

Annaka:

Hey, and welcome everyone to Startup Savants, a podcast dedicated to helping aspiring entrepreneurs and startup enthusiasts by bringing you news, insights, and stories about the startups and founders that are making waves right now. I'm your host, Annaka.

Ethan:

And I'm your host, Ethan.

Annaka:

Our guest today is Sol Broady, the founder of Leilo. Now, you were born and raised in Santa Monica, California. An ambitious student at Columbia University and athlete, you launched Leilo to bring relaxation to those struggling with the same. Super, super excited about talking with you about this today, and if you could, tell us a little bit about the history behind Leilo, its mission and how you got started.

Sol Broady:

Absolutely. So I stumbled upon the kind of the idea for Leilo coincidentally and totally fortuitously. So, I had no intentions of getting into the beverage space, I was always interested in entrepreneurship, my father and grandfather were entrepreneurs. So I was looking for business opportunities, but I wasn't like, "Hey, I'm going to create the next best soda and that's what my life is going to be dedicated to."

Now what changed for me is I went to Fiji on a very random trip that my mom booked as a Cyber Monday deal in 2017 I believe. So that was very exciting, and in the year that elapsed between when the deal was booked and when we actually were supposed to go to Fiji, my parents, who have been married for a long time, decided that they should get divorced. So there was kind of some hesitancy about even going on the trip in the first place at that point in time. Needless to say, when we did eventually get to Fiji, it was a little awkward around the dinner table let's say. So, it pushed myself and my siblings to go explore and hang out and do things that we wouldn't necessarily always do.

The reason that's relevant to Leilo is I was introduced to and befriended a couple of Fijians. One of my best friends in Fiji, his name is Benji, Benji Terrarokeneue. And he kept telling me about kava and about the kava ceremonies that they had and the kava celebrations that they had, and I had no idea what kava was in the first place.

So to back up a little bit, kava is a root that's found endemically across the South Pacific and the Polynesian, Micronesian Islands. So from Samoa, Hawaii, Vanuatu, Fiji, Papua New Guinea, etc. And the plant is grown, it's part of the pepper family, so it's a root that grows out of the ground, it takes three to five years to mature, much like agave. And then it's processed, it's taken out of the ground, and the traditional consumption method is to grind it up, put it in a tea bag like a strainer, and add lukewarm water in a big bowl and then to kind of muscle out the

fibers from the kava into the water for like 30 to 45 minutes. And then you sit in a circle and you say a little prayer and drink out of coconut shells on the beach, and it's as you can imagine, incredibly relaxing, super cool, culturally immersive experience. Those are the reasons why I did it. Again, this was not like, "Hey, let me now start a huge company out of this."

Also I should add as a high schooler I was interested, is this efficacious? Am I actually going to feel something here? I was curious and this was at the time that kombucha, CBD, and hard seltzer, if you remember 2017, 2018, those three categories ... and as you mentioned I'm from California. So we were exposed to the whole THC-CBD growth curve a little bit before the rest of the country. So I was kind of attuned to these developments, I was on a beach, I was sipping some kava, and immediately felt tangible effects, and I was blown away by the efficacy, the functionality of kava.

So kava has five main properties. It's a pain reliever, muscle relaxant, anti-depressant, anti-insomniac, and lastly, it's a cognitive booster. And so the first four properties are familiar to us as an American or Western consumer because those qualities are found in most depressants that we're accustomed to. Alcohol, prescription medication like Xanax, right, etc. However, the last quality, boosting mental cognition, enhancing your mental functionality, completely separates it from the aforementioned categories. Because you're not slurring your words, you're not acting out of character, you're not, you know, becoming more aggressive. You're very much within yourself. You feel very grounded, but your body is increasingly relaxed and you're feeling increasingly euphoric.

So I was experiencing all of this stuff, like, "Whoa, okay. Wait a second, this stuff works. Are my other family members feeling this? Would they feel it? And how much did I have of this? Why isn't this a bigger thing?" So many questions, and then, I had to go to dinner with my family and this was when I really had that eureka moment, my family had no idea that I had consumed kava or any functional ingredient. They thought I was acting completely normally. I was so relaxed, melting in my [...] awesome, but it was undetectable, which I think is important because it underscores the fact that this is not debilitating. It's not ... The word drug is thrown around so commonly when it shouldn't be in my opinion in a lot of cases, but I didn't feel drugged out. I felt very much relaxed and still active and present in the moment, and I thought that that was really unique in my experiences with function substances.

So much so that my family, and again going back to awkward dinner conversations, we were in trivia games, right? Because we couldn't really talk about anything. So we're playing trivia games and I was able to answer the questions I would normally be able to answer and I wasn't slurring my words, I wasn't forgetting things, and everything was in order until we had to go up and bike back to our place and I couldn't get on my bike, I couldn't balance, I couldn't pedal, I kind of was just rolling down the concrete, giggling, and my family was like, "What is going on here? Is this an issue?" And the Fijians were like, "Oh no, he just had way too much kava. It happens all the time. Just put him to bed, he'll wake up totally fine in the morning."

And that's exactly what happened. I woke up at 8:00 a.m. and I had trouble sleeping as it is, so I woke up at 8:00 a.m., a great night's sleep, without a hangover, feeling awesome and ready to go. And it was at that moment that I said to myself, "I don't know what this is, I don't know why it's not bigger, I don't know what the obstacles are, but this is really powerful stuff, and I think it can make a huge difference in the lives of people back home that are suffering from the same anxiety and the same stress and the crazy work-life balance that I was going through."

So that was kind of the foundation point, and I could speak a lot more about ... But I think we'll kind of get into it as we go. So, I'll stop there.

Annaka:

I love that though and I know that there is kind of a push in the US, kind of away from alcohol and things like that. They don't have a great user experience every once in a while, so I'm really interested in your product and kava in general, and there's an additional ingredient in there that I've seen, L-theanine, and in the fitness community as well, that's kind of marketed as like a wellness product. Can you tell us about that one too?

Sol Broady:

Yeah, sure. So all of this, if I may just zoom out for a second. Because you're getting at ... in the late 70s, early 80s, Red Bull came out, right? Red Bull started going and they started in Austria, and then it was Western Europe and eventually the US. And before that, the energy category was really wide open. So if you think of this like middle of the screen as the sober point, right? Where we all are presumably right now. But I say that kind of with a wink because I'm drinking a tea right now. Like we're constantly putting stuff into our bodies that's moving that status quo. So to the right, if we think of that as energy, that category is completely saturated. We can go from coffee, tea, soda, to 5-Hour Energy, or Red Bull, or Adderall or this or that. And everyone knows where to get their caffeine fix or their ... everyone knows where to go when they need energy, which is why we've created such a crazy stress culture in America where everyone's pumping themselves up with sugar and caffeinated products all the time, increasing their heart rate and their cholesterol and their anxiety, diminishing their natural melatonin in their bodies and then wondering why can't I go to sleep, why do I feel the need to "balance this out" with alcohol and marijuana and Xanax and the things that are on the far extreme opposite end of the spectrum.

So kind of what the fundamental premise of Leilo is is that going from sober to "relaxed" means jumping all the way over here, and most of the time, you actually want to be here. You want to be in that kind of coffee to the Red Bull zone on the relaxation side. You don't want to be drunk for three hours all the time.

Annaka:

Right. That's my nightmare.

