



LEAD WITH WE
HIGHLIGHT 2020: ADAM LOWRY, RIPPLE FOODS

Simon Mainwaring:

Hi everyone! This is Simon Mainwaring, founder and CEO of We First. We'll be back very soon with a brand-new season. But today I wanted to revisit a fantastic conversation I had last year with Adam Lowry the co-CEO and co-founder of Ripple Foods. I learn so much every time I speak with Adam. He's a climate scientist turned entrepreneur who has taken on some of the most entrenched consumer product categories like home cleaning and dairy. So thanks for joining us and enjoy the episode.

Simon Mainwaring:

Welcome to this week's episode of Lead With We, where, I'm talking with Adam Lowry, who is the former co-founder of Method, which was an enormous success in the cleaning product category, and is now executive chairman of Ripple Foods, and I'm so excited to talk to Adam because not only did he take on such a deeply entrenched and competitive category such as the dairy category, but he's generated enormous success on the strength of Ripple Foods, and has been highly awarded across the board in terms of social and environmental impact. So, Adam, welcome to Lead With We.

Adam Lowry:

Well, thank you for having me, Simon. It's a real pleasure to be here.

Simon Mainwaring:

Looking back at your journey, here, on your website, you have this sort of timeline, and back in 1996, when we were all wide-eyed and looking forward to the future, you described yourself as eager and altruistic. Where did that instinct to launch a purposeful business come from, and did you start off with this idea of building one business after another that was going to have social and environmental impact, or did you discover it as you went along?

Adam Lowry:

I didn't, I discovered it as I went along, and it really was a journey. I think that from the very early days, I've always been somebody that's enjoyed the outdoors, and my version of that is actually getting out on the water.

Adam Lowry:

So, I grew up racing small sailboats, and I actually still do that quite a bit these days, and that's a sport where being really in tune with your surroundings is really important to being successful. I didn't know it at the time, but that was something that was breeding in me. An appreciation for what was outside around me, and when I came out of undergrad, I was really into environmental science.

Adam Lowry:

For example, I took a course called the ecosystems of California. I studied all of this diversity that we have in this state, and I thought, "Hey, why don't I go into the environmental science field?"

Adam Lowry:

I ended up getting lucky enough to get a job at the Carnegie Institution For Science, which does climate science, and I thought, hey, back to the altruism, I said, "Hey, we're going to do the climate science, and we're going to make sure that that leads to some great policies, and the world's going to get better as a result," and, of course, that led to some frustrations and some of the other things that led me on a different part of my journey.

Simon Mainwaring:

I want to focus on Ripple Foods, but just pointing back to Method for a moment. You had a moment in time where you could sell Method and you've built this baby with your sweat equity, and the integrity of it is super important to you. How does a purposeful entrepreneur make that decision to say, A, "I'm going to sell it," and B, decide if someone's the right partner?

Adam Lowry:

I think there are four things that are important when selling a business like this, like Method, like a Ripple. Will the business be able to grow better than it did before you sold it? Will it be able to deepen and enhance, not just maintain, its social and environmental mission? Is it good for the employees of the company, and does the price make sense for the shareholders? In that order. Those are the four things that matter, and what I'm really proud of with Method is that we did our best work, and they are still doing it. We did our best work from a sustainability perspective, and from a mission perspective, after we sold the business.

Adam Lowry:

A great example, so we built a factory in Chicago called the South Side Soapbox. It's one of two LEED-platinum certified factories in the United States, renewably powered by utility scale wind and solar. Landfill free, water neutral. It has the largest rooftop greenhouse in the world, growing leafy greens on its roof in the middle of a food desert. It's the first factory of any kind, new factory, built on the South Side of Chicago in 30 years. It restores natural habitat.

Adam Lowry:

It's an amazing place, and that was built after we sold the company, because we met those four conditions I just mentioned. We had a new owner, that really wanted to deepen and enhance that social mission, and we were able to create hundreds of green manufacturing jobs in a place where people desperately needed work, and that was a great example of how, when you go from a venture backed business, which generally has a very thin balance sheet, to a different kind of business that has a bigger balance sheet, you can make even more investments in what you're doing, and I think that it's a great example that shows that you don't have to sell out when you sell.

Simon Mainwaring:

I think that's a really powerful point, in that when you do go to scale, it's not just greater reach and so on. You've got greater resources to double down on your original intent, in some ways, and to add value in the ways that you care about.

Adam Lowry:

And most importantly, by the way, that factory lowers the cost of our manufacturing and it increases the attendance rates of people that are working on the lines, and it has an economic benefit to the business and the community, not just an environmental and social one.

