Tastefully Simple, the Minnesota-based gourmet foods direct seller, can point to a lot of successes: a jaw-dropping 7,600 percent increase in revenue between 1999 and 2003, a consultant-retention rate of 71 percent, and a 363 percent increase in orders from March 2006 to March 2007, to name just three. Company founder and CEO Jill Blashack Strahan traces the successes back to one not-so-simple thing—the company’s unique culture.

Tastefully Simple arose from a gift-basket business Jill owned. Nestled in the baskets she sold to clients was a collection of gourmet foods. When she was invited to show her baskets at a crafters holiday progressive tour, she felt honored. Then at the last minute the organizers asked her to provide taste tests of the gourmet products and let people purchase them.

“I ended up taste-testing eight products for sale,” Blashack Strahan says. “At the end of the show I had sold a couple hundred dollars in basket orders—and over $2,000 in food orders in two days. It was ragingly successful. Then the next year I had a similar experience. Ding! Ding! I thought, “This could be great! I’m not the home party queen, but this is about getting together, eating and talking. Wouldn’t it be great to make a business out of it!”

That epiphany led Blashack Strahan to start Tastefully Simple in 1995. Wanting to stay debt-free, she intentionally started small, attracting seven consultants by year’s end. After the second year, the company had 33 consultants. Blashack Strahan worked the business hands-on, doing parties at night, packing orders on a
LAW-ABIDING

Experiences

Tastefully Simple’s founder and CEO Jill Blashack Strahan can point to numerous examples of ways that the Laws of Abundancy, Magic and Realness, the foundational principles of the company’s culture, have shaped the company. She explains how she has experienced all three laws.

“In our third year of doing business, our goal was to have 100 consultants. We had only 55. I believe that whenever we hit a wall—personally or professionally—there’s something mentally, emotionally or spiritually stopping us,” she says. “I finally figured out that during that particular year I had started to subconsciously become fearful that people couldn’t make money through this business. I actually have the great folks at [scrapbooking direct seller] Creative Memories to thank for turning me around. They were there to mentor us. They demonstrated the Law of Abundancy when they invited me to attend their conference as a corporate guest for three consecutive years. They offered to let me pick their brains. Of course, I thought I was too busy and didn’t go. But the third year I decided I needed to go.”

At the Creative Memories convention, their experience of the Law of Magic transformed Blashack Strahan. “It was there, being around all that positive energy, that I came away feeling renewed,” she says. “I realized I had lost sight of my dream and my belief. I was recharged. I knew this business could work. I became aware that effort equals earnings. Our consultants were doing a party a week, on average. That works if they just want a little extra moolah, but you won’t be hollering about the money you’re making when you’re doing a party a week.”

Then Blashack Strahan—who was still hosting parties in the evening then—realized she hadn’t personally recruited anyone for a year. “I couldn’t recruit anyone if I didn’t believe they could make money,” she says. She had created her own barrier. So she set a personal goal to recruit eight people by the end of the year—four months away. With heramped-up attitude, she did it in six weeks. Her enthusiasm and belief infected the rest of the company, and it got back on its fast-growth track.

Blashack Strahan’s telling of her turnaround also illustrates the Law of Realness, and she says she reserves the right to get smarter—her way of saying that she admits mistakes and learns from them. For example, she initially required consultants to carry a wide line of products so parties could be run on a cash-and-carry basis.

“I believed that we needed to do that to be successful,” she says. “I thought that customers needed to taste-test most of our 35 products, walk out of a party with their purchases and enjoy them immediately. But a couple of years ago we started hearing about consultants who couldn’t afford to carry so many. We listened and asked questions. Over time we did pilot programs to see what worked, and we saw that customers were willing to wait and have products shipped to them. Today we have switched the entire process and the consultants no longer carry an inventory. We’ve simplified sampling, too, with just 15 to 18 products, and we came out with a color catalog. We learned that there was more than one right answer, and it didn’t affect sales. It was a huge dose of humility.”

pool table in a shed with no plumbing and running the company during the day for the first three years. But in 1997 she and the three other original employees took an afternoon to go off-site and decide what their new company was going to be about. Not just what it would sell, but what it stood for. They developed seven principles and a mission statement. The next year revenue surpassed the $1 million mark with 168 consultants.

That was just the beginning of amazing growth. Twelve years after its founding, Tastefully Simple has 24,000 consultants, more than 300 employees, and $120 million in sales. And the shed with no plumbing where Blashack Strahan used to ship her products has been abandoned in favor of a modern, 178,000-square-foot facility that ships each order within 72 hours—even in the year when orders increased by 363 percent. Meanwhile, the seven principles were distilled to three interwoven laws to make them easier to remember.

How can all that success spring from a philosophy? The culture focuses on teamwork, passion and helping people reach their full potential. Every member of the corporate staff and every consultant are trained in the values, which Tastefully Simple calls laws, and lives them day by day. Blashack Strahan believes so passionately in the laws that she personally trains new employees on them.

