



How Emma Cohen Prospered After Turning Down 2 “Sharks” on Shark Tank and Raising \$1.8 Million on Kickstarter

Chris Larkins:

And I'm going to kick that off here, by interviewing one of my personal clients, Emma Cohen, who is the co-founder and CEO of Final Straw, or Final Co, actually Final Company, the inventor of the Final Straw. And she's going to tell us about her experience on Shark Tank. She appeared on Shark Tank on the season premiere in fact, of season 10. By way of introduction, Emma has a master's degree from Harvard, and worked at Los Alamos National Laboratory. So needless to say, I am not going to challenge her to a game of jeopardy today, and I recommend that you guys do not either. Emma, why don't you come up on stage

Emma Cohen:

That music makes me nervous.

Chris Larkins:

Does it now?

Emma Cohen:

Yes.

Chris Larkins:

So, Emma, I touched a little bit upon your background, but why don't you tell our community here a little bit more about you? Is this your first company that you started?

Emma Cohen:

Yeah. So this is the first company, while the first real company. I had a lot of weird hustles before this, but yeah, the Final Co, first company, and we started almost exactly a year ago, through a Kickstarter and didn't really know what was going to happen, and then it went bonanza. Good timing.

Chris Larkins: So what does bonanza mean? So I'm familiar with your story obviously and your journey, share with the audience, here, how you did on that Kickstarter.

Emma Cohen: So, April 17th, 2018, I was a ski bum living in Whistler. April 18th, we launched the Kickstarter and overnight just, it went insane. And in 48 hours, raised \$200,000 and ended out the month in 2 million. Yeah.

Chris Larkins: \$20 million in the first.

Emma Cohen: So 40,000 backers.

Chris Larkins: Did you have prototypes?

Emma Cohen: Yeah, so we had a very rudimentary prototype. Basically, kind of handmade. We were using medical tubing for the tube that holds the straw together, making them all by hand, and were able to put enough shiny lights on the prototype to make it look legit.

Chris Larkins: So I'm wondering what, so you're a first time entrepreneur, what went through your mind when you saw the Kickstarter hit \$1 million?

Emma Cohen: You know, honestly the 1 million wasn't really the emotional experience. It was the 200,000. I didn't eat, sleep or really talk well for three days, when the Kickstarter first launched, it was a total adrenaline response. I was shaking. I FaceTimed my one girlfriend and she was like, "What have you been smoking? You look horrible." And I was like, "I don't know." So it was so incredible to see that kind of reaction to something that I've been so incredibly passionate about, for years. I've been working in waste reduction, and specifically around single use plastic. So, I think I really underestimated the community that's rallying behind these kind of companies and that was the most exciting part of it for me.

Chris Larkins: Fantastic. So you had a two month old company, so you said, "Of course, let's just go on Shark Tank."

Emma Cohen: Yeah. So that was a funny story. We are one week into the Kickstarter, and I mean it was so hectic. There was two of us who launched the Kickstarter, and you know, are just getting inundated by thousands of emails. And one of those emails was from Shark Tank. And so they reach out to us, and they said, you know, your product looks very cool, we would like you to apply.

Emma Cohen: So you still have to go through all of the hoops to go onto the show, but we are kind of a shoe in. And so about six weeks into the transformation of ski bum eating Ramen, to like running an actual company, we went on Shark Tank. And this is still with a prototype design, we didn't even have the finalized design. And we hand out the straws, and Lori gets hers and she's like, "Mine's sticky." And I'm like, "Oh God, that's cause we were spray painting it at midnight last night."

Chris Larkins: Well let's take a look at your iconic entrance onto the stage on Shark Tank. And by the way, this was the season premiere, so no pressure.

Shark Tank Host: Next into the tank, is a solution to a growing environmental problem.

Emma Cohen: Hi Sharks. My name's Emma.

Miles: And my name's Miles. We're offering 5% of our company, Final Straw for \$625,000.

Emma Cohen: Ooh!

Emma Cohen: Sharks, maybe you've noticed, that our oceans are filling up with plastic trash. Much of that trash is made of a seemingly harmless item. The plastic straw. Straws may not seem like a big deal to you, but they're one of the top items littering our beaches. And some of the more sensitive ocean creatures are pissed. Shark Tank! Sharks, oh, please. You think sharks are scary? I'm more freaked out by the 500 million straws we use every day in the U.S.

