



**SPI Podcast Session #204**  
**Snack on This—How Sean Kelly Built SnackNation**  
**(and the Bigger Meaning Behind It)**

Show notes: <http://www.smartpassiveincome.com/session204>

**Pat:** This is The Smart Passive Income Podcast with Pat Flynn, session number 204.

**Announcer:** Welcome to The Smart Passive Income Podcast, where it's all about working hard now, so you can sit back and reap the benefits later. Now your host. If he could be any Power Ranger, it would be the green one. Pat Flynn.

**Pat:** Hey, what's up everybody. Thank you for joining me today. This is session 204 of The Smart Passive Income Podcast. Thank you for sharing a little bit of your time with me today, and our special guest. His name is Sean Kelly, from [SnackNation.com](http://SnackNation.com). That's where the peanut butter jelly time song came from in the beginning, which brings me back to middle school. Totally nostalgic while doing that. Anyway, Sean Kelly's awesome. He brings a lot to this episode, talking about how he's been able to change how offices are buying snacks. SnackNation's doing incredible things. We're going to talk about his journey, how he got started with that. I know a lot of you are also involved with, or interested in, or even customers of subscription box services. This is similar to that, but Sean's doing it in sort of a different way. I was actually really excited about recording this episode, because every Wednesday now, I go to downtown San Diego, and I work out of a co-working space. I actually do get a snack every once and awhile while there. They have sort of a self-service snack system in the back, where you swipe your credit card and stuff. Sean's gotten involved in that a little bit, but we're talking about how he's taken that to the next level, and also the greater meaning behind SnackNation. What this actually really means, and why Sean is doing it, and how he's making an impact on this world through this particular service.

I think this will provide a lot of inspiration, and a lot of tactics and strategies for those of you who listen to this show. I just want to thank you for coming on, and listening, spending your time. Let's not waste any more time, and get right into the interview with Sean Kelly, from [SnackNation.com](http://SnackNation.com). Here he is.

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What's up, everybody? Pat here with Sean Kelly, who has amazing business, generating a lot of passive income, in a way that we have never talked about before. He's also known as the sultan of snacks, which I love, and you'll hear more about that in a sec. Sean, welcome to the SPI Podcast. How are you?

**Sean:** I'm pumped, man. I'm jacked up to be here. Really appreciate it, Pat. It's fun to be talking with you.

**Pat:** I'm super stoked, because there's a lot of different ways to generate an income, obviously. Something that has really interested me, ever since the beginning, and when I started talking about passive incomes, it's this idea about not just doing it online, but doing it in the real world. There's a lot of different ways people are generating passive income in the real world. I even researched things like how to buy an ATM machine, and you get commissions off however many transactions you get. You know, that four dollar fee, that's what a person who owns that ATM would essentially get. All those types of things interest me, but you have something along those lines. Let's get into your story. How did you get into what it is that you do now?

**Sean:** Now, my main focus is a company called [H.U.M.A.N.](#). It stands for helping unite mankind and nutrition. Our main business today, that's taking the most of my energy, is SnackNation. It's a B2B SaaS company. Now, most people, when you say SaaS, think that it stands for software as a service. Well, we say it's snacking as a service.

**Pat:** Snacking. Nice.

**Sean:** Yeah. Snacking as a service. We've really built a B2B, that is a business to business, snack membership service on a SaaS type model. What that means is instead of an office manager, or head of HR, having to worry about buying all sorts of snack in this absolutely crazy snacking culture we live in today, having snacks run out, having people be dissatisfied because there's not enough rotation, we take care of all of that. We own the snacking experience in the office, and ship a constantly evolving, rotating, highly curated mix of the best healthy snacks, the finest emerging, innovative, better for you brands direct to businesses on a weekly, bi-weekly, monthly basis, so they just never have to worry about it. Why that's passive for us, for the most part, is because we have a 90% retention rate. That means that for every month that follows, we know where 90% of our revenue is coming from. Certainly, we obviously chase new customers, and are constantly focused on acquiring new ones, but



even more that, we are focused on retaining our members, which not only means it's a much healthier business, because it's recurring revenue, and it's very predictable revenue, but it's also a lot more fun. We get to focus on our members, rather than just transactional customers.

