

## Modern Life – Episode 8 – Small Business

**Title:** Small business from scratch | Kelsey Moreira | Fidelity Modern Life

### Transcript:

**Kelsey:** You might like what you do for your job, but what if you like loved it? What if it was like the most exciting thing? And you could not imagine getting out of bed for literally anything else. That's awesome. That's such a gift and entrepreneurship can give you that if you follow your dream and you make it happen.

**Jamila:** Kelsey Moreira, I'm so excited to be talking to you today about small business on this episode of Modern Life—welcome.

**Kelsey:** Thank you for having me. I'm super excited to be here. I love sharing what I can with other aspiring small business owners or those who are in it with me.

**Jamila:** Now take us back a little bit. Before you started your company, you had a whole other professional life. What were you doing?

**Kelsey:** So, yeah, my professional life, it was a bit of a different turn than cookie dough. I started off working in high-tech. Got an opportunity to work at Intel when I was just 16 years old. Pretty crazy chance to get into corporate America at such a young age.

And there became what would turn into a 10-year career from that point on, working part-time through my school years and full-time every summer and really getting immersed in some amazing business leaders, watching their decision-making and big strategic decisions, soaking up whatever I could. Spent those 10 years in product marketing and product management and learned a ton. And now applying that to cookie dough today.

**Jamila:** What was the moment or moments that led up to you changing your career path and doing something different?

**Kelsey:** Yeah, the big change really came for me in 2015. I had started this journey at Intel, just after finding alcohol in my life. When I was 14, I had my first opportunity to go to a party and drink and I remember feeling this, like, peace from the alcohol, this quieting of my running mind in that moment. And through the next years that would follow really leaned on alcohol to deal with anxiety and stress and all of those other issues that would come from this intense pace of life, this intense pull between being a kid and being an adult. And just this opportunity

to really throw myself full force into corporate America. And I got this chance in 2015 to change that. I really had a "one last hurrah night" that was the tip of the iceberg to just say, you know, enough's enough, I want to make a change in my life. I was tired of having alcohol holding me back, not able to be the best version of myself and feeling like it was really keeping me from finding Kelsey and figuring out what makes me me.

**Jamila:** So you had clarity after becoming sober and you started to bake on the side, but when did you know that baking and cookie dough could become your thing?

**Kelsey:** Yeah. So the baking on the side really kick-started, hot and heavy when I first got sober and I was baking cakes and cupcakes, bringing them into the office. Slowly, getting enough nudges from coworkers that like, "This is pretty good. You should sell it." I didn't grow up with any examples in my life of entrepreneurship. My parents had the path of like, "You're going to get good grades. You'll get a good job. You'll stay there forever. And you'll retire." And I was well on my way to do that, so, it didn't immediately occur to me that that could really be my whole thing. But I had enough of those nudges and enough interest in maybe creating my own business to start a small little part-time bakery, and that light bulb just went off. Like, this could be my thing. Like where can you go and just get a scoop of cookie dough with friends? And really took it off from there.

**Jamila:** From that moment, you now have created this concoction that you love. How did you know that other people would love this? What was your first test in the market to see that this would work?

**Kelsey:** I got a little wooden food cart built for like \$500 in San Francisco. That was totally detachable by the way, it could break it down and pack it into an Uber or Lyft since I didn't have a car. And I found a commercial kitchen in Oakland. So I had a little wagon would cart my ingredients over to Oakland, made my first hundred pounds of cookie dough, and, I was ready—ready to rock. So I got a Facebook event up, got the social media going, got a website for Doughp. And had my first day scooping cookie dough at Dolores Park in San Francisco. And we sold out in three hours. And I was like, "All right, people really like cookie dough. This is going to do it. Let's keep going and see what else we can do."

**Jamila:** How did you know or feel confident enough to make this leap? Because you were at a pretty safe company with a 401(k) and a salary, and now you are stepping into having your own small business.

**Kelsey:** In some ways, I feel like there's little sense of safety. It was just overwhelming excitement that like buried any fear. You know, I just really had so much energy coursing through me from just those first few weeks of seeing

people trying this product and was really ready to jump in full on, but I did have to financially take a look at, do I have enough savings? I felt confident that I was going to be able to turn a profit with the business quickly and be able to begin paying myself. I followed a method in the early days called Profit First, a great way to be really responsible with the money coming in, separating out, you know, 50% for operating expenses. I would put 25% for taxes, having 5% for profit and an owner's compensation account as well, so that I could be paying myself. Literally had like five checking accounts in my bank. My bankers were like, "What do you mean you need five checking accounts?" But just do it and it was a great mental separation to not start to run the business with this sort of inflated vision of how much you had in the bank and able to see really, here's what I have for expenses. And how tight we're looking.

