

Business Leader Live Q&A Transcript -

January 17, 2019

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Meghan French Dunbar: Both you and the Nuun team really seem like you guys have a lot of fun. A lot of your social media, a lot of the things I see about your org. You're consistently rated one of the top places to work in the United States, and there also just seems to be a lot of fun and enthusiasm on your team. There's also a cultural narrative around if you're having fun, you're not being productive and you're not working hard. I was just curious if you could speak a little bit to that around how do you encourage fun while also being a highly successful brand.

KR: I love that question. It's almost like fun conflicts with productivity, that's the sense that I get. I think it's crazy to think that it conflicts. If you just think about levity and humor and having fun, how much more productive that makes you. It makes everything loosen up and makes your mind clearer.

I think one of the pieces of magic with the culture of Nuun... There's a saying that I once heard. Your vibe attracts your tribe. Those are the people that you really want to get in your organization. The vibe of Nuun, it integrates this whole movement component of it. I say to many people that everyone at Nuun is an athlete, which sounds really intimidating, by the way. People say, "Holy crap. I'm not an athlete." But when I say athlete, I mean you believe in the power of movement.

Movement creates blood flow, creates oxygen, and makes you just kind of have some fun. By the way, truth. Truth. It just happened before this. I'm like, "Oh, crap. I need to get some planks in with the team." This is a true story. It just happened right before we got on this call.

We had a plank challenge in January. On January 1st, you do one-minute planks. On January 2nd, you do two minutes of planks. That means today is January 17th. 17 minutes of planks! Now, you don't have to do it all at once. Let me be clear. And it is voluntary. No one is made to do it.

So I go out there and I ring the bell. I'm like, "Here we go, plank time! Who's joining me?" I did five minutes. Not just one-spotted. I rotated a bit to make it easier on myself. But some people



did two minutes, some people did three minutes. It creates conversation. It creates fun. And it's just part of the lifestyle of the brand. I just think that's important. I think it's important to be serious about not taking yourself too seriously. Long-winded answer.

MFD: Love it. It's perfect. What is the most challenging part of your current role?

KR: I think it's probably where I focus most, and it's all about the people and keeping them motivated. There's so many things that go into that. I think that's why I consider myself an eternal student of culture. I don't know it all. I've got some thoughts, and I can tell you what we do, but it's never perfect and you're constantly evolving. Every person is unique and everyone has their unique needs.

When you're a smaller company growing, there's lots of opportunity. However, it's not a big company, so career path is always a challenge to try to meet those expectations with people. People always want more in terms of how much more can I make monetarily. And that's very fair. That's a very fair request. I think it's just human nature.

Ultimately, the cohesion, the collaboration of people. And it's also the personal motivation. I'm just so obsessed with culture. I think it's the most important thing you can do for your team and for your company. But it's probably the most difficult because there's no silver bullet answer.

MFD: Valerie is wondering what's the big vision for your company in the next two years.

KR: I love that. We have a *why* and a mission of what we're doing. That is to inspire more people to move, basically, or get everyone to move more. We're trying to make that tangible, because it's pretty lofty.

When I think about that two-year example, one of the ways to bring that to life... We'll probably unveil this in the next week or two, coming from me. What we're working on is, to make it tangible, we said, "What if we make a challenge and we got all of the Nuun tribe..."

And I don't just mean employees. The Nuun tribe could be so much bigger than this but we need a way to quantify it. But it's to get people to move one million hours that are part of the Nuun tribe on Strava. Strava's basically an app where you track your running and your cycling or just anything movement-wise, and then you record that and it tallies up.

We have a pretty big group of Nuun tribe members, if you will, out there as part of this group. If



you look to the current data, it would suggest somewhere around 600,000 hours of movement. So we're like, "Let's up the ante. What would it take to get a million? And then, what can we do to then give back beyond that?"

Again, it all comes back to movement. I actually believe that's the business we're in. And we just happen to sell what I think is a really great tool to help you get there. And that's hydration.

MFD: Next question is from Kia. "I'd love to hear Kevin discuss more about the natural products market. How big is it, is it growing, and what are the future trends that you predict?"

KR: That's a good one. There's an ever-evolving one. I'll build a little bit here to give the group some context. I learned this at my days at Kashi. What I started to learn was, when you think of natural products and where that was, and that's almost a decade ago for me now, so a lot has changed...

Back then, we looked at the natural products movement and those that were really purchasing those products and integrating them into their lifestyle... When you think about them, we used to call them the Ghost of Christmas Future. It was kind of true. If you think about the Ghost of Christmas Future, what was the future, the leading edge Kashi people, is becoming much more mainstream today.

I would say the future of natural products is, basically it's everything. The world is converting. And look around you. I'll give a few examples, and one of them, the macro trend is absolutely catching on and it's just getting started, is the plant-based trend and natural foods.

If you think about it on this line, think about, today, did you know that Burger King offers a plant-based burger? Did you know that? That's pretty remarkable in itself. I saw a statistic earlier today, I think it's the Beyond Meat company estimates that they will reach \$1 billion in sales in I think it was three years' time. I might be off on the number of years, but you can see the Ghost of Christmas Future and where things are going. I think that's absolutely where the future is going.

