



LEAD WITH WE

EPISODE 18: KARA GOLDIN

Kara Goldin:

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Simon Mainwaring:

Welcome to Lead With We, the podcast where top business leaders and founders share how they built their companies to be high-impact and high-growth by putting we first. I'm your host, Simon Mainwaring, founder and CEO of We First. Lead With We is produced by Goal 17 Media, storytellers for the common good.

Simon Mainwaring:

Welcome to this week's episode of Lead With We where I'm talking to Kara Goldin, who is the founder and CEO of Hint Water, which is the leading unsweetened flavored water company in the country and who was recently named one of Fortune's most powerful women entrepreneurs. So, I could not be more excited to speak to Kara. Kara, welcome to the show.

Kara Goldin:

Thank you. Thanks for having me.

Simon Mainwaring:

Kara, I've got to ask you, there's no category more competitive than water. And then you came along and said you wanted to start a water company. How many people told you no?

Kara Goldin:

Thousands, actually. It's interesting. I think about this a lot and I think that the biggest challenge when you hear nos from people is you probably have your own doubts, right? And it was tiny. It was a tiny... I mean, this was almost 15 and a half years ago now where people were starting to see it in Whole Foods. And again, it was very, very small, just in the Bay Area where I live initially. But if I wouldn't have had those consumers saying to me, "I get it, you're helping me drink water. I don't want these other products anymore. Why aren't you in more places?" All of those things. The balance of that really, really helps kind of squash the doubts and squash the doubters.

Simon Mainwaring:

Any particular moment of inspiration where you just suddenly thought, "Well, this has gone from not just a good idea or a potential idea to I'm going to do this." What was that moment?

Kara Goldin:

So, I remember it very, very, very well. I was pregnant with my fourth child. And so, on the morning that-

Simon Mainwaring:

Okay. So, you had nothing going on. You had a lot of free time and you thought-

Kara Goldin:

I had nothing going on. I actually had a babysitter that day because I knew I was going in for a planned C-section at two o'clock in the afternoon. I wake up that morning on May 27th, 2005 and my husband said, "So, what do you want to do? We don't have to go to the hospital until two. We have a babysitter," et cetera. And I said, "Let's load up some cases in the car and go to Whole Foods. I'd love to know that it's on the shelf before I go and deliver the baby." And we get to Whole Foods in San Francisco and we walk in and I find the guy that I had been having this dialogue with about, "Is there any competition out there? Is there a market for this type of product. And I would really love it if you could put the product on the shelf." And he said, "I'll do my best. No guarantees."

Kara Goldin:

And then the next day I got a phone call and learned that 10 cases were "gone from the shelf." And I said, "Okay, who took the product?" Because I really hadn't thought about consumers actually buying the product. I had only gone as far as to think, if I could just get it on the shelf at Whole Foods-

Simon Mainwaring:

Just making the product, solving for the need you saw, right?

Kara Goldin:

Yeah, solving for the need. But then all of a sudden, overnight, 10 cases had been sold.

Simon Mainwaring:

Isn't that crazy though? We spend all our lives in the marketing or business world, but we don't actually think about that consumer purchasing experience that way. And you, suddenly this light bulb goes off like you've made a good product and they actually buy it. I mean, it sounds crazy simple, but it's powerful.

Kara Goldin:

Yeah. So, I had lost a bunch of weight prior to my fourth pregnancy and my skin had cleared up, lots of different health issues that I didn't even know I had just by changing what I was drinking and moving away from this addiction to diet sweeteners. And so, when I would explain it to people, people started to see in me these health changes. And then, I would still tell them that I got off of diet soda and started drinking water. But for me, water was boring and so that was why I had all this fruit in the water to... And people were like, "Oh, that's really interesting." I was educating people, including the guy at Whole Foods, about the product.

Kara Goldin:

And so, for any entrepreneur listening out there or a person crazy enough to go start a company in a crowded space, I think that the difference between a product that really has a purpose is that you do have the ability to educate. In today's day and age, you have to have a great tasting product or a product that if it's a cleaner or something, it's got to actually clean or whatever that, but I think it's what is your reason behind it? And what did you discover? And I think consumers more than ever today really want to hear that.

Simon Mainwaring:

But how did that ladder up to becoming this overarching purpose of helping people live healthier lives? I mean, when did that kind of larger idea that guides the company take formulation? When did that stick?

