



LEAD WITH WE
SEASON 2: EPISODE 010
Jeff Dunn, Bolthouse Farms

Simon Mainwaring:

From We First and Goal 17 Media, welcome to Lead With We. I'm Simon Mainwaring, and each week I speak with top business leaders and founders about the revolutionary mindsets and methods they use to build their bottom line and a better future for all of us by leading with we. Today my guest is Jeff Dunn, the CEO of Bolthouse Farms, which started as a small family farm in 1915 and has since expanded over time into packaged foods, distribution, and a leader of the regenerative food movement.

This is actually Jeff's second time as CEO of Bolthouse, and he's doing some really exciting things at the company related to plant-based innovation and sustainability. Jeff, thanks for being here, and I'm excited to chat about what's going on at Bolthouse Farms.

Jeff Dunn:

Great to be here, Simon. Thanks for having me.

Simon Mainwaring:

Now, Jeff, you've had 30 years of experience in the packaged food agriculture space. Give us a bit of a sense of your journey through that time so people get to know you better.

Jeff Dunn:

Yeah, so my career has really been food and beverage the whole time. First half of my career, it's 30 or 40 years now, hard to keep track, but the first half was really Coca-Cola. I grew up in the Coca-Cola system, worked all over the world. My last job there was running the Americas, North and South America, for them as president. But, left Coke. And so, the second half of my career has really been private equity and running food businesses, all kinds of different food businesses, the biggest of which is Bolthouse Farms in terms of its importance to me. Not the largest business, but the most defining for me in terms of my career.

That's been a journey of private equity ownership, selling to the Campbell Soup Company, running for them for a couple of years and then leaving. And then, they decided to sell the business after three years because they had problems with it. It's changed corporate strategies, and I made the decision to come back and buy it back. That's a bit of where we are now. We're about 20 months into this next chapter of me and Bolthouse Farms.

Simon Mainwaring:

I want to dive into that in a second, But you said something really important there, which is Bolthouse, it may not be the largest brand that you've worked on, but the most meaningful to you. Why is that? What does that mean?

Jeff Dunn:

Well, Bolthouse is special in that, look, we grew up as a farming business. We grow carrots. I mean, we're one of the larger carrot grower processors in the world. And then, on top of that business, we built a consumer products business. But it's that linkage to the farm, linkage to where food really comes from. It doesn't come from a distribution center or factory. It comes from-

Simon Mainwaring:

I thought it just came from a shelf in the shopping aisle, right?

Jeff Dunn:

Yeah. Yeah. You actually got to go out and grow it, which has been... I didn't grow up a farmer. It's been this latter part of my career where I've learned really deeply about it and learned to appreciate not only where our food comes from, but the importance of how it's grown, how the people who grow it are treated, and ultimately what that food does for us in terms of our long-term health and the health of the planet. So it's much more important than just a brand to me. It's really about people's health.

Simon Mainwaring:

Yeah. I mean, the power of food is only starting to be appreciated at scale. Those who are chefs and farmers seem to have known this intuitively all along. But also hearing what you've shared that, you build and nurture this really meaningful brand. And then like in many other situations, it's acquired by a larger entity as in the case with Campbell's here.

I think every entrepreneur, every business leader listening to us would go, "Oh, wow. What is that like?" Because is the integrity of the company protected and kept safe when you do a deal like that, or does it actually get compromised? Help us understand why it wasn't necessarily the right fit and why you came back and swooped in and grabbed it back.

Jeff Dunn:

Yeah. It's a great question. It's really about culture at the end of the day. If you think about most entrepreneurial companies, they grow up, they're growth companies, there's an energy to them. And obviously, they have a product focus. We were fresh food. We were a farming business, very different than shelf stable food. Campbell's strategy was they wanted to move because they saw the consumer moving into Better For You Brands and healthier food, and a lot of fresh food.

So that was a very clear strategy. It was understandable. But their culture was a culture really built around shelf stable, long life food, and manufacturing and distributing that kind of food. Ultimately, the relationship of that food to the consumer is very different. So when we were bought, we stayed a standalone business unit while I was running it, reporting to the chairman and CEO of Campbell's. That worked really well because we didn't integrate it. The integrity, the boundaries remained there.

Simon Mainwaring:

Like Ben and Jerry's with Unilever or Seventh Generation, right? You [crosstalk 00:04:54]-

Jeff Dunn:

Yes.

Simon Mainwaring:

Yeah, yeah.

Jeff Dunn:

Yeah. And so, in fact, their CEO, Denise Morrison, was very clear that she told the corporate folks to leave us alone and let us do our own thing. That really worked. And then, I left, and for a lot of reasons, they decided to integrate the business. In that integration, and that means function to function. Anyone who's been bought by a larger company feels that when you integrate, they matrix. So you're not really running the whole business anymore because pieces of it are being integrated into the-

Simon Mainwaring:

Integrated [crosstalk 00:05:31]-

Jeff Dunn:

... bigger piece.