Plant-based diets, I happen to eat one by the way, so I guess I'm obviously a little bit biased, but I think just eating more plants is going to be better for you. I think when you think of macro-trend of healthcare, that's a complex issue in itself. One of the things people are starting to realize is how can I take control and put the odds more in my favor.



That's really going to come down to movement. It's going to come down to hydration, of course, but it's going to come down to the nutrients you put in your body. It's really prevention. Habits are hard to break, but I do think it's starting to occur. I think the plant-based movement is a good one.

One other trend that I predict will happen, and I'm really hoping this does and I hope someone can help us solve it. So if anyone has any ideas, I'm listening. It's not necessarily natural foods but it's correlated to it when you think of pro-people, pro-planet. Plastic is engineered to last forever. We need to find a way to reduce our reliance on it.

To be clear, Nuun has 10 tablets. 10 beverages in one little tube, but that tube is still plastic. We don't have a better alternative right now. We're trying to figure out what that is, and that's why I said if anyone has any ideas, I'm listening.

Nonetheless, I do think that is correlated with the natural products movement and we need to do it. I don't think single-use products will go away, the single-use disposable bottle, but I absolutely believe we have to reduce our reliance on it.

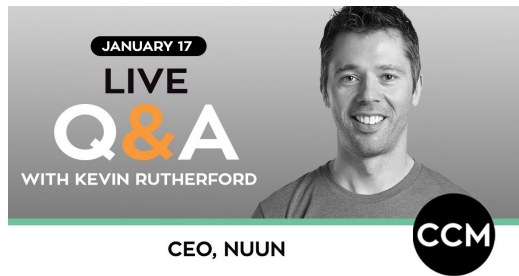
MFD: Caroline asks, "Hi Kevin. What do you think of the idea that instead of before focusing on purpose, businesses should first focus on doing no harm?"

KR: Let me just make sure, Meghan, I repeat this right. If I heard it correctly, before focusing on purpose, should we focus on maybe the path of least resistance and start to do less bad. Is that fair?

MFD: Yeah, before focusing on purpose, should businesses first focus on at least doing no harm.

KR: Yeah, I think that's a really good solution. I remember being on a panel when I was CEO of the Caldrea Company, which is better known as Mrs. Meyers. I was on a panel with someone from, I believe, if I remember correctly it was Nestle, who is the biggest manufacturer of bottled water on the planet, I think. They are obviously right there with Coke and Pepsi, so the Big Three.

They got in a big dialogue on the panel about doing less harm, and we need to figure out how to make it more recyclable and how do we produce the grade of the plastic to make it thinner so



we're using fewer resources. That was really an approach of being less bad. And I thought that was a smart move because that was a good place to start and they could take action.

In parallel to that, I believe you have to figure out your *why*, figure out your purpose. I think the order is fair. If you don't have an existing business, start with your purpose right out of the gates. But if you have an existing business that's already got scale, focusing first to get a start on doing less bad and figuring out what that is, I think, is really smart. I think purpose then shifts to not only what are you *not* going to do, but what you're going to do.

MFD: It looks like Nuun is an overnight success story but I'm sure there's been a lot of work that went into it since you've taken over as CEO. What were some of the steps that you took to get Nuun on the right path?

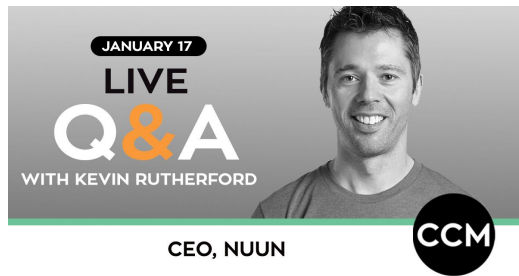
KR: I love that question. Yeah, I think we had a headline somewhere recently, PR, which was awesome and it talked about Nuun being an overnight success. I think the saying was, "The 14-year overnight success." That's how long it's been in play.

Nuun started 14 years ago and disrupted the category, but when you're really small, not a lot of people know you. The movie *The Matrix* makes me think about, "It exists. But it doesn't exist." That was probably Nuun back then. So few people knew it, it didn't really exist to most people.

Today we're in well over 10,000 stores and continuing to grow. The awareness is going there. Gatorade notices us now. We're on course for running courses, bike, and triathlon. We hydrate well over four million people. Clearly we've gone from, "Who are they?" to "Hey, who is this?"

Here's what I would say. I came in a little over five years ago and had the privilege of taking over as CEO of the company. To be clear, I'm not the founder. However, I tend to be the face of it and act I guess somewhat as the founder in some ways. When you talked about the last question, when you said do less harm versus purpose, I believe what I really had was an opportunity to come in and say, "What's our purpose? What's the change we want to make in the world?"

Truly, the team didn't really have an answer for that. They were just really passionate about these electrolyte tablets you put in your water bottle and let's just go burn some calories and race. That's what they were passionate about. Keep that ethos and that DNA. That's important. But what changes do we want?



What I did there is I took a step back. First, who are some core folks, a smaller group on the team that exist today, and let's really dig in and see what's important to us. That's when we developed what are our core beliefs, our core values, and what is that difference we want to make in the world.

The next step was what's our nutritional philosophy? And if that's our nutritional philosophy, then you go and you look at the Nuun tube and you say, "Does that match?" And we made a big change. We actually evolved Nuun from when I first started to where it is today. And we just launched this week our second evolution of it.