What are these legendary laws that fan the flames at Tastefully Simple? The Laws of Abundancy, Magic and Realness. Here’s how they form the foundation for Tastefully Simple’s corporate and consultant organization.

Plenty for Everyone

The Law of Abundancy fosters peace of mind through win-win attitudes. “If we believe there’s more than enough to go around, there will be,” Blashack Strahan says. The attitude shows up through collaboration among employees and consultants through their generosity with each other and with their communities, and through belief in the power of the Tastefully Simple opportunity. “We train consultants to be open and inclusive,” she says. “For example, if you’ve planned a party but something happens and you can’t do it, give it to someone else.”

Because Tastefully Simple believes in abundance, it sets aside at least 10 percent of its annual earnings to contribute to charitable organizations. In 2006 alone, the company donated more than $625,000 to nonprofit organizations in its headquarters home, Alexandria, Minn., a community of about 10,000 people. It also donates discontinued products to nonprofit organizations that feed those in need and donates Gift Packs to local charities to use in their fund-raising efforts. It pays a headquarters employee to be a full-time volunteer at area charitable organizations that cannot afford to hire someone for their staff. It also offers each team member up to eight hours of paid work time each year to volunteer at the nonprofit organization of their choice.

Tastefully Simple also created two programs that benefit diverse groups in their community. A youth mentorship program “pays it forward” by giving kids the opportunity to give back to their community. Approximately 70 children from 2 to 18 now participate in the unique effort. And four years ago Tastefully Simple created an annual event that draws noted business leaders to the small town to share their insights. Featured guests have included such notables as Jack Canfield, Stephen R. Covey, Dr. Ken Blanchard and Zig Ziglar.
Consultants spread the abundance within their own communities, too. In addition to volunteering their time, consultants often hold fund-raisers featuring Tastefully Simple products. They donate the proceeds to charitable organizations in their areas.

Tastefully Simple does its part to ensure environmental abundance, too. It plants trees to honor everything from employee service anniversaries to consultant longevity. Trees even memorialize retirements and deaths. The company’s Green Team—an employee committee dedicated to environmental activism—has led environmental awareness efforts through projects such as an environmental news column in the employee newsletter, hosting the Minnesota Office of Environmental Assistance’s first Office Paper Reduction Program. And Blashack Strahan and Founding Partner and COO Joani Nielson established a non-profit corporation—Legacy of the Lakes—to educate the public about the importance of preserving lakes and waterways. Tastefully Simple led the way in using electronic files rather than printed pieces, reusing office items through a materials-exchange station, and using energy-conserving motion sensors and electric shutdowns in low-use areas in their buildings. In 2002, Blashack Strahan and Nielson purchased 100 acres near its headquarters, including a lake named Lake Bountiful, to preserve it from future development. Company members may use the property for canoeing, hiking and other recreational activities. All those activities led to recognition. The company received the Minnesota Governor’s Award for Excellence in Waste and Pollution Prevention.

The Magic Queendom

The Law of Magic is about creating positive energy through celebration and excellence. What direct seller doesn’t celebrate success? Promotions, incentives and awards are part and parcel of the direct selling industry. But at Tastefully Simple, the celebration happens daily for both employees and consultants. “I believe that people long to be with other people who are having fun,” Blashack Strahan says. “And when they’re exposed to excellence, they want to be part of it.”

“The bell Blashack Strahan heard in her head when she conceived the idea for Tastefully Simple lives on. Literally. To the sound of employee cheers, each day a bell rings at company headquarters to celebrate new consultants.

“Different teams go around the building announcing to everyone how many consultants we got that day,” Blashack Strahan says. It helps keep our focus on consultants. As we’ve added to the headquarters team, we’ll be in a meeting when the bell will ring and the cheering will start, and we’ll see that some people just don’t get it. But we won’t change it. It’s that important to celebrate. We also have all-team meetings monthly, when we convey information and celebrate success. Some have said that the meetings are too expensive, but they’re about celebrating. Sales are up 30 percent so far this year. But even if they weren’t, we’d still find something to celebrate. Plus, when everyone feels aligned and everything is connected, that’s when people are most productive.”

Magic has its own life cycle at Tastefully Simple—except, because it’s magic, it never dies. Excellence is fueled by celebration.

Great Products: The Yum Factor

Tastefully Simple’s products are a home cook’s salvation. From appetizers to desserts, the company offers high-quality gourmet foods and gifts. Many are ready to eat. Those that require preparation need no more than two additional ingredients. The company offers a fresh selection of seasonal products every spring and autumn.

Its top seller in this season’s product line is Bountiful Beer Bread Mix—so popular that it now comes in a three-pack and in a whole-wheat version. Close behind is Mediterranean Herb Quick Focaccia Bread Mix.

