



Why Siete Food's Veronica Garza Doesn't Think Your Big Idea Always Needs a Business Plan

The Founder and Chief Innovation Officer for Siete Foods went from making almond flour tortillas in her kitchen to helping lead the fastest growing Latin-focused brand in food and beverage at scale. Veronica shares her initial inspiration (spoiler alert: it didn't start with a business plan!), the exercise that reshaped their brand, and the company's recent decision to take a \$90 million investment.

Alicia Menendez: Veronica Garza managed a series of autoimmune issues that inspired her to figure out how to make the food she loved and grew up eating, like tortillas, without grains. She would go from making almond flour tortillas by herself in her kitchen in Laredo to stocking them in local stores, to acting as the Chief Innovation Officer for a national brand you now know and love, Siete Foods, the fastest growing Latin-focused brand in food and beverage at scale.

Veronica shares how her family of seven, Siete, came together to make it happen, their decision to take \$90 million in investment, and how she, a woman who once refused to share any of her recipes is now launching a new cookbook, *The Siete Table: Nourishing Mexican-American Recipes From Our Kitchen*.

Veronica, thank you so much for doing this.

Veronica Garza: Thank you for having me.

Menendez: You're a healthy kid growing up. It's really not until your late teens that all of a sudden you start experiencing some health issues. How did they first show up?

Garza: Yeah. I feel like I was so healthy growing up, and then I was in cheerleading from fourth grade to my senior year of high school.

Menendez: So Texas.

Garza: There wasn't really another option, especially since I was following my sister's lead. So she did cheerleading, that was for me. Getting bruises and stuff was normal because you would get hit when you were doing these stunts or performances.

But I started noticing some really dark and very large bruises my senior year of high school, and they were taking really long time to heal, and it turned out that I had an autoimmune condition.

Menendez: We talk a lot on this program, very often for people, a health scare is a major pivot point in their own lives. Those pivot points tend to come a little later. It's a health scare in your late 20s, in your 30s, in your 40s that all of a sudden sends you down this entirely different life path.

To have that type of health scare at 17 when you feel like your life is just beginning has to be a different situational altogether.

Garza: Yeah. I don't know if I was mature enough at that point to really understand what that meant. I ignored it. I took the medicine, mostly. I would sometimes get tired of it and

decide, "You know what? I'm not going to take my medicine anymore. I feel fine." And then I would go back to the doctor months later and they'd scold me.

I couldn't comprehend that this was something that was going to affect me for the rest of my life, potentially.

Menendez: It also helps explain why your family then is quietly conspiring to be as supportive and helpful as possible. And one of the many things that they come to in that process is this idea of eating paleo or a grain free lifestyle.

Garza: Yeah. I think back on how my family did that for me, but also we had just as a family decided that we were going to go on this health journey together, but it was obvious in my family that everybody potentially had some issue with gluten and maybe grains.

Menendez: Take me back then to making your first tortillas without grain. How did that idea come to you and how many times did you have to get it wrong before you got it right?

Garza: It was really just necessity, problem solving. I wanted to create something that would allow me to continue to enjoy the foods that I loved, not just for me, but my family as well. When we would have carne asadas with my family, we'd make fajitas, and I'd have to put them in a piece of lettuce or just eat them with a fork and knife. It just didn't feel the same. And I had memories of making tortillas with my grandmother. She would make flour tortillas from scratch, and let all of her grandkids and then great grandkids join in on that. So I had memories of doing that.

And then going back home because my grandmother lived in another town, so I would get back to Laredo, the border town where my family and I are from and ask my mom, 'Can we go buy the ingredients so that we can make tortilla's like grandma's?'

It was a lot of experimentation. You asked about iterations and I feel like we're still iterating.

Menendez: I love that.

Who's the first person who says, "I think this is a thing. I think this could actually be a business, and something bigger than something you do for just our family?"

Garza: I think it was really helpful to have somebody like my grandma be able to taste the tortillas. While she didn't say, "Hey, this is something you should definitely turn into a business," just her saying, "These taste really good and they're better than mine," I think was the blessing that we needed to go ahead and move forward with the business that we were already thinking about.

