we dive into that you know the drill. So, tell us about your best meal ever.
- CARRIE        My best meal ever. So at this point it was, I think I figured out about 18 years ago, I had the opportunity, this was early on in my career, I was told by a manager to go as a reward for doing good work, go take my husband anywhere out to dinner and celebrate on the company and have the company pay for it.
- BEN            So, what company was this?
- CARRIE        This was when I was with Clorox.
- BEN            Okay.

CARRIE So, we're in San Francisco, we're in the Bay Area. There's a plethora of options.

BEN Clorox is based in San Francisco?

CARRIE It's based in Oakland. So, in in the East Bay.

BEN The Bay Area.

CARRIE But we were living in the city. So, I decided to go to restaurant Gary Danko, which is one of the Michelin four or five star restaurants in the city.

BEN That's right.

CARRIE Amazing.

BEN You're like you get the free meal, you go for it.

CARRIE And when I went for it, I went for it. We did the seven-course menu with wine pairings, cheese in the middle. That was probably the best dining experience I've ever had, not just from the quality of the food and the way everything was presented. And the fact that the wines were perfectly paired with what I was eating, but the service was amazing. Just overall, it was still so memorable, 18 years later.

BEN Just doting service.

CARRIE Yeah, it was like nothing I'd ever experienced.

BEN So, what did you eat? So again, you mentioned some of the things, but do you remember what any of the main courses were?

CARRIE There was, I believe there was a scallop dish, which literally melted in my mouth. It was so good. The cheese tray I remember distinctly because it came between, I think it was the fourth and the fifth courses, and they literally wheel this and when you see cheese trays in movies, you're like, "Oh, it's what ..." No, there was like three layers of cheese on this tray and you could pick four-

BEN It was like the cheese wedding cake.

CARRIE It was, it was amazing. You were like, "Oh wait, there's four cheeses on top, four cheeses in the middle, four cheeses in the bottom. And I could pick four, any four." And I was like, "Only four?" I didn't know how to react. And then the dessert was, and I don't remember exactly, but I know it had strawberries in it, and those strawberries were just so perfect and so juicy.

BEN Probably handpicked caressed.

CARRIE Exactly.

BEN They were the best strawberries in all of California.

CARRIE Yes. And I just remember we ended up celebrating an anniversary for it because it happened to coincide close with our anniversary and it was just still one of the most amazing culinary personal

experiences I've ever had. And my husband and I still talk about it. We're like Gary Danko, it's the highest restaurant experience on our list ever and we've been to a few.

BEN That's the ideal. Everything else measured against it.

CARRIE Yes. We went to New York for my birthday a few years ago and went to Bernadine and went to Daniel and some of those amazing restaurants.

BEN That's right. They have strong game there too.

CARRIE It's still above it though. The Gary Danko one.

BEN Wow, wow, in the ranking. Yeah.

CARRIE And it might've been because I didn't have to pay for it. I'm not going to lie.

BEN Yeah. There's no aftertaste with the check.

CARRIE When you just turn on the expense and it gets paid.

BEN There it is. I love it. So, let's back up a little bit. How did you end up in CPG?

CARRIE Okay. So, my story's a little bit different than I'd say your typical CBG person. I actually got my undergraduate degree in accounting and finance and spent four years as a tax accountant. So, after four years of having no life between January and April, I decided there needed to be more to what I wanted to do. The part where CPG comes in is even back then I was working on CPG clients. So, I was based in St. Louis and I was working on the Ralston Purina's, the International Arm of Ralston Purina Agra brands. I was working on Earthgrains. I was touching those CPG companies then.

So, I knew when I was leaving tax that I wanted to go into CPG. What role I wasn't sure of.

BEN What was it in those early days that even as you're working on this client accounts, what was it that drew you to the CPG part of it, besides it was familiar to you?

CARRIE I love the idea of being able to walk into a store, whether it be a grocery store or Walmart or Target and see what I was working on. And I still, even to this day, get a lot of pride when I see a product, I've helped hit the shelves.

BEN It is really pretty cool. Yeah, it's like you walk in and you can go, I used to do this with my kids, and we'd go in the grocery store and they'd be like, "Dad, do you know those people?" And be like, "Yeah, I know those people." Or whatever the thing is. And it's fun. It's just this fun thing where you're like, "Oh, I remember when they were nothing. And then they're a big deal now. And that's so cool."

CARRIE Yeah. And that really was the joy for me, was the idea that I could do something that I could see on TV, in a magazine, in a store. That's where CPG really resonated with me. And so, I went back to school, got my MBA, had the opportunity to go out to Clorox in the Bay Area to get my CPG training. And that's where the story began.

BEN Was the St. Louis to Bay area transition easy, again, like kind of Sleepy Midwestern City. We lived in St. Louis long time ago. Really pleasant city, but not as go-go as the San Francisco Bay Area.

CARRIE I think it was more challenging for my husband than it was for me because he was born and raised in St. Louis. I grew up in Kansas. We're Midwest kids at heart, but I always knew I wanted to go and explore. So fast paced was in my nature. And for him it was a little bit like, "Whoa, wait, what?" Because I moved him to North Carolina for two years, then to the Bay Area. And so, it was two moves in three years.

BEN That's a lot.

CARRIE It was a little bit much, but it's amazing, we still say it's one of the best things we've ever done. It wasn't necessarily where we thought we ended up after business school, but it was exactly where we were supposed to be.

BEN That's awesome. So, you started off at Clorox, how did that work? Clorox owns a lot of, it's not just bleach-

CARRIE No, it is not.

BEN ... so many different products. There's always things coming and going in that portfolio then, but what brands were you focused on at that point?

CARRIE So I like to say I was in the group of brands that nobody knows Clorox owns. So, I worked in their specialty division, which included their cat litter brands Scoop Away and Fresh Step. It included Kingsford charcoal and included their food brands. They own Hidden Valley ranch and KC Masterpiece Barbecue Sauce.

BEN Oh yeah, those.

CARRIE Yeah.

BEN That's right.

CARRIE Kingsford was at the time, a half a billion-dollar brand, is now a billion-dollar brand. So, it's not a small division.

BEN No, it's not. Yeah.

CARRIE But it wasn't what Clorox is known for, is typical cleaning.

BEN That's right.

CARRIE And there were a lot of things now looking back at my time at Clorox that were preparing me for the future, but I didn't know it at the time. I worked on Kingsford Charcoal, so I got grilling category experience very early on, which translated to Stubb's. I worked in the food division. So, learning all about these up and coming brands. My actual last job at Clorox was brand manager over new products, which meant I was walking the fancy food shelf looking for new brands for Clorox to potentially acquire and putting them into testing to see how viable they were. So, it's a little bit funny how it all connects.

BEN What did it mean back then, like when you said put it into testing? How do you put something? You walk across, you taste something in San Francisco at the Winter Fancy Food show, and you say, this is interesting, I'm going to put this into testing. What does that mean?

CARRIE So the big companies are extremely conservative.

BEN They are. Yeah.

CARRIE And that's the part that you forget when you're not in them. But they are extremely conservative, and they don't like to take risks. So, they do a lot of homework before they acquire companies. So, what it involved was we would go to the Fancy Food Show, we would walk, we would taste a few products, we would write down a few names. We would go buy their products at the specialty food store or wherever we could find them. And we would sit there with them for a couple of weeks talking about them. And we would write concept tests. So, these are product ideas that you put in front of consumers to get reactions. And Clorox had a database of these baselines for years and years and years and years. So, you knew what was likely to be successful and what was likely not to be successful.

