



## NUTRITION BUSINESS JOURNAL

# Each award is all awards

NBJ honors industry excellence in 10 overlapping varieties

By Bill Giebler

In a series of conference calls in late March, NBJ staff and advisors reviewed nominations—and inserted some of their own—for the 2019 NBJ Awards. With advisors spread from coast to coast, a conference call was standard, even before quarantine made Zoom the dominant format for nearly all business meetings and even dates, dance parties and family gatherings. This year, though, the ubiquity of the format served as a reminder of today's dominant story lines: healthcare crisis and economic instability, two themes with heavy impacts on the nutrition industry.

The immediacy of the drive for wellness has proven to be a boon for the industry, and while the initial triple-digit sales lifts have leveled, there will likely be a renewed interest in supplements that lasts beyond the quarantine. A mid-March NBJ survey showed that all supplement users, from daily to sporadic, saw an increase at the start of the pandemic and expected that increase to last at least three months, with even 20% of “never” users predicting increased use in the future. But thriving in the midst of a recession (or worse) has its challenges, and the industry must face these challenges with caution. Transparency, for instance, will be more important than ever as increased demand among a budget-conscious population inevitably tempts adulteration.

As is typical of our awards-call discussions, each award began to blend with others. The growth awards are not just a

numbers game—in fact, we've renamed them Leadership and Growth Awards this year—but an honoring of companies growing on the values exhibited across all the awards. In other words, they are management achievement awards. The Management Achievement award looks to honor companies, organizations or individuals growing with sound science and innovation and an eye on transparency and sustainability. There's a circularity to the process, then, and the whole collection of them could be called the NBJ Integrity Awards. And as new consumers enter the market seeking science-based safety and efficacy in wellness products sourced with respect to people and planet, integrity is paramount.

For NBJ staff and advisors, then, this means considering companies executing across the whole array of these values, and singling out those that are exemplary of the specifics of each award.

That means individuals like Dr. Jeffrey Bland, the father of functional medicine, honored here for decades of impressive work in the supplement space, including paving the way for personalized nutrition, and George Pontiakos for his leadership of **BI Nutraceuticals**, now part of **Martin Bauer**.

It means institutions and organizations like **FairWild** and **Southwest College of Naturopathic Medicine**. The former a now-global entity ensuring the sustainable management of medicinal plant pop-

## NBJ Award winners

- » Large Company Leadership & Growth  
*Nature's Way*
- » Medium Company Leadership & Growth  
*Scale Media*
- » Small Company Leadership & Growth  
*Olipop*
- » Management Achievement  
*George Pontiakos, BI Nutraceuticals*
- » Efforts on Behalf of Industry  
*Dr. Jeffrey Bland*
- » Science and Innovation  
*DayTwo*
- » Supply Chain Transparency  
*Natural Factors*
- » Mission and Philanthropy  
*Kuli Kuli*
- » Stewardship and Sustainability  
*FairWild Foundation*
- » Education  
*Southwest College of Naturopathic Medicine*

ulations and the economic sustainability of the human populations harvesting them, the latter leading the educational charge

## TABLE OF CONTENTS

01

NBJ awards represent an overlapping stratum of values and excellence, with many of the same attributes expected of all honorees

04

Nature's Way, Scale Media and Olipop have proven that the best brands can grow sales while growing their commitment to quality and science

09

BI Nutraceuticals CEO George Pontiakos has made his mark in the supplement industry with a commitment to quality and ingredient integrity, but maintaining that commitment and style after Martin Bauer acquisition proves his management prowess

12

Jeffrey Bland has long been at the forefront of multiple movements in the supplement industry but his work in personalized nutrition is bearing fruit with new ideas in ways that could transform how consumers view supplementation

14

DayTwo is bringing the power of personalized nutrition to bear on one of the biggest health problems facing world health systems

16

Building a vertical supply chain with its own farm and employing a large quality control team and high-tech lab proves how Natural Factors has made transparency part of the company's DNA

18

Kuli Kuli introduced moringa to market and grew the brand while maintaining its mission of supporting small farms in communities in need

21

Great reliance on wild-sourced ingredients means the supplement industry needs a watchdog for keeping those plant populations alive and FairWild has stepped up

24

SCNM has made both research and community care priorities and is now creating a business management degree program that could help boost professionalism across the natural products industry

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Nutrition Business Journal® (ISSN 1548-6168) is published in 11 editions each year by New Hope Network, a division of Informa PLC, 5541 Central Avenue, Suite 150, Boulder, Colorado, USA 80301. © 2020 Informa PLC. All rights reserved. This publication may not be duplicated or reproduced without written permission.

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COVER STORY CONTINUED

**LETTER FROM NBJ:  
AND THE (NEXT YEAR'S) AWARD GOES TO ...**

It could seem an odd time to be handing out awards, but of course it seems an odd time to be doing most things. Few matters of commerce and culture are left untouched by the COVID-19 pandemic, and the rubric of what is important tilts ever more towards the home front for the very many millions.

Every company and individual in this issue, of course, deserves the honor we give them on these pages, but that same upending of circumstance suggests we might also look at a different set of awards: the ones we might give next year.

Many readers will cringe at this idea, but what if the FTC or the FDA were awarded the Efforts on Behalf of Industry Award? Trade associations have universally applauded regulators calling out bottom-feeder brands for exploiting the coronavirus, and taking irresponsible claims out of circulation is critical if the industry is to turn increased consumption of supplements into “the new normal” of hopeful predictions.

For the Supply Chain Transparency award, we would likely look to companies that are being not just transparent about where they source ingredients but also are diversifying their supplier networks to lessen the risk of one country or region pinching short the flow of materials, an especially important effort if climate change increases the number of severe weather events.

Companies that are using the profits coming out of this increased level of demand to help the hardest hit communities—think minority populations—would surely be in the running for the Mission and Philanthropy Award.

With botanicals providing high-value ingredients in immunity, we’d be considering companies that are doing the best and most responsible job of taking care of wild plant populations and the people who harvest them for the Sustainability and Stewardship Award.

And of course, the Science and Innovation Award could go to a company or research organization that is not just developing new ingredients in the immunity space but also revealing the mechanism of action. Understanding how these ingredients work is key to fine tuning the efficacy and possibly developing new products or variations on old products that consumers can feel more confident in.

All of these categories are relevant to the challenges brought about by the pandemic. The supplement industry has a huge part to play in how society responds to the crisis, and the general wellness mission that is key to the supplements’ widespread consumption could be the most important role for the industry.

This is a moment to shine for supplement brands. Let’s make it an award-worthy moment for every one of them.



**Rick Polito**  
NBJ Editor in Chief

not just for naturopathy but for the business necessities of the supplement industry.

And it means a handful of honorable companies from legacy herbal products giant **Nature’s Way** and semi-centenarian supplement leader **Natural Factors**, to relative startups **Scale Media**, a company devoted to scientifically-sound formulation in

*As new consumers enter the market seeking science-based safety and efficacy in wellness products sourced with respect to people and planet, integrity is paramount.*

the Wild West world of digital-only marketing, and **Olipop**, makers of tasty functional sodas. It means brands like **Kuli Kuli** and **DayTwo**, two very different outfits but both coming forward with a mission first and market second. For Kuli Kuli, it was source-side economic opportunity that brought nutritional powerhouse moringa to market; for DayTwo, it was deep science on individualized blood-sugar responses to food that formed the basis of a unique personalized nutrition company.

For NBJ staff and advisors, the task of narrowing to just one winner in each award category is challenging, but each year that challenge proves inspiring, as so many worthy nominees are on the table.

So, join us in a toast, a high five or a hug—even if virtual—to honor the winners of the 2019 NBJ (Integrity) Awards. 🍷

# NBJ Award: Leadership and Growth

Nature’s Way, Scale Media and Olipop find success with quality and innovation

By Melaina Juntti

Any company can crank out a hot seller or two and increase its value in short order. The question then becomes whether that success is sustainable. Unless the launch is legitimately groundbreaking, probably not. To grow a natural products business the right way takes true leadership. Steady sales increases and measured brand expansion require vision, integrity, innovation and a commitment to quality. That is why, for nutrition brands built to last—like these three NBJ Award winners—leadership and growth go hand in hand.

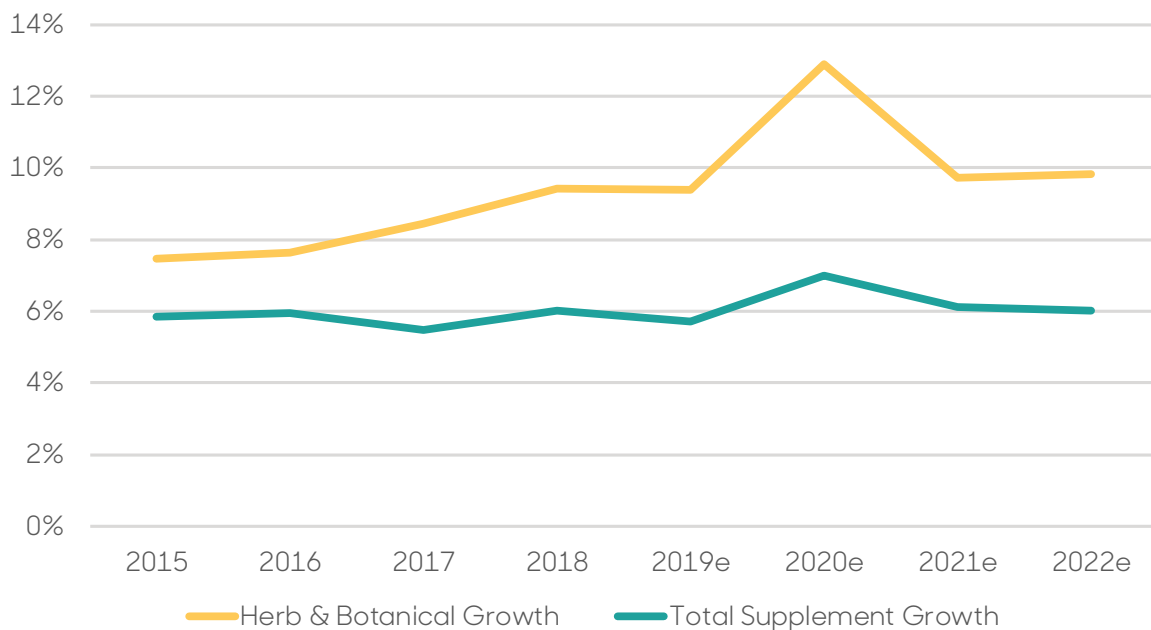
This year’s Large Company Leadership and Growth Award goes to legacy dietary supplement manufacturer **Nature’s Way**. Among companies valued at more than \$50 million, the 51-year-old vertically integrated business stands out for its superior quality products and rigorous testing protocols.

**Scale Media** scores top honors in the midsize category (\$10 million to \$50 million). Launched in 2014, this tech-driven firm’s “360-degree approach” includes building science-backed nutrition and wellness brands from the ground up, selling products via its pro-

## NBJ Takeaways

- » Nature’s Way’s vertically integrated supply chain is especially notable given the brand’s size
- » Scale Media’s focus on efficacious dosage and a commitment to innovation in consumer education sets the company apart
- » Olipop’s ambition to bring function into the declining growth soda category was seen as challenging by many observers, but the market remains sizeable

HERB AND BOTANICAL GROWTH VS. TOTAL SUPPLEMENT GROWTH, 2015-2022E



Source: Nutrition Business Journal (consumer sales)



proprietary e-commerce platform and providing digital consumer education.