**Jamila:** And how did your family and friends feel about you making this leap? Were they supportive and encouraging?

**Kelsey:** I think everyone thought I was having a quarter-life crisis to be frank. It was like, "Okay. She's like sober now. And she's going to start this cookie dough company."

I think they all were like, "Is she going to come back down to earth? Is this real? What's really going to happen?" When you start an idea and something goes off in your head and you're sure you're going to make it work, you just got to go and do it and don't listen to what anyone else says. I remember just being so determined that I was going to go and make this work. And slowly but surely over time you get these big moments, like getting on Shark Tank, the Forbes 30 under 30 honor—there's been some amazing stuff that said, "You know, you're really doing something different. Keep going." So. Here I am. Still going.

**Jamila:** It seemed like because you were on this track at your company, it was like the safe route and you didn't really have examples of people taking risks, like your parents. And it reminds me of my story. I worked in a corporate job for over 10 years before I took the leap. And so like I would consider myself a safe risk taker. But was there something about your childhood or your personality that made you more apt to take a leap like this for people who are listening and saying to themselves, "Well, I'm typically a safe person, but there's something else that I want to do." But they're not sure that they can actually handle this?

**Kelsey:** Yeah. It's like, how big is the curiosity on your other idea? I started to get that itch for like if I didn't pursue this, it would bother me forever. I would be wondering that "What if?" Through watching Shark Tank all those years, I would see these entrepreneurs going after their dreams and able to define their destiny. They were going to be the ones who said if it wasn't going to work, or if budget needed to be cut, it would be up to them to make those decisions.

**Jamila:** Now you mentioned Shark Tank, which you actually were on. So how do you go from selling your products in a park to getting on Shark Tank?

**Kelsey:** Yeah, that's the glow up story. Shark Tank was an open casting call in San Francisco. I went out and sat on the curb at 6:00 AM with like 500 other people with my pitch and my idea and some of my product. And I got the chance to give them 90 seconds on why I would be the best entrepreneur for the show. And I gave it my all and call back after call back would extend to about six months of time. I was able to go and film and the day to film was the day before my three-year sobriety anniversary. So it was really like nice reminder that this journey into sobriety and self-discovery has brought me so much, and what a nice renewed focus on keeping it up every single day.

And my pitch was memorized to a T. Like walking up and down the streets of SF, saying it out loud walking down the street and full emotion too. People probably thought I had lost it, talking to myself, but it was worth it. It paid off and it's very, very surreal to see yourself on national television.

**Jamila:** So what happened? Did they give you money? Did you accept a deal?

**Kelsey:** Yeah, did they bite? The sharks ended up going out for reasons around health. The conversation sort of turned into that, with the obesity epidemic, and you know not getting a deal on the show is actually in some ways of blessing for an entrepreneur. I ended up having 120 investors reach out after the show aired. Every time it does re-air, we get a nice, big influx of customers that are excited to check out what Doughp is up to, some sweet messages from people who are moved by my story in sobriety and some other investors always kind of seeing if we're still raising. So it's been a fun journey.

**Jamila:** You've talked about your journey to sobriety and how important that has been to share that as you've grown the brand and you've made that part of the brand's mission. Can you talk a bit about why that's so important to you and what you've been doing as a company to make sure that stays centered?

**Kelsey:** Yeah, thanks for the opportunity to share. I love this and it is what keeps me going every day. When I get the chance to share it publicly through the platform that Doughp had—it was going to be our very first kiosk opening. It was a 10 by 10 kiosk on Market Street. But it was mine. And I was so excited to have a physical place for us to be. And so the grand opening was on my two-year sobriety anniversary in 2017, literally on the exact day. So in the Facebook event I had written, "If you come up and say, 'It's dope to be sober,' you'll get 20% off at checkout."

And the direct messages were flooding in from customers saying, you know, "I'm two weeks sober. Do you know of any good meetings in the city?" or "I'm 13 years sober and I've never told anyone. It's really cool to see you sharing this." And I was just like blown away by the conversations I was now having with otherwise strangers through my cookie dough company's platform and thought, "What a conversation this needs to be." It was like this beacon to let other people who so desperately wanted to talk to someone else that was traveling that path, before or after them in their journey. So I formed the Doughp for Hope initiative at the company, and it really has become the core of the business and the why we keep going.

We share lots of resources. We do a Mental Health Monday on our social media. So a little dose of hope in an otherwise pretty crowded area that sometimes doesn't make you feel so good.

And the last piece is really the financial component for non-profits that work in the space. I'm such a big believer that you don't need to recreate the wheel. You know there's other people out there doing amazing work. So how with this money generating, sales generating engine I have with a company, how could I help and support people that are doing good in the space? So the She Recovers foundation is our beneficiary for 2021. Very proud to say we've already donated more than \$20,000 to them this year. We donate a portion of every single purchase that comes in across our entire business. That's Doughp for Hope in a nutshell, and it is exciting. It's awesome.

