

Masters of Scale Episode Transcript – Ethan Brown

“Beyond Meat's Ethan Brown: How to teach your customer”

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CHRIS PAUL: I was actually at a restaurant called Crossroads with Jay Z. This was some years ago. And I was like, "What is this? What in the world is this?" And so, then fast forward to me playing in Houston. I got a chance to try plant-based meat.

REID HOFFMAN: That is superstar point guard Chris Paul. He's been in the NBA since 2005. Since then he's been Rookie of the Year, MVP of the All-Star Game, he's won two Olympic gold medals ... And in 2019 Chris started eating plant-based.

PAUL: In sports, people always say that your gut is your second brain, and it is real. It is real.

Just like anybody, I had dairy, I had meat, everything, my whole life. You play these games and after games you eat, and a lot of times you eat and you're just like ugggh, you're slumped over.

HOFFMAN: This was enough for Chris to start shifting, just a little, away from full carnivore.

PAUL: I have played a lot of games in these last 16 years of my career. And after games, I wake up, and I'm sore, I'm achy. I've had a number of surgeries. And I was like, "Hold on. They saying that you perform better. You have more energy. Are they lying? Is this a trick?"

And so I literally went cold turkey, or what people say, they say cold tofu, right? I went cold tofu, came back from a family vacation, and on a Monday I stopped eating meat.

HOFFMAN: But then, as Chris tells it, the payoff started kicking in.

PAUL: I called my trainer on the third or fourth day, I was like, "Are we not lifting heavy? Are we not working out hard?" Because the soreness, all that stuff that I had felt for years, it went away.

HOFFMAN: Today, Chris will talk veganism with anyone who will listen – including you. But as a professional athlete, no decision he makes is in a vacuum. It was critical that Chris convince his wider team. That includes every single trainer and coach whose livelihood depends on his success.

PAUL: My trainer was like, "What are you doing this for? Why?"

Everybody always said that you're going to lose so much weight, you're going to get so small. You got to make sure to check your blood, make sure you're getting B12. My chef, my team, my trainers, people were very cautious. We play a lot of games, I've been playing for a lot of years. And they're like, if it's not broke, don't fix it. But to me, it actually was kind of broke.

HOFFMAN: What Chris was trying to do isn't easy. He was asking his trainers and coaches, people who have spent their lives telling other people how to eat, to adopt a totally new mindset. Which meant considering the possibility that what they knew was wrong.

Most entrepreneurs face this same challenge when bringing a new product or idea to the market. And most customers, just like Chris' coaches, take a little convincing. But unlike those coaches, there's rarely a contract to keep a customer at your side. If you violate their wishes, they can just walk away. Even if deep down, you know you're right.

That's why I believe that you need to listen to your customers...even when what they want is inconvenient, or inconsistent, or even wrong. Track their point of view... and let them know you're listening.

[THEME MUSIC]

HOFFMAN: I'm Reid Hoffman, co-founder of LinkedIn, partner at Greylock, and your host. And I believe you need to listen to your customers ... even when what they want is inconvenient, inconsistent, or even wrong. You don't need to agree, but you must track their point of view, and let them know you're listening.

When you're trying to scale, I like to say "bits are easier than atoms." Which just means that software is easier to scale than goods in the physical world. Easier to test, easier to launch and easier to get fast feedback on every aspect of your product, from, "I'm having trouble using it" to "I want this button to be purple."

You want to try and create that feedback loop for every product or service you offer. Because customer tastes can be idiosyncratic and unpredictable. You can plan for every use case, every preference, and never come up with "I want the button to be purple."

The work it takes to change a button from red to purple might be negligible in the digital world. So you do it – issue a global update, and it's done.

But this change can be crushingly expensive with a physical product. Think about all the millions of widgets with red buttons you'd need to recall! And you know, in your heart of hearts, it makes absolutely no difference to your product what color the button is!

So what do you do?

Do you still change the button?

I wanted to talk to Ethan Brown about this because no one has spent more time obsessing over the balance between what makes the best product, and what the customer actually wants... even when those aren't the same. As the founder and CEO of Beyond Meat, Ethan has spent his career on a wildly difficult challenge ... creating a new category of food, that people actually trust.

ETHAN BROWN: We're very conservative as a species when it comes to what we want to put our mouth, for good reason, because we can die if you put the wrong thing in. There's a skepticism that you have to overcome.