And so that was what I was doing, was literally riding up ABC product, here's what it's about, here's what it delivers, here's what the consumer can expect. And then sending it out through their research portal to consumers to get their reactions to it.

BEN So in this case, consumers are only getting reactions to the idea behind it. It's like, "Hey, if we did a ..." It's a different kind of barbecue sauce or whatever it is, would you think you'd like that? And so, then you're making decisions as a large entity around whether we take this acquisition opportunity seriously based on that's one data point at least.

CARRIE It was one of many data points but that literally was, it was just a purchase interest. Like are you interested in buying this product? Yes. No. And then how does that purchase interest go on a scale of one to a hundred, and how does that purchase interest compared to, because Clorox would put its own new products in. So, I'll use Clorox Greenworks as an example. When they were launching that, they're green cleaning, they put that in there. So that's a benchmark of something that they consider a high success. So, they would compare all of that and look at that before they went farther down the path.

BEN That's right. Because they're so big and their portfolio brands are half a million or half a billion to-

CARRIE To multi-millions.

BEN So it means that, and I think this is an interesting thing for startups and early stage businesses to really kind of understand, they can't acquire you until you're pretty big because if you are \$5 million a year in sales, you'll get squashed. Even accidentally. It just can't work at scale. And so, you have to reach this sort of escape velocity on some level. You have to be big enough that it's at least plausible for them to plug you into this broader engine that they're running. But then also, they can't go after, and this is an advantage for you as a small brand, they can't go after these tiny niches, right? Because those aren't big enough. They don't move the needle.

And so you have an opportunity to go after the thing that's, the addressable market is at least today perceived to be too small for them to bother. But if it's a growing niche, then it could be something that raises itself over time, above a certain threshold, and then all of a sudden, you're doing the purchase interest things.

CARRIE Right. And it's also, the other thing to keep in mind as an entrepreneur, it's also cheaper for them to buy you as a brand that's established in this niche or in this half-assed growing area, in this area that's being reinvented, than it is for them to start something from scratch. So, I mean, to use Greenworks as an example, to go into natural cleaning they spent millions of dollars to do that. And they probably could have waited an acquired method a few years later for, not saying they did, but I mean, those are just examples. And so that is the thing that you think of. They're super conservative.

BEN That's right. And I think for some of the savvier of the big CPG or big food, whatever it is, companies, there's a recognition that they go, "we're not that good at this." So, it's expensive, it's slow. We can't tell authentic stories because it's all effectively made in a lab or made in kind of a boardroom. So, there's a series of advantages. You're certainly, as a small company, you're at many, many disadvantages. But you do have a small set of advantages that if you ignore or fail to exploit, it's really to your detriment because there are certain things that this giant, almost infinitely resourced entity can't do. And you've got to do the things that they can't do.

CARRIE Yup. And that's where the authentic story is exactly what you're saying, is that's what they're looking for. They're looking for brands that provide something they can't build, because these big companies, the Kraft's, the Heinz, the Clorox's, the Conagra's, the big guys out there, people know who they are, and their brands aren't perceived as positively as maybe they were 20 years ago. And so, they put out a new brand and they're like, "Oh, it's just big food making stuff up and they're not going to tell us the truth.

BEN That's right. That's right.

CARRIE So if you can build a brand that is built on your history, your own personal experience, a really good story with a product behind it that delivers, you're going to fill that hole that they can't get to.

BEN Absolutely. I've heard people describe certain people as being classically trained in CPG. Do you feel like your time at Clorox was a form of that classical training?

CARRIE Yes. Yes.

BEN What does that mean to you? Right. What does it mean, because I think it's interesting, a lot of startups or founders, they might be people who don't have any background in that world at all? And so, they don't really understand like data, what kind of investment are you making in data? How are you utilizing that data, all this sort of stuff? What does it mean to be classically trained if you don't come from that background?

CARRIE Classically trained as you look at it through the eyes of big CPG means that you have a wide breadth of experience touching a lot of different things within the business life cycle of CPG.

BEN You move between desks if you're in brand management or whatever.

CARRIE You move between brands. You move between brands, you manage projects. I'll go in with the rose-colored glasses of a business school student, you're going into marketing, you're like, "I'm going to do advertising, I'm going to do product design. I'm going to do packaging. That's what I'm going to do."

BEN I'm going to get to know the celebrities in the Superbowl ad.

CARRIE Exactly. Yes, yes. That is a piece of what you do. But if you go to a Clorox, like a Clorox of P&G, a Kraft, they're a little more analytically based. Your first year is really going to be spent looking at syndicated data through IRI. And then building the volume plan, managing a budget, just like lots of Excel spreadsheets, not super sexy stuff.

BEN That's right.

CARRIE You get to the super sexy stuff. But sometimes you're going to be tasked with managing from my own background, you're working on a brand like Kingsford and your director comes to you and says, "Hey, Carrie, we need you to lead a project." And you're like, "Great, this'll be awesome." "We need you to figure out a way to not have to build another plant." "What?"

BEN "Come again?"

CARRIE "What does that mean?" But to that point, my experience at Clorox and the classically trained definition means that I have not just touched marketing, I've touched operations, I've touched finance, I've touched advertising, I've touched product development, I've touched R&D, I've touched market research. So, am I super deep in any of those? No. But my breadth of experience is very wide, and it's truly a general management training background to really kind of come up as an owner, as a business owner and a business operator.

BEN Right. And eventually, the goal is you work your way up the ladder and then you own a P&L. And you're like, okay, I'm responsible for the success or failure of this brand or this business.

CARRIE Correct.

BEN Right. So, you did that for a while, and then what came after that moment?

CARRIE So realistically, I loved being in CPG. I loved being at Clorox. It was a great company, but raising a family in the Bay Area even-

BEN Expensive and challenging.

CARRIE It's expensive and challenging. And my mother had relocated to Austin probably about five years before, and we had loved the city. And so, I had an opportunity, my husband could transfer with his job and I had an opportunity to move to Austin and I had to take a step out of CPG at the time because CPG wasn't as big as it is today in Austin. But I got the opportunity to move to a city that I love and work with, still some fabulous people, and I was able to work at a jewelry company called American Achievement. And I worked on the retail side. So, while it wasn't a true CPG product, I was still selling my products through Walmart. I was selling them through retail jewelry stores. I was selling them through Kmart. So, it was definitely connected to what I had done before.

BEN Absolutely.

CARRIE And it was a lot of fun. It was a really enjoyable kind of semi detour.

BEN Again, sometimes those detours can be productive or fruitful detours as well. You get a different perspective and that sort of thing. How did you wind up at Stubb's?

CARRIE So that story right there of moving into American Achievement, [Matt Gase](#), who became CEO of Stubb's early 2011 was the general manager of my division when I was there. So, I did work directly for him.

BEN And this was associated with Balfour and commemorative brands and this sort of thing.

CARRIE And the yearbook company and all of that. It's all the same company. And so, Matt was in charge of our group. And so, I had a VP of marketing between me and him, but he moved over and became CEO of Stubb's and reached out to me and said, "Hey, I'm looking for someone to head up our marketing department, would you be interested? And I was working in a restaurant at the time doing marketing for them. And I was like, "Oh my God. Getting back into CPG in Austin. Yes, let's go."

BEN That's right.

CARRIE And I had barbecue experience from my time at Kingsford, so it was perfect.

BEN And Matt is also classically trained in CBG.