But the idea is if this is what we want to do in the world, the difference we want to make, does the product we have today match up with it? That's the question we challenge ourselves with, which is also another step on the product, which follows the purpose and the beliefs and the values.

And when you get to the product, you go, "Does it match? If we had to start all over again, how would we do it?" And that's when you start to challenge things and you go, "What do we need to do differently?"

So we changed it. Back in the day, when Nuun was first launched, we probably didn't know as much as we do now. Again, the Ghost of Christmas Future. There was an artificial sweetener, there was a preservative in it. The same electrolyte profile, but there were some different things that weren't consistent. So I said, "We've got to fix it. We've got to change it. We've got to do better."

By the way, you will get resistance doing that. You will get resistance internally because people are passionate for what it is today. They're like, "But it's already great." "But we can do better." If you don't manufacture, if you deal with a contract manufacturer, they want simplicity and the same. Then they'll go and say to you, which happened in this case, "Guys, you can't do that. This is the only way to do it." We said, "Try it. Try this, try that." And actually, "Oh, it worked."

I'm oversimplifying, but that is the path. Purpose, beliefs that lead to the purpose, your values, then talk about your strategy and your product and how it correlates with it, in that order. And I did have a really good foundation to build from. That's really worth noting. Again, coming in a little over five years ago and it's a 14-year old company, I had eight, nine years to build from.



MFD: Alright. We've got two questions that kind of go hand-in-hand, so I'm just going to smooch them together, from Lisa and Tom, again, regarding sustainable packaging. Lisa is wondering, "What are your plans for designing sustainable packaging for the single-serve packets or your flexible plastic packaging? Are there any considerations around reusable packaging, not just recyclable? How might Nuun be a leader in regenerative design?" Tom also adds on, "Why not a recycled paper cardboard tube or are there any options for bulk packaging?" Lots of packaging questions.

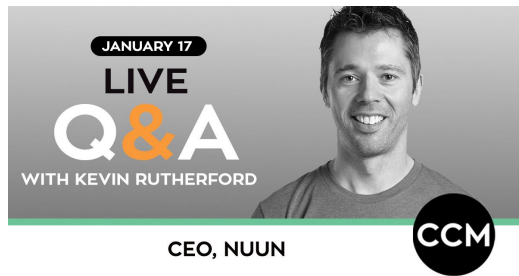
KR: I get it. Let me explain the challenge so people understand. I'm holding up a Nuun plastic tube. One of the benefits of this.... Let's forget that it's plastic for a moment. But what's good about this? This needs to be sealed. These need to stay dry. They cannot get any moisture getting to them. The reason is it starts to activate. When you drop it in water, it activates. It needs to be dry.

By the way, in here is a cap. There is a dessicant. This absorbs moisture to keep it dry, because now I've opened it so now moisture through the air is getting in there. This will now suck up that little bit of moisture and make sure it doesn't get to the tablet. So there's a design that's purposefully done. There becomes the challenge.

The cardboard comment, I've pushed. I'm also pushing bamboo as another example because it's a sustainable resource. It can be light. This is also known as pharmaceutical grade, meaning it's incredibly clean. One thing worth noting, because it's incredibly clean, we certify our product.

Here's some certifications we do. It's vegan certified, in terms of the ingredients. It's also gluten-free certified. It's Kosher certified. It's non-GMO product certified. The last one that's important with our core is we call it safe for sport, but informed sport, which basically means... If you happen to be an athlete that's using this that's competing, there are no banned substances that can get contaminated in there. We're basically certifying and going through a third party so you know that.

So, there is the clean aspect. How do you do a lightweight packaging, which led me to bamboo, by the way. I keep on thinking that feels like the right place, but then you're still going to have a coating on the inside to make sure that it stays dry. The *but* is to say, how do we solve that? Is that okay? Is it less bad, is it less harmful, Meghan, as you talked about earlier. Maybe that's the way to go, so we're exploring that one.



It's also lightweight. It's really, really easy to ship. That's the bummer about plastic is it's super light. Again, I think bamboo solves that. You can see where I go with that. I've not heard a packaging engineer come up with a solution. This is just a marketer talking. If you're a packaging engineer, you may go, "Yeah, you don't understand why that won't work." And that can be true.

What we are working on right now, though, is a bulk package as you talked about, so we can get more tablets in a package. Do we have to use plastic then in that case? Could we do glass in that case? There are still a lot of resources that go with glass. However, it could be more environmentally friendly than plastic. We're exploring that right now behind the scenes and hoping to do something with that later on in the year.

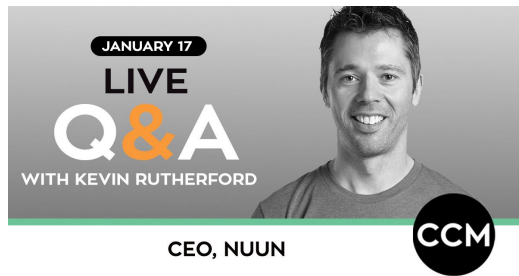
I just had a conversation about this yesterday, and one of the challenges are, on QA team said, "I'd worry about the tablets breaking." So it's a whole different challenge. I'm like, "Okay, how do we solve that?" Just like life, there are not really any black and white solutions. It's rarely easy, just like the success that the teams accomplished today. There are no shortcuts.