**Pat:** That is amazing. How did you even come up with this idea? Where did it come from?

**Sean:** That takes me back to ... I think you're kind of referencing this a little bit, when you're mentioning ATM machines, which are really just vending machines for money. I grew up in Northern Michigan, the son of a dentist, and a bunch of doctors in my family. I just got really into health and nutrition early on. Thought I wanted to be cardio-thoracic surgeon. I decided to study biomedical engineering at Johns-Hopkins University. Pretty quickly, in fact after 30 days, I realized Johns-Hopkins was not the place for me, because I wanted a little more than academia, especially after being stuck up in Northern Michigan for the last 18 years of my life. Don't get me wrong, it's a beautiful place, but I just wanted to get out, and kind of spread my wings a bit. I decided to transfer to Columbia University, continue studying biomedical engineering, but there I became a personal trainer. I realized it was a lot more fun to make a hundred dollars as a therapist to middle aged people in New York than it was to make like ten bucks at the sweaty Columbia gym.

While personal training, it was this one day in actually January of 2002. I was a sophomore in college. I had finished up a workout and saw a lady at a sports club I was working at. It's the New York Sports Club. It's still on 80th and Broadway, in the upper west side of Manhattan. She purchased a Coca Cola out of the vending machine at the gym. It was the only food and drink dispensary at the gym, right? Things have obviously come a long way over the last ten years at health clubs. Bought that Coke, took a swig out of it, put it in the cup holder of her treadmill and started running. I said, "What the heck?" I said, "Are you freaking kidding me?" People here, on the upper west side of New York City, do not have access to healthy foods that will make them productive and healthy? What are the people like in my home town, in Traverse City, Michigan doing? I asked myself, "Why are there not healthy vending machines?" The reason was there was actually no good reason.

Launched a healthy vending machine business in college, and that healthy vending machine business grew to having thousands of healthy vending machines across the country, primarily on a franchise model. That led us to getting more into business, and doing corporate food delivery. Vending machines work really well in schools, and hospitals, and YMCAs. Kids love



vending machines. Adults don't love them as much, just because there's not a tactile experience with the products and with the meals. Then, that experience of delivering to corporate micro-markets, that's unattended self-checkout convenience stores inside of corporate break rooms, that actually led us into SnackNation. Over 90% of our leads, throughout history of this business, have been smaller businesses saying, "We want what you have." We kind of just disregarded them. It's kind of embarrassing. We kind of disregarded them, and be like, "You know what, we're only going onto big businesses. That's the only place where we can be profitable, and the capex and the opex can justify the income that the machines, the markets, produce." We kind of stumbled upon SnackNation, and now it's just a big, big, big focus of ours. I wish we would have focused on it a few years even earlier.

**Pat:** Yeah. Sometimes it just takes listening to something over, and over, and over again to finally realize that that's what you're supposed to do. Good on you guys for switching that model there. What it is now, is it still a vending machine? Is it one of those unattended vending machines? I know there's one actually in my co-working space downtown in San Diego, which is super handy. I go there, it's always fully stocked, and I can just pick out an item from the cooler or the snack items. Then, just scan it, and then scan my card into the little POS system, which is essentially an Ipad, and I'm on my way. It's really, really convenient. Is that what SnackNation is, too? Or is it kind of more of a ...? I'm not exactly sure what the model is like. Is it one of those systems?

**Sean:** Great question. Right now our business is broken down into three parts. We have the healthy vending machines. We got a couple thousand healthy vending machines, run by a network of about a hundred and fifty franchises across the country. They're like high tech vending machines, with conveyor belts, infrared sensors. They're primarily distributing ready to drink beverages and healthy snacks. Yes, we distribute some meals, and fresh food, and fresh fruit and stuff. The fact of the matter is that people still would prefer to buy a packaged item from a vending machine. Packaged goods dominate our vending business.

Our second business is micro-markets. These are primarily at corporations, businesses of over three hundred employees on site. Those are unattended, self-checkout convenience stores inside of a break rooms. Imagine a miniature Whole Foods with coolers, and snack racks where people can go grab a salad and a snack off a rack, grab a drink, and then check out with their thumb print at an automated kiosk, and with cameras all around, so people know they are at least being watched. It is kind of on the honor system. That's our second business. We have a few hundred



of those in different businesses across the country. Some that we run ourselves, and some that our franchises run.