Simon Mainwaring:

Right, and give us a window into the Adam Lowry moment where you and your fellow founders had sold Method, and you realize that that journey has run its course, and you've got this moment in time where you're free on the other side. Do you celebrate? Does it last two days and then your passion for purpose rears its head

again, and you're back at it, or do you sort of sit on an island for six weeks or six months and go and catch your breath after all the effort of being an entrepreneur? What was it like, that transition?

Adam Lowry:

Yeah, there was no island for me. I actually was working sort of full-time at Method and full-time at Ripple Foods at the same time. That was only for a short period of time, but for me, what it was about was, after 15 years with Method, the question in my mind was, "Okay if my goal in my career is to do as much good as I can through business before I retire," which might be when I keel over, "then how do I do that? Is it best for me to stick with this thing that I've created that's large and growing and successful, or do I take a chance and try to start another thing that could be someday another quote, unquote, Method," and I decided to do option B in large part because the impacts of our food system are even greater and more, impactful than even in household care.

Simon Mainwaring:

And even though they're different categories, when you look back now, you're starting Ripple, you've got the benefit of hindsight, all the learnings from Method, is there anything with Method you would've done differently?

Adam Lowry:

Oh, tons. Yeah, tons. I think the biggest mistake we made with Method, and Eric and I wrote a book about this, called *The Method Method*, was that we overextended the business.

Adam Lowry:

So, we had a successful formula of how we were bringing consumers in, and retailers were really excited about how we were reinventing categories, and they asked us to reinvent lots of different categories across the store, and we did too many of them. It coincided with the great recession, but I will be clear to point out it was not the recession's fault. It was our fault that we got too extended, and as the economy started to change, we were unable to support all of the businesses that we were in. We had to lay off about a third of our staff. We had to shrink the business. I had to let one of the groomsmen in my own wedding go.

Simon Mainwaring:

Ooh, I hope you guys are still talking, I hope.

Adam Lowry:

Yeah, we're still really good friends, but that's not what we talk about these.

Simon Mainwaring:

Right.

Adam Lowry:

And nor should it be. To me, it serves as a great reminder that you've got to be smart about the way that you grow, even when you have that entrepreneurial instinct to just grow, grow, grow, at any cost. Sometimes there is a cost and there is a difference between smart growth and growth for growth's sake.

Simon Mainwaring:

You mentioned at the top that you had this ecosystem lens on business. What made you look at the dairy category, and what gave you the confidence that you could take on something that is so entrenched? There's such lobbying around it. It's quite the force in its own right.

Adam Lowry:

Yeah, and so far I've really focused on categories that seem like they're really overpopulated, and they're hyper-competitive with brands, but what I look for is not that. What I'm looking for is white space relative to the consumer opportunity.

Adam Lowry:

With Method, obviously, it was the idea of making a greener cleaning product. Something that was beautiful and smelled good, and you could leave out on your countertop. Pretty simple but powerful idea.

Adam Lowry:

With ripple foods, it was the fact that all of our dairy alternatives right now are terrible alternatives to dairy. There's a lot of them, but none of them taste the way that milk tastes. They're not rich and creamy. They're thin and watery. Nearly all of them lack protein entirely, which is the number one nutritional benefit of dairy, and so there was a lot of white space from the standpoint that consumers just weren't getting what you want from dairy in the non-dairy space.

Simon Mainwaring:

So it starts with a consumer need or opportunity?

Adam Lowry:

Always. Always, and then there was another important piece with the Ripple side of things, which was, we developed a technology that others don't have, that enables us to create a really nutritious dairy alternative that doesn't taste planty the way that a lot of plant-based products do.

Adam Lowry:

It's really hard to get rid of those flavors, and my co-founder, who's a PhD chemical engineer, he developed a process to basically make the purest plant protein from plants anywhere in the world, and because of that, it's flavorless, and from there, you can put a lot of it in a dairy alternative and not have it taste like peas or soy, or anything like that. Have it taste a lot more like milk.

Simon Mainwaring:

So was the foundational spine of the company really this technology, and the power of protein in various product alternatives?

Adam Lowry:

Yeah. It was, there's a core technology, which is making the purest plant protein on earth, and then that allows us to create delicious plant-based alternatives that we can go into lots of different spaces with.

Simon Mainwaring:

And the name Ripple Foods is so evocative and it delivers on all the meanings you intend, but how did you come about that, because half the battle is going to market with the right story, if you're a social entrepreneur. How did you get there?