CARRIE Matt is also classically trained.

BEN That's right. Yeah.

CARRIE So our backgrounds meshed well, and we knew kind of the expectations going into it, as I say, as I entered my second tour of duty with him. But it was definitely worth it. Plus, Stubb's was such a fun brand and had so much potential when I walked in there, that I just couldn't wait to just really see what we could do with it.

BEN That's awesome. Stubb's had been around for a while at that point, maybe 15 years or so in that vicinity and that sort of thing. A couple of weeks back, we interviewed Scott Jensen and talked about some of those early days, but this was a different phase in the life of the business of Stubb's. Stubb had since passed away several years prior. And so, it was the next phase of Stubb's. Stubb's had pivoted and had really planted its flag as a natural alternative to a lot of the high fructose corn syrup brands that were at that point kind of ubiquitous on the shelf. And so, what were your marching orders at that phase in the life of Stubb's?

CARRIE My marching orders were really to come in and put some of that classically trained discipline behind a very entrepreneurial marketing effort. Stubb's had, to your point, it had done a lot of different things in experiments. As entrepreneurs do, you put things out there, you see what sticks.

BEN They had a restaurant and a live concert venue, let's try that. Let's do all this stuff.

CARRIE They had a meat company. They at one-point owned, and I'm sure Scott talked about this, they owned a spaghetti sauce company. There's some very interesting things in Stubb's background.

BEN That's right.

CARRIE But to that point, they had decided to focus and they had said, we're going to go down these paths and we're going to march on all natural and gluten free, which as you said, it was brilliant because it was done before it kind of became important to people.

BEN That's right. We take this for granted now.

CARRIE We're floating the boat.

BEN It was not always that way.

CARRIE It was not always that way. And it's funny, because it was just not even 10 years ago, it was not always that way.

BEN I know.

CARRIE But to come in and put some of the disciplines around it, to make sure our event team and our social team, I say team, it was two people, me and one other person.

BEN Small team.

CARRIE To make sure that everything was speaking with one voice. To make sure that the brand was communicating as clearly and as concisely as possible. To make sure that we knew who the Stubb's consumer was. So early on Stubb's consumer was the consumer of barbecue sauce. But as you get to where it was when I came in, it-

BEN Marinades and barbecue rubs.

CARRIE It was barbecue sauce and rubs and marinades. And the thing was is we needed to understand who was the person we needed to talk to, to get them to either buy more Stubb's or tell their friends about Stubb's. And that was some of the work that we did in that first year, was really understanding who our core consumer was. And I think it blew some people's minds, myself a little bit included, when we did the study and we found out that our core consumer was not Bubba the barbecue, the guy in the backyard small town guy. But it was wealthy suburban moms.

BEN Entering barbecue contests or things like that.

CARRIE Exactly. Exactly. It really wasn't that person. It was suburban moms who cared about what kind of food they were putting in their kids' bodies. It was the whole food shopper. It was a little bit of a different take. And so, it took some adjustments there. But once we had that information, we were able to really put marching orders in place from a, here's how our product strategy is going to be, here's how we're going to change our labels, here's our communication strategy, here's how we're going to go about getting more trial and awareness for the brand. And we put those wheels in place over 2012 and 2013 and between 2011 and when it sold in 2015 doubled the revenue. So, it was great.

BEN Yeah. So, it made meaningful impact.

CARRIE Exactly.

BEN I think that's really important. It's an important insight that I think people take for granted. I think that a lot of the founders that I talk to probably have this misplaced notion that they understand who their consumer is. And while on some level that may be true. They may understand an aspect of that. It's fascinating. And sometimes regulatory to really dig in and you almost, it's almost an unsolvable Rubik's Cube a little bit because it's constantly evolving. And when your business starts and you're serving, you're in a handful of stores or whatever it is, yes. And hopefully, maybe you're even super tiny in your farmer's market level, you actually have this rich data set of who you've seen the people yourself.

You know okay, this person actually bought, this person looked, sampled, said no, or this person spat out. This person said, "Oh, this is the greatest thing ever." So, you have that as you grow and evolve and as your brand grows and evolves, and as you add new products and flavors and all this stuff, you're constantly rediscovering who your consumer is. And I think if you get too rigid and you say no, back in 1995 our consumer was this and you fast forward to 2015 might be a different person altogether. Who buys it today, who buys it in Austin, Texas versus in Charlotte, North Carolina might be very different.

CARRIE Yup. And if you think about that, even going back to who Stubb's consumer was in 2011 when we were gluten free and all natural, and now it's non-GMO, it could still have continued to refine itself. That's the piece, that's one of those, going back to the classically-trained conversation we were just having, one of the things I learned at Clorox that I say all the time is no matter how much we think we are, we are not our consumer.

BEN That's right.

CARRIE And it was never more apparent than what I was at Clorox because we were in this 24-story building in Oakland, California, riding a subway to work. We're not out by in this at Ma and Pa's gas station or grocery store in the middle of Kansas.

BEN That's right. That's right. Yeah.

CARRIE And I can say that, because I'm from Kansas. So that's the one thing is no matter how much you think you are your consumer just know you're probably not, and it's going to change over time.

BEN That's right. There has to be a little bit of a self-awareness about that. And that you're constantly discovering and rediscovering who that consumer is. And that consumer also is often not singular. So, there's multiple, there might be plural audiences that you're addressing and how do I address this audience in a way that maintains this kind of internal fidelity to the brand and the messaging while making sure I speak with the right accent. The right accent to the right audience and that kind of thing is important.

CARRIE Well, and that's where I go. Like Bubba, the barbecue-er was not our core consumer, but Bubba the barbecue-er was still in there. That person was still purchasing Stubb's and so we spent a lot of time and that's where your brand positioning comes around. Like what is your brand mean? And then how, once you've defined those three things that your brand means, how do you speak to each group of consumers using just those three things. And so that was the part with where we had one part that would speak to Bubba. So, we had all this authenticity, we had all this barbecue heritage, we had all this history with Stubb, the man in the restaurant and his history and his quality of food.

BEN "Ladies and gentlemen, I'm a cook."

CARRIE Exactly. We had all of that. That spoke to Bubba the barbecue-er. Then we had quality, which was the all naturals, the non-GMOs, that spoke to the mom. So, you can, as you go through it, and that doesn't necessarily to your point, that evolves with your brand too. And the way it may be stage A with product one, may be different when you have three different product lines and 15 different SKUs.

BEN Right. That's right. So, you're overseeing all these different marketing activities. How did the packaging or messaging on the packaging evolve over your time there?

CARRIE There were a lot of things that were from day one to today, to August 2015 when it sold, and that are even consistent to this day. But there were pieces that would change. And the one thing that we did over time, if you look at the Stubb's packaging and we had all of it, which was fabulous, we could go back to day one and see what they said.

BEN And do a timeline, yeah.

CARRIE We could. And "ladies and gentlemen, I'm a cook," was on the original packaging. And then through a couple of iterations in the 15 years premie got taken off. But then we found out through talking to consumers that matters. So, we put it back on. So, what we did was we were just really focused on what was the most important message to the consumer at that time. So, when all natural was the most important message to the consumer, that was the most prominent. When like now, I think non-GMO is the most important. So, it's on there. I can't speak to it because I haven't been with the brand for a year and a half now, but I'm pretty sure that's the most important thing.

BEN Yeah, that's right.

CARRIE And so, what we found was it got, it went from having a lot of different messages early on to really refining and simplifying and making sure what the brand said to its consumer was what was most important to that at the time.