Lastly, upstart **Olipop**, with its innovative low-sugar sodas that promote digestive health (yes, sodas; yes, digestive health) earns the Small Company Leadership and Growth Award, reserved for those under \$10 million in revenue.

Each recipient is fresh off a noteworthy 2019 marked by strong sales, exceptional leadership and smart investments in long-term success.

### Large Company Leadership and Growth: Nature's Way

What started as a small herbal formulas company in Green Bay, Wisconsin, in 1969 has burgeoned into one of the best-known dietary supplement brands

with 1,000-plus products sold everywhere from natural foods co-ops to drugstores to doctors' offices, this company is definitely doing things right.

There's a reason this brand is so ubiquitous, not to mention still in existence 51 years later: consumers trust Nature's Way's steadfast commitment to high-quality ingredients and efficacious products.

To ensure integrity, the company controls its supply chain from seed to shelf. Nature's Way owns the farms

has worked with for decades. Nature's Way also handles extraction in-house and does most of its own manufacturing, packaging and distribution. Each step of the way, quality assurance and control are paramount.

"Something that makes us unique is our parent company is a drug company whose business has always been natural products, which are more complex than pure, single-entity compounds," says Matt Schueller, chief strategy and innovation officer, who has been with Nature's Way for 27 years. "The beauty of belonging to Schwabe is they understand how to source and have a very high standard for quality. It's all about documentation, testing, setting up manufacturing facilities in the right way, validating tests in the right way."

Nature's Way's QA and QC departments—some 75 full-time employees strong—relies on multiple assays, including physical, chemical, microbiological and genetic. "We've found that in botanical quality control, there is no way to do one specific test, so we use the term 'orthogonal,' which means looking at it from a lot of different angles," Schueller says.

For the genetic-testing component, Nature's Way partners with **TRU-ID**, an

*"Soda is still ubiquitous. If you ask someone to design their ideal soda, they'd take out the sugar and add functionality—and that's exactly what we did."*

– David Lester, Olipop

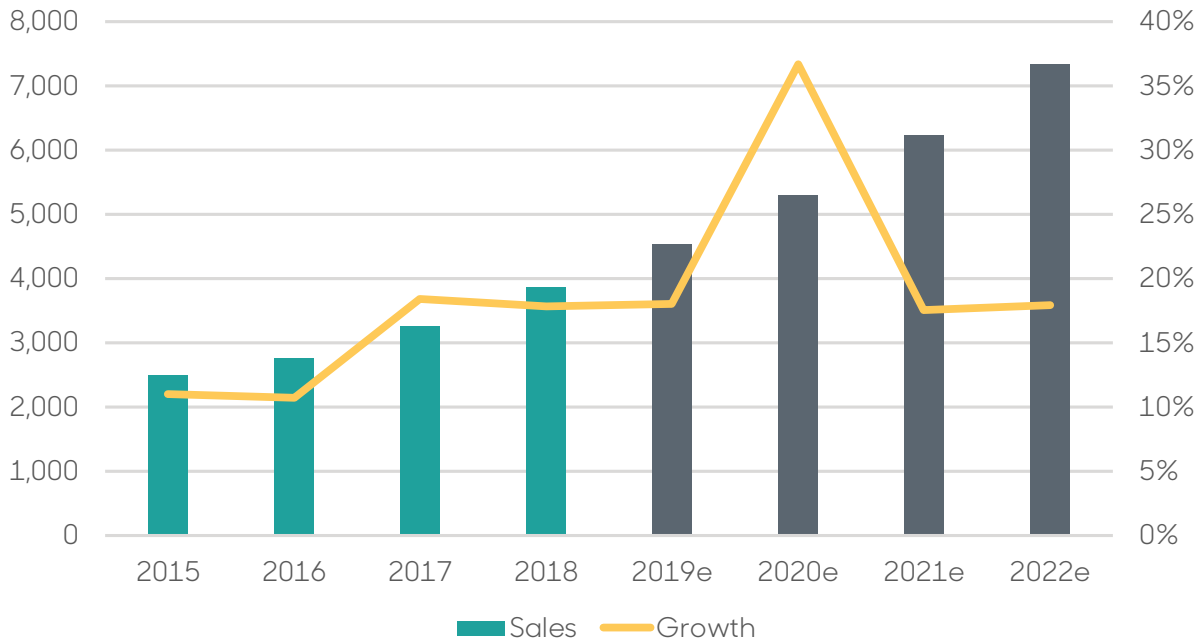
*"We don't go on the fringe or where the science is in infancy. That helps us eschew fads and just stick with the science."*

– Ziv Haklili, Scale Media

in North America. Now owned by German phytopharmaceutical firm **Schwabe**, Nature's Way remains private and thus does not disclose sales or revenue. But

that grow certain raw materials, such as ginkgo, and sources other botanicals, such as Austrian-grown elderberries for its Sambucus portfolio, from farmers it

### E-COMMERCE SUPPLEMENT SALES AND GROWTH, 2015-2022E



Source: Nutrition Business Journal (\$mil, consumer sales)

independent certification program developed by Steven Newmaster, Ph.D., director of the Centre for Biodiversity Genomics at the University of Guelph and a key detractor of former New York Attorney General Eric Schneiderman’s erroneous claim that DNA barcoding results proved most herbal supplements were a sham. TRU-ID uses the appropriate DNA tests to verify that botanicals used in natural products are legitimate. More than 300 Nature’s Way supplements carry this certification.

“Applying this level of quality control is expensive, but it’s what we believe in—it’s just part of our culture and DNA,” Schueller says. “People count on our products for their health, so approaching quality in this way makes us

feel confident that consumers will get good results.”

#### Midsize Company Leadership and Growth: Scale Media

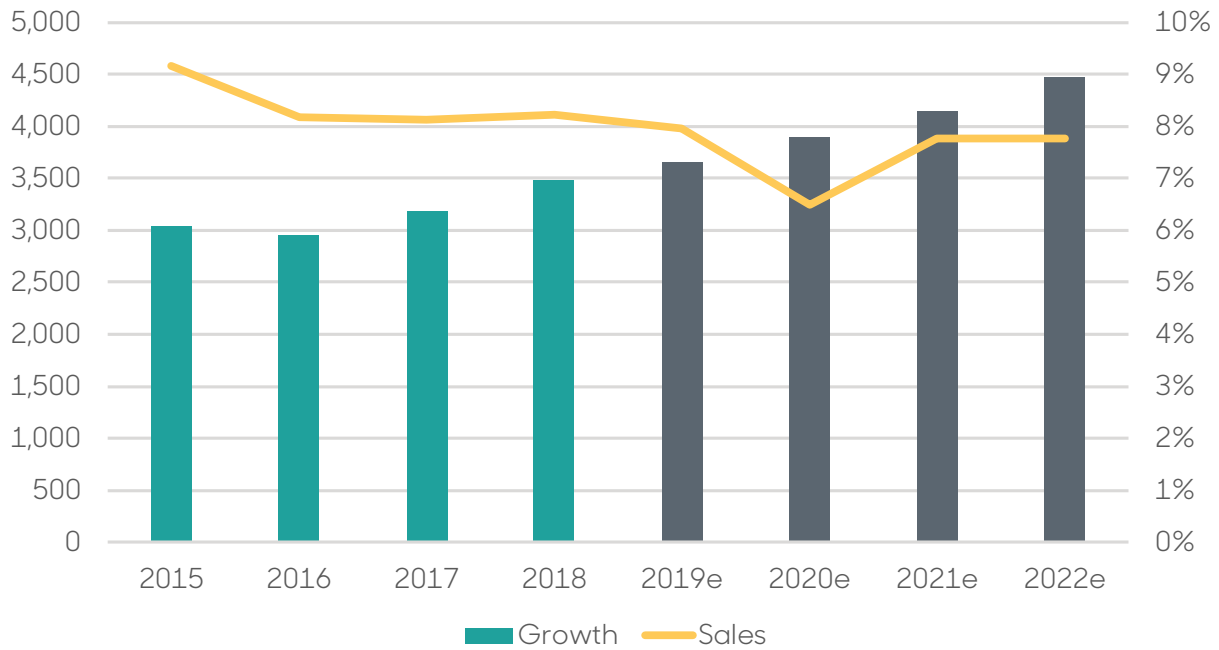
Los Angeles-based entrepreneurs Ziv Haklili and Ben Flohr started Scale Media six years ago because they were fed up. “We were obsessed with biohacking, optimizing and using supplements to improve performance, but kept being disappointed by the products marketed online,” Haklili says. “Always outrageous claims, never met.”

In particular, the two took issue with “fairy dusting.” They’d cringe when brands would co-opt clinical studies to tout the efficacy of supplements that

contained nowhere near the clinically validated dose of the researched ingredient. “Back in 2014, it was more the Wild West than it is now,” Haklili says. “We thought, ‘what if we created products that actually adhere to the science behind the ingredients and are truthful with claims, rather than trying to manipulate or trick consumers?’”

With that, the duo co-founded—and bootstrapped—Scale Media, partnering with doctors to develop health, wellness and beauty brands rooted in science while providing consumer education in digital formats. “The guiding principle has always been to tackle America’s greatest health concerns with solutions that are natural, effective and without the harmful side effects and dependen-

### FUNCTIONAL BEVERAGE SALES AND GROWTH, 2015-2022E



Source: Nutrition Business Journal (\$mil, consumer sales)

cy issues so common with pharmaceuticals,” Haklili says. “We started with a few products for digestive, bone and joint, and metabolic health, and right out of the gates, we were successful.”

After the first year, Scale developed its own proprietary e-commerce platform to enable them to scale up multiple brands for different consumer needs and audiences. “Being online allows us to create relationships directly with consumers that you just can’t do in retail,” Haklili says.

To date, Scale Media has launched more than 70 products from brands including **1MD**, **LiveWell**, **Essential Elements** and **Hair La Vie**. Each offering, says Haklili, is backed by ingredients studied in multiple human clinical trials. “I heard someone in the industry say ‘we don’t sell to rats’—well, that’s why we

don’t make claims based on studies of a few rats,” he says. “We don’t go on the fringe or where the science is in infancy. That helps us eschew fads and just stick with the science.”

For consumer education, Scale Media began with simple articles and blogs then expanded to guides and e-books and, more recently, 90-day educational courses. “We’re not telling a story for the sake of selling products,” Haklili says. “We use storytelling as a compelling way to bring forth clinical data. We educate consumers on how much [of an ingredient] they need and what they’ll gain from it, how to read product labels and how to pair supplements with diet and lifestyle modifications.” Next up, the company plans to launch apps and diagnostic tools—and more supplements targeting even more health areas.

According to Haklili, Scale Media has doubled in revenue every year for the past four and has generated over \$130 million since launch. “To us, that means our philosophy of being educational and truthful is having traction and we’re seeing growth as a result,” he says. “We hope to be an example to other companies that you don’t need untruthful marketing and poor-quality products to be successful.”