However, we are committed to keep working it. I know we're not perfect, but we'll keep getting better, I promise. We did change some of our packaging by the way. Our trays, the caddies this sits in, we moved to 100% post-recycled material with this launch we just did. I'm excited about that. All of the inks are using vegetable ink. They didn't before. So we're doing things, but we've got a long way to go.

MFD: Thank you for tackling that. Kate wonders, "To my knowledge, Nuun really only offers one product - the tablets. But they come in a wonderful array of flavors. Is it difficult to maintain competitive edge with the same offering, and are there any plans for Nuun to branch out into other areas?"

KR: Yes, and yes. I think the tablet form, what's great about this, a lot of you may not realize this, but the tablet form is a very common form for people to consume if you're in Europe or if you're in Australia, but not so much in North America. The good news is we're kind of like a first mover in many ways in North America, but we're also building awareness of how convenient and awesome the simplicity and portability of these tablets are.

Let me describe a little bit about the portfolio for you guys. We started with this high electrolyte product, sport product. We launched a vitamin-infused product, which has lower electrolytes. That's actually what I'm drinking here. Tangerine lime. It's got some electrolytes but it's also got



13 vitamins and minerals in it. We have done that. It's done well. Most recently, this 2018, the back half of the year, we launched an immunity product. It's also in tablet form and it's doing really well. It's catching on.

The difference with this immunity product, we asked ourselves the same question. If we had to start all over again, how would we do it? We looked at the immunity side of things and we're going, "How would we make it for ourselves?" What we learned in working with our nutritionist is there seemed to be a vitamin C arms race out there. "I've got 1,000 mg of vitamin C." "I've got 2,000 mg of vitamin C."

When we talked to our nutritionists, they're going "You can't actually absorb all that vitamin C." You need vitamin C, but you don't actually want all that. You'll just basically dispose of it. Your body will naturally expel it.

So we went to a cocktail, an array. Let's put anti-inflammatories in it, like turmeric and ginger. Let's put antioxidants in it, like vitamin C, but let's also put in echinacea, elderberry, superfruits. We did that, and then we put in electrolytes

One last piece. We did launch in a different form outside in powder in sports speciality stores where we're the number one market share. Think REI, Dick's Sporting Goods, Fleet Feet, Running Room, a lot of these running stores, bike shops around the country. We launched a performance product.

The reason we put it in a powdered format is the tablet would have been pretty big. It just needed more stuff in a serving so we decided to do the traditional scoop powder to put in your water bottle. That's done fairly well. We're going to relaunch that one again this year because we've got a product upgrade to it. That will come out in March. So more to come. You'll see more innovation coming in tablet form and likely outside of tablet form this year and beyond. Guarantee it.

MFD: Matt says, "It sounds like culture is a major priority for you but it often seems that culture is something that much more established companies have the time and leisure to focus on. As someone in a much smaller company who is doing the lion's share of the work, how do I get myself to be able to focus more on culture even though I feel like I have too much to do on a daily basis?"



KR: I think if you're clear on your purpose, I think you absolutely can do it. There's actually a book I put on the desk here that I'm reading right now. I think it's really insightful. This one is called *Recruit Rockstars*. This isn't about culture, let's be clear. It's exactly what it says. Recruit rockstars. Everyone should be a rockstar on your team.

I think that's a fair point. We tend to use sports analogies and the same ideas. How do you get the best people in the best positions or help them get to be the best people in the best positions. One of the things this book talks about that I think will be really enlightening for everyone here to consider reading is that it was a different way of expressing it to me. It's part of culture. It's the DNA. DNA is hardwired in all of us. It's also hardwired into our culture.

You want to be crystal clear, what are those four things or three things, five things, don't make it too many, but you're going, "This needs to be part of Meghan's DNA, Kate's DNA, Kevin's DNA. Everyone on the team has to have that." By the way, if you don't, then it's probably not going to work because this is the way we do things.

No matter how small or big you are, you could absolutely establish that. Obviously, that reinforces the purpose. If I could just make one other comment on culture. I have a bit of a different view on culture than I think many others.

One, and I think most people would agree, it's not a checklist. That's what I mean by it's the most difficult thing. It's not like, "I did culture today, check." I think of culture as an ecosystem where everything lives inside culture. If you can picture this morphing bubble, DNA is in there, values is in there, purpose is in there, strategy is in there. It actually all lives in culture. Culture is constantly moving. It's alive. It is alive. That's why you have to be accessible with it all times.

If you are a leader... Actually, you probably are a leader in your company even if you don't have the title. You are who you surround yourself with. People are surrounding themselves with you, so be the person that leads by example.

I repeat this to the Nuun team probably once a quarter or more, that same saying, over and over again. "Remember, guys, this is a special place. You are who you surround yourself with. By the way, everyone surrounded themselves with you, so you have a role." And hold me to it. I'm in too. You can never be too small.

MFD: I love it. We've got a great follow up question to that from Erik. "Kevin, when we met at the Conscious Company Leaders Forum last year, I asked you about the



challenges you may be having in hiring a conscious workforce. Is it getting easier, harder, or about the same to add conscious-ready employees?"

KR: It's a good question. I guess I believe that most people in their heart of hearts, the vast majority of people want to make a difference in this world or in their life, which is their world, whatever that may be.

