

EPISODE 681

[INTRODUCTION]

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FT: Welcome to So Money everyone. I'm your host Farnoosh Torabi, it's great to have you back. Our topic today is pizza, specifically plant based, vegan, cauliflower pizza crust. Don't be making a face; I am intrigued. Amy Lacey is our guest today. She began making cauliflower pizza crust in her kitchen to find healthier alternatives to her favorite foods after she was diagnosed with lupus. With the help of her daughter, she created a proprietary recipe that her friends and her family loved so much, they encouraged her and sure to go out and sell it and after selling the crust at her local farmer's market she decided, "You know what time to go online," and the rest is history.

Last year her company went from negative \$250,000 to earning \$4,000,000 in just 10 months. So we're going to talk about Amy's discovery, this cauliflower gold mine that she hit and what it was like to share her pizza crust with the cast of Hamilton and the cast of The View. Whoopi Goldberg's is a huge fan. By the way if you like to taste this go to somonypodcast.com we got a link where you can get 20% off Cali'flour pizza crust. Click on today's episode and in the show notes you will find the link.

Here is Amy Lacey.

[INTERVIEW]

FT: Amy Lacey, welcome to So Money.

[00:02:01]

AL: Thank you for having me. I'm so excited being here with you.

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FT: I'm going to try to channel the true New Yorker here and ask you right off the bat. Why mess with pizza? Cauliflower pizza? Come on! You know, people are very sensitive about their pizza here in New York City. I for one I'm all for this. I'm always looking for healthier options for my favorite foods that are not so healthy, but what brought you to cauliflower pizza?

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AL: It is a funny story, but I want to give you a few facts since you are So Money. Pizza is a \$45 billion dollar industry and every second I believe it's about 300 slices being eaten in America. So, we -

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FT: I've eaten about a hundred of those slices.

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AL: I have seen you in person, I don't believe you though. That's crazy -

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FT: Well, maybe just in my dreams.

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AL: But in all seriousness pizza is eaten by a lot of people and it's a \$45 billion dollar industry. The diet industry and I'm not pro diet but I'm just going to make a reference to the diet industry, is a \$60 billion dollar plus industry and so ironically and not on purpose we have been able to merge the two together and it came about for my own health journey, really. I was diagnosed with an autoimmune deficiency and my family — I'm a mom of three so I have a boy, girl, boy; 15, 13, and nine. But in 2010 when they were not teenagers and still want to do all kinds of fun things with us, we had Friday Family Fun Night and it was games and pizza. And, not just Friday

night but in general I would eat carbs and eat bread and I never realized that I had an autoimmune deficiency.

So a long story short I had a surgery that caused me to have a pulmonary embolism and they looked for clotting disorders and the autoimmune deficiency had popped up and I had rashes but I was treating my self as though they were poison oak because of where we lived. So, I never connected the two until the blood work came back and it was like, "Oh this is why I'm having these rashes. This is why I'm inflamed." So, I had to quickly change what I was doing and so that was when I started looking online and modifying pizza and trying to make it healthy and I could eat it and not just scrape off the toppings because that is what I started to do and that makes pizza very expensive. When you order a pizza and you just scrape the toppings off, it's not very fulfilling.

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FT: No. Well, were you a chef? Did you have a culinary experience? Did you love, I mean I guess you had to have at least a love for cooking but why start with pizza? I guess that was your Friday night family tradition, but do you have a background in cooking?

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AL: I do not, but I love to eat.

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FT: Even better. Even more inspirational, because I am not a real chef or a cook either but god I love a pizza.

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AL: You know what? I'm not a chef and I was told this last year, that that might come back to haunt me. But it's actually been a benefit. I'm really one of those very busy moms, I was a life coach at the time and I'm a busy mom of three kids and basically I needed quick things to make,

quick easy things to make. Our Friday family fun night was usually take out. It was always pizza take out and the great thing about just making the time to make the pizza looking online for different recipes and finding the cauliflower pizza and doing it myself in my kitchen is that my oldest son who has just a fear of vegetables. He does not want vegetables, won't touch them. I was doing a lot of sneaking vegetables in to his food and I gave him one of those pizzas and he ate the whole thing. He had no clue that it's a cauliflower pizza.

