

THE MONTH END

EPISODE 19

FoodBevy



SHOW NOTES

SPEAKER BIO

Jordan Buckner is the founder of [FoodBevy](#), an online community for food and beverage founders to help take businesses from startup to scale. His mission is to help other founders make the journey of starting a company a little bit easier. Jordan learned a lot from starting his first CPG business, Tea Squares, so he started FoodBevy to help founders learn from his mistakes and find success.

The FoodBevy logo is displayed in a stylized orange font. It is enclosed within a thin grey rectangular border. There are two horizontal orange lines: one above the 'f' and one below the 'y'.

TAKEAWAYS

Overcoming Challenges:

I think starting the business without any previous kind of CPG experience was a huge learning curve. I like to learn everything myself and hold on to things for way longer than I probably should. So over the course of an entire business, I did all of our bookkeeping, all of our accounting, finance, running reports, doing market analysis, pretty much everything on the finance side of it, except for actual tax preparation. And so having my hands in everything, I loved it, because I got to understand really the nitty gritty of the business. But also there are a lot of things that I missed because I wasn't an expert in everything.

TAKEAWAYS (Cont'd)

Supply Chain Advice:

The supply chain was a nightmare. When creating Tea Squares we didn't understand the supply chain and what manufacturers were actually out there in the space. There were very few manufacturers in the US who actually could produce our product. And so we started off making Tea Squares ourselves in a commercial kitchen and actually went to a metal fabricator and fabricated our own molds for the shape. And that should have been the first warning sign that this was going to be more difficult. We were on this constant journey working with different co-manufacturers, but when we closed the business, we were still making it ourselves in our own facility.

Pivoting From Tea Squares to FoodBevy:

About two years ago, when things were winding down with Tea Squares because of the pandemic, I was looking to understand how to make an impact in founder's lives and what I wanted to do, and I realized I loved being in the space, working with other founders and helping them and so I launched the FoodBevy platform really as a resource hub for founders. We have a directory of industry providers that has experts and DIY articles. And then we also have founder communities where founders can talk to each other and our expert partners. And that's really taken off really just as a way to connect founders to one another.

The Moment That Jordan is Most Proud of at FoodBevy So Far:

We've done a lot of work in amplifying and helping out founders from disadvantaged and under-resourced areas. And so we work a lot with minority owned founders and women owned companies to really provide them a resource to help their businesses, which typically they have additional challenges that they face. As a Black founder myself, I've had a lot of experiences too. And I had to overcome networking challenges and funding challenges that others had an easier time doing. So that's one thing I'm pretty proud of.

TAKEAWAYS (Cont'd)

The Biggest Improvement Opportunity for the CPG Industry:

The biggest opportunity I think is fundraising and capital to start their business. Foods are interesting, because they have very low barriers to entry. Everyone eats so everyone has experience with food. And so it's very easy for someone to have an idea and get into the industry, but many of them don't know or don't have the funding possible or necessary to really grow their business. And so I think education around how much money is necessary to get business to a certain point, and then where that money can come from, and how to build a business.

I've become a big proponent of building a profit-first business, where you're actually building a self sustaining business, and that instead of gambling on some 1% chance of an exit, at some point, you actually build your business to be profitable from day one as much as you can, so that you can have small gains and small wins every single year.

The Long Term Plan of FoodBevy:

My goal is for anyone who's starting a natural product company, to be able to come to FoodBevy and get those tools and resources for them to be successful. And so we have plans to add more connections and resources around connecting with Angel investors, connecting with retail buyers, optimizing your DTC eCommerce platform, these things that can really help make a difference in the brand's experience.

Insights From The Most Recent FoodBevy Survey:

- About 67% of the companies surveyed were not profitable, which leads to this very high investment minded growth area within CPG. About 58% of the companies had invested over \$50,000 of their own money to actually start and launch the brand. And about 23% of those actually invested over \$200,000 of their own money to launch a brand, which is kind of wild when you think about those barriers of entry to get started.

TAKEAWAYS (Cont'd)

- The gross average gross margin was about 30 to 40% of their sales, before trade spend. What was also interesting is that some of the brands had 10%, gross margin, which is really challenging. And then there were two that had like a 70 to 80%, gross margin, which definitely is able to help set you up for success.
- A lot of the companies are selling eCommerce on their own site. And so the other thing that's been big recently are like customer repeat rates, so that you can understand your growth and your customer loyalty. And the majority of the companies there had about a 20 to 30% ecommerce repeat rate.
- One thing we looked at was the percentage of their sales were through eCommerce versus retail other channels, and for about 25% of the brands, they had only 10% of their total sales were eCommerce. And then on the flip side, we had about 12% that were eCommerce only. And so a lot of brands we're seeing are launching with eComm, and then going to retail from there. So eComm is their testing ground.
- [Download the CPG Survey Results Here!](#)



CPG BUSINESS DO'S AND DON'TS

CPG Business Do:

Definitely go with where the opportunity is, and ride the wave. So what I mean by that is that there's certain consumer trends that are really taking off and growing--a big one is keto, for the last five years. And really, the core behind that was low carb, low sugar, which has had history and lots of other diets and brands who launched a Keto brand. Even if they were like half in it. They saw like a million dollars in sales in the first year, right? Like the waves were just so big. So definitely move with consumer trends and don't fight against them. Otherwise you'll have a harder time.

CPG Business Don't:

Don't chase people who make it difficult to work with you. Right? I heard a lot of brands who email buyers 30 times, they have a call and they're just like, "I just can't get the store to take my product." And so they hound them. And eventually the person's like, "okay, fine, like we'll bring you in." It doesn't get easier. It only gets harder. They might get your foot in the door, but they're not going to help you sell your product and it's going to be a detrimental relationship. I have an old boss who once said, "turn up the gain and turn down the pain." So work with the people who want to work with you. And don't chase those that don't, right? Life is too short. Don't work against people who are only going to bring you down.

NOTABLE SHOW QUOTES

Jordan on the Mission of FoodBevy:

"I'm just here to help other founders make this journey of starting a company a little bit easier."

Jordan on Wearing All of the Hats:

"By doing things myself, there's a huge number of gaps that I didn't even know we had."

Jordan on How He Would Describe the Supply Chain at First:

"Nightmare."

Brad on the Importance of Supply Chain:

"The old supply chain and inventory, that can be your biggest advantage or your biggest disadvantage across the space."

Jordan on Learning From Mistakes:

"We didn't make every mistake, but we made a lot of mistakes. And I want to help others learn from that."

Jordan on Helping New CPG Businesses:

"The biggest thing is really talking with brands and helping them begin with the end in mind."

Jordan on the Long Term Plan of FoodBevy:

"My whole goal is to be very aligned with helping people build successful businesses."

Brad Agreeing with Jordan's Advice:

"One of our most constrained resources is time and energy. Focus on the positive aspects of it."

Jordan on Finding the Right Investors:

"The people who want to work with you, they'll tell you they want to work with you."



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