Simon Mainwaring:

Sure.

Jeff Dunn:

The result of that was decisions were slowed down. In a fresh business, because it's not a long life product, decisions have to be made very quickly. That slowing down of decision-making really negatively affected the business and they just couldn't pull it out of the tailspin because that's what they knew. It is evidence we're all a function of our culture and where we grow up. And so, if you're used to being a certain way, you're just going to be that way.

The smaller entity is always going to have to adjust to the larger one. When that happened, performance of the business... And then the people left. So there was a real exodus of the people who'd really built the business with me.

Simon Mainwaring:

Isn't that interesting? Isn't that interesting? You feel the culture clash, and then what are those signs when things are not working? Not only sales growth. You lose key people. You lose mind share. Competitors take over market share. Can I ask you a cheeky question? Entrepreneurship is a rollercoaster ride. Anyone who thinks it's up and to the right all the time is just deluded, unless they're 22 and they're a billionaire, do you know what I mean?

Do you look back at that chapter in the history of Bolthouse, do you look at it and go, "Okay, that was a mistake," or do you go, "Oh, that was a great learning experience"? I mean, how do you think of that chapter?

Jeff Dunn:

I think the best way to, to orient it is around a story, because when Campbell's bought the business... Denise is an incredible person. I have great respect for her, the CEO of Campbell's who bought the business. She understood this problem. She understood before she bought us. And we had a long conversation before she bought us about all of this. We aligned on a way of being, and that really worked for a while.

She and I probably, I wouldn't call it a mistake, I would call it a learning. Even the CEO and the head of a business unit who want to do things a certain way, the culture is stronger than any individual. The culture always-

Simon Mainwaring:

Even the leadership information [crosstalk 00:07:43].

Jeff Dunn:

Even CEOs. This is just a reality. I think the learning for it, I don't want to call it a mistake, but the learning was really, unless you were willing to take on the culture to make that kind of marriage work, I think it was a bad marriage because we were never going to be able to operate like the way every other division at Campbell's operating, because it was a different business. It just had a different cadence.

Simon Mainwaring:

At least you got the honeymoon. You got the honeymoon, like any marriage. Honeymoons are always great. It can go down south straight after that, but that honeymoon is awesome. So, Jeff, on the strength of that learning, why did you come back in and take back ownership of Bolthouse Farms?

Jeff Dunn:

Well, as I thought about the business, look, it was in this distress period, a clearly downward momentum. But the fundamentals of the business were still there. Look, people were going to eat carrots. I thought our brand was still relevant to people, and most importantly, the people who still worked at Bolthouse. And, look, we have many grower, farmer partners, customers, others.

I had more people call me in the process when we were trying to buy it back, begging me, they were like, "Please, Jeff, win," because not that I was the only person who could fix it, but speed in a turnaround is the single most important thing. I was the person who could bring together the team that could probably move more quickly than anyone else to put the business back on its feet.

So it was really about those people that were affected, the stakeholders. They needed somebody to come in and put their arms around it very quickly. I did it ultimately because I felt like those people deserved it, first and foremost. But then I also knew that we had a platform we could take into plant-based food that was very powerful.

Simon Mainwaring:

Sure. Sure.

Jeff Dunn:

It was really about fix it and transform it, and that's what we're in the process of doing.

Simon Mainwaring:

I get a strong sense that you love a challenge like that. But I also know that one of the things that you believe in, Jeff, is launch first and perfect later. So you, when you talked about speed before and the integration with Campbell's, it's interesting that this thing comes up consistently with you. Talk to us about the role of speed and then how you then went about retooling Bolthouse when you took it back over.

Jeff Dunn:

Yeah. Speed to effective decision is a metric I have. And so, I think about how quickly you can put together the right fact base to make a decision. And then you want to make that decision as quickly as possible, particularly if it's a market-facing decision. What you want is feedback from the market. This really comes out of technology and lean startup thinking, and so called MVP, minimum viable product. Put it out, let the consumer respond to it, and then constantly improve it, complete diametrically opposed to how traditional consumer products companies built products. They wanted to study, study, study, test, test, test, test-

Simon Mainwaring:

You're bringing almost like a tech mindset to the consumer product category.

Jeff Dunn:

And the technology is there now to do it. Fast prototyping, we could go on, but the technology's there to do it. So it's a mindset. Look, farming is a long-term business. CPG has been this very disciplined business about how you do things, and then technology comes in and disrupts both. We're actually embracing that disruption. It is actually all the way from how we bought the business back, the capital structure, how I put the partnership and the ownership together, how I brought the management team together.