### Small Company Leadership and Growth: Olipop

Olipop isn’t David Lester and Ben Goodwin’s first foray into drinkable digestive support. A longtime microbiology and nutrition enthusiast, Goodwin spent about five years formulating **Obi**, a kefir-based probiotic soda, financing the venture himself, before Lester joined the business.

Although the San Francisco-based entrepreneurs ended up selling Obi to an incubator partner, they weren't done with good-for-you soda just yet.

"We were passionate about bringing digestive health to a broader range of people, and we really felt we'd been onto something," Lester says. "We decided we would try this again, but only if we could do it better."

Over the next several years, Goodwin immersed himself in research and formulation and realized the science was shifting. While probiotics had their place, it became clear that prebiotics and fiber, woefully lacking in the standard Western diet, are critical to maintaining a healthy microbiome and digestive function. So too is cutting back on sugar, something millions of Americans struggle to do.

"Soda has low nutrient content and contributes a lot of sugar to the Western diet, but consumers are married to it," Lester says. "We understand that behaviors are hard to change, so we decided to meet people where they are. Instead of shaming them for enjoying soda, we wanted to give them a product that has all the aspects they know and love about soda but is filled with nutritious ingredients."

The result is Olipop, a line of four sodas (and counting) packed with prebiotic plant-based ingredients such as chicory, cassava, kudzu root and Jerusalem artichoke. Each 12-ounce can boasts 9 grams of fiber and just 3 grams of sugar for 35 calories.

"People said we were crazy to do soda—and launch it in the natural channel—because it's a declining category," Lester says. "They asked why we weren't doing a water or kombucha instead. But look, soda is a \$40 billion category while

kombucha is only \$1 billion and sparkling water is \$2 billion to \$4 billion. Soda is still ubiquitous. If you ask someone to design their ideal soda, they'd take out the sugar and add functionality—and that's exactly what we did."


Olipop launched in the Bay Area in fall 2018, focused mainly on independent retailers. Soon **Erewhon** in Los Angeles approached the founders, followed by **Whole Foods Market**. "It snowballed from there," says Lester. The brand is now sold in three Whole Foods regions, all seven come August, as well as **Wegmans** and **Kroger's** Fred Meyer and QFC divisions. Olipop debuts nationally at **Sprouts Farmers Market** in May.

"We tell retailers, 'look, you've got a digestive health set, but you're not optimizing it,'" Lester says. "Drinking vinegars and kefir beverages are all there, but they're related to probiotics or fermented foods. Prebiotics is where digestive health is going—it's the first port of call in addressing digestive issues. So, if your set offers nothing with fiber or prebiotics, you are ignoring a huge opportunity."

Last year, the company soft-launched e-commerce, and "within weeks, we'd

shipped to 48 states," says Lester, adding that since shelter-at-home orders were issued in response to COVID-19, e-commerce has grown 600%.

In late January, Olipop closed a series A round, raising \$10 million. Original investors, including **Boulder Food Group** and **Monogram Capital Partners**, increased their stakes, while **Döhler Ventures** came aboard. With the new financing, Olipop will focus on expanding nationally, bolstering its direct-to-consumer business and innovating new soda flavors. The company recently hired a senior director of supply chain from **Harmless Harvest**, director of sales from **Health-Ade Kombucha** and director of finance from **Red Bull**.

"We live and die by our philosophies, which is why we were very disciplined and stuck with West Coast natural [retail] to start," Lester says. "We wanted to prove we could operate and ensure that, as we expanded nationally and go into conventional, we could properly support it with organizational structure, experience and marketing spend. Now the question going forward is how much of that \$40 billion soda category can we occupy?" 

*"The beauty of belonging to Schwabe is they understand how to source and have a very high standard for quality. It's all about documentation, testing, setting up manufacturing facilities in the right way, validating tests in the right way."*

– Matt Schueller, Nature's Way.



# NBJ Award: Management Achievement

Business disruptor George Pontiakos is on fire

By Todd Runestad

George Pontiakos grew up in New Jersey dreaming of becoming a fireman. He carried that dream to fruition, becoming a first responder and rising, after 12 years, to the position of lieutenant. “It certainly taught me about having a sense of urgency,” he says.

That urgency compelled his move into the business world—he worked in defense, electronics, technology. “I wasn’t a dietary supplements guy; it wasn’t a focus of mine,” he says. “But businesses have

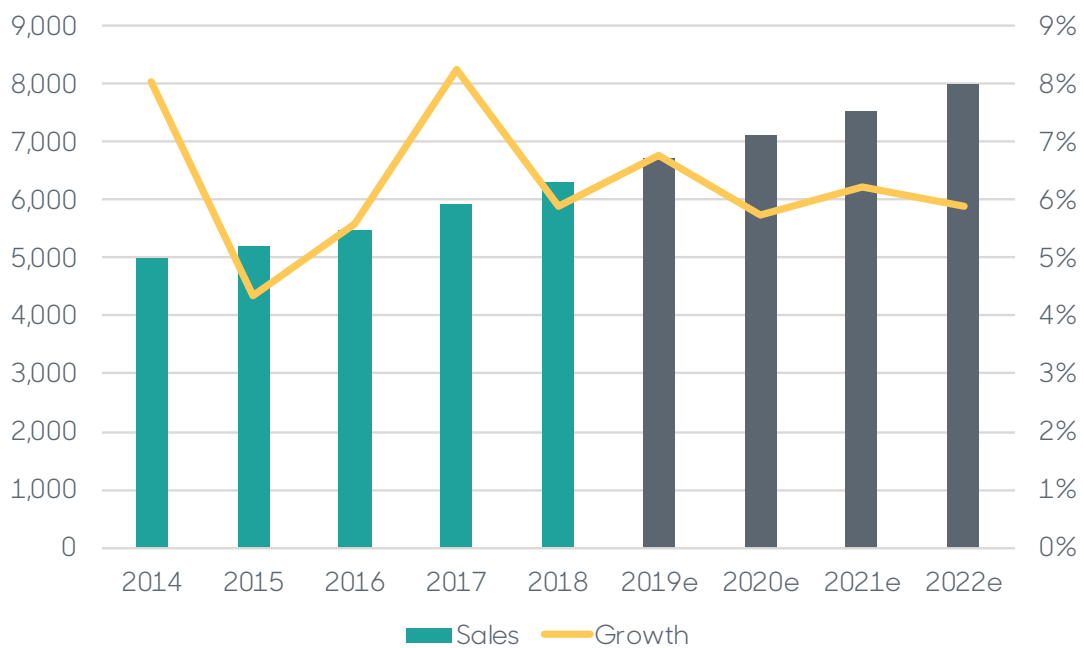
the same problem, and leadership is at the core of any business.” His vision grew to a mission to drive organizations to stretch beyond their comfort zone, to grow by successfully adapting into parallel markets. He eventually arrived in the dietary supplements world and became the head of **BI Nutraceuticals**, a position he has held for 14 years.

Pontiakos leads BI with a sense of urgency around the pillars of quality, ethical sourcing and sector disruption. The com-

## NBJ Takeaways

- » George Pontiakos is regarded as a shrewd, yet compassionate, businessman
- » After fourteen years at the helm, Pontiakos ushered in a strategic global acquisition
- » The newly formed business brings additional might to a shared ethos

### SUPPLEMENT RAW MATERIAL SALES AND GROWTH, 2014-2022E



Source: Nutrition Business Journal (\$mil, consumer sales)

pany has created proprietary systems for botanical identity testing, improvements in flow and testing during the supplement manufacturing process, and an organic steam sterilization method. BI today is known as the North American leader in herbal ingredient supply.

Fourteen years might seem like a long lag time for Pontiakos to hear the siren song of an acquisition—what with that being a business tactic he chiseled for eight years, before his tenure at BI, as founder of M&A consultancy Monovasia. But the song hit all the right notes when he sat down for dinner, at an industry trade show, with friendly competitors at **Martin Bauer**.

Over the course of his career, Pontiakos has been involved in seven mergers or acquisitions—“on both sides of the fence,”

ical supplier along with **Naturex** and **Indena**, shares with BI an ethos around quality, ethical practices, and sustainability. But Martin Bauer did not have nearly the presence in the dietary supplement market across North America that BI did.

*“Whether you agree with him or not on a given issue, you always know where he stands. He is an opinion leader respected by everyone who knows him.”*

– Jeff Hilton, *BrandHive*

he says. That made the dinner talk a comfortable one, to see if the companies could complement and energize each other.

Martin Bauer, a top-3 global botan-

“We at BI did not have the strength they had globally,” says Pontiakos. “We had business in 60 countries, Martin Bauer in maybe 70, but at a much larger scale. Their

*“From his leadership position [at BI Nutraceuticals], George has balanced his professional talents as a tough businessman with his very human attributes of generosity and community engagement.”*

– Michael McGuffin, *American Herbal Products Association*

focus on sustainability, renewables, the whole green side of the business, was far more sophisticated than ours—and, at the time, we thought ours was sophisticated.”

### **Culture starts with quality**

“BI Nutraceuticals has been an essential U.S. supplier of botanical ingredients for decades—some might say *the* essential supplier,” says **American Herbal Products Association** President Michael McGuffin. “From his leadership position there, George has balanced his professional talents as a tough businessman with his very human attributes of generosity and community engagement.”

Indeed, many regard the company under Pontiakos’ leadership as a well-run, profitable and innovative business. When considering the acquisitional affinity of BI and Martin Bauer, both checked the boxes of having the same overall cultural mores, attentive customer service, commitment to industry and, perhaps above all, a deep, driving passion for quality.

“Martin Bauer’s commitment to quality really complemented BI’s,” says Pontiakos. “A financial partner could say there are savings in reducing a seven-fig-

ure cost center. But it takes a tremendous amount of capital to make sure a product is correct.”

Both owners wanted products to be ethically sourced, sterilized correctly, and provided to customers exactly to spec.

“It’s easy to break a business,” says Pontiakos. “We didn’t want to align with someone who wanted to strip-mine it.”

“This was an excellent merger,” says Mark Blumenthal, **American Botanical Council** founder and executive director. “Martin Bauer is a company that has a great deal of activities around world that are built on or geared toward sustainable practices.”

### The business eye

BI Nutraceuticals had been owned by the Zuellig family, a \$14 billion global conglomerate. Pontiakos was hired in late 2005, after the market bust of St. John’s wort, to get the company positioned for the next phase of the botanical business—as yet over the horizon. Pontiakos was the right man at the right time.

“What I do is try to take a look at parallel markets that we’re not exploiting already,” he says. “My intention was to grow the company and be as disruptive as possible across multiple markets. We were successful in the dietary supplements market. We got into food and beverage. We were about the first one to get into cannabis edibles’ botanical raw materials. We take a great deal of pride in identifying compatible markets and dominating quickly.”

The cannabis story is emblematic of a market that a legacy company might consider to be too hot to handle, but Pontiakos saw a business sector that was

immature and lacked sophistication but was growing rapidly. The opportunity to dominate seemed obvious, but it was also a market that would provide returns only by shrewdly considering exactly where to enter. Not every player in cannabis even thinks about sophisticated products. To many, it’s all about the buzz. Most were not even considering blending cannabis with other complementary herbs that go beyond the euphoric experience.