Sol Broady:

You don't want to necessitate a hangover with something that's going to "relax you." So, Leilo fills that role, and I think we fill it really well because we're coming in, to your point, we have kava and we have L-theanine, and L-theanine is in there, it's an extract from green tea that simulates caffeine, it keeps you energized, and it promotes mental cognition, but it doesn't make you jittery. And the reason that we put that in is if we didn't have that, kava would likely make you sleep. You would probably want to sleep after drinking a product. You would be a little bit too drowsy, you'd be a little too relaxed. We're actually coming out with a dedicated sleep version in a month or two — I'm very excited for that. So there's lots of cool R&D stuff that we'll get to at the end, but getting back to your question, it's very much that balance and we have a great B-vitamin stock as well.

So the kava, the L-theanine, and the B-vitamins are combining to make you relaxed but still energized, still functioning. We really call it a responsible relaxation or relaxation without the sacrifice. A great use case is you finish a school day or you finish the work day, or you put your kids down for bed and instead of reaching for that beer or that glass of red wine, you're now able to have something that's non-alcoholic but still very functional. No hangover, very few calories. So I don't know if you guys saw this, our base line has 40 calories, our light line has 10 calories. So we have eight grams of sugar, natural cane sugar in our standard line, and zero grams of sugar in our light line.

So, we're able to provide ... that's why we say relaxation without the sacrifice, low caloric content, low sugar content, all natural ingredients, vegan, kosher, halal, non-GMO, gluten-free, non-addictive, doesn't show up on drug tests, no hangovers, can't overdose on kava or any of these ingredients. So really we view it, that's a very long-winded way of saying this is a new-age product for a new-age consumer. It's someone like me and like you guys presumably, we like to work, we like to get stuff done, we like to be productive. We also like to have a good time and relax every once in a while, but we know that pumping ourselves full of alcohol, Red Bull and weed is not the most conducive strategy towards sustainably building ... for ourselves.

Ethan:

Cool, so you mentioned at the beginning that you ... When you first found this product, you didn't know. You didn't know why it wasn't a bigger thing, why it wasn't more prevalent in the US and other places. Assuming now that you've gone through quite a bit of research, you now have a product out, do you now know why it wasn't more prevalent?

Sol Broady:

Yes. It's a remarkably simple answer, actually. Well, and it's just my opinion — what do I know? But as far as I can ascertain, it was only because kava doesn't taste good, and because it takes a bowl and a strainer and 30 to 45 minutes, and I just ... flip it back to you guys as a question, if I told you there was this incredibly relaxing super ingredient that I had found and all you guys needed to do is order a bunch of ground-up powder from a foreign country, import it, and take that, put it into a teabag, strain it out for 30 to 45 minutes by hand. And this is hard work. You should see the Fijians, they have hands of steel, like their handshakes. I can't do it like that, it

takes me an hour and a half. I just have my weak American hands. Like this is intensive, it's intensive labor to actually get the product and then you're drinking essentially what's tantamount to dirt water and I don't ... I always feel a little weird saying that, but my Fijian friends also call it dirt water, so I feel a little bit ... kava actually means bitter in Fijian. Awa, which is the word for kava in Hawaii, also means bitter. So it's not a secret that ... remember I said that kava is derived from the pepper plant. kava's Latin name is Piper Methysticum, it means spicy pepper. So, when you're consuming this, it is extremely earthy, extremely bitter, and you have to have a large volumetric amount, quantity, to feel the effects when it's processed by water. So you're drinking a lot of fluid.

Now what I realized, I'll kind of use this if you don't mind to jump off into how did I get this off the ground, like what were my first steps here.

Ethan:

Absolutely.

Sol Broady:

So, I was a high school student, senior spring, I had just gotten into Columbia, I had no idea what I was doing in life, I still don't know to be clear, but I really had no idea back then, let alone how to start a beverage company and what that even meant. So I bought some kava and I took it back with me and I started giving it to my friends and family and walking them through pretty much the exact pitch. That's a remarkable thing, I feel getting on these calls, reflecting back on this. I'm saying the same stuff, I've been saying it for like almost four years at this point. It's just starting to make a little bit more sense for people. But the core pitch has never changed. The first time I tried kava when I was at that dinner with my family, I told them, "This is going to happen. I'm going to make this happen and it's going to have this type of impact on the market." It was all pretty clear then, it's just connecting the dots.

But anyway, so the problem that I immediately ran into when I was trying to sample this to friends and family is I'm not Fijian, we weren't on a beach, it was taking way too long to grind the stuff out, it tasted terrible, so they wouldn't drink it, they were all turning their noses, and then they weren't feeling the effects because they weren't drinking enough because it tasted bad. So it was just a massive rejection across the board from all of my ... Everyone that I cared about in America, and you're kind of at a crossroads where it's like, "Okay, I know this is great. Do I just drink it by myself and that's a little lonely or sad, or do I come up with a solution to this stuff?" Because I know it can make a difference. And I opted for the latter, and so I immediately started doing all the research that I could and making random concoctions in my kitchen. So I started with smoothies, and then I eventually found that horchata was the best vehicle because dairy, spice, and sugar were the best maskers that I could find in horchata, and fermentation.

So horchata hit all of those notes, and I would start after rugby practice at Columbia. So at this point I was at Columbia now, in my freshman year, literally lugging around like coolers full of rice and milk and cinnamon and kava extract that I had gotten and I had negotiated wholesale

pricing with this supplier, and I would ... Rugby practice would end at like 10:00 p.m., and that's when I would get my stuff and I would be up until 1:00 or 2:00 a.m., crafting this huge horchata batch, and then on Saturdays and Sundays, I would bring it to fraternity parties or to concerts or wherever people were, and I would go there and with my little cooler and my baby bottles of horchata, and I would without charging people just say, "Hey, try this, to fill out this feedback form. I'm trying to ... You're essentially the focus group." And even that was extremely difficult because I mean people literally thought I was selling breast milk. That was a huge rumor that went around.

Ethan:

Yeah, I bet you were a real popular guy at this point.

Sol Broady:

People would literally take it and just throw it over the fence or something, or they would just dump it out in front of my face. And these took like ... I mean, I know, brutal stuff, right? And this was like ... Each bottle was a little eight ounce bottle, they cost me like \$10.00 a pop to make. And all the hours at night that I was trying to make, so it was really discouraging, getting this sort of feedback, though the few people who actually took me seriously really liked it and they were like, "Holy crap. I feel something, and it's crazy that I don't have to drink alcohol to feel something. And you're telling me that ..." And then they're noticing, "Wait, I slept better tonight. The night after trying this, and I was actually more productive, I was able to wake up the next morning and get all my homework done before class on Monday."

So there was enough positive stuff within all of that crap that I was dealing with to keep going, and the other thing that this allowed for is an incredibly low cost, low budget way to build a ton of research and consumer feedback. When it was all said and done, I had I think 650+ feedback forms that I compiled through this method, and I hadn't spent a lot of money at all. At that point, I was ready ... I said, "Okay. Time to get a professional," because I still don't know how to do this. All I know is that if I can make a horchata, me with my extremely limited culinary skills, can get people to try something and like it, and they didn't even know what kava was in the first place, there's promise here, and a professional can take me the rest of the way.

It was a lot harder than that. It ended up taking another two years and high six figures of R&D spend to get it done. But that was the point where I said, "Let's do this," and that's kind of when Leilo was born. It was at the end of my freshman year at Columbia and going into ... What was that, 2019.

