

Caroline Goodner of Organicare

[00:00:04] This is the Investor Connect podcast program. I'm Hall Martin and the host of the show in which we interview Angel Investors, venture capital, family offices, private equity, many other investors for early stage and growth companies. I hope you enjoy this episode.

[00:00:23] Hello, this is Hall Martin with Investor Connect, they were here with Caroline Goodner, CEO at Organic Care, where Gay Care's mission is to create all natural and organic over the counter health care products that are safe, effective and simply better than the petrochemical based drug laden products used by most consumers. Today, organic care offers a range of all natural and organic first aid, oral care and feminine care products. Under two brands, Croxton and Finnie clear, all organic care products are made from a unique process that combines the antibacterial healing effects of pure olive oil with life giving oxygen. This point has been found to be extremely effective at healing anything from minor cuts to mouth sores to vaginal yeast infections. Caroline, thank you for joining us.

[00:01:01] Thank you for having me. Glad to be here.

[00:01:03] So what was your background before organic care? What did you do before this?

[00:01:07] I can't remember doing anything besides being an entrepreneur. So I've this is actually the fourth company that I'm on, started my first company right out of business school, which was a long time ago. And so I've just really enjoyed kind of founding and growing businesses. So, so organic here that I'm doing now is my fourth grade.

[00:01:27] And so you see a lot of startups in investing over the years. What's your advice for people investing in startups in this sector?

[00:01:35] You know, I really feel like it has to start with the product that you're selling. It's got to be different. There are so many crowded spaces or categories that I personally wouldn't want to be in just because it's so hard to be differentiated. I feel like differentiation that's easy to communicate that the consumer cares about, you know, and that hopefully can yield you a price premium is a great place to be. So true product differentiation to me is paramount.

[00:02:06] And so on the other side of the table, what's your advice for people that are investing in startups, are running startups?

[00:02:12] You got to really think about how you're going to grow the company. It's it's easy to chase every sales opportunity and be in in distribution in places that you may not be successful. And so for consumer products, you want to be as thoughtful as you can about where you want your distribution initially and how are you going to make sure that you're successful in the distribution that you get in to begin with, that that's, you know, what is it? One of the difficulties is people want, you know, revenue that want to start start growing. But if you don't grow in kind of a very planful way and hopefully in the channels that matter most to you and that you can be successful, then you may end up having troubles down the road, being in distribution, that that doesn't really make great sense for you.

[00:02:59] Right. So what excites you right now?

[00:03:01] I am loving what we're focused on right now, which is really are familiar brand and doing quote unquote below the belt feminine health care products. So we focus on those feminine health issues that are embarrassing or even shameful for some women. And we really want to help talk about those things, bring them to light, destigmatize them and make women not feel embarrassed or ashamed because we're talking about things like yeast infection, vaginal itching and even genital herpes is our latest product. And it's exciting to me because there's been very little innovation, almost none in these areas. And in fact, for genital herpes, there is no treatment at all right now in major retail. And so we're really creating a new category. So I find that to be super exciting.

[00:03:50] Right. Well, let's talk about the state of consumer product goods. How do you see the industry evolving?

[00:03:55] You know, there are a number of different ways. You know, we're we're writing one of those ways, and that is the shift to natural and organic, natural and organic movement in food and beverage has been going on for a long time, you know, ten, twenty years. And so that's very well established. People are moving to better for you food, snacks, beverages. And

then it kind of took over the, you know, the beauty and personal care category. And so you started looking at ingredients on your shampoos and your deodorants. And people are migrating to natural and organic in the Ötzi kind of pharmacy over the counter health care products. Illes very little has happened in that area. And we really want to make a big difference. We want to kind of help transform the OTC aisles and displace or at least create a much better for you alternative than the drug and chemical products that are on the shelves now.

[00:04:49] And so what's the biggest change you see coming up?

[00:04:52] One of the you know, everybody talks about covid. One of the biggest shifts that covid helped contribute to is the migration to shopping online that was already happening. Of course, we all know that Amazon's a monster. It's been growing and growing and can barely keep up with itself. But the migration to shopping online really at other retailers, Wal-Mart.com, Target, Dotcom, every retailer has its own dotcom and they're all trying to figure out how to keep up with the consumer push that way. From what I've heard, there was almost like a speeding up of this. Consumer behavior to migrate online by about two years because of the pandemic. So what would have taken two years happened overnight. Thanks to Cohen.

[00:05:32] Right. So how do you describe the health care of OTC space to investors? What do you tell them to think about in this space?