It was all built around this philosophy of bringing this tech thinking into food, and particularly food linked to agriculture, because the next 10 years, the revolution that's coming in the space is almost beyond comprehension. So it couldn't be a more exciting space to be in.

Simon Mainwaring:

No, it's so critical. There's tension at the heart of what you just shared there that I want to unpack for everyone, which is, as a purposeful company, instead of short-termism, you look at longer horizons. You're not looking to just the next quarterly earnings call or the balance sheet alone. At the same time, the CPG world is all about putting systems in place that don't change, yet you're bringing a tech mindset to it, which gives you a responsiveness to the marketplace and a dynamism, which is interesting.

So you as a CEO, with all of this experience, for us as purpose leaders listening to you, what are the priorities in your head? Like when you talk about that capital structure and everything, what literally goes through? What's the priorities, the filter you use?

Jeff Dunn:

The first one is purpose. Why are we here? What are we doing? What are we trying to accomplish really? I presume we're trying to make more money and grow and do all that. Okay, great. D'oh. So when we talk about purpose, we have a very simple statement, "Plants powering people." When you unpack our purpose, plants powering people is not only our guiding light, which is really ultimately about creating a plant-based food economy. But people need to understand that the relationship between people and plants is critical to our long-term health and the health of the planet.

Not to say you can't eat meat or... I'm a flexitarian. But what I do believe is when you understand that plants are the secret to unlocking both sustainable nutrition, sustainable health, and environmental reclamation, that if we start thinking about this purpose through creating a plant-based food economy, it changes everything. And so, it's so big that it's very easy, for me at least, to think about how the company aligns to help being part of that transformation.

Simon Mainwaring:

That's so powerful, Jeff, because a lot of us, if you're a consumer, you think, "Wow, I hear in the news every day about the climate emergency and how agricultural land is suffering and so on. What can I do?" But what you're saying is, by the simplest purchases you make, you can unlock the connective tissue between health, between the health of the living systems out there, and we can start to address issues simply by voting with our dollars every day in terms of what we buy.

Jeff Dunn:

It's the single most powerful thing consumers can do. When people feel disenfranchised, and people feel unempowered, and people feel like the institutions have let us down, change your behavior. Buy different things. Vote for different people.

Simon Mainwaring:

Exactly.

Jeff Dunn:

You have power. You have more power than you know. The one thing I know about business that I love is a business does respond to its market.

Simon Mainwaring:

It has to, right?

Jeff Dunn:

It has to, or there's a negative feedback loop called... If you see the underlying data, the fastest growing part of the food sector today is plant based. And if you cut across categories, it is unequivocal. It's small brands and large brands. It's large brands trying to remodel themselves. It's new, emergent entrepreneurial brands creating whole new structures. And there's so much in the pipe relative to new technologies that will create new plant-based products that don't even exist today.

And so, 10 years from now, food won't look like food looks like now. It's going to be completely different. A whole new group of entrepreneurs are going to create this new food ecosystem. Why? Because this next

generation understands this problem deeply and would like not only to be healthy, but they don't trust the institutions to fix it.

Simon Mainwaring:

So many brands are talking about their purpose. To some, the conversation we're having now is quite elevated. At the end of the day, someone's either standing in a shopping aisle pre COVID, ordering online and they just want to get what they need for their kitchen table. How do you weave in this purpose story to the product marketing that you're doing?

Jeff Dunn:

The way I would think about that before talking about how we weave it into our product marketing is to talk about the second piece. Because when we talk about plants powering people as our purpose statement, we have a culture statement, which is people powering purpose. The second screen we put everything we're doing through is our people, the people who work for us and with us directly, the community, and the communities in which we operate.

The best example I can give you of that is when COVID hit, we re-engineered our whole company against two basic objectives. First, the health and safety of our employees and their families. And the second is business continuity. We said that it's going to cost us a lot of money to do that. It is not in our business plan to spend \$25 million on health and safety. But we cannot look at our employees or ultimately our other stakeholders if we have not taken care of first, our employees and our community first.

So I believe that marketing [inaudible 00:16:36] communications comes from only an authentic place if it's going to work, which says you better be walking the talk. You better be integrous in how you approach first and foremost, your own people, because no consumer's going to believe that you're trying to help them if you're doing that on the box of your employees.

Simon Mainwaring:

That's so true. I mean, the participatory capitalism I was pointing to is both carrot and stick. Forgive me. I couldn't resist that, but carrot and stick in the sense that they will work with you and reward you, but they're also punitive. You've seen employees call out companies everywhere from Facebook, to Google, to Amazon, and so on. But what's really interesting to me is, I don't even know if you're conscious of it, but at every point, you keep pointing back to looking after the people involved in your business, whether it was bringing the company back from, from Campbell's or whether it's getting them through COVID, or whether it's the culture you build.

