



LEAD WITH WE

EPISODE 5: Michael Jones

Simon Mainwaring:

Lead With We is produced by Goal 17 Media, storytellers for the common good.

Michael Jones:

For the last nine years, I've been on fire with a mission that's burned in my heart. We believe truly in our hearts that we can use business as an instrument for positive change in the lives of people around the world.

Simon Mainwaring:

Hi, everyone and welcome to the latest episode of Lead With We. I am super excited to share with you my guest today, Michael Jones, the CEO and founder of Thrive Farmers, a truly innovative coffee and commodities brand that is really bringing purpose to life in ways that are transforming business, not only in this category, but beyond. So Michael, welcome to Lead With We.

Michael Jones:

Thank you, Simon. Good to be with you.

Simon Mainwaring:

So Michael, firstly, we've known each other a while. You've got three boys. What's that like? How has the COVID environment been and how has it been going?

Michael Jones:

I was going to say, you can ask me what's that like. You can say what is that like with COVID? So that's two different answers. Honestly, we've survived quite well. It's been a joy. I've had more time with them. We've established some rhythms that we didn't have before in terms of family time and it's been special, and I wouldn't trade it. It's a gift. I know that maybe everybody doesn't have that story, but they're 14, 12 and 10, they're active and they're curious. And so, it's a great time to be able to come closer.

Simon Mainwaring:

I think a lot of people have found that there's so much tragedy associated with COVID-19, but at the same time, it has forced us all to spend quality time together with family. It has forced us to reprioritize the simple things in our lives. Have you found that?

Michael Jones:

Absolutely. I've heard it said by others and I think we were certainly guilty of it, given sports and work and travel and a lot of other demands. But we've had breakfast and dinner together every day for a few months and it made me realize that, you know what, that was something that I was running past. I thought I was doing a good job before, and we were finding ways to get quality family time. But now that we've done things like that, I realized that you can't put a price on that either.

Michael Jones:

And so I need to make different choices and work differently, and I need to make sure that that continues to be something. My oldest son is about four years from being out of the house, whether he's kicked out or he goes to school, he's going to be gone. So I think that it's time to realize that's going to go fast. And this is valuable.

Simon Mainwaring:

And has, COVID-19 made you rethink about your role in business and how you show up as a leader? Because I know for a lot of people it's giving them pause, their life has slowed down and they've had a moment to reflect.

Michael Jones:

I guess that I was already on a mission. For me, maybe at a tactical level we think about some things for certain customers a different way due to shifts in the marketplace. But for the last nine years, I've been on fire with a mission that's burned in my heart. When I wake up in the middle of the night, it's what I think about. We believe truly in our hearts that we can use business as an instrument for positive change in the lives of people around the world.

Michael Jones:

And so, that was the way we created the business and that's the way we run the business. It's how we make decisions. So COVID doesn't change that. If anything, it just tells us, "Hey, now more than ever." We've had an opportunity to serve people in Guatemala where we have farmer relationships. It just presented maybe new opportunities to do what we already are called to do.

Simon Mainwaring:

But Michael, explained to me, if you really do want to make a difference in the world, why don't you start with a nonprofit? Why start a for profit business?

Michael Jones:

Yeah, it's funny. I was challenged with that pretty early on in our journey. I adamantly sort of answered the question that that's the opposite of what I believe, that we shouldn't choose whether to make a profit or to do good things in the world. We need to do both. We need to be committed to use business as an instrument for change, design your business in a way that whatever you do inherently improves some part of the world. The issue isn't going to be the same for everybody, which actually is the benefit.

Michael Jones:

So whatever your issue is, your passion, your calling, you're going to have a connection somewhere, find a way to make some part of your business improve that thing that you know about. For us, it happened to be farmers around the world who are long distances away from where their product is consumed. That's what I feel like the exciting and powerful opportunity is.

Simon Mainwaring:

Where do you start? Because there's a lot of people out there who want to do good and also want to be in business. But it's one thing to have an intention and another to put it into action. So you'd spend 10 years working at IPG. You'd worked in the medical device industry

and suddenly, you wanted to pivot to a crowded category like coffee. That's borderline crazy. How did you start?