BEN Right.

CARRIE And still held true to the brand.

BEN Right. Well, I think Matt Gase and I had talked, and I know that there was one evolution of the packaging where there was a drawing versus a photograph and all this kind of stuff. And the co-founder Stubb, CB Stubblefield had passed away. And so, there was some hesitancy around like transitioning to that. And then I know that ultimately, the decision was made to have his likeness on there because it really reflected the core image and value of the brand. That gave people an identity.

CARRIE It did. It did. There were two reasons for going back to having a real photo of Stubb's. So it was, originally, it was a sketch drawing of Stubb, and he passed away. And they didn't feel right putting a photo of him on there. So, they kept the sketch drawn, but they modified it slightly from the original. But the thing was at the time when we were doing this packaging change, it was late 2011, early 2012, the big guys were fighting hard, and I'm going to say this, the big guys were launching fake brands. They were launching Garland Jack's with a fake story.

BEN Rufus Teague.

CARRIE Rufus Teague was out there. That's not a real person. There was a lot of use of air quotes, "people" coming into the barbecue space that didn't really exist. And so, for us it had always been this, is he real or is he not real? Is he real? Is he not real? And we'd have consumers ask. And so, we made the strategic choice to not only put his face, a photo of him on the bottle with that packaging change, but also raise the awareness of the fact that his two grandsons, Rocky and Reggie, were active with the company. They became messengers within our social media. So Rocky and Reggie started becoming more of a presence so that people understood that this was a real brand with real people and real roots.

BEN And a legacy.

CARRIE And a legacy and a history. And we started sharing the real pictures of Stubb on social media with Dolly Parton, with Johnny Cash, with the people that he had had the opportunity to cook with. So, it was pretty amazing.

BEN Right. Because he was a big music lover and he had known all of these people.

CARRIE He had, with his restaurant, Lubbock, there were people that would come in because it was very well known for being a place for up and coming musicians. And so, as any musician that was a musician in the state of Texas, that was up and coming, went through Stubb's. There's pictures of him with like a 16 or 17-year old, Stevie Ray Vaughan. And it's amazing when you think of all the people that he touched just with this one little building and one of his other sayings besides "ladies and gentlemen, I'm a cook," was he wanted to spread his love around the world, and spread his food around the world. And so, to him, that's how he did that. And when you think of how many people he really touched; it was amazing. And so, we had to really grab onto and be able to tell that story, that this is a real man and he's got this real legacy. So, it was a lot of fun, but it was some of the board members were like, are we sure we could put his picture on there?

BEN That's right. Yeah, absolutely. No, those are important. And again, decisions you don't make lightly, right? Because you're trying to be respectful and all that kind of stuff. Now, 2011 to 2015 is a time of rapid change in social media. How did, at that point, how did you process all of that from the perspective of a brand, right? Because I think sometimes people assume like, oh, you're launching a brand today. I need to be on this platform or that platform. It changes, it evolves. It's a moving target. And so, what worked and maybe worked spectacularly well for someone else if you attempt to just carbon copy that exact strategy today, sorry folks, the world's changed. The kids are on a new platform today or whatever it is. So how did you navigate that?

CARRIE It was interesting to say the least. I mean When I started at Stubb's, Facebook was our platform, but we were to an extent under leveraging Facebook and we were posting once every couple of weeks and trying to get attention. And the thing that I think with how social media is evolving now is you just need to continually pay attention to what the social media does and how it does it. And that was our biggest key learning. Stubb's was on Facebook, we attempted Twitter, that was a whole different world. We attempted Pinterest.

BEN Twitter's tough.

CARRIE Twitter's tough.

BEN Twitter's always been tough for brands. It's effectively the main value is, it's a customer complaint department. That's really it.

CARRIE And we did get some of that from them.

BEN And you can respond as long as you respond to it and that sort of thing. People don't discover brands on Twitter. That's a rarity.

CARRIE And we kept trying to tell our story on Twitter and it's not a storytelling device. You need to be there to that point for customer service. What we found were the best storytelling devices were Facebook and now Instagram. Instagram, we definitely started leveraging, but even not until 2014 I feel like, it was when we launched on Instagram. And what we did too was we paid a lot of attention to the analytics. So, we started watching what went well. What got a lot of likes, what got a lot of interactions. We found that videos and especially when we can put real videos of stuff out there, just blew through the roof because it reinforced that he was a real person, reinforced our authenticity. People loved it.

I think continuing to watch what works for you, actually paying attention. Don't just throw content out there, it's not the field of dreams. If you build it, they will come. No, that's not. You have to be very mindful and very thoughtful about it and be willing to try a lot of different things.

BEN Yeah.

CARRIE And just because it doesn't work once doesn't mean it won't work the second time. Now, I wouldn't try it more than that.

BEN Well, you have to have that experimental mindset and you need to know, a lot of times what I tell people is, you go into with a hypothesis and any scientific experiment, if you go into it with a hypothesis, even if the result is not what you thought it was going to be, as long as you learn something, it wasn't a failed experiment, right?

CARRIE Right.

BEN But then you refine your hypothesis based on that result.

CARRIE Well, and I think the thing that's changed even from those days, 2011 to 2015, is that we used to be able to put content out there and content would find people. Now, there's a lot of the pay to play. So, you need to remember when you're on social media, for the most part, you're talking to people that already like you and that are already fans of you for whatever reason. So, acquiring new fans, social media is not always going to be the greatest for that unless you start promoting your posts and putting a few dollars behind it, which isn't actually an extremely efficient way to find new customers.

BEN If done well.

CARRIE If done well.

BEN Not the spray and pray approach because you can actually burn through a marketing budget really fast doing that. Now, again, it was a different world, people who built businesses back in the early 2000s based on early to mid 2000s based on Google Ad words. That was awesome back then. It can be very expensive now. Same thing with Facebook. In the early days, a sponsored post was highly targeted, it was great, lots of bang for the buck. Now, because Facebook owns so much real estate, the prices of real estate went up and so, yeah.

CARRIE Yeah. That's where you just take \$50 or \$100 and test something and see what it does. And if it doesn't do it, don't do it again.

BEN That's right. You're looking for lift. Yeah.

CARRIE And social media will continue to evolve. I will tell you my 14-year-old daughter, almost 15 is actually on Instagram a lot less. TikTok is the new thing. I don't understand it. I don't know why, but brands are going to have to figure out how to get in front of these consumers in 10 years when TikTok becomes the new Instagram.

BEN That's right. It's true. Yeah, absolutely. 15-year-old and 14-year-old kids. Yeah, it's very fluid. It's a fluid world we live in, and mom and dad and grandma and grandpa are on the social platform, teens out, like moved on.

CARRIE But to that point, just know that social media is always fluid and it's always changing and there is no one size fits all solution for everybody. You've got to do what feels right for your brand, and what you're willing to invest in, and what is the best method for communicating the story you need to have. Some brands may not need to be on Instagram, some brands may be better served on Pinterest. That's the interesting piece, is I was at a session last week where they were talking to a bunch of bloggers and she's like, Pinterest is my best tool. She's like, that's where I get all the links to my website is through Pinterest.

BEN And it's different for every brand. Sometimes different products are going to move differently through different channels. So, I think you're constantly adapting. You want to get the advice and input of people who've gone before you. I think that's mentors, it's very wise. But I know some mentors who will just come in and say, well, this worked for me, therefore you should always do this. And you're like, well, that's not an immutable law. It may be that, that worked for you because of your product and because of the time when you were building your business and there might be a different path for this brand.