Ethan:

So here's the big question I think probably everyone is now wondering. You're a college student and you're running around here with your coolers full of horchata and your little eight ounce bottles, handing things to people, and then you say the next step is spending hundreds of thousands of dollars on R&D. Where does that come from?

Sol Broady:

Yeah. So that's not exactly how it happened. That's how I think of it in terms of phases, right? And to your point, it's weird and I actually graduated from Columbia like seven days ago or eight days ago.

Ethan:

Well, congratulations.

Annaka:

Congratulations.

Sol Broady:

Yeah, it feels like everything's changed for me. I'm just kidding, I'm doing the exact same crap that I was doing for the last three years. But I do think about it in fundamentally distinct phases, and I think it's necessary and helpful for anyone thinking about a venture like this to really distinguish the phases here. That first phase was low profile. Like I'm not even, I'm not telling my parents, I'm not telling ... Whatever, it's like I don't want to be embarrassed by this. I'm going to stay in the shadows, I'm going to do as much dirty work as I can. I'm going to inflict as much pain on myself as I possibly can without spending money. I would rather sit for five hours in the basement every couple days and make horchata than ask someone to spend \$100,000.00 financing my ideas. It was really important to me that there were legs to stand on in the first place. I was insecure, it was my first business that I was starting, I didn't want to screw it up. People already thought that I was really dumb and that this was never going to work.

But I say that very much because I leaned into that. I really leaned into it, and it helped me. I liked kind of being this like vigilante-like figure ... You know, it's like, "You all think that I'm up to no good, but little do you know, I'm creating a relaxation drink for your own benefit. Just give me a couple years." And so I kind of embraced that mentality and I really recommend doing that as much as possible for as long as possible before you talk about investment, before you talk about a business plan, before you talk about your first manufacturing run or whatever it may be. Because as I said, and you're laughing, it's embarrassing. It was absolutely embarrassing, it was painful, it was depressing at times, and that was why it was perfect. Because it got all of the problems that I was going to encounter anyway out of the way. It built up really thick skin, it built up a real dedication to what I was doing, where I said like ...

And I always say, people are like, "Well when do I know?" Or I get asked, "What would you say to someone who's thinking about starting a business but just needs a little bit more motivation, a little bit more encouragement?" And I would say don't start the business. Do not do it. If you need any extra or external motivation or persuasion or whatever, don't do it. Because it's just not worth it. You're not doing it for these other people. You're not doing it for someone else's motivation, it's for you. You're the one who is responsible in a very significant and inextricable way. Like you can't just say, "Okay, now let's go back. I actually don't want to have employees

and have a company and have debt and have, you know." Once you turn it on, you can't turn it off. So just chill, and do your research, and think about it and think about all of the ways it could go wrong and keep thinking about those things. And don't start the business, and when you are ready, put your foot in the ground and never look back. But don't rush getting to that point.

Ethan:

I think that's really, really solid advice. I think the most important thing you said there was the "if you need any external motivation from other people, it's not ... You maybe should think about it a little more." Because entrepreneurship is not all rainbows and butterflies. You're going to have people that take your eight ounce bottle of horchata and pour it down your shirt. I don't know if that ever happened to you, but we're extrapolating here -

Sol Broady:

Close. Close.

Ethan:

Or just take it and throw it over the fence. There's days when you're going to get your butt kicked and if you need that external motivation on the good day, then what are you going to take from on the bad day? So I think that's very excellent advice, and I appreciate that from you.

Let's talk a little bit about that next phase. So at that point, your kind of MVP was these eight ounce bottles that you put together yourself and then middle, middle, middle, you had some R&D, some professional R&D, and then you ... What was your next MVP, and tell us a little bit about the process that it took to get to that point.

Sol Broady:

So this is ... There's a lot of stuff in this next phase, so I'm going to try to keep it succinct and you tell me where you want it to go.

Ethan:

Give us everything.

Sol Broady:

Yeah. The irony of saying MVP with an eight ounce baby bottle of horchata, yeah. To your point, I had something. I had some basic principles, I was getting closer and closer, and that's kind of ... That's my what I'm hoping to illustrate here is that that time can save tens or hundreds of thousands or millions of dollars when it's all said and done. Because you assume that ... I think one naïve assumption that I had getting into the business world or getting into Leilo or however you want to think about it is these people, these consultants, these professionals, whatever you want to call them that are going to assist you, they're going to kind of connect the dots and walk you ... they're going to take your idea and just run with it. That's not at all how it works, at least in my experience. If people knew how good this could be and what you wanted, they would be

doing it themselves and making all the profit off of it. My only value was my novelty in thinking out this idea, what does it look like, what does it taste like, what does it feel like, what's the branding behind it, what are the marketing principles, and keeping that to myself and not disclosing it to people and just having them work on the component parts.

I think entrepreneurs need to be really cautious about sharing the full scope of their vision to anyone that's external, and by anyone external, I'm talking even about like a ... I mean not a co-founder, not someone that you're launching the venture with but even an investor. So much of what you're bringing to the table is the novelty and is the thought process behind what this could be. So, you need to be very protective of that. So what I did as the next step, next immediate step was I have around \$30,000.00 from jobs that I worked, investments that I've made, graduation money, ect. I'm going to trademark the name Leilo, I'm going to trademark calm in a can, and this is kind of what I'm talking about, right? Like is calm in a good can a good slogan? I don't know. I think it is, okay? I'm not going to go to someone else and ask for their permission or approval to trademark something that I think is good. Why would I do that? I'm just going to trademark it in the first place.

Because if someone came to me and said, "Hey, here's this really great thing that isn't trademarked," I would trademark it myself. I think most people in the business world would do that themselves. So again, it's just one demonstration of like you got to say like, "Hey, I got the sauce or I don't got the sauce," and if you have the sauce, then you got to be confident and move and execute off of that assumption. I think in a lot of ways, some of my team, we talk about how founding a business is sometimes like starting a constitution for a new country. It's like freedom of speech, is that a good thing for society? Like who knows, but we're going to hold that as true and self-evident and everything else is going to build off of that. So like you need to get to those core assumptions which is kava drink is a good thing, calm in a can is a good slogan. And then take steps, so with that 30K, I trademarked the core marketing assets of Leilo and started professional drink formulation.

And my strategy for that was it's a little bit interesting. I don't know who these people are, so I'm going to go on Google because I literally had no idea what I was doing. Go on Google, look up all the flavor houses and formulators that I could find in the US that were at least tangentially related to botanicals and kava and whatever else. Rank them, without really knowing anything about them, rank them as best I could based on what the internet community was telling me. Start at the bottom. Cold call, starting from the very bottom of the list. Know that you're going to sound like an absolute fool on the first five calls, and that's totally fine, and that's the point. Record the calls, write down every note that you possibly can. Names, who are people talking about, who are they referencing, what trends in the sector, in the industry. Oh, supply chain fears in 2022, like stuff like that. What are people talking about? What's their cadence? What's their tone? What do they respond well to? What do they not respond well to? Just take notes. Start infiltrating this network.

