

Beverage Kings



It took a major surfing accident for Danny Stepper and Dino Sarti to experience their “wow” moment. Today, they’re reinventing a major beverage category – with their new partner, Coca-Cola.

The Aloe Gloe braintrust: Dino Sarti (left), Patrick Bolden (middle) and Danny Stepper (right).

The waves were epic on this glorious Southern California morning as Danny Stepper grabbed his surf board, raced out the front door of his Manhattan Beach flat and leaped into the sparkling blue Pacific Ocean.

This was the day that changed Stepper's life forever, not to mention his business partner, Dino Sarti.

As Stepper rode a huge wave, his board flipped and cracked his forehead from his eyebrows to his hairline. He was rushed to the hospital. As he was about to be stitched up, he remembered once being told, "Don't ever let an emergency room doctor stitch you up. They rush and they are sloppy."

"I'm not that good looking to begin with," Stepper says with a laugh, "but I certainly didn't want a four-inch scar on my forehead for the rest of my life."



Luckily for Stepper, a cosmetic surgeon was on call at the hospital. He stitched up Stepper, prescribed a topical gel then told him to drink Aloe Vera, which promotes healthy skin.

"Aloe Vera?" Stepper said to himself. His eyes lit up. "That's it," he screamed.

He immediately called Sarti and said, "Dude, I found it – what we've been searching for is Aloe Vera."

Stepper and Sarti are beverage entrepreneurs who spent 10 years at Coca-Cola. Their dream was to create their own beverage. "As consult-



ants, we were helping other people in the industry achieve their dream, yet we wanted to be entrepreneurs – we wanted our own brand," Sarti says. "We just needed that one spark that entrepreneurs always talk about."

Aloe Vera was that spark.

After years of incubation, research and development, Sarti and Stepper created the healthiest Aloe Vera-based drink on the market. They named it Aloe Gloe. How good is it? Well, the highest-ranking executives at Coca-Cola were so impressed that it invested in the company and the product is now being carried by more than 20,000 stores.

"Our lives haven't been the same since," Sarti says. "When me and Danny were stocking Coke at supermarkets, we were only focused on our product and our competitors. It's like we had blinders on. It's like this: you think you've never seen a Volkswagen Passat and then when you see it, you realize it's everywhere. That's how it was for us with Aloe Vera."

With stitches holding his forehead together, Stepper and his business partner began the creation of their new hit beverage. "We quickly realized that everyone was doing it all wrong," Sarti says. "First, it was being imported from Asia and it was loaded with 20, 30 and 40 grams of sugar. We felt, 'Hey, we can really disrupt this space.'"

Which is exactly what they did.

And the timing was perfect. There were a dozen players in the space, yet a particular brand didn't stick out.

Until now.

"Being raised in the beverage space, we knew that if we came up with something different, innovative and healthy, we could throw our

“When we told Coke we were flying in to sign the contract, a corporate officer said, ‘Why would you do that? We can just scan the document and email it.’ I said, ‘No way. This is a once-in-a-lifetime moment. We’re flying in, we’re staying at the Four Seasons and we’re going to roll into Coke like ballers.” — Dino Sarti, Co-Founder, Aloe Gloe

weight around and be successful,” Stepper says. “That put us on this journey to make a healthy Aloe Vera-based product.”

Aloe Vera is, of course, a very healthy, natural, plant-based product. Yet Asian manufacturers were killing it with sugar. “I liken it to steamed spinach versus creamed spinach,” Sarti says. “When you go from steamed to creamed spinach, it stops becoming healthy for you. That’s what the manufacturers were doing – creaming Aloe Vera with sugar and calories until it didn’t resemble anything in its purest natural form. We knew we had to com-



pletely disrupt this category.”

From the beginning, Sarti and Stepper decided they wanted their product to be manufactured locally in Southern California, be 100% certified organic and have no more than 50 calories. The bottles, packaging, labels and caps are all made in Corona, Calif. Unfortunately, there aren’t any commercial Aloe Vera operations in the U.S. so the boys had to go to Mexico, where the finest Aloe Vera is grown and is supplied to 50 percent of the world. Sarti and Stepper found an ideal Aloe Vera farm in Tamaulipas, Mexico that “we can trust and rely on.”

The next step was formulating the drink – a very difficult task. Formulators specialize in a variety of areas – carbohydrates, savory, sweetness – yet no one could formulate the

drink like Sarti wanted ... until he met Susan Mendelson, a Mrs. Clause lookalike with gray hair wrapped in a bun and eyeglasses sitting on the tip of her nose. It took countless hours but she finally emerged from her laboratory with the precise flavor and taste that Sarti and Stepper wanted.

“It was ‘Game On,’” Sarti says.



The company manufactures four flavors -- Crisp Aloe, Lemonade, White Grape and Coconut. They sold three million bottles last year. Now with the investment from Coca-Cola, Aloe Gloe is ramping up for an unforgettable ride.

“The deal with Coke gives us access to the greatest distribution system in the world,” Sarti says. “They are a 129-year-old company with 450 warehouses, 70,000 employees and a couple hundred thousand trucks. Now that we’re plugged into that, it allows us to reach every consumer in North America.”

The day Coke agreed to invest in Aloe Gloe, “the world was spinning off its axis,” Sarti says with a laugh.

Coke’s executives were content to ink the agreement by email. Not Sarti and Stepper. They wanted to fly to Coke’s Atlanta headquarters to sign off in person and experience the elation of their long, hard, back-breaking journey.

“We chased Coke down for years,” Sarti says. “We pushed the envelope, relying on all the



relationships we built over the 10 years working there.”

For Coca-Cola, the deal was miniscule. For Sarti and Stepper, it meant the world.

“When we told Coke we were flying in to sign, a corporate officer said, ‘Why would you do that? We can just scan the document and email it.’ I said, ‘No way. This is a once-in-a-lifetime moment. We’re flying in man,’” Sarti says with a laugh.

Stepper and Sarti really didn’t have the kind of funds to blow on the flight and a \$500 a night hotel. “We self-funded the company with family and friends and by taking crazy risks and by scrimping and saving and by doing what entrepreneurs do,” Sarti says. “Yet when it came to this, we were flying in, we’re staying at the Four Seasons and we’re going to roll into Coke like ballers.”

When they arrived at Coke’s headquarters the next morning, Sarti asked a corporate officer enthusiastically, “So where is the signing ceremony going to be?” He gave Sarti a crooked-eye look and said, “Pardon?”



“I envisioned us signing on the deck of the USS Missouri like at the end of World War II,”



Sarti says with a laugh.

That’s not exactly the way it went down. They were led into a small conference room. Lawyers were on a conference line fixing commas and dates in the contact. Finally, when the papers were ready to be signed, a corporate executive pulled a pen from his pocket and handed it to Sarti.

Sarti looked at the pen as if it was dipped in mud. He then pulled out a new \$1,000 Montblanc Fountain pen from his briefcase, stunning everyone in the room. “I bought this specifically for this,” he told everyone. “This is too special to sign with a regular pocket pen.”

With the signing was complete, the party began ... with just two people: Stepper and Sarti.

“We had a steak and a beer and crashed by 10 o’clock,” Stepper says with a laugh. “It was so anti-climactic.”

Says Sarti: “We were drained. There wasn’t the ridiculous sense of elation that I anticipated, but the stress and weight that rolled off my shoulders and back was enormous. I slept for 12 hours.” — *By Rick Weinberg*

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