Kara Goldin:

Yeah. So, I think when I heard consumers, potential consumers thanking me for educating them and then somewhat joking around but somewhat serious saying, "Oh, I'm going to go do what you're doing. I'm going to go stick a cucumber or pomegranate in my water and do that at home." And I thought that is fine if you've actually got access to fruit at home, but if you're out and about, that's such a challenge when you look around on the shelf at what's available. And the main reason why I want to do this is that if we can actually get people to enjoy water, then they will change health.

Simon Mainwaring:

Would you look at the journey, especially in those early years, and say it was just happenstance and just not giving up or were you driven and intentional about it? How would you characterize yourself as an entrepreneur in those early years?

Kara Goldin:

I think I was definitely driven, but I was curious, right? This concept of just getting people to love the product first... There wasn't any big... sitting in a room with five people. We didn't have five people. It was me and my husband was joining me because he felt sorry for me. He's an intellectual property lawyer. And he was like, "I don't know. It'd be sort of cool to get people to enjoy water, but I have no idea what I'm doing."

Simon Mainwaring:

Pomegranate, cucumber, blueberry. And how did you prototype to see if it even work? Where you just literally doing it in the kitchen? I mean, how do you test it for market? It's such a rigorous process now-

Kara Goldin:

Well, we were doing it in our kitchen. But truth be told, I was living right across the street from a school in San Francisco, the town school. It was an all boys private school. My kids, they were still young, they didn't go to school there. But I knew a lot of the parents, mostly mothers, that were doing drop-off in the drop-off line. And there's always this long line of cars. And so, they would see me out front saying, hello. And then finally I thought, "Oh, if I'm there at eight o'clock in the morning, I can actually go and get them to try this product." And that's another thing that I think is also sort of a discovery in this whole world is that people feel, today, like they have ownership in Hint because they were part of that drop-off line. Right? Or I should say, when they were sitting in their cars and I'm sitting here saying, "Hey, try this flavor." And so, people would have really strong opinions about different flavors. They'd be like, "Oh no, no." And then half of them were like, "Wait, did you... How did you... What are you doing?"

Simon Mainwaring:

I love how down and dirty that is, that you're literally handing out product to people. People look at success and they kind of project backwards as if it was this golden run or whatever. But you're literally out there with the carpool handing out water. So, when you have go to take it to market, suddenly "business" comes along. How did you decide on the name? How

did you decide on the packaging? How did you take this purpose that you had to educate people about water, to improve their lives, how did you think through taking it to market?

Kara Goldin:

Starting with Whole Foods, thinking back on that, I thought, "Okay, we sold 10 cases the first day, this is going to be the next Coca-Cola." Right. I mean, we thought it was off to the races. I mean, there were so many things that I did not know, including distribution, how to get proper shelf life, all of these things. But I think that the key thing for me was always figuring out where this customer was. So, I knew early on, just as an example, that this consumer that was going into Whole Foods, which was a brand new store in the San Francisco Bay Area 15 years ago, was really interested in buying things that are healthier.

Simon Mainwaring:

But I mean, how did you pitch Whole Foods in the first place? You're an unknown quantity, you've got an unproven product, they've got a lot of kind of established brands that they could choose over you. How did you pitch it?

Kara Goldin:

The local store, the guy in the store. So, they used to, and this is probably changed since the acquisition by Amazon, but they used to allow a certain percentage of shelf space to be for local brands. I didn't know the rules. Right. And I didn't ask what the rules were. I would just think, okay, how would people find a distributor? I would go into the local store and I would watch who was setting a shelf and I'd say, "Oh, do you work here in the store?" And then they'd say, "Oh no, I worked for such and such a brand." And then I would just start asking.

Simon Mainwaring:

For all of that chutzpah, all of that just showing up and just moving forward, that works to some extent, but also there are dark days as well for any entrepreneur, where things go wrong. What would you say? What was your darkest day? Do you ever have a moment where you thought you're going to give up, it just was too hard, it wasn't working? And how did you get through it?

Kara Goldin:

Yeah. It wasn't really a day, it was a year and a half where it started with a major high. So, we got into Starbucks, nationwide and Starbucks, which was a big win. Right. We initially thought there was going to be a test. And then prior to even going into the test, they came back and said, "You're going to be in all 11,000 Starbucks locations." Huge, right? We were still Bay Area and on the East Coast and a few places, but really nothing in-between and certainly, not in any type of stores like a Starbucks.