Michael Jones:

Honestly, man, it was a calling. I didn't go looking for it. I mean, I've been an entrepreneur for my whole life, 30 years, seven companies, failures through the first three or four. But through that journey, I started to achieve a lot of those dreams I'd had all those prior years and some of them financial, some of them otherwise. And in 2008, I wound up achieving one of those big milestone things. I'd always wanted to start a company that was on the INC 500 list for some reason.

Michael Jones:

When we got there and I got the news of it, it was like super exciting the day the announcement came out. But after like a day, I know it was gone. It's like trying to catch the wind. You can't hang on to it. And so at 38 years old, I didn't want to spend the next 30 years and have the same feeling. I went on a journey to say, what can I give my life to that's going to matter?

Simon Mainwaring:

And help us understand how you went from that feeling, that kind of desire to play a comprehensive, meaningful role to action. How did you find coffee? How did you identify what you wanted to fix?

Michael Jones:

Yeah, so that sort of big revelation in my life happened in 2008, but it took a couple of more years to manifest. That private equity company experience happened in 2010. And within that year that followed, I realized that my time in that company was coming to an end. I wound up in January of 2011, leaving that company that I'd started 10 years prior and went on a sabbatical period.

Michael Jones:

I decided, "Hey, I'm going to take maybe a year off. And I'm going to figure out what is it that I need to give my life to." Never in a million years thought it would go sideways to coffee. But my wife is English, but she grew up in Jamaica. Her dad's a coffee farmer and I've been talking to him off and on about coffee and trying to understand his value chain.

Michael Jones:

And then I started having conversations with a guy that had been in Costa Rica. And between these conversations, I realized that, hey, it's tough that a coffee farmer is tied to these volatile commodity indexes. And they have no ability to predict or control the price they're going to get for their crop each year. So they invest in advance. They have to spend all this money and put it out there, and they kind of figure out at some future point what the dollar amount is going to be for their crop. And sometimes they make some money. Sometimes they get paid less than the cost to produce it. And I just couldn't understand that. I thought, "Well, I could never run a business that way. How did they?"

Michael Jones:

And the answer is tons of hard work and sacrifice, a lot of family members helping and multiple family members in the same business and all having to live off of it. And then some

years they don't. They'd go without. They eat rice and beans only for months at a time. And I was heartbroken and I think that's what it requires, right? You asked before, how does somebody figure this out?

Michael Jones:

I think you have to open your eyes and you have to listen and you have to say, "Hey, what is my heartbreaking for?" If you're attentive, I mean, there's no lack of things that break your heart. You just have to figure out how do I match my skills with my calling? And is there something I can do? We're going after a pretty big goal. Everybody doesn't have to try to go and change the whole industry. For me, I just could not let it continue.

Michael Jones:

So for a little while I tried to run from it, right? I'm like, "Wow, somebody needs to fix this. This is wrong." That voice became, after a couple of weeks, "Well, who's going to fix this?" And then it became, "Well, if not me, then who?"

Simon Mainwaring:

And so, where did you start? For those who have a similar ambition to launch a business that's going to make a difference, what are the first steps you took?

Michael Jones:

So, you've kind of got to start with a vision, how do you envision this working? And then, I think you need to seek counsel, wise counsel. And for me, it was my wife. I've got an executive coach that I've had for a lot of years who I trust and then one or two other pretty close friends. And when I weighted into that, I started to get affirmation and clarity. And then I think too, it's that voice in your head when you do wake up in the middle of the night. I couldn't put it away.

Michael Jones:

I had this free time on my hands. So I went to Costa Rica and spent a week, and I walked farms and I talked to farmers. I started realizing that literally, all the conversations I'm having led back to economics. And that was where my brain was. I was like, "Okay, I've got some ideas here." And so I started to run them by different people. And one of them became the co-founder of the company, Ken, who you know, so that was how we started.

Simon Mainwaring:

And so let's talk about that business model because everyone knows about for-profit companies and nonprofits and so on. What's different about the Thrive Farmers' model?

