Dancing Deer story

As part of The Silverman Business Plan Competition event, held at the SOM in January 2006, keynote speaker Trish Karter, founder and CEO of Dancing Deer Baking Company, shared her thoughts about making it in the business world and spoke about the way she has been able to combine her artistic, environmental, community, and business interests to form a multi-million-dollar company.

Karter’s first foray into the world of business was to assist her father with a Chapter 11 reorganization in a recycling venture. Her avocation as a painter, landscape artist, and activist for the environment has greatly influenced the way she runs her business. Dancing Deer Baking Company is noted for its leadership in the natural foods movement and strives to attain green manufacturing and packaging to the fullest extent possible. The company partners with the Paul and Phyllis Fireman Foundation in a philanthropic venture called the Sweet Home Project. As such, Dancing Deer donates 35 percent of the retail price from the Sweet Home product line to direct action programs to end family homelessness.

Dancing Deer Baking Company: A Recipe for Success

For Trish Karter, founder and CEO of Dancing Deer Baking Company, the recipe for success is really quite simple: you know what you believe in, and you put it through some filters to see if it meets your moral and ethical standards.

Simple, maybe, but easy? Not quite. True, Karter certainly had the right ingredients from the start: an entrepreneurial, risk-taking father who was the inventor of the recycling effort as we know it today. “He was my hero. He dedicated his life to doing something good for the world.”

A bit of a risk taker herself, at 16, Karter convinced her parents to let her forgo the final year of high school so that she could “get on with her life,” and in 1973, she enrolled at Wheaton College as an art major. However, one semester shy of graduation, Karter left to help her father, who at the time was struggling to keep his recycling business out of Chapter 11.

During her remarks as keynote speaker at the Silverman Competition, Karter talked about how she and her dad would drive five miles out of their way just to avoid a toll road and save a dime. All this while working too many late nights and long hours en route to the company’s manufacturing/recycling plant in the suburbs of Connecticut.

“My dad did not have an instinct for making money, but he did succeed. His ideas and the technology were so powerful that they overcame his lack of business skills. His experience is the underpinning of how I conduct my business today.”

Through her experience with her father’s company, Karter said what she learned is that, at the end of the day, it doesn’t matter if you have a wonderful idea if you can’t run a business. “We were always short of cash, which seemed like really bad planning to me. Eventually, I went to business school to find out exactly where the money comes from.” Karter received her MBA from Yale University, and an undergraduate degree from Wheaton College.

The Search for Something More: Pursuing Passion
After a lucrative career developing business plans for corporate America, Karter realized she just was not happy. Admittedly, she had a great business and plenty of opportunity for career growth, but she said it didn’t add up to enough. “What I realized is you can write all the plans in the world, but it’s not worth it if there isn’t a passionate idea behind them. I do best with what’s closest to my heart.”

At the time, Karter found herself asking: What is it that I really care about? She said she needed to reconnect with her passion. When pondering what that might be, Karter’s thoughts kept returning to her childhood hobby of painting and drawing. So, she enrolled in a life drawing class and “all of a sudden, bells rang and lights flashed. I realized it was art.”

For the next five years Karter pursued her passion: She painted. She drew. She spent long hours in her art studio. Yet, at the end of the five years, Karter knew she needed to return to the business world, albeit in something more creative than her previous role. So, with $20K of her own money, Karter and her then-husband invested in a local bakery.

**Returning to the Business World and a New Venture**

Karter recalled that those were the days when the gourmet coffee trend was exploding, but, there was a lack of gourmet goodies to go with all that great tasting coffee.

Enter Dancing Deer Baking Company, which took off when they began selling their products to Bread and Circus, the organic food market in the local area. Karter’s plan was to stay with the bakery for three or four months and build the business, then return to her art studio. Ten years later she’s still there. Sans baker. Sans husband. But with a very successful, environmentally-conscious business to her credit.

“Although I’m not painting full-time anymore, I do have an enormously creative business and get to touch things that are very visual every day. There’s a lot of expression in what I do.”

Five years ago, Karter bought out her partners and last year restructured the company by bringing in an institutional investor and executing a more formal business plan. The company grew from $5.8 million in fiscal year 05 to a forecasted $8.2 million in FY06. The three-to-five-year plan is to be between $20 to $50 million in sales.

**Combining Profit with Passion: the Birth of a Principled Company**

Recently, Karter said she’s had several opportunities to sell the company. Karter explained that the specialty food world is largely about creating a brand, building it up in the marketplace until it reaches a critical mass, and then selling it to a private equity group or consumer products company.

“We have a very respected brand; our impression in the marketplace is much bigger than what we are. Our reality is actually quite small.”

Karter said along the way she’s learned that it’s not difficult to make a great cookie, but it is difficult to put a great cookie into great packaging and provide excellent customer service in a well-run organization 52 weeks of the year. “I give myself an A-plus on brand building and product personality, but a D-minus on scaling the company to something that will really have clout in the marketplace. It’s not easy, but it is doable.”
The questions Karter kept asking herself were: Did she want to sell, or did she want to hang in and go for the brass ring? Karter was comfortable with her role as 51-percent owner of Dancing Deer Baking Company and kept gravitating toward the idea of building the company instead of selling it.