Adam Lowry:

There's pros and cons with the approach we took, and the same is true with Method, right? Method doesn't immediately say cleaning products, but you sort of get it as you understand that the brand is more about technique than power.

Adam Lowry:

Ripple is similar in that it's all about the ripple effect. It's all about the little choices we make every day, and how that makes us healthier, and the world a little bit better, but contrast that with the category. Every other brand in the category has an ingredient in the brand name, right? It's like Oat something, or Almond Breeze, or even silk. Silk is soy milk contracted, but ingredients are not what actually matter here. What matters is the nutrition and the functionality of the product that you're giving people, and so what we wanted to do, much like method, was create a brand that was more meaningful to the consumer on an emotional level, and that created a brand promise that we could back up. We back that up right now with a pea-based technology, but peas are not what make Ripple unique. What makes us unique is we make the most nutritious and delicious plant-based milk products on the market.

Simon Mainwaring:

How do you compete, though? It seems like dairy was in favor, than out of favor. 2%, 1%, and then it becomes almond, and then it becomes oat, and there's this cycle of consumer attention, like it's the latest shiny squirrel. How do you compete with that?

Adam Lowry:

Yeah, go long. Just go long-term. What we know is that what's going to be important in food categories is taste and nutrition, and if you solve for winning on taste and nutrition over the long term, that's the way to be most successful, and that's why, as I just said, we don't position Ripple as... It's not called Pilk, right? That's not the brand name.

Simon Mainwaring:

That was the second name you were going to use, but you were like, "Ah, there's something wrong."

Adam Lowry:

Yes. Right. Peas, for us, is just a means to an end. There are others, and we may migrate to those over time, but what the brand is really about is those little choices you make every day and how they make you healthier, and delivering on the most nutritious and delicious plant-based alternatives on the market.

Simon Mainwaring:

So, I mean, has the journey been fairly consistent on the strength of your experience and learnings from Method with Ripple, or have you had pushback from the dairy industry, and there's just been churn? What's it been like?

Adam Lowry:

Yeah, always ups and downs, and I think any entrepreneur would tell you exactly the same thing. People have said, "Hey," I heard this from Gary Hirshberg once, who said that people describe Stonyfield Farm as a 27 year overnight success story, right? That one kind of resonated with me where, I mean, tons of ups and downs, competitive attacks that have come on our shelf space with our customers. There have been challenges. We've been sued by almost everybody as just a tactic to tie us up with lawyers and make us spend our money.

Simon Mainwaring:

So, what do you do? How do you think through those challenges? Do you just go back to the touchstone of why you started the company, or do you say, "Right, I'm going to duke it out in public," what do you do?

Adam Lowry:

Yeah, it depends on how the situation presents itself. So, a great fun story was, back in the day, Clorox challenged Method, because they had a Green Works brand where they used a picture of a daisy on their label,

and we had used, prior to that, a little image of a daisy in a bottle of Method like a vase, and it was part of our marketing.

Adam Lowry:

They just sent us a cease and desist letter on that. So, we decided to publish the cease and desist letter, and we created a microsite called votedaisy.com and challenged America to decide who should own the daisy. Clorox, Method, or mother nature.

Simon Mainwaring:

Nice ju-jitsu move, where you take their energy and turn it back on them. Yeah.

Adam Lowry:

Exactly. It's nice when those types of opportunities present themselves. In other situations, it's more about just making sure it's not a resource strain, and keeping your team really focused on what we're trying to do, and helping them understand that just because we're getting sued by mega corp, that it's actually a positive sign.

Simon Mainwaring:

It's a little badge of honor that you're doing something right.

Adam Lowry:

Yeah, they wouldn't sue us if they weren't threatened by us.

Simon Mainwaring:

Yeah, you have their attention.

Adam Lowry:

We have their attention, and so let's stick to our knitting and make sure we service our people better than they do.

Simon Mainwaring:

What's really interesting about the approach you've taken is, it's kind of this mutual responsibility to each other. We're going to better serve you as a consumer, but we need you to make these choices because they serve you better but also chevre the planet and our future better. It seems very participatory in nature. Is that true?

Adam Lowry:

Very much so, and we try to reinforce that. If you go to ripplefoods.com, which is our website, you'll see, it's a counter on our website that does, it's with a real-time water savings, greenhouse gas savings, less sugar, more protein, less plastic that is used as a result of people buying Ripple in real time.

Adam Lowry:

What that is, is us trying to give the credit where it's due, which is not to us, but to our consumers, for their ripple effect that they're having on our world by choosing our brand instead of somebody else's.