I think one of the things I've always taken away from marketing is that you're not in the shoe business. You're not in a packaged goods business or whatever, you are in the people business. And the things you make are the different tools of your trade through which you affect change, improve lives, and so on. But if you ever lose sight of the importance of people, then you fail to recognize what business you're in. This is so intuitive to you, but can you speak to that for a second?

Jeff Dunn:

Yeah. I mean, there's a word for it, human-centered design. I mean, human-centered design is how we design products. We're designing around how people use them, how they live their lives, how we want our products to fit into the reality of people's lives, both functionally and emotionally, psychologically. But as a marketer, as a brand person, and as a leader, and probably mostly as a leader, if you're not always working on your empathy, really understanding your audience, your communities, and understanding this is not about you...

We've had pretty dramatic view of different kinds of leadership in this country over the last five years.

Simon Mainwaring:

Sure.

Jeff Dunn:

I believe that what people deeply are magnetized to and hungry for is this thing, we call it authenticity. I'm not in love with that word, but I think it's really integrity. You don't have to agree with me about everything, but if I'm clear about what my values are, what my brand stands for, and I walk that talk, you can decide if you want to be part of my gang, want to hang out. The idea that I'm going to manipulate you into it... It's the difference between manipulative and magnetic energy. I can try to manipulate you into liking me or I can just be who I am and you'll like me if you like me.

Simon Mainwaring:

I think that's so powerful what you're saying. I mean, I look at it and go, "What is going on? Is something new going on right now with purpose? And why did it show up now?" But I think about it slightly differently, Jeff, and I'd love to hear your thoughts. I think, since the '50s, '60s, '70s, in the last century, we became very enamored with the power of media. We got drunk on the power of media to tell people what to think, do, or buy. "Levi's are cool. Buy Levi's." And we got very disingenuous. We were manipulating people.

But then the web, and social media, and digital came along and our access to the web allowed us to find out information for ourselves and push back. And so, the last several decades, whether you call it CSR and philanthropy, or whether it's sustainability and now purpose is really just peeling back the disingenuous layers that we built on top of the original integrity of business. Our employees, our suppliers, our customers, our consumers are just calling BS on it all day long.

So I don't think that we're doing anything new right now. I just think the things that weren't helpful, that weren't authentic, as you say, are getting exposed and are getting walked back. Would you agree? What do you think?

Jeff Dunn:

Yeah. I think it's almost cyclical though, because a new medium arises. At first, I think it's open and you can do a lot with it, and then just take influencers. Now influencers, it's not real.

Simon Mainwaring:

They're not what they used to be, right?

Jeff Dunn:

I mean, when they started, they were. They were just people out being authentic and doing what they're doing. Now it's manufactured, and everybody knows that. And it's pay to play and all that. Right. What's the next influencer? See, I think you're stripping away all the way back to, "Stop trying to be an influencer," in that sense, and tell people what you believe. Your comms are about amplifying your beliefs and your actions in a way that people can assess you and evaluate you and hold you accountable to what you're saying, relative to the functionality and the productivity or product, relative to your claims about ESG or other things you're doing in society, and ultimately how you're treating everyone.

See, I don't think you can treat your employees bad and then treat your consumers good and say you're a good company. I just don't believe it. And most people would agree with that. I think most people like the center is just wants a fundamental, ethical, moral, integrous, just good old American, just keep your word. And so, I really believe that COVID is driving a bifurcation that the companies that stand on that values-based ground are going to be really rewarded, and the companies are greenwashing are going to have a lot of problems.

Simon Mainwaring:

They are. I agree. And I think it is a watershed moment. I think what you're really telling our listeners and those watching is that it's actually good news. It's not something clever. There's no silver bullet you're looking for. Just do it for real. Just literally give a damn, do it right, and then let everything that you make, the way you treat your employees, how you go to market, how you give back, let them be data points that are social proof of the integrity of your intent.

Let me ask you. You mentioned a couple of words a moment ago that I think are self-evident. But it's hard when you're a leader or the founder of a new company, which is to really prioritize empathy and authenticity at a time when you're looking at a balance sheet and you're moving enough product and so on. In your very experienced leadership mind, how do you calibrate the two? Are they one in the same thing? Do you prioritize them according to the particular situation? Because leading with empathy is such a soft skill, a soft mindset in the best sense. And there's so much rigor and there's so much pressure on every new business today. What advice would you give us?

Jeff Dunn:

Empathy is a real interesting thing. I'll tell you. We're doing a leadership exercise with our top 50 folks in the company, very diverse group of people. I felt like coming out of COVID, we as a group needed to take a step back and share our learnings over the last year, because we were all thrust into wartime conditions on every aspect of the business. And so, we brought them together and I asked them what their learnings were, biggest things that they learned, biggest gaps they found in their own leadership, things that just surprised them.

