

NATURAL & ORGANIC PRODUCTS BIZ

BIC graduates thrive in down economy

Natural Organic Business Program fosters economic development with alumni

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BOULDER — Four area firms that graduated last October from the Natural and Organic Business Program of the Boulder Innovation Center are today setting sales records.

“For them to be able to do that in a contracting economy reflects the value of good advice and hard work,” said Eric Gricus, the center’s director of client development.

The companies are Novaurora Organic Skin Care LLC, Altitude Spirits Inc., a producer of organic vodka; the Organic Dish LLC, which creates ready-to-cook organic meals; and Simply Boulder Foods LLC, which makes gluten-free sauces.

Gricus characterized the center’s program as custom consulting. Participating companies have bootstrapped their operations and achieved some market recognition in the form of sales of their products or services.

Public agencies and private firms fund the center.

The business program offers access to industry experts drawn from the center’s database of more than 500 volunteers in industries that are key to the area’s economic development. Among the luminaries who advise clients in the natural and organic products industry are Cecilia Atkinson, general manager of Celestial Seasonings, Steve Demos, founder of WhiteWave Foods Co., and Mark Retzloff, whose credits include Wild Oats and Aurora Organic Dairy.

Engagements average about four months. The fee for Boulder-area clients is \$750 per month. Clients based outside the region pay \$1,200 per month.

Seth Mendelsohn, founder of Simply Boulder, was skeptical at first about the value of working with the center. “My company was moving forward. I had done a lot of planning,” he said. “I didn’t see a need. The firm wasn’t in crisis.”

The first session with his team of industry experts changed his mind. “I realized how many unanswered questions I had about marketing strategy, finance and manufacturing,” he said.

The program propelled Simply Boulder’s growth, he added. “Without it, the company would be completely different, and business would not be as good.”

For Matt Baris of Altitude Spirits, work with the center led to better use of key



MICHAEL MYERS

Pamela Lambert, owner of Novaurora Organic Skin Care LLC, shows some of her company’s organic skin-care products. Novaurora participated in the Natural and Organic Business Program at the Boulder Innovation Center and explored finance and marketing issues intertwined with her personal goals and business model.

metrics.

“We integrate the data into how we act,” he said. Instead of adopting a “sell as much as we can” mindset, the company establishes goals and talks with distributors about how to achieve them. “We have a much more serious, goal-driven mentality,” Baris added.

The company, which had just one employee during the first 18 months of its existence, has five employees as it approaches its fourth birthday.

Companies often have questions about funding, Gricus said. Owners may have done all they can with capital raised from friends and family. Before embarking on a search for outside funding, he said, owners need to understand the implications. The vision of a family-owned business that will pass to the next generation, for example, may be incompatible with capital from angel investors.

Although not currently on the hunt for outside investors, Mendelsohn had his advisory team make sure he was keeping records appropriate for future financing requests. “As a result, I now have better spreadsheets for cash-flow analysis,” he said. “I hadn’t been on top of that.”

Pamela Lambert, owner of Novaurora, explored finance and marketing issues intertwined with her personal goals and business model. A fresh look at the company’s operations revealed that she devoted considerable time and energy to retail store sales. Meanwhile, Internet sales accounted for much of the firm’s income.

“The information is there, but you may

not know how to look at it,” she said.

Lambert also determined that the business model of moving products through a national distribution network required extensive travel. That conflicted with her other commitments and values. She chose to focus instead on local retail and Internet sales.

“It was a relief to realize that I could build a flourishing business on a different model,” Lambert said.

She said the program provided a reality check while allowing her to hold onto the inspiration that led her to start the company.

Toby and Beckie Hemmerling, owners of the Organic Dish, focused on their strategic vision.

While managing day-to-day operations and growth, Toby Hemmerling said, “we need to keep in mind where we want to be in six to 12 months.”

The company strives to be a responsible employer, creating an environment in which employees thrive and want to work. The owners are also mindful of the company’s impact on the community and especially the waste it produces.

The center offers “an amazing array of resources,” Toby Hemmerling noted.

Program manager Julie Dye assembled an advisory team and facilitated meetings for Organic Dish. “She was invaluable,” Toby Hemmerling said. “She kept us on focus and helped us make the best use of the time.”

For those considering engaging the center, he suggested, “to go with a specific need. Define what you need so you know when you’ve gotten it.”