“To a leading-edge customer with a strong sense of what they wanted to produce but didn’t know how that blend could come together at scale, we have that expertise. We provide that,” Pontiakos says. “To an edible customer who wanted to get a specific flavor in there, with a unique mouthfeel, we have a full kitchen with a certified food scientist. We can provide a strong formulation blend to get into the market quickly.”

### The person

The business acumen, of course, helps. So, too, does having an executive who personally aligns with the business ethos of the company. The marriage of Pontiakos with BI, and BI with Martin Bauer,

*“Martin Bauer,  
they couldn’t get a bigger person.  
The guy is ethical, collegial  
and cooperative.”*

– Mark Blumenthal, American Botanical Council

is a seamless fit. Pontiakos will shift from CEO of BI to COO of Martin Bauer North America. Pontiakos says his job doesn’t actually change much—his missions and standards remain fixed.

“Martin Bauer, they couldn’t get a bigger person,” says Blumenthal. “The guy is ethical, collegial and cooperative.”

Pontiakos is known among his colleagues as an accessible, straight shooter. He’s been around the block, and it’s earned him a keen business sense that he’s not afraid to share.

“Whether you agree with him or not on a given issue, you always know where he stands,” says Jeff Hilton, co-founder of **BrandHive**, the marketing agency. “He is an opinion leader respected by everyone who knows him.”

“George Pontiakos is the kind of guy who stands up for what is right, even if it goes against powerful leadership and/or the trends,” observes Elan Sudberg, CEO of analytical testing company **Alkemist Labs**. “BI is one of my favorite companies in the industry.”

A man trained to fight fires, the supplement industry has learned, isn’t one to shy away from a fight. 🌱

# NBJ Award: Efforts on Behalf of the Industry Award

Dr. Jeffrey Bland sets the table for the personalization revolution

by Marc Brush

Finding powerful voices to applaud Jeff Bland is a bit like shooting fish in a barrel. His impact on the dietary supplement industry, and all the ancillary fields that it might touch, runs deep and spreads far. “Jeff Bland is the Stephen Hawking of our industry,” says Loren Israelsen, president of the **United Natural Products Alliance**. “He’s the one who both sees and can explain the hidden worlds that become our realities. Anyone who has heard Jeff give a lecture knows what I’m talking about.”

On more than one occasion, Bland’s crystal ball view into these hidden worlds has proved prescient. With sales of supplements tied to personalization poised to

crack 6% of the industry total in just three years’ time, insiders point to Bland as the inventor and key translator of a sea-change concept that forever changes the game. “Jeff saw very early that ‘n of 1’ was the path forward, for medicine and nutrition,” says Tom Aarts, managing director at **Nutrition Business Advisors** and co-founder of this journal. “You take all of the omics, all of the inputs into your ‘book of life’—a phrase of Jeff’s I use all the time—and you can turn your genes around with the right nutrition, the right nutrition for you.”

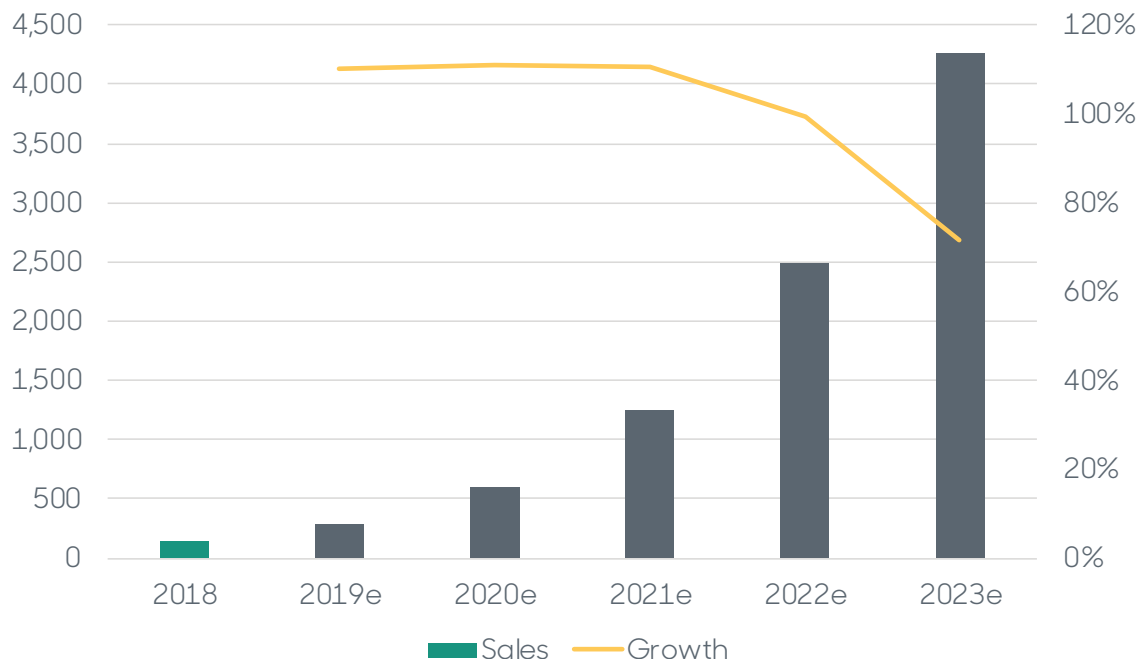
For his clarity of vision that consistently steers nutrition and supplements toward their greatest positive impact, *NBJ* honors Dr. Jeffrey Bland with this year’s Efforts on

## NBJ Takeaways

- » For decades, Dr. Jeffrey Bland has anticipated, or created, key trends in medicine and nutrition
- » Bland is a recognized pioneer of both personalization and functional medicine
- » Immunity could be a next focus for personalized nutrition

Behalf of the Industry Award. “Without Jeff, personalized medicine would be a hot concept but far from reality,” says Israelsen. “Luckily, there is a Jeff Bland, and person-

## PERSONALIZED NUTRITION SUPPLEMENT SALES AND GROWTH, 2018-2023E



Source: Nutrition Business Journal (\$mil, consumer sales)

*“Jeff is truly one of the founders of this whole industry. From nutritional science to functional medicine as a concept, Jeff is a creator. He’s been creating for this industry going on 40 years now.”*

– Tom Aarts, *Nutrition Business Advisors*

alized medicine is the most significant idea influencing product development, consumer engagement, and practitioner training in our industry today.”

### The making of the man

A full biography of Jeff Bland lives beyond the purview of this article, but a few key highlights speak to the outsized role he has played in and around the industry. The story begins with a two-year academic sabbatical at the **Linus Pauling Institute** in the early 1980s. “The frame shifter for me was my time with Dr. Linus Pauling,” says Bland. “That was a seismic event in my career. I began to recognize the bigger picture, what personalization was all about.”

Bland’s application of biochemistry to nutrition came at a pivotal time. Through his advocacy in forming the **Natural Products Quality Assurance Alliance**, the industry was able to self-regulate based upon its own quality standards and develop a monograph that would prove instrumental in the passage of DSHEA. “Jeff is truly one of the founders of this whole industry,” says Aarts. “From nutritional science to functional medicine as a concept, Jeff is a creator. He’s been creating for this industry going on 40 years now.”

Which speaks to another milestone in Bland’s career, namely the conception and promulgation of functional medicine as a better approach to so many of the lifestyle diseases facing us as a modernized species. Bland is widely regarded now as the “father of functional medicine” with hundreds of thousands of healthcare practitioners trained and educated through the **Institute**

**for Functional Medicine**, the nonprofit he founded in 1991 with his wife, Susan. “I love Jeff’s passion to teach,” says Israelsen. “He so badly wants people to just ‘get it,’ to see the intuitive power and elegance of addressing the root cause of disease, and from there, the road to health.”

### Impact on the supplement industry

After a merger between **HealthComm International**, the company he founded, and **Metagenics**, Bland would spend the next decade as Chief Science Officer at the latter, until the crystal ball began to point him in a new direction. “After 10 years at Metagenics, using nutrition therapeutically as a proof of principle, I saw the tech getting real,” says Bland. “Nutrigenomics was being born, Moore’s law was driving costs down, and personalization was starting to look feasible.”

A serial creator saw a new venture as suddenly obvious. With an unrestricted grant from Metagenics, Bland founded the **Personalized Lifestyle Medicine Institute** in 2012, an organization that has become ground zero for the realization of a concept now taking the supplement industry by storm. “I saw four main factors that together would create a different domain for supplements,” says Bland. “You take the omics, the advance of social media and cloud-based computing, and wearable biometrics as a collective, and you see that personalization is not a passing fancy. It’s not an artifact. It’s exactly where the trajectory is headed for supplements, and companies that don’t leverage that will become disadvantaged.”

### The next chapter

With functional medicine and personalization under his belt, Bland still sees the possibilities to come. At 73, he has started a new company, **Big Bold Health**, to serve as a digital platform focused squarely on immuno-rejuvenation as the next health topic of mainstream relevance. “If we’re personalizing, what is this thing that the individual can best measure?” asks Bland. “I think it’s the parts of the body with rapid turnover, the parts most dependent on what you’re doing in this moment. It’s the quick feedback loops of the immune system. You can adjust there if you have the right lens.”

To hear Bland speak of it, it’s not enough to “support” or “boost” an immune system locked into cycles of dysfunction with damaged, inflamed cells. Not when rejuvenation of the entire system is possible, and supplement ingredients can help.

“Jeff stands for the principle that all things are connected,” says Israelsen. “And in health, there is no more powerful idea than how nutrition, lifestyle, and unique access to our personal biology are key to abundant living.” With Big Bold Health, Bland is taking the connections even deeper, as co-immunities between plant, person, and planet come into better focus through the lens of modern science. “Once you’ve asked those questions about your own body, you can connect into broader principles that support the health of the whole,” says Bland. “Plants have immune systems. The planet has the same immune responses we do, which brings personalization right up against regenerative agriculture and sustainability. It’s time to update the Gaia hypothesis around ‘healthy people, healthy planet’ with the new science afforded by personalization.”

To combine Bland’s vision and credibility in nutrition with the social movements around climate change and global immunity could prove out as yet another early peek inside the crystal ball, another chapter in the story of one of this industry’s leading lights. “One of the things I most admire about Jeff is his unique ability to not get bogged down by what he knows, and he knows so much,” says Aarts. “People tend to get myopic and reductionist. He’s the opposite. He connects the dots to see the evidence in a different way.” 🌱



# NBJ Award: Science and innovation

DayTwo thinks big about personalization

By Marc Brush

Ask Jeff Bland—a figure well-known to readers of **NBJ** as the father of functional medicine and the recipient of this year’s Efforts on Behalf of the Industry Award—about the clinical research that most excites him these days, and two names spring to mind. One is Valter Longo, the biochemist at the **University of Southern California**, whose work with fasting mimicking diets continues to put intermittent fasting on the map. The second is Eran, for Eran Segal and Eran Elinav at the **Weizmann Institute** in Israel, whose work across applied mathematics and immunology has led to breakthrough connections between the microbiome and insulin response, and to a breakthrough company, **DayTwo**, this year’s recipient of NBJ’s Science Award.

