

URL: <https://ecorner.stanford.edu/in-brief/the-benefits-of-bootstrapping/>

Ethan Brown, founder, president and CEO of Beyond Meat, explains that his growth strategy started with years of careful bootstrapping. Because he had to generate revenue, and didn't have access to early venture capital, he pursued university grants and interacted with customers via grassroots sales efforts. In the process, he learned lessons that were essential to Beyond Meat's later success.



Transcript

But in terms of raising capital, for people who are starting, you know, get your track record together.. I mean, I also did a lot of things to conserve cash very early on, before I did venture.. So I used grant programs quite a bit.. I had two really good grant programs through the state of Maryland, the Maryland Industrial Partnership Program.. That's an actually fantastic program.. So you give 10 grand to the university and the university then matches 90 grand, so you have \$100,000 where faculty and students can do research on your behalf.. So I used that program twice to help continue to put the technology together and commercialize.. That really helped me a lot.. And then the second thing, this is really important actually, I'm completely against these boy bands that get set up, where like, a venture firm comes in and says, I'm gonna get so-and-so from such an industry, this, that, you know? It doesn't work, you know? It just, so many examples of that failing.. So, you know, if you find the, if you have the passion to build this thing, go out and start the business, maybe even before you get venture money if you can, right? Like, for me, one of the greatest gifts I had, was I wasn't hiding in a lab for five years working on something..

I had to make money.. 'Cause I was running out of my own money, so the revenue that was coming in from the business was really important to allow me to pay people and to try to expand.. And so, I was in the aisles, at Whole Foods, myself for many years talking with customers, handing out samples, but not just in areas where I was gonna get great reception, but in like, Kentucky and parts of Pennsylvania and Ohio, and that was a really good experience 'cause it taught me a lot of things around what the product needs to do, really important about ingredients.. Like, you couldn't pay me to put genetically modification in after I've talked to a number of Moms I talked to in supermarkets, right? And the notion, and also the way we market, that came to me through this process.. So, women would come up to me in supermarkets primarily, and they would say, "I need to get this 'cause I need "my husband to cut down on red meat consumption, "and he will eat this product.. "This is good enough for him to eat, right?" And so I started to think a lot about that, and growing up, I was interested in milk because of the business we had, but I also loved sports, and so the Got Milk campaign made a big impression on me as a kid.. So, when it came time for me to market this product, from the very beginning, having talked to people in supermarkets, I need to convince people that they're not only gonna be as robust, and as vital by consuming plant-based meat, but potentially even more.. And so I called up the architect of the Got Milk campaign, a guy named Jeff Manning, who's the first sponsor on the California Milk Board.. I hired him.. And he and I built this program together called The Future of Protein, and later we called it the Go Beyond campaign, by a woman named Beth Maskowitz, who really helped me pull it out..

But the important thing was it was through that dialogue and engagement with the consumer that really allowed me to make the right choices for the brand...