



LEAD WITH WE
SEASON 2: EPISODE 017
Andy and Rachel Berliner, Amy's Kitchen

Simon Mainwaring:

From We First and Goal 17 Media, welcome to Lead with We. I'm Simon Mainwaring and each week I talk with purposeful business and thought leaders about the revolutionary mindsets and methods you can use to build your bottom line and a better future for all of us.

Today I'm so excited to speak with Rachel and Andy Berliner, the co-founders of one of the most pioneering and successful natural food brands in the country, Amy's Kitchen. So Rachel and Andy, welcome to Lead With We.

Andy Berliner:

Thank you.

Rachel Berliner:

Thank you.

Simon Mainwaring:

So the two of you started Amy's Kitchen back in 1987, and now you do about half a billion dollars in annual sales, and your success has launched a movement towards organic and plant-based eating that's dominating the food industry today. So tell us, how did that journey start in the first place? It was so ahead of its time. How did it start?

Andy Berliner:

Do you want me to go Rach or you?

Rachel Berliner:

You can start.

Andy Berliner:

Okay. Well, it started when Rachel was pregnant with Amy. Late in her pregnancy she reached a point where she strained a muscle and the doctor said she should mostly stay in bed. So she asked me to cook dinner and of course I didn't know how to cook very well.

Simon Mainwaring:

Always a precarious thing with a young husband. Yeah.

Andy Berliner:

Yeah. So I went to the natural food store and tried to find something organic because we ate all organic foods and there wasn't very much in a prepared meal. But I bought what was there, which was in those days, one door of frozen in a big natural food store.

Simon Mainwaring:

Sure.

Andy Berliner:

There was no frozen, and the food was horrible, frankly and we thought, "Gosh, there has to be other people like us who sometimes would want a convenient meal that's made with organic ingredients and they don't have time to cook." So that's where the idea sprung from really from our need and-

Simon Mainwaring:

It was just a need and instinct. Why were you eating organic at that stage? Was it just something that you'd kind of grown up with or came to do?

Rachel Berliner:

Well, when I was young my parents had an organic garden in Compton in the '50s. So my whole life I lived eating organic except a brief period where I ate donuts and all that kind of fun food. But it's the way we lived. We had an organic garden. We just believed in not using pesticides and that, that was the healthiest thing to do, so it was just natural. And we're vegetarian, so it was natural when we decided to start this company, that it would be organic and vegetarian.

Simon Mainwaring:

We were talking before we started the podcast about the barn and you started the business in the barn and it was literally a working barn. Tell us about those early days because it must've been a pretty lonely conversation to have with people, "We're starting a food company. It's organic." What the reception like?

Andy Berliner:

Well the reception in the natural food industry was fantastic. We started with one product, a vegetable pot pie, an organic vegetable pot pie. And even though the product wasn't fully developed at our first trade show and we didn't think it tasted right yet, people loved it and they loved the idea. And three months later it was as if we'd been in business for years because it just, it moved into all the natural food stores around the country and people were saying, "Come out with more products." So our intention was to develop a little business. We had in our mind, a couple of million dollars in sales, just to help with bills and pay for Amy's college someday.

Rachel Berliner:

When we started, we had no idea that we would be a big company or there would be a movement following us. We were just, it came out of one step at a time, every day, doing something. We always felt that if we did the right thing, that the business would work rather than trying to have a goal of making this much money, we thought we had a goal of making this much good food and to make it the best we can in the highest quality. And that's always been our approach. It's not the make the money first.

Simon Mainwaring:

Rachel, how do you stay ahead of tastes and flavors? Because your role is so powerful. Anyone going into the clean beauty, the clean food market has growing competition every day. So how do you go about developing new products, keeping people interested?

Rachel Berliner:

We do many, many different things. It's not at all like we have a lab where food is made. We would go into a restaurant, we like a meal that maybe was made there, we talk to the chef say, "Hey could you come to California and work on some meals for us?" We found somebody for instance in Scottsdale, a great restaurant and she was very excited. She came to California and made these lovely meals and we happen to have some very talented people, Fred Scarpulla and his father, they know how to take a small recipe and blow it up and still keep the integrity of the food. I travel around the world and I find a recipe I like, we find things in Mexico. It's a very fun, organic process or I have friends that, like with our Indian meals, we wanted to come out with Indian meals so I have a lot of Indian friends and I knew who was the best cook and they came in and they showed us how to make it.

So it's very authentic home cooked Indian meals. We roast your own spices. And like right now, I was just looking this morning, I was looking at Filipino food and I just come up with ideas and it's not, we don't sit down and say, "Okay, we're going to do this, this and this," but we'll do, right now we're just knowing that international foods have delicious profiles, taste profiles for vegetarian food.