By the time I got to the people who the internet community said were awesome, and I thought, "Hey, these could actually be great partners for me," I had all the jargon memorized. I was fluid in conversation. I was able to, "Oh, yeah, Johnny, you know it's crazy — I was just chatting with him last week." It sounded, and I was aided immensely, by this ability to turn off the screen and to be on the phone and not in-person, if this was 20 years ago, I wouldn't have stood a chance, but I had shared my age and I had shared my experience and long story short, I was able to get three of I believe the most significant flavor producers in the United States to hold an open competition for the right to be my flavor provider. So, I only paid the winner, and I got all three of them on long-term NDAs and non-competes in the process, and that was a very ... again, low-budget way. It took time, it took some maneuvering, but I was able to do that with the \$30,000.00 budget, get the top three to all formulate it for me. That's what got me to the next step of the core MVP, which was a 12-ounce sleek lemon ginger version of Leilo. That was the first flavor that we launched with.

Ethan:

How did you know how to do this stuff? I mean it sounds ... It really sounds like you come at this with some back knowledge. I mean you said that your father and your grandfather were both entrepreneurs, but you give me a list of the best people in the industry to call, and I'm probably going to call the first one first just because that's how lists work in my brain. I mean just go at it, like just the idea of going from the bottom of the list, and maybe this is one tiny little thing that I'm grasping onto, but I think this really shows the level of thinking that you have to do as an entrepreneur. You didn't want to sound like a ding dong when you called the number one flavor agency, and at that point, you didn't. So it's how? Tell us how, how did you get this knowledge, how can other people get this knowledge?

Sol Broady:

So I'm going to say something to you guys, to this audience that I haven't really talked about, and I'm not sure what my PR people are going to think about it, but I'm going to run with it at this point. So I think that there's ... because people often ask me ... well I'm a political science or I was a political science major at Columbia, and my minor was in ancient history and classical antiquity. Zero economics, business, financial ... I mean nothing even remotely related to Leilo. And I think there's this notion that someone needs to give you permission. Whether it's the school or it's the ... And people say, "Are you going to go to B school?" I said, "Why would I go to B school? I've been asked to teach classes at B school. People have written a thesis on Leilo to graduate B school." Which I think is preposterous, don't get me wrong. I think it's ... But I think that's the disconnect that people have with ability and with information and opportunity, there's no external doctrine of ... There's no checklist of what you need to have and what you need to do, and oftentimes, advantages can be turned into disadvantages or vice versa based on how you want to apply them and think about the situation.

An example of that is like ... for most people in the drinks space, at that time in 2017-2018, it's, "Oh, all the opportunity is in CBD and hard seltzer and kombucha." So that's where all the focus was. Now you could look at that as a disadvantage, where it's like, "Hey, all these people,

they're not talking about kava, they're not talking about my stuff." I view that as a huge advantage, like this is giving me another year or two to operate completely undercover and to really stand out from the crowd, and that was another thing that I said ... I'm calling these people, "Hey, I'm not wasting your time with another random kombucha. I've got something totally different in this market." So I was able to kind of go against the grain there.

Now what I was going to say, my PR people don't care about that. What I was going to say before is that the reason that I ... And I'm not going to talk, I'm not going to bore you guys with my parents' divorce and all the things that didn't go great for me over the last couple years of high school. But I will to summarize it say that I was the quarterback of the football team, I had straight A's for life, I had a lot of friends, it wasn't hard for me to make friends. My family was privileged, and I'm incredibly lucky for that. I was dating an incredibly awesome girl, and I just felt so cool in so many ways. All these external sources of validation, and systematically, over the next year, my senior year of high school, all of those things got blown to smithereens. My family, financial hardship, divorce, scattered. My siblings are now going from house to house, girlfriend of three and a half years dumps me on Valentine's Day. I hurt my shoulder and can't throw anymore and then tear both my hamstrings, so I don't get recruited to the colleges I want to get recruited to. I was supposed to go to Wharton, I was recruited to Penn Wharton to play football there. Somehow got rejected when I thought I was an athlete recruitment, and that was like a hit that I took.

It's like I realized how this comes across is like, "Oh, woe is me." But for me at the time, those were significant failures I felt like. I felt like aspects of my identity had been lost, and I didn't know why and I didn't know how to get them back. And so then I got to Columbia and I thought, "Well, can I just try to do the same things? Should I just lean, should I try to build it back up and be an athlete again and be this and be that and do this and whatever." But instead and this is what I was referencing when I said you got to lean into that kind of dark side, that unappreciated site. That was truly my biggest resource. That was my ... The biggest motivator for me. Which was I could try to simulate all of the superficial crap that I cared about in high school. I could try to build that up. Or, I could make it even more miserable and even more uncomfortable, and push myself to do things that I would never, ever do in my previous life.

And that's real confidence. That's where you start building real confidence and a real foundation, whether it's in business or personally. Because no one can take it away from you. It's not because of another person or because of your position in a certain organization or whatever it might be. I talk to my team about this all the time when it comes to personal growth and motivation, the absurdity of the notion of starting a company and calling yourself the CEO, which you have to do to start a company that does not exist and the MVP is the eight ounce horchata bottle. And trying to go around and be like, "Yeah, now I'm the CEO of something." It's a ridiculous proposition, but you need to be comfortable with that. You need to know you're signing yourself up for getting laughed at by a lot of people. Over and over again, for an extended amount of time, and even now, there are still all those people out there.

And that's what makes it fun. That's what makes it exciting. Trying to prove those people wrong. Being able to talk about the same crap that you were talking about four years ago and now people actually want to listen to it instead of something like, "Okay, that's cool. Let's get the Bud Light out of the fridge." So I don't know if that was a perfect answer to your question, but that is my answer.

Annaka:

Yeah.

Ethan:

We'll take it. Absolutely.

Annaka:

Yeah, no, it's good. I mean just based on what you were talking about, how ... I mean the term imposter syndrome has been floating around. Like how big of an obstacle is that? Like how much of what you do and what you have achieved is just from mindset?

Sol Broady:

I think besides my team, God bless my team and my partners, it's all mindset. That's what I'm trying to illustrate here. People say ... And I'll take this moment to just talk about kind of the accelerator mentor club thing, because that's what a lot of people think of as entrepreneurship in college. And I think that is a lot of the problem. Not that, there are great people that have great intentions, but entrepreneurship is not about getting in a room and trying to get everyone to agree that an idea is good. That's not how these things happen. It's when you're in a room and everyone tells you you're stupid and you do it anyway because that's the whole opportunity is showing people something that they don't know could even exist in the first place.

That's what Leilo really was. It was like, "Hey, I have something that you're going to like so much that I'm not even going to delay myself to try to convince you right now. Let me just go and make it. It's a drink, like you'll know it when you drink it." And everything else is kind of moot until that happens.

One thing, guys, maybe I'm a little bit too extreme in this regard, but I have like 25 poems. I'm really big into literature, I think like poetry is awesome because there are all these thoughts that are all going around, but a poem is something that distills it, and it holds a couple principles, and it does so in a very structured and replicable way. And I'd memorize those poems, and whenever things were going wrong, I would just repeat it back to myself. And that's what got me through.

The hard thing is not, "Okay, let me drop another raspberry flavor in the solution." Like you can make these changes. The real challenge is for two years waking up every day, and with the

same tenacity to drop in the raspberry flavoring. To do that mind-numbing activity over and over and over again until you reach a point of perfection, that's the real challenge here.

Annaka:

Yeah. It's just ... It's kind of interesting to me, a little fake it till you make it, but not really because you're like the real deal. So it's like, "But wait, how do you do that?"