In a pioneering study called “Personal-

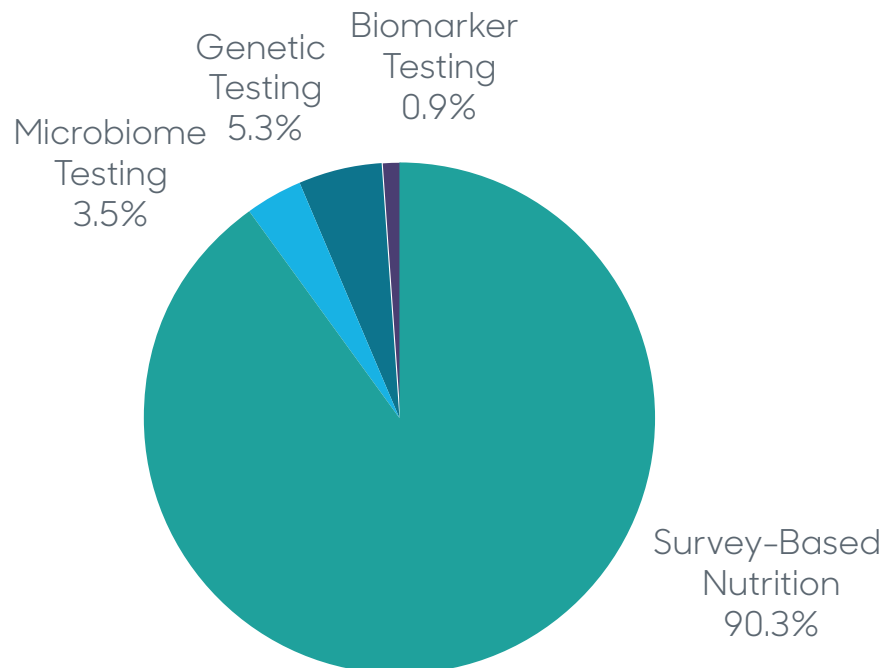
ized Nutrition by Prediction of Glycemic Response,” that appeared in the November 2015 issue of *Cell*, Segal et al. exposed the proverbial standards of care for diabetes as a blunt instrument in need of repair. With an 800-person cohort on controlled diets and deep quantifications around genomics, microbiomics, and biometrics drawn from continuous glucose monitors, the team at Weizmann proved with definition a driving precept of personalization. “The results were remarkable,” says Bland, now the founder of his own personalization startup, **Big Bold Health**. “They really began to identify with precision how specific foods affected the composition of the microbiome. This lets you ascribe and predict specific glycemic responses to diet. It’s the paper that changed the world of personalized nutrition.”

## NBJ Takeaways

- » The science is at the root of DayTwo is revolutionary to our understanding of nutrition
- » Science continues to be foundational to the development of the company
- » DayTwo is more singularly focused than other microbiome-based personalized nutrition companies
- » The company has a unique go-to-market strategy, looking toward corporate wellness programs

It can seem like an intuitive point to those in the know—different people can have different glycemic response to the

### PERSONALIZED NUTRITION SUPPLEMENT SALES BY TESTING TYPE, 2019



Source: Nutrition Business Journal (\$mil, consumer sales)

same foods—but this study made the point, explored the ramifications, and subsequently birthed a company that continues to operate at the forefront of personalized medicine. “This is serious stuff,” says Bland.

*“This is serious stuff. They’re not playing in the weeds here. It’s unheard-of science, the kind of science we could only dream about years ago at the Linus Pauling Institute.”*

– Jeff Bland, *Big Bold Health*

“They’re not playing in the weeds here. It’s unheard-of science, the kind of science we could only dream about years ago at the **Linus Pauling Institute**.”

### Commitment to science

The Weizmann research may have started it all for DayTwo, but their story hardly stops there. DayTwo has since formed research partnerships with leading institutions to drive clinical studies at a rapid pace. A trial with the Mayo Clinic showed that personalization, inclusive of microbiomics, works better than calorie- and carb-counting to normalize blood sugar. The kind of personalized recommendations made actionable by DayTwo’s algorithm diet are driving research for type 2 diabetes at such leading institutions as the Joslin Diabetes Center, UC San Francisco, Janssen, The Microbiome Center, and the Friedman School of Nutrition at Tufts University.

To drive home this commitment to science as the foundation of their business, DayTwo has stacked the decks with its scientific advisory board. The list includes such heavyweights as Dr. Dariush Mozaffarian (formerly at Harvard, now at Tufts), Dr. Ronald Krauss (of UC Berkeley, UC San Francisco, and Children’s Hospital Oakland), and noted microbiome experts Rob Knight and Jack Gilbert.

### It’s all about the tech

DayTwo, as a business, is the natural extension of that seminal study out of the Weizmann Institute. “This is a story of tech transfer done right,” says Bland, “of taking

extraordinary discoveries in basic science and translating them into a commercial venture without compromising the integrity of that science.” That’s a difficult compass point to maintain as market forces become the dominant motivator, but experts applaud DayTwo’s shift from clinical science to commercial application as consistent with the findings and intention of the original study.

It started with the science, and the science remains in the DNA. “DayTwo has the closest culture to a biotech company that I’ve ever seen,” says Tom Aarts, NBJ’s co-founder and managing director at **Nutrition Business Advisors**. “They’re built to do science that way.” This also speaks to the company’s location in Israel, a fertile and supportive ground for biotech concerns.

DayTwo now offers a programmatic solution to manage blood glucose through “food-as-medicine.” For \$499, the package includes a microbiome testing kit, personalized nutrition app, orientation calls with registered dietitians, and a microbiome summary report. The app drives DayTwo’s personalized diet recommendations for its users; an “algorithm diet” that maintains target blood glucose levels through specific predictions of glycemic response to foods and food combinations. It’s a non-spiking diet tailored to the individual through their microbiome.

And this focus on one actionable intervention through diet is key to the company’s

successful application of its science. Unlike many players in the microbiome space whose eyes tend to grow bigger than their stomachs, DayTwo has its eyes on a singular prize with few aspirations to become everything to everyone. “I’ve studied all the microbiome companies,” says Aarts. “I’ve taken all the tests, and DayTwo is the company to watch. They’ve done the most science to connect the microbiome to personal health. It’s a deep dive down a specific well to understand how the microbiome impacts glucose levels.”

### Big thinking for the future of personalization

To further refine its go-to-market strategy for greatest impact, DayTwo is looking toward corporate wellness programs as an entry point. It’s a strategy that addresses a single risk factor through corporate health promotion to reduce insurance costs, improve productivity, and offer employees a cutting-edge health benefit. That single risk factor—dysregulation of insulin and blood sugar—correlates with all the big, scary monsters out there these days, like dementia, cardiovascular disease and cancer, and ultimately accounts for up to 75% of modern healthcare expenditures.

“This is the difference between small and big thinking,” says Bland. “Small thinking here would be to focus on a single supplement that leverages this effect. Big thinking constructs entirely new businesses that recognize the new paradigm and seek to serve it. If I was building a company, I’d rather skate to that mark.”

As DayTwo skates to its mark, it charts another path forward for personalization to deliver credible and impactful benefit to consumers inside and outside the supplement industry, and it does so with deserved confidence. Grounded in science and an ongoing commitment to see that science through, the company is now delivering dramatic clinical outcomes with its product. To wit: 96% of patients lower blood sugar within three months, with an average reduction of 0.91% in A1C. A full 74% see more time within normal blood-sugar range than they would under the conventional standards of care. And 69% lose weight over three months, by an average of 11 pounds. That’s the kind of big-thinking science that delivers big benefit. 🌱

# NBJ Award: Supply Chain Transparency

Supply integrity key to Natural Factors' brand identity

By Melaina Juntti

Transparency may be the biggest buzzword of the last decade, but **Natural Factors** embodied this ethos long before it was cool. Founded in the 1950s by Swiss herbalist Jacob Gahler, the British Columbia-based dietary supplement company has one of the tightest supply chains in the industry. But unlike brands that crow about transparency and vertical integration without much to back it, Natural Factors has 1,000 acres of its own certified-organic farmland, plus its own laboratory, extraction, encapsulation and production facilities, as proof.

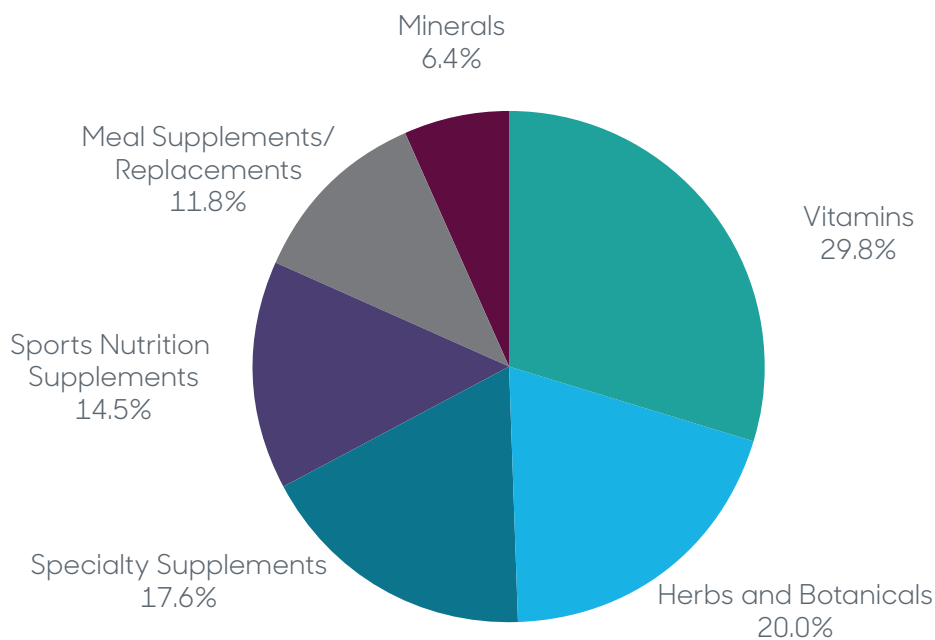
For many years, this heritage brand may have flown a bit under the radar. The company certainly wasn't hiding its sprawling fields of non-GMO, organic crops or cloaking its extensive R&D and testing protocols, but chairman Roland Gahler, Jacob's son, believes in conducting business quietly. According to Yolanda Fenton, director of product development, Natural Factors does what it does for the benefit of people and the planet, and drawing attention to its work just wasn't a priority.

"Roland doesn't boast too much, which is the complete opposite of many compa-

## NBJ Takeaways

- » Natural Factors has been a quiet force in supplement quality since 1950
- » The company utilizes its 1,000 acres of organic farmland for both supply and R&D
- » Quality testing of each ingredient and finished formula are key to Natural Factors quality assurance

## \$48.8 BILLION SUPPLEMENT INDUSTRY BY CATEGORY, 2019E



Source: Nutrition Business Journal (consumer sales)

nies,” Fenton says. “Only in the last few years have we been more public about what we do. But it’s rarity for a supplement company to own farmland and do this much testing, so those of us who’ve been in the industry for a while have always said that Natural Factors is the best kept secret.”