So, I knew I was on to something and I said at that time I was life coaching and health coaching. Ironically I was health coaching people that were diabetic and they were trying to lose weight versus having gastric bypass. So, I was health coaching really large people and I started making these pizzas for my clients and they loved them. So, I realized looking at the ingredients it's very simple, it's just cauliflower almost the whole had cauliflower, mozzarella cheese, spices and eggs and they could eat it and lose weight and for me it was I could eat it and then the next day I wasn't waking up all inflamed and changing my eating habits in general got me off of the drug that was called Plaquenil that they put me on for Lupus and it has terrible side effects. So it was my mission to get off that drug and I have been successfully able to that by modifying what I ate.

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FT: This was popular with your clients, it was obviously a success in your own home, but tell us how you made the jump from earning basically nothing to now you're \$4 million dollars in sales in just ten months, you've been featured on The View, Whoopi Goldberg loves the pizza. I believe you also served the pizza to the stars of Hamilton. I have yet to try the pizza, but I can't wait. I'm actually looking to maybe get some for lunch today, where can I get it? But tell us how you grew this into a seven-figure business in such a fast period of time, given that your background was not necessarily in food or you're an entrepreneur but this is a whole different ball park?

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AL: Right, well I think I have a whole story too but I wanted to just quote one of your guest and it's Sallie Krawcheck. She talked about your biggest asset is investing in yourself. So I honestly

think if I had not invested in my self the previous year in trying to get healthy. I went to Martha Beck, I was a cadet for Martha Beck for life coaching and I really invested in myself, which gave me the confidence to move forward and when my clients started asking me to purchase to product, they wanted to purchase it and give it to friends, I realized I probably needed to get my cottage license and I was doing it in my own kitchen. I probably needed to rent an industrial kitchen and start working out of there.

So, literally that's what I did and pretty much my husband and my kids and myself were making it in the beginning, which was crazy because we were, we started selling it at farmer's market and we would be up until three o'clock in the morning the night before farmer's market making these pizzas. Not the kids, but my husband and I. And so, I realized I probably needed to get a co-packer. We were selling out at farmers market and we also went in to a couple of local little stores here in my home town and it was well received and in January of 2017 I decided to go ahead and put it online and see if I could sell it online, which was really tricky because of shipping and so forth. We completely revamp the product in 2017, which helped and doing the online sales through Amazon and also through our website we've grown the business to now over \$5 million.

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FT: Oh my goodness.

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AL: I think when I like look in it was a little over \$4 million and now it's been a little over \$5 million and I'll say at the end of 2016, which was the year we officially launched. I did the - I submitted for the trademarks, the licensing, did all the steps correctly, I was in it personally with my own personal money a couple hundred thousand and we had about \$68,000 in sales. So, restructuring the product, changing the recipe, hiring a co-packer, getting a team that is very passionate, not focused so much on making money but just focused on the product and paying it forward, just surrounding my self with good people and perseverance. Perseverance, a lot of perseverance.

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FT: Yes, I know speaking of paying it forward you have Cali'flour Cares. Am I pronouncing it right? Cali'flour Cares.

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AL: Yes, and Cali'flour Cares is our way to give back to the community and different organizations that I'm passionate about. So, I live in Northern California but I did choose Lupus LA to give back and Lupus Foundation. American Diabetes Association — so many of my clients were diabetic when I was coaching so I felt a strong passion to give back to the American Diabetes Association. It's a great organization, and then the Mentoring Project and that's another thing that I'm very passionate about is mentors help single parents and I grew up my mom is a single mom since the age of two and no support and we really struggled.

I remember she was making my clothes and I think that's — watching her work and then wanting certain things as a teenager I knew I had to work to get those things and it's interesting because Sallie also talks on your podcast about research done where daughters will make more money watching their mothers work as well as be a mom and I think watching my mom gave me that basic foundation. So I feel really blessed that I have that and that drive and that perseverance to, you know, there have been times where I wanted to just fold up and quit and you don't.