CARRIE Yep. Yeah. And that's a thing that a lot of, someone used the phrase "modern marketing," and I look back to what worked 20 years ago and what works today, and the world of marketing continues to evolve. And so that's, I completely agree with you, getting lots of mentor opinions because people that have done it years ago might have one opinion and people that have done it yesterday might have a different one, and both of them can be right.

BEN That's right. And your peers can be a surprising source of information. Because one of the things I learned pretty early on was I would hear this advice that mentors gave, some of which was excellent, a lot of it was terrible advice. And then I would watch these other folks. So, if you've built a brand or you're somehow, well to do. And you've got resources, and so you're going to build a brand and you've got millions of dollars to invest in things. You're going to give somebody, and this works for you. And then another, someone else over here has about \$11 to build a brand. Well, your path and the advice that you might give, well, you need to hire the best, this, that or the other and you need to pay them the top of market and that sort of thing. And you say, "Well that's not available to me over here, so I need to figure out another path." So, you've got to I think, be aware, and adaptive around both the advice that you give and the advice that you receive and how you apply it.

CARRIE Oh yeah. Because many old school marketers will tell you, "Oh, just go hire an ad agency." And I'm like, "That's five to six figures, depending on what you want them to do. And most brands

don't have that. So, can you find a few freelancers that can do the same kind of work for a little bit cheaper because you don't need the full price."

BEN Then you grow into that later. Yeah.

CARRIE You grow into it. It's an evolution. That's the biggest thing about the, as I'll say, entrepreneurial to Fortune 500 path is no matter where you are on that path, you're continuing to evolve with different resources, different tools, different opportunities because of where you are in your growth cycle.

BEN Yeah, absolutely. So, speaking of evolution and growth cycle, so Stubb's had been around at the time for about 20 years, and the opportunity arose for Stubb's to be acquired by McCormick, the big seasoning company. It's based in Baltimore, right?

CARRIE Yes.

BEN And so you were there when that was happening, and you actually were there after it happened. So, after the acquisition you became, and a lot of the other, the board members, investors, and even the CEO had stepped aside, you became the general manager of the Stubb's brand underneath that larger McCormick umbrella. And again, you were based here in Austin. They're back in Baltimore. And I think that's a really fascinating perspective that I want to dig into for a few minutes with you. And that is for a lot of the startups and a lot of entrepreneurs, they think this is the pot of gold at the end of the rainbow, this is the goal.

I'm trying to build this thing up and I'm going to sell it, hopefully do really well, make some money. Build this brand that kind of finds its way in the world. And I think it's really interesting just maybe you can provide us some perspective on like what's that process like when you're in it and then what's it like afterwards and now you're still, what you thought was a big brand, but now you're actually a small fish in a much bigger pond. And how do you navigate that world? So, fill us in, tell us how does that really work?

CARRIE It's a very interesting process. So coming from the side of being at Stubb's, when we were going through the process of courting betters and being involved in the due diligence process and understanding the questions people were asking to find out they're doing their homework to find out the long-term perks of this business and how much they should pay for it.

BEN That's right. And just so people know you're not putting a page up on eBay here for bidders.

CARRIE No.

BEN So typically, you're going to hire, retain an investment banker who is not, which is again, if you're not in this world, that's sometimes sort of a misleading job category title. They're really sort of a mergers and acquisitions specialist. And so, they shepherd both acquirers and the acquired through a process where you're putting together the decision is made one way or another, either by the acquirer or the acquiree. We think we're open to this and you're going to have conversations. Maybe they're shopping it to a lot of people, maybe to just a small handful of people and somebody says, yeah, we're actually really interested. So, then we're going to dig into this a little bit more due diligence is all that kind of lifting up the hood of the car and really checking out the wiring and how does this really work? And it's a big deal. It's super invasive and that sort of thing. So, you went through all of that.

CARRIE Went through all of that. Yeah. So just to kind of add a little humor. So, when you're starting your entrepreneurial company and you put together your pitch deck to try and get investors to invest money, when you're going through the sale process, not all that different. You put together a pitch deck to get people to buy you.

BEN That's right.

CARRIE They're giving you money, but then you're giving up your company at that point.

BEN That's right. But it's probably even more granular. You have reviewed or audited financials and all of this stuff at that point.

CARRIE You have five-year forecast, you have projections based on opportunities you have in some cases staffing projections where you say, well, if this goes into, if this is bought by a private equity firm, you're probably not going to change a whole lot of staffing. But if this is bought by a strategic partner, they can absorb some of these roles.

BEN And they already have a big accounting department.

CARRIE Yeah, some of these roles, so it's definitely very interesting. And then going through the due diligence process is literally like they're trying to pull off every band aid and it's not like you have injuries, but they're digging pretty deep to find out what they need to find out because they don't want to invest 50, 100, 200, 600, a billion dollars to buy your brand without knowing what they're getting into. It's kind of like the used car. They're kicking the tires; they're rolling up and down the windows a few times.

BEN They're calling in expert mechanics and this sort of thing. And I think that's really important because you think you may be able to snow some people, but they're going to bring in the experts and they're going to really dig in and you say, "Oh, you say you're about to launch into Costco? That's interesting. Do you have an agreement and that sort of thing?" And you're like, "No, but I had a good dinner with somebody once." And they're like, "You had a good dinner, what actually happened at the dinner?" They're really digging into, is this a sure thing? Is this not a sure thing? And you can think of it from the perspective of an acquirer. They're also saying, I'm going to discount this. Optimistic entrepreneur says, "Oh, we're going to be huge." And you're like, "Well, show me how you actually are today." And if you're not all that you say you are, then that big offer, they may shave a few million off of it here or there and say, "Yeah, we're not so comfortable with this."

CARRIE Yeah, it definitely is that. And I will say, a lot of things around your assumptions that you put in your three or five-year plan, whatever you put, definitely get kicked. I remember having to present literally a strategic product plan, like here's the products we're going to launch, here's the plan, not completely specifically detailed, but we're going to add a new SKU of barbecue sauce and this year we're going to add a whole new product line that is still to be determined, but we figured it'll be a value of X in this year. And it literally is a pretty in-depth process

BEN And those are writing, so you can think of it this way, you're writing checks at that point and you better be able to cash them because sometimes there might be earn out provisions that are tied to those things. So again, you can imagine, I've got a big fish on the hook, I'm going to sell my business, I'm going to tell him anything. Like we'll launch 700 new products next year. Whatever you want to hear people. Well, they're going to actually say, "Okay, your bonus and all these different things are actually tied to you launching 700 products." You're like, "Well, I didn't

exactly mean 700. I was thinking more two." And so, whatever you're promising at that point, you're probably going to be held accountable for.

CARRIE And you absolutely are going to be held accountable for, or whoever is left is held accountable for.

BEN That's right. In your case, you.

CARRIE That was my experience at Stubb's. It was me. I went from being in charge of marketing and being a part of a team of, what were we? Probably close to 30 at that point, to being in charge of Stubb's for McCormick and part of a team in Austin of six.

BEN That's right. Yeah.

CARRIE And a lot of our cross-functional peers were up in Baltimore, and so there's communication challenges. I had to know exactly what was put into that.

BEN That's right.

CARRIE Those were promises that were made because I was going to be the one responsible for making sure they came through.

BEN That's right.

CARRIE Because some of it's educated guesses and things happen and you can't control for everything.