SnackNation is actually just a box of snacks. It's a box of snacks where month to month seventy percent of the box is rotated with new flavors, new brands, new products. Businesses just pay for those snacks, and then give them out to their employees. It's a fully subsidized model, where as in the other environments employees, or guests, kind of like what you're talking about in that co-working space path, you're going and using your credit card, you're cash. In SnackNation the company's saying, "Hey. Providing amazing snacks to our employees to make them happy, healthy, and productive is really important, so we're just going to pay for it."

**Pat:** Wow. That's really cool. I think that's a great even as a business point of view. You're just essentially shipping items, and that's it. You don't have to worry about anything else after that. The sale comes at the time that they purchase, and it's a recurring monthly model.

**Sean:** That's exactly it. You can probably see, even though our other business is healthy vending and micro-markets, they're passive income businesses. You set them up, and then people continue to buy. Yes, you've got to stock, and you have to invest in some equipment up front, but once you get a great location, it's very highly passive income. SnackNation is even more so, because you have very little capex. Right? I mean, you're buying a box to ship the snacks in. Then, it just is recurring. As long as you provide a phenomenal snacking experience, and you're doing a really good job in what your core product is, people just keep on ordering. You're charging their credit card automatically every month, or every week, and it just continues to flow.

**Pat:** Yeah. What comes to mind right now is replacing snacks with all kinds of other things. When I think of that, that's like a lot of those box subscription services that a lot of people subscribe to. Now, I've even subscribe to some for several months. You can subscribe to socks, or I think there's even one for underwear, toys for kids, and shoes for women, and it almost sounds like that thing where people want variety. They also want that thing anyway, so might as well have it shipped to them for convenience purposes.

**Sean:** Absolutely. You're absolutely right. We are moving from a transactional economy to a membership economy. This may seem like a little bit of a stretch, so hopefully I don't lose you here, but how I think about this is, why do we love to build new habits? The reason that habits are so powerful for human beings is because once you actually form a habit, it



becomes routine. If it's a positive habit, as opposed to a negative one, you no longer have to think of that thing. It becomes automatic in your life. Developing positive habits, once you've focused on them for six months, and they've become routine, you no longer have to use up brain power or physical energy to do whatever that positive thing is.

That's very similar to, for instance, delivering healthy snacks. People, they just want to set it and forget it. If you can trust in the company, or the partner that you're working with, to provide a continually phenomenal experience with great variety, great discovery, that meets your needs and your specific preferences, and you can set it and forget it, and trust that partner, it just eliminates that energy. The office manager, the head of HR, the CEO, or CFO of that organization can focus on more important things, and just understand that's taken care of. Whether it's in a business environment, or a consumer environment, or just looking at yourself, in terms of your own habits and how you're setting it up. I think they're all, in some ways, interconnected.

**Pat:** I love the thing that you keep bringing up. I haven't really even gotten into this yet, but you are always mentioning the word healthy, and you're talking about the purpose of providing nutritional snacks and that sort of thing. This goes back to your story with that Coke and the treadmill, which is kind of crazy even to just imagine that in my head. I can see that happening, and just being like, "What? Are you crazy?", and kind of your mission behind all of this. Can you talk, and maybe elaborate a little bit, on what the true mission is? It's obviously, you're using this as a way to help people create those healthy habits. It's genius. From a business standpoint, you're creating a habit of receiving these things every month, which allows you to have this ninety percent retention rate, which is amazing. From a consumer end it's like, "Hey. This is already done for me." If you can train people, essentially, to have these healthy snacks, it's going to be automatic for them. I think that's huge. You are affecting people's lives through snacks. You might not think that that's that important, but it really is. Can you talk a little bit more about the mission, and the overarching goal here for you?

**Sean:** Yeah. Absolutely, and thank you for bringing it up. That's why our name, our parent company, is HUMAN, since we're helping unite mankind in nutrition. When I saw that woman, and laughed, and kind of was just like almost appalled, way back when at the ah ha moment in 2002, I said, "Here I am focused on education. Here I am focused on thinking that I want to be a surgeon, and focused on the problem after it occurs. The issue is access. Whatever you're trying to sell, if it's something that benefits somebody else, if people don't have access to it, then access is