Michael Jones:

The way that buyers and sellers set a price is by looking at this commodities index that fluctuates based on all kinds of factors. I kept saying to myself, "Wait a minute, coffee is the coffee that I drink, that I look at." Coffee is more expensive than it's ever been. It kind of keeps going up in price. The price is stable when I buy it. I'm not looking at a ticker on the shelf that changes every morning based on the industry markets.

Michael Jones:

I couldn't reconcile and look at, well, the farmer can't count on price, but the seller is charging the end-customer fixed price. We decided to do a fixed price model. We called it a revenue

share where we were going to have a transparent relationship between the customer and the farmer. We were going to provide a set of known services in terms of brand marketing quality and all that stuff as well as supply chain logistics, aggregation of volume, disintermediate any non-essential layers in the value chain.

Michael Jones:

As long as we get a certain fixed price from our customer, then our farmer can enjoy the same fixed price. We would say at the beginning, come up with a predetermined percentage as a revenue share, all the expenses are known. At the end of the year if we're able to save any money, we have a second payment that goes back to the farmers out of that pool because everybody knows what the formula is. And we're going to live by that.

Michael Jones:

As long as our customer doesn't change the price on us, we're not going to change the price on the farmer. And that means we don't have to care about that commodities index that fluctuates. If it's here, if it's there, we got a price from our customer, that's how we determine what we're going to pay.

Simon Mainwaring:

And this translates to more money back to the farmer on the land, which allows their communities-

Michael Jones:

Well, it does because when we set that payment level, we also then had this extra mandate that we put on ourselves. We would make sure that the price that we set fit a model where they're making enough profit above the cost of production, that they could make a livable wage, and that they could afford to run their farms.

Simon Mainwaring:

So obviously, this is a very disruptive model in your industry. It must've come as a shock to the farmers as well. How did they react?

Michael Jones:

I looked at it today and we've got these really deep, authentic, and real relationships with so many farmers in so many countries, but it didn't start that way. We had to walk on to farms. And the first couple of times we did it, it was through an introduction here and an introduction there, a referral. We would later learn, this wasn't all kind of revealed to us on the spot but we've later learned that a lot of them thought we were crazy and that we might even be lying and manipulating them.

Michael Jones:

But we also learned, which is just heartbreaking, that they had no other options. They were desperate for what we're selling. So even though they didn't quite believe it and they expected to probably get taken advantage of, and there's probably a small percentage chance it was going to work, they had to do it. I look back and I'm thankful for whatever it was, a leap of faith, trust, but time and experience changed that. We did what we said we were going to do.

Simon Mainwaring:

And let me ask you this, Michael, on one hand, you're doing good in the world, which is incredibly powerful, but you've got the same pressure as anybody else in terms of your bottom line. So will you still price competitive against other growers or did it come at a cost to the consumer?

Michael Jones:

Yeah, we've had to be competitive in the market. There are times where we may get, I don't know, a slight premium because we are an impact-based company. But frankly, it just doesn't turn out that way. Companies have their own pressures and they still need to buy in the same range that they've been buying. So, we've got to be very innovative and we've told all of our farmers from the beginning that, "Hey, this is a business. We are going to provide you with access, with a platform to give you pricing stability, better prices, longterm prices," all the things they want and need, but it's earned.

Michael Jones:

We have to have a certain quality. The customers that are buying it are buying it based on a commitment, a statement of, "Hey, you're going to match this quality and this specification and this volume." And if that doesn't come, we can't just give you money. It's not a charity. This is not a handout. And that was something that I was extremely passionate about from day one. I said, no toxic charity.

Michael Jones:

There's expectations, there's performance, there's consequences. And honestly, every farmer we've got has respected that from day one. They've never taken advantage of it. And after tens of millions of pounds of coffee now, I think we've only had one small quality issue. The farmer sort of knew it was going to happen. He came and proactively talked about a portion of his crop that wasn't going to make grade. And he never even tried to put it in because he knew, and that's the way it should be.

Simon Mainwaring:

And what does it meant to their lives now that you're 10 years plus in? How does it show up in their communities?

