

2020 CRN President's Address

Steve Mister, CRN President & CEO

October 14, 2020

Good afternoon!

This is certainly not the way I had expected to deliver my annual remarks, but nonetheless, I want to extend a very hearty welcome to so many of you who have joined us for this virtual conference—**Now, New, Next**. We really have tried to reimagine this event especially for this new digital platform, and we hope you are taking full advantage of the next two days to reflect, to reenergize, and to reconnect.

This year marks the end of our current three-year strategic plan and signals the start of our next one beginning in 2021. As I think back to 2017, when we were developing our list of external threats and opportunities for this industry, I am certain that none of our board members was anticipating a global pandemic in the final year. And yet, as our chairman, David Campbell, pointed out a few minutes ago, CRN pivoted, with agility and resilience, to confront the new environment. We not only accomplished most of our ambitious agenda, but we have been able to supplement that with additional programming to respond to the COVID-19 pandemic and the impacts it has had on our businesses, our supply chains, and our products.

David has already articulated many of CRN's successes under his leadership, so I won't reiterate them again, but rather, I'd like to spend a few minutes thinking about what comes next. But before that, I do want to extend a very grateful thank you to Dave Campbell for his direction and enthusiasm as CRN's Chairman for the past two years. David's term will end in December, and we will miss his guidance, his support, and focus—and even his uncanny ability to keep our Board meetings running on schedule. So I want to extend my gratitude, and the gratitude of the staff and the Board for David's leadership.

Now, how do we prepare for the future with the same resilience and agility with which we responded to the events of the past year?

This month marks 28 years that I've been employed by a trade association. And to borrow a line from a certain insurance commercial: When it comes to the business of associations, I know a thing or two because I've seen a thing or two.

I was particularly struck by an article that appeared in Forbes in February of this year titled *"Ways Your Trade Association Is Pushing Your Company To Extinction."* What a provocative title, and I will return to some of those perspectives in a few moments, but suffice it to say that the thesis of the article was that many trade associations are actually doing a disservice to their industries by focusing on preserving status quo rather than planning for the future.

Not so at CRN. Earlier this fall our Executive Committee held a virtual planning retreat where we asked ourselves some difficult questions about how we were preparing for the future. What makes CRN a strong association and how can we improve it? I think it begins with some core values that inspire everything we do.

What do we collectively place high value on to guide our actions?

First, the Executive Committee identified our value on **Influential and proactive leadership**. CRN leads. It's who we are. Whether it's promoting mandatory product listing or adoption of Master Files for New Dietary Ingredients, CRN is not afraid to chart the pathway forward. When I think about some of the work we are doing to combat the uptick in class action litigation with our numerous amicus briefs; or the steady perseverance of our science team to successfully influence the Dietary Guidelines, CRN leads.

Second, we highly value **Science-based decision making**. Whether it's our position on the labeling and regulation of probiotics or CRN's steadfast opposition to age restrictions on certain dietary supplements or our views on the safety of CBD--science drives our choices and our actions. Our critics and our allies alike know that when CRN takes a stand, it is backed by data and reasonable judgement based on facts. No fake news here. You might disagree with CRN, but you know our position is the result of thoughtful, respectful deliberations examining the facts and the research.

Third, we value **Integrity and accountability**. And before you suggest I'm trying to slip in two values under one heading, when you think about it, integrity and accountability are two sides of the same coin. We prize integrity because that is the voice that drives us to do what is right even when no one is looking. And we value accountability because it is the comfort of not just permitting, but actually welcoming others to evaluate your actions. It's knowing already what they will find and being proud of those results because they were driven by integrity in the first place. So whether we are promoting the Supplement OWL, our voluntary programs or CRN's own finances and governance, we are transparent.

And fourth, we relish in our shared **Passion for wellness**. This is why we do what we do. It's why we position ourselves as a healthcare association, not as a manufacturing association, a food or consumer goods association, or even a natural industry association. Where our products come from is important, but less important than what they do to promote a healthier world. CRN is first and foremost about promoting better health and wellness for the three-quarters of Americans who use our products—and reaching and improving the health of the other quarter that doesn't – at least, not yet. With that decision comes expectations from our consumers that their safety and health are first and foremost in everything we do.

So with those four core values to guide our direction, CRN has set a course to serve our members by understanding your challenges and developing programs that make them more manageable.

We understand your supply chain challenges.

We understand the obstacles in your pathway to market.

We understand what motivates and frustrates your consumers.

Can any other trade association say that?

Our programming, that ranges from working to harmonize auditing standards and streamline certificates of free sale, to our annual consumer survey and our upcoming retailer education program around probiotics, all help make your businesses run a little smoother and provide a more hospitable climate for your products.

