
Jaime: Welcome to Eventual Millionaire. I am Jaime Masters, and today on the show I am so excited to have Kara Goldin. You can, of course, check her out at KaraGoldin.com, but I am a huge fan of Hint water. I drank all the ones that you sent me, but I've drunk many, many ones from many years ago when you had chocolate water, when it first came out, because chocolate water was the best. And I absolutely love the new book that you have, it's called *Undaunted*. Everybody needs to check it out. Thanks so much for coming on the show today.

Kara: Thanks for having me.

Jaime: I so appreciate somebody that has been in the industry, going and pushing through risk, to come out and tell your story. Because for you to be in the beverage industry, with huge hitters like Coca-Cola, must have been absolutely ridiculous. So, please tell me a little bit more about all those doubts, the risks that you took, and the overall story.

Kara: Yeah. Well, I was never with, technically, like a Coca-Cola. I had never worked in there. But I have had run-ins, I should say, with various – with Coke and with Pepsi along the way, but I was actually a tech executive prior to starting my company Hint. And really, I'd been there, at AOL, for seven years running ecommerce and shopping partnerships. And then I was spending most of my time on the east coast. I live in San Francisco, or Merin County now but at the time, in San Francisco. I had three young kids, and I thought, I'm never home. I wanna watch my young kids, I wanna go to mommy and me classes and do all that kind of stuff, and I wanna work.

And so, that was the main reason for me leaving AOL, and that's when I was trying to also figure out how to get healthy. And so, I was doing everything. I was trying diets, I was running a lot, I knew how to – I was a competitive gymnast growing up, and a runner. So, I knew how to do all that kind of training and stuff but I had never really paid attention to my food and ingredients, because just never really had an issue with it before. But once I had kids, it all caught up to me. And so, I was spending time looking around for that perfect role, and spending time with my kids, and also really focused on this health side of my world.

And that's when I had this idea that was really stemmed out of me looking at my Diet Coke can, and seeing how many ingredients were in the Diet Coke. And I was – again, I had no experience

other than I was a consumer, and I saw there were over 30 ingredients in this can, and I thought, what is this that I'm putting into my body? I remember at the time, trying to really understand oil that was going into my car. How my car sounded different if I used better oil, and I'm thinking, this is really sad. I care more about what I'm putting into my car than I do my own body. And here I am, a parent to these young kids, and all this stuff. So, I decided cold turkey, because if I did one a day, then even though that would be less bad ingredients that were going into my system, but I thought, cold turkey.

I'm just not gonna touch it, because I'm not the kind of – I'm either in, or I'm not in kind of person. And so, I just decided, I'm gonna put it to the side. I knew that I'd have caffeine withdrawals and all that kind of stuff. But what I really realized was that I was really thirsty after I stopped drinking diet soda. And so, I was like, I gotta drink water. People have been telling me for years, eight glasses of water. And I'm like, okay, I'm on. But I never did it, because I didn't like the taste of water. So, two and a half weeks of just forcing myself to drink water, then I realized that big changes had occurred.

My skin was totally cleared up, I had developed terrible adult acne over the years, and suddenly it was gone. My energy levels were different, and I had lost 24 pounds in two and a half weeks, which was insane. And I was like, oh my gosh. How did this happen? And the only thing that I had really changed was not drinking the diet soda that I loved so dearly. And so, I didn't wanna go back to drinking diet soda after this, but I also was like, I'm not gonna be able to drink enough water unless it tasted better. And so, I tried every brand, the whole thing. And I'm like, I want pineapple, or cherry, or something in it.

And I had no idea what I was talking about, other than the fact that I just wanted, just a little something in it. And that's when I went to the local store, Whole Foods, that had just cropped up in San Francisco, and I was shocked to see that everything had a sweetener in it. And I was like, I don't wanna have diet sweeteners because that was how my body got into this bad place before, and I certainly didn't want sugar. And there were carbonated versions of seltzer water, but it had a lot of sodium in it. So, I was like, I don't know if I want that, either.

