

THE **small** BUSINESS BIG **MARKETING**

show

INSANELY EFFECTIVE
MARKETING

Episode #472

Snackwize founder Connor Reynolds on building a healthy business



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Connor Reynolds Interview Transcription

Tim

Connor got to start with the big question the hard hitting question what's your favourite snack?

Connor

Good question to start off with. I'm a bit of a beef jerky fan myself Tim. So it is either a hate or love relationship with people with beef jerky literally love or you hate it. But I love it. That's my favourite snack.

Tim

I didn't see that coming in fact I answered a listener question on an episode a week or two ago from a fellow he had a business Geno's jerky and he was very excited because he's created a new flavour of beef jerky. Cheeseburger flavour. Would you give that a crack?

Connor

I wouldn't say no. We sample all the snacks before they go into our snack boxes

Tim

Just in case you were wondering my favourite snack is fry's Turkish delight. And it always has been always will be. Now buddy the idea for Snackwize where did that come from?

Connor

Starting Snackwize I worked for a health and well-being brand called healthwise which was the corporate health and well-being brand for flights and traveled group. So that brand which basically established to get flights and staff healthier more engaged in the workplace around the world. So my role was the global market manager for that brand and I guess part of that role was really seeing me come up with ideas and concepts to get staff more healthier engaged at work. Things like 12 weight challenges, clean eating challenges health and wellness initiatives, 10000 Steps Challenge. Anything to get staff actively moving and get an education on how to be healthy. So the workplace as a result got a good benefit from that. So always part of that role is travelling around with the brand and in my travels or even into internationally I would notice that you could have some fruit in the workplace you can have all the great exercise equipment but unless you actually had great healthy foods staff are going out and just finding junk. And what I noticed particularly is that they are snacking a lot and they're snacking on what they could get their hands on. Most of that time unfortunately it was just junk. So I notice it a lot oh wouldn't it be great if instead of these guys snacking on junk couldn't some come up with a box that's all curated. It's done. It's healthy. It's fresh. Rocked up on the doorstep not have to worry about.

Tim

You were working for a big company Flight Centre. Was it a hard decision to escape the cubicle or were you looking to start a business?

Connor

No it was hard.

Tim

Did you get the sack?

Connor

I didn't get the sack. Thankfully I left on good terms. That's always a good thing. So it was hard. I mean I'd achieved all I had in that role. In my my role and I had a great time. It's one thing I just kept noticing and I thought you know it has to be something to this. And then I had a mate who said hey mate these guys love your idea. I was working at my job at flights in the 18 months before I actually made the plunge or took the plunge into going full time. So it wasn't like here's an idea I'm quitting Flight Centre let's go and do this. It was like no I need to prove the concept. You need to actually see if people want this. And yeah it started with one box into my mates workplace. They said hey Connor love this snacks yo made but there's not enough you know the price and I don't know at this stage all I did is whack stick on a box and wnet bought snacks at retail I just put it into the workplace. So I come up with a product and then try to see how it went and then I basically took the feedback and it went from there.

Tim

And you kept getting feedback and I'm sure as to current day you're still getting feedback and making changes as you go? You sound like that kind of guy.

Connor

I really do. Every single month Tim we're always changing things. On our website. The messaging our sales approach and of course the snacks are changing every couple months as well. But yeah constantly on that stage right now changing or iterating like every month.

Tim

So explain how the business actually works Connor.

Connor

Yeah. So I guess it's pretty similar to a fruit delivery but we don't actually make the snacks we work with all the brands around Australia. All the healthy snack brands around Australia and we curate them into a healthy snack box for the workplace. And we have a variety of different sized boxes depending on staff size and their budget and what we basically does works on a recurring delivery. S weekly for all your monthly the company just pays the low price and it rocks up on their doorstep and saves them having the time to go source the snacks themselves what's healthy and the price points and so forth. So it's all about providing a healthy convenient snack service for the workplace that rocks up on the doorstep.

Tim

So the employees of that workplace then pay for the snacks or they can take them for free? Or is that the workplaces decision?

Connor

That's the workplaces decision. So we've always operated the model that the workplace pays for these snacks and in order to do that we work very closely with our snack suppliers. Get the absolute best possible pricing to pass on to our customers. To make sure it's affordable for them as much as possible which is great. I mean if you're gonna provide healthy food in the workplace it needs to be affordable too. So the workplace pays up. We get paid upfront every month and then it's up to the workplace if they want to provide or charge their staff to snacks to do it.

Tim

Yeah I feel like it's not a new idea but is that because in the workplace that I have been in there's been fruit boxes. There has been the charity box of the caramel koala bear or the Cadbury Dairy Milk chocolate. You first to market with the actually idea of healthy snacks?