We broke it into three or four themes. The number one theme that came out, and this was what they told us, was them learning to be more empathetic. One of our managers said, "Look, early in COVID..."

It's a very senior person. Runs all of our operations. It became clear to him, Zack's his name, that our people couldn't get food when the grocery stores, early in March, but just about a year ago. They literally couldn't get to the grocery store to get food because the grocery stores were crazy, and we were worried about having food.

So he said, "I think I got these guys. They got a bunch of frozen meals. We can buy truckloads and we'll just give them to our people." I was just like, "Do it." That, to me, is being empathetic. That's actually feeling what your employees are feeling, like when they're not at work, they got other issues. They have their lives. We're human beings. What can we do to support them? That was just a little thing, but it was a little thing that was based on him feeling their pain, feeling their stress, feeling...

If you want to be a great consumer, marketer, all ultimately great consumer marketers find some unmet consumer need and they really do a good job of building a product that fits it or a service or experience and then they're ahead of everybody else, whether that was Google search or... They found something that people really needed. So, for us, I don't think there's a trade-off on empathy and the bottom line.

I think the only way to build a strong bottom line over time is actually to build empathetic leadership in your whole organization, because if you can't feel what's going on in the market... The data is important, but analytics can only take you so far. And particularly as a consumer-oriented business,

Simon Mainwaring:

What you're sharing is so important for us all because as leaders in whatever capacity, we've got to force rank these priorities in our head. And if I hear you correctly, your guiding principle is your purpose. But then quickly below that are the values that you elevate, like empathy and so on. But with that as a container or context, you've got to be dynamic and respond to the marketplace and really serve those needs in real time. Would that be fair?

Jeff Dunn:

Yeah. And drive performance. Look, I'm a very performance-driven leader. But I look at performance and then look at what will drive better. We can drive analytics against performance all day. I'm a baseball fan and I love the Dodgers, because I love the way they constantly analyze and engage their players in the analytics. But the analytics are not the secret sauce.

The secret sauce is how they engage the players in talking about the analytics, because if they don't set them, if they don't internalize them, if they don't build them as productive, then they get defensive and then you get negative behaviors, as opposed to them feeling this is there to make them the best player they can be. We have this conversation with our leaders. I want to make each of them the best leader they can be, the most dynamic leader, and there's no model I'm putting them through.

In Coke, we had a long discussion as a leadership team of Coke over how to build the greatest leadership model in history. And then we would just train people into that leadership model. I have-

Simon Mainwaring:

Isn't that interesting? Yeah.

Jeff Dunn:

... totally thrown that away. You know what? You want to destroy leaders, try to force them into a cookie cutter model. You want to build leaders, understand people's essence of who they are, and then you can build their leadership from there.

Simon Mainwaring:

I think that's so powerful what you just shared, that crisis doesn't make leaders, it reveals leaders. I mean, there were those who just... It's probably a function of what you talked about with empathy, with those who can see the difficult situations of others and really step into that need. I have to say that one of the silver linings of such a tragic time like COVID is that everyone understood that everyone was struggling. So we could drop this pretense that we all had every day, this face that we put on when we walk in the office, "Everything's great. It's all good."

Jeff Dunn:

I'm wearing sweat pants under here. So are you. We both know we're both wearing wearing sweat pants. Yeah.

Simon Mainwaring:

And we're all just keeping it together. We're just keeping it together. I think it just humanized everything. Help us understand how you then throttle to that bottom line, because no amount of good intentions, or elevating the right emotions, or prioritizing the right things in terms of leadership takes away from the need to really demonstrate whether you've got investors or shareholders, whatever, how it's translating to the bottom line. How do you integrate those two?

Jeff Dunn:

Let's talk about performance for a second. When I took this business over from Campbell's, it was on about a 19% revenue decline. Margins had been shrinking for three years. Market share, by any measure, was down dramatically. And so, fast forward 20 months, today we're growing about 27% top line. Our bottom line's growing at 2X that rate. We've regained 10 points of market share.

I invested into that by hiring back a lot of people. But we certainly benefited from the COVID bump that happened when people eating from home, because we're more of a retail brand. But at the heart of it, I think it was as simple as these people I brought back understood the nature of our business, like the operating realities. In most turnarounds, you have the leader with this hundred-day punch list.

The most amazing thing about this is we knew the areas of the business we wanted to dig into, but the other thing we did is brought all these people back and we turned them loose on the problem. See, this is the secret to making money, particularly \$800 million revenue business, not a huge business, but not a small business. But it's a complicated business, deep operating reality. It's in that middle layer that that's where profitability happens.

Simon Mainwaring:

Right. Right. Do you find that you've had certain learnings during COVID that you want to take forward? I mean, was there an innovation unlock that you were surprised about?