What was also tugging at her was the idea of Dancing Deer as a principled company: a company that has tried to do its best for its employees, customers, and vendors. A company with an ethical filter, a sense of commitment to a high quality product, and a responsibility to its community and the environment. Karter reasoned it would be more difficult to ignore a $50-100-million-dollar company that started with a set of principals and really hung on to them.

“People say they love our philosophy as well as our cookies. I think it’s great if we’re able to accomplish something more than having a great cake or tart. People think Dancing Deer is special because of our business practices, our philanthropy, and our high-road efforts. They like that we stand for something more.”

But Karter said when you break it all down, “we really don’t do that much. Sure we live by the Golden Rule, but who wouldn’t? We make logical choices. That’s all. I don’t understand what’s so special about what we do. From my point of view, all companies should be that way.” Karter lamented the sad state of affairs that most companies are not “that way” and hopes over time more people will pay attention to the kinds of things that Dancing Deer Baking Company does innately.

**A Lesson in Ethics and a Delicate Balance**

Back in the early days, someone was paying attention. That someone was Williams Sonoma, the uber kitchen store and today, parent company of Pottery Barn, Hold Everything, and West Elm. Karter recounted how she and her partner received a call from one of the Williams Sonoma buyers who said the premier specialty retailer was interested in buying Dancing Deer’s molasses clove cookies. Lots of them. The only problem was, the cookie needed a minimum shelf life of six months.

With that one deal, Dancing Deer could have doubled their sales overnight. But at what cost? The average shelf life of a Dancing Deer product was five days, not six months. The Williams Sonoma buyer needed a six-month shelf life to put the cookies in stores nationally. Karter’s comeback? “But we don’t do preservatives. We don’t do stuff. If we did, it wouldn’t be our molasses clove cookie anymore. Our products aren’t meant to last that long. If they were, they wouldn’t be our products.”

So, she walked away from the deal. However, a few days later Williams Sonoma was back looking for a way to make it work. “How about a gingerbread mix?,” they asked. Sounds good, said Karter, who had never sold a mix in her life. And with a four-day deadline looming, her then-partner came up with a recipe worthy of Dancing Deer. The magic ingredients this time? Chinese five spice.

“Within four days we had created, priced, and packaged a new product that was worthy of the Dancing Deer name. Williams Sonoma bought it on the spot.” Karter said it was the beginning of a terrific relationship that is still thriving today. What would have happened had they gone the six-month shelf life route for the molasses cookie? Said Karter, “We would have been a completely different company.”
**Decision Making in the Real World: Learning to Make the Right Choices**

Someone asked her recently: is it difficult to make those kinds of decisions? In actuality, Karter said when it comes to something that’s moral or ethical and reflects on the quality of your product, it’s easy. She added, it’s the rest that’s difficult, and said it was her ability to hang on to her own ethical and moral filters that got her through the tough times. And tough times there were.

In 2000, her partners had left and the company was in “complete disarray.” But, every day Karter “put my two feet on the ground and went to work. Thank God I had the sense to hold on to those filters.”

What else helped in the decision-making process? Karter said asking herself every day: What was the right thing to do for her employees, and for her shareholders, She explained, “In the long run there’s no other formula that works.” Determining what was right for her children was the other filter that impacted all of her decisions. “They made things very simple that otherwise would have been really difficult. Thank God I had the sense to hold on to those filters.”

**Taking the High Road**

When speaking about her work style, Karter said as a marathon runner she has a lot of stamina and is built for the long run, but added that everyone’s work style is different. Asked about what motivated her along the way, Karter mentioned heroes as opposed to mentors, and said she gets a lot of strength from her kids.

Karter talked about the pros and cons of having a partner in business. As a collaborative thinker, she said she “feeds off of other people’s ideas and energy.” But added that you need to know your partner at a fundamental level and share the same values. “The downside is it doesn’t always work.” Another piece of the puzzle is employee equity. Dancing Deer Baking Company is a relatively flat organization with a collaborative culture. All of the employees have some equity stake in the company.

Summing up her philosophy about business, and indeed, life, Karter said there were times when it was tempting to take the lower road. “But I didn’t. I’m so grateful that I made it through that process and was able to take the high road.” Her advice to other entrepreneurs? “Hang on to your value system. It will always guide you through and you’ll be better for it.”

Above all, to what does she attribute her success? Karter said she knows the things that feed her soul. “I know what they are and I generally get them. I build them into my life. That’s why I’m doing what I’m doing. Most of what I really need, I get.”

In introducing keynote speaker Trish Karter at the Silverman Competition Awards event, Dean Deborah Merrill-Sands explained how Karter personified Merrill-Sands' definition of a principled leader.

“Trish Karter is an exemplar of a principled leader. What does that mean? An exemplar leader does everything good leaders do to mobilize their people in their organization; everything necessary to build successful, thriving, enduring, inclusive organizations that achieve great results. But, they also do something more.”
Merrill-Sands added that there are three other things these leaders do explicitly:

- They moderate and align every decision, big or small, against a set of core values and ethics, and they view integrity as an explicit criteria for success in leadership.
- While they strive to meet and shape shareholder expectations, they also hold themselves accountable to a broader set of stakeholders
- They think rigorously about the impact of their leadership and business decisions on the long-term sustainability of our environment and of society

Merrill-Sands added, “Trish Karter is a perfect example of what a leader can do to build a very successful business, while at the same time aligning objectives of profitability with other objectives of integrity, ethical decision making, and social responsibility.”

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