BEN Even if you stress test some of those things, sometimes they work, sometimes they don't.

CARRIE Sometimes you have things that are beyond your control. You can be in Costco for five, seven years and then the buyer changes and all of a sudden decides they don't want a regional brand.

BEN That's right.

CARRIE Checkbox. That happened. Those little things can happen, and we had no control over it.

BEN And you built that into your budget.

CARRIE We built that into our budget because we felt confident counting on that. We'd been in there seven years. So, there's all of a sudden, a hole. But that's the kind of stuff they're trying to, educatedly to your point, discount. So, you've got this revenue stream, you've got this in theory, profitability stream. Not everybody's profitable. That does help. I'm not going to lie. The fact that Stubb's was profitable, helped us get a better multiple.

BEN That's right.

CARRIE You've got these streams and they're literally doing advanced financial, net present value, future value. What's this gonna be worth in five years with these assumptions to figure out what to offer for your company. The day the offers come in, it's literally like Christmas day.

BEN Absolutely.

CARRIE But it can be happy, or it can be sad, and there can be a wide range of offers and it depends on your point if it's strategic.

BEN And what your expectations were too.

CARRIE Right. Right. If you're strategic, let's just say that your Jim Bob Joe's Bacon store and Conagra comes up to you and says, I want to buy you and you're working this one-on-one, it's always a negotiation if you are actually, as Stubb's did a little bit, shopping the brand to a couple of different potential people. When the offers come in it's like, well, what's this going to be? It's really nerve wracking.

BEN Absolutely. And if you thought you were going to sell your business for \$500 million and the offers come in at 100 million, it's still \$100 million. It's still a ton of money, but you're also weirdly disappointed. Which is a strange place to be in, but it's still like there's a market for it, just like houses, right? So, they're multiples and you live in a neighborhood. Your home has this much square footage. It stacks ranks in the neighborhood in terms of nicer materials and all that stuff. But the neighborhood is the neighborhood and so they're industry multiples. They're what's your growth rate? All this sort of stuff. All that's going into it and then they're coming back to you with a number and you can like it or maybe you don't, but ultimately, that or whatever you negotiate, you're either going to take it or you're not.

And to your point, when you're profitable, that means you have the potential option of saying, "no thanks." Yeah, because we can actually pay for this. When you're not profitable, you could actually find yourself in a really difficult circumstance. Because your leverage has been removed in that circumstance, where you go, "Oh, we actually spent the last six to 12 months doing this. We didn't continue to grow the business, we're not profitable and we're going to run out of money.

CARRIE Now you're back in cashflow mode. You're back in fundraise mode. Back in early entrepreneur. I got to get more money.

BEN That's right. Yeah. So that can be a really dicey situation too. So, all this happens. It's interesting. I'm sure you learned a lot through that process. And then at some point the deal closes and then people, like some people, I'm sure you had dinners and parties and things like that, and some people leave.

CARRIE It was definitely, I will say, from bids to closing, it's still a stressful process, because the thing is, just because you have an offer until everything's signed on the dotted line doesn't mean it's done.

BEN That's right.

CARRIE That's still more due diligence. They've done enough to give you an offer and then they're doing really deep due diligence, and literally making sure all the I's are dotted and the T's are crossed, and that your legal house is in shape and that your financial house is in shape and that your brand house is in shape, and the amount of documents that they require, the releases, the artistic releases, the-

BEN The lawyer conference calls.

CARRIE Yes. It's a lot. It's a lot. And so, you're on this high from the offers and then now you're in this stressful period because the deal doesn't necessarily always go through.

BEN That's right.

CARRIE And so until you get that sign on the dotted line and the deal goes through, it's a whole different level of stress. And then you go through the emotion, because once the deal is done as a person inside the acquiring company or acquired company, and I'll say actually even back on when the deal is announced, so you have bids come in, you tentatively enter into an agreement, that is when most of your employees then become very aware of what's going on. And emotions within your company change drastically.

BEN That's right. Because up to that point, in most cases, a certain subset of executives are in the loop. Other people may know nothing, or they may only know limited amounts.

CARRIE Or they may just have suspicions.

BEN That's right. So, which again, you're managing the rumor mill too.

CARRIE Yes. And once you are, everybody knows, there's different levels of emotion, but it completely changes the company because no one knows what's going to happen from that point forward.

BEN Am I still going to be here? Am I going to have a job? Do I get any money? How much money do I get? I don't know. Am I going to get a raise? It introduces uncertainty in every part of it. Good and bad.

CARRIE And it's a lot to manage as a manager of people and as a manager of a company and to try and keep the business on the rails. You're still trying to keep the business on the rails.

BEN That's right. And you actually have to still do the thing that you're hired to do.

CARRIE Yes. You have to keep growing the business because that's what they're buying you for.

BEN That's right. That's right.

CARRIE And it's really easy to get distracted by any of those. But it's just, I wasn't prepared for how much uncertainty the sale of the company brought to the company and the people who I viewed as my family. And especially in these small companies.

BEN You get really close.

CARRIE You get really close because you're in the trenches, you're working together. You know their kids, you know their spouses, you know who's dating who, you know who's buying a new house, you know who's buying a new car. It's a very personal and emotional tie. And that was the part I think that going through the whole transition, I didn't realize exactly how emotionally taxing it was going to be on myself and everybody else. Because you go, you announce the deal, everybody knows. Then there's this long period of uncertainty. The deal closes. People are happy because in theory, most people make something off of a deal like this. People are happy, but then the reality sets in of, "Oh boy, this is real now." Now I really, really, really don't know what's happening.

BEN That's right.

CARRIE And it goes to a whole different level.

BEN And on some level, nobody knows what's happening at that point because you're entering into uncharted waters.

CARRIE Correct. The only person that knows what's going to happen is the person that now owns the company, because you don't.

BEN That's right.

CARRIE And at that window, even presale, I was very much of the mindset that like Stubb's was a little bit my baby. We'd done a lot with it and I wasn't ready to let go of it. And that's why I wanted to stay on. I've had the opportunity, I say, I liked it too, but I made it known that I wanted to stay on and had the opportunity to do so. And it was definitely an interesting transition as you go through the period of uncertainty to then the company comes down and starts.

BEN They bring the delegation.

CARRIE They say they don't have a plan, but they always have a plan.

BEN Of course. Yeah.

CARRIE Some sort of plan. And the delegation is the appropriate word.

BEN Yeah, because they bought you for a reason. And I think that's an important thing maybe for us to pause here. In most cases, in almost all cases, a large CPG, large food company, whatever it is, many of them are not growing very rapidly. So, they are either, and we're talking about the big mothership, they're either kind of flatlining, they may be declining. And if they have investors, and most of them have investors, many of them are public, they are attempting to tell a growth story, and that growth story to their investors and to the investment community is, look, we bought this yes, we have 12 or 20 or 100 other brands that aren't doing anything but let's talk about Stubb's. It's doing awesome. And we just bought it and isn't this so exciting and you should give us more of your money because we're so great now.

And so, they bought you for a reason, and part of that reason is growth. And it's the shiny new thing. And so, they have a plan and a vision for how you help them accomplish their ends. And that may or may not align with what you thought you were going to do.

CARRIE Yes. The biggest thing is the control of your business ceases to be your own.

BEN Yeah.

CARRIE It goes into what their ... because to your point, exactly, they had an idea for Stubb's, and they wanted a sauce company. They got a sauce company with other products. Some of those products today still exist. Some of them don't.