*“We invest a lot of money into R&D that doesn’t translate into profit,” Fenton says. “If anything, it costs money, but that’s the legacy Roland wants to pass on. As a whole, it benefits the industry and speaks truth to sustainability.”*

- Yolanda Fenton, Natural Factors

Now the secret’s out, and the industry can only benefit from knowing the high bar this company has set. To commend its seed-to-shelf responsibility and commitment to producing consistently high-quality, safe, efficacious products, *NBJ* proudly presents Natural Factors with the 2019 Supply Chain Transparency Award.

“This award is an honor,” Fenton says. “It validates the hard work everyone in our company does every single day.”

## The farm factor

Roland Gahler started Natural Factors Farms some 25 years ago with 60 acres in British Columbia’s Okanagan Valley. The goal was—and still is—to grow medicinal plants organically from nonhybrid seeds and handpick them when mature to yield the most potent extracts possible. Today, the company grows a wide variety of herbs, including hops, valerian, echinacea and lavender, as well as fruits and vegetables. In 2014, Natural Factors launched its **Whole Earth & Sea** line of organic whole-food supplements, consisting mostly of ingredients cultivated here.

“There is quality attached to our farming,” Fenton says. “You have more control

when you’re not relying on other farmers and their processes. A lot of change has happened in the organic movement, in that it has been co-opted by biotech companies and governments, so being able to actually control organic farming is very important.”

Immediately after the plants are

hand-harvested, the actives are extracted. “That’s a big difference from what other companies do, which is to dry the plants, causing them to lose a lot of activity,” Fenton says. “That’s what makes botanicals ineffective, and when not dried properly, mold and mildews can form.”

But the farms have other important functions besides providing raw materials for products. “A key advantage, more than the farming itself, is on the R&D side,” Fenton says. “Because there are so many issues we’re now facing, such as the decline of the bee population and its impact on crops, [Gahler] wants research dedicated to understanding bees, their relationship with crops and the mites killing them off.” Natural Factors’ research also focuses on plant species on the verge of extinction and preserves heirloom seeds.

“We invest a lot of money into R&D that doesn’t translate into profit,” Fenton says. “If anything, it costs money, but that’s the legacy Roland wants to pass on. As a whole, it benefits the industry and speaks truth to sustainability. We’re always battling against naysayers of natural health products, so the more scientific support we can offer for our products, the better we’ll all be.”

## The testing factor

Even though Natural Factors controls many of its ingredients from seed to bottle, the company validates each component’s integrity and ensures its safety. The same rules apply to raw materials sourced elsewhere. More than 50 scientists in the company’s R&D labs, quality control, quality assurance and product development departments put every single sample through the paces, using multiple assays, including mass spectrometry, to determine identity, purity, potency and safety.

“All raw materials are rigorously tested, and then once a formula is put together, it is tested again, because things can obviously change,” Fenton says. “We go beyond what is required by the Canadian GMP standard, one of the highest in world. Like it or not, a lot of players in the supply chain don’t test products, and many companies just rely on documentation. Because unless you manufacture your own product, it can be very costly to keep sending it out for testing.”

Although Natural Factors has long been extremely thorough in its in-house testing, it sees the value in third-party validation. In 2014, Gahler worked with a team of outside experts to develop **ISURA**, Canada’s only independent nonprofit certification organization for finished natural products and the raw materials used to make them. ISURA uses advanced technologies such as mass spectrometry and DNA testing to validate identity, screen for contaminants, detect genetic modification and confirm safety. Every Natural Factors supplement bears the ISURA seal, showing that it meets the strict standard.

According to ISURA spokesperson Marisa Nichini, Natural Factors sets a high mark for other supplement companies to follow. “They stand out for their transparency and willingness to comply with the ISURA Standard and work with us to verify their own supply chain by direct-testing raw ingredients through to finished products,” she says. “Natural Factors goes beyond the basic regulatory requirements to achieve their commitment to providing high-quality dietary supplements.”

Transparency isn’t a buzzword for Natural Factors. It’s standard operating procedure. 🌱

# NBJ Award: Mission and philanthropy

Kuli Kuli brings moringa to market and prosperity to farmers

By Rick Polito

Lisa Curtis wants to make something perfectly clear: She did not “discover” moringa. Much in the same way Christopher Columbus couldn’t discover the New World when there were already people living there, there were plenty of people already eating moringa when she tasted it for the first time.

Indeed, the Nigerians the **Kuli Kuli** co-founder met while working in the Peace Corp who introduced her to the leafy plant didn’t discover it either. “It was really a plant that has been used in West Africa and really across so many different cultures for a very long time,” she says.

What Curtis did discover was not just a way of building a market for a highly nutritious ingredient, but also a way to build a connection between Western consumers and farmers in places like Niger, where a drought-resistant plant can create income and impact in communities with deep and urgent needs. Running Kuli Kuli, the brand she built to bridge those worlds, requires her to keep discovering new answers and new solutions to new problems every day.

The latest new answer is a “supplier scorecard” that helps quantify how well famers are meeting the targets for the brand’s mission of empowering small farms

## NBJ Takeaways

- » Moringa has superfood nutrition qualities, but awareness has room to grow
- » Investors brought expertise and insight that helped the brand grow
- » Other climate-adaptable crops may join the Kuli Kuli quiver

and the surrounding communities and ensuring that the whole supply chain benefits

### NUTRIENT CONTENT OF MORINGA VS. KALE (100G)

	Moringa Leaves - Raw (100g)	Kale-Raw (100g)
Riboflavin (mg)	0.7	0.1
Vitamin B-6 (mg)	1.2	0.3
Iron (mg)	4.0	1.5
Thiamine (mg)	0.3	0.1
Niacin (mg)	2.2	1.0
Protein (mg)	9.4	4.3
Calcium (mg)	185	150
Vitamin A (IU)	7,564	9,990
Potassium (mg)	337	491
Fiber (g)	2.0	3.6
Vitamin C (mg)	52	120

Source: Kuli Kuli



from the company's success. "We set up this whole series of questions around impact that we could measure, and now we are actually paying more to suppliers that are more impactful, as measured by that score.

Totaling up the efforts yields an impressive impact on farmers in a supply chain that now stretches across 13 countries. In 2019, Kuli Kuli purchases generated \$1.6 million in revenue for moringa farmers and 9.4 million trees were planted. Since it was founded, the company has provided income to 3,234 people, and part of the mission has always been to prioritize opportunities for women. That goal is further enhanced in the company's pledge to donate 15 percent of sales to the **Whole Planet Foundation** to support microlending programs for women entrepreneurs.

### A not-so-new leaf

The story of Curtis and Kuli Kuli is practically a blueprint fairytale for mission-based brands, a classic tale of the right person with the right idea, and the right intentions. A Peace Corp volunteer, Curtis was working in a small village in Niger and, as a vegetarian, largely subsisting on rice and millet. The limited diet did little for her energy level, and when she complained of feeling weak, women in a local health center told her about the moringa tree. Mixed with a peanut snack called kuli kuli, the superfood-caliber leaves helped revive her, and she began encouraging more villagers to make use of the plant. The Kuli Kuli brand was formed to create the kind of demand that would turn the moringa tree into a cash crop for village women.

It was not an instant hit. Moringa remains largely unfamiliar to U.S. consumers, but in 2014, when she launched the brand with co-founder Jordan Moncharmont, it was virtually unknown as a food ingredient, even in the natural and specialty

channel. "My own father still couldn't pronounce the name of the plant that we're trying to make the next big superfood," she told Crowdfund Insider shortly after a launch, a time when when Kuli Kuli was known as much for crowdfunding as it was for the nutritious nature of moringa. Headlines that followed Kuli Kuli raising \$53,000 on IndieGoGo.com helped establish the traction that led to an Agfunder seed fund round and a Clinton Foundation grant to start growing Moringa in Haiti.

A **Whole Foods Market** local producer loan followed in 2016.

Whole Foods was pivotal for the brand. Kuli Kuli launched in an Oakland Whole Foods and went nationwide in the chain in 2016. Five years after that 2014 launch, Kuli Kuli made it into **Walmart**, marking a quick evolution from obscure ingredient to a national presence at opposite ends of the grocery chain spectrum.

### Engaged investors

That success did not happen on its own. Curtis will say her early dreams did not prepare her for how much money it would take to grow Kuli Kuli, but inves-

tors gave those dreams a great foundation. In 2017, **Kellogg's eighteen94 Capital** came in with a \$4.25 million Series A, and last year, **Griffith Foods** arrived with a \$6.34 million Series B.

That investment is essential, Curtis says, since scaling the impact means scaling the brand, and while the money is important, the large companies also show up with resources that don't fit on a ledger. Going from Peace Corp volunteer to international supply chain and Walmart-scale distribution requires a learning curve very few are able to climb on their own. The big investors gave her a boost up that curve. "Kellogg's and Griffith are very large companies, and they're both investors and partners with Kuli Kuli, and we learned so much from them," Curtis says.

But Curtis and the Kuli Kuli team aren't the only ones who are learning. Simon Burton, managing director of eighteen94 Capital, says Kellogg's executives are highly motivated to learn as much as they can from Curtis and her team. "One of the great things that we really want from these relationships is to make sure it is a two-way conversation. When the brands come

*"Before we took on investment, we became a [B-Corp certified] benefit corporation, and that was something that was really important to me. I wanted to make sure that I always felt like our mission was coming first and that, even in the event that Kuli Kuli was acquired in the future, that social purpose would be embedded."*

– Lisa Curtis, Kuli Kuli

*“I think there’s just a great dynamic with Kellogg’s and with the founders and with the boards and with the vision and the strategy.”*

in and meet the rest of the corporate team, they are always surprised by all the questions they get,” Burton says, adding that the executives admire the agility and fresh thinking brands like Kuli Kuli bring. “It’s almost a two-way mentoring relationship.”

That’s especially true of the mission-based brands, Burton explains.

Part of what the executives are learning is how the brand benefits from the intentional element. The impact on the farmers and the soil resonates through every action, and that makes many decisions very clear. “You talk to Lisa and her team, and everybody is driven by the same goals,” Burton says.

### Common goals

Ahmed Rahim, co-founder of the equally intentional brand, **Numi Organic Tea**, agrees that passion can keep a business

is central to the dynamic. Karner describes Curtis as a true believer who is “brave enough and crazy enough” to make it work. “Unlike a lot of entrepreneurial younger CEOs that I’ve seen that will make a change with the wind, depending on how business is going, I think Lisa’s been very true with really the foundation of how she started the company and making sure that that remains her moral and strategic guideposts.”

Kuli Kuli faced all the difficulties faced by any new brand in addition to confronting the challenges of introducing an ingredient to consumers who likely had

– Ahmed Rahim, Numi Organic Tea

### Intention and direction

Curtis does not seem the kind of person likely to lose sight of that north star. It helps guide the brand every day, she says, and especially in decisions like bringing in Kellogg’s and Griffith. “Before we took on investment, we became a [B-Corp certified] benefit corporation, and that was something that was really important to me. I wanted to make sure that I always felt like our mission was coming first and that, even in the event that Kuli Kuli was acquired in the future, the social purpose would be embedded.”