I say that because what I thought was really endearing and it really warmed my heart, is when I was at Mrs. Meyers... I have this habit of, I guess, taking over for founders. I took over for the founder of Mrs. Meyers. It was a remarkable team. They were so proud of their products, but they didn't have a mission statement, they didn't have their purpose. They didn't know their *why*, so we dug into that.

Then when we started digging into, and these are the conscious leadership principles, and, Meghan, thanks for giving that book at the conference last year... It's almost like once you start to dig into these purposeful approaches, even if you didn't see the world that way, once you're in, you can't not see it anymore.

Even if they didn't come in as a conscious leader already, if they fit with what your *why* is, they believe that *why*, that's the common thread everyone has to have, they have the DNA, I think you can get them to the conscious leadership principles. I truly believe that.

The endearing part of Mrs. Meyers, it's a small detail, but I never forgot this, is I really focused on pro-planet with this Mrs. Meyers team. We adopted a green way. One of the things I'm most proud of, it wasn't an athletic company, but we had something like 90%, 95% of employees participated in the Twin Cities Marathon Weekend, which was either a 5K, 10K, half marathon, or full marathon. Almost every employee. This is not an active lifestyle company like Nuun.

I say that because it was all about human power or engine power. What ended up happening is people unsolicited would say, "Hey, Kevin, have you ever heard of this idea that's more environmentally friendly? Do you think we could do this?"

We may not have been able to do all the things, but unsolicited, people are thinking about it, which to me, was, "Oh, my God. Something is working here. The conscious leadership is being adopted without me saying, 'You need to be a conscious leader'."



You live it, you breathe it, and have everyone do it through education. You just can't unsee it. Once you're in, you're in.

MFD: Lisa asks, "What are some of your favorite strategies or practices for employee engagement?"

KR: Great, I love that one. I will say this. I think this is a Simon Sinek comment where he said, "Leaders speak last." Think about that one. Also, coming to the grandfather of culture and motivation for teams is Stephen Covey. "Seek first to understand, then to be understood."

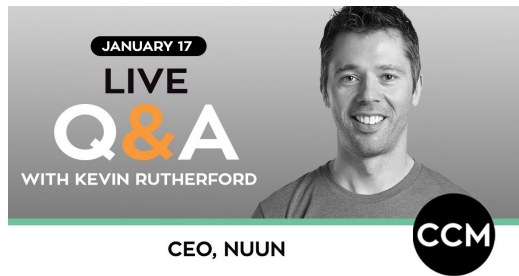
The 7 Habits book will be timeless, by the way. If you have not read Stephen Covey's *The 7 Habits of Highly Effective People*, which is really highly successful teams because it's the DNA, read it. Absolutely read it.

That's a practice that I practice. I will kick off meetings as being the CEO and get on my soapbox because that's maybe what's needed at that time, but I will quickly revert to, "Let me listen." And I'm an extrovert, by the way. I could talk all day. That's part of the problem.

But definitely seek first to understand then to be understood, and really practice that one. It's not rocket science, but it's something that people really think about. When you really get people thinking about it, they change their behavior. I think it's maybe one of the best things you can do. It will make you smarter because you're listening to different ideas.

The other one that we've implemented recently if I can give you a more tactical tool. One of the things we've done is we made the list to be on Outside's best companies to work for for our second year in a row, and we're excited about that. It was actually the list that we aspired to be on. We actually didn't put our name in the hat to be on any other list. This was the one that matched the ethos of our company, of what Outside company meant. For us, I go, "That's the one I care about."

To get on that list, it's all about what our employees are saying. We get this one pulse-point a year. Did we make the list or not. So, "We made the list, great." Then you get data, because we buy the data to hear what people have to say so we know what we can be better at and we take action on it.



But once a year doesn't really make a lot of sense. One of the things that we've implemented, it's only a month old but I like the vibe of what it's doing, is something called TINYpulse. Are you guys familiar with that one? I think there's other organizations that do this as well.

The idea is, the name, TINYpulse, pulse out, "Are you happy at noon today?" You get a survey, you get comments. You are constantly asking so it does apply to the, "I'm seeing first to understand. I'm listening" It's anonymous, "Do your rating," or maybe it's an open-ended question.

We've had really high engagement on it. Then at our town halls, which is another way again to get employee engagement, communication, we do that monthly. We hold to it. That's led by me to kick it off, but honestly, the best part of our town halls that I didn't see coming, we decided to create this thing called Mojo Moments. Give your employees a voice.

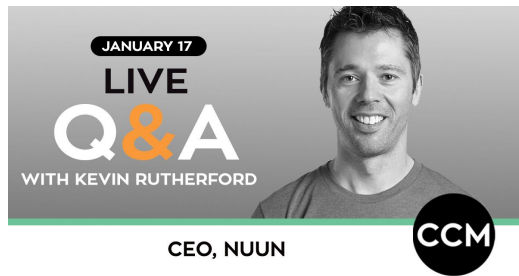
Think about this. This is so powerful. It is the most powerful thing we do at Nuun, I promise you, and it would really be not known outside the company. Three people are elected each month at the town hall. So it's Kevin, Kate, and Meghan. We have five minutes-ish, there's no hard and fast time. We'll say, "What are your Mojo Moments since being at Nuun?"

And you will just tell your story, however you want to do it. You can just talk. You can create a video. The creativity, the laughter, the humor, and the deep connection that we all have with each other is off the charts. It's becoming the best part. We've been doing this now for about five, six months.