HOFFMAN: Ethan grew up with a healthy sense of skepticism himself, splitting his time between urban life, and life on the farm.

BROWN: I grew up in the city but there was this farm we bought very early in my life in the western part of the state of Maryland. It's up, up really high in the mountain there and just a beautiful place. And I fell in love with not only the animals and the fields and streams, and forest, but also became very interested in the ones in the barn.

I was never given the answer as to why animals in the barn had a different fate than animals inside our house. So I was sort of left to figure that out. Let's say a pig and a dog.

They were clearly different beings, but I had trouble understanding why one was treated one way and the other another way.

I was pretty incoherent about how I approached things. I tried and I struggled, should I just eat fish? Should I just eat humanely raised animals? There's a while where I wasn't eating any meat, but I was wearing leather.

After college I became vegetarian and ultimately vegan. It was that integration of, if I care enough to be vegetarian, then I should probably care enough to be vegan. If I care enough to be vegan, then I should probably also think about the clothes I wear and everything else.

HOFFMAN: Not only was it hard to develop a consistent ideology, but it was hard to get others to understand it, even before he'd gone "full vegan."

BROWN: In college I played basketball. But I kept getting injured and people would say, it's because you don't eat meat. I didn't have the nutritional understanding to know how false that was.

HOFFMAN: That sounds a lot like Chris Paul's story at the top of the episode. Ethan was fighting the cultural bias that meat is what makes you strong.

The thing is: that bias didn't come out of nowhere. Early humans made evolutionary leaps and bounds once we learned how to hunt – and again when we learned how to cook what we hunted. Meat did, in a real evolutionary sense, make us strong.

But since then, humans have also learned how to get complete protein from plants. Some types of meat substitutes are over 2,000 years old! Yet, most of us still have this gut-level instinct that meat is still king. It's less that it's wrong, and more that it used to be right.

As Ethan graduated college, he turned his attention, not to food production, but to another industry that's environmentally focused.

HOFFMAN: How did you get into energy?

BROWN: When I was just out of school. I was actually having a conversation with my dad about this. We were sitting in his office and I said, "Dad, I'm just not sure what I want to do. I'm having trouble deciding." He asked me, he said, "What's the biggest problem in the world?" I think in a very literal sense, what is the biggest problem? You can be a great surgeon or a great musician or actor or writer, et cetera. But if the world has become destabilized because of climate, none of those crafts can be protected.

And so, I thought, well, the biggest problem really is stabilizing the climate.

HOFFMAN: As a systems thinker, I appreciate this holistic approach. You may have heard me say something similar when it comes to stabilizing our democracy.

Ethan took his father's advice and went about tackling the world's biggest problem. He pursued a Master in Public Policy, focusing on the environment. And then got to work on zero-emission hydrogen fuel cell technologies.

BROWN: I was very interested in the equitable consumption of carbon, how do we deal with this problem, given that most of it was from the Northern hemisphere and from developed nations. And yet the developing nations were the one that we have to curb and control, if we're going to solve this.

HOFFMAN: Ethan saw that moving the needle on energy use needed to rely on not just science, but also on tracking and responding to consumer behavior. If industrialized nations are dumping too much carbon into the atmosphere, there are only a limited number of ways to change it. You can try and convince people to cut way, way down on activities that warm the planet ... like flying, or driving, or, you can build technology that make those activities less harmful. Ethan went with the latter.

BROWN: I still root for the technology. I love working in that sector.

HOFFMAN: But the longer he worked in this sector, the more he started noticing a different kind of customer behavior that flew in the face of science. And it was coming from within his own industry.

BROWN: I spent so much time with the Department of Energy and other places, all the money we're spending on lithium-ion batteries and these conferences I go to and then people would eat steak.

HOFFMAN: That's right. In rooms full of people who cared deeply about saving the planet, they were completely ignoring one of the biggest drivers of climate change. For perspective, one serving of beef produces 24 times the greenhouse gases of one serving of tofu. To Ethan, ignoring the food sector was like trying to fix a pipe that's gushing water, but refusing to use your wrench.

BROWN: Not only do I care passionately about this issue, but I'm focusing on a secondary solution, when there is the primary one, which is, the energy we put in our bodies, not necessarily the energy we put in our cars.

I had a great career. It took a lot to nudge me out of that comfort. But it was discomfort that led me to it. I was in so much discomfort about not addressing it, that I ultimately had to address it.