You persevere to it and pay up forward, don't make it about yourself, you make it about paying it forward and serving and another one of your guests talks about that how women are more likely to serve and I have a team that's amazing. The people that are surrounding me now are so passionate and they just want to help other people and then the products, it's a great product and we were the first to launch and now there is all kinds of products out there that are cauliflower pizza traders. HealthLand -

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FT: Well, cauliflower is kind of the new kale, it's everywhere and it has had some great PR run. I mean as you said it, it has a lot of nutritional benefits, it can be substituted for the starchy foods that we love. There's cauliflower rice, which is all the rage right now.

What would you say is your financial philosophy, Amy? You talked already about your approach to business, paying it forward, but when it comes to your money do you have a mantra?

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AL: Well, I do believe in investing in yourself. I believe you are your biggest asset and for myself, my first — I had an example of somebody I worked at Sierra Nevada Brewery in college, I went to Chico State and I worked at Sierra Nevada Brewery all through college and Ken Grossman, the owner of Sierra Nevada Brewery, gave me my first 401(k) plan at the age of 19. So, I think investing in yourself, investing in your business, investing in yourself and being able to grow internally. I think that going out and spending every dime that you make and driving fancy cars and all of that is not wise investment as far as if you're trying to build a business.

I think you should invest in people. I think you should put back in to the business and so I've really tried to do that this last year. So people say, "Wow you made millions" but you're still driving your old car. I'm like, "Yes, I'm investing it in the people and I'm investing it back in to the business and I want to pay it forward." So, that's why we started our charities as well because I really believe in taking 10% of it and paying it forward.

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FT: Like, Warren Buffett. He still lives, apparently, in the house that he has lived in for a lot of his life and it's a joke that around town he drives around in this kind of old style car but he is a role model for a reason. He has made his fortune because also I think he has kept his margins pretty low all the while.

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AL: Yes, and I had to learn the hard way. I wrote a book before I launched Cali'flour Foods. However, I just put the book out on Amazon, it's called *The Clean Switch* and it's the stories of my clients but I also tell my story and part of my journey was at one time I thought I needed to live in a big house and drive the BMW and have all the fancy parties and while I still love nice things, my car is a 2007. I mean, it's older and it's great. I've chosen the money that we've made last year in Cali'flour and to pay it forward to invest in my people. I've invested in growth internally and then also back in to the business with more machines to make it more automated, more people to help handcraft the product better quality ingredients.

So, yeah, I look at Ken Grossman too here at Nevada Brewery who makes millions and millions. When I worked for him people used to think he was the maintenance man, because he would show up every single day and he would be there working and he would be in his overalls and people didn't realize that he was the owner of the company and I loved that. I love that example and so that's my mantra, really.

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FT: You're a millionaire next door.

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AL: I've read that book.

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FT: Yeah, we love those people around here on this show. We love to profile millionaires next door. So, what is next? I mean what is the goal here? I'm sure you've thought about it, I'm sure you think about it all the time. Where do you want to be in the next — I mean look at how far you've come in just a year. Where could you possibly be in the next five years?

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AL: I'm very excited, I do think about that quite often. As a matter of fact, tomorrow we are launching one of the one of a kind only product out there and it's a cauliflower collagen wrap. So we are coming out with some new products and we will be launching those this year. My ultimate goal is to build it. I have eight wonderful women, I want to build them up too. None of them come from any formal background in this particular area just as I don't myself and we've all built it together and so they all have dreams of doing their own business after this. Of course I want to sell it, I want to build it to sell it and be able to let somebody like a Nestle or Green Giant, or Kellogg's take it or even Oprah, by the way, because on weight watchers it's only six points, have them take it to the next level.