Simon Mainwaring:

Right.

Rachel Berliner:

So there's just so many different angles. Somebody in the plant came up with our Thai food, just happened to have a family that had a Thai restaurant. Its just fun, different ways it comes in.

Simon Mainwaring:

I don't want to underestimate what you had to overcome to have the success. When you think about to be this size, half a billion in sales, when you've got an industrial food and farming practices out there, they have in a lot of ways, a lot of control over the real estate in the shopping aisles and in the mind share of people with their superior marketing dollars and so on. How did you compete? How did you frame your messaging and storytelling to kind of keep growing in this way?

Andy Berliner:

Well I think a lot of it has to do with having a unique product offering, something different, being organic and being great tasting. And we went many, many years until recent years without paying any [inaudible 00:07:04] fees. We just, if someone said, no, we'd build a track record with someone else and come back and say, "Look at the success." It was just a lot of persistent, hard, persistent selling, persistent messaging. And we're never in a hurry. We didn't have the demands of a public company or venture capital saying you have to grow by this amount this year. So we didn't have, if we failed, we said, "Okay, that's cool. We'll get it next time."

Simon Mainwaring:

And you developed certain interesting things like the drive-thru concept with Amy's Kitchen. Tell us about that.

Andy Berliner:

For many years our consumer has been saying from time to time, "Why can't you guys open a drive-thru? My kids want to go to McDonald's and they want to go to Taco Bell and we don't feel good about taking them there."

Simon Mainwaring:

Right.

Andy Berliner:

So finally someone joined the company that had a little background in retail and so we decided to try it and we had no idea if it would be successful. We thought maybe it would break even. And we opened our first drive-thru in Rohnert Park a block away from In-N-Out and across the street now from Chick-fil-A.

Simon Mainwaring:

So literally taking on the kind of large, industrialized food system?

Andy Berliner:

Yeah. And we've outperformed all the competitors in that location. And so we decided to, it was complete shock, I mean I just couldn't believe the lines of cars that were there the day we opened and the publicity and the amount of business we were doing, we weren't prepared. We didn't do very well in servicing very quickly. We took a while to figure it all out and now we opened at the airport, which wasn't the best thing in the world right before COVID hit but that's reopened now. And we opened in Corte Madera in the midst of COVID and its doing very well. We're opening new one in Roseville in a few months and then a couple in Southern California. So we're very excited about the drive-thrus and what the drive-thru offers is food that people are used to burgers, shakes, fries, fabulous salads, but everything's organic. And no matter what your dietary need is, whether it's a gluten-free or vegan, or you're just a regular vegetarian and you eat dairy, you can order it, anything on the menu to your needs, which is really unique.

Simon Mainwaring:

And help me understand this. Did you do that intentionally Rachel? Did you look at it and go, "Okay here are two sort of fast food restaurant chains let's really throw into relief the contrast between what we're doing and what they're doing." And have you done that in an ongoing basis? Or was it more "Listen here are some good locations, let's give it a go and see what happens."

Rachel Berliner:

It was just a perfect location that just came up. We were worried that we were so close to the other restaurants. We just didn't think, I said I had no idea that a vegetarian burger place like this would be successful. It was an experiment.

Simon Mainwaring:

And what about expanding, like the infrastructure costs of expanding to bricks and mortar, having a drive-thru when you've had all the convenience of retail outlets and so on, was that a big decision? And did you have to kind of reorganize the company to service that?

Rachel Berliner:

We created a different organization, it's separate from Amy's Kitchen and it wasn't difficult. I mean, everything is difficult, but it was just really fun. We had a great designer who designed the inside and made it all a sustainable and fun to go in. And we have a green roof on it and lots of beautiful garden and good food.

Andy Berliner:

And it was difficult but fun. But now it's not so difficult because we hired someone who knew the business and he improved things so much, that made a huge difference is getting the right talent in there. But financially it's a commitment and we have learned, and he has explained to us, that you can't grow faster than you can develop the personnel to train others. We have 100 employees for each location. So when we have, what would it be? 30 locations we have as many employees as Amy's does as a whole. That's just 30 locations, so that'd be 3000 plus. It's a very people intensive and training intensive and people have to learn we have a separate grill for gluten-free, everything's got to be separate, dairy-free, the whole kitchen has got to be set up a certain way. We've done beautifully, but it takes a lot of work.

