
Interview: Neil Blomquist, President of Spectrum Naturals (SN), Inc.

Jethren Phillips founded SN in 1986 to provide healthy culinary and nutritional oils. He developed the "Spectrum Naturals" product line, using quality organic ingredients to make healthy oils with as much of their nutrients intact as possible. Today, SN is probably the US's largest distributor of organic vegetable oils and salad dressings. Total annual sales top \$26M. Best selling oils are flax, olive, canola, and spreads.

Products. SN has been making organic oils, using new and improved processing methods, since 1987. These oils have a high nutritional component because they are processed at low temperatures and pressures. In 1988, SN began selling organic flax oil as a nutritional supplement. [Innovations in processing allowed a more pure product and a new light-resistant container while refrigerated storage increased freshness.] Later, SN introduced flax oil capsules as a convenient EFA product. In 1991, SN began producing organic apple cider vinegar (made with organic apples grown near SN's headquarters). Spectrum spread, an alternative to butter or margarine, was introduced in 1992 (now there are 4 EFA based spreads). Other products include flavored oils, salad dressings, mayonnaise, and various oils rich in EFAs, such as Hemp oil (contains GLA), EFA blend, and Wheat Germ (high in ω6s).

Company Philosophy. Spectrum invests heavily in consumer education, seeking cutting edge scientific nutrition research and distributing useful information to their customers. Says Neil Blomquist (NB), President and COO, "We provide info even when it means we have to change our [product] formulations because we discover new research to make our products healthier." ENF wonders, why go to the expense when most consumers don't know any better? NB answers: "because we believe that poor quality fat intake is one of the primary reasons for disease. The nutritional and medical communities need to focus more attention on diet. There is still a huge gap in mainstream consumers' knowledge. People receive a lot of misinformation and contradicting info, especially about fat. We need to educate consumers so that they can make good choices about what they eat."

Dr. Siguel has known NB for many years and visited SN's corporate headquarters in Petaluma, CA. According to Siguel, "NB is one of the most courteous and reliable people I know in natural foods. He returns phone calls promptly; he is on time for appointments; he is truthful, honest, and frank. He is a person you can trust, and in this business, trust is essential, since you cannot possibly test every food for quality."

Dr. Siguel continues, "SN's buildings are clean and organized. Employees are pleasant, and treat each other like members of the same family (or even better, depending on the family!). SN even pays its employees to attend nutrition courses and scientific meetings, an admirable investment in cutting edge research and education."

Siguel believes that SN owes its success to the quality of its products and the talents of its management: "In a business where some companies hype their products as if they were hawking snake oil in the 1800s, SN avoids misleading claims or advertisements. The company employs truthful and descriptive, not outlandish, product descriptions. SN continually works on improving their products, investing in modern research." In 1988, SN hired Rees Moermon, an expert on the engineering and processing technology of organic oils, as a consultant. Moermon built custom equipment for processing various seeds; the equipment maintains healthy temperature and pressure levels during seed crushing. SN also uses specialized purification and processing methods; for example, gravity settles the impurities, and a mechanical process filters the oil. This process allows SN to keep its products organic, instead of using chemical solvents or heat to purify the oils.

Blomquist would like to see more new products with healthy fats introduced into the mainstream. He believes that consumers should have the option of choosing EFA-rich salad dressings, spreads, and other products. He is convinced education can empower and improve people's lives by allowing them to select superior, healthier products. "When more people learn the importance of EFAs, demand for these products will increase, leading to more companies putting more healthy products on market." Does Spectrum ever worry that, by educating consumers about EFAs, they are increasing the market for their competitors? No, says Blomquist. According to his estimates, only 2% of the American population currently knows about EFAs. Sales to the remaining 98% of the population could easily translate into billions of dollars; plenty of room for everyone to grow.

What is missing, right or wrong with current marketing trends and with existing products? NB is concerned about companies taking advantage of mainstream consumers' quest for health. He is afraid of marketing manipulation: companies which promote nutritional supplements by claiming health benefits. He worries that this misleading or false advertising will not only confuse consumers, but may also force the govt. to impose restrictions which could harm good products as well as bad ones.

Background. Neil received a BS in Business administration from the Univ. of South Dakota, 1973, and worked for 3 years in advertising/PR in Portland, OR. He met his future wife while she was going to school in Montana. One weekend he went to Montana to visit her, and ended up staying 11 years and having 2 children [today people buy discounted round-trip tickets, so romantic stories like this are very rare]. Neil wanted to work in the natural/health foods industry because he felt good about making his living from bringing consumers healthy products. He had adopted a vegetarian lifestyle during college, and had an interest in healthy, natural foods. In 1976, Neil, his wife, and another couple started a natural health foods store in Kalispell, Montana. It was the first "natural" food store in the upper Rockies (although there were "health" food stores). The store helped create a demand for natural foods; even then, Neil was working to educate consumers and encourage farmers to grow organic grains.

The Blomquists ran their store until 1986, when they decided to move to California. There, Neil worked in distribution for the natural food industry, where he gained expertise in overall operational management. Neil joined SN in 1989 as sales and marketing director. He helped SN expand by adding condiments and other new products. In January of 1994, he was named Spectrum's President and COO. He describes his job running the day-to-day operations of a 50-employee company as "orchestra director." His favorite part of the job is sales and marketing-- developing new product ideas and marketing brainstorming. The hardest part, he finds, is people management: "It's hard to predict how people will react. It's not like other aspects of business." In his spare time, Neil enjoys physically active pastimes, like biking, hiking, golf, and skiing. He is also does carpentry; he even built his own house!

Future Plans. SN plans to expand the nutritional supplements division, "Spectrum Essentials." Says Blomquist, "We want to remain the market leader: we will create new products, continue improving [manufacturing and processing] methods, and continue our educational campaign."

SN seeks to control the oil manufacturing process from seed to consumer. They buy seeds from organic farmers whose methods they trust (using suppliers from both North and South America to ensure supply and to avoid localized product shortages in the case of environmental disasters such as hurricanes or droughts). SN then uses its own technology to process the seeds, and vacuum seals the oils in specially designed light-proof bottles. Finally, to maintain freshness, the oils are stored refrigerated from the factory to the grocer's shelves.

SN strives to expand the availability of healthy oils to consumers. Currently, 80% of Spectrum's sales are through natural/health food stores. However, as more consumers learn of the importance of EFAs, Spectrum will expand to mainstream grocery stores. SN plans to introduce products that use minimally processed, organic tropical fats. SN hopes to increase acceptance of tropical fats, and to encourage their use as an alternative to hydrogenated oils for baking or manufactured products. [future issues of ENF will deal with pros vs. cons of tropical oils vs. hydrogenation + other fats for baking and frying or making spreads]