HOFFMAN: In 2009, Ethan quit his day job and founded Beyond Meat.

BROWN: I love this writer, Steven Johnson, who writes about the Slow Hunch, we love these stories of the apple falling from the tree and things like that. But they're generally not true.

You have to sit and marinate in the problem for a long time. I had spent a decade or so marinating in this problem and trying to figure out, I loved meat growing up, I loved KFC and McDonald's and all those places and wanted to keep eating there.

I had no interest in a meat substitute, never did. I wanted to try to scientifically rebuild meat.

HOFFMAN: I just want to point out, this goal Ethan set had an impressive degree of difficulty. Not just "scientifically rebuilding meat" but the ultimate goal, which was to convince meat-eaters to change their preference to plants.

Setting out to change any kind of consumer preference is not easy to do, especially where food is concerned. But it was essential to his mission. He wasn't going to solve the biggest problem

in the world by appealing just to vegetarians and vegans. To make a real dent, he'd have to go after meat-eaters.

So what do you do when your vegan product needs meat-eating customers? Make it taste just like meat.

Now, here Ethan might quibble with my word choice. Because as he puts it, Beyond isn't "just like meat." It is meat.

We'll have Ethan explain.

BROWN: People think meat is some kind of mystery, but in fact, all the pieces you need to build a piece of meat, are already there in plants, you just got to go find 'em.

I know the composition is amino acids, lipids, trace minerals, vitamins, and water. I know those are all available in plants. Then it's a question of, what is the process for getting it to form into the structure of meat without using a biological living organism?

HOFFMAN: The question had become Ethan's passion.

He eventually found his answer in a team of scientists at the University of Missouri.

BROWN: I called up a guy named Fu-Hung Hsieh, talked to him and his partner. His partner is Harold Huff, they're both dear friends of mine today. They were scientists who needed an entrepreneur and I was an entrepreneur who needed a scientist. We got together, and man, it was a great relationship from the beginning.

HOFFMAN: Dr. Hsieh and Mr. Huff held the patent on a plant-based protein that pulled apart like real chicken. It was exactly what Ethan and his brand new company were looking for.

He helped the team secure funding, and a new partnership was born.

BROWN: I had a program that I put together with the University of Maryland and the University of Missouri, and got grants from the State of Maryland to do that. I've said this before, that big companies have R&D budgets and entrepreneurs have universities. I just am absolutely convinced that we are leaving so much on the table by not just mining these universities for the great research they're doing. So I began to put those two programs together and started to work on not necessarily a product, but a structure.

It was a muscle structure. Because I fell in love with this structure of being able to tear it apart and see the muscle fiber. It was that striation of muscle.

We take the protein from a plant. We take the lipids from a plant. We take the minerals from non-animal sources, combine those with water and vitamins, run that through heating, cooling, and pressure, to structure them into the architecture of muscle or meat.

HOFFMAN: This was the eureka moment that would make everything else possible. A plant-based structure that not just tasted like meat, but ripped apart like meat. This was what Ethan was looking for. There was just one problem.

BROWN: The best product if you want to go out in the market would be beef, because that's the thing that people always understand, is most deleterious to their body and all the issues that we know about. But this particular system lent itself, not to what was best for the market, this lent itself to chicken.

HOFFMAN: Here we come to an interesting dilemma, one that many entrepreneurs will recognize. The plant-based meat they'd made, wasn't the so-called "fake meat" they knew the public would be hungriest for. If replacing burgers or steak is what the public really wants, is it worth going to market with a substitute for chicken?

Ethan decided, yes.

BROWN: I said, okay, in that way, we let technology lead us. We launched with this chicken product as really the first real product that we had.

We actually always knew that beef was the better play. I just didn't have a technological solution for it.

HOFFMAN: So does this mean Ethan ignored the customer's wishes? No. Because he was solving for an even more basic customer demand ... that it tastes just like the "real thing."

The market was already full of meat substitutes meant to placate that vegetarian friend at a barbecue. If Beyond was going to get liftoff, their first product had to taste so much like meat, it would seem like magic.

Their target customer was their biggest skeptic – not just the meat-eater, but the meat lover. Ethan understood that point of view all too well, from his own pre-vegan days.

BROWN: Nobody likes a piece of fried chicken more than me. I love that stuff, and I really look forward to eating it. Right? That's why we're working so hard on this. That's a good experience to have. Let's keep giving people the opportunity to have it. Let's do it with plants.