By the way, Meghan, you would now pick, "I now select Jane Doe to be up for next month." Each of us do that. That's how people get selected. And then it's next month... Guys, implement that one. It's magic. It's magic.

MFD: With our team of five, it might get a little repetitive, but we could try. [laughter] I think that you might have been referencing Diana Chapman talking. She has her above the line, below the line check-in that she does often throughout the day where she has an alarm that goes off. Diana is also the author of *The 15 Commitments of Conscious Leadership*.

Eric had the follow up question to the conscious hiring question. He says, "Asking the question in perhaps a different way, when you are deciding which person to bring on



board, how important is the degree to which they exhibit conscious behavior relative to technical skills?”

KR: It's a good question. I haven't enforced it at the forefront. Maybe that would make me hypocritical. So hopefully not, but let's call a spade a spade if it is. And I think it's because I go under the premise of, if they've got the skill set, if they've got the experience and they fit the culture, which I guess is somewhat conscious in itself because the culture is about movement and being healthier and active lifestyle, if they're on board with the power of movement, then they're a culture fit, and now with my recent learnings on DNA and thinking that through, and then skill set and experience, we go for that.

I just realized that conscious capitalism, conscious leadership is bigger than movement. That's why I was hesitant to say we make it all applicable. But I really do believe that if you're connecting with Nuun, you're probably going down that path, so I'm making a bit of an assumption, and you're going to connect with that really quickly.

But it isn't necessarily part of the screening process where we're looking to see, "Talk to me about what you've done on that." It's a nice addition. I like that add. I actually think it's a great interview question to add. We don't do it today, but I like it a lot.

MFD: That reminded me, in an interview process in August, I asked a potential candidate what his personal development practices were, and he just said, "None." Interesting response. Kia wonders, "Kevin, can you recommend any research, firms, or any other data resources to go to for understanding the size, growth, behaviors of the natural products market? I look at the natural food and products market as a proxy market for what to do in the conscious media and film and TV space, and I want to know more because I assume there is a lot of crossover with our markets. There is less data out there about audiences that want to watch inspiring content."

KR: I think a couple of sources. I think New Hope is an interesting one. That's a pretty big media company. They put on the biggest natural products expo, it has to be on the planet. It's in March in Anaheim, and it's mainly B2B. It's so big, it's ridiculous. So a lot of discovery of new products there and a lot of mission-driven, purpose-driven companies there.

But New Hope also has a lot of research and research arm. I would dig into their website to see if you can find anything there. I think the other one is NBJ, Natural Business Journal, I think also could have a lot of data for you to look at and learn from. That will start to map out where you're



going to see some of these trends. Those are two really big ones that, I believe, they're all over it. I use them and I dig into that and I meet with them.

Oh, NMI, Natural Marketing Institute. There's a third one for you. Between the three, you can get... Now, granted, I realize a lot of times it's a bit of pay as you play. You may have more questions once you dig in, so if I want more, "Oh, that's going to cost you." I don't know that for certain, but I will tell you we're a pretty scrappy company and we try to find ways to understand without blowing our budget on it as well.

Those are three questions, I don't know if I was too direct, but those are three that I would go to. By the way, there's another acronym out there that is called LOHAS, Lifestyles of Health and Sustainability. I don't know how active they are anymore. It became a company as well, but it was more of a target consumer, which is exactly what we're talking about here. That could be a presource to look into. Very powerful insight group in the past, but again, I just don't know if they are as active as they were.

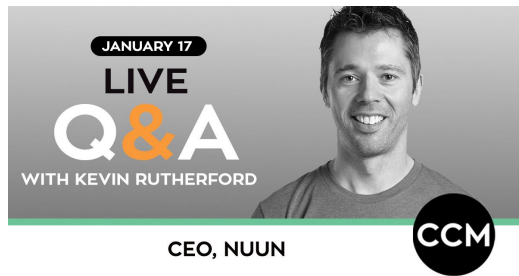
MFD: Great, super helpful. Lisa was wondering if you could flush out the Mojo Moments prompt again. Have three team members talk about a time where they were really feeling a groove or hitting their stride?

KR: You bet. Mojo Moments. I have this saying at Nuun, "Mojo builds mojo." In fact, to give you a little more of an idea of how powerful I think mojo is, when I came into Nuun, the first thing I did was not actually start to figure out what's our purpose or mission.

The first thing I had to do, because it's a team that needed a change, they needed a spark to believe in themselves. I believe that mojo builds mojo. Find the wins and celebrate them. It's like, "Boom! Kate, that was awesome. Let me tell you why," and let me spread that out.

But that's the thing. You're like, "Yeah!" Pound your chest, you're feeling good about that. But it does get people to think differently. There's a spark, and that's where I go with mojo builds mojo. Momentum builds momentum. That's where it comes from, to give you context.

When you think about the Mojo Moments and building on that of where we came up with it, it really is talking about what's your Nuun life mean to you? That's Nuun, obviously being our company.



So think of your company life and where it's impacted you. It's not going to be about look at the numbers. I think not one person shared about the numbers. It's all come back to the people, I believe, every single time. It's actually come back to, "I was down, someone really helped me and lifted me up," and then, boom, funny picture or whatever it might be. It's people becoming vulnerable and sharing those experiences.