Connor

Well you're right. The whole concept of snack in the workplace is by no means new and the whole subscription model is by no means new. What we've sort of done is that we actually were the first to market when we started the business two and a half years ago a healthy snack box subscription into the workplace. You would have charity boxes full of chuckies you chuck a dollar or two in there or you might have some snacks. I mean one of the snack guys come around pumpin the box full of confecture and then end the week coming back and the coin out. What we've done is we've turned it on its head and said hey well first and foremost we're actually providing you with a healthy snack solution. So it's actually healthy for employees and also to instead of us coming around trying to take dollars out the money box every week which is not cost effective for the business. Why don't we put it all in a healthy snack box for you. Our delivery rocks up to you and then you get a free display stand Snackwize it's nicely put there for the kitchen or the break room it goes in there and away you go. It's similar to a free box delivery. So it just changed the whole concept around to make it more easy and convenient.

Tim

You're putting an end to the idea. I always look forward about eleven thirty of morning or about three in the afternoon of a blueberry muffin and that's come to an end and what am I going to have to put up with some kind of Asahi flavoured juniper berry or what are these snacks? Are these snacks tasty? Are they going to keep employees satisfied?

Connor

Definitely. People think Australia way healthy oh it's gonna taste like rabbit food and I can assure you if we're gonna have two weird concoctions of wasabi flavoured something or other mental I'd quit. So no definitely not the case with what we have. They're all Aussie brands majority about 95 percent of our brands are Aussie brands and these guys are really trading healthy great delicious snacks. I mean we've got things like dipped and dusted

almonds. We've got lamington flavoured bars but only made from five ingredients that don't have nowhere near the sugar.

Tim

You're not selling me. You just tell me there's a lamington made of fibre and greens.

Connor

No not at all. Made from all these grading greens actually tastes like lamington without actual guilt. I'll have to send you a box mate.

Tim

So what's the advantage? Is there an upside to being first to market or a downside?

Connor

I guess it's yes and no. First to market is great because you get to put your name out there and go but also to when you're first to market you go through all the challenges and processes and learning so you'll find and you get to hear a lot of no's and what does other work. And then you put up your website made changes and then competitors come along and copy you. So I guess that probably relevant to any sort of industry who get first to the market there was gonna have copycats coming out but we have been first market we've got a really great foothold now in Australia were in every capital city and we also service New Zealand. We've got over 100 companies and growing so in that short period of time I'd say we're going well but you do get copycats coming up and trying to copy what you're doing.

Tim

I imagine first a market requires you to be the educator. So you're going to be walking into businesses and having to explain what this is. No it's not charity you can have staff buy or not buy. Can give it away for free. There's a whole lot of options there's all the big education process for you to do.

Connor

Totally and that is definitely part of being the first to market. There is an education piece and times have definitely changed since the good old fruit into the workplace. Great to have it there. That was done 16 years ago. Times have changed in the workplace and snacking frequency has changed. There's 46 per cent of Australians now taking their snacking in favour of lunch and that's due to our different lifestyles and our work demands. So basically people can sometimes look at us and say okay your workplace delivery so you can sometimes be seen as a luxury or a discretionary income and only when you got money but we really do see that people are starting to see that snacking is really overtaking what's going on the workplace and in consumer to the home to because we've gone away from the traditional three meals a day. We have in a breakfast lunch and dinner and we might even get two of those in a day. Rushing in morning and have breakfast at a coffee maybe a snack around 10 o'clock and you may get lunch and you may not running to a meeting so we're now snacking a lot more than having three meals. That's really important business.

Tim

You've seen competitors pop up which would you would expect. How do you feel about that? What's your mindset around competition?

Connor

Yeah I think originally you say and go ok someone trying to get on the market but I think competition is great because it means that the demand for what you're doing is growing. It grows the category as well I think as long as you are being innovative in your own business and creating strategies and actually providing value as much as possible then the competition doesn't really matter. You keep an eye on them. But if all their strategy is just copying you then you know they're not going to last too long.

Tim

So Connor you say you innovate on an ongoing basis and you're constantly thinking of ways to add value. How do you do that?

Connor

I guess it's listening to our customer. We've got an account manager who works the business who is constantly in touch with our customers to see what they like and what they are not. And one of the great things about our business is that customers if I don't like a certain snack item they can replace it out in the next delivery. They're not locked into anything that they don't like. So we're constantly probably point once a quarter. We're always surveying our customers. Is anything we could do better and wanting the best service. So taking that feedback on most time its positive. But sometimes our areas for improvement and then creating and or listening to that feedback and putting into practice with value adds what we can do. Something that we started at the last six months so that's how we generally stay ahead of the curve is by listening to our customers at the end of the day.

