

SPECIAL REPRINT EDITION

Direct Selling News®

Serving the Direct Selling and Network Marketing Executive Since 2004

Volume 8, Issue 2 • February 2012

Making Coffee with a Special Ingredient

by Lin Gensing-Pophal

What words come to mind when you think of coffee? Probably words like fresh roast, rich aroma, mocha, full-bodied, perhaps even Starbucks. One word that is very unlikely to come to mind when thinking about coffee is *mushroom*. But mushrooms are at the very foundation of Organo Gold's success—more specifically, the Ganoderma mushroom, which grows on wood and includes about 80 different species.



ORGANO
GOLD

Company Profile

Founded: 2008

Headquarters: Ferndale, Wash.

Founder: Bernardo "Bernie" Chua

Co-Founder: Shane Morand

Products: Beverages, nutraceuticals and personal care

Not many people would think about using mushrooms to fuel the success of a company that primarily sells coffee. But that is exactly what is behind the success of Organo Gold, says Shane Morand, Co-Founder of Organo Gold.

Not everyone has heard of Organo Gold, either. But, the fact that they haven't is, perhaps counterintuitively, somewhat of a "good thing." Because of the strength and uniqueness of the product and the sampling process used to introduce people to it, it virtually sells itself, says Morand. Distributors do not have to be savvy entrepreneurs or businesspeople—they do not need to be seasoned or wannabe salespeople. They simply need to love coffee and know other people who love coffee to achieve success that can lead to both personal and professional gains.

Morand is charged with making Organo Gold known literally around the world. "I open up new countries all over the world and help with the training and systems," he says. In fact, Morand was the first distributor for the company, which was formed in 2008. In just three short years it is experiencing significant success and generating buzz that promises good things for the future.

The story of the company, says Morand, is not one of a company that was bankrolled with significant resources. In fact, he says: "When we started the company, we really didn't have much. We were struggling. We didn't have the marketing, we didn't have staff, we had no customers, we had no leaders, we had no systems in place, we didn't have warehouses."

As a matter of fact, he recalls: "When I first started



Holton Buggs, Bernie Chua and Shane Morand

talking with Bernie [Founder, Bernardo "Bernie" Chua] we had no name."

Initially, says Morand, the goal was to develop a system that "would never leave anyone behind." They wanted it to be a system that could be taught to anybody, regardless of education level or money in the bank. "We wanted to show the average person how to succeed."

KISS is the operating principle for Organic Gold: keep it short and simple. And what, asks Morand, can be more simple and more widely consumed than coffee? Indeed, the National Coffee Association's annual study indicates that coffee consumption among 18- to 24-year-olds was up from 31 to 40 percent in 2011. Of consumers 25 to 39 years old, 54 percent said they drink coffee daily.

"If there's any part of this company that's complicated, we're not going to grow as fast as we want to grow," Morand says. "If it's not as easy as pouring a cup of coffee, we don't do it; that way we can include everybody, we can give everybody a chance, we can duplicate a lot faster."

Morand credits Chua, Founder and CEO, as the visionary of the organization. "When Bernie approached me and basically said that his goal was to bring the treasures of the earth to the people of the world, I knew I wanted to be part of that," Morand says.

The "treasure," he says, is not the coffee. It's what's *in* the coffee. "Most people think we're a coffee company. But we're really disguised as a coffee company to bring this treasure called Ganoderma to the four corners of the earth. The vision Bernie had is what attracted me to wanting to put everything I had into helping to launch this."

KISS is the operating principle for Organo Gold: keep it short and simple.

Three Components of Success

There are three components to the company's success, Morand says:

1. The miracle of Ganoderma
2. The genius of coffee
3. The power of leadership

The Miracle of Ganoderma

Ganoderma is a form of mushroom that grows on wood and has been used in traditional Asian medicines for 4,000 years. Chua's parents were born in the province where Ganoderma is harvested, Morand says. "So he knew about Ganoderma for many, many years." And, according to science, he adds, "Ganoderma is the closest thing to nutritional perfection found in nature."

Morand also emphasizes that the Ganoderma used in Organo Gold's products comes from nature and is not artificially grown or produced. "We don't grow it in plastic bags or artificial environments. It's a pure, natural process. It's grown on logs just like nature intended."

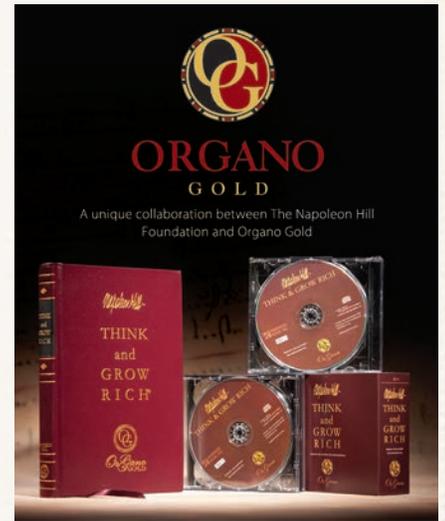
Ganoderma, stresses Morand, "is the first component of our success—that's what is making people feel good." According to Holton Buggs, Vice President of Sales, full credit for the company's achievements goes to Chua, who had the ability to mask the taste, smell and sight of Ganoderma to formulate a delicious coffee that immediately resonates with those who try it.