Adam Lowry:

So, in that way, we're trying to reinforce the participatory nature of the brand, and of better commerce, of mission-driven commerce in general.

Simon Mainwaring:

What you're speaking to is one of the many spinning plates that entrepreneurs have. Every brand out there now that wants to make a positive impact has to fairly intentionally decide what tone of voice they're going to have.

Simon Mainwaring:

At one extreme they may just want to do less bad and just play down the middle of the fairway. Others may want to be credible in terms of ESG or the sustainable development goals or CSR initiatives, and then there are others that are quite protagonist in nature, like you see with the Ben and Jerrys and the Patagonias. How did you choose what tone of voice, or does it change over time?

Adam Lowry:

For the two brands here, Ripple and Method, that we've been talking about, we chose one where it was part philosophy and part strategy. So, the philosophy that I have is that doing good in the broad sense, whether that's environmental, social, whatever it is that the business is doing, should just be part of the quality of the product and the way the business does business.

Adam Lowry:

It shouldn't be the differentiating factor. It's pointless for us to make green products for green people. What we need to do is we need to make green products for everybody. There are always still trade offs, but if you're having to trade off between your financial bottom line and your environmental bottom line, you haven't found the right solution yet, and so that's the philosophical point.

Adam Lowry:

I also think, strategically, within our categories, it's not what sells, right? When you're talking about soap and milk, this sustainability of those products is relatively unimportant to most people, and I don't blame them for that. So, let's make it important to us, and then let's make those products awesome for all of the other non-sustainable reasons, and inspire those people that you can do all of that and have it be sustainable at the same time, because if we're successful, all brands are going to adopt these mannerisms, right? That's, that's what B Corp is all about.

Simon Mainwaring:

Right, and I think you're a founding member of the B Corp movement, right?

Adam Lowry:

Yes.

Simon Mainwaring:

How has being a B Corp added to your bottom line, because, I mean, awareness of the movement has increased. There's now B Movement Builders for larger corporations, and so on. It's really gained the attention and momentum it deserves. Has it translated to the bottom line, and if so, how?

Adam Lowry:

Sure. I'll say a couple of different ways. So, the most obvious way that gets talked about a lot is employee retention and employee attraction, and that sort of thing, right? It's authentic, and people stay with the business, and all of that is real, and that happens.

Adam Lowry:

Then let me take it all the way to the top, and unfortunately I can't speak specific numbers, but when the Method business was sold, it traded at a premium, not in spite of, but because of its authentic social and environmental outcomes.

Adam Lowry:

So, take a banker from Goldman Sachs, and they would look at our business and say the trading multiple on that was higher than the market, for a business like ours, and it was because that the acquiring company recognized the long-term potential of both the hard and soft. The reduced costs that would come through, for example, using packaging materials that are lower cost and more sustainable than using virgin plastic, for example, real hard costs, and the soft costs of how a brand like ours would be able to gain share over businesses that didn't have what we had, over a long period of time. So, our shareholders made more money because we were the way we were, period.

Simon Mainwaring:

As a co-founder, you've made a conscious choice to take all these slings and arrows of outrageous fortune on the way through, yet you've got your team of employees there that are reeling with all of these hits and ups and downs. How do you keep your culture together? What do you do uniquely at Ripple that you think is a bit of a secret sauce?

Adam Lowry:

Yeah, again, I learned my first lesson here with Method, where we got to a point with Method where, we described it as, culture was the secret sauce, but none of us had the recipe, at Method, and actually the book we wrote was all about the process of creating the cultural code after the fact at Method.

Adam Lowry:

So, with ripple foods, we were very deliberate upfront to try to define. The way I think about it is, there's values, behaviors, and rituals. Values are what we believe in, what we believe. Behaviors are how we act, and then rituals are the little things that you do every day in a business that reinforce who we are and that collective code.

Adam Lowry:

I think the thing that's really different about the way we've done it at Ripple Foods is, we've done it as spectrums. We don't have the time to go into all of it, but rather than just say, "Hey, collaboration is important to us," right? For example, we talk about accountability and freedom in our business as a spectrum where one earns freedom to work the way you want and all of that through delivering results. Being accountable to what you're doing, and that, I think, is a little bit more of an evolved way of thinking about company culture. It's like a little bit more of a give and a get, and it's a little bit more honest, and so that's how we're doing it there.

Simon Mainwaring:

That's interesting. Would your advice be, to social entrepreneurs and companies of all sizes out there, to be really intentional about their culture and really think through the frameworks that kind of define the behaviors? Is that something that was important to you personally, or you just learned that after...