HOFFMAN: The brander in me, the brand marketer in me, would have been tempted to create a new word, as opposed to calling it meat, call it something else. But I think you guys must have had that discussion and decided not to, because you wanted to say, no, this is meat.

BROWN: Yes. Yeah, man. We debated that forever, including how we spelled meat and all of these things. Biz was a big part of that.

COMPUTER VOICE: Biz Stone, cofounder of Twitter. Early investor in Beyond Meat.

BROWN: It's not wanting to be a sideshow, not wanting to be, you can have chicken, beef, pork, or you can have this.

HOFFMAN: Ethan knew that this distinction would be the key to mass adoption. He was betting his company on it.

BROWN: Early on, we tried to get our chicken into the meat case. Biz arranged a call with, at the time CEO of Whole Foods, Walter Robb, co-CEO, and they weren't ready, we weren't ready, it didn't happen.

HOFFMAN: This was a blow to Beyond Meat's strategy. If their target customer is a meat eater, they would need to find them where that customer shops, in the meat aisle.

But getting into the meat case wasn't Beyond's only play. If they couldn't do that, they could continue to improve their product. And, they could work on their plant-based beef, which if you remember, is what they knew their customers would want most. It was almost a race to see which product, chicken or beef, would finally convince the Walter Robbs of the world to stock Beyond with the other meat.

This race would come to a head in 2013, when they got the opportunity to bring in a very important taste tester, that could make or break the company.

[AD BREAK]

HOFFMAN: We're back! With Ethan Brown of Beyond Meat. And we're talking about how to understand and track customer wishes ... even when those wishes are inconvenient, inconsistent, or even wrong.

When we left off, Ethan and his team of scientists and food engineers were racing to get their plant-based beef burger customer-ready. They already had a great plant-based chicken. But they knew that their customers would want beef most of all.

But in the middle of that race, they got the chance to get their first product, the chicken, in front of a very special audience of one.

HOFFMAN: One of the things that struck me when I was reading this transition is, part of your origin was actually, in fact, persuading Bill Gates by sampling with a chicken taco. So you were moving away from the product by which you persuaded Bill to get on board

with the mission and invest. Tell me a little bit about your Bill Gates chicken taco experience, and then how that evolved in talking with him.

BROWN: It was a really funny day for me. I literally couldn't get into my hotel room because I had maxed out all my cards and everything and had to run. I remember running at night, very late at night because I wanted to get to bed and solve this issue, to try to find an ATM that would allow me to basically validate another card that I could then go use.

HOFFMAN: As an entrepreneur, you may be listening right now and cringing in recognition. When you get the chance to audition in front of a potential investor like Bill Gates, you have to be ready to literally go for broke. But the challenges didn't stop there.

BROWN: The next day, where we were presenting, there was not a kitchen, so we had to get an Extended Stay room. And I had a brilliant chef with me, David Anderson, and a bunch of our scientists and stuff. We rented out this room and started preparing the meals for him. And David looks a little bit like he could be in a rock band, and smoke starts billowing out of the room.

It looks like a meth – it looks something really bad is happening inside. Anyway, so he cooks an amazing meal, we rush it over there. And as we're getting to the room to see Bill, three guys come out in suits, and I wasn't wearing a suit, all ruffled looking and very dejected and this comported completely with my anticipation, because I had been told that he's going to zero in on some numbers in your presentation, and you're going to have to do some very quick math and mental gymnastics. It's going to be a very harrowing experience.

HOFFMAN: This was a live-or-die moment. Everything's on the line. Ethan could have done everything right up until this point – but if this one customer didn't like his product, he might as well go home.

BROWN: Bill couldn't have been nicer, couldn't have been nicer. Just wanted to talk about the mission, about the underlying fundamentals of the business, about his children, about the world. I've met with him a few times since, and I worked very closely with his fund and ... guy is a prince. It was a wonderful experience.

HOFFMAN: OK full disclosure, knowing Bill, this does not surprise me. Bill remembers what it's like to be an entrepreneur, building from the ground up. And, Bill has been on a mission to curb climate change for the better part of his philanthropic career. Even if he thought the product sucked, I have no doubt he would still be rooting for Ethan.

He just wouldn't invest. It might be just, "Good luck with the next pitch, keep going! Sorry your product's terrible!" And then Ethan would be totally free to pitch it somewhere else.