Kuli Kuli stays on course toward that north star with an annual impact statement and with every purchase. “We’ve sourced over \$4 million dollars of moringa directly from small farmers, and that is real money that really does impact people’s livelihoods,” she says. “The mission is 100% what fuels me and what makes me excited to wake up every day and put in 80 hours of work every week—because I believe in what we’re doing and where we’re headed.”

Where Kuli Kuli is headed next could be not just more sales of moringa products but more farmers and more crops. She sees ways to incorporate “other climate smart crops” into the products and into the Kuli Kuli supply chain. But she knows she won’t be discovering any of them. Once again, the farmers are way ahead of her.

“There’s so many that our suppliers are so excited about,” she says. 🌱

*“You talk to Lisa and her team, and everybody is driven by the same goals.”*

– Simon Burton, eighteen94 Capital

on track, but he also says the combination of intention and success is not common. Kuli Kuli has the right ideas matched to the right team, he explains. “I think there’s just a great dynamic with Kellogg’s and with the founders and with the boards and with the vision and the strategy,” says Rahim, who serves on the Kuli Kuli board.

Ericka Karner, Chief Operating Officer of **The Smart Co** says Curtis’s energy

never heard of it, Rahim says, but the mission became a vehicle to introduce those consumers to the nutrition. And when mission is part of the business plan, the no-compromises mandate keeps the brand on course, he explains. It’s advice he would give to any intention-based brand. “Stay committed to your values and push hard toward them. Be really diligent about what your north star is.”

# NBJ Award: Stewardship and Sustainability

FairWild is saving the world one herb at a time

By Barry Bortnick

**G**lobalization, worker exploitation and excessive cultivation have pushed many of the world’s most treasured wild plants toward extinction.

At the same time, the need to produce supplements for cost-conscious consumers has created a rush-to-the-bottom attitude that favors profit over wild plant sustainability—as well as the people who have cultivated and collected native species for centuries. By some estimates, nearly 20% of today’s wild plants face extinction. Since wild plants are found in everything from foods, herbal teas and

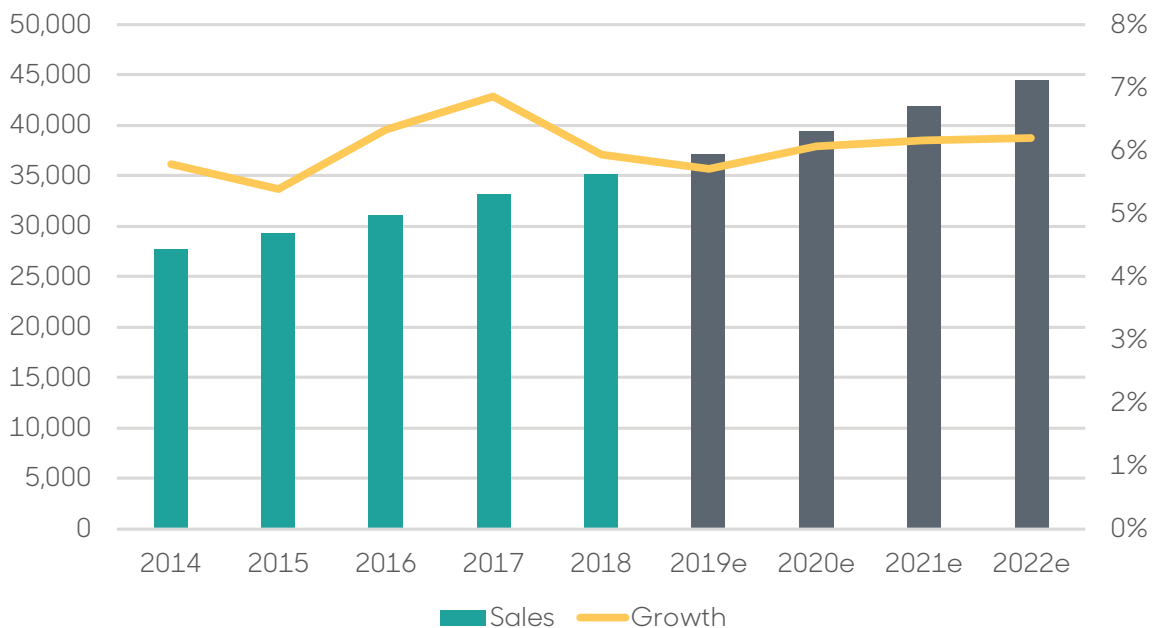
makeup to medicine and dietary supplements, a new economic and environmental approach is needed to protect these species, the collectors and the communities that bring them to market.

Enter the FairWild Foundation, a Swiss and British-based nonprofit that provides a global certification process for implementing a sustainable and fair trading system for wild-collected plant ingredients and their products. FairWild certifications can be found on products across the globe. The nonprofit’s seal of approval means certified products adhere

## NBJ Takeaways

- » Over 60% of botanical ingredients begin in the wild, and many face extinction
- » The traditional knowledge of—and economic incentive behind—sustainable collecting is on the decline
- » Awareness of the concerns behind wild harvesting is growing among consumers and industry

### GLOBAL HERB AND BOTANICAL SUPPLEMENT SALES AND GROWTH, 2015-2022E



Source: Nutrition Business Journal (consumer sales)

*“The FairWild certification is not a fad;  
it is a trend.”*

to a strict process that works to sustain not just the land that produces plants but the cultures and people who harvest these endangered wild materials, some of which are endangered or threatened.

“As more and more consumers look for new ways to build immunity through natural products, the value brought by standard-setting organizations like the FairWild Foundation becomes clear,” says Bill Chioffi, owner of **Botanical Consulting International LLC**. “There is a need to ensure quality, protection and sustainability, and that comes from third-party reviews and teams like FairWild.”

Chioffi says FairWild ensures wild plants can be sustained long term in their

“FairWild literally sets the standard,” Chioffi says.

### **Coming together**

The FairWild Foundation has improved lives and landscapes for nearly 20 years. From work in post-war Bosnia to create sustainable and profitable wild plant programs, to the protection of bibhitaki and hartaki fruit trees—as well as the baobab tree (aka The Tree of

plant ingredients to global markets, and helped thousands of wild collectors.

The FairWild certification process is based on a concept that fights for fair treatment of the land, the people who steward the land, and the supply chains that move the bounty from land to market.

The story of FairWild started not long after the end of the Bosnian War, a conflict that killed 100,000 and pitted Serbs, Croats and Bosnians against each other, following the fall of Yugoslavia. Franziska Staubli, Chair of the FairWild Board of Trustees, traveled to Bosnia in 2000. Her task seemed impossible: to get diverse ethnic groups that fought against one another in a devastating four-year civil war to create a fair and just economic model based on preserving and cultivating the regions’ wild plants. The plan called for transparency in production, sustainability to protect the valuable plants for generations, and a profit system that prevented the exploitation of struggling growers and cultivators.

“We started not long after the civil war,” Staubli says. “The region had 40 to 50% unemployment. We saw that a lot of people in the region went informally into the forest to collect wild plants, but their way of collection was unsustainable.”

A new model was needed; one that emphasized environmental and economic sustainability, with fair treatment of the land, a fair wage for the collectors and a fair standard to protect plant sustainability. These needs led to FairWild’s current mission, which is to make business prac-

*“Most people don’t realize that when you buy a bottle of a supplement, someone in a remote village at 10,000 feet had to hike from a village all day and collect this stuff, then process it and ship to a city. The journey is amazing.”*

– Josef Brinckmann, Vice Chair, FairWild Board of Trustees

native habitats, and that wild-plant collection is done in a way that respects the traditions and cultures of the people who work the land.

Life) in Africa—the FairWild Standard has changed the world for the better. In the last 10 years, FairWild has protected ecosystems, helped bring sustainable wild

## *“FairWild literally sets the standard.”*

– Bill Chioffi, Botanical Consulting International, LLC

tices ecologically, socially and economically sustainable throughout the supply chain of wild-collected products.

In short order, once-warring Serbs, Croats and Bosnians were working together in the sustainable wild harvesting of juniper berries, helichrysum and gentian. By the early 2000s, more than 100,000 families found sustainable work by collecting the region’s native plant species.

### **Sowing widely**

The process that started in Bosnia is now in practice across the world. The mission has succeeded because FairWild works to protect wild plant collectors from economic exploitation. By setting a standard that delivers a sustainable living, families that might have abandoned the cultivation and collection of wild plants for jobs in cities now thrive and pass their techniques to future generations.

The FairWild Foundation was founded in Switzerland in 2008, building on the collective outcomes of a network of partners and pilot projects. The Foundation has a Board of Trustees with a broad range of expertise in the conservation and trade of wild plants and also works in partnership with other non-profits with related missions. These include **TRAF-FIC**—the host of FairWild’s Secretariat in the United Kingdom—and the IUCN/SCC Medicinal Plant Specialist Group, as well as a variety of other collaborations in place worldwide.

“The FairWild certification is not a fad; it is a trend,” says Mark Blumenthal, founder and Executive Director of the **American Botanical Council**, a nonprofit that provides reliable, science-based information on the responsible use of natural materials. “The

certification gives an assurance that the environmental aspects are covered and that the people are somehow treated well and or paid a larger premium by the buyers so they can have a better standard of living.” The program also creates industry awareness and, increasingly, willingness to reverse the trend of racing to the bottom. “By paying a bit more for the certification, we can guarantee a better life for everyone along the value network,” Blumenthal says.

Josef Brinckmann, Vice Chair of

he adds. “We are still here and expanding.” Brinckmann calls education, showing consumers how they can support companies that pay more to protect nature and the supply chain, a primary objective. “Most people don’t realize that when you buy a bottle of a supplement, someone in a remote village at 10,000 feet had to hike from a village all day and collect this stuff, then process it and ship it to a city. The journey is amazing.”

Honoring FairWild with this year’s Stewardship and Sustainability Award is long overdue, says Edward J. Fletcher, president and COO of **Native Botanicals**,

*“If we don’t treat plants and people fairly and give a just reward for what they do for us, they won’t be around for the future.”*

– Edward J. Fletcher, Native Botanicals, Inc.

the FairWild Board of Trustees, always wanted to help save the world. He says FairWild is a small step in that direction. “This [buying products with the FairWild seal] is one nice thing people can do,” Brinckmann says. “You can decide to buy things that are protective and not harmful to the natural world. It’s one way conscious folks can do their small part and reduce the rapid loss of biodiversity that is happening.”

“We’ve been at this now for 20 years,”

**Inc.** and a presenter at **American Herbal Product Association’s** Botanical Congress.

“There is a need [for this type of certification] because 60 to 90% of the crops that are collected are wild,” Fletcher says. “This says you are giving a fair wage to the people and also treating the plants fairly. I support FairWild, and I hope we are going that way. We have to. If we don’t treat plants and people fairly and give a just reward for what they do for us, they won’t be around for the future.” 🌱



# NBJ Award: Education

Southwest College of Naturopathic Medicine stands out for research, innovation and community service

By Rick Polito

Ric Scalzo wants to know more than just that the botanicals he's spent a lifetime promoting work as promised. He wants to know how they work, why they work and what else they could work for. When he retired and sold his founding stake in **Gaia Herbs**, he knew he wanted to put some of that money to work toward answering such questions—for himself and others.

And he knew exactly where that could happen: Southwest College of Naturopathic Medicine.