the issue. Education doesn't matter without access." I've really focused the better part of the last, jeez, since 2002, twelve years of my life, twelve, thirteen years of my life, to democratizing access to healthy foods. SnackNation, specifically, democratizes access to emerging, innovative, and better for you brands. It happens to focus a whole bunch on snacks. Why snacks? It's very easy to ... We live in a snacking culture. Bite sized snacks. It's very easy to just say, "Oh, it's just snacks." Guess what. Snacks have been shown to influence your eating habit more than any other food category. That's especially true for millennials. Millennials are not only the first generation to consistently eat snacks as meals, and as meal replacements, but they eat more than three times as many snacks as their grandparents, and more than two times as many snacks as their parents. Snacking habits for millennials ... Actually, snacking frequency, since 20012, just the last four years, has increased twenty-six percent per person in America. We're literally an obsessive snack culture. What do you think's happening, Pat, if somebody's having a flaming hot Cheetos and a Coca Cola in the middle of the day? Do you think that person is more likely to stop and get something healthy on the way home for dinner, or do you think they're more likely to say, "Oh. You know what ..." Even subconsciously, they don't realize it, they're saying, "I already had flaming hot Cheetos and Coke. I already said I don't care what kind of snacks I put in my body. It's all connected, so I'm just going to stop into McDonald's and get this, and not worry about these other thing.

**Pat:** Yeah. You're touching on a lot of points there. Funny you mention flaming hot Cheetos and a soda, because that literally was my lunch almost everyday in high school, for the first couple years. It's just ridiculous. That's because, A, I didn't know any better, so I didn't know what was good or not for me. I remember coming home, specifically from school, every single day, putting on Saved By The Bell, and just falling asleep. I'd just be so tired and drained, because I didn't have anything good in me. Anyway, the second part of that is just convenience. The reason I got those thing was because that was what was there, and that's what tasted good. There was nothing really that existed at that time that I knew tasted good that was actually good for me. It's like you're coming in now, and you're making it convenient for people. You're making that habit, so they don't even have to think about it anymore. How may employees would you say have you served through SnackNation, total?

**Sean:** SnackNation's grown pretty fast. We've only focused on SnackNation for the last year, and really only had a massive focus on it this year. We're speaking in November. Jeez. I cannot believe it's almost Thanksgiving. Thanksgiving on 2015 we really just started placing a big focus on it in Q1 of this year. By the end of this year, we will be servicing almost a hundred



thousand employees, purely from SnackNation. That's just for SnackNation.

**Pat:** How long would it take for a surgeon to do work on a hundred thousand people?

**Sean:** Man, I don't ...?

**Pat:** You know where I'm going with this? It's like it's incredible the effect that you're having through the business that you've created, by just being smart about this, and being aware of these things that are going on, and creating a solution for it, as opposed to traditional route to helping people. Same way. You're helping people with their health, but in such a much grander way, at really the root of everything. You're hitting people before a surgeon's essentially needed sometimes, I guess you could say.

**Sean:** I remember, Pat, going up to Columbia Presbyterian, and seeing the people you typically operate on as a cardio-thoracic surgeon. Let's just be honest, their typically very overweight. Not across the board, but usually overweight and have made poor lifestyle decisions. Some people will blame those individuals. We obviously have to take responsibility for our actions, but it's hard to blame people when the education and access is where it is in this country today. A lot of these people just don't know better. They don't understand food. They don't understand how snacks impact them. What really impacts you as an individual in this world? It's the air that you breathe. It's the thoughts that go into your head. It's the food and drink that you consume. That's it. That will basically determine the person that you become. A lot of people just don't give it enough thought, because they're not taught. We're taught geometry and what an isosceles triangle is before we're taught about what macro nutrients are and how they have a massive physiological impact on every single minute of our life.

My whole thing was, yes, let's go and help these people, before they get to a point where this operation ... This operation might prolong their life by five years of something. Let's get them to a point where before they're trying to prolong their life by five years, they're trying to live an extra fifty. Surgeons, I'm not trying to take away anything, and I know you're not saying that at all either ... I think it's one of the most rewarding and most beautiful professions. I hate how much insurance they have to pay, and I actually think surgeons and doctors should make more money. There's a lot of different ways to create positive impact. I think that just as individuals, as societies, if we look at the root of the problem, rather than





trying to fix the problem after it's already occurred, we're just going to put ourselves in a much stronger and happier place.

**Pat:** You didn't necessarily have to go to school to be able to do what you're doing now. It's just anybody with an idea, who has an eye to see a problem out there, can create that solution. I think that's so powerful. Thank you for sharing all that.