Michael Jones:

Four years ago, we started a nonprofit. And so, we're going to take from the money that we do make now of our own free will, and we're going to have to give that back into a nonprofit entity that's going to go further. And we're going to focus on the things that are necessary in those communities for them to flourish well beyond coffee and well beyond whatever our tenure may or may not be.

Michael Jones:

We've had the benefit now for four years at doing things from leadership development, training, to education, water, and community projects. We've organized volunteering efforts sometimes in certain communities. It's the first time anybody's ever done any kind of volunteering. We've brought people from different belief sets and family lineage together who've never even been in the same room together. We've built a bridge and we've seen people that have taken the ball and run with it.

Michael Jones:

I couldn't begin to tell you on a really short interview like this, that all the things that have happened. But we've written stories about it, and they're moving. I love for the farmers to tell it in their own words. It feels disingenuous for me to try to convey and say, "Hey, this guy built his first house," or whatever. There have been those types of stories. And one of those, he did build his first house and every time he sees me, he's got the biggest, most infectious smile. He hugs me and thanks me to the point of tears.

Michael Jones:

And I've known him for nine years now, and I've seen him. My kids have traveled with me to Guatemala and they've met, and he's been a guest in my home. But even today when he sees me, I could go there tomorrow and he'd walk up and hug me and to say, "Thank you so much." He's so grateful. I wish I had a 10th of the gratitude in my heart that these farmers have. We could all learn something there.

Michael Jones:

I can tell you the life change is exponential. His daughter, first one in their entire community to go to college in Guatemala City. He is the leader of his own farmer group, 20 guys. We convinced him that he needed to develop other leaders, so he stepped down. He's now the emeritus leader. We're teaching them how to lead and how to fly solo. That's just one story of many, but they are all over.

Simon Mainwaring:

And help us understand the difference between, as you say, toxic charity and really supporting economic development.

Michael Jones:

I mean, you may have heard stories, right? Well-meaning people, they go into a community and they're there for a week and they volunteer and they build a well and they hug everybody and then they leave. And two months later, the well breaks down and they revisit three years to find out that the well ran for two weeks after they left. And then it broke and nobody knew what to do. And that's not okay with me.

Michael Jones:

We see ourselves as coaches. And I think that there's a big difference when you empower people and teach them how to go about assessing what their strengths and weaknesses are, and how they identify resources and what the expectations are for them to own the outcomes, and for them to own the longterm roadmaps and the deliverables and how they go about it. Instead of us just walking in as saviors, is we walk in and we do it for them and we leave.

Michael Jones:

So we give them the formula, proven formula for success partially through us and partially through partners. And that was always our model is if somebody has got something, they're doing better. Let's bring them to the table and bring that to bear.

Simon Mainwaring:

You have a big ambition here. Give us a sense of what that looks like in terms of your company. How big is your team here? How many do you have on the ground out there in country and so on? Help us understand the logistics of getting it done.

Michael Jones:

So I mean, our company specifically, we're about 30 people, a little over, some located in Central America. We've got an office in Guatemala City, and then we're headquartered in Atlanta. We have utilized existing rails that are in the supply chains. We're not going out and building supply chains from scratch.

Michael Jones:

And that was intentional from day one because we wanted to be able to scale. So, we've changed the role that they play and the expectations, and maybe even how and what they get paid based on some factors. So, it all works in our model but it also gives us tremendous capability not only to scale within the vertical of coffee and now tea, but also to then take that same methodology and apply it to other agricultural verticals in other countries.

Michael Jones:

So, we went initially from two or three countries in Central America. We're now in seven countries in Latin America. And then we've got five more countries in Asia that we're sourcing teas from. And we're in the process of adding quite a few other verticals where we're excited about what that holds. We think that the same thing that we've done in coffee can and should be done across two or three dozen other categories from grains and seeds to nuts to produce, and on and on.

Simon Mainwaring:

And obviously, if you want to get to scale and really accelerate your impact, you can't do it alone and you need partnerships. And I know you've got partners like Gordon Food Services and Chick-fil-A and other enterprise companies. What does your purpose, your mission mean to those partners? And then how do you work with them to scale your impact?