I just kept thinking that that was San Francisco, that it was just like we weren't on the program yet of – I knew I was on to something unique, but I really believed that it was somewhere else out there

in the US. So then, I took a trip to the east coast that I already had planned, looked all over in New York for it, and it wasn't there. And so finally, that's when I said, okay, while I'm looking for a job in tech, maybe I should just get a product on the shelf at Whole Foods. How hard could it be, right? And I had no idea. I wrote a quick business plan. Somewhere in there, I was like, there's competition, but I didn't even have this exhaustive search to say there's over 2000 beverages, and there's – we're doing not only a new company and a new product, but also a new category, which is incredibly hard.

No matter what industry you're in, if you're doing an entirely new category and you have no other competition, and the consumer really hasn't seen it, there's just a whole education that needs to go into it, and potentially roadblocks because nobody is on the same page as you are. There're a lot of reasons why that is much harder. So, that is as far as I got. I just said, it'd be really fun to get it on the shelf at Whole Foods. And there was a tiny little piece that said, maybe it'll never happen, but I thought it'd be really interesting to actually go through the process of actually getting it on the shelf. And so then, ultimately – you read the stories.

Ultimately, I ended up getting it on the shelf the day that I was actually delivering my fourth child. I had to be at the hospital at 2:00, so I got to Whole Foods at 10:00 a.m., and found the guy that was stocking the shelves that I had been bothering over the six months prior to this, and ended up educating him on – he wanted to know what a planned C-section was, and how I knew I was having a baby at 2:00. So, I ended up sharing, because I had had an emergency C-section before with one of my kids, and now I was having a planned C-section, he wanted to know what the difference was, and thanked me after 15 minutes of me explaining.

Because he didn't have any – his mom never talked to him about that, or his sisters, he didn't have any. And so at the end of that conversation, that's when I said well, do you think you can put it on the shelf? And he was like, I don't know, I'll try. Just leave the cases. Then they went through 10 cases overnight. Somebody bought all 10 cases overnight. But as an entrepreneur, as far as I had gotten was actually, can I get it on the shelf? And that was it. And then, when I get the news while I'm still in the hospital after my son Justin's born, that the 10 cases are gone and he can't hold the shelf space for very much longer, that's when I was like, oh my gosh. What do we do? We had some product, thankfully. And my husband said I don't want you driving. I'll go load up the car, and

I'll go take it in. It was really this time that was – it's fun to look back on now and see it. Because it was just like, it was a lot of fun. We had no idea whether or not it was gonna work, right? It was all about if we don't try, we'll never know. And what's the worst that can happen? Maybe they say no. Maybe we'll learn a lot more about the store called Whole Foods and how you get a product on the shelf. And maybe it'll be an interesting – what did you do beyond tech that you failed at? And we'd say, yeah, I tried to launch a beverage. It was really weird.

We just thought, I don't know, it's just part of the journey. And so, that was how it all got started.

Jaime: It's funny, people listening right now would never be, oh, you want more time and freedom, go up against Coca-Cola in a brand new category and that's totally gonna give you freedom and home with the children, right, most likely? So, when you're only looking this far ahead, it's really awesome because you can go well, I only need to get to here. It's like when you're driving at night, you can only see so far. So, who knows if there's bears down the road? Tell me about the trajectory that you started to go on now that you had that one chunk where you're like, yeah, it was great. Then what?

Because it's a lot to start a business when you've been a tech entrepreneur, and now you're the owner of a company that is in a brand new category.

Kara: Yeah. I mean, early on, I would say when I really started understanding what I had started, was obviously the excitement of selling the 10 cases. That was super exciting. But then we went through more cases of Hint at Whole Foods, and then the Whole Foods buyer was like listen, you guys got in on this special program that was for local products, but at the end of the day you need to have a longer shelf life, you need a real distributor. You can't be like – we don't want lots of mom and pops coming in here and dropping cases off and giving an invoice. It's just too much.

We have so many products in the store. And so I was like, so distributor. Who would I call? And again, I had been a tech executive, I wasn't a moron. I was the youngest Vice President at AOL, was one of the few females. I knew what I was doing in this category, but next to actually learning how to put my first diaper on, this was right up there as having no idea what I was doing at all. And that's when I just really started to have my doubts. I was just, this is way harder. Yes, there's Coke and Pepsi and all those guys out there, but in addition to them actually being on the shelf

in lots of stores that I wanna get into, I would go and try and get into Safeway, for example. And Safeway, the buyer was like, oh, this product tastes really good. So, what category are you in? And I'm like, category. Well, it's an unsweetened flavored water. And she was like, so, you're not really water because you have fruit in it, and you're not enhanced water, like a vitamin water, because they have sweeteners in it, and you're not soda, and you're not juice. Yeah, there's no spot for you.