**Sean:** Now that you bring that up, Pat, I got to say ... Basically, the summer before my senior year when I remember calling my parents and my dad and telling them, "Hey. I'm still going to finish pre-med, finish this education, but ..." I basically told them I was going into the vending industry, instead of going to medical school. Even though I was surprised that my dad, my parents, we're pretty darn supportive, but you could imagine my father thinking at the time or all the tuition bills, and his son was going into the vending industry, which I literally could have started while I was in high school. It's pretty funny. You're absolutely right.

**Pat:** Well, you did start doing things in college, in terms of vending. You essentially had a thousand vending machines, I think you said, around the world, through affiliates and stuff. How does one get started in something like that? That's the first question, because ... I don't know. It's so different than anything I've really talked about on this site before. How does somebody get started with vending type stuff?

**Sean:** I think like any business, and I'm sure you promote this quite a bit, it's just dip you're toe in the water, and get you're leg in deeper and deeper. It doesn't have to be really fast, but just over time, and constantly iterate. Constantly change the position of you're leg, and how it's going in the bath. Success does not come from the initial decision. Success does not come from an idea. Success comes purely from the iterations. I think so many worry way too much about getting started. Just get started, and don't put some much emphasis on your decision. Literally, you're going to make so many wrong decisions. Even really, really, really good business people, they may only make 51% of the right decisions. In fact, there's some really successful entrepreneurs that make far more bad decisions than they make good decisions, but they just know how to iterate, and how to constantly change, and they put themselves in a really good place. This is something that's become really obvious to me over the last five years. I wish it was obvious to me when I was younger, just because I would have allowed myself to fail more and move a lot faster, knowing that the iteration's where the magic comes from.



Vending machines is all about location. It's all about location. If you want to get into vending, you want to get into the ATM business, it's all about finding a location that has a high amount of traffic, that's people that pass through that location, that hopefully are in need of whatever service you provide. If it's an ATM machine, which is a pretty saturated market now, unless you have some really good connections at new locations being built that's where people who are looking for cash. The nice thing about ATM machines is people need cash just about everywhere. If it's a vending machine, a food and drink vending machine, you're going to typically look at do you have connections inside of school, do you have connections inside of hospitals, do you have connections inside of health clubs, because those are the places that people are going to want a beverage. They're going to want a healthy snack. They're going to want a bar. They're going to want a meal. They're going to want to do so conveniently.

That's what I learned. I learned that, yes, obviously the products that you put in the machine are really important. Yes, the technology you use is important. 80% of the vending business is finding a location. If you find a great location, you don't have to be amazing, you can just be above average in all those other ways, and you'll have people just continuously empty your vending machine, purchase all of your products. You'll have a really nice passive income. Where as, if you don't have a great location, you can be perfect in all those other areas, and only generate a few hundred dollars a month, as opposed to a few thousand dollars a month.

**Pat:** Awesome. Thank you for sharing that. Then, the kind of box subscription service, the SnackNation model, how are you getting those supplies? This is the question I've always had when I think of these box services. Okay, great. I can sign up for this box, and I get a new one every month, and there's ten different things, from ten different companies in there. You guys aren't making the snacks yourselves, right? You're sourcing them from other places. How does that work, in terms of coordinating all that? I feel like that would be one of the hardest parts, and just to make sure you have enough for the demand, and all those sorts of things. Does it come down, like you said, again, connections and relationships to these companies?

**Sean:** Yeah, it does. I'm a total natural products and healthy food nerd. My senior year Spring Break, instead of going with my friends on Spring Break, I went to the Natural Products Expo in Anaheim, Texas.

**Pat:** Total nerd right there.



**Sean:** Complete healthy snack nerd.

**Pat:** Spring Break, woo.

**Sean:** Woo. Yeah. Let's go and shotgun some snacks. Well, I did go on Spring Break after that. I wasn't ... Well, no, I was still a total nerd. I've been developing those relationships for quite a while. Now we have a director of strategic partnerships who's sole job is to find new products, to discover them, and to connect with those brands. Really, the only way that we provide a phenomenal curated solution to our businesses, and to employees, and to our customers, and members is if we have amazing brand relationships that are planned out far in advanced. For us, we typically have our curated boxes, we have three different boxes right now, all of sixteen different SKUs. There's some customization per box, depending on our specific member business. You're looking at every single month we typically have at least sixty SKUs. Most of those SKUs are completely separate brands.