Michael Jones:

So it's been a journey on that. We started small. We had to start with mom-and-pop customers and pretty small volume. It didn't take long to realize that that wasn't going to pay the bills. We needed large enterprise to join the mission if this was really going to have a big impact and if we were going to be able to make a business out of this and not just an idea.

Michael Jones:

And so we found companies who had already internally decided that, "Hey, we want our purchasing power to have a positive impact in the world." And all of these cases, we're working on changing the expectations of some of them. A lot of them still think they want that but then they want to pay these sub-commodity grade prices, which are basically at the expense of people not earning a living. Without those commitments from big enterprise to purchases at scale, then we don't have any impact.

Simon Mainwaring:

I mean, it's obviously really exciting to explore a business model that is both purposeful and profitable. But there's got to be things that you're working on. There's got to be obstacles you're still trying to overcome. What are the things that you're struggling with right now? What are you learning from? What are you trying to improve?

Michael Jones:

Well, we always struggle with how do we tell a pretty complex message in a simple enough way that people get it and want to be part of it. And that's for us. And then it's also to extend it to our customers to help them tell the story better to their customers. Getting that word out on a large enough scale to really make a difference has always been a challenge. There are all the normal ails of the business, just the ebbs and flows that happen when you're running complex supply chains around the world. So that's there. It's always going to be there.

Simon Mainwaring:

That's a really good point. How do you balance the demands of growth with impact? Because for many purposeful companies, there's always that temptation to default to the bottom line because you've got to survive. How do you think through that?

Michael Jones:

Well, it comes from identity, knowing who we are. Also, we've built a team and a culture here at the company of people that are committed to the same things. So I think having that clarity of purpose and that unity around purpose has allowed us to attract amazing people. And you get really committed, talented people rallying around a meaningful cause, we move mountains.

Simon Mainwaring:

And share that purpose with us. So how do you articulate the role you want to play in the world as a company at Thrive Farmers?

Michael Jones:

Well, we re-engineer business to change lives. I mean, that's the crux of what our business model is about. We re-engineered the way farmers get paid and the way customers participate in that. And as a result, it has a positive impact on the farmers, families, communities where those things are grown.

Michael Jones:

Our other big mandate is sales. Getting the message clarified is one thing, but then getting other customers that'll come on board, how do we get the ones that have the most throughput and that reach the most customer eyeballs and touch the most people to sign onto the same message? I mean, you talked about Chick-fil-A and Gordon Food Services, a 120-year-old multi-billion dollar company with a 100,000 restaurant customers in Canada and the US. So they've got enormous reach.

Michael Jones:

But that's what it takes. It takes companies that are reaching millions and millions of people every day to say, "Hey, what you're doing matters. We want to be part of it. We're going to take our full faith and credit, join with you and together we're going to go and we're going to impact these countries, these communities." And then further, we invite them to get on board at the Thrive-works level on the nonprofit side. And both of those companies are great examples.

Michael Jones:

They give us the purchasing power and the orders and the volume and the revenue on the business side. But then they also say, "What else can we do? We want to send our people."

Simon Mainwaring:

And let me ask you, in crowded categories, there's competition. And especially in, let's say, a coffee category, you might have those big boys out there that want to kind of keep the little guys down. And purpose isn't enough in those circumstances. So how do you marry being competitive with being purposeful at the same time?

Michael Jones:

Well, it's worse than that because as you know, there are a lot of big companies with very large budgets, and they are very good at marketing and messaging. Oftentimes, they can project messages that sound really good. And even my own dad has called me before saying, "Hey, I saw this ad from so-and-so. It looks like they may be doing what you're doing." I was like, "Well, no, that's really not the case." And this is part of the challenge is that in today's kind of fast-paced headline driven world, not a lot of consumers want to do a lot of deep dive homework.

Michael Jones:

And so, we've got to compete against a lot of messages out there and a lot of images of farmers. It's become very popular now to use a farmer image or a farmer soundbite. We invite the scrutiny. I love being able to do a deep dive with you here at this level because we want to bring out what is it that we do, what are we committed to and why. If that doesn't appeal to you, then no problem. But for the people that want their purchasing dollars, they want to know, "Hey, if I joined this brand, then I can be confident that they're spending my dollar the way I would want it spent all the way through in whatever they are producing."