BEN That's right. Because they are or are not strategic to them.

CARRIE Correct. Or they're operationally challenging, or your volumes aren't big enough for them to move them in-house.

BEN Or they don't like the margins on them.

CARRIE Or they don't see the reason, or they've got other products in their portfolio that can take up the same shelf space that you're asking for these that are bigger.

BEN That's right. That's right.

CARRIE And it's always interesting when you start to see what role your business plays in their portfolio. And that was the fortunate part of my opportunity of staying on post is I got to see exactly where they wanted Stubb's to play and how they want to Stubb's play into that extent what role they wanted. They weren't especially interested in our rub business. They own the spy style. It's still out, it's still out. They still have Stubb's rubs, but they're not today what they were when we sold.

BEN That's right. Just not a priority.

CARRIE It's not a priority. Getting the Stubb's marinades to get shelf space when they own Lowery's and Grill Mates launched a marinade right before they bought us.

BEN Yeah. That's a little tricky.

CARRIE You find you're the third brand on the totem pole there.

BEN That's right.

CARRIE It's a little bit interesting because you go from running this holistic business and this one brand to "How do we grow Stubb's?" But Stubb's becomes defined as barbecue sauce or becomes defined as whatever your product is or however the company needs you to be defined. In this case, they were most focused on barbecue sauce. And the other thing is, is that when you go into this company, I think you said bright shiny thing, you are the bright shiny new thing, and you've got to figure out how to take advantage of being the bright shiny new thing because the next acquisition, the next thing that goes on, you're no longer the bright shiny new thing.

And that was the good and the bad of Stubb's into McCormick was that it was, I'm going to use the word assimilation. They were trying to fit us into their mold and Stubb's was not their mold. So there were definitely some growing pains with it that, and I think the good news is, is that they were very willing to listen to the fact that I gave them a lot of feedback about if you do this again, do it differently, if you do this again, do it differently. And I think they've approached future acquisitions differently because of some of the challenges we had trying to fit in.

BEN Trying to blend those systems and the cultures. And you've got startup-y, Tex-Mex Western barbecue thing happening down here in Austin. And then you've got legacy brands in Baltimore, a lot of different cultural challenges.

CARRIE Well, and the funniest story, and I can tell this, because it's just when you're going through an acquisition and you're transitioning, and it was a transition period, my favorite phrase I used to say was, I don't know what I don't know. And I didn't know what I didn't know. The people at

Stubb's didn't know what they didn't know. And the people at McCormick didn't know what they didn't know.

BEN It's true.

CARRIE And so it seems like such a simple process, but we had to get an electric bill paid and our accounting group was now up in Baltimore, but nobody bothered to tell us how to send a bill up to Baltimore to get it paid.

BEN That's right.

CARRIE So we had the electric company knocking on our door because nobody told Baltimore how to pay our electric bill either, so nobody was paying our electric bill.

BEN I don't know. Yeah. I thought mom and dad had it.

CARRIE Yeah, it really was. It was what you told us to send it here. I just send it, scan it and send it to this email box, we did that. Nobody told them what they were supposed to do with it from there.

BEN You're like, "Oh, I didn't know I had that email box."

CARRIE Right. And so, I mean, it's just some of the simplest silliest stuff.

BEN Sure, but you really dig into and you're like, well, it has to get paid somehow. You're not paying it anymore. How do you transition that?

CARRIE How do you transition?

BEN Where's the checklist?

CARRIE It's even those, making sure the employees that are left get paid, making sure the bills are getting paid, making sure your products are getting shipped, making sure you train if your sales force isn't kept on. Making sure you train the new sales force in your manners of working.

BEN Pretty big deal. Yeah.

CARRIE It's a pretty good deal when your methods of doing trade promotion might be different than the way the company, you're going into is. It's bridging a lot of gaps and that's going to be a challenge no matter what business it is.

BEN Anyways. Yeah. You're transitioning health insurance from one thing to another. All of the things.

CARRIE All those things. Getting those bills paid still makes me laugh. It shouldn't be that hard.

BEN I know. Yeah. It makes all the sense in the world though, because you go, well, yeah, at some point you got to figure out. One day you're paying your own electric bill or one-month, next month somebody else's paying for it. Yeah. So absolutely.

CARRIE And these big companies a lot of them have processes and challenges with communication. And that's, the biggest piece is, if you stay on post-acquisition, learning how to be a squeaky wheel, you got to be in front of the right people at the right times.

BEN That's right.

CARRIE And I kid you not, that was one of the things that I learned that I thought was probably the most important career piece, is don't ever be afraid to be a squeaky wheel because I had; not the CEO but the head of consumer products for the U.S. business calling me monthly just to make sure we were okay at Stubb's, because I was like, I'm going to be a squeaky wheel and make sure this gets done, because I cared so much about the brand. And that's the other piece. No acquiring company is ever going to care about your brand as much as you do.

BEN It's true.

CARRIE No matter how much you try to make them care, there'll be a few that do.

BEN That's right. That's the cold harsh reality.

CARRIE But you're still a puzzle piece in their puzzle and you're, as you said earlier, you're bought to fill a hole and to figure out what their role is and that's the role they want you for.

BEN Yeah. Yeah. Okay. So you come out of that experience, and I know you've worked with a number of different early stage brands and stuff like that, as you've encountered, as you've kind of been in the startup world and this sort of thing, what are some of the common tips, tricks, bits of wisdom that you found yourself sharing with a lot of founders who've approached you and said, "Carrie, what should we do? Are there certain common pitfalls that you see or advice that you give?"

CARRIE Yeah, there are a couple of things that I really focus on, especially with early stage founders. I've worked with company's pre-revenue up to 10 million in the past couple of years. And the biggest one is that most of them need to take the time and make sure they're defining their brand and what their brand means. Because I say this all the time, a product without a reason for it to be there and consumers to connect with it is still just a product, and I can switch products any day.

BEN It's a nameless widget.

CARRIE Exactly, exactly. It's a bag of chips. Why do you buy Doritos? Well, I buy Doritos because I like the flavor. But do you buy Doritos, or do you buy HEB Doritos? Well, honestly, I don't care. Why don't you care? Because Doritos doesn't resonate with me anymore. That's just one of those kinds of, you need to make sure you're building your brand in a way that makes an emotional connection with that consumer.

BEN And do you see a lot of people who skip that step or think it doesn't matter?

CARRIE A lot. A lot that think especially I'll use the barbecue space. There's a lot of brands in the barbecue space that just threw something out there. And then how am I supposed to connect with a brand that has no meaning? I see it in the salty snacks space a lot too. I see it in the beverage space a lot. It's like, well, I've got this thing. Well, this thing is easily repeatable by anybody else. So, make sure what you're building in your brand is that your own points of

differentiation, your own story, your own twist on why you do what you do. Because those are the brands, those are the products that are going to have longevity.

BEN The signal from the noise.

CARRIE Exactly. Exactly. Because in today's world of five second attention spans, I keep shortening it up every time.

BEN That's really 4.5 now.

CARRIE Probably by now, we've already lost it. We as humans are less connected than we ever have been and we are looking for those opportunities to connect with people on an emotional level because our body needs that, and we can connect with products on an emotional level. I know a lot of people; I see your YETI cup, a lot of people connect with YETI very passionately on an emotional level. Ultimately, it's a cooler and a beverage device, but people love that. And it's what YETI has built around that, that really has done a good job. And that's what I try and reiterate to entrepreneurs, is making sure that when you understand, it's not just the widget you're selling, it's why you're selling the widget. It's the reason why behind the buy, what are you giving them that no one else can?