Emma Cohen: Yeah, it's a big number to get your head around. Here's what it looks like. Every second. Sharks, this is 5,700 straws. How many straws we use every second, in the U.S. We thought there had to be a better way to design the drinking straw, so we did. This is Final Straw. Final Straw is the world's first reusable, collapsible Straw. It folds up and fits in a case. The size of the car key and is small enough to go on your key chain, or in your pocket. Sharks, the mermaids need our help, so who wants to help us suck responsibly?

Chris Larkins: Great presentation. You had six weeks to put that together?

Emma Cohen: No, we had four weeks. Yeah.

Chris Larkins: Unreal. Unreal. So, fast forwarding a little bit, you got an offer from Mr. Wonderful himself, didn't you?

Emma Cohen: We did, yes.

Chris Larkins: Let's take a look at that.

Kevin: The only way this works for an investors, to structure a deal where they get their capital back on a schedule.

Emma Cohen: I wouldn't say that.

Kevin: Yes, you would say that. Because that's the only way it's going to work. There's so much risk. Here's an offer for you. I'll do the \$625,000. I want 10%, but I want a royalty of \$2 a straw, because you can afford it until I've got back 1.8 million, so I get a return on my on my money.

Chris Larkins: Okay. Let's put this into context for a second. You're negotiating with Mr. Wonderful.

Emma Cohen: Yes.

Chris Larkins: Talk about, we heard Patty McCord call it, Botox face, this morning. You didn't flinch.

Emma Cohen: Yeah. I...

Chris Larkins: You've got a multimillionaire, close to billionaire, let's say, giving you an offer for a six week old company, and you didn't flinch. What was going through your head?

Emma Cohen: You know, I went in there with a really open mind. I wasn't exactly sure what was going to happen, and who was going to be interested in the company, but I certainly knew where my boundaries were. And you know, a royalty agreement on a brand new company is, in my opinion, a terrible business decision. So that was something I knew in my heart that I would never agree to. So as soon as he started giving me his offer, I was like, "Here we go. Okay. How much does he want per straw?" And you know, I was very shocked at the number he came out with, because anyone with a sense of business, would know that \$2 off the top of every unit, is insane. Especially when you're a six week old company.

Chris Larkins: But you had the fortitude. Look, we can look at the math right here on the screen. He valued your six week old company at six and a quarter million dollars.

Emma Cohen: Yeah.

Chris Larkins: And you didn't flinch. In fact, you sparred with them. Let's take a look.

Kevin: As you speak, sharks are dropping out. Now on shark tank, when you have an offer, and the other options start to go away, the shark that made you the offer, starts to feel very frisky.

Shark Tank Host: Three sharks are out. Emma and miles have one offer on the table, from Kevin for their reusable strong company, Final Straw.

Speaker 8: Is that an offer here?

Speaker 9: Do you guys like Kevin's offer?

Emma Cohen: So Kevin, we want a partner. We want someone who's going to be in there with us. We can't be bleeding the company out of money, right at the beginning.

Kevin: Do you think I'd go against them?

Emma Cohen: No, absolutely not, but I think that --

Kevin: With 5%?

Emma Cohen: Well, so we'd be interested in entertaining offers at higher percentages at...

Kevin: I'll help you out. I'm out.

Emma Cohen: Aww.

Chris Larkins: So, Emma, three sharks were out, Mr. Wonderful, just went out and you had the reaction of someone who just learned that they're mother-in-law can't join them on vacation. What were you thinking? Well, let me quote you. "Aww."

Emma Cohen: You know, I think by judging the way the conversation was going, it was very clear that Kevin didn't understand who we are as a company, and what our mission is. He called us a mission with a product as an insult and I was like, "Wait, yeah, that is what we are." We're on a mission to educate people about single use plastic, about its devastating effects on the environment, and then give them tools to reduce their waste.

Emma Cohen: So, if someone's going to use that as an insult, it's very clear to me that that's not someone I want to be in business with, with this current venture. Even though he has lots of ties and connections, I think, I'm in a great place where I can choose who I want to work with, and I don't want to work with people that don't get why I'm doing what I'm doing.

Chris Larkins: Well, hats off to you. That takes tremendous strength. Who did you go into Shark Tank, wanting as your partner? As the shark? Who was the shark to get?

Emma Cohen: I was definitely most intrigued by Mark, going in, because I've heard his story and he has that similar like scrappy upbringing. He's worked in every job, and he's really worked very hard to build himself up, and he's the most successful on the panel.

Chris Larkins: Well, that's a coincidence because, you then got an offer from none other than Mark Cuban didn't ya?