Simon Mainwaring:

It does take a lot of work. And what you just said then is so powerful, I want everyone to hear this. You can only grow as fast as you can sort of bring on board people who can train others, because otherwise you'll just become a bottleneck at the top of your business. And you're doing all the heavy lifting of building out that infrastructure and the training and the number of people to deliver all these different varieties of products at scale, which is much more complicated than perhaps a fast food chain, which doesn't have those standards shall we say.

You keep mentioning fun. Both of you. It's really hard running a business, especially one at this scale with all the moving parts and the quality expectations you put on yourself, tell us a bit about your kind of leadership mindset or what's the attitude you have in mind in building out a purposeful company like this, because it really does show up. And I don't know whether it's just intuitive to you, that's just who you are in the world, or you've gone, "You know what? We're going to have fun doing this no matter what."

Rachel Berliner:

I just think that it has to do with care, the word care and empathy for all our employees and our customers and everything we do, there is a sense that we want the employees to be happy. For instance, in the drive-thru we really train the people that work there to be kind and cheerful. And that's what I hear from all the customers that come through. They say, "Oh your people are so wonderful and they really take care of us." And so I think that the idea of... And Andy you basically started that, there's like a no anger rule and-

Simon Mainwaring:

No anger rule I like that. No anger rule.

Andy Berliner:

Well not no anger, no yelling.

Rachel Berliner:

There was no yelling allowed. So basically when we started the business, all we thought about was how to make food. We're going to make this food. We didn't know anything about it, but we're going to make this food. And then suddenly we had a company, we had people making the food. We had HR, we had training people. We had all these things and suddenly we had this wonderful company and we really cared about them and they felt it and everyone felt that we cared about them. And Andy, do you want to add something now?

Andy Berliner:

Yeah Rach add the part about the intention behind the food.

Rachel Berliner:

Oh, okay.

Andy Berliner:

The photographs as well.

Rachel Berliner:

So I have a very unusual philosophy about the business, which I started right from the beginning. It's kind of a subliminal message, is that, so somebody is going to the store and they're buying this box of frozen meal, which is really not the most natural way to eat. The natural way to eat is to go to the farmer's market, get your fresh vegetables, come home and make salads and soups. But this time in this world we're too busy or we don't know how to cook, but what we try to do is give them a connection to their food. And from the beginning the photograph on the package, I always put like a plate from my grandmother and we'd fetch up flowers in the garden and I put a flower on the package.

And we feel that at every step of the way, all the love that people put into the food, the farmers, the processors, the people working in the office, the people making the food, the shipping, everything, we just try to make it a very loving experience and caring experience. And so that when people eat the food, they feel something, they don't know what it is. And what the greatest thing is that whenever I meet people or the people who work for us meet someone and say they work for Amy's or they say, I like to tell people that I'm from Amy's when I meet them because they're so excited and they say something and they all say it and they say it in the same tone of voice. It says, "Oh you're from Amy's. Oh I love Amy's." I mean it's just universal. It's the response that we get. And that's the joy that we get. For me the joy of making people happy and feeding people is what keeps me going in this business and not selling to make zillions of dollars. You don't want to just sell out if you don't have to.

Simon Mainwaring:

For us entrepreneurs that are listening for business leaders running large corporations, when you hear words like love and care and fun, we all get it. We all wish that business was like that. But the reality of entrepreneurship and competition and marketing is not like that. So how do you scale it? Do you actually do it by who you hire and bring on board and you filter those very carefully? Is it through the training that you do where you're not just training them in how to make the food, but how to show up for other people. Is it all of those things? How do you keep that secret sauce alive?

Andy Berliner:

I think it's all those things. And we've made mistakes. We've gone off course, but we quickly recognize it and try to fix it. But it's been important to me and to Rachel too, from the beginning that people are happy at work too, besides the mission and the service which is required, but you spend most of your life at work. We want people to be happy. We couldn't own a company where people aren't happy. So that's a big part of our mission.

Simon Mainwaring:

And you're a B Corp as well, Rachel. Help people understand what that is and why it's important to you both?

Rachel Berliner:

Andy, why don't you answer that? But one thing I could say about it is that we've always lived this way. We've always done things caring about the earth, caring with organic and vegetarian. So it's just a natural outcome as far as the making of the food and the growing of the ingredients, but there's so much more. And Andy, could you explain the rest?

Andy Berliner:

Sure. Well one thing I would say that when we started, we didn't realize, and I don't think industry as a whole realized the negative impact that business and manufacturing was having on the planet. We knew we didn't want to put pesticides in the soil, but we didn't understand the grand scale of global warming and all that 33 years ago. But as the years went on, we became more aware of it and have tried to do better and better. When B Corp was first presented to me, I was resistant. I said, "We were around 20 years before B Corp doing all the same things. Why am I going to pay someone else to tell me what I already know we are?" And it was explained that, well for one, we are setting an example for other companies by telling people this is what you're doing.