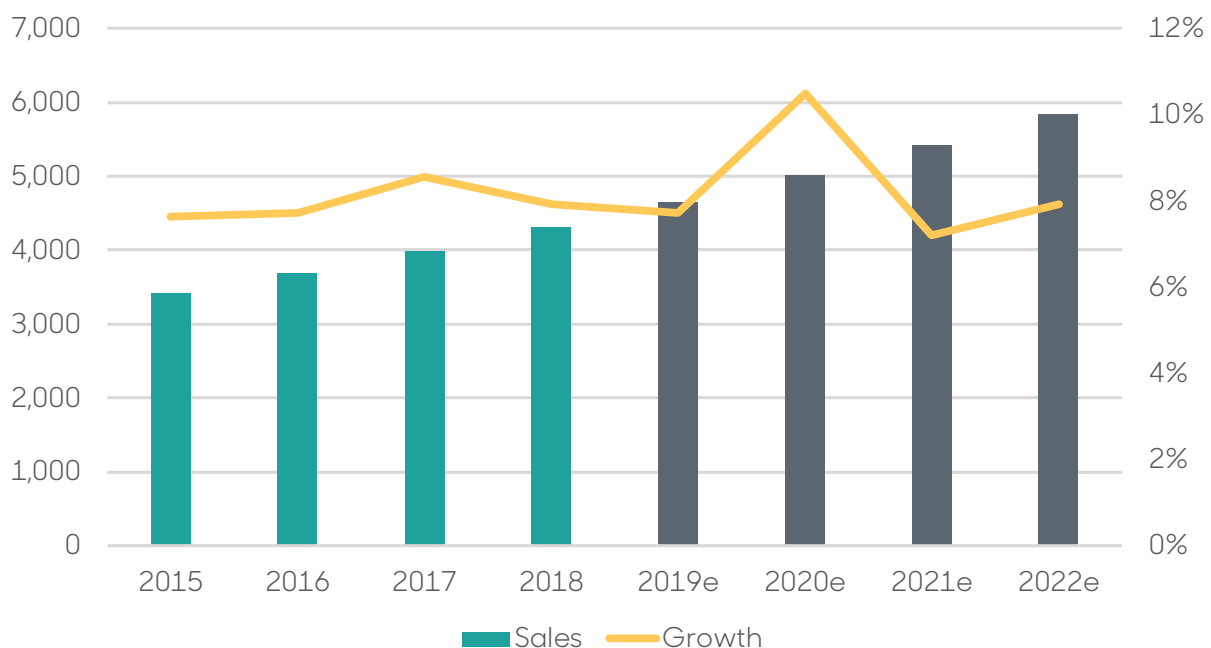
That the Arizona-based college would be home to the Ric Scalzo Institute for Botanical Research seems altogether obvi-

ous, says the supplement industry pioneer from his home in Costa Rica, where he is establishing Costa Rica Medicinals, a farm for organic ingredients. Similar appraisals of the college are not in short supply. Industry professionals hold SCNM in high regard not only for the research starting up at the Scalzo Institute but also for the effort to bring naturopathic care to struggling communities and an innovative approach to how the disciplines are taught and delivered. It's not just a matter of teaching new naturopaths their practice but also a willingness to innovate and a spirit that embraces that innovation.

## NBJ Takeaways

- » A new botanical research institute at the Southwest College of Naturopathic Medicine will help document the mechanism of action for herbal remedies
- » SCNM is building out an MBA-like program for executives in the natural health field
- » SCNM offers services through five different community clinic programs

### PRACTITIONER CHANNEL SUPPLEMENT INDUSTRY SALES AND GROWTH, 2015-2022E



Source: Nutrition Business Journal (consumer sales)

“It’s a school of possibilities,” Scalzo says. “It’s a school for taking ideas and really doing something with them.” Tenacity and purpose are ingrained into the culture of the school, he adds.

*“It’s a school of possibilities.  
It’s a school for taking ideas and really  
doing something with them.”*

– Ric Scalzo

Paul Mittman, president and CEO of the school, appreciates that appraisal. He is proud to point to the word “love” in the school’s statement of core values. “We have a lot of love for our students and for our patients. We love the field of natural medicine. And the effect that we have made on the natural products industry is born out of a deep affection.”

### Moving with the science

Founded in 1993 SCNM came into being when “alternative medicine” was entering the public conversation and just as integrative approaches were beginning to make inroads at mainstream medical schools. Mittman says adopting innovative ideas has always been a priority. He points to electronic patient records as a prime example but also observes that early entrance into online learning has served the institution well during the COVID-19 lockdown.

Housed in a gleaming modern complex in Tempe, AZ, the school presents a cutting edge image, and Mittman says that staying at the cutting edge of science is indeed a priority. The school works with laboratories and researchers at nearby Arizona State University and has played a part in a number of patents, he adds.

The Scalzo Institute is going to expand the capabilities for that science. The new facility will house a bioassay lab, an analytical lab, as well as virus and cell culture capa-

bilities. Researchers will be able to validate the biological effects of targeted botanicals in cell culture and also identify which parts of the plant or specific compounds produce the desired results. Beyond that, researchers

hope to discover which ingredients work best in tandem with other ingredients and create optimized formulations the industry can bring to market.

Mittman says the lab could also allow the industry to learn about botanicals that are used in cultures around the world but haven’t made it to market. As he recalls an Indonesian practitioner telling him of

kinds of care that botanicals may provide. “If we can investigate with the science of real effect matched to bioassay testing, then we may be able to hit on something that we can say, ‘Hey, we’ve done our homework here. This isn’t just speculation.’”

### Community care

But the Scalzo Institute is just the latest iteration of what makes SCNM deserving of NBJ’s Education Award. Other efforts earning the College admiration include an impressive effort to bring naturopathic medicine into communities of need.

Community clinics offering care into economically challenged communities are not uncommon in naturopathic education. Mittman says most colleges have at least one community clinic. SCNM has five. The programs go deep into community clinics because that is where the needs are greatest, which means the students get the most experience while providing the most care. The college offers treatment in an elementary school, an AIDS clinic, a domestic violence shelter, a substance abuse treatment center and a community center housed in a repur-

*“You see a lot of places and  
people who have a lot of vision, but  
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has the vision and also the execution.”*

– Aaron Bartz, Ortho Molecular Products

3,000 different plants used in traditional health, his excitement is palpable. “We could tap into a global pharmacopeia of awareness,” he says.

For Scalzo, it’s the kind of deep research with a halo of academia that the industry needs, especially when the COVID-19 pandemic has proven the world needs new

posed public school in south Phoenix.

Visited during New Hope Network’s “Road to Natural” series, the south Phoenix center is a gleaming representation of how naturopathic care can match mainstream medicine. A jaw-dropping contrast to the beaten exterior of the former elementary school, the Roosevelt Health Center’s inte-

rior could easily be mistaken for a well-appointed MD office in an upscale neighborhood, the kind of facility many in the community it serves would never otherwise see. That delivers a level of confidence for the patients the facility treats, says Dr. Lilia Feria, who treats patients but also oversees students and residents at the center.

The professionalism in appearance and care also proves how naturopathic medicine can be an economic solution in any community. The Center delivers high quality care at low fees for uninsured patients, a kind of service in short supply in south Phoenix, Feria says. Naturopathy can be a first step, offering natural intervention before illness becomes chronic or requires significant medical or pharmaceutical care. “It works for the people who don’t have access to healthcare, who get the lowest quality health care,” Feria says. “Naturopathic really steps into that door as an example that even simple remedies, simple cares, can go a long way with treating a lot of these diseases. I think we’re at the forefront of the future of medicine.”

The highly polished facility and the high-quality care were only part of the agenda when the Center was established, however. Mittman says SCNM reached into the community to achieve buy-in and acceptance before building the Center. The aim is to not appear as though outsiders are going to step in and save a community from itself. The care has to be offered and not imposed. Meeting with the community, SCNM learned they should call the facility a “center” and not a clinic. “They said don’t use the word clinic because it has a bad connotation to the community,” Mittman says. “Really listening to and partnering with the community as stakeholders and partners in developing this has been critical.”

## Industry needs

What SCNM offers communities is very care specific. What the college offers to the dietary supplements industry is very different, or it will be. Among the next innovations to be explored on the campus is an MBA-like program in the business of natural health. Students in the program will learn the clinical nutrition piece of naturopathic care and also the essentials of

operating in the business of natural care. The program could be accessed by executives to increase their knowledge of both the science behind dietary supplements and natural care, but also key aspects of fitting businesses practices into the expectations and regulations. The Masters in Nutrition Science degree will fill a need many are noting in the supplement industry. A pioneering generation of leaders is reaching retirement age and a new cohort of leaders set to take their place is stepping up to the challenge of fitting the dream and mission into a modern business world.

ter, but Bartz, who serves on the College’s advisory program, says he has no doubt SCNM will again excel. “You see a lot of places and people who have a lot of vision, but they don’t always execute,” Bartz says. “Paul [Mittman] has the vision and also the execution.”

Mittman says the College heard about the needs straight from the industry and worked with industry to develop the parameters, one of which is a conscious leadership program that provides training in how to create a collective culture of shared values and goals in a company. The program

*“We love the field of natural medicine. And the effect that we have made on the natural products industry is born out of a deep affection.”*

– Paul Mittman, Southwest College of Naturopathic Medicine

**Ortho Molecular Products** President Aaron Bartz says the program is the right idea at the right time for the industry. As companies operate now, he says, understanding the intricacies of how supplements fit into commerce requires an informal onboarding that is effective but imperfect. University MBA programs don’t offer specifics on the natural product industry and companies like Ortho Molecular have very specific needs.

“Most companies that have a brand management opening would just hire somebody with a marketing degree,” Bartz says. “We really need somebody with more of a clinical background, but you also need them to be thinking like a marketer.”


That’s a hard fit to fill, he says. “I actually I have some people I would send through it who have been with us three to five years. It would take them to the next level.”

The goal is ambitious and innovative, exploring a new idea and new subject mat-

is still in the planning stages, but he is already hearing the demand.

The community clinics, the research and the business leadership program present a combination of qualities and missions that are unique in the natural medicine education world, says Bartz. It makes SCNM stand out among schools. Part of it, Bartz believes, is simply the spirit of the school. They take on the big challenges and big ideas because it’s part of the institutional character of SCNM. “They have a very good culture as an organization,” Bartz says.

It certainly made the school stand out for Scalzo. He knew both Mittman and SCNM from cooperative research effort when he was still at Gaia. When he was ready to give back to the industry, he knew where he needed to go to make that giving count. He knew where to go because he knew what SCNM could do.

“It could not have been a better choice,” he says. 



# 2020 Editorial Calendar

## 2020 ISSUES (11 issues per year)

- The White (space) Issue
- Sports Nutrition and Weight Management
- Market Overview
- Awards
- Condition Specific
- Sales Channel
- Finance
- Raw Material
- Global
- Plant Power
- Branding and Marketing

## 2020 REPORTS

- Personalized Nutrition Special Report
- Practitioner Channel Special Report
- Sports Nutrition and Weight Management Report
- Supplement Business Report
- Condition Specific Report
- Hemp and CBD Report
- Personal Care, Household and Pet Special Report
- Global Supplement Business Report

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