Kara Goldin:

And so, we got into Starbucks, we asked the question, "Okay, what is success?" Right? "How many bottles do we have to sell per day?" We got all of that information. And within a few months, we were actually doing triple the amount of bottles per day that we were told was success. So, every day I came in and I checked those numbers on the computer. I was feeling pretty high. We had about 40% of our overall sales, at that point, in Starbucks.

Kara Goldin:

And so, we get a call from a buyer a year and a half later saying, "Super nice to meet you. I'm the new buyer. I just wanted to share that we're going to be removing you from Starbucks next week." And I'm like, "Wait, what? Next week? We're doing triple the amount of business. You must not have gotten the numbers. Here, let me share them with you." And she said, "I'm really sorry." That, "This is a directive from Howard Schultz's office." And I was like, "Really?" I mean, "Maybe he hasn't seen the numbers." And she said, "No, it was really a strategic decision. He really wants to put higher-margin business into the case, including food." And we're a \$2 item, right? You have got to sell a lot of water in order for it to make sense.

Kara Goldin:

And so, there was nothing that I could do. And the hardest thing for me was really knowing that I had six months worth of product in the warehouse that we had already made.

Simon Mainwaring:

So, what did you do?

Kara Goldin:

I cried. I don't cry very often. I went home and I cried. And I thought, "What am I going to do?" And then finally, after a day of kind of really thinking about this, I came back and we got a phone call from Amazon. And the guy from Amazon was a buyer for this new business that they were launching, which was Grocery. And he wanted to put Hint into Grocery.

Simon Mainwaring:

How do they even know about you? Did Starbucks come and find you out? Did Amazon come and find you? How did that happen?

Kara Goldin:

Well, it's interesting. He was another Seattle based company, but he said, "I buy your product all the time in Starbucks. And I love your product and I'd love to put it in." Right. And I didn't know if I should actually educate him on the fact that we had just been kicked out of Starbucks. I didn't. He said, "What is the lead time to actually get this produced?" And I said, "We overproduced, actually, our top flavor, Blackberry and I'd be happy to sell it to you today." And so, he said, "Oh, that's terrific. I thought I was going to have to have some lead time, but that'd be amazing. We'll send you a PO. We'll pay for it." All of these things. We became one of the top products in Grocery. And still to this day, I mean, we're the number one flavored water on Amazon. We sell a ton of product through Amazon.

Simon Mainwaring:

Isn't that amazing that that door closed and this other one opened. And you were ahead of the game in terms of ecomm?

Kara Goldin:

Yeah. And I learned a lot. So, two things that I learned from this, number one, doors do open. Right. I mean, this is what I would say about life, not only your sort of life lessons, whether you equate it to business or to personal, is that the sad doesn't always last, right? The great stuff will come. But also it's important to pay attention to the lessons.

Simon Mainwaring:

And so, let me ask, you above and beyond this success, because your product, outright, is helping people, it's giving them a more responsible, healthier choice. Did you ever kind of codify your impact goals? Did you ever sort of ladder up from that and say, "Okay, I'm making a product that in and of itself is beneficial." When did you start to formalize the impact you wanted to have?

Kara Goldin:

So, actually, it was really interesting through that Amazon relationship. We started to, for the first time, see that people were buying on Amazon and were leaving comments around health. Remember, I had started this company to really help myself get healthier, but it was at that moment where I was seeing that people were not only leaving comments about, "Oh, this product helps me drink more water," or, "I've got type 2 diabetes and I'm trying to deal with this" or some other health issue along the way, which frankly was similar to the reason why I had started this company in the first place. And so, that was when I was really seeing that it was harder to measure until Amazon started, then I could really start to see the impact.

Kara Goldin:

And that's when I wanted to communicate with these consumers and unfortunately that data on Amazon belongs to Amazon. And so, that was really the point when I said, this is a discovery, but it's also a roadblock. Then I need to figure out how I get the data. And multiple meetings in Seattle, they weren't going to give us the data. And so, finally I said, "I want to start our own store here and get the data." So, we launched our direct to consumer platform at drinkhint.com about a year after Amazon. Fast forward, almost seven years now, that business is 55% of our overall business. I mean, it's massive for us.

Simon Mainwaring:

And how big is your team at this point? And are they coming to you because of the product you're making? What did your culture look like at that point?