And two, even though we scored 100 and something percent on the first test, which is usually people score around 60 because of the impact of what we're already done. There's a lot more to go. There's a lot more we can improve on. And so that was the motivation to do it. And also one of the things we did was have medical centers at each plant. So people get their primary care right at work. We take them off the line, we have someone else go on the line and they get their physical. So this was when we did that Whole Foods followed us, The Container Store followed us. So when you set an example of something, it helps other people follow. So the B Corp gives us an opportunity to be a better example, to help other people follow and make a bigger impact.

Many years ago, 2009 Sundance channel did a program called Big Ideas for a Small Planet. It was kind of ahead of their time. And Amy was being interviewed and she talked about how, and this part never got on TV, but how she dreamed that Amy's would become a big enough company to be a force towards healing the planet, not just doing damage, but actually healing the planet. And we would have scale and influence to really help change things. And when I heard that, that was very inspiring and motivational to me and the company has, Amy is really the guide on sustainability and justice equity, diversity, and inclusion. And she's taking the company much further in that direction than we ever could have, or would have.

Simon Mainwaring:

It's so powerful what you're saying, that ambition, when articulated that you want to become a force big enough to heal the planet can really motivate the company and form all its decision-making, help you kind of stay true to your priorities in the first place. And I think it's a really, really powerful lesson for all of us so thank you for sharing that. And I'd love you both of you to speak to, as you look back over three and a half decades of leadership in a high integrity but also highly competitive category, what is one piece of advice you give the next generation of leaders, whether they're leading a corporation or enterprise, or whether they're starting their own social enterprise or purposeful company, as you reflect back, what is one piece of advice you might give the leaders of tomorrow who want better for you, better for planet products out there?

Rachel Berliner:

One thing would be stay private. I know so many people are motivated to start their businesses, get it big and sell, that's such a big motivation. And we've always tried to stay private, we've worked through banks, so we'd get a line of credit and it's a very clean, there's no pressure. I mean, there is pressure, if we start making mistakes, the bank says, "Hey you got to do better now," but it isn't like we're going to sell or anything like that. And I also think that if you do something that you love and you really believe in and you look out there and you see that it doesn't exist, that if you can find a niche, like every time we came out with a new product line, we did it because there wasn't anything else out there. If there was something good, we didn't go try to do it. This is just for us within the food business. So those are the two things is find something you love, you're passionate about and stay with it, don't give up.

Andy Berliner:

Yeah. I would say those would be the main things I would talk about too. But I mean, not necessarily that you have to stay private, in our case we have to because of the complexity of our business. I mean you can't imagine how complex our business is with thousands of organic ingredients, all coming to a place at the right time and being prepared, it's a mind-boggling exercise. But if someone has a product that's, well like an [Impossible Burger 00:22:39] something that you can kind of just make in a simple way and then maybe it's being public or taking venture capital doesn't hurt the enterprise. So I think it depends on the case. In our case, it definitely would have hurt what we were doing. But I think that word persistence is a big thing. Do what you love and be persistent, don't quit, just stick with it. And it looks really dark sometimes, but stick with it and wait for that door to open.

Rachel Berliner:

I have one other thought about that with the persistence; there are so many wonderful people in the industry that you're working in and they're all willing to help, just reach out. Andy was always reaching

out to people when he didn't know how to make something or do something and people were always very helpful.

Andy Berliner:

Really, yeah I'm kind of surprised, I saw something, I think it was on the Oscars [inaudible 00:23:39] something about how kind people can be, the good side of people when that lady won the award for No Man's Land, she was talking about that everybody has good in them and I was thinking about that. That is really what brought our success was that when I'd asked for help, people would give it, whether it was in equipment, finance, whatever it was, don't be hesitant to ask for help.

Simon Mainwaring:

That's a really important piece of advice for everyone because where you come from, as a business, is to serve everyone's interests genuinely, authentically, then the flip side of that is they will come to your aid and support you when you need it, whatever that looks like. And people don't realize that, that's the power of your intention in the first place. If you really want to look after them, they'll look after you as well. So I so appreciate you bringing that up and Rachel and Andy thank you for your time today and congratulations on your continued success. And thank you for being such a powerful example of Leading With We.

Rachel Berliner:

Thank you.

Andy Berliner:

Thank you.

Simon Mainwaring:

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