Jeff Dunn:

The biggest innovation unlock for us has been what we believed was going to happen in COVID at the beginning, which was, if this thing goes on for a while, fundamentally how people oriented food at home and cooking primarily is going to change. This will be one of the real silver linings around COVID at home. You don't cook for a year and forget it. You've learned a new skill whether you wanted to or not.

Simon Mainwaring:

Sure.

Jeff Dunn:

That skill is central to a healthy diet, because it's very difficult to have a healthy diet if you're not cooking and you can't orient towards fresh food. We have this wonderful opportunity. We're launching a whole new platform called Wonder Roots, which is really about meal kits with carrots to make things like carrot noodles, carrot rice, carrot hotdogs, all of it really to support the consumer at home in this journey, this plant-based diet.

Built around that is a lot of fun and really to engage families and kids in this, because this is all designed... If you understand food, if you understand eat more whole foods, eat more fresh food, eat more plants, just directionally, and we give you affordable, great tasting, available, convenient products, the consumer already wants to go here. I don't have to create this unmet consumer need. It's already there.

So, for us, the big learning was we can go even faster at engaging the consumer because what we've seen is a material uptick in not only people cooking, but people interest in these kind of solutions. Plant based is just going through the roof in terms of people trying to figure out how to get more of it into their diet.

Simon Mainwaring:

Let's talk about the plant-based movement for a moment. Firstly, you're 20 months into this. So you look far too rested for a person who's 20 months into a buyback and so on. Firstly, how did you structure the buyback? Because it's a very unusual, unique situation to take a company back. I think I've heard Richard Branson do it in a couple of times and others, but very few. How did you structure that buyback?

And then, movement is a lofty word. It sounds almost beyond the reach of many entrepreneurs. But it's actually very tangible and doable based on what you've already shared. So how did you structure the buyback and then how do you play into a movement?

Jeff Dunn:

Yeah, you can probably guess Campbell's didn't want to sell the company back to me just because they'd bought it from me. It's just optics aren't that great. So-

Simon Mainwaring:

Yeah they're like, Jeff, no, anyone but Jeff. Anyone but Jeff. Anyone. Anyone-

Jeff Dunn:

I'm not sure they said that, but look, I think it would have been evident to anyone and the bankers and everybody, right?

Simon Mainwaring:

Sure.

Jeff Dunn:

My partners in the deal, I'm a partner in another private equity fund called Butterfly, which is a new fund two young very entrepreneurial finance guys launched, and I was an operating partner with before we decided to go after Bolthouse. They're incredible young men because they're trying to build a disruptive PE fund. One of the reasons I align with them is, from the beginning, they structured purpose into their fund from the beginning, and Butterfly, naming it Butterfly, nobody names finance funds Butterfly.

But it was about transformation, both of companies, the food system. They only invest in food from seed to fork, and they give 10% of what they make forever into the Butterfly Foundation, which will support food charities.

Simon Mainwaring:

Fantastic.

Jeff Dunn:

They're both in their thirties. One of the reasons I rested is I have a lot of young, dynamic people around me who are just killing it. So I-

Simon Mainwaring:

This is their way of being in the world. It's not some idea. This is who they are.

Jeff Dunn:

Yeah. They're not trying to do it. They're doing it. They're incredible. And so, I had every private equity fund in the world when Campbell said they were going to sell Bolthouse call me because I had the keys to the kingdom. I had the people and the knowledge, so that was simple. But I aligned with them, but they didn't have enough money to do the whole deal.

We bought the business back for \$500 million, and 400 million of it was equity, because the business wasn't performing. We couldn't lever it up and we didn't want to do that anyway. So we raised the rest

of the money. They administer it for me in a special purpose vehicle. So we set up an entity, which is called Generis. My mantra for this acquisition was sui generis. It was once in a lifetime.

I actually got a tattoo right here, which I won't show you, of a carrot after we closed the deal that says sui generis, because there's once in a lifetime for me to structure an opportunity in a way that I really believed I had control of the structure from the beginning, because I've already worked for other people. I worked for a private equity fund or a corporation.

And so, this was once about from the beginning, making sure that we had the right intention put into this. And I trusted my partners and we did. That allowed us to structure it with a long-term fund, because we needed a long-term focus, an ESG focus with our investors because they really believed in what we were doing, a lot of excitement with our investors around plant-based. The most important thing was that they aligned with me on the vision from the beginning.

So they're invested in plants powering people as I am. That alignment makes my life very simple because all I'm doing is doing what I told you I was going to do.

Simon Mainwaring:

Isn't that crazy? I mean, people almost see purpose as a nice to have, not a must have. But when you're looking to raise capital, when you're looking to inspire employees, when you're looking to share a story with critical retail partners, it's so fundamental to get an alignment on a human level between people. I want to ask you, you lured 70 great people back to Bolthouse. Apart from the Jeff magic, what did you say to them to bring them back? Was it the promise of the company? Was the purpose a big part of that?