Adam Lowry:

I do think it's really important early on, but I also think it's important to leave space to really mine the culture from within. You can't be prescriptive, and that's obvious, but don't make that mistake. It can't come from from the top.

Simon Mainwaring:

So, it has to be co-created?

Adam Lowry:

Yeah.

Simon Mainwaring:

You work with them on defining this and then what does that process look like? How did you do that?

Adam Lowry:

Yeah, it is a process, and in general, it's one where you get a handful of people within the organization that you think are relatively well suited to doing this type of work. There's a bunch of meetings of mining, what people think the culture means, from all around the organization. The founders, you kind of give some inspiration on, "What I would love, here's what matters to me," and "I think it should sort of look like this," but then there's a push-pull meeting in the middle about how you actually put that on paper, in terms of what we value and how we behave, and how we practice those things. Again, another topic for another day, but it's something that I'm really passionate about. I think it takes a lot of work, and the work is worth it.

Simon Mainwaring:

And crafting culture needs to be so intentional. It really does, because it makes all the difference. What does the future of Ripple Foods look like?

Adam Lowry:

Yeah, for Ripple, it's probably going to still be focused very much on the dairy alternative categories writ large, right? So, think milk, cheese, yogurt, ice cream, and in North America, primarily, just because we're tiny in our categories, still.

Adam Lowry:

These categories are so large and growing so quickly that there's a lot of growth and impact that we can create by doing the down and dirty type of stuff. So, actually, I've recently brought in a bunch of new senior members of my leadership team to do exactly that people that are really experienced in building, multi-thousand-employee companies and billion-dollar brands, because a lot of what is going to create the growth for Ripple Foods in the near future is shelf space and pricing and promo, and that type of stuff. There are other opportunities, like international, which are super exciting, but I think those are going to develop over the next sort of three to five years.

Simon Mainwaring:

And any piece of advice you'd give this growing army of entrepreneurs out there that are really looking to solve for some of these grand challenges that we face? Anything that you might say to them on the strength of the experience with Method, with Ripple?

Adam Lowry:

Yeah, I think it's probably stuff we've already mentioned, Simon, but the two big things I think are, you have to start with the consumer, and think about a consumer as a person, and what are you providing to that person that's just better? Just better in all of the traditional ways that they would evaluate that category or thing, and if you create a better product that's really differentiated, than the rest of the business just gets a lot easier. It's not easy, but it gets a lot more doable than being in a position where you're not so differentiated.

Simon Mainwaring:

Yeah. I think when you get the product right, it goes a long way to helping the business take care of itself.

Adam Lowry:

Yeah. It's one of those cliches that's true.

Simon Mainwaring:

And you heard it here first, second, third. I don't know, fourth, but I think there's another business in the wings. I hear that there might be something in the sugar space coming up. Is there anything you can share with us about?

Adam Lowry:

Yeah, yeah. I can. I'm absolutely happy to share. So, I've started another business. It's called Sugarbreak, and we're focused on reducing people's consumption of sugar, and helping with blood sugar management for diabetes and pre-diabetes.

Adam Lowry:

So, about a third of the US is diabetic or pre-diabetic. You can go to sugarbreak.com. We've launched. You can see the products there, but our hero product is one that, it's like a Listerine strip. You put it on your tongue. It freshens, your breath, and for about an hour after that, you cannot taste sugar. You can literally pour sugar on your tongue, and it tastes like you have sand on your tongue.

Simon Mainwaring:

Wow.

Adam Lowry:

It's like, on-demand willpower.

Simon Mainwaring:

So, you're basically bringing that rolled up newspaper to our taste buds and saying, "No, you're not going to eat any of that. You don't want to eat that."

Adam Lowry:

Yeah. It's mind blowing, actually, and then we've got a couple other products that lower your blood sugar over time. So, really helping, which is with a really big problem, as you know,

Simon Mainwaring:

That sounds super exciting, and Adam, thank you so much for the insights into Method, into Ripple. Congratulations on the success, and we look forward to hearing more about Sugarbreak as well.

Adam Lowry:

Yeah. Well, thank you so much. I really appreciate you taking the time to speak with me today.

Simon Mainwaring:

Thanks for joining us on this week's episode of Lead With We, where I spoke with Adam Lowry, the executive chairman of Ripple Foods, who shared with us how they took on some of the toughest consumer categories, and

why innovation and authenticity is so critical to purposeful profit, and how taking on today's greatest social and environmental challenges starts by designing an authentically better product.

Simon Mainwaring:

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