Sol Broady:

But am I? I mean seriously, and when the hell did that happen? I'm very curious because like I just ... So the last thing I'll say about this is that so much of our society is set up to funnel you to very narrow evaluation right? So think about this. It's like we've done all of our podcast, interviewee flirting, whatever, all the questions, all the communication]. But then it comes down to this one podcast, it's contained in this specific set of time with these specific rules and it's going to be posted on specific platforms. Think about a sports game. You can never practice, and as long as you show up to that game and perform well, no one cares. Or with a test in school. We all know the kids who somehow don't study at all and they just show up and they get the A. Right?

That's not what business is like at all. It's the exact opposite. Every single day counts. Every single interaction could be incredible or could be super damaging to your efforts, and you don't know exactly what's going to come back to either help you out or haunt you. You don't know which people are going to be your right hands and which people you're never going to talk to again, which means everything has to be treated with a level of intensity and passion and I would say soberness that is ... It's very different from the other things I was doing in my life and I've done so far. So that's why a mindset that is sustainable, it has to be the bedrock of any business I think.

Annaka:

Yeah.

Ethan:

Gotcha. So all right, we've gone on a deep dive here into the entrepreneurial mindset.

Sol Broady:

Sorry.

Annaka:

This was a great deep dive.

Ethan:

No, no, this is great.

Annaka:

I'm so interested.

Ethan:

This is awesome. These are the types of conversations that we want to have, that our audience wants to have. These are the types of things that are going to be a little less superficial than if I were to ask you about your targets for your next quarter's revenue numbers. That's great for you, but how does that help Joe the plumber or someone who's starting a plumbing startup, I don't know, I'm just grasping at things here. But let's take it back a little bit, because you made another interesting decision in your business where you took your products to very specific locations, and it seems like you started at one specific location and waited until you really had a hold of that location and then you moved it to a new location and then you kind of did the same thing regionally, and this is something that another company that maybe some people have heard of, Facebook, did. They went to one college and they released their product and then they took it to another college and released their product and then after some time, obviously it went nationwide into where everyone could sign up for the product. But could you tell us a little bit about how you decided on that kind of regional movement strategy as opposed to maybe just, "Hey, let's go buy some Google ads."

Sol Broady:

Yeah, absolutely, and I wish I could take credit for that in its entirety. This is kind of what I ... Going back to the advantage-disadvantage thing. I increasingly think there's just life out there, there are facts, there's data, there's stimuli, and you've got to choose how to arrange that in a way that is advantageous because it will never just be advantageous absolutely or on face value. And the best encapsulation of that is ... so we get to the MVP, right? We get to our lemon ginger skew, and so you had said, "Well how the heck did you spend hundreds of thousands of dollars on R&D?" It's because that MVP, which we thought was market viable, was actually just the first mistake in a series of mistakes, where we actually didn't know how to do this at commercial scale.

So anyway, that aside, in March of 2020, so a year ago, a little less than a year ago, we had ... Is that a year ago? Or is that two years now?

Ethan:

Oh my gosh, who knows.

Annaka:

Oh it is two years ago.

Sol Broady:

Two years? Oh geez, okay, wow. Well two years ago -

Ethan:

Ten years ago was 2000 for me.

Sol Broady:

So I was at Columbia and I was going to your point start around Columbia. So I had 13 college dealers setup that were going to trial the product, and I had a launch event at Amity Hall down the street and I had all this cool stuff. And then COVID hit. Literally the week that we were going to produce. And I was evicted from my dorm, so now I'm back in California. My whole team is spread out across the country. All of our retailers backed out obviously. Our secondary market, California, completely shut down as well. Those were the coasts we were going to hit the hardest. So, that whole business plan that I had spent hours ... I don't know, hundreds of hours on, that I pitched out to all these investors and gotten their money with, completely scrapped. Literally was useless in every single regard, and we had to transition to direct to consumer off the bat, and what we did actually was ... and one thing I'll just say is I couldn't even go to our manufacturing plant anymore because I was [...] at that time. They over-sweetened our product by 10x the amount of Stevia in our recipe. A good family friend of mine, very articulately well ... she tried it, and it was brutal. And it was extremely ironic because I was in California, so it's literally going California zone 7 from New York fulfillment.

So I'm getting calls, "Hey, this is really sweet," and I said, "Well if I made kava sweet, I've done my job." I tried it and I was like, "Oh my god. This is really sweet." But even then and even with the direct to consumer model, it's hard to get people to buy drinks for their first time online in bulk and then wait, right? But it's like, "Oh God, COVID. The business is crushed from the very beginning." Or, "People are extremely stressed out right now. This is the perfect time to show them a product that can reduce alcohol consumption while they're in quarantine, can relax them and can get their mind off something, can remind them of the good times of the vacation, of the leisure that they're missing out on right now." So we leaned really heavily into that identity, and then the next thing that we did is said, "Okay. For better or for worse, businesses are open in the South. So I guess that's our new core market." And we started going to Florida and North Carolina and Tennessee and Georgia and those were our bread and butter states for a long time during the pandemic. You need to be willing to be flexible in that regard. It's like if you try to slam your head against the wall and say, "No, it has to be New York because of this, this, and this reason," Leilo would have died.

We let the current kind of take us where it may, and we stayed true to some very basic ... It's not like, "Hey, we're changing the slogan now." It's not like, "We're changing the can or the functionality." But we're going to reorient it to take advantage of the cards that we've been dealt, and I think it's that willingness to innovate, that willingness to differentiate ourselves, we're not trying to be a beverage company. We always say that. I'm not the right CEO to run a beverage company. I'm the right CEO I hope to run a relaxation brand that's going to be a global presence, but I'm not interested in the cookie cutter way of doing things. And our investors aren't

either, and if they were, then just hire a corporate team or just sell to Anheuser-Busch from the get-go.

Annaka:

Yeah. Right. Right. Can we talk about like a little bit of marketing and branding because your original ... Maybe not the original plan suffered from COVID, but you had to really lean heavily on your brand's voice to sell this and to really talk to consumers and say, "Hey, this is why you should spend this money on this product," and how did you kind of formulate that marketing and that brand presence?

Sol Broady:

So I hope this isn't like too much of a cop-out answer and this doesn't make us at Leilo sound too arrogant. But I think that marketing is ... It's kind of like on a ... I don't know what the expression is. Like a drawstring, it's on like a pulley, right? So like you ... The marketing needs to be honest and authentic in what it is proposing or promising, and then what it is delivering. So, you don't need to have super overstated marketing. You don't need to have super flashy marketing as a general rule. Like think of the insurance agency or whatever it might be. Oftentimes, the flashier it is the less attractive it is, because why would I ... I don't need that crap, I just need solid insurance, so give me the phone number and make sure that there's someone picking up the line and that you're doing the very basic things that you said you were going to do.

Where I think a lot of CPGs get into massive trouble, especially our competitors, I will just put it out there. Because either their name, or their marketing claims, or their design, or whatever it might be is so ridiculously promissory towards, "We're going to give you this extreme effect. We're going to ... "And it's like there's no way you can deliver on this promise. So your marketing is fundamentally flawed, and even if you can trick, you may trick that naïve consumer into the first purchase, but they're never coming back to you. We focus way more on retention, on returning customers, than new customers. The new customers come organically because the people who love Leilo are talking about it and drinking it all the time, and that's way more important to us. And as an example, like our retailer retention rate is 76%.