And I was like, what do you mean, there's no spot? Just create a new category. And they're like, no, it's not in the planogram. We have our planograms all set for this year, so you're not getting in. And it was this world that I was like, how do I break this thing? And I could not figure it out. And so, there's a story in the book around a friend after a year – and we were doing pretty well in the bay area, where we were in about 10 stores, and consumers definitely wanted the product, and we were still making our way into stores and distributing. We hadn't figured out the distribution thing quite yet.

And that's when I finally was like, I shouldn't do this anymore. I don't know that I can actually scale this. I don't know how to get into this world of distribution with Coke and Pepsi. I don't know how to actually get my shelf life longer. There's just so many unknowns that were way harder than they appeared. And that's when a friend introduced me to somebody at that little soda company in Atlanta, Coca-Cola, and very senior level executive, and I was so excited to get a phone call with him. I thought, here's this industry expert, this person that knows everything about this category, about beverages overall.

And he's gonna wave his magic wand. He'll probably say oh yes, let's put all your products on the Coke trucks and it'll be a beautiful marriage, right? And I remember getting on the phone with him, and for 15 minutes I'm selling, basically sharing how great we're doing in the bay area, and I've developed this company, I didn't have experience, I've run into challenges along the way, but I'm really excited and **[inaudible] [00:14:31]** on what we've built so far. And 15 minutes into this conversation, he just interrupted me and said Sweetie, Americans love sweet. This product isn't going anywhere.

And I was like, woah. Sweetie? What's he talking about? And it's funny, because I've shared that story with so many people along the way, and particularly entrepreneurs or would be entrepreneurs,

and particularly – well, men and women but particularly women are like, oh, I think I would've hung up the phone. Why didn't you do that? And you never really know when you're in weird situations that don't go the way you actually – you couldn't have predicted that that, in my mind, that that would have happened, right?

And so, I did nothing. I just sat there and listened to him go on about, he's sitting here sharing with me that my – not only did he call me Sweetie and catch me off guard but also the fact that he didn't believe that I had actually created something that my customers were not only buying, but they were also talking to me. They were writing to me, they were calling my little 800 number on the bottle, that we still have. That, to me, was like, I kept saying to myself while I'm listening to him talk about how people really want lower calories. At the time, all diet drinks were like, 10 calories. But 45 minutes later, he never mentioned the word health.

And so, I hung up the phone and I thought about that. I was like, wow, that was a really interesting call, and obviously some things caught me off guard. But in addition to that, the fact that I started listening really carefully and closely, and in my mind it turned from this Godlike figure who had all the answers, to this disrespectful person for a moment. But in addition, he was on a totally different river than I was. I was on a mission, he wasn't. And it was very clear to me after that phone call. So when I got off the phone, I was like, wow. This is really complicated. And I remember saying this to my husband, he was like, what do you mean it's complicated?

And I was like, he's never gonna launch a water. This whole unsweetened flavored category thing, which is typically driven by these larger guys, really doing exactly what we're doing. They don't wanna do that, because they want to really protect their mother ship. The Cokes and the Diet Cokes and they hadn't even acquired other drinks yet. But it was fascinating to me. So, I made the decision that day that I would just put the gas on and go. Because I felt like I had these customers already who were saying gosh, you're helping me drink water, you're helping me control my type 2 diabetes, you're helping me through cancer. And I kept hearing help, help, help.

In addition to health, and help, those words, to me, were just so powerful and I thought here I am, just creating a two dollar or less bottle of water, and I've got these people who are saying thank you. I don't even know these people. They live somewhere else in

the world, right, and they're sitting here sharing with me how I've changed their life. I had never heard that in tech. That was just so incredibly powerful. So, that is when I really decided I need to throw the gas on and move this thing forward.

Jaime: What were some – because when the gas gets thrown on, that's amazing. More energy towards it. That doesn't remove any of the obstacles that you have in front of you though, right? It just makes you to towards them faster. So, how did you start untangling all of those things? Because each one is it's own can of worms. Distribution, we have to figure the shelf life. It's all new, and at the time, you didn't have a humungous team to start helping you with a lot of this stuff.