Jeff Dunn:

Absolutely. I brought people not just who had worked at Bolthouse before, but people who had worked for me at other companies before, including some venture opportunities we've had. We brought people from a number of places because I really brought in... For example, Mike Rosenthal is my CFO, but he's also my CIO, my Chief Innovation Officer. He's a Silicon Valley guy. He's not an AgriFood guy. His background is really technology.

I brought him in because exactly I wanted that diverse point of view at the table. And he came because he's very committed to building a plant-based food system. His story, his wife, now ex-wife, but she was diagnosed with cancer, and they saved her. She was stage four cancer and they completely changed her nutrition. They basically had to go very extreme. And in that moment, he decided that his life was going to be on understanding nutrition and how it could affect health.

He's a business guy, so he wasn't a scientist, but he wanted to work in a business that was committed to making substantial change so that other people wouldn't have to go through what he went through with his wife, and she obviously had to. And so, many people have that same kind of motivation. They look at this not as a, "I want to build a big company." They look at it from, "I want to build a company that helps this dialogue and helps change the perception of what's possible."

Because we farm, it's the root. It's no pun intended, but the carrot is the root. The root of all of this is this is how we're going to solve our problems. There isn't not another solution with the scope of what food can do.

Simon Mainwaring:

I think you're so in not only a remedial sense, in that it can course correct like for that lady in terms of cancer and really help with the health, but also preventative. Like if we do things the right way in the first place, we won't have these issues to solve for. You have this unique lens, Jeff, on this whole plant-based food movement and economy that you're talking about. For us who are all... We're hearing about it in different ways, but we don't know where we are on that journey, in terms of where we've got to get to, in terms of the industry and the way we go to market and the type of food we're bringing to market.

Are we making good progress in terms of where we need to get to? Are we really in truth just at the beginning of retooling, the industry in the first place? Is consumer expectation rising to meet this opportunity? From your perspective, the spectrum between where we are now, where we need to get to, how are we going?

Jeff Dunn:

I think we're making great progress, to tell you the truth, and really on two fronts. One is that because of impossible and beyond, there has been a whole new massive infusion of investment into the more entrepreneurial phase of business. So venture growth. And not just in brand companies, but in ag and food technology companies, more fundamental technology. This massive investment, like I believe in business, I believe in the power of investment, power of entrepreneurship, 10 years from now, those tsunamis will be hitting the beach, right?

Simon Mainwaring:

Yeah.

Jeff Dunn:

The more success there is, it feeds on itself. And food is its own sector, food and agriculture. And so, I think what people are understanding is, wow, I don't want to invest in the consumer sector. I want to invest into food and agriculture because I see not just the long-term value creation, but more importantly, this vehicle. And look, Bill Gates, one of the biggest farmland owners in the world now.

You see people who are really committed to climate change actually taking an active role, particularly relative to the use of land, regenerative agriculture, the right kind of grazing, all these things. We're learning very quickly on how to start to adjust this. And the consumer, look at what happened with cage-free. Very quickly. So McDonald's had to go to cage-free eggs. The consumer decided, and McDonald's moved because they knew, because they asked consumer and they said, "I want them."

Simon Mainwaring:

What's the opportunity like for young entrepreneurs and social enterprises out there? There seems like, if you walk down the shopping aisle, there is so many processed products out there that are begging for

reinvention. Is it just a gold rush waiting to happen for entrepreneurs that seize that opportunity? How would you characterize it?

Jeff Dunn:

I think the gold rush is thinking in the food system terms, see genetics all the way through the fork. The reason for that is if people think about food as traditional food, processed food brands, which is where all the value was seen, I don't think they're seeing the big picture. What we need as the next generation of farmers, we need a next generation of food technologists. We need the next generation of agricultural technologists.

Look, when you look at certain plants, and so let me just do a quick one on plant-based. Plant-based has been defined as meat and dairy alternatives. That's not my definition. My definition is you start with the plant and you productize every value of that plant possible. Take mushrooms, for example. Well, there is an unlimited way, unlimited varieties of mushrooms, unlimited ways you could turn mushrooms into alternative products, and then nutraceuticals, and ultimately, pharmaceuticals.

So if you take its plant adjacent, but you take a mushroom, and it can go in a hundred different directions. And so, if we take the plant up and start thinking about how humans health is related to the plants we eat, and how we consume that, what's the bioavailability of those plants, that to me is the secret. Now whether that manifests as a drink, or a meal, or a snack, or whatever, that's not the most important thing. Most important thing is what's going to serve the nutritional health.

We have to get to the point where nutrition becomes the primary driver, and it will be tastes good and be affordable. But it's really about when we got nine billion people, we better be much more efficient at getting people the nutrition they need.