I think this year we're going to be able to take it to a \$20 million dollar company, I have no doubt about that. We've already, it's half way through the month and we've sold more in 15 days than we've had any other month in 2017. So we're already on track to do very well and my team is so passionate and such hardworking women that I have no doubt we're going to be very successful this year and I hope in 2019 I will be able to sell it. I'd like to start a foundation with some of the money. Something that I'm looking into doing right now, whether I sell or not. I definitely want to be an inspiration to young girls that struggle, that don't believe that they have the ability to do something on their own. I think I struggled with that for many years coming from a single mom I've watched her work really hard for somebody else but I never thought I had enough to do it myself and I've been able to change that mentality over the last five years, ten years and so I'm excited to pay that forward as well, work with maybe some trouble teens, inspire again.

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FT: What has been the biggest source of your confidence? For me, it's probably been my children.

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AL: Yes, my children are amazing and they've been right there with me and they definitely inspire me to do better and be better. Absolutely! My husband has been such a support system. He's always believed in me, which has been wonderful. You know, I don't have to work and he

has always supported me in wanting to work and he's been there to be a great father. So in times where I cannot pick up the kids, he's there. So, that's been wonderful to have.

Very inspired by other people, other people like yourself, other people that I've met that I have made something from nothing. I love that. I love that people can break through their fear and drive towards their dreams and I mean, I'm just really passionate about helping people see themselves bigger than what they are and paying it forward and serving others. Because I do believe if you can help others it comes back to you 10 fold if you get out of your own way in your own head.

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FT: What's the setback or failure or a regret that you had experienced in your financial life, career life that you learned an extreme amount from that has informed you going forward?

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AL: I love this question and I've actually contemplated writing a book on this because I've certainly made so many mistakes this last year and each one I've learned from. But I will say, to anyone that's wanting to start a business especially if you're looking to start a business with another person, you've got to make sure you really evaluate that person and what they're going to bring to the table and what you're going to bring to the table and look at your values system and make sure that you have the same values that one person isn't all the money and the other person is bringing nothing to the table and I think you really need to think about that.

Also, another mistake I made was not believing in my self enough to realize that there a lot of things I could've done and saved myself some money early on. It's pretty easy to file your own trademark, but I didn't learned that until later. I hired lawyers and spent a lot of money on different trademarks and it's pretty easy to do it and I'd loved to teach people how to do that. Marketing yourself, you don't have to spend thousands and thousands of money on marketing. You can Google and learn how to do graphics and create your own ads online if you have an online business.

So, there are a lot of things that I hoped that one day I can pay it forward and teach people how to do without spending tons of money and then when they do have a setback and they learn that maybe somebody hasn't put in everything in the cash flow statement and maybe things have been burned a little bit, how to put on your big girl panties and keep moving forward. Because there were days that I just wanted to stay on bed and not get out of bed and quit, and somebody said to me, "Put your big girl panties on and get out there and keep moving forward." It has worked, it has worked. You can move forward.

So, I have a lot of gratitude for our team too. I'm very blessed for the people around me who were fighting along with me to keep everything going and it's interesting because the food industry is very male dominated. There is a lot of women who are starting to come on, but I've been put in to some interesting situations this last year with male dominated situations.

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FT: Yeah?

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AL: Yes. It's been an interesting -

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FT: Do tell, Amy, do tell.

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AL: Well, I was one of five picked for project NOSH in New York. I did — I was blessed to be able to pitch the product to a panel of judges. One of those judges gave me, at the time what I was thought was a great advice, but it turns out behind the scenes he was investing a couple of million of dollars in to a competitor of mine who has a trademark very similar to mine and I've chosen to take the high road and move forward, this is the first time I've ever talked about it. But

he did gave me advice. He advised me to alter my brand, re-brand myself. I think they had no idea.

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FT: I think it makes more sense now, doesn't it?

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AL: I had no idea he was an investor and that was taking place during the time I pitched. So, those things are interesting. You know, I will cross his path again and I will shake his hand and I'm glad that I didn't take all of his advice. But, you know, I think if we're just doing the things that we know are the right things to do and we're moving forward and making products that are healthy, you can read the ingredients, they're simple ingredients we're not trying to add fillers and make a product fast and cheap to make money. We're really, really trying to make people aware of clean ingredients, healthy ingredients, simple ingredients. I love the company RXBAR.