Kara: Yeah. And I think we just kept – so my husband, I say we, my husband started working with me primarily because was self-funding it initially, and he was getting a little worried. I'm writing checks for \$50,000 off of my personal bank account. He knew I had made some money at AOL, and he wasn't arguing with me, but he didn't think it was the greatest idea, and he knew that I could get a job in tech. So, he was like, wait, what are you doing? But he also saw this passion that I had, but also purpose. And this was before people were even talking about mission driven, purpose driven companies. And that's what we were doing from day one.

I saw this problem that I was solving for myself, and I thought if I could actually get people to enjoy water, then we won't even be talking about type 2 diabetes, or some of these other issues that are out there. I really believe that the decks are so stacked against consumers. And so, I really had to get out there and just try and see what I could do, not knowing whether or not I'd be successful or not. And so, so many stories along the way. It was, as I always talk about today to other entrepreneurs, I viewed it as one bottle at a time. It was like, how do we get it into Whole Foods? Okay, how do we continue expanding?

Lessons I learned along the way, including one day, I had Starbucks. And then a year and a half later, after doing really well in Starbucks, we got cancelled in Starbucks. And that was a huge day for us. It was a really high point in the calendar, and then a low point. It was awful when we were kicked out, but I always ask myself, and I share this with entrepreneurs today, when bad things happen to you like it did with Starbucks, I think what are the lessons? Could you have done anything different? And I think the main thing that I – that main lesson that I learned that day is that

the reason I cared so much was that 40% of my overall business was sitting in the hands of a retailer, to make or break me, which is incredible scary. And so, shortly after getting pulled out of Starbucks, we ended up starting to do business with Amazon. They had reached out to us. The first thing out of the guy's mouth who was doing the buying for grocery was, I buy your product all the time at Starbucks.

And I thought, see, there was a reason why we were in Starbucks. But, I'm a huge believer that dots connect, even when things don't go the way you think they're gonna go, including the story with the Coca-Cola executive. But it was about a year into working with Amazon that I really realized that they had a lot of data on my consumer, and they viewed the consumer who was buying Hint their consumer, because they were buying our product. And this light bulb went off in my head where I thought, oh gosh, they're right. It is their consumer, and Whole Foods believes it's their consumer, and Target, and everybody else who we had gotten into, and Starbucks believed that it was their consumer, too.

And they have all this data on the consumer, and I have none. And again, I had come from tech, so I understood the value of data, yet I didn't have any. And so, that was the moment when I decided I need to go launch my own direct to consumer business. If nothing else, not to compete against Amazon or any of these retailers, but really just to have some kind of relationship with my consumer. Because I felt like if any of these stores cancel me again, then I could actually reach out to my customers because they care about it, and they're buying it, and say hey, we'd love to sell you the product.

So, I think when I look back on what we did, and some of the stories – I just published this book, *Undaunted: Overcoming Doubts and Doubters*, I try and share. What I don't do is actually say one, two, three, these are the lessons that you learn. Instead, I shared these stories that we went through. We didn't have this perfect road map. We often decided to do things because people reached out to us and said hey, would you – you know, this happened in the pandemic. Costco said hey, we're having problems with getting products from certain companies because they source in Asia and all the factories are shut down in Asia. Can we flip the switch and have you guys go national with Costco? People are like, oh my gosh. And are we really gonna make this happen? And I'm like, yeah, we are, because that's what we do. We show up, we move quickly, we're opportunistic, and that is kinda the story of Hint. That we've definitely had plans along the

way. Some of those plans have worked, some of those plans haven't worked, but I think that the beauty is that we really do believe that along the journey, lots of things will present themselves. Especially when you're a good person, and you've got an understanding of your business model, and ultimately you have a diversified business model as well where lots of great opportunities can happen.

So, that's been really the story with Hint. But in addition, one thing that I've always believed and spoken with many entrepreneurs along the way is that the stuff that goes on in between for an entrepreneur, they're the climb and the ride overall. I think there's a lot of misunderstanding about it, where I always hear about the unicorns and about the failures. But the stuff in between, for me, is where the really good lessons are. Where you can sit there with your own challenges and look back on those things and celebrate the wins, but also what were the lessons? What were the things that maybe you could've done to change the situation a little bit and move forward?