It's really about what does Nuun life mean in your personal world, can you share with the team. Be vulnerable. That was one of the insights. At the last Mojo Moments, one of our teammates, she's like, "I'm going to tell you about my theme..." and you don't have to pick a theme. Just just decided, "My theme is vulnerability." She talked about how she was in tears at one moment... Oh, my gosh. I have to tell this story. It's my ADD.

Ailish is her name. She's going to kill me if she hears that I told this story, but that's okay. Ailish is starting the company. Day one, she's got to fly, she knows nobody, she flies to Denver, where the Outdoor Retailer show is. I was there. We have a team of, call it, 15 there. She shows up... And the other thing worth noting about Nuun is we all share a house. We rent a big AirBNB house and we're all in it.

So now she's flying, which she doesn't normally do, goes to meet her new teammates, and we're all living in this house together going to this thing. She knows nothing. She was like, "I was in tears. But I really got up the courage so I'll just go..." Obviously, there was no choice either. It was part of her job. And she did. She embraced it, and she was like, "It was the best three days of my life." And then she described what just happened.

So that's an example of a Mojo Moment. It's what's it mean to you as an individual. Call it your work life integration. You'll find your own twist of how you want to do it in your company. What works for Nuun may not be exactly right for someone else. But the idea definitely will, it's universal.

MFD: Thank you. Kate is wondering, "CCM focuses on social and environmental impact through business, and Nuun is deeply integrated in the sports world. Can you speak a little bit about where you see traction in social and environmental sustainability in the sports world these days?"

KR: Oh, yeah. How about this one? In doping would be the negative, or the positive is clean sport. Does that make sense? I'm getting nods. There are other places, but...



We were just talking about this yesterday. Lance Armstrong was such an idol for so many people. Not even just cyclists. I wasn't a cyclist and I thought he was just amazing. And he is amazing in many ways, but unfortunately, Lance and the whole bike racing industry is corrupt with doping. So when I think of social and doing the right thing and being conscious and leadership, how do we change that paradigm?

One of the things that Nuun did is we are a founding member of a non-profit that was started. It's called Clean Sport Collective. It's not just a Nuun thing. We were a founding member to get it off the ground. The idea is, let's change the conversation. Let's celebrate the clean athletes.

I think it's cleansport.org is the website, if I remember correctly. We're still working on that one. We're actually trying to inject new life into it. But that's walking the talk, we're changing the conversation. That's where sport can really change.

I can tell you from a sustainability practice, we have a real big challenge that we've got to figure out. One of the things, think of run courses. If any of you have done a race or a run, you've got Nuun hydration or water in cups. You've got it and it's tossed, so that's a lot of garbage. Can you move to a cupless race, which is tough because people want the convenience. But it is something that we're working on with race directors. They're open to it. It doesn't mean it's easy.

So one of the less harmful strategies we did is all of the cups we use are compostable, so it takes it to another level. But it's still trash that has to be converted so it's still an energy resource. We can continue to do better.

But that's an example of where we're working with race directors to change the game. I will tell you this too. We're partnered with Virgin Sport in the UK. They want to work with us, and we are partnered together, and they want to do a cupless race.

They were convinced it was going to happen, and then once they looked into it they were like, "Yeah, we got a lot of pushback." I go, "Don't worry. Let's work on being less harmful and we'll get there. Maybe do a hybrid. Maybe eventually you change habits and then away you go." Don't wait for perfection, though. Just keep moving, keep getting better.

MFD: What is the best piece of leadership advice you've ever gotten?

KR: I actually do think it comes a little bit back to really thinking about you are who you surround yourself with. It's a leadership lesson from my darling dad who passed away last year. He



pushed that a lot, and that's where he's like, "You have a role to play." I would not underestimate that. I really think it's the most powerful thing you can do. You are who you surround yourself with.

I think the other piece is, one of the coaching pieces that I have with the leadership team that I have here at Nuun is we start in business as individual contributors, and then we move to managers, if you think typical hierarchy, and then leaders. I think anyone can be a leaders, but that gives you kind of a visual.

To go from individual contributor to a manager is a change and it's a mindshift and you have to empower others and coach others and help them get up there and know how deep to get in and not to get in.

When you move from the next level to manager or executive or leader, you need to stop thinking about your world is now just who you manage or who directly reports to you. You need to think much bigger than that, and how does that cross-pollinate, how do I help lead the entire organization?

Even if you're not the CEO. Im one person, but my expectations for the team at Nuun is you're all general management view, and I think the more you have that holistic view, the better off you'll do. The power to people culture lens.

MFD: What is keeping you up at night right now?

KR: I guess there are probably two things. I'm pretty comfortable, hopefully you get that. I'm pretty even-keeled, comfortable in terms of my nature, so I guess maybe not a lot keeps me awake. But I think the biggest thing for me is when I have people challenges.

Meghan, I think I might have talked about this at the conference because it's definitely the spot I'm not great at. And when I say not great at, I'm really comfortable in coaching, but it's when you have to make tough decisions and make some changes, I'm not strong at that. But sometimes you really do, and for different reasons.

I've had so much advice and coaching on that, so I listen. I actually lean on that. I look to people to give me coaching advice so I can do that. I think that's the biggest thing that keeps me awake.