Tim

Nice. Thanks to digital marketing agency yellow and American Express were chatting with Connor Reynolds. He's that guy who delivers those healthy snack boxes into workplaces and he's got clients like Uber Marriott Hotels and Samsung. They're quite good clients Connor. What's the secret to getting big companies like that?

Connor

I think the secret to that. I mean to be honest we're very lucky that we work with industry leaders. These guys see the importance and the value of having healthy nutritious food in the workplace. We put a lot of marketing and sales approach. At the end of the day you can't make a customer buy for you they have to be you really want it. So these guys come to us saying what we're doing and hey I really want to have a great healthy snack in our workplace. And we try to market ourselves like that too. We work with the industry leaders that value this. We approach them by the end of the day they need to make decisions. So we're just thankful that we've got companies like that who really see the value in what we're doing.

Tim

What kind of marketing do you do to draw in inquiry?

Connor

So we've got a full time sales and account manager who outreaches to customers and key accounts we think would be fit for Snackwize. We also do obviously the SEO Adwords and Facebook marketing as well and PR we find that having a great PR presence and great PR strategy always is probably one of the quickest ways to get great brand awareness and it worked really well for us in the past. That's probably our best marketing tool.

Tim

Yeah it's a really interesting business your size putting on a publicist and I've got to say she was the one who approached me initially for suggesting an interview. Drawn up a fantastic a well-designed well-written press release that caught my attention and probably arguably made you look bigger than you necessarily are which is always a good strategy.

Connor

We don't have a full time publicist. Diana who reached out she is who we approach when we think of a great PR campaign to do. We got a story to tell. I think that's the main thing. She is not full time with the business but we have used her in the past and she's fantastic. But yeah I mean people always were surprises that we're pretty lean. We still consider ourselves a little small business start-up but we're not operate like one. We've got over a hundred businesses and growing at a rate of around 10 to 15. And we're doing good with a pretty lean group.

Tim

10 to 15 a month?

Connor

10 or 15 new monthly customers a month that's correct.

Tim

It's great. Are you happy with that hundred? The hundred clearly they're bigger businesses like I said the ubers the marriotts of the world the Samsung's of the world

Connor

Those clients are great. To be honest they don't have traditional one. Tim our real bread and butter is small to medium business from probably about 15 staff or up to about 100. Obviously with some of those businesses that you mentioned before they've got 500 staff cost and we do have a few of those businesses onboard. But our offering is really small to medium business.

Tim

Why have you chosen that? I would have thought the bigger companies would have been more profitable for you? Why have you chosen the small to medium market?

Connor

Just because that's small to medium businesses make up the most business in Australia. So the total addressable market is far bigger with small to medium business and also with a bigger businesses while they are great they are joint and they work very slowly. There comes the point we've found that to incomes that a start probably in the 400 plus they probably want to get more the vending machines and don't want to put their hand out to put snack boxes in. We do have some of those companies that do that and they love it. They see the value of it but where we're growing and where we're seeing the real great uptake is that small to medium sized market because these guys don't want a vending machine in their office it's clunky it's annoying this box it's not expensive and it rocks up and it feeds all the staff for around quite affordable rate.

Tim

I kind of have a fascination around business names. My first question is are you happy with the name snackwize?

Connor

I love it. Yep.

Tim

Let's just work through this why the Z?

Connor

I wanted the s but the domain for some reason was taken and there were some random in New Zealand so I went with the Z for the domain and that's the reason why.

Tim

I look at the domains. You've got snackwize with a Z .com. First question is why didn't you go .au?

Connor

Yeah. We've got .au as well We have it.

Tim

I don't know whether it was redirecting. It probably would be a good idea if it did redirect to snackwize.com.

Connor

Yeah. I'm sure we should. We've maybe .com.au. And we just got .com that's where the domain authority at the moment.

Tim

Okay. And then snack wise with the s .com and .au is parked. Would it be worth buying them? I don't know what they're worth. Just covering bases I'm always interested in how names come about. The business name to the domain and all that type of stuff but I think it's a good name. It basically says what you do. So you can't argue that. Now you've been on a bit of a capital raising adventure. You've recently raised five hundred thousand dollars last year. Five hundred thousand dollars in seed capital. Was that difficult given food businesses aren't that sexy when all the e-commerce type businesses are the ones soaking up the venture capital money?