BEN Yeah. That is wonderful.

CARRIE The other piece is manage your cashflow.

BEN Absolutely. Let's dig into that.

CARRIE This is where my accountant comes in. But I've seen way too many companies get an influx of money. They've raised money, they get an influx of money. So, they feel very rich because the bank account has got numbers in it and they're happy and they're not penny pinching. And that money that's supposed to last 18 months lasts six, because they invest too quickly in things that maybe don't matter. And I'm not saying they don't matter, but just take your time, make sure you're managing, make sure you're profitable, make sure you're not just throwing money at trade. Because I've also seen multiple companies that have negative gross margins.

BEN That's right. You're buying your way into accounts.

CARRIE Right. And you may need to do that early on. But you've got to be able to pull it back and make it sustainable. So then if your margins are 30%, you're spending 30% on trade spend, you've got, you're breaking even.

BEN That's right.

CARRIE And is that sustainable? Are you really going to get that much more? So, it's thinking ahead and really figuring out is charging 595 when I go out better than charging 549, is it really going to make that big of a difference? Even though I can make 50 more cents a unit, it's those kinds of yeah, the tax account means like manage your cashflow. Because I've seen a lot of small guys get behind the eight ball when it comes to cash and then ultimately have to make choices to cut, pull back really fast, right when their momentum is hitting.

BEN Right. Well, and then also understanding that your chart of accounts, yeah, your profit and loss statement or income statement looks really good. But ultimately, you've got to make sure that you have the cash to pay the people that you need to pay in order to make it to the next month. And so if you have a lumpy business or a business that might be seasonal or cyclical where, you have to buy a lot of inventory in February, but you don't really get paid for that inventory until much later in the year, you need to account for that and you need to make sure that you have a line of credit in place. You need to have whatever resources that you need in order to make sure that, yeah, I have this huge opportunity in October, but you can't get there because you ran out of money in September. And that's tragic.

CARRIE Yup. And it all just comes down to how you manage your business and how you make choices and you've got to spend to grow. So, you do have to invest to be able to grow a business. But make sure those investments are giving you a return or at least propelling you forward in the way you need to be propelled forward. Because people would much rather see you continue as a going concern than go out of business.

BEN That's right.

CARRIE So from your vendors, just know that. You can talk to them.

BEN Yeah. They would like to continue for you to buy things. So, what do you, like right now, what are you excited about? What's next for you? What's in the future?

CARRIE I think the thing that I'm most excited about is I see the future of Austin CPG because I'm connecting with all these little brands at the micro level.

BEN Yeah. You see this next generation.

CARRIE Yeah. And what I love is the passion, the passion these people have to bring CPG products to life to make the world a better place. And that to me, yes, it may be something silly as a salsa, it may be something like a sports drink, but the energy and the passion that these people have is really exciting because they're understanding what consumers are looking for and they're leveraging their networks and the people that have done it to know how to do it better and to avoid some of the pitfalls. And I think that's the biggest piece that I really enjoy, is watching just connecting dots for people and watching them talk to somebody who's been in the operation space of where they're doing and understand what they don't know and helping them get up and ramp up. And then just watching them launch and see what happens. Not everything's going to be successful. But it's really fun.

BEN But at some point, you start to see, I think there's an element where you develop a pattern recognition and you start to say, this one has a real chance. This one not so much. What do you look for, what do you see in the brands and founders that you think they actually may have a shot at this?

CARRIE I look for something that, it's interesting you say that because there is definitely a me-to factor to a lot of what I see. But the things that really stand out to me are the people who are trying something that is risky. So, they're taking a traditional product and executing it in a very different way. And it's either going to be wildly successful or a big flop.

BEN I call it the Airbnb test.

CARRIE Yes.

BEN Like Airbnb in the early days was either a terrible idea or a brilliant idea, and I don't think anybody was sure which one it was going to be at the time. But it was a big deal. It's either a big deal or a terrible deal. And so, you see that with some of these different brands, it could go either way.

CARRIE I do. And the thing with those kinds of brands, the brands that are willing to take a risk and push the envelope a little bit is that they're either going to be wildly successful or they're going to fail really fast. The me-to brands that I see out there can go, and they can get shelf space because of a relationship with XYZ buyer. Or they can get this event because they know this, and they can plot along.

BEN It's very incremental.

CARRIE But it's at a snail's pace that they're plotting along, and they may or may not make it. They may never break. They may always be a \$5 million business. They may never break.

BEN And you better love making your me-to product because you're going to be making it in 20 years.

CARRIE Oh, yeah. And that's a part of that process.

BEN And if that's what you love doing, awesome. That's super, that's great.

CARRIE But don't have plans to flip it in five years if that's what you're trying to do.

BEN No, that's probably not how it's going to go. Yeah, exactly.

CARRIE But yeah, I think that's what's fun. I think the other thing I see is I just see the opportunity for new brands and new businesses to come into the CPG space. I heard a statistic the other day at an event, and it's stuck with me and I've repeated it probably 20 times now, and it's only been like a month ago I heard this, but it was a study that had said that millennials are far more likely to trust new brands than old brands, which to me is so insightful and shocking simultaneously.

BEN It is a massive opportunity.

CARRIE It's a massive opportunity, but why are they so willing to trust new brands? Because we have a five second attention span and something new is coming out every day and there's this fear of missing out, but you don't have to be the flash in the pan brand either. If you can balance it right, you can get something that's long-term sustainable that's going to be around a while.

BEN Your margins are right. You're frugal with the money that you make, all of these sorts of things.

CARRIE Yeah. It's managing the chessboard and some days the chessboard.

BEN You have optionality.

CARRIE But you just figure out what works. And I just think there's a lot of opportunity for disruption and categories that have been stagnant for years. There's a lot of opportunity to reach consumers in

new and different ways. There's a lot of just, I mean, online shopping, online grocery shopping is coming. Your discovery process in a grocery store is very different today than it was 20 years ago.

BEN It is.

CARRIE When I walk in now to a grocery store and I know what I'm going to buy, and I don't walk every aisle because I don't have the time. And 20 years ago, you just walked around, because that's what you did and that's how you found new products. Now, I find new products through my friends or through my social media or through events I go to. The opportunities just seem endless and it's really exciting and fun because the brands that are willing to change and adapt and really work with what consumers are looking for to make their lives easier are going to win.

BEN That's awesome. Well, I'm really glad that you're here, that you've been in Austin now for several years and that you are a major part of this ecosystem and that you're helping all these early stage brands. And doing really good work and sharing your experience like you have today. So, thank you for sharing that.

CARRIE No, you're welcome. I'm glad to be here. It's been a fun ride. Austin is definitely my home and I have a lot of passion towards Austin brands.

BEN That's right. That's right. Well, there's a lot of good ones here to choose from.

CARRIE There are a lot of good ones.

BEN So once again, just want to thank you for watching and listening. And if you're getting a lot out of our conversation today with Carrie Lam Dewey. I hope that you will obviously share, subscribe, and tell your friends. And the purpose here at the Barcode Podcast is to equip emerging consumer brands. And our hope is that these kinds of candid conversations give you some unique insights and perspectives into how you can think about your own, maybe it's just a project or maybe it's a real business and you're scaling up and you have some major strategic decisions to make. And hopefully, by collecting and sharing the wisdom of some folks who've walked down this path before, it benefits you.

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