I feel like pretty early on I was already thinking, "This is special," to where people would ask me for the recipe and I never told a soul except my mom who would help me make them. I knew I could have something special here, but it really was my grandmother who sort of pushed us over the edge.

Menendez: There's a bold move that you and your brother make. In order to really do this, to have proof of concept, you got to get it into a storefront. You're not going to build a business just dishing these out to friends and family. One, what was the business called at that point?

Garza: I wouldn't even say we were a brand at that point. We were a product and we called ourselves Must B Nutty. And it wasn't Be like B-E, to be. It was just the letter B, like a middle initial.

Although everybody in my family was part of it, helpful. It was my parents, and my brother and myself, that were actively working on starting the business.

And between us, we have two law degrees, a master's degree in counseling psychology, and an MBA for myself. So we joked that it was the perfect name for a brand because we must be nutty to go into a kitchen and hand press tortillas.

So I was living in Laredo, Texas at the time, and my brother was living in Austin after he had graduated from law school. So he was aware of this grocery store called Wheatsville Co-op that sold lots of natural foods.

So we decided we are going to start very small, and I made a pack of tortillas and I drove them up to Austin in a little tortilla warmer, and we literally just walked in on the day that we knew that the buyer was going to be there.

So he tried them and immediately without asking any questions, he's like, "How quickly can you have them ready for shelf?"

And it was a bold move of us because we didn't have anything but a recipe at that time. We didn't have a business plan. Not that you need one. I really don't think you need a business plan to start a business. I think that sets people back.

Menendez: That's a very provocative thing to say.

Garza: I do. I think people should just do it and you figure out your business plan along the way. But if you let that hold you back, most people don't know how to write a business plan. Even I have an MBA and thinking about that was so daunting to me and you can't figure out all of those things until you're in it.

Menendez: That is a big part of the story, is the fact that at each step, y'all are just like, "We'll just figure out the next step," because the next step there becomes you can't make this many tortillas in your personal kitchen, nor would you be allowed to, so you actually have to find not just any kitchen, but a gluten free kitchen in order to do this.

What I want to highlight here is you do this with tremendous personal sacrifice, and I'm not sure that that is how you saw it at the time or how you would even describe it now, but you basically crash with your brother all the time so that you can be close to this kitchen and making tortillas.

Was your thinking at that time, "I'm just going to get through a few weeks. I'm just going to get through a few minutes?" What was driving you to be a grown woman who, as I imagine it, was sleeping on your brother's couch?

Garza: Even after the first time we put a couple of cases on the shelf, in one day we were informed that all the tortillas had sold out. So it was literally just, "Well, we need to get more product on the shelf because I feel now, even if that's 20 people or 30 people that bought them that week, they're now counting on us to put them back on the shelf for next week."

I think in the beginning it was literally just that. "There are people counting on us and we have to keep doing this."

Menendez: You go through this accelerator program that I think provides a lot of scaffolding for what the business will become. It's where there's the name change and it is where you are forced to articulate "What are we as a brand for," and, "What are we as a brand against?" I wonder what you saw as the greatest value of that experience.

Garza: It opened up my eyes to a lot of things, just that exercise that we literally sat down and did. We had a whiteboard and we had two columns, and my family and I sat down. Actually, I think we were doing this once around the dinner table and once in a boardroom at the accelerator program. It wasn't a one day thing.

We realized when we put everything on paper, we're like this brand name that we've been going by for the past year plus just doesn't really tell the story that we want to tell. And we realized in that process just how important family was to us and that's where we decided we would become Siete.

We decided on a logo. It's a heron, which is Garza, my family's last name. So I would say the accelerator program really just helped us to put down on paper who we wanted to become.

We wanted to be this Mexican American food brand, a better for you Mexican American food brand that could be mainstream and help lots of people, be part of people's lives.

Menendez: We've talked with a lot of entrepreneurs about getting products into spaces. I think you were the first guest we've ever had who's worked in the consumable category, which is really different than shelf space for a beauty product, a cosmetic product, a hair product, and for you the big whale is Whole Foods. Getting into Whole Foods will be the thing that just catapults you to the next level. And getting into Whole Foods, to your point about planning, really more than anything, required a tremendous amount of luck.

Garza: It did, especially in our case. I feel like we were trying. At that time, they worked with these local foragers who would pick up products for your region, so we had reached out to that person.