Connor

Oh totally. That's the problem these days and this is take this take that and because I understand it is a hugely scalable business why it's getting so much attention so forth but there's many other great things happening in the food industry in Australia and the world that you need to get attention so yes it was it was very hard to get someone to invest or get a presence into investing in us. But what we came quite fortunate was that one who would be raising money Adrian DeMarco of technology one who is an ASX listed technology company been around for about 30 plus years. They were one of our customers in the early days. So they saw firsthand how great our product and and service was and I known that Adrian was pretty into the Start-Up scene in Brisbane and investments on the businesses within Brisbane and down south and when that opportunity came up and I have a chat to him about it. We chatted about it and he'd seen firsthand how great the product was in his own company and he was very interested in it because even though its food the model is built like a software business whereas it's a software to service as a subscription where snacks and we're doing a subscription model too so I think that's what really peaked his interest in us is that it is a highly scalable model. Once you get it right.

Tim

It's a good win to get that kind of dough too. Where is half a million dollars being spent?

Connor

Yes a half million dollars being spent up until July last year when we closed the actual seed capital. It was just me working the business so I'd got it up to about 40 staff and then I had my full time sales and account guy. He's grown the business since I put on him. We expanded our warehouse operations as well and also took both into our marketing

Tim

And you had a nice holiday I hear.

Connor

I wish.

Tim

Have you gone into home delivery or your about to go into home delivery?

Connor

Yeah. So we've been asked the past six months. When you're gonna do a home delivery. We said ok will pack it up something smaller because B2B our real core focus. We launched that last week. It's gone fantastic. People have jumped on that now so they can get snacks to their homes once a month which is great.

Tim

So tell me about that first of all B2B is your core focus so why would you veer away from that? Was that something your investor wanted you to do or you saw excuse the pun a hungry market it just seems that you've got so much upside in the B2B area that this could be a distraction?

Connor

That's a valid question because a lot of people have said that. It was the reason why I put that on hold for probably eight months we're doing the b2b. The home delivery market the self-service market. It's a small package up offerings what we're doing in the workplace. That's typically our fulfilment operations so things can handle that quite easily. I mean it's self-service go through to a warehouse they pack the order and it goes out and our curation changes once a month. So the model itself depending how fast you scale you can have other consumer problems along the way but I mean we have the ability right now to handle it softly. We're not we're not blasting it out there as something that we're pushing heaps of. It's just on our website there for the customers who have inquired about for so long and we're looking to take that approach as an organic growth whether the demand come from. To answer your question a hungry market and we thought hey let's go give it crack.

Tim

Don't go stealing my jokes please. Because a lot of them are very good so you'll get you'll get heat from it. That was a Tim joke they'll say. Where do you see the business going to be in five years time in five years time?

Connor

We've got 100 customers now we want thousands. The next five years where we're aiming for anywhere between 15 and 2000 monthly recurring customers. That's a big jump. But we think the market in Australia is right for it. So that's where we're going for also there's a lot of opportunity not just snacks. We're looking at some other opportunity at the moment which can complement snacks as well into the workplace.

Tim

Like what?

Connor

Coffee like products that can be put into our boxes and to our customers which don't have to cost a lot or take up a lot of room in a box.

Tim

Could you imagine actually having your own range of snacks?

Connor

It's come across our mind. I mean that's something we've been asked about and that's something that we could eventually go down to. Down another avenue all if we do sort of say an open journey I guess with that. That gives a whole other kettle of fish considering that you're going to outsourcing manufacture ingredients and food scientists so it's something that it can take really a way. There is a benefit obviously of having that but it's just that at this point in time it's more focussing on just being the retailer and getting as many customers we can on board and then trying other products. You never know down the track more opportunity to do that.

Tim

Connor is it a business that takes up a huge amount of your time now that you're out of the corporate cubicle at flights centre and running your own business or are you pretty strict in work life balance?

Connor

I love doing what I do. I've worked probably six days a week. I do have my life on balance. I mean on a Sunday that's definitely the day of absolute rest and nothing and I catch up with nights and chilling out with my wife and anything else like that. So we do have a balance. Keep up the exercise order in the week but it does consume you. I think it happens when your small business but I think eventually if you can get out of that and hire for it and then grow along the year that's when you thought to free up and get your work off balance eventually. But at the moment we do haven't earned that yet.

Tim

Do you have a mentor?

Connor

I do yeah. I imagine DiMarco I mean he's our investor as well I mean it's great to have the seed capital but I mean he's 30 plus years of experience is invaluable to the business. We catch up quarterly not only for results but also to how the business going and mentorship as well. So he's just an invaluable part of experienced to the business without a doubt.

Tim

That's awesome buddy. Well congratulations on starting something from scratch and must be very very exciting and seeing it grow. Getting some investment. Going beyond the business workplace into homes. You doing some great stuff and I wish you all the success for the future.

Connor

Thanks for that Tim. Yeah it's great to be on your show and hopefully provide some value to your listeners

Tim

And I should say anyone wanting to get a healthy snack box delivered to their workplace can simply go to snackwize.com. Thanks Connor.