**Jamila:** So for someone listening who is possibly struggling with an addiction or with their mental health, what do you want your story to mean for them?

**Kelsey:** Well, first I'd say to them, you are enough and you are worth it. The journey is hard, but recognizing that there's an issue is the first step. So if you're feeling that hole, that internal questioning and wondering if maybe things could be different, know that they can and know that literally one day at a time you can make decisions to change things, reach out for help and remember that you're not the only one going through this. So there are tons of resources out there. Most immediately the crisis text line is a really great resource for women that are in or seeking recovery from substance use, mental health challenges. She Recovers is community of women that are out there to support each other.

It's so easy to say that like, "Well, everything's fine, I've got this job. I haven't, you know, hit rock bottom." But just know that you get to pick when you stop digging. I found that I just didn't want to see how much lower it could go. And I only went up. So consider putting the shovel down and making a change and seeing where your life can really take you because there is so much out there and so much that you have to offer to the world and you're your only barrier, so go after it.

**Jamila:** Now, for those of us who have not had the pleasure to taste your cookie dough yet, can you describe what it tastes like?

**Kelsey:** The easiest thing to say is that it tastes like cookie dough. Oftentimes people would try the product and be like, "Oh, my God, it tastes like cookie dough." And I'm thinking because it is! Just like if you were making cookies at home, but without eggs and we heat treat the flour to make it safe to eat. It doesn't affect the taste at all from really that melt in your mouth, molasses, buttery deliciousness

We make all these different flavors. So while chocolate chip, our Ride or Die flavor, is the most popular and what people really think of when they think of cookie dough, we've gone pretty wild. I've made a lemonade-cayenne flavor, made a lavender oatmeal flavor. We have a great one right now called Beast Mode Brownie that is a delicious, rich, moist brownie flavor. And we come out with new flavors every quarter.

**Jamila:** What's the fan favorite. And then what's your favorite?

**Kelsey:** Fan favorites are definitely Ride or Die and Cookie Monsta'. It's our chocolate chip and our cookies and cream cookie dough. So it'll be like Ride or Die and Cookie Monsta' in one bag. I devoured the whole pint in like three days. So no shame in that game. It's a great flavor. We have a brand-new product coming out called Doughp Drops, and they're like bite size cookie dough drops that you could eat or drop on the baking sheet to bake into mini cookies. And we're doing a mixed bag of those two favorite flavors as well.

And we're doing a mixed bag of those two favorite flavors as well. So it'll be like Ride or Die and Cookie Monsta' in one bag. I devoured the whole pint in like three days. So no shame in that game. It's a great flavor.

**Jamila:** You've taken your experience and your journey and what you've learned to now help and impact so many others. So with that, how many employees do you have? Can you describe the scale of your company now?

**Kelsey:** We had a big transition year from 2020, like so many, we moved into our e-commerce side of the house. So we went from, you know, 1.2 million in sales in 2019, but 50,000 of that was online. We ended up doing 2.5 million online in 2020. So our business just absolutely erupted in the e-commerce world.

We wound up closing our final storefront in October of 2020 and ended the year with 2.7 million. And we're on track to do more than 5 million this year online. So it does take a little army. We have 11 employees today and then a number of agencies and kind of support network that we use on a contract basis; developers

and freelance designers and all of that world. My jaws on the floor sometimes in our all-hands meetings on Fridays that there's this many amazing people, all focused around making Doughp.

**Jamila:** There are obviously positives to being an entrepreneur, being a business owner. So for you, what was that?

**Kelsey:** I mean financial freedom is probably the biggest thing that people are going for, right, this opportunity to have a different view than, you know, I need to work till I'm 65 and then we'll see. And even, nowadays like saving for retirement has become more and more challenging and, social security, what will be, or not, pensions are kind of a thing of the past. So there's just not as much of a, like "You're going to be safe and be able to enjoy life." And for me, I wanted to have this opportunity to not have to wait till I was 65 to go off and enjoy and have a family and kind of start that.

Yeah it's for that opportunity to have something that is, that is yours. It's almost like working in corporate America is like paying rent, and starting your own company is like buying a house and building equity. You're getting this opportunity to have value in what you're paying for in your sweat equity and your services every day, like making this thing grow instead of making someone else's dream grow. So I think that's got to be one of the biggest functional benefits of running a business.

And then the other is like, you get to do what you love for a living. Like I talk about cookie dough, mental health, and addiction recovery, literally every day. And that is awesome. Like I can't believe I was able to make my passion, my dream, what I love to do my life. And to inspire other people to do the same, to evaluate their relationship with substance use disorders, with mental health.

You know you might like what you do for your job, but what if you like loved it? What if it was like the most exciting thing and you could not imagine getting out of bed for literally anything else? That's awesome. That's such a gift and entrepreneurship can give you that if you follow your dream and you make it happen.