Luckily, that's not at all what happened.

After the slightly smoke-filled audition, Bill Gates wrote in his blog,

"Like most people, I don't think I can be easily fooled. But that's just what happened when I was asked to taste a chicken taco and tell whether the meat inside was real or fake. The meat certainly had the look and smell of chicken. I took a bite and it had the taste and texture of real chicken, too. But I was surprised to learn that there wasn't an ounce of real chicken in it. The 'meat' was made entirely of plants. And yet, I couldn't tell the difference.

What I was experiencing was more than a clever meat substitute. It was a taste of the future of food."

So that's it, right? The End? Go to credits? I'm Reid Hoffman. Thanks for listening.

Not exactly.

When the chicken hit the market, it wasn't a breakout hit. A New York Times food columnist called it:

FOOD COLUMNIST: "Bland, unexciting, and not very chicken-like. But not offensive, either."

HOFFMAN: And a Huffington Post writer said:

FOOD COLUMNIST 2: "The chicken strips seem to inhabit a strange territory between meat and vegetable."

HOFFMAN: These reviews weren't all bad. They did point out how close Beyond Meat was to quote-unquote real meat. But these also weren't the rave reviews that would launch them to scale. Beyond needed to get it absolutely right on their next big product launch ... the burger.

BROWN: It actually went back to technology. I know the whole debate about, don't let engineers run your company, listen to the customer. I listen to the customer like nobody else. But I began to see that we could produce a beef that was different and important. It wasn't until that point, that I really started to invest in getting us to market.

HOFFMAN: Beyond kept pushing the science until it could catch up with their market goals. To Ethan, the race was about more than the survival of Beyond Meat. It was about the survival of the planet.

BROWN: I wanted to do something that was unique and extraordinary. And that's really always our mandate to our research team. There's a lot of people doing this, but we have set up, we have this Manhattan Beach project here. It's supposed to evoke that

sense of urgency of the Manhattan Project, Second World War. You've got all these really talented people here; don't produce something common, produce something outrageously great.

HOFFMAN: Finally, right around 2015 and 2016, Ethan's "Manhattan Beach Project" had a breakthrough.

BROWN: The breakthrough for us was being able to produce a fresh platform, something called fresh, which is something that would appear to the human sensory experience as raw meat. Right? That was the thing. How do we produce something that looks like raw meat, that transitioned under three or four minutes into a cook state and gives all the aroma and everything else? That I started to see that we could do.

HOFFMAN: Remember, Ethan knew that a viable beef replacement would truly change diets, and lives. But would only work if it pleased the meat eaters. And the meat eaters would only find them if their product was sitting in their usual freezer at the grocery store.

BROWN: We didn't want to put it in that penalty box of the meat alternative section, always wanted it to be in the meat case. We finally, I think had a product worthy of doing that. In 2015 or 16, we got in there.

HOFFMAN: This was the birth of the Beyond Burger. And its appearance changed everything. It "bled" like a real beef burger, it sizzled on the grill. It looked raw.

HOFFMAN: Was the theory of being in the meat section that actually, in fact, to meet the mission, people have to understand that this is literally just at least as good and interesting and be there versus the penalty box, or was it that that's the only way that the transformation is going to happen. What was the theory of, we must be in that same place?

BROWN: It was, we want to be on the main stage in the most basic sense of the proposition. But more nuance in that was, the desire to be part of and almost celebrate all the trappings of meat. And so to not run counter to what people love so much about meat but rather create something that's better.

HOFFMAN: Putting Beyond Meat where other meat lived was, in a way, telling the customer, not just "We're in the right place," but "You're in the right place." There's a distinct boldness in this approach. Rather than scold a customer for not shopping in the Vegan aisle, it's saying, "You're not wrong to love meat. We love meat too! Now try ours."

But getting in front of their target customer wasn't Beyond Meat's only challenge. They also had to get that customer to reject some long-standing, deeply held, and frankly wrong beliefs about plants. That's where folks like Chris Paul come in.

HOFFMAN: Let's talk a little bit about marketing. Talk a little bit about your talent acquisition, and deployment as part of that and how this like, hey, this is meat. This is actually in fact the same thing, and a matter of fact, better for you, better for the world, better for all kinds of things, so talk a little about that.

