

CALGARY HERALD

Passion for coffee turns into online venture; Frustrated by high rents, cafe brews business online

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Like thousands of other people, Melanie Breitreutz had a dream a few years ago to open up a cafe.

She put together a business plan and, after getting her ducks in a row, started looking for real estate or a place to rent. But she couldn't find space. It was right in the middle of the economic boom.

"I could not find a space for the life of me that I thought seemed really good, and I knew it had to be perfect being a brand-new company if we were going to have a chance to survive," she says while sipping on a freshly brewed cup of coffee in her northwest home.

"So we didn't find anything and doors kept on closing, and closing and closing. Of course, you have a ton of energy and you want to do something with it and you're ready to go."

Breitreutz came up with the idea that she should start a website for the coffee shop. She knew she eventually wanted a website for it anyway from which she could sell retail items as another means of income. She started building the company in 2006 and it started operation in June 2007.

It took three to four months to develop the website. When it went live on the Internet, it had the capability to sell all of the cafe's items and different pages to explain what it does.

"People started to buy coffee from the website," she says. "During this time I was open to having a cafe, kind of waiting for a realtor to call us with the right place. But sales started to pick up and I started to think that maybe it was an interesting idea to just have the online store. Working from home is pretty ideal and it's way less risk with little overhead to have a home-based business. I liked everything about it, how it felt once I was doing it. But if I had never been pushed into that spot, I definitely would never have thought to go and do that."

That was the genesis of Be'ato Coffee Co. for the 27-year-old Breitreutz, who was born and raised in Calgary, went to Lester B. Pearson High School and then to SAIT to take

architectural technologies and 3-D graphics. She also took some entrepreneurial courses at Mount Royal College.

It's a convenient and easy online store and can be found at www.beato.ca. All the products are sold online and delivered to the customer's door. The coffee is unique because it's freshly roasted and Be'ato works in direct partnership with Fratello Coffee Co., a roaster in Calgary, and family friends of Breitkreutz. Fratello refers residential customers to Be'ato for deliveries. Be'ato is set up for people in their homes or small businesses.

The coffee gets to customers within a month of it coming off the roaster--when coffee tastes its best, she says. The coffee comes in beans, but if someone requests it to be ground, Be'ato would do that. There are more than 60 kinds of beans from many countries as well as green beans, unroasted coffee beans, and a line of teas and brewing equipment.

Most beans cost about \$30 for two pounds. Some coffees cost a bit more. There is also special packaging.

Earlier this year, she also launched Farmers' Market Online--a Canada-wide Internet-based farmers' market. Products offered are available for purchase through each vendor's website and will be delivered within Canada.

Young Entrepreneurs:

FROM VISION TO REALITY

For the month of August, the Herald will feature a series about young entrepreneurs who are making a name for themselves in Calgary's business community.

Available items include organic foods, handmade jewelry, baby and children's items, clothing, accessories, pottery, cleaning products, hand-carved household items, home and garden decor, quilts, coffee, grains, jams, wines, cheeses, syrups, preserves, meats, spices and honey.

Breitkreutz received support for her new Be'ato venture from the Canadian Youth Business Foundation, a national charity that helps to drive Canada's economic prosperity by providing those aged 18 to 34, who have a great business idea but are unable to access funds through traditional sources, with startup financing, world-class mentoring and business resources to create and sustain their own successful business.

Breitkreutz's mentor for the business was Rosemarie Enslin of the Enslin Group, who has lengthy experience in the public relations/marketing industry.

Before you take on an entrepreneur, you have to interview each other in a very serious and thoughtful way to see if you can work well together, says Enslin.

"When she told me she was going to do something in the coffee business, my eyes glazed over. I said, 'This is going to be hard. The coffee business? It's tough.' "

After all, the giants of the industry such as Tim Hortons and Starbucks are everywhere and there are hundreds of other coffee shops and cafes throughout the city. But when Breitreutz explained to Enslin that she was going to do something a little different by delivering freshly roasted, high-quality coffee from Fratello, "I thought she just might have a chance," says Enslin.

"You've got to have a real belief that you're going to make it. I don't think she's going to sell a million dollars worth of coffee. But I think she's going to do fine at making a living at it."

Enslin says Breitreutz thought it out carefully, had a very good business plan, studied her market and knew the coffee arena.

"And I liked her energy. I thought she was really presentable. She was very methodical, very organized. I said, 'If you don't make it, this is going to be an incredible experience for you. A learning experience. Whether you make it or don't make it, the process you're going to go through is going to be staggering.'

"Can you imagine someone saying they're going to be going into the coffee business in this day and age? Are they nuts? The more I listened, the more I said, 'Oh my God, this is great.' "

When asked what strikes Enslin about Breitreutz's strengths, she quickly replies:

"Tenacity. She's got great tenacity. She's going to stick with it. She's like a dog with a bone. She's not giving up. And I love that. She may get people turning her down and it might take five phone calls, but she's not giving up."

When Breitreutz started the business, just friends and family were ordering from her. From there it slowly started becoming friends of friends and of her family.

"My first customer was my sister. Now we have hundreds of customers," she says, with clients in Calgary, other parts of Canada and in the United States. Some people reorder every month. Some every three months.

"I always had an intuition that people would want this product if they had a way to get it. I knew that eventually it would catch on," she says.

"But it would just be a matter of time because people like their coffee how they like it. For example, freshly roasted coffee, a lot of people desire that. And they're looking on Google. How do I get freshly roasted coffee? Sometimes roasters don't deal with the general public. I always knew that it was a niche that was there and, really, there's not a lot of people that are serving that niche."

The company name comes from the Italian word translated to "lucky you."

Before starting the business, Breitreutz and her husband, Trent, travelled to Italy to check out cafes there.

"What better place to go, obviously, than Italy, to see how it's done, where there's professional baristas everywhere," says Breitreutz.

She's always wanted to have a business. As a youngster, she sold lemonade. She cleaned around the house. She made crafts to sell.

But the key challenge in setting up Be'ato was the steep learning curve. Everything was a new experience for her. Finding Enslin was like a huge weight lifting off her shoulders.

She acknowledges inexperience was a major challenge.

"There are so many challenges . . . I know I had one every single day," says Breitreutz.

In the fall, sales were increasing steadily. September, October, November and December were fantastic months. December was four times as busy as normal in a month. January remained busy, but February and March were really slow. "I don't know if it was the economy or if people are just not spending as much money at that time of the year." But things picked up again in April.

The business has been successful despite the recession and competition from coffee giants such as Starbucks.

What's her advice for aspiring young entrepreneurs?

"I feel like I'm still learning every single day," she says. "One of the biggest things is write a business plan and make it thorough. There are going to be so many things that catch you off guard as it is that you need to be as organized as possible. So when you first get going, it helps you to see if it's a feasible plan or not and to get people with experience to look at what your mission is to see if it's a good idea or not."

Illustration:

- Photo: Grant Black, Calgary Herald / Melanie Breitreutz started the Be'ato Coffee Co. online business after failing to find suitable real estate for a traditional bricks and mortar cafe.
- Photo: Courtesy, Be'ato Coffee Co. / www.beato.ca, Be'ato Coffee Co.'s website, offers products delivered to the customer's door.

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