Emma Cohen: Yeah.

Chris Larkins: Let's take a look.

Mark Cuban: Look, I have lots of concerns, competition and knock offs, first and foremost. I'll make you an offer, but it's going to be a sharky offer. I'll give you the \$625,000, but I want 25% of the company.

Emma Cohen: The valuation gave us is \$2 million, and we've already done more than that in sales in two months. So what we'd like to offer you is \$625,000 for a 12.5%.

Mark Cuban: No thank you. I'm out.

Chris Larkins: Okay. Right there. That look that's on your face. You can see it, but I've got a laser pointer on it. Patty McCord this morning talked about, I'm sorry, Sandra Joseph this morning talked about taking off the mask. I'm going to ask you to take off the mask, and be a little vulnerable. What was going through your mind at that moment when the shark you wanted, dropped out?

Emma Cohen: You know, I went in there a little bit cocky, not going to lie, we just made \$2 million in a month, and it was like everyone wanted to talk to us, and work with us. And then to go on there and have a bunch of sharks basically say, "Your business is shit. This is a total, consumer behavior play, and you're just one product. What can you really do?" Was a pretty big hit to the ego, and to the self confidence.

Emma Cohen: But ultimately, the way Mark prefaced his offer by saying it was a sharky offer, that's him basically admitting that this isn't a great decision for me to make. So, though I would definitely entertain the idea of being in business, with Mark Cuban, it would be, I'm sure wonderful. I still need to stay true to my values, and what I know the company's worth. And what I know we can accomplish. So going in there, with a prototype design, not having, you know, customers even having their hands on the product, zero customer reviews, was a dangerous play. But when Shark Tank calls, you just kind of go on.

Speaker 5: Okay.

Chris Larkins: Did you know if Mark Cuban was going to, did they tell you what sharks were going to be on, before you appeared?

Emma Cohen: Yes. So I did know ahead of time, and I also was excited to hear that Jamie Siminoff was going to be on, because I really looked up to him, and he went on shark tank, got turned down by the sharks, and then later sold his company ring, for \$1 billion to Amazon.

Chris Larkins: Aha.

Emma Cohen: Yeah.

Chris Larkins: So, you knew the shark you wanted was going to be on, you waited patiently, and politely, and professionally while the fourth charge, you didn't care so much about dropped out, kind of insulting one along the way, but he had it coming, right?

Emma Cohen: Yeah.

Chris Larkins: And the shark you wanted, gave you an offer, and you had the guts to say, "I've sold more than your valuation in the last two months." That's extraordinary. Good job, Emma.

Emma Cohen: I think one thing that people don't realize, is first of all, all the sharks are like talking over each other at once, and we're in there for over an hour. So this is an hour long conversation, that's cut down into five or six minutes, and they're all screaming at once. So it's like, my heart is beating so loud, I can barely even hear them. And then they're all yelling at each other, and then yelling at me. And it was like, and this is the first time I've ever pitched. So like...

Chris Larkins: This was your first pitch was on Shark Tank?

Emma Cohen: Ever. I've never pitched.

Chris Larkins: We can all relate to that, right?

Emma Cohen: I jump in the deep end. Yeah, no floaties.

Chris Larkins: With the sharks. That's very nice. Okay, so let's, how about some rapid fire.

Emma Cohen: Sure.

Chris Larkins: You appeared on shark tank. Was somebody else there?

Emma Cohen: Yes.

Chris Larkins: He didn't do much of the talking. What happened to Miles?

Emma Cohen: I'm in the process of buying him out.

Chris Larkins: All right. Very nice.

Speaker 5: Yeah. My company.

Chris Larkins: What's the first thing, or the top thing you did differently, in your business after you left Shark Tank?

Emma Cohen: So I think one of the biggest mistakes entrepreneurs who go on Shark Tank can make is to not listen to the sharks. Though I don't necessarily agree with everything they say, I think they are incredibly smart entrepreneurs that have insane amounts of experience. So, I listened to everything that they said, and I've pretty much incorporated every bit into my business. And that's something I do not only with the sharks, but I do with my customers.

Emma Cohen: So, you know, really listening and making sure that everyone's opinions are equally weighted. And you know, the sharks made a big point about how this is

a really big consumer behavior change play. And so if I can hit the marketing, to the point where people want to identify with my product, and identify with my brand, and that's where we're going to define the success. Because you know, a Kickstarter went on two weeks after ours, with a telescoping straw. Similar idea, in a case, same thing, but they didn't have the marketing behind it, and they raised \$20,000. So, the sharks are so smart, and so on point with what they say, and so I really have, I've taken it as I got five mentors for an hour, and now I'm just putting all those bits into my company.