What we're ordering and how we're ordering it is completely based on an algorithm. It's based on a forecast, along with past history. The nice thing is our forecasts are usually really, really, really ... are pretty darn accurate, because it's such a predictable revenue stream. We know, for the most part, how many boxes we're going to sell. We're planning four months out, so this is, Pat, it is a pain in the butt, just in terms of how much work it is, but it's also a lot of fun, because it's literally our passion. We love it. It's fun. We're healthy snack geeks. We know that this is essential. It's an essential value proposition that we need to have a competitive advantage, but also that we need to deliver a snacksational experience to these businesses.

We do everything. We have a warehouse. We order all the products in. We fulfill and ship everything out. I think that it'll be like that for the foreseeable future, because when you have a hundred and fifty snacks per box, on average sixteen different skus per those snacks, so eight to ten of each snack, in that box, getting that into a fulfillment company, and having them do it well, is almost impossible at an economically viable rate. It's something that we decided early on that we had to own. I think we'll probably always own it.

**Pat:** That's cool. Yeah. Thank you for answering that. I was actually going to ask about fulfillment, and how that all happens. I know of a few people who have started these box companies, and it just gets super overwhelming, especially once things start to take off. It's late nights every night for two weeks putting these things together, and then



shipping them out. You have a warehouse, you said, and everything's all fine tuned and working like a nice little fine tuned machine.

**Sean:** Yeah. We're always improving. For me, I think of, probably like you, Pat, you think of fine tuned machine, it's like, yes, is it fine tuned compared to where it was six months ago? Absolutely, but we need to constantly, constantly change. It's a down side. I know you ... I know a lot of you're audience, you have obviously a very wide range of people in your audience, but I know you have a lot of fans and followers, and people get a lot of magic, great stuff from you that are solopreneurs, and who might work from their home, and might want not to take on physical inventory. If they do, they want it to be completely fulfilled by a fulfillment house. I get that. It's fantastic. It's just that, for us, we decided that we had to have a warehouse. We're actually expanding warehouse, and getting another one right now. For our business we decided that we had to take on that overhead. It was an essential component of our customer experience. It was essential component of our competitive advantage. We decided that we had to develop this. It wasn't so much out of a desire of owning the process, but we've had to become warehouse and fulfillment experts. Thankfully not me. There's other better people on my team regarding this, just because it's kind of how our value proposition and our experience has panned out.

**Pat:** Yeah. I love that. I love how even though there's a lot of work involved, you still say this is passive, because you're putting a lot of work up front. You're working ahead of time, and getting months ahead of time, in terms of shipment, and in terms of the recurring revenue. That's the holy grail of passive income. What kinds of things are you doing to help, besides the product itself being great, and something that people have a habit of continually coming back to? What else are you doing to keep your customers happy?

**Sean:** Yeah. Great question. I have ... Pat, have you read [Who Do You Want Your Customers to Become?](#)

**Pat:** No, I haven't.

**Sean:** Oh. It's an awesome, awesome book. It's really, really powerful. It talks about that those companies that focus on a positive transformation of their customer, will be those who win in the end. I always think about that now. Who do we want our member to become? How can we assist them in an external, internal, and philosophical, positive transformation? If we're able to do that, we will win. We start out by focusing in a big, big, big way on educational and content marketing. We have a team of writers



and a marketing department that focus on employee engagement, productivity, and well being, because Howard Schultz, of Starbucks fame, said, "We sell coffee. That's not the business we're in. We're in the business of customer experience and customer service." That's kind of the same for us. We sell healthy snacks, but that's not the business we're in. We're in the business of employee engagement, employee productivity, employee well being, and helping businesses create awesome offices. Our parent company, we have HUMAN, but the SnackNation, actually kind of, silo, is actually Awesome Office Inc, because the reason people care about having healthy snacks is because they want their employees to feel like they're cared for. They want them to be productive. They want them to be happy. All of these things. They actually want to build an awesome office. That's what all office managers, that's what CEOs, that's what heads of HR want, they want to have an awesome office where people can thrive. All of our content, and all of our marketing is not just on healthy snacks. Yeah, there's a little bit, but it's more talking at this overarching level, of how do we help our customers increase engagement and build a better workspace where people are just happy, and productive, and awesome.