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FT: Me too. They actually sponsor this show and I just ate one.

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AL: We're kind of following in their footsteps, actually. Somebody pointed that out to me. We're doing things a little bit off the cusp. We started with massive online sales instead of going distribution and grocery and we started basically in my kitchen, they started in their basement. But really we have that same kind of philosophy and I love that brand.

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FT: It's the transparency, they put their ingredients right on the little front labels. So you know exactly what's going in your body and it's great if you are health conscious and nutrition conscious. It's just - and you know it's filling, it's tasty depending on your kind of sweet tooth or if

you have a salty tooth or you like fruits or you like chocolate. There is something for everybody and I guess millennials are snacking more than ever. We're eating on the go, so it's a great way to satisfy your hunger but also eat something that is not pizza. Well, cauliflower pizza's one thing but I was going to say like greasy pizza.

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AL: Yes. Well, I love that our pizza's, it can be used for sandwiches, lasagna, we cut it up and we make it in to crackers and crisps. I mean it is so versatile. I'm going to send you some. We have all kinds of recipes on our website and we also have a new YouTube channel. So, we are offering different ways to use the crust. So we are not just a pizza we are more of an artisan flatbread and we're a 180 calories for the entire nine inch crust and we're only six veggie carbs. So if you look at the fiber and the veggie carbs, it's actually three net carbs. So we're great for diabetics, there is no added sugar.

We're really just fresh cauliflower, eggs, cheese and spices. We have a plant based that is dairy free so we use a little bit of almond flour and olive oil and nutritional yeast and then our collagen wrap is also going to be plant based and it's got a little bit of collagen in it and cauliflower in them, we've also added chia flower. So we're really simple ingredients, you can read all the ingredients. I mean, our three top biggest sellers are four ingredients, so it's simple just like the RXBAR and it's filling because there's a lot of fiber.

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FT: Well, Whoopi Goldberg loves it. So it must be amazing, and I look forward to tasting it. Amy let's do some So Money fill in the blanks. This has been so much fun learning about the development of this business, your passion, your childhood, your philosophies, your setbacks. Let's do something fun now where you just finish these sentences okay?

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AL: Okay.

[00:26:13]

FT: Alright, if I won the lottery tomorrow the first thing I would do is _____.

[00:26:16]

AL: Oh, I would create this other business that I am dying to do.

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FT: Oh, yeah what is that?

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AL: I have this whole other business that I would love to do on sleep, which I've heard to one of your podcasts.

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FT: Yes, I don't get much of it these days.

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AL: Yes, so that's a whole other show and when it happens I love to come back and talk to you about it and I would definitely start the foundation and I am eager to start.

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FT: Alright, so you're going to revolutionize the way that we approach sleeping. I like it. It's a good way to reinvest that money.

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AL: Yes.

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FT: When I was growing up, the one thing I wish I had learned about money is _____.

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AL: I wish that I would have learned to save more and not feel like I had to spend it on the way I looked or on material items. I wish I would have learned that lesson sooner. I did learn it, but I wish I would have learned it sooner.

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FT: Well, at least you have that 401(k) at age — what was it? 18, 19?

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AL: Nineteen.

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FT: Hopefully that balanced things out. When I splurge I love to spend my money on _____.

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AL: Ooh, I love to travel. I love to spend my money on traveling with my family and that's being away in beautiful places with them.

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FT: So, where are you headed this year? Any plans?

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AL: So in 2017, we spent time in New Zealand and we spend time in Costa Rica. Besides the trip going to Mexico we are going to do something a little bit quicker, which is Hawaii on our end. We're going to Hawaii with the kids. We also will be going back to Mexico for Thanksgiving. So we are going to splurge though, on African safari but I need to invest more in to Cali'flour and save that, budget for that. We are starting to save for that. I'd like to take the kids on an African Safari and I've been — Africa has been calling my name for other reasons as well. I'd like to go.