Annaka:

Which is insane. I mean that's a really high number for a pretty new product.

Sol Broady:

Right, and a lot of drink companies, what they'll do is they'll just say, "Hey, we're going to get our drink everywhere it can go and then the ones that hold hold. And everyone that tosses us out, okay, we'll try to get them back later." We have the exact opposite approach which is we're not going to get into a retailer unless we think that retailer is going to be really, really successful with our product. Which is why during the pandemic with these kava bars, so just imagine like a bar that doesn't have any alcohol and they only serve kava and other botanical products. These

started in Florida, there are now over 300 in the country. So this is a huge, kava is booming right now. Everyone's waking up to the potential of this ingredient.

We showed up at the kava bars with a grab and go product that tasted really good when kavas tasted not so good for 2,000 plus years during COVID, and we were selling ... well our partners were selling 50 to 100 units a day on average for us at \$8.00 to \$12.00 a can, which is double or triple our MSRP. We suggest \$3.99 pricing. So that's the encapsulation of what I'm talking about here is we're not going to the random deli on the side of the road where we're competing against White Claw and Truly and whoever else off the rip. We're going to play in this space where we have a defined niche, where there is a value proposition built in. The people going to the establishment are already thinking about kava, they're already looking for something like Leilo. It's an easy sell. We have to invest less marketing dollars, right?

The retailer gets off to a fast start, and we can show our investors a real path to scale with this type of model, and then you can layer in the additional locations on top of that. I think that answered half of your question, maybe not the other half. Can you remind me?

Annaka:

Yeah. Well to be fair, I love your branding and that's why I'm asking this question because I'm super in love with it. The whole brand voice and personality, because I think it matches like A+, but like how did you do that?

Sol Broady:

Right. So that's what I was trying to say with the whole over-promising, under-delivering thing. So our biggest ... by far, our biggest marketing claim is calm in a can. Calm in a can, and that's very simple. But it's very powerful at the same time, because if that's true, it's a game changer. Nothing like that exists, and what I'm talking about, I don't know if you guys have tried, if all of you have tried, if the audience has tried, try a can of Leilo and see if you feel tangibly more calm. There's a reason that my dumb ass has gotten to this point. It's because Leilo is calm in a can, and that's why ... Like the marketing, so much of what I view as the marketing, investment, was the R&D work. Was getting to the point where we could put enough kava, lactones to be technical, in a can and test that can after it's made to know per clinical studies that because of this, this, and this reason, you will feel relaxed. And our cans are standardized to reduce general anxiety disorder with a single serving.

So we know it's going to work, and when we say calm in a can, we mean it, and that's why we're willing to ... Like we'll sample in New York, we'll sample in Florida and California. Take a can, drink the whole can for free. We're that confident in it. Retailer, here's a free case. Give it to your customers. It gets a lot less salesy, a lot less, "Hey, let me persuade in whatever." We're just kind of like the can does the talking for us. That's going to be our core marketing agent and then really it's word of mouth and it's the excitement over the product, which is there.

Annaka:

I love it, I love it. We went to your website and I was like, "Yes please." I'm a designer, so I just like nerd out over branding and stuff like that and it was like, "It's gorgeous."

Sol Broady:

I appreciate that, and the one thing I do always say as well is it's just a drink. I mean I am not Elon Musk, like designing a rocket ship or I'm not ... It's a drink, it's not that complicated, you don't need to talk about a drink for that long or put that many words on the can. Just like drink the drink, and if it's a good drink, you'll keep buying it, and that's what's happening with our company.

Annaka:

Yeah. So \$8.00 to \$12.00 in a kava bar, right? And then you're direct to consumer, obviously different pricing, but how did you price it? How did you kind of land on those numbers?

Sol Broady:

Yeah, so we ... This is where I'll say, I idolize Red Bull in so many ways. One because I don't know if you know the foundation story of Red Bull, where Dietrich Mateschitz who's an Austrian pharmaceutical salesman, went to Thailand in the 80s and stumbled upon this drink called Krating Daeng. Krating Daeng in Thai just means Red Bull in English, and there's taurine, there's taurine, which is the key chemical ingredient in Red Bull. Did you guys know that?

Annaka:

Yeah.

Ethan:

Yeah.

Sol Broady:

So that's the thing. People -

Annaka:

I think it says it on the can I think. I didn't know the origin story, that's wild.

Sol Broady:

Right? But think about that, like what makes Red Bull different than coffee or tea or anything like that? It's taurine. Everything is caffeine, everything is sugar in it, it's taurine that makes the difference. But what Red Bull did is ... So Dietrich Mateschitz, he said to the Thai guy who was running Krating Daeng, he said, "This tastes terrible, but it really works. Let's repackage this, carbonate it, make it a little bit better tasting, call it Red Bull and market on the back of extreme sports and night life and all the other stuff that Red Bull did and let's make it Western-facing."

So you can see the similarity with ... I knew this story when I was in high school and I was like, "Hey, this could be my chance to build a Red Bull type brand. We're going to take this tried and true ingredient, we're going to harness its effects and repackage it and then spread it across the world."

Now the other thing that I really like about Red Bull is they did it with a very low budget, they did not play by the rules when it came to following all the beverage industry crap templates, and also, they have used their product line, the Red Bull can, and all their flavors and whatever crap, as the launching point for a brand that is holistic and it is a lifestyle brand around energy, and that is what we're trying to achieve with Leilo. It's not about ... Calm in a can is a part of the story, but Leilo is a brand that represents relaxation, leisure, balance, mental health, all the good stuff, sustainable practices, self-care, and we want that to expand and extend to sports, and to hospitality, and music, and travel, and food and so many other kind of ancillary categories here. So yeah. Red Bull, we always say, we want to be the Red Bull of relaxation. We want to have that similar type of impact for our consumers and for the world.

Ethan:

I think the world needs this right now.

Annaka:

I agree.

Ethan:

We've got plenty of reasons to be freaking out and we've also got plenty of things to help us with energy. I think the world absolutely needs something to help us chill out, just for a little while.

Annaka:

Mm-hmm (affirmative). All right, so we've kind of talked about building the foundation and everything. What do you kind of see in Leilo's future? Do you have any plans?

Sol Broady:

Definitely have some plans. Yeah, I mean it's remarkable, since we launched, our first year, if we view it from really March to March, right? With that single lemon ginger flavor, we were able to generate around \$100,000.00 in revenue. This was with a team, I was the head of sales, our operations guy was at Columbia, a friend of mine, CFO. It was all Columbia students just running around like chickens with our heads cut off. In this year, so March of ... Nine months ago, right? Or I guess 10 months ago at this point, to the end of this March, it looks like we'll generate around \$1.8 million in revenue. So, we've grown substantially over that time.

In that same timeframe, we've gone from our first year probably in 25, 30 locations, we're now pushing 600 across the country. We're in 30 states, we just got into Puerto Rico, so one territory as well. So a lot of what we've been doing is professionalizing, solidifying our personnel, our

finances, our HR, ect to really support this massive growth that we're seeing. We expect a lot of organic growth just because people like Leilo, they're learning about it, people are learning about kava. There's a lot of the whole sobriety movement which you alluded to, better for you movement, getting away from alcohol, getting away from caffeine. So we think that's kind of a rising tide that will lift all ships and Leilo hopefully will be a big ship in that category.