CEO, NUUN

I think the other thing, with Nuun's success, in business, you become a higher target in profile from your competitive set, so you can't sit still. Don't ever become complacent. You have to keep pushing and going forward, because someone is coming for you, you just don't know it.

There's a little bit of you don't know what you don't know. I don't know if it keeps me awake, because I try to just focus on what we're doing and just don't be complacent, but again, you don't know who's coming around the corner that might one-up you, and might resonate. Then your world changes on you. It's your circle of concern versus your circle of control.

MFD: Can you tell us, Kevin, about a life-changing moment that you've had on your business journey?

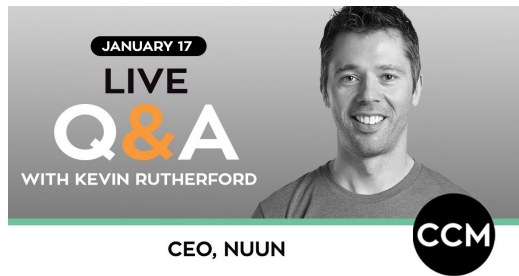
KR: Yeah, absolutely. Life-changing moment is this one. I never looked at business the same way after I worked at Kashi. From the moment I read the handbook, the employee handbook at Kashi, which had a mission statement that was so new to me.

I was used to mission statements that went something like this, this is the way corporate ones go... "We strive to give stakeholder (shareholders, customers, consumers, neighbors, parents...)" I'm making that up now, but basically everyone under the sun... "to give them the value... blah blah blah to make a better difference in the world." It's so shallow, it's like, "Insert company here."

At Kashi, when I went, from the moment I read the employee handbook to my experience of working there, it completely changed my lens for business, which is very much what we're talking here, so it's not new to you, but for Kashi, it was life-changing. It made me think more purpose-driven. The mission statement was this, and if you think about it, I can still remember it. It's that simple. "We dream of a world where everyone embraces natural health."

When I was reading the employee handbook, I was welling up. I'm like, "This is amazing." By the way, where was I working before that? I was working for another all natural product, beer - Miller Genuine Draft. It was a dramatic shift. I'm like, "This is amazing. I belong here. I need to go. I need to do this." So I moved from the comfortable climate of Milwaukee to the deplorable climate of San Diego, California.

What happened at Kashi is I really realized the purpose-driven businesses... I didn't really understand what that was before. It made me rethink business, and it was integrated in



everything we did. We would watch documentaries together at lunch, and learn about how we can do better for planet, for humanity, and for health.

The power of learning together was all those things integrated back and fused into what we were doing from a marketing strategy, sales strategy, innovation strategy. By the way, it's an example of having fun, education, but it's actually part of your job. It's fun, it's interesting. That work life integration completely changed the way I looked at business.

This is where I come back to once you've got yourself into the Kashi world, why would you ever want to go anywhere else? A little insight for you guys. True story. I probably shouldn't be sharing it. Kashi is owned by Kellogg's.

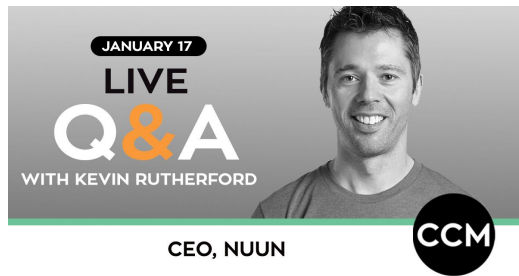
Kellogg's is a great company. It's a very different culture. And in fact, what happens typically with big companies, is you will send employees to different subsidiaries, high-performing employees, so they can get experience and learn and then bring it back to the corporate headquarters to then share that and help the whole company grow.

However, when you were a Kellogg's employee, what would happen is they would come down to San Diego and integrate themselves into the Kashi culture, and they wouldn't leave. "Actually, I don't want the promotion. I don't want to go back. I want to stay." This is a true story, I'm not exaggerating this. It became known as the black hole and they stopped sending people to Kashi. That was lucky for me because I ended up getting the Marketing Director role at Kashi. Maybe it never would have happened, so I guess I'm the luckiest guy in the world, yet again.

MFD: Katie asks, "How do you address multi-generations in your culture, and is that a challenge you guys have in your company?"

KR: I think it's a challenge from the perspective that the older people in the company, like me, need to really get their head wrapped around we're actually more the same than not.

There are differences in generations, for sure, but truthfully, I don't think it's much of a difference. I keep telling them to get over it. We're all more the same than not. I'll get out there and do whatever, what our younger generation employees, which is most of the team, I'll go there side by side and I'll do whatever that is. And, again, be serious about not taking yourself so seriously.



I don't really see an issue. I think we have to embrace what the future is and the next generations are what's coming, so really integrate yourself in that, and help influence where you want them to go. They're looking for it.

I guess it's a personal thing. I will share one little insight for me. I remember, as a teenager, hearing my parents say, "When we were kids, that never happened. You kids don't get it." Does that sound familiar to anyone here? Probably everybody.

I said back then, and I hold true to it to this day, I really don't want to stereotype a generation based on some of the bad things that you think are different. I think that we all go through these same stages of life, and if you can stay connected to that, you can have more empathy. The world changes around, so of course, I didn't have a smartphone. But the life stages we go through are exactly the same. So high empathy, and that's what you have to teach your team and practice it and be up front.