Michael Jones:

It takes time and commitment. And it's what we're going to have to keep doing more of because the competition's not going to go away. It's just going to get more crowded.

Simon Mainwaring:

And what is your vision for growth for the company? If you're keeping purpose top of mind, what's your vision for how you scale the company, how you grow it, those longterm business goals?

Michael Jones:

I mean, I'm never ashamed of saying that we've got big audacious goals. I really think there's an opportunity to transform supply chains across the entire agricultural spectrum worldwide. I think we can play a big role in that. I'd be totally excited to see that others in different ways come along and help do it too. We'll never do it all by ourselves. That said, it's quality over quantity, or maybe it's authenticity over growth.

Michael Jones:

We've got to continue to remember who we are, why we're where we are and stay focused on the purpose. And then everything else is a result of that. I think that the growth will come. But if it doesn't, I'd rather be a small to medium-sized company but having a really strong, positive impact than to drift and become a much larger company but see our impact wane and us lose our way.

Simon Mainwaring:

Absolutely. And any advice for those entrepreneurs that are sitting on the sidelines that want to be purposeful but really don't know that they can balance purpose and profit? After 10 years, what would you say to them?

Michael Jones:

What is your heartbreak for? I think if you've got this tug at your heart for something that bothers you ... Now, it's like I've got radar on and I see through this lens, and I just don't have the bandwidth or resources to kind of chase all the different opportunities. But I've read about foster kids and the statistics around foster kids, it's heartbreaking.

Michael Jones:

What if somebody that had a service business, that had the ability, thought differently about their business and they decided they were going to hire a percentage, take their existing team and use a training model to mentor these kids and bring them in, in a work program before they age out of the system? If you've got a cause or a problem to solve that bothers you, put a leg out there. Take the first step and start talking about it and seeing if there is a way to marry the two.

Michael Jones:

I didn't necessarily think about it. I had a good friend of mine and invited me to a first-year conference in Atlanta called Plywood People, Jeff Shinabarger. And he was talking about the idea of a purposeful business, which I had never heard of before. I'd been in the finance and healthcare world and I'm just trying to grow a company. I mean, all I knew, everybody says you grow a company and you sell it. That's what I thought you did.

Michael Jones:

I kind of got knocked on my heels when I heard that concept of a purposeful business. Of course, today, it's talked about a lot more. Just the notion that, "Well, you know what, maybe I could do that?" You know, the answer is you can. I assure you, if I can do it, anybody can do it.

Simon Mainwaring:

And let me ask you, what is your vision for what business, not only can be, but must be moving forward?

Michael Jones:

There is no end of issues that need to be solved. I see private enterprise as the most powerful tool to transform the planet. I think if we do expect a better future, it's going to be because the business community puts resources behind and real action behind doing things differently. To some extent, you may have to go through some of the evolution that we've gone through, the industrialization. And you look at the growth that occurred and the changes that occurred in society. And the opportunity we have today is because of advancements and sacrifices and breakthroughs made by companies before us.

Michael Jones:

I think that it is time. It's maybe even past time to expect that business is the path forward. Government can't solve all of our problems, and business has wealth and purchasing power and a lot of talent, a lot of resources. It's the tip of the spear. I'm passionate about that being the role of business.

Simon Mainwaring:

Michael, I cannot thank you enough for what you shared with us today. We wish you continued success. As you know, you change more lives here and around the world.

Michael Jones:

Thank you for your support. We are one spoke in the wheel. And without the other spokes, the wheel doesn't turn. So we need a lot of stakeholders to come alongside and find value in the overall mission. And then together, we actually can achieve some amazing things. I'm thankful for your friendship, for your support, for all the ways that you've been helpful to what we and other companies like us do.

Simon Mainwaring:

Thanks, Michael. Thanks so much.

Simon Mainwaring:

If you're inspired by what you heard today, here are three things you can do to become a purposeful business. First, define your purpose. Why your company exists? What gets you out of bed in the morning? Second, co-create your impact with your employees so they are part of the process. And third, walk your talk and share your story so that everyone will be inspired to build your business with you.

Simon Mainwaring:

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