[00:05:40] You know, again, that whole natural and natural organic ingredients is important. I think it's important to see. But what matters most is efficacy. And so it isn't enough to be natural in the tech sector, because if you have a problem like a yeast infection, it needs to be cleared. A woman that has that problem can't just use a natural product if it's not also very effective. And so we're in a lucky position in that our products, we always lead our messaging with efficacy and how well our products are used, for example, in the yeast infection category or for for other brands that are natural. We don't see the same kind of efficacy claims that we can make. And so I would say that that would be a watch out by an investor is make sure it's not just natural and branded. Well, you know, if it's a health care product, it also needs to work.

[00:06:35] And what's the example start that fits that model?

[00:06:37] Well, we think we are of you know, so our brands famiglia for yeast infection and for herpes and bagian leeching, they all are demonstrated to work. And one of the things that we do, because there is a healthy skepticism by a lot of consumers about natural products, especially in the health care space, we prove that our products do what they say they do through objective third party independently validated science. So we've done in vitro testing. We've done clinical studies to demonstrate that our products work as described.

[00:07:12] So we're the challenges in this space for a startup. What do you face in launching and running a company here?

[00:07:17] Gosh, there's a lot of different things that that can trip you up. Regulatory is always a big one. You know, you've got the FDA to contend with and you need to make sure that you follow the FDA regulations. That's really important. Another another issue is production. And, you know, a lot of a lot of startups especially have to rely on a manufacturer, co manufacturer in order to make their products. We were lucky in that we early on realized we're going to need to set up our own production line. We've got a pretty proprietary process and IP around the best technology that we use in our products. And so we set up our production line in twenty nineteen, started making our own products in twenty twenty and completely became independent at the end of last year to where we're just making, we're making all of our own products. And so those, you know, those are two areas where you just if you don't have the regulatory know how you don't have the production clout with your car manufacturer, which a lot of startups don't because they're too small, you can run into issues there.

[00:08:20] And what should the investor know about the say before they invest money?

[00:08:24] Cbg requires serious investment in order to get known. You know, it takes a fair amount of money to build a brand brand building. It is hard, especially in this really noisy, fragmented, kind of media savvy world. And and so to get your brand awareness up requires serious investment. And so if you're doing well, you're going to even want more capital for growth. And so I would say that, you know, an investor should should understand that that's kind of the nature of CPG. You also want the fundamentals of the business model to be strong.

And by that I mean gross margin. Gross margin matters a lot. It allows you to spend money on marketing and things like that. And if your your margins are thin, there's going to be very little to help promote the product.

[00:09:15] Wow. I see you have quite good gross margins on your product. How do you achieve that?

[00:09:19] Yeah, we're lucky that our our gross margins are upwards of 80 percent. You know, the process that we've honed and because we have our own production line, we are lucky to to have those, as are our financials.

[00:09:32] Well, that's great. Well, there are a lot of products on the market, a lot of new applications and sectors coming up. If you had to point to one or two to be really good opportunities for investors to pursue.

[00:09:41] What do you put at the top of the list today other than ours, which I think, you know, is a really tremendous opportunity. And, you know, we are raising money right now. I do. We do see a lot of investment in products like beauty, personal care products that have CBD. I don't know if CBD is going to be a fad or a long term, you know, valued ingredient. I've looked for kind of, you know, as a company that that prides itself on having objective science as the the thing that backs up our messaging. I haven't seen much in the way of CBD scientific claims that they can that they can back up. But it could be that, you know, I'm not I'm not really well versed in it. But, you know, I think there's a. Powerful, it's a powerful statement that you can make if you can, say, a third party lab or kind of company did did some studies that demonstrated and proved that the claim that you're making, you can make. I think, you know, so many people believe in CBD that you're just putting it on the label may be persuasive enough to to sell some consumers. But I think long term, there's got to be sort of proof in the pudding.

[00:10:47] Great. Well, in the last few minutes that we have here, what else should we cover that we haven't?

[00:10:51] Well, I mentioned that we are raising money now, and so we're doing a seven million dollar round and we've got about six of it committed. So we're looking to to raise that last million. So we'd love to talk to anybody who might be interested in that.

[00:11:03] Well, that's great. So how best for listeners to get back in touch with you?

[00:11:06] Reach out to me directly. Caroline at Organic Production is my direct email.

[00:11:12] Great. We'll put that in the show notes. Want to thank you for joining us today and hope to have you back for a follow up soon.

[00:11:17] Thank you all. I really appreciate it. Good to see you.

[00:11:19] Good to see you as well. Investor Canek helps investors interested in startup funding. In this podcast series Experience, investors share their experience and advice. You can learn more at Investor Connect, Doug.

[00:11:33] Paul Martin is the director of investor Canek, which is a five Wannsee three non-profit dedicated to the education of investors for early stage funding. All opinions expressed by Hall and podcast guests are solely their own opinions and do not reflect the opinion of Investor Connect. This podcast is for informational purposes only and should not be relied upon as a basis for investment decisions.