

Published January 18, 2005



NETWORK

Roger Barnett Brings Vision, Experience, and Ambition to Shaklee

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Roger Barnett's resume sounds like someone's dream, such is the wealth of opportunity and experience that it shows.

"When I grew up in New York, I spent my senior year at Memorial Sloan-Kettering trying to work on leukemia research, then I went off to do animal behavior research in Kenya, then I went to Yale, then I studied wheat genetics in Israel, then I went to Yale Law School," he begins. "In between I worked as a lawyer in Paris and Hong Kong and then I went to Harvard Business School. I worked as an invest-

ment banker in London, and then I graduated and went to work for an investment banking firm in New York City, working on international transactions."

That remarkable personal history isn't on his mind these days, however, as his matter-of-fact retelling indicates.

His focus now is exclusively on Shaklee, the company that Activated Holdings—his family’s holding company—purchased along with Ripplewood Holdings last May for \$310 million.

“I am incredibly excited about Shaklee,” he says. “I think that Shaklee, from an investment standpoint, is the single greatest opportunity that I have ever seen.” He points to five different ideas to support that conclusion.

“Number one, the health and wellness industry is projected to quadruple over the next six years, to \$1 trillion. Number two, Shaklee is the pioneer of natural nutrition with a 49-year history. Three, we’ve invested \$250 million in making sure that we have the best natural products in this industry, and four, that gives us the inside pole position in the growth that will happen. Five, our plan is to take advantage of this on a global basis. We are now a \$500 million company in five countries and we intend to go into 50 countries over the next ten years, which should allow us to achieve a \$5 billion market.”

It’s an ambitious plan but one that also reflects Barnett’s experience. While working as an investment banker, he identified Arcade Inc., best known now for inventing the technology that allows advertisers to include scent samples on product packaging and advertisements, as an investment opportunity. The Barnett family acquired control of the company, installing Roger as president and CEO, and over the course of six years *Arcade* became the largest sampling company in the world as he expanded the company internationally.

Barnett was also the founder, chairman, and CEO of *Beauty.com*, an opportunity which gave him first-hand exposure to the cosmetics and personal care industry. Not coincidentally, that’s an area where Shaklee offers a number of products as well.

In fact, there are aspects of everything he’s done so far that are reflected in Shaklee and Barnett sees his opportunity there as the culmination of all his prior experience.

“All of my interests have come together at Shaklee. (I’m interested in) understanding how to improve the lives of other people, and Shaklee is the #1 natural nutrition company in the United States. Most importantly, we use these products not only to help people’s health but to offer people a better life through our distribution channel where we offer independent distributors, of which we have over 700,000 around the world, an opportunity to earn income while sharing the gift of health with people.”

“So for me, my scientific background and international background and my desire to act philanthropically all come together in this one business, Shaklee.”



He also believes that the timing is right for the company’s rapid growth. He points to the company’s founder, Dr. Forrest C. Shaklee, as a visionary not only in terms of his philosophy of providing natural, environmentally-friendly products and their ability to promote their users’ well being but also as an innovator in business, where he eschewed the traditional structure of manufacturer-wholesaler-retailer to create a network of distributors who could sell Shaklee products from their homes.

“Dr. Shaklee was an incredible visionary because not only is the product positioning and philosophy, which is exactly what he set up 50 years ago, so on target today, it’s even more relevant today than it was then. The form of having a distributed model of distribution was so far advanced and ahead of it’s time, it’s mind-blowing. He was just incredible. And we’re reaping the benefits of it. For 50 years, the company has just pursued perfection in those areas and now the market has caught up to it in a way which is almost unprecedented.”

Barnett is sincere in his desire to help others. His mother spent her entire career in public interest law and his great uncle, who started what became a \$9 billion company by selling clocks door-to-door, gave substantial amounts of money away to charity. To Barnett, part of Shaklee’s appeal is that it provides an answer to the quandary of working to make money or to benefit the public.

“I always thought that you had to choose, but Shaklee is unique and appealing to me because you can do both at the same time,” he says. “The only way in which our distributors earn a financial return is if they help other people live a better life. Making the money is dependent upon helping other people and that was a critical component to it for me. It offered an opportunity to do both at the same time, which I think is so unique and so compelling.”

The company reflects Barnett’s personal philosophy in other ways as well. The willingness to look at the world and make sense of it in one’s own way, as demonstrated by Dr. Shaklee, is a trait he has as well.

“I try to learn every day from every experience that I have,” he says. “I learned things today that are equally important to what I do as I have over the last 25 years of my business career. It’s just a constant learning experience.”

“I think that if you’re an aware individual and you’re open to learn, there are people all over the world that you can learn from at all levels. That’s what I try to do – that’s my philosophy. I always try to improve myself and to learn new skills and to learn from each mistake that I make. Mistakes are an opportunity to learn and success in business is a way of dealing with all the challenges which arise on your way to taking advantages of the opportunities.”



“If you develop that kind of philosophy, you can deal with the issues and the obstacles and the problems which are an inevitable part of every business. But for every problem there’s an opportunity if you can solve it.”

Right now, those problems and their associated opportunities have everything to do with Shaklee. He’s confident that the ingredients are there for success, both in terms of the company’s products and its distributors.

“At Shaklee, we have so much opportunity ahead of us—it’s just exciting to be in a position to try to help take advantage of it, in partnership with our incredible distributors.

Shaklee currently operates in 5 countries around the world. Roger Barnett’s goal is to grow from from 5 to 50 countries in the next 10 years. Shaklee will grow from \$500 million to more than \$5 billion in sales, become the #1 company in the world in our industry and pay more than \$2.5 billion a year in bonuses to people just like you. To learn more about how the explosive growth and momentum phase we are entering now can benefit you and your family, please contact the person who gave you this interview.