“If you had asked me to guess whether the beer bread would be a top seller, I’d have said no way, because of carb fear, but it is,” says Tastefully Simple CEO Jill Blashack Strahan.

“And Absolutely Almond Pound Cake Mix is in the top five in sweets. People are busy, and often they choose not to cook, but these products are quick, easy and high quality.”

As passionate as she is about the company’s culture, Blashack Strahan says the products are the key to attracting consultants.

“I always say that no matter how great your comp plan or your culture is and how much they trust you, if you don’t have great products, they won’t come back,” she says. “We get most people into the company through parties. They experience it, they love the products and they get excited. They see the quality of our products and the integrity of our consultants, and the dots start to connect.”
and recognition, which begets more excellence. The atmosphere is energetic and noisy. Teamwork is standard operating procedure. The quest for finding the best ways to create magic never ends. And where there's success, there's celebration. Awards and positive surprises are everywhere. Every one of Tastefully Simple's 24,000 consultants receives a card on her birthday. They receive occasional “shipping treats” with orders—a small box of candy or a note of appreciation. And when they attend a conference or special event, they leave with products and fun amenities valued at hundreds of dollars. And, of course, a variety of awards honor employees and consultants who demonstrate each law and exemplify the spirit of Tastefully Simple.

At company headquarters, employees enjoy tokens of appreciation throughout the year, too. Free pizza parties may celebrate the achievement of a company goal, and social events are frequent. To work off the party calories, employees are given a free membership to The Well, Tastefully Simple’s on-site wellness center. They even attend the annual Tastefully Simple birthday bash on the company’s birthday, and the next day they can play hooky. Hooky Day is a paid holiday that’s observed during the same week as Tastefully Simple’s birthday.

Getting Real

Finally, the Law of Realness builds a deep sense of credibility. The drive for excellence is bound to hit some bumps along the way, and Tastefully Simple’s culture requires that the company admit its mistakes and learn from them.

“I adopted a phrase I read somewhere long ago,” Blashack Strahan says. “I reserve the right to get smarter.’ When I started this company, I didn’t know what I was doing, so I did a lot of things wrong. This company was built on all of us as team members saying, ‘We’re sorry.’ In politics and true corporate America, they often focus on the wrong results—power and money. In those environments, people don’t want to be held accountable for their own actions. But smoke and mirrors don’t build trust.”

For example, last year the company was prepared to launch its new Web site and online ordering system when its testing revealed problems. Though consultants were looking forward to using the new system, the company was up front about the issues. It told consultants about the concerns and delayed the launch until the system met Tastefully Simple’s standard of excellence.

Realness also happens as the headquarters team works closely with consultants. “We have an incredibly low tolerance for any process that doesn’t include consultants in some way,” Blashack Strahan says. “We use task forces and advisory groups to troubleshoot all kinds of things. We constantly ask them what’s working and where the challenges are. With the product line in particular, consultants evaluate and taste-test everything and send their scores back to us. Every new product we’re considering must meet certain scores before it becomes part of our product line.”

Consultant task forces and committees provide insights on everything from incentives to training to marketing tools. A Presidential Advisory Committee even meets with corporate leadership each year to discuss the company’s future initiatives to help ensure the business’s growth.

And though Tastefully Simple is privately owned, it shares its sales, profits, expenses and other financial information with team members every quarter.

A Success-Producing Culture

Tastefully Simple’s unique culture isn’t just touchy-feely. According to the company’s balance sheet, its own surveys and numerous third-party awards, the Laws of Abundancy, Magic and Realness produce measurable results.

Consultants rated the company on a scale of 1 to 6, with six being the highest rating. Here’s what they said:

- Overall satisfaction with service from the headquarters team: 5.36
- Satisfaction with the Tastefully Simple experience: 5.33
- Willingness to be a consultant in the future: 5.33
- Willingness to refer friends and family to become consultants: 5.23

The stellar satisfaction scores explain why the company’s consultant-retention rate is an enviable 71 percent.

Among the selection criteria for employees is how they will “fit” into the unique culture.

“We’re very clear about the type of environment we want and the people we want to have within the company,” Blashack Strahan says. “And the results have been incredible.”

A survey of Tastefully Simple’s employees placed it in the top 5 percent of companies surveyed by an independent consulting firm. The survey measured employees’ satisfaction with a variety of elements, including benefits, opportunities, culture, working conditions, fairness, work-group cooperation and overall satisfaction.

Demonstrating the Law of Abundancy, Blashack Strahan wants to show other companies the ways Tastefully Simple’s culture has empowered its employees and consultants to succeed. Tastefully Simple has created a DVD showing how it implements its principles. To preview the program from the company’s Web site, just go to http://www.tastefullysimple.com/PrinciplesDVD.

“Our environment isn’t right for everyone,” Blashack Strahan says, demonstrating realness. “The purpose of the DVD is to answer questions. We’d love for you to have an experience similar to ours so you love going to work.”

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