Now what's crucial to us in this timeframe is to be the market leader and to really earn that trust and authority in this space, getting back to Red Bull. It's when you think of relaxation, Leilo should be the brand that pops into mind. And so one thing that we've accomplished is a great base version, all purpose relaxation. That's what our sunset variety line, that's what our light line represent. What we'd like to do over this year and far beyond is get increasingly function specific with some of our offerings and open up new verticals for consumer subsets which we feel we can really add value to.

One example is our Leilo Luna Line, which is coming out hopefully in March. And it was supposed to come out in January, but we've had so much demand that we've had to push it back and make more of our current flavors. So Leilo Luna is zero sugar, ten calories, and includes melatonin. We removed some of the L-theanine, so yes, I'm with you.

Annaka:

Right.

Sol Broady:

All right, good. This is killer.

Annaka:

I'm excited.

Sol Broady:

I cannot wait to get this out to the market. It's in an 8.4 sleek can, so it's a little bit different in various ways and that is your ... instead of the nightcap, instead of the melatonin pills or the sleeping pills that you're taking, a luxurious experience, I mean it tastes great. It's going to mellow you out and then put you to sleep. No hangover, no drowsiness in the morning, no addiction. I think it's just a huge, huge product, huge step for our company to take.

Another area, which I'm really excited about, is the sports side. So a lot of athletes, especially from the South Pacific, have been drinking kava for again many years to combat pain, to combat muscle deterioration, ect. Alcohol is terrible for muscle recovery, it's terrible for you know how blood oxygen levels and all of the stuff that you're looking for as a potent athlete, alcohol is prohibited. So we're going to be able to come in with a product that is NSF approved for sport, which means it's cleared by the international body, which dictates products for D1, Pro, and Olympic athletes. And it's the type of thing where people like Shaun White or UFC fighters,

they've been asking us for Leilo for months now, and we can't get it to them until we have this NSF certification but once we do, we'll be able to sell directly into the locker rooms, into the nutritionists, and that's going to be a massive both for the marketing side, I think for the public image of seeking peak performance individuals and really it extends beyond just athletes, it's anyone who is under a lot of pressure to perform at a very high level. We think this is a perfect product to be extended to that group.

So that's kind of on the product side. One thing, I'm realizing that I did not answer that you asked me was the price point and I just started talking about Red Bull.

Annaka:

I totally missed that.

Sol Broady:

So to quickly answer that, the goal here is to solidify Leilo as a premium brand. We want to have a bit of a luxury feel, and that gets back to the functionality. Like you're not just buying a soda here, we're putting some really significant ingredients in to do something significant for you. And that should have value. That being said, people need to calm down in America, and people are really stressed out, and it's crucial to us that we are an accessible product. So our price point is going to stay between \$3.99 and \$3.49, hopefully across the board. I mean if people upsell it, we can't really do too much if it's an on-premise location, but maintaining that accessibility and hopefully working to even make it more accessible this year and beyond is crucial to us because trial and awareness is like I said our best marketing tool.

It's hard to sell a drink without giving people a drink and having them drink it. So that's a core goal of ours is just how can we get more product out there? How can we create more buzz around the product, and make the opportunities for trying that product as easy as they can possibly be.

So another really fundamental objective I think for this year is to show that Leilo can, going back to the earlier kind of holistic lifestyle brand objective, can be viable and valuable in lots of different industries. So one thing that we did in 2021 is partner with New York City Football Club, which is owned by City Football Group, the owners of Manchester City [...] the whole deal. And that was my way of planting a flag in the ground and saying, "Look at this massive opportunity on the marketing partnership side." Does it make sense for a brand of Leilo's side to partner with an organization like that? No, not under the tried and true business fundamentals. But it makes a lot of sense if we're trying to portray Leilo in five years as a billion dollar global brand, and so why NYCFC? That was the first official relaxation partnership in sports marketing history. There has never been an official relaxation partner. Ever, which makes sense, because it's a little bit ridiculous. But that's what Leilo is now opening up for the world, and interestingly, with all the sports teams in particular, you think about their partnerships. Heineken or Budweiser, right? Or it could be Coke or it could be pretty much ... Or Diageo.

So when it comes to hard liquor, beer, soda, energy, water, those are all locked up by the monopolies, and it's been that way, and it will continue to be that way. I mean I'm talking about literally like 10-year, 25-year contracts. Pretty much unbelievable. So if I came around and the kombucha companies, they're struggling with this themselves, they are viewed by the sports teams, not even the sports teams, by the lawyers for Coke or for Pepsi, they are arguing that kombucha or the adaptogen drinks are just enhanced mineral water, which falls under the non-competes for Dasani and Smartwater and Vitaminwater and whatever it might be. So they are precluded from partnering with these organizations.

Now you think about a new beer company. Heineken and Boston Beer are going to eat them alive if they try to get close to their agreements. So, that's why it's an impenetrable space, unless you're a \$10 billion legacy drink company, it's not going to happen for you. Unless you can go to those people and say, "There's a totally new category here that no one's competing in, and I have a very specific ingredient which justifies a differentiation from everything else, and that is kava and that is Leilo, and it's approved for sport."

So, we did that with NYCFC because I thought that there was a good chance that they might win the championship this year and it was a good value bet. They did win the championship this year which was a nice plus, another five or six million national impressions off it. But really, it was for the announcement to show our investors, potential investors, and potential partners, "Look at what we can do here." And I'm not fooling myself for the sports teams, they just want the extra revenue. But what's really interesting is we have a ton of leverage in that conversation because they can't get the revenue from anyone else. The CBD companies cannot partner with them for legality reasons. The alcohol companies are already precluded. So again, the adaptogen companies, they're just water.

So it's like, "Do you want to work with Leilo and have an official relaxation partner or just not have any of that?" When we made this announcement, Juventus, Dortmund, Atletico Madrid, Dallas Cowboys, Miami Dolphins, 76ers, Nets, everyone's reaching out to us wanting to partner. Like we didn't know we could have an official relaxation partner, can we do this with you guys? Again, it's just because they want my money, but it's still flattering. It's nice, and I think it's again for that Red Bull type of factor we're looking to have, it's like, "Hey, if we got a little bit more funding, if we got a little bit bigger here, we can actually entrench ourselves in these premium partnerships and relationships in a way that is conducive to having a real legacy brand over time."

And we can do that, and we're continuing to do that on the festival side, on the music side as well. On the resort side, we're starting to work with resorts where we just ... Well not just maybe, a quarter ago, a little bit over a quarter, we got into LaGuardia and JFK Airports, and we're crushing sales there. We sold 1,200 cans in LaGuardia over two days on Halloween weekend alone. So we just got into another LaGuardia location, we just got approved for eight locations in Newark. We're looking at national airport expansion in the rest of this year, and that's kind of what I ...

So there's the marketing side of it, there's the partnership side that we're continuing to evolve, continuing to strengthen. Another big goal just from the points of distribution side, and this is what is so exciting about Leilo and so I say it's not like your average drink company. You guys are in Michigan, right?

Annaka:

Yeah.

Ethan:

Correct.

Sol Broady:

Okay, cool. So I don't think we're in Michigan yet, hopefully that will change soon, but I know that on the conventional side, so when you think about big box grocery retail, we can play in that space. In New York, we're in Westside, we're in Fairway, we're in Brooklyn Harvest, like all of your nice, independent supermarket chains. That will continue to grow. We just got into Erewhon in Los Angeles, if you guys are familiar. They're a really big taste-maker account with seven stores. We just got into Foxtrot, which is in Chicago, D.C., and Dallas. They're already set to expand to another 100 locations over the next year or two.