One third of our leads come from educational marketing. Two thirds from our inside sales team. Beyond the educational component ... We actually have our own podcast, The Awesome Office Show, which is doing really well. It focuses on creating culture, leading people, and inspiring awesome inside the workplace and at the office. That's a component of it. Beyond that, it's also partnering with other products. It's not just about snacks. We just partnered with Jawbone. We're doing a big promotion with them. Jawbone's a wearable technology to say, Hey guys, as a member of SnackNation you can also get up to forty-five percent off Jawbone wearable bracelets and wearable technology for your entire office, so you can have tracking competitions. You can launch this in January as part of your health kick." We partner with all sorts of people to add that into the experience and be something more than snacks, while obviously also making sure we never take our eye off the ball. Hey, at the end of the day, snacks is still our top priority.

We got a customer advocacy platform, where we have a lot of games, and engagement quizzes, and tools, and education that people can tap into. Then, it's just asking a lot of questions. It's constantly survey our members, in terms of how we can do better, and what else they'd like, in terms of putting gifts in boxes, and surprises and other things. Just always focusing on the customer experience.



**Pat:** Love that. That book, by the way, Who Do You Want Your Customers to Become. I just found it on Amazon. Well put it in the show notes. It's Michael Schrage is the author, I believe. It's currently, at least at the time that I'm reading this right now, it's only three dollars and three cents on Kindle. Sounds like it will be a good read.

**Sean:** No excuse. It'll take you, even if you're a slow reader, I'm pretty sure it'll take you like two hours to read. I don't even remember what it was, but it's a really short read, too.

**Pat:** Yeah. It says ninety-two pages, which is good. I love books that are just like boom, that's what you need to know, and that's it. That's great. What you said about focusing on really what the business is about. You just happen to be using snacks as a way to do that. It reminds me of Simon Sinek's TED talks about why. His example of using Apple, and you mentioned a couple of other ones, too. It's just right along the same lines. Again, I love the fact that there's a bigger goal here beyond just snacks. Could you talk a little bit about, to finish off, talk about HUMAN, and what the big goal is for that? I'm sure SnackNation is just one component of what HUMAN will eventually become.

**Sean:** Yeah. In terms of what we want to do, again, helping unite mankind in nutrition, one thing I didn't say, Pat, when you asked about the social mission, which is ... It must be a Tuesday, and I must have been traveling all weekend. Yeah. That's what happened. We donate ten meals through Feeding America for ever Snack Nation box sold. That's a big focus of ours, is to not only provide increased access to our members and employees across the country, but also to fight hunger. We're pretty pumped up about that. That's something that's really important to us. Then, from an overarching perspective, we have the ambitious goal of being the snack brand inside the office. I want to be the brand that the average employee thinks about when they think about healthy snacks in the office. We also want to be the brand that people think about when helping them, helping their company, create an awesome workplace. Think about the exact opposite of the Office Space, the movie office Space. Have you seen that, Pat?

**Pat:** Yeah.

**Sean:** Yeah. Well, think about the exact opposite of that culture. Seventy percent of employees are disengaged. A huge percent of those are actively disengaged. The estimates are like forty percent of people who are actively trying to cause harm to their business. People really suffer a lot in their jobs. That should not be the case. If that continues to occur,



it's going to mean massive negative macro concerns for us, as a nation, and especially our economy. Seventy percent of baby boomer led businesses that do over three million dollars in revenue have no ability to attract millennials, and have no transitional plans after they're gone. There's this huge divide right now, between the old school and the old cubicle farm offices, like the movie Office Space, and what the office should be. That's a place where people can have fun, and thrive, and where work and life are integrated, and it's all the same. We want to be the brand that people think about when it comes to snacks in the office, and when it comes to creating awesome offices. I know that's not as maybe specific as you wanted to be, but I just know if people have that belief, and we're the first one's they think of when those things come up in their mind, I'll know that then that we have been successful.

**Pat:** Awesome. I love it. I love everything you're doing, Sean. Thank you so much for sharing all this information and just all the inspiration, too. We've had other people, in the past, that you remind me of, like Adam Braun and Dale Partridge, who have like a bigger mission behind what they do, and that's what I'm striving for, too. Thank you for the inspiration. Sean, we wish you all the best. We cannot wait to hear more about SnackNation and HUMAN, in the future. If people want to learn more about what you have going on, what you're up to, I know you have a TEDX talk, too. If you want to talk about that really quick, that'd be great.