[00:28:24]

FT: Man, Cali'flour is like the new gold, it's the new Bitcoin. Forget Bitcoin people, invest in Cali'flour. This is the -

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AL: I mean, my 15 year old keeps inventing, he like keeps talking to me about Bitcoin.

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FT: Listen, everyone is talking about Bitcoin, which is the reason why you should not be investing in Bitcoin. Because last time everybody was talking about an investment i.e. housing, look at how that worked out for us.

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AL: Right.

[00:28:51]

FT: Alright, when I donate, and you kind of touch on this but let's revisit this. When I donate I like to donate to ____ because ____.

[00:29:00]

AL: Well, the first I give to my church because I've always felt that was at least for the last few years. I also give to the organizations that I feel very passionate about that I know are making a difference and then have somehow affected myself and my newest thing for 2018 though is I am picking team members and I will investing on what they're passionate about. So, it's exciting because we have a team meeting coming this week and they don't know that, but I want to invest in their passion. Because, I'm fulfilling mine I want to start fulfilling theirs since they're working so hard to build it.

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FT: That's wonderful, and that's quite a way to retain employees. I mean that's what people want these days is to feel like they work somewhere where their values are aligned with the business's values and what better way for their boss to invest in what they care about. That's so special. I'm looking forward to hearing their reaction to that.

[00:30:00]

AL: Yes, I have one quick little story I want to tell you about my employee because I think it's really important when you have employees and something that I've learned early in 2017 before I started hiring employees, Google in San Francisco had us come out. They started serving our pizza on Wednesdays and they had us do a tasting at Google and so once we went through all the security and setup I got to spend my whole day there and watch their employees. I got to talk to a lot of their employees. They come and go as they please, they have their job assignments but there is not a clock to punch in. They feed all of their employees. They really listen -

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FT: They massage all their employees.

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AL: They do amazing things.

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FT: They do their laundry.

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AL: I won't even tell you, like the bathrooms are bidets and heated toilet sits. I mean it is to the extreme on that end but I will say that for us to get in there we needed to do the all day happy hour. They want a feedback from their employees, is this something that you would want to eat? Is this something that appeals to you? And, the feedback was phenomenal. They loved it, but I got to see how they invest in their employees and no wonder they are so successful. It was amazing.

[00:31:12]

FT: Yeah, well when your employees never leave work because the amenities are so amazing. But let's be honest, Google knows what it's doing.

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AL: You know, they can have their pets are there. They had a place for the rifles. They had rooms where -

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FT: I would just set up a tent in my office. Why pay New York city rent or San Francisco rent when you can just live at your desk? Get your laundry done, get fed all day, there's probably a shower in there somewhere.

[00:31:36]

AL: Oh, yes. A coffee shop, all kinds of things. But it was great to see how they invest in their employees and that was my point is, I really try to reinvest on my employees and I can't wait to find out at this meeting. I know pretty much, but I can't wait to find out their specific organizations that they want to pay it forward to. Most of them are not in the position yet in life to contribute the kind of money I've been able to this last year and through Cauli'flour. So, I'm excited to be able to use some of our resources and pay it forward through them.

[00:32:06]

FT: Awesome. Alright Amy last but not the least, I'm Amy Lacey and I'm So Money because

_____.

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AL: I'm So Money because I love paying it forward, I love people, I love creating products that have purpose and a meaning and provide something for somebody; something great for somebody and can change somebody's life.

[00:32:32]

FT: Hey, if you can make pizza healthier, you are my So Moniest guest of 2018. You get the hat. Thank you so much Amy for being you, for the incredible charity that you provide the world and not just the pizza, but really the ways that you give back. It's really commendable and really excited to have you on the show and hopefully you will not only change diets out there but you're going to change lives. Thank you so much.

[00:33:01]

AL: Thank you and hey 52% of our online sales goes to your area. So I'm out there quite a bit and you ask where you can get it. One of my favorite places is Foragers in New York and I thank you so much. I feel absolutely blessed to be on your show, absolutely.

[00:33:16]

FT: Oh, the pleasure was all mine. Amy, thank you so much and Happy New Year.

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AL: Happy New Year to you too.

[END]