BROWN: As I mentioned, I had this exposure as a kid to agriculture and we had a dairy farm. We had a hundred herd of Holstein cattle. And so I paid attention to the milk industry a lot. Then I loved athletics, and so the "milk does the body good" was the first campaign. And then the milk mustache campaign and "Got milk?" I just remember being surprised, alarmed, curious, interested in the fact that you could advertise a particular type of protein in schools, directly to kids. I didn't see Huffy bikes being able to do that. It was just, how did they get that?

When it came time for us to build a marketing campaign, I actually called the original sponsor of the Got Milk? campaign.

HOFFMAN: For those of you who didn't grow up in the U.S. in a specific period of the nineties, the Got Milk campaign featured athletes, actors, and all manner of celebrities posing with a glass of cow juice and sporting a thickly applied milk mustache. The message? Milk makes you stronger, healthier, and more agile. You know, like athletes are.

It was the author of this epic campaign that Ethan wanted for Beyond Meat.

BROWN: This guy, Jeff Manning, who's a dear friend now. I said, can you help me create a program where I can help them understand that if they consume this product, they're going to look and feel better and have a better long-term health outcome. There's controversy around milk, but there should not be controversy on this because the science is so clear.

HOFFMAN: With Jeff's help, and the help of a bunch of smart players on Beyond's marketing team, they crafted campaigns around celebrity endorsements – everyone from Snoop Dogg and Shaquille O'Neal to Shaun White and Lindsey Vonn. They especially leaned into athletes as the ideal spokespeople for their product. Like Chris Paul.

BROWN: Chris Paul is a great example. Chris, 36 years old, been in the NBA for a very long time, caught an alley-oop dunk during the 2020 all-star game. After the game, they ask him, how are you doing that at your age? He's six foot, maybe six one. He says, "Well, I went plant-based, I don't have any more inflammation. I don't even have to ice anymore."

PAUL: That is one of Ethan's favorite stories, because Ethan act like I can't dunk.

HOFFMAN: Once again, NBA All-Star Chris Paul.

PAUL: I actually dunk pretty often now. And it's been a combination of changing my trainers and changing my diet – I don't want to say diet, I kind of hate that word, because diet, to me, sounds temporary. It has to be a lifestyle change.

HOFFMAN: Since becoming vegan, Chris says he has really felt a difference in his post-game routine.

PAUL: I had three games in the last five, six days. I don't have to ice my knees after games. That's so crazy to me, right? I played a game last night. Didn't ice after the game and I'm up walking around like it was nothing.

And you can't tell me that that's not directly correlated to being plant-based, because I played so many years and so many games. And I woke up those next days after games aching and sore and can't move. It's nice, it's definitely made basketball better, but more than anything, it's made life more enjoyable. Playing with my kids, it sounds crazy, but if I had a game on a Wednesday, for years if my kids wanted to go in the backyard, and play baseball, or do something on a Tuesday afternoon, I'd be like, "Dad got to sit. I got to rest, I got to rest my legs. I got to do this." But life is so much better now.

HOFFMAN: This kind of testimony is exactly what Ethan was hoping for. You can hear the sincerity in Chris' story and see the proof in the game tape.

BROWN: Edwin Land, who I really admire, the inventor of the Polaroid, had a funny line, which is not really true, but he says, "Marketing is what you do when your product's no good." You do have to market because there's so many differentiated products in the market, or you have to differentiate rather. But if there's truth to what you're doing, it's a hell of a lot easier to market. And so having these athletes out there doing that is incredible.

HOFFMAN: Using Chris and other trusted ambassadors helped ease the customer into a more open mindset. A mindset that would accept this brand new product as not just as good as meat, but indistinguishable from meat itself.

I mentioned before just how hard it is to create an entirely new food category that people will feel OK about, much less turn into obsessive fans. Ethan knew that already, as he pointed out earlier in the show.

BROWN: We're very conservative as a species when it comes to what we want to put our mouth, for good reason, because we can die from putting the wrong thing in. There's a skepticism that you have to overcome.

HOFFMAN: Ethan and his team worked incredibly hard to overcome that skepticism. He personally drove from supermarket to supermarket, giving samples and interacting with customers.

BROWN: I would drive around Maryland and Ohio, Kentucky, Pennsylvania, and meet with these clients and meet with chefs all over the place too. Go to universities and try to sell into their hospitals, stuff like that.

That's the thing about when you build a business and you don't have venture funding in the beginning, the customer is your lifeline, the consumer's your lifeline.