**Sean:** Yeah. I think we already created it. We've got a great team at SnackNation and HUMAN. We created a special page for SPI listeners, so I think it's [SnackNation.com/SPI](http://SnackNation.com/SPI). We're giving away a free, it's like a hundred page guide of the Ultimate Guide to Creating an Awesome Office. If you work at an office, especially if it's ten or more employees, check that out. You're going to get it for free. You can also get an awesome sample box from SnackNation, of delicious, healthy snacks that your team's going to love. You can find me on Twitter, even though I'm not fantastic, I'm building there, it's @SeanPK. Then, you can learn more about Awesome Office, what we do at Awesome Office Show is our podcast, or [AwesomeOffice.org](http://AwesomeOffice.org). I'd say, above all else, go to [SnackNation.com/SPI](http://SnackNation.com/SPI). You'll get an awesome guide and some healthy snacks, if that's up your alley.

**Pat:** Cool. Thanks so much. Sean, love it. We appreciate the free gift. Yeah. We'll look forward to hearing what everyone has to think about this. Thank you, once again.



**Sean:** Hey, honored man. You do such a great job, Pat, and have such a great network and listeners here. Really, really honored to come on and to share a bit. I appreciate it.

**Pat:** Thank you. We'll talk soon.

**Sean:** Bye.

**Pat:** All right. I hope you enjoyed that episode with Sean Kelly, from SnackNation.com. That link he mentioned there at the end, which provides you with a free snack sample box, plus the ultimate guide to creating an awesome office. You can check it out if you go to [SnackNation.com/SPI](http://SnackNation.com/SPI). That's it. [SnackNation.com/SPI](http://SnackNation.com/SPI). Go ahead and check that out. Very unique offer here on SPI. We don't normally get anything sort of deliverables like that. We usually get access to certain bonuses that are information, or downloadables that are electronic, but this is really cool. You can get a sample box and you're guide today. Again, [SnackNation.com/SPI](http://SnackNation.com/SPI). Also, the resources and the links that were mentioned in this episode are conveniently listed for you at [Smartpassiveincome.com/session204](http://Smartpassiveincome.com/session204). I want to thank you again for listening in.

I want to also want to thank today's sponsor of this episode, which is [99Designs.com](http://99Designs.com), an awesome, awesome service that allows you to get designs done for any design needs that you have. From a logo, to a t-shirt, to a sports team, not an actual sports team, but an actual logo, or the t-shirt design, whatever you need done. A website, a food truck wrap, whatever you need. You put in the specs of what you're looking for, and within a day you're going to have designs from around the world competing for you're favorite design. You get to pick the one you love, and the great thing about this is there is a quick turnaround, it's about seven days, and it's very affordable, too. If you don't have that one designer that you have that's working for you, and you cannot afford anybody like that to do design for you, then check out [99designs.com](http://99designs.com). All you have to do is go to [99designs.com/SPI](http://99designs.com/SPI), and you can get a power pack of services for free, that is worth ninety-nine dollars, that you can put towards your next design project. Again, that's [99designs.com/SPI](http://99designs.com/SPI). Go ahead and check that out.

Thanks so much for listening in today. I appreciate you. I also want to give a big shout out to every everybody who, since the last episode, has picked up my new book *Will it Fly?*, which you can check out at [willitflybook.com](http://willitflybook.com) I've had such an amazing response from publishing this book. It's been such an experience, and I also want to share the content





in there with you, if you haven't checked it out already. Again, check it out, [willitflybook.com](http://willitflybook.com). If you've already read it, and you have yet to leave your review on Amazon, please go ahead and do that. That helps out so much. Again, [willitflybook.com](http://willitflybook.com), audio book is coming soon, if it is not available already at that particular link.

Thank you for all the support. I really appreciate it, from the bottom of heart. I truly look forward to serving you in next week's episode. Until then, keep pushing forward. Keep moving that needle. Keep working on that next one thing that is on your list, and just do whatever it takes to make that happen. Don't let any distractions get in the way. You got this. Cheers. Take care. I'll see you in the next episode. Bye.

**Announcer:** Thanks for listening to The Smart Passive Income Podcast at [www.smartpassiveincome.com](http://www.smartpassiveincome.com).

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