Kara Goldin:

Small. We were only... I don't know, 20, 25 people at that time. We're about 200 now. And we still really look at our brand as truly an omni-channel brand where just this year we launched in Walmart and Sam's Club and Aldi. And then right in the middle of the pandemic, at the beginning of April, we got a phone call from Costco. And they were having issues with some of their suppliers not being able to actually furnish their beverage because cans, it ends up, which a lot of these products are in, is primarily made in Asia. And so, with the pandemic, a lot of these factories shut down. And so, major beverage companies were forced to short ship. And you don't short ship into a Costco or Walmart or whatever. And so, because we did everything in the US, they knew about that. And they reached out to us. And we had pitched them many times and had done some sort of regional stuff along the way, but-

Simon Mainwaring:

You mentioned COVID a moment ago. I mean, water touches people's lives in so many different ways, and we've all been living under these incredibly extreme circumstances. Were there any particular responses you had to COVID either in terms of your business or how you were helping others out there? How did you respond?

Kara Goldin:

I was actually in New York the week of March 8th, when New York was shutting down way before the West Coast sort of unofficially. But we made an early decision on March 11th to

actually shut down our New York office. And now it's the weekend. I fly back to San Francisco. I pop in on that Friday night, March 13th, to Target on my way home. My son said, "Hey, can you stop at Target on the way home from the airport?" Of course, exactly what I wanted to do at nine o'clock at night. But went back to the section that has Hint, we typically have 16 feet of space in Target stores and not a bottle on the shelf in Target that night. And I thought, "This isn't good." I go in the back room, there's no backstock. I talked to a manager, I'm like, "Hey, what's going on?" And he said, "It's just really bad. We're out of product everywhere." And I said, "I'd heard about hoarding in stores." And he's like, "It's really, really bad."

Simon Mainwaring:

So, you had to ramp up production incredible at that time?

Kara Goldin:

So, I went to a bunch of different stores, actually, that night and Saturday morning, and at that point, really recognize that there was a key thing that we needed to educate, not only the stores about, but also our distributors about, which was that we're an essential product. And so, essential products actually get prioritized on the trucks to actually go in to the stores.

Simon Mainwaring:

Interesting.

Kara Goldin:

And so, we went out to Amazon, because of course we still sell a lot of product through Amazon as well, we said, "Look, we're an essential product." They said, "Okay, fine." So, continued the education. But then in addition to that, we thought in order to actually get these shelves stocked, we have plenty of product in the back, let's just offer just to send a truckload in now. So, on that Sunday, we went out to all of our retailers and we said, "We know you get our product through distributors, but we're willing to just send a truckload in. And we'll just invoice you later." About half of them took us up on it. I mean, the shelves were empty and we were in there distributing product early to solve the problem for these buyers in these stores in order to have product.

Simon Mainwaring:

Water is such a bigger issue. Access to clean water that is actually good for your body is such a bigger issue because a lot of water is compromised, in the various forms that we get to enjoy it or access it. I know that you're committed to water more broadly, how are you trying to expand this? What else are you doing in the water category?

Kara Goldin:

Yeah, so it all stemmed out of a project that I was working on in Washington around getting Hint on school lunch trays. It ends up that that whole school lunch trays that go into public schools and Catholic schools, about 30 million kids across the country, instead of having the carton of milk on the tray and once in a while, an orange juice, I said, "Wouldn't it be great if Hint... It's healthy, it's better." The argument that we got back from the Dairy Association, who essentially owns the beverage choice on these trays is there's drinking fountains, that kids, if they want water, they can have water from drinking fountains. And so, a lot of nutritionists in schools would reach out to me and let me know that they wanted to have Hint on the trays. But when I said, "Sorry, we lost the argument. It's not going to happen for a few years." They

said, "Oh, that's too bad because these water fountains are terrible. There's tons of lead, there's..."

Simon Mainwaring:

So, how do you want to solve for that? What's the solution?

Kara Goldin:

So, I think it's two things. Number one, it's every single spigot in a school should be tested, nationwide, because we don't know what ultimately is in there. And if it's not, if you have one that doesn't pass, this is the other dirty little secret, is that the most states only say that you have to let the community know, that goes to that school. How many people do you know that don't go to that school? Maybe their kid goes to a private school down the street. For you to actually gain information about a school, it's really, really tough. I mean, I used as an example in California, when you buy a house, you get a geological survey as to what your house is actually sitting on. Right? Why isn't it mandatory for a seller to actually share what is the water supply in this area?