But unfortunately, those lessons just don't get told too often. And so, I feel like there's this idea that just because you're a unicorn company, you didn't have doubts, you didn't have fears, you didn't have failures. And I think every single one, whether you've had a successful start up or company or not, you definitely do have those challenges along the way. And it's just really how you ultimately try, and move forward.

Jaime: It's funny, because that was gonna be the question that I was gonna ask, especially for mission driven businesses that feel so attached to the cause, the ups and downs are a roller coaster anyway, right? For your baby, but also for your consumer who needs this. Did you ever feel like you've made it? Do you celebrate small wins? Because these big, heavy hitting – getting dropped by Starbucks is a big, huge gut punch. So, how do you navigate during the moment?

Kara: Yeah, I think it's really important to celebrate the small wins. But I think that getting too bogged down, and getting static, getting – saying oh, we're doing great is not the way that entrepreneurs should act. Because I think you should be a little bit paranoid along the way, and as I always say to my team, there's nothing wrong with being a little bit paranoid along the way, too, because I think it's – you don't know what can ultimately happen. And that's not just in the food and beverage industry, it's in every category. Gone

are the days where, just an example, your – let me back up. When my dad was first starting his job, it was crazy to think that you would even have more than two jobs. Most people had one job for your entire life. Can you imagine? And you were branded if you had more than one job. Forget it if you had two. People said oh, no, I don't wanna take a chance on this.

And again, there were pensions, there was a lot of job stability, and guaranteed for life kind of thing. No longer. And so, I always say to people, that's the most important thing to remember too, is that people have to do what's right for their business. And that's as it relates to people, but also as it relates to deals, including whether or not your product should remain on the shelf at a store. Or maybe whether or not your software is part of a company, or part of a product. Things will change along the way, and I think that that is such an important piece, and all you can do is be a little bit paranoid, and do the best job you can, and stop focusing on what everybody else is doing and trying to follow.

Instead, look at what you can do ultimately to be successful and move it forward. And I think that that is the hugest lesson that I've learned along the way.

Jaime: Yeah, all businesses have problems. That's the whole point, they have to solve the problems, right, but it's how you navigate through them that's gonna make the difference and make you a big success, and diversified or not. I know we have to start wrapping up, so what is one action listeners can take this week, besides get the book, that they can do to try and achieve their goal of a million?

Kara: I think that the most important piece is actually figuring out what is working, and throw the gas on that piece that's working. So, so often you have diversified, you've got challenges in your company. But if you look at – everybody can look at their business, and especially from the revenue standpoint, and figure out what is that piece that's really working? And if you do that, then you can alleviate a lot of your stress around these other parts. Because maybe some of those pieces need more time, or maybe there's nothing you can do about it. I mean, you look in a time like a pandemic, there are definitely businesses where you're at the mercy of what's going on in the world. And that is – if you're in the event space, for example, is there stuff that you can do? Sure. There's definitely stuff. But there's other stuff that is a little outside of your control. And I think that that is the most important thing, is trying to figure out what is that one thing that is working

that you can really move the needle a little bit further on?

Jaime: And I just love how you were saying, getting closer to the customers because feel like that's what the pandemic has also helped with, going this is working because the customers like it, or because it's still needed, or because whatever that information that really helps you navigate that. Because you're not alone, it's not in a silo and you're trying to make up ideas on your own, in any of this.

Kara: Certainly.

Jaime: Awesome. Well, where can we find you online, where can we go get Hint, where can we get the book, all that stuff?

Kara: Yay, so I'm @KaraGoldin, it's Goldin with an I, and I'm all over social media. And the book is *Undaunted: Overcoming Doubts and Doubters*, and it's available at bookstores as well as on Audible. Here it is.

Jaime: Amazing photo, by the way. It looks so great.

Kara: Thank you. And Amazon, and also on our site where you can also buy our water and drinkhint.com. So, definitely pick it up and let me know what you think as well. That would be super awesome.

Jaime: Awesome. I really appreciate you coming on. Everyone go try Hint, if you've never done it. Go try it, it is so, so, so good. And I need to stop drinking soda water, because I was a little crazy about it and Hint is a million times better. So, thank you so much for coming on the show today, I really appreciate it.

Kara: Thanks for having me.

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