I listened to the customer all day long when I was building this business, in the stores, giving out samples and stuff like that. And so I knew what their reservations were, and one of them was, 'Is there anything artificial in it? Is this real?'

HOFFMAN: This concern about what was "real" was one that Ethan completely understood. But the answer was a little bit more complicated than "Yes" or "No."

BROWN: The concept is it real, was an interesting one, right? Yes, it is a real assembly of the core parts of meat. It didn't run through an animal. And that was the complicated part to explain and it still is. That's the thing we really have to keep marketing on is, people say it's processed. And then you say, well, it's a tale of two processes, right? This is our process.

HOFFMAN: Ethan's already told us a bit about this process...

BROWN: We take the protein from a plant. We take the lipids from a plant. We take the minerals from non-animal sources, combine those with water and vitamins, run that through heating, cooling, and pressure, to structure them into the architecture of muscle or meat.

Or: you feed those plants. You give that water to the animal. And then they develop that muscle. That animal is then subject to the antibiotics, to the slaughter. And then that is presented on the center of the plate.

Both are real assemblies. One comes from one source, one comes from the other and we have to make that really clear to people. That's what we're working on.

HOFFMAN: We got to thinking: how could you make this "tale of two processes" even clearer? So in classic Masters of Scale fashion, we came up with a handy song that might help:

*If you want to disrupt the meat-based scenery
Don't look any further than your market green-er-y.*

*It starts with science, fava beans, and peas.
The process is plant-based, the product is meat.*

*The structure that makes your burger complete
Only comes from plants and leaves Bessie in peace.*

*You take the protein and the fats from vegetation,
Vegan Minerals and vitamins add to the congregation.*

*Heat and cold and then it's pressed.
A tissue structure is addressed.*

*The meat assembly –
It isn't fallacy.*

*The work is not just for show,
It's also non GMO.*

True to the core, just like the steaks at the store.

*The work of R+D to get the color using beets.
And the head chem-i-stry
Direc-tor.*

Works on smell and taste with an "E-nose aroma inspec-tor....."

*The vegetable pro-cess-es
ends up costing us*

*Far less water
And you ought-er know*

The truth not concealed,

This process is REAL.

HOFFMAN: Ethan didn't have our handy song when he was taking his product samples around to supermarkets. Rather, what he had were hundreds of one-on-one conversations with customers. After the question of whether Beyond Meat was "natural" or "real," there was another question he got all the time.

SUPERMARKET SHOPPER: Does this burger, like, have GMOs?

COMPUTER VOICE: GMOs. Genetically modified organisms.

HOFFMAN: Answering this question right would prove critical to Beyond Meat's success.

BROWN: There's a skepticism that you have to overcome. That's one of the reasons I stayed away from GMOs. It's just too controversial, and what my own views are, don't really matter.

HOFFMAN: Biologists in our audience already know that "GMO" is a very, very broad term. You could say that, technically, every ear of corn we eat has been genetically modified from ancient maize.

But that doesn't change the wall of negative customer opinion that Ethan would have to face if he used plants that had been genetically modified, in the modern sense.

This is the parallel of the 'purple button' from the beginning of the episode. Is it a pain to avoid GMOs all together when making food products? Kind of. Is it important to the customer? Extremely. So, you listen.

Another strong customer preference Ethan followed despite the science, made his work a little trickier. And that was around whether to use soy in the Beyond Burger.

Historically, soy has been one of the most popular sources of plant protein in the world. It's the building block of tofu, veganism's long-suffering workhorse. And if your mandate is making plant-based protein, it's genuinely difficult to leave it out. But Ethan had been listening intently to customer feedback.

BROWN: At the time we were coming into market in 2009 and 10 and 11. Soy was being demonized. I have no issue with soy, whatsoever, I drink a ton of soy milk. I think it's a great whole high amino acid score, really, really good crop and product. But I'm not going to use it, because I know the consumer doesn't want it.

HOFFMAN: Was the shift from soy entirely customer demand?

BROWN: Yeah. In fact, we knew it wasn't right. We knew that the consumer sentiment on it was wrong.

HOFFMAN: The issue came down to something called phytoestrogen, a type of plant hormone that occurs naturally in soybeans.

BROWN: We have a great program with Stanford, with their medical school. Because one of our scientists had worked in the labs over there working on treating cancer. They had tried to use phytoestrogen, from soy, to see if it had any effect on the body. And it just passed through. It had no effect.