You know we're almost blinded by the paycheck of like, okay, this thing's just coming in. I'm just going to keep doing it, living for the weekend. Like, oh, you got the Sunday Scaries, or you can't wait until it's Friday. I was like, this is such a hamster wheel. What if you just jumped off and made your own wheel and got to define that.

**Jamila:** Now, when you left your company, I'm assuming you left behind a potential 401(k) or maybe pension or something. And for a lot of people that will

prevent them from leaving, that kind of safe, far off nest egg that a company is helping them build. So for you, how important were those things as you were making that leap and what should other people consider when they're thinking about healthcare and their pensions and 401(k)s as they make this decision?

**Kelsey:** Intel had so many comforts. Very healthy paycheck, support with the 401(k), as you mentioned, and of course, healthcare as well. I did keep, putting in money to my retirement account, three or four months into it. I had always done a \$500 contribution just to keep it going.

Like do your homework before. Try and make sure the economics are going to work out, but as it starts to go, there's always surprises and things change, but we were profitable from the second month.

I think the other thing is I could have been on my parents' insurance until I was like 26. So if that's an option, jump back over to mom and dad and let them help you out. But if not, there are plans for self-employed.

**Jamila:** So for someone listening and they're like, "Wow, I want to be like, Kelsey. You know I have this idea." What's the advice that you would give them to get started?

**Kelsey:** I've got five pro tips for entrepreneurs that I love to share. The first one is operate as if success is inevitable. It's really this full mindset shift that every day you have to be convinced this is going to work. And when an obstacle presents itself, see it as that, as something you couldn't go around or over or under or whatever it's going to be, you'll find a new path forward, but never get bogged down that it's not going to work.

The next one is never say no to an introduction. I've gotten the wildest introductions. Someone says, "You should know so-and-so." And you're thinking, "Why would I need to know them?" You know like seems so unrelated or I'm not sure, or I'm not really looking in that area anymore. Take it, you just never know who that person will know.

And the next one is hire for what you suck at. And I mean this very kindly, because as an entrepreneur, you believe that you can do anything. But it's really important to remember you can do anything, you just can't do everything. And so hiring for what you suck at, you know you could put your nose to the grindstone and go and learn accounting, but if it's just not your jam, find an accountant. And that was really worth it for me in the beginning to find a small business accountant.

The next one is stay focused on what makes you different. It's very easy when you start a business, at first everyone thinks you're wild and then everyone thinks they

know exactly what you should be doing. And they'll start to give you all these ideas of other stuff you should venture into. You have to have the clearest picture of what you want and what you think this is and what is helping you stand out. Because if you start to waiver and you start to bend, it's going to break the whole thing and you'll be just like everybody else.

And now the last one is be a good human. Really try to do this for more than just you. It's so, so critical that you are thinking of a bigger picture here, and the world will be a better place if more entrepreneurs went out with creating an idea or building the idea into something that can impact positively on issues that they care about. Um, finding that authenticity is something that customers will resonate with and changes the game.

**Jamila:** Wonderful. Thank you for those tips. I love all of them. Thanks for sharing so much insight and your journey into having your small business, which I don't think will be small, very much longer.

**Kelsey:** Thank you so much. Have a Doughp day.

**Jamila:** Search Modern Life wherever you get your podcasts and hit follow or subscribe for new episodes.

#### **Disclosures:**

Investing involves risk, including risk of loss.

Information provided in the podcast is general in nature, is provided for informational purposes only, and should not be construed as investment or tax advice. Views and opinions of the individuals noted are expressed as of the date of the recording, and do not necessarily represent the views of Fidelity Investments. Any such views are subject to change at any time based on market or other conditions. Fidelity Investments disclaims any liability for any direct or incidental loss incurred by applying any of the information in this podcast. Consult your tax or financial advisor for information concerning your specific situation.

Fidelity does not provide legal or tax advice, and the information provided is general in nature and should not be considered legal or tax advice.

Jamila Souffrant is not employed by Fidelity Investments but does receive compensation for her services.

This podcast is intended for U.S. persons only and is not a solicitation for any Fidelity product or service.

The third-party trademarks and service marks appearing herein are the property of their respective owners.

Year Up, Doughp, Shark Tank, Facebook, and Fidelity Investments are independent entities and are not legally affiliated.

This podcast is provided for your personal noncommercial use and is the copyrighted work of FMR LLC. You may not reproduce this podcast, in whole or in part, in any form without the permission of FMR LLC. The trademarks and service marks appearing herein are the property of their respective owners.

Fidelity Brokerage Services Member LLC, NYSE, SIPC, 900 Salem Street,  
Smithfield, RI 02917

© 2021 FMR LLC. All rights reserved.

991067.2.0