Simon Mainwaring:

I mean, it adds a whole other nuance to what you mean by plants powering people. Really it is plants powering entrepreneurs. I mean, you've got the endless variety and species of plants out there, but then you've got all these different ways that you can take them to market to unpack all their different benefits. I think, as you say, in the next 10 years, driven by the impact of climate emergency, growing population, consumer expectations, the values-based conscious consumers out there.

I mean, there is nothing but opportunity in front of us for those who step into it. What's your advice either for legacy brands or existing companies that want to retool or for new companies that want to step into this space? As someone who has all the experience you have, how would you begin this process? What is the first thing you need to do? And then, what are the steps two and three?

Jeff Dunn:

I think the first step for any entrepreneur in this space is really beyond their own inspiration. I don't think you can engineer the inspiration. They have to have some inspiration. But how do you get inspiration? The first thing I do would be to expose yourself to really unknown parts or invisible parts of the food system. And you just do that by asking questions. But if you've never been on a farm, go see one. If

you've never seen a fresh processing facility, go see one, because in the experience will come the inspiration.

You're not going to get it sitting in your room. You might get it looking at the computer, but that's not what food's about. And that's certainly not what agriculture's about. It's actually about nature. It's about the natural order. So I always say to people, "Go back to what sparks your own imagination, what sparks your own energy." I bring everything back when I talk to leaders and entrepreneurs about energy. Where is your energy drawn? What aspect of the food system is it drawn to?

Once you understand that, then I think you can actually go deep and you can start to say, "What is that? What do I see the unmet needs? What am I really trying to do here? Look, I talk to entrepreneurs all day long in the food space, and what I'm always amazed at is that they don't necessarily see what they're doing in the big picture. The second thing I would tell them to do is build that set of resources. Before you even launch a product, and not about investors, it's about your own kitchen cabinet of people, and reach out, one of the love about young people. I get it all the time.

I got more 17 year olds who send me DMs and stuff, wanting to know stuff. I think for young people, I encourage them to be very brave and don't take no for an answer. You want to talk to somebody, whether it's Oprah or Jeff Dunn, track them down. You want to be an entrepreneur? Knock on some doors.

Simon Mainwaring:

Right. Right. Collect some notes. Collect some notes.

Jeff Dunn:

Exactly, because [inaudible 00:44:29] is the thing. I heard one time from a great entrepreneur. It's like, "You've got to make people see something that isn't there yet." And then you've got to be able to get all over all the mountains and hills to get there, and it's not there yet. So being an entrepreneur, it's a special kind of thing. But it starts with, look, the drive and obviously the energy.

But once you go through those second two screens, I always say to people is, break some China. The third thing you want to do is put on your disruptive hat. I think the best entrepreneurs... Look, Elon Musk, look at him. Man, he just breaks things all day long. The Jeff Bezos theory is, "I win if we do more experiments more often every day than anybody else across the whole business." How do you do that? You recruit a lot of people who like to do experiments and who aren't willing to fail, because if you don't have those people, you won't do the experiments.

And so, it all comes back. If you want to retool yourself as a company, you have to start with the people you have, because if the people you have are not culturally aligned with that, trying to change people that way, what you have to do is find the people who actually are oriented that way and turn them loose.

Simon Mainwaring:

What I'm taking away from you, Jeff, is so powerful, which is, it's the passion, and that lives within you. There's no mystery. There's no silver bullet out there. So fuel that passion. And then, make some mistakes. Take those risks. Experiment more, which we all wish we could give ourselves permission to do. But we always pull ourselves back and we think we've got to do things the right way. But what you're saying is success is driven by that.

And then, find those people who care about the same things and unlock their potential, and enable them leadership in unique ways. The connected tissue between all of that is purpose. I mean, that is the emotional glue between people. I always come away from seeing brands like yours, very excited because this is something that's fundamentally human. It's not some intangible business model. It's not some spreadsheet. This is something that's innate within all of us.

I want to say Jeff, firstly, I want to say thank you for the leadership with Bolthouse Farms and for taking it back and for propelling it into the future. But also thank you for your support of younger entrepreneurs, because these are big issues we've got to solve for, but it's also an incredibly large marketplace opportunity. I think the guidance of leaders like you are really what's going to enable us to accelerate our response to these challenges. So thank you so much for your time today and for all the insights. Here's to continued success for Bolthouse Farms.

Jeff Dunn:

Awesome, Simon. Thanks for having me. Good to see you.

Simon Mainwaring:

Thanks for joining us for another episode of Lead With We, where I spoke with Jeff Dunn, the CEO of Bolthouse Farms, a leader of the plant-based food movement, who shared the mindset and priorities entrepreneurs must have to drive rapid growth and large scale impact, and how to elevate humanity inside your company to build its culture and sales. Our show is produced by Goal 17 Media, and you can find out more information about Bolthouse Farms in the show notes for this episode.

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