Simon Mainwaring:

So, you're trying to legislatively change that? You're advocating for that change?

Kara Goldin:

Yeah. And so, since I've been working on this, which is a bit about the last year and a half, and I've been working on it with Congresswoman Jackie Speier, lots of things have come up and including impeachment hearings and COVID and lots of other stuff that have come up.

Simon Mainwaring:

Things that got in the way. Yeah.

Kara Goldin:

There's a chemical in water that really has surfaced in the... It's been around for a while, but it's really surfaced in the last year. And I encourage everybody to become knowledgeable about it. It's called PFAS. It's P-F-A-S. There was a movie out last December called Dark Waters. I think it's on Netflix. It talked a little bit about it. But essentially it's Teflon. So, we all heard about Teflon. We used to be told to cook with Teflon. Well then, we all found out that it was cancer causing. So, according to the NIH and the Center for Disease Control, it's a cancer causing ingredient.

Kara Goldin:

And so, there were plenty of lawsuits against the manufacturer, DuPont, who was manufacturing this Teflon because they dumped the Teflon into the water, mostly up in Michigan. And so, unfortunately, lots of cancer probably stemming from the effects of people just drinking the water, not just in Michigan, because over time, all of our waterways are connected. So, it's trickled down into lots of places. Where my initiative has heated up in terms of actually letting consumers, not only measuring PFAS, but actually letting consumers know about what's in their water supply is that there are some studies right now around COVID that suggests that the people that have actually had COVID, some survived, some did not survive, that have PFAS in their bloodstream are not developing antibodies. So, there's some legislation that's going on right now around this whole conversation.

Simon Mainwaring:

There's this core theme of perseverance and just taking it head on. You've got this great book called "Undaunted," and you've got this really interesting podcast, "Unstoppable." And both of them are these sort of "un" words, unstoppable, undaunted. I mean, through all the ups and downs on this incredible journey, what would you say is the lesson, the insight that you'd want to share with tomorrows aspiring social entrepreneurs, people who want to make a difference too?

Kara Goldin:

Yeah. I mean, I think that the main reason, even why I wrote the book, was just so many people have said to me that the reason why they can't do what I'm doing, whether it's starting a company or going to Washington to try and change this initiative or having four kids and start a company, I mean, whatever the issue is is that they've pegged me as fearless. And I've frequently said to people, "No, I have plenty of fears." Right? "I have lots of fears, I've lots of doubts. That's not it at all. I just never allow those fears and those doubts to get in my way." I mean, everything from how I parent, to how I build a company and everything, what my life is about, it's more about a journey and it's less about what I accomplish. That doesn't mean that I don't have goals along the way, but everything from getting into Starbucks, getting into Amazon... Allow the sort of unexpected to happen, even if it's because you're trying to make up for something that really went bad. I was always here to solve a problem.

Simon Mainwaring:

So, these successes are really proof points that fear doesn't have to paralyze. It can actually empower you. And I think any entrepreneur can just take that to heart and put it to work for themselves because there will be those challenges as you say. But I think one of the greatest gifts of entrepreneurship is it's always so incredible and surprising where you end up if you just keep going and you do reframe these challenges as opportunities.

Kara Goldin:

And that's really what Undaunted is about. I believe that if I can inspire people, through storytelling, to really get to know me and how... Not just built the story of Hint, but other things along the way. And there's journeys along the way that just makes you learn more about yourself and become a better person. And that's really what it's about.

Simon Mainwaring:

Kara, thank you so much for sharing, not only the Hint journey, but the personal journey on the way. They go hand in hand. And look forward to seeing greater success for the company and its impact.

Kara Goldin:

Thank you so much. Lots of fun.

Simon Mainwaring:

Thanks for joining us on this week's episode of Lead With We, were I spoke with Kara Goldin, the founder and CEO of Hint, who revealed to us how you can launch a multimillion dollar business from your kitchen by simply crafting a better product, and how a courageous and fearless mindset can manifest success despite the toughest of times, and then how you sustain that success in one of the most competitive markets in the world. If you want to subscribe to Lead With We, you can find us on Apple, Google, or Spotify, and please recommend it to your friends and colleagues so they too can become purposeful and

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