So that's great on the conventional side. We talked about the airports and national expansion there. The hotel side, but we're also ... And the kava bar side, which is its own animal, we've already kind of discussed that. But we're also sold in chiropractors, in gyms, in spas, in tattoo parlors because apparently I don't have tattoos, but apparently people like to kind of calm themselves down and relax and be a little chill when they're getting ink shot up into their arm, which makes sense.

Annaka:

It's brilliant.

Sol Broady:

There are tons of use cases. We're being picked up right now by bars, like not kava bars, just normal bars and clubs because so many people want a non-alcoholic option. And I think it's really pressing into some of these niche channels and getting there first and faster and in a more significant way because we always talk about that. Like Whole Foods thinks that we're a little fish. I mean they can just push us around, do whatever they want, and it's true. But in the kava bar space or in the spa space, people look at us like we're the new Coke. We have a lot of influence, our marketing dollars go a lot further. Our ad spend is much more appreciated. It's like an added bonus instead of a baseline expectation. And that's what we want to lean a lot more into. Again not saying, "Okay, we've arrived, let's just become like any other drink company at this stage."

Annaka:

Yeah. Man, I mean when we were doing research, I was like, "Man, I really like this brand," and now I'm like, "Oh yeah, it's because I am your target audience." Like okay, young professional who doesn't sleep very well who spends too long in the gym.

Ethan:

Tattoos every weekend.

Annaka:

Tattoos. Not every weekend. I have two. But like ... I am your target market, and I think half of our company probably is as well. So, I am very impressed.

Sol Broady:

Thank you.

Annaka:

And I just want to know, do you have any advice for someone that wants to start a business or is thinking about it? An aspiring entrepreneur, what would you tell them?

Sol Broady:

That's a loaded question.

Annaka:

That's my favorite one.

Sol Broady:

And I think and hopefully this has come across, well I'm sure this has come across in this whole conversation, in so many ways, I don't know what I'm doing, and I've made so many mistakes and that's the question about like you guys were saying well you're the real deal. Like I don't feel like the real deal. I feel like I'm screwing up stuff left and right. So becoming comfortable with not being perfect is a crucial first step that you have to take. Which is not to say be an idiot and just think that that's okay. It's not to say don't be self-critical, don't be reflective, don't work to improve. But the expectation that either externally or internally you're going to be 100% validated in everything in your whole business plan in your whole ... The business plan is great until COVID hits. The hire makes perfect sense until the person decides that they want to move to Costa Rica or the various things that have happened that we've had to deal with.

So I think having the confidence in your ability to respond to crap coming up is really important. You should not strive for confidence in perfection and a detailed, exact plan for every single outcome. It's just impossible and it's actually paralyzing in my experience.

The second thing that I would encourage is everyone, at least in my experience, this modern world, this modern society that we live in, people like to complain about a lot of stuff all the time. And I firmly believe that entrepreneurship is the solution or is at least a start to the solution to these problems. And I understand all the negatives of big business and ... I'm not talking about that. I'm talking about myself and the entrepreneur hopeful that I'm talking to right now and you guys, right? Who is going to do it if not us?

And when I'm building out my company, I'm taking into consideration all of the crap that I don't like in the world, and I'm finding ways to mitigate that, to make a difference that are inherent to the company. Like mental health is a problem in the country, that's something that I ... In the world, that's something that I want to try to make a difference in if I can. The fundamental product that we're putting out there is conducive to achieving that goal.

I care about CSR, corporate social responsibility. Giving back to local communities or sustainable environmental practices, you name it. We're planting trees for every can sold through our membership program. We're donating at regular intervals to the food banks and to the first responders in COVID hotspots. Right now, I'm building out a ... Well I guess I'm now releasing this information, but right now, one big personal project of mine is taking Leilo funds and profits and redirecting them towards building community shelters and homes in Fiji for the communities that introduced me to kava in the first place.

And one thing that's been really tough for them mainly but also to hear about on my side is COVID has hit Fiji really hard as well as all the South Pacific and it's compounded by the cyclones which are sweeping in at a higher frequency in recent years and as I said Benji, who's the guy, he's my main man in Fiji, he's like 40 years old and has a family, his aluminum roof is getting ripped off every couple months by these cyclones and he's just getting pelted by rain, and I need to get this guy a roof. And so I think it's ...

Again, my point there is don't forget about all the things that you knew were problems when you started this thing, and keep those front of mind and think about how your business can work to ... Without sacrificing the fundamentals of the business, actually address those problems naturally and in a scalable capacity over time. And that's why, we talk with our employees all the time, it's like we're trying to make a crap ton of money. I'm trying to become really famous off of this, I want it to be a launchpad for a lot of things I want to do in life. That's all true, but our blessing, and I really mean it's a blessing is that we get to work on those things while actually helping people and without lying about what our product is and misrepresenting our marketing and charging people an arm and a leg like the CBD brands, like \$10.00 a pop for something that doesn't work.

Like we know that we're authentic, we know that we're making a positive difference, we're committed to that. And that's why it's not hard to wake up and work on this stuff, when it's ... You're beset by obstacles or you're doing really well. It's more than just a drink, even though in a lot of ways it is just a drink.

Ethan:

What a great answer.

Annaka:

Yeah. Love it.

Ethan:

Sol, this is great. Is there anything else that you'd like to share with our listeners before we wrap this up?

Sol Broady:

I would be remiss I think if I ... It's really hard. It's really, really hard to do this. Don't do it while you're in school if you can at all help it. My positive demeanor is belying the fact that you're sacrificing a lot of sleep, it's stressful stuff, it's a lot of responsibility. Incredibly rewarding — nothing has ever felt more rewarding than even the smallest successes when you know that it's you and your team who have led to that outcome. But again, not something to rush into. Not something to view as something that's going to be on the straight line or a linear growth curve. You have to be ready for obstacles and unanticipated obstacles especially. And I think the only other thing to say is whether it's me or the internet or however you get information, whatever communities you're in, there are people asking a lot of the same questions. There are people interested in tackling the same problems. You're not alone in this.

One of the hardest things to do is deal with that sense of loneliness, of isolation when you're doing all this stuff. But again, I think it gets back to mindset and how you want to view this journey either as something ... Oops, sorry about that, Either as something that is only on your shoulders and your cross to bear or something that is a team effort and that extends beyond you I guess just as a person, as an individual. It's a larger mission, and if you can frame your team and your endeavors around that larger mission, it becomes less of a burden.

Ethan:

Cool. Cool cool cool. Thank you Sol. Super great. We will put all of the links to Leilo to the website, to the socials in our show notes. But, that is a wrap for today's episode.

Ethan:

Hey, we want to thank you for hanging out with us today.

Sol Broady:

Thank you guys.

Ethan:

Listener, do you want to chime in? If you think we're doing a good job, let us know in the comments over at startupsavant.com/podcast. If you think we're awful, let us know in the comments over at startupsavant.com/podcast. If you really love the show, head over to Apple Podcasts, or wherever you get your podcasts, and leave us a five star review. For tools, guides, videos, startup stories and so much more, head over to truic.com, that's truic.com, T-R-U-I-C.com. See you folks.

Annaka:

Bye.