The Genius of Coffee

Genius is the key word, says Morand, when describing this second major factor that contributes to Organo Gold's success. "It's genius that Bernie figured out a way to put Ganoderma in this form—into coffee and tea and hot chocolate." Why? "Because coffee drinkers don't forget to drink coffee for any reason. So, it's genius that we're delivering this gift of good health through coffee and tea and hot chocolate. We don't have to *teach* people to drink coffee—they're doing it every day."

Think and Grow Rich with Organo Gold

Organo Gold is unique in many ways, not the least is its approach to guiding distributors to success. Through an exclusive collaboration with the Napoleon Hill Foundation, Organo Gold offers a leather-bound collector's edition of Napoleon Hill's best-selling book *Think and Grow Rich* to distributors who are encouraged to use it as a leadership training tool. Proceeds from sales of the book are donated to the Napoleon Hill Foundation.



There are more than a million millionaires in the United States, and many of them will point to *Think and Grow Rich* as the book that turned things around for them in business, according to the Organo Gold website. Organo Gold believes in the 13 principles contained in the book and that they are essential to personal success:

- Desire
- Faith
- Auto-Suggestion
- Specialized Knowledge
- Imagination
- Organized Planning
- Decision
- Persistence
- The Master Mind
- Transmutation
- The Subconscious Mind
- The Brain
- The Sixth Sense

Napoleon Hill wrote *Think and Grow Rich* in 1937 after interviewing Andrew Carnegie, who was at the time the richest man in America. Prompted by Carnegie, Hill spent 20 years seeking out 500 of the country's most successful people and studying their common traits of success. Still in print today, the book and its principles have been the foundation of personal development and positive psychology.

But how do you convince people to drink coffee that's made from an obscure mushroom found under logs in a remote part of the world? You don't, says Morand. You just give them a cup of coffee.

"If I come to you or you go to a friend and say, 'How about some Ganoderma?' they're going to run away. But, if I say, 'How about a cup of coffee? I need to talk to you about something,' you wouldn't even think twice about drinking that coffee. It's a simple, social thing that people do all the time." With Organo Gold coffee though, it's what happens *after* drinking the coffee that makes all of the difference. Morand says, "What happens is people notice when they drink this coffee that it tastes delicious and it makes them feel good."

The Power of Leadership

Morand notes that they realized from the outset that in order to achieve their goals they would have to develop leaders. To boost the power of leadership within the organization, Organo Gold partnered with the Napoleon Hill Foundation. "This partnership shows how serious we are," Morand says. "We believe that one of the best ways to develop a leader is to have them read that book as a foundation of leadership."

Buggs says growing talent from within has been very important for the organization. "Our philosophy has been to work more on the farm team than we do free agents," he says. "That's allowed us to build a singleness of purpose across 16 countries. Everywhere we go everybody follows the exact same system. We didn't build it with networks; we built it with average, ordinary people." Those average, ordinary people were taught a simple process for selling Organo Gold's products. "We've created an environment where they can actually develop as leaders within Organo Gold—it's the concept of promoting from within, which is a great thing."

Selling Coffee ... and More

Buggs joined Organo Gold in September 2008. He was brought in to help streamline the marketing process. "Most people think that we're growing because we're in coffee," he says. For Organo Gold, "what was lacking was a simplified system for success. What we did was eliminate the majority of what I called the training distractions. We focused simply on the expansion of our business model through free samples and simplicity."

Keeping things simple includes serving distributors well, says Buggs. "From the beginning we said we would make sure that we were able to receive orders properly, that we would ship the product and that we'd pay people accurately and pay them on time. That has been our promise and it's what we've focused on."

Organo Gold offers a variety of beverages including coffee, tea and hot chocolate.



"We've created an environment where [people] can actually develop as leaders within Organo Gold—it's the concept of promoting from within which is a great thing."

—Shane Morand, Co-Founder

In addition, he says, part of Organo Gold's success has been to not focus on too many products or too many different messages. It's working. Sales in 2011, says Buggs, will be over \$100 million. That's up from \$40 million in 2010, \$9 million in 2009 and \$2 million in the company's first year of operation.

"Because we focus so heavily on retail sales—that's what direct selling is—our approach was to position the product so that even if the person doesn't become a distributor, they've got a product that they would want to reorder month after month after month," Morand says. "It's coffee—and it makes them feel good."

Organo Gold's model is different from other direct selling

organizations. For instance, says Morand: "There's enough profit for distributors that we have some distributors making a full-time income and they never recruit a person. We actually have a product that we can go to a neighbor and sell at full retail price."

Organo Gold, Morand says, has a price point that is less than most gourmet coffees. "In a lot of cases companies will come out with a product where someone will say 'Why would I buy from

you when I could buy at a store cheaper?' With Organo Gold we don't lose our customers. They order and order and reorder because it's not as expensive as gourmet or coffee shop coffee."

But Organo Gold is about more than just coffee. Foundationally, Organo Gold is about Ganoderma and about incorporating Ganoderma in unique ways into commonly used products that can "deliver the treasures of the earth" to people around the world. In addition to its black coffee, Organo Gold also offers café mocha, café latte, hot chocolate and green tea, among other products. Morand is excited about some new product launches, not yet released at the time of this writing.

Buggs adds, "The beauty of our business is that there are no sales skills required in order to succeed at any level, just the ability to ask a simple question and give away free samples." **DSN**

For more information, please contact: