

URL: <https://stvp.stanford.edu/clips/relationships-create-longterm-value>

Ethan Brown, founder, president and CEO of Beyond Meat, emphasizes how building the right relationships was crucial to his company's success, whether that meant early handshake agreements with his scientific partners, finding the right venture firm, or pursuing best-in-class sales channels.



Transcript

- You know the entrepreneurial journey is fraught with lots of obstacles.. Big, small and medium, but one of the most challenging issues, is really raising money.. And you've had several different types of funding.. You know, VC, late stage equity, and then of course your IPO.. So, the first question I wanna ask is what was your strategy overall so you looked at how to capitalize this really big idea? - So, you know, and you have so much experience, so this will sound extremely familiar.. So, I started first with my own money and went through that, and then friends and family, and then I sent a note out.. I think it was October, 2010.. That had, Tesla wasn't a big deal, at that point, at least not in the circles I was in.. And so, I think I titled it, Prius For The Plate.. And I sent it to all these different venture firms, right? And I said, we have this technology, we can do this and it's really important to focus on this..

And I got a couple good responses.. But it wasn't until Time Magazine ran an article.. And this was a great story about Midwestern values.. And we didn't know what we want, we didn't want to publish a patent on the technology because we didn't want to be, you know, reverse engineered, essentially.. And I have that concern about patents and food anyway.. And so we're still sort of struggling with what to do.. We had a handshake, myself, Doctor Fu-hung Hsieh, and Harold Huff, the two gentlemen in Missouri.. And somehow Time Magazine, through their media and PR arm at the school, decided to write an article about what we were working on, but did it in a very generic way, and just said this is a new way to form meat, and everything else.. And then their phones were blowing up with venture firms and with companies that wanted to license the technology.. Big, big food companies, that were so much more established than me..

And they just said, you know what, we already got our guy.. And they didn't have to do that.. They could have wiggled out.. They could have figured out how to get out, but they didn't.. And so, from that process I connected with Kleiner Perkins.. And I had a good friend who had worked together with a Ballard, who had done a deal with Kleiner, at Amorous.. And he said, even if you go with Kleiner, and it fails, still be a good decision because they can connect you with the right people.. And I happened to get involved with a senior partner there, like cherish, Ray lane.. And he's since left.. He started GreatPoint Ventures..

But he was absolutely instrumental in this journey.. And you and your partner (mumbles), and they really, you know, made the connections they said they were going to make and so we're able to then go from there, to raising money from from Gates and Biz Stone and Shorter Guys and everything.. And so, it was that careful decision, I turned down other venture firms to go with them.. And I don't regret that.. You know, the other venture firms offered me more money for less equity, but I was really focused, and you can see this in my whole strategy.. You try to go align yourself with, sort of very best in market players.. So when we go into grocery, we go into Whole Foods.. You know, you've seen me obsess over certain QSRs.. I want to go with the best in class in each category and I think that really helps your business...