HOFFMAN: This seems like a pretty groundbreaking discovery ... one that you might even want to shout from the rafters!

OLD-TIMEY 1940S RADIO AD MAN: This just in! Stanford scientists give the “all-clear” to soy! Across the land, relieved diners dig into plates of edamame, our long national nightmare finally over.

HOFFMAN: But Ethan had seen and heard from enough customers, to know what decisions might break their fragile trust. And honoring that trust was more important than picking this particular battle.

Ultimately, this wasn't about any one ingredient. It was about an ethos, on which Beyond and their customers are totally aligned.

BROWN: They just want it to be natural. People want to eat like their grandparents ate, they just want to do it in a healthier manner.

HOFFMAN: Ethan has continued to listen obsessively to the customer, including when it came time to IPO in 2019.

BROWN: I think in 2013 I set a goal to IPO, our revenue was so small it was a joke that I was doing it, but you don't think about it at the time. You think, it's totally reasonable, five year plan, blah, blah, blah. We missed it by a year, but it wasn't so much for the capital, because we had great funders.

For me, it was for the marketing and the ability to open up to the public, who so loved this brand and what we're doing and help us build it, the opportunity to become shareholders. For so many years we're being asked, can we buy shares, by individuals. I think this company has been built by the consumer. We've certainly listened to them and I wanted them to be part of it.

HOFFMAN: Beyond Meat has worked hard to keep their finger on the consumer pulse during the pandemic.

BROWN: We pivoted extremely quickly to retail. We started to take all of our food service products that could be packaged into retail and packed them in retail. We launched a very low cost offering called the cookout classic, which was 10 burgers for \$1.60 a burger or something, which is much cheaper than where we were.

We did that almost overnight. At the time the beef industry was undergoing a lot of supply shock, so their prices were spiking. And so we did this as an opportunity to get closer to the price of beef at a time when people needed value. And so we just tried to capitalize to the extent we could on changing market conditions and get as much of our inventory out of the food service space and into retail, and it worked.

What didn't go as smoothly was, it was a year of variability in the sense that the consumer would go into stores and stock up like crazy, and then not go back. When that's happening in real time, you're not exactly sure what's happening.

HOFFMAN: This was a problem. Ethan's key to success has been, consistently, paying attention to customer habits. So in that portion of the pandemic when customers were cleaning entire supermarket shelves, it was really hard to track what they were going for.

BROWN: You're not sure if they've shifted over a completed retail for the long term, right? Or whether they're coming and going. And they were coming and going. And so when you have a network that needs to have steady supply, that gets really hard to manage, and that was a challenge for us.

HOFFMAN: Yup. Now, this is one of the atoms things, is supply chains and inventory, transport, the whole thing, much harder in your business than most of the businesses I do. And so, respect.

BROWN: Thank you. I appreciate it. It means a lot. Thank you. Thank you.

HOFFMAN: We might end Ethan's story there ... except that something happened that would prove to be a much more newsworthy ending.

Beyond Meat announced three massive new multi-year partnerships with PepsiCo, McDonald's, and Yum Brands. Each collaboration will yield new plant-based products, including at McDonald's, something called the McPlant burger, and at Yum, making menu items for KFC, Pizza Hut, and Taco Bell. Their PepsiCo joint venture is called the PLANeT Partnership, capitalized in a way to highlight the word "plant." After all, you can't have one without the other.

These partnerships are exactly how you get to widespread adoption and massive scale. It's the goal Ethan had set his sights on when he first founded the company. If there's a global crisis, you don't fix it by nibbling around its edges. You have to take a bite right out of the middle.

BROWN: It's hard every time we have a new product, it is really hard. I spoke at Tesla a couple years ago and I said, I was really happy to be here, because you guys are the only people that are worse at commercialization than we are. The room just exploded, because they know how hard it is.

HOFFMAN: Ultimately, the dream is not having to choose between what makes a great product and what the customer wants. In a perfect world, the two are totally aligned.

But when there IS conflict, approach each one with the same question in mind: "What part of this relationship can I least afford to break?" The answer will almost always come down to customer trust. They need to trust that you are bringing them a well-built product, backed by science. And, they need to trust that you're listening to their concerns.

That trust is what you must preserve at all costs. So choose your battles well.

I'm Reid Hoffman. Thanks for listening.