My brother had even... Basically the same way we did it at Wheatsville, he took a little plastic baggy and left it for the local forager, I think with a little note to reach out to him if she had any questions and that didn't work.

Menendez: Which I think is important because I don't want every Latina listening to this who has a consumable idea to be so inspired by the initial success that they imagine that if they just show up with a jar of their salsa verde to a local store that it's going to take off. It works one time. It doesn't work the next time.

Garza: Yeah. Sometimes there is a lot of luck like in our case where eventually we did get into Whole Foods and it just so happened that there was a woman who was purchasing our tortillas on a regular basis from Wheatsville, and she was friends with John Mackey, the CEO of Whole Foods.

So one day we get a message from this woman, an email saying, "Hey, I was with John Mackey this weekend and I was telling him about your tortillas and asking him why they don't carry them at Whole Foods, and his response was, "Okay, we'll carry them at Whole Foods."

Menendez: I want to fast forward to 2019. You decide to take a \$90 million minority investment from Stripes Group to fund the company's growth. What were the conversations that you were having as a business, but almost more interestingly to me, as a family about the pros and cons of taking that investment?

Garza: My family, especially my parents are pretty risk averse, so it was difficult, but there definitely were conversations where we all asked each other, "Is this something that we want to do?"

I think it was really important for us who we would work with to do something like this. We weren't just going to take money from anybody. We wanted to make sure that these were people whose values were aligned with ours, who believed in our mission.

We would chat with some other investors and tell them, "Hey, we have this goal. I think one day as Siete, we could be this billion dollar brand." And they'd pull us back and be like,

"Well, I'm not sure about that. Why don't you guys just focus on this one thing? Just tortillas or just chips."

They didn't really see what we were trying to do and the investors that we finally decide to work with, Stripes Group, when we told them that, they were like, "Yes, we see it, we believe it, and we want to be part of that too."

Menendez: I think there's such a powerful lesson in there because not all of us will have this conversation with an investor, but even just having this conversation with an employer where they see the possibility in you that you see in yourself is such a game changer, rather than taking an opportunity that is slightly misaligned, we're like, "I'm shooting for the moon," and they're like, "Just double down over here. You'll be fine." And you're like, "No, I really think I could do this." It takes that.

I want to loop back to something we talked about at the beginning, which was you as a leader and having now been with this business for years, in what ways has it forced you to change and to grow? What are you good at doing now that you weren't good at doing when you started?

Garza: I've learned I've had to speak up and let people hear my voice. I feel like in the beginning I was very hesitant to do that and it's probably something that I'm still working on, but I am better at it.

I have a voice that I want people to hear, and that's hard for me sometimes to do, but it is a desire that I have and I feel like I'm getting better at that, speaking up when I need to speak up.

And listening to my gut, I feel like is probably a big part of it. I have good gut instincts, whether that be about product that we want to launch or people that we want to bring into our family, our team. I've learned to pay more attention to them so that I can actually act on things more quickly and not hesitate.

Menendez: Here's my final question to you, Veronica, which is, how do you go from being a person who is nervous about giving even your mom your tortilla recipe to creating an entire cookbook?

Garza: I am still nervous. Nervous but excited. We have a cookbook that is authored by me and my family, but put together with the help of a huge Siete team that is coming out October 18th.

I'm very nervous for this to get into people's hands, and I'm always hopeful that people will love it as much as I do. I'm very excited because I feel like it's something that can be for everybody. There are so many options that I feel that we're going to provide to people, that they can go and share these delicious dishes with their friends and family.

So many of these recipes are just things that my family and I would eat when we were growing up, or recipes that my grandma would make, and obviously not the exact same thing, but inspired by. So there's so much nostalgia in it and I'm so excited for people to try it.

Menendez: It. I am so excited to try it.

Veronica, thank you so much for doing this.

Garza: Thank you.

Menendez: Thanks for listening. Latina to Latina is executive produced and owned by Juleyka Lantigua and me, Alicia Menendez. Paulina Velasco is our producer. Florence Barrau-Adams mixed this episode. We love hearing from you. Email us at hola@latinatolatina.com. Slide into our DMs on Instagram, or tweet us @LatinatoLatina.

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