Chris Larkins: Great perspective. Other than using quick dry spray paint, so that a Lori didn't say, "Mine's sticky.", the way you put it, what was the number one thing you wish you had done differently?

Emma Cohen: Breathe. I was so nervous. I was shaking. It was, it was so intense.

Chris Larkins: You didn't show it.

Emma Cohen: Thank you. But I was, I was super freaked out and I, we'd done as much prep as we could in the month leading up to it, but I think, basically, they give us an option of presenting in June, and then they said, "Or we are doing the second filming in September, but we can't guarantee you'll get on that second filming." So we went for it in June. But I think it might have been smart to wait til the second taping, when we had a finalized product, and something that I know if Lori held in her hands now, she would say much of different comments about.

Chris Larkins: Yeah, makes sense. So I'm curious, would you recommend appearing on Shark Tank to a friend?

Emma Cohen: Absolutely. I think that, I'd give him some hot tips on just what to expect. Because I didn't know they were all going to be yelling at me at once, and it felt like I was like in the principal's office again. I mean for the first time.

Chris Larkins: I've gotten to know you that I don't think that's true.

Emma Cohen: But yeah, I mean it's a free commercial. Let's be real. I mean we went on with that opening, because I really wanted to make a statement in the presentation of the product. This is about education, this is about awareness. This is about telling consumers that our previous behaviors need to change. And so that's why we dropped the straws from the ceiling and it was an amazing experience that, you know, people kind of hold us to this certain bar, now that we've been on Shark Tank. So, I would definitely recommend it. I think that the Shark Tank audience wasn't exactly our audience.

Emma Cohen: Like the, you see the, the kind of products that go super viral after Shark Tank, it's like sponges and cutting boards, not \$25 straws. But, more and more people are kind of realizing that we can't continue living the way we have been, and that, you know, our wasteful practices are starting to catch up with us. And I

mean, how many people in this room have kids, right? Like almost everyone. And how many people want those kids to live in a healthy, beautiful world where you can go to the beaches and actually enjoy yourself versus finding trash everywhere.

Emma Cohen: I mean, it's everyone. So you know, we're trying to really push that educational aspect of it, and it's like, yeah we saw straw on the side.

Chris Larkins: What was your biggest surprise from Shark Tank, or about the appearance on Shark Tank?

Emma Cohen: I think just that they yell so much, and then also, you know what I was really disappointed about, was the way that Kevin reacted or. Mr. Wonderful. Once the episode premiered, he went on social media, he slandered me and my company, and he called us greedy little pigs for not taking his offer. Yeah, it was shocking. I really did look up to him before the episode, thinking that he tells it to entrepreneurs straight, and he really like sets them, gives them the truth, but to be attacked like that, when I hold my company at a certain value because I believe in what I'm doing, and I worked my ass off, to get it where it is.

Chris Larkins: Give it back?

Emma Cohen: Yeah. Well he said something like, "They're going to choke on their own egos, before they make a dollar." And we said, "No, that's turtles choking on plastic."

Chris Larkins: Nice.

Emma Cohen: Yeah. And then also Kevin, we did 5 million in revenue last year, so...

Chris Larkins: Good for you. What's been your...

Emma Cohen: Not that he's here, and I can like rub it in his face.

Chris Larkins: Oh no, he is here. Surprise!

Emma Cohen: Exactly.

Chris Larkins: What's been your favorite summit moment so far?

Emma Cohen: Oh my gosh. I mean not. That was great. And I think the, the bit on vulnerability and taking off the mask as a, you know, new CEO, it's been huge for me to learn how to just be myself, versus be what others expect of me.

Chris Larkins: Excellent. So what's next for Final Co.?

Emma Cohen: Yeah, so we're so excited, you know, this is the first product in a line of foreverables, which are the new market category of items that are designed to

last forever. Most of the things we use today are designed for obsolescence. And so, we want to create products backed with a lifetime guarantee, that are built to last. So, we are working on this entire line, and the next product we're working on is Final Fork. And we like to say, "Suck responsibly with a straw. And with a fork, you got to fork responsibly."

Chris Larkins: Ladies and Gentlemen, Anna Cohen.

Emma Cohen: Thank you.

Chris Larkins: Great. That was great.

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