You know, being in association with your colleagues and competitors carries with it both privileges and responsibilities. It's worth asking what you should expect from your association. Here are a few thoughts:

1. Your association should practice transparency and accountability.

At CRN, we never forget: It's your dues, your resources. As members of an association, it's your reputations that are on the line. You should expect to know how we are spending your funds, where we are investing your resources to improve the industry, and that we are in full compliance with accounting standards, lobbying requirements and good business practices. You should be confident that we are good stewards of your money and your trust.

2. Your association should be focused on consensus building.

CRN represents the interests of all our members. That may mean that one member doesn't always get its way, but at the end of the day, each of you should feel this industry is in a stronger place because of your having been part of the conversation and for the solidarity of working in unison. We represent companies of all sizes, all markets: natural channel, direct sellers, chain/drug/mass, practitioners, omni-channel retailers and more. And we have programming that provides insights into all these avenues to market.

That's our strength, but it's also our challenge. It's not always easy to drive agreement among such a diverse membership. But it is critical to building the credibility and political clout of the industry that we develop unified positions. Consensus building doesn't mean everyone agrees with every decision. It means everyone has a chance to participate in the decision making process and gets a chance to express their views. At the end of the day, it's the difference between a "no" vote on a policy that you can nevertheless live with, and a "Hell, no!" on a policy that make wreck the industry for the benefit of a few. Can you live with the decision, and will the association take steps to help you adjust to the changing climate even if you were in the minority perspective? At CRN, we carefully take stock of these decisions and work with you to understand the difference.

3. Your association should have expertise in this industry—in dietary supplements and functional food.

CRN has a staff of 19. We are nineteen professionals— scientists, toxicologists, attorneys, a naturopath, communication professionals, lobbyists, and industry veterans, who get up every

morning—with the singular focus of making the world better for our members, the dietary supplement and functional food industry. This gives me an opportunity to publicly thank and applaud the CRN staff for your amazing work ethic and tireless performance, this year especially. You pivoted to remote working and it was seamless. Throughout the pandemic, you have worked even harder to serve our members.

4. Fourth, your association should produce results for a stronger industry.

Expertise with no ability to convert that wisdom into action, doesn't serve members very well. Remember that Forbes article I mentioned earlier? The author of that piece writes that "... too many trade associations, ... have behaved more like exclusive country clubs that exist just to lobby, fight change and preserve their members' interests at all costs. This puts them and their member companies in danger on three fronts: becoming irrelevant, raising the ire of regulators, and jeopardizing future sales by ignoring changing consumer preferences and societal concerns."

So at CRN we focus on delivering results. Look at some of the ways we have delivered: From our Labelwise campaign, to numerous scientific presentations. We are building strong relationships with regulators too -- and not just with FDA and with Congress, but internationally as well. Through our work with CRN-International and our involvement with IADSA, we have made the CRN brand respected by regulators around the world. Just this fall we have bipartisan legislation on CBD gaining support and attracting sponsors on both sides of the political aisle. And our COVID response with a full weekly webinar series earlier this year delivered what you wanted when you needed it. Results!

5. And lastly, your association should embody purpose-driven leadership.

That same Forbes article continues, opining that many associations "fail to marshal their considerable energies and influence to solve the social problems that are shifting the paradigm.... focusing only on self-interest no longer works. "

By contrast, "Purpose-driven trade associations resist the urge to "dig in and fight." Instead, they help their members grow by attacking the social problems affecting their industry and aligning their products to meet the demands of tomorrow's health-conscious and socially aware consumers. When they lead like this, everyone wins."

I tell our staff to think of the trade association as the mule that's pulling the cart. We need to be out front, but not so far out front that the people on the cart can slice the reins and let you go over the cliff without them. But that reminds us to be at the forefront and challenging you to stay focused on the future of this industry and the possibilities it holds.

So how does all of this translate to the next three years. CRN's executive committee is developing a new strategic proposal to carry us forward. This plan will be presented to our Board of Directors in December for review and refinement. That plan will incorporate our core values, and our views on what a model trade association should strive for. And in the middle of that term, in 2023, we will celebrate CRN's 50th anniversary.

As part of our strategic planning, we asked our Executive Committee to envision what they would like to world to become. Their response was that CRN envisions a world in which nutritional products are universally trusted, accessible and accepted as essential for a healthy world. That's the kind of associations I want to work for, and hopefully the kind of association you want to continue to align with.

We will emphasize:

1. The Credibility of this industry as a driver of proactive self-care, nutrition and wellness. That means self-regulation where possible, and reasonable, balanced regulation by government where necessary, along with credible enforcement from both.
2. The Sustainability of our planet and its natural resources, of communities and this industry's ability to deliver effective health solutions. And...
3. The Accessibility to our products, both by opposing restrictions and requirements that drive up costs or limit availability, and by finding ways to expand our markets, and promote the availability of our products to underserved and underrepresented populations.

It's an ambitious agenda, but one that I'm confident we can achieve. CRN looks forward to serving you for a long time to come. Thank you very much for listening.