

Taya Geiger (left) and Leah Tutin started Scratch and Grain, a Tigard startup that produces organic cookie baking kits. The 1-year-old business is expected to become profitable in November after selling thousands of kits to stores.

FENIT NIRAPPIL
THE OREGONIAN

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A couple of smart cookies

Entrepreneurial pair's baking kits are being picked up at big stores

By Fenit Nirappil
fnirappil@oregonian.com

TIGARD — What started out as a messy baking night a year ago is now an unexpectedly booming startup for two entrepreneurs.

More than 5,000 Scratch and Grain organic cookie baking kits have appeared in grocery stores across Oregon and Washington. It's the brainchild of former southwest Portland neighbors Leah Tutin and Taya Geiger, both 33.

Tutin, the "chief cookie officer," works for a college textbook company by day, and Geiger, CEO and chief creative officer, had quit her job in financial consulting to start her own businesses, with a small construction company and a failed attempt at frozen baby food under her belt.

In October 2012, Tutin baked cookies with her 6-year-old daughter. More

than \$40 on ingredients and two hours of scrambling around the kitchen left her with dozens of mediocre cookies. She wanted an easier way to bake.

"I didn't really want to start a business. I just wanted the product to exist," Tutin said.

So she turned to Geiger, who had business and investment experience, with a pitch for an organic cookie kit. It would individually package ingredients that could pair cooking from scratch with convenience. Furious googling showed their closest competitors usually offered prepared baking mixes.

Hundreds of messy batches later, the duo settled on four recipes, including oatmeal raisin, chocolate chip, chewy peanut butter and chocolate truffle. Friends and families reviewed the first 400 kits well, Geiger said.

The kits usually cost \$7 to \$8 and in-

clude all the solid ingredients for cookie dough, such as baking soda, vanilla powder, flax and cane sugar. Bakers need to add an egg and butter for a batch of nine to 11 cookies.

The stress of Tutin's initial baking nightmare paled in comparison to the demands of assembling the cookie kits. It was a bland routine: weighing ingredients on a scale, placing the labels on the bags and sealing the boxes.

"It's kind of a little stressful and physically demanding to sit there and fill a thousand bags," said Tutin, remembering workdays extending to 4 a.m. with the occasional help of friends and family.

"We used to call it our knitting club because we used to come here and talk about nothing and everything," Geiger said.

Please see **COOKIE**, Page B11

Cookie

Continued from Page B8

Scratch and Grain had its first store order.

"Everyone we went to wanted to buy them," Tutin said.

Soon the cookie kits landed on shelves of Market of Choice, Haggen Food and Pharmacy and an Oregon State University market.

"I was surprised how many people wanted to buy it," Tutin said.

That started creating problems in July as demand for the kits boomed and the lease on

their east Portland location drew to an end.

"We sold out quickly within weeks and our biggest crisis moment was ... how do we start full production on an ongoing, regular basis?" Geiger said.

They scrambled to meet their orders and soon upgraded digs to a shared space in a commercial co-op kitchen near Tigard High School.

In September, they bought a \$13,000 machine that fills ingredient bags.

Seasons Market. Later this year, the kits will be on Whole Foods shelves.

"More and more people are creating products, so there's a better selection and quality to choose from than there used to be," said Lisa Mullen, a grocery merchandiser for New Seasons.

What set Scratch and Grain apart, she said, was its packaging and the ease of baking.

"I actually went and bought a package to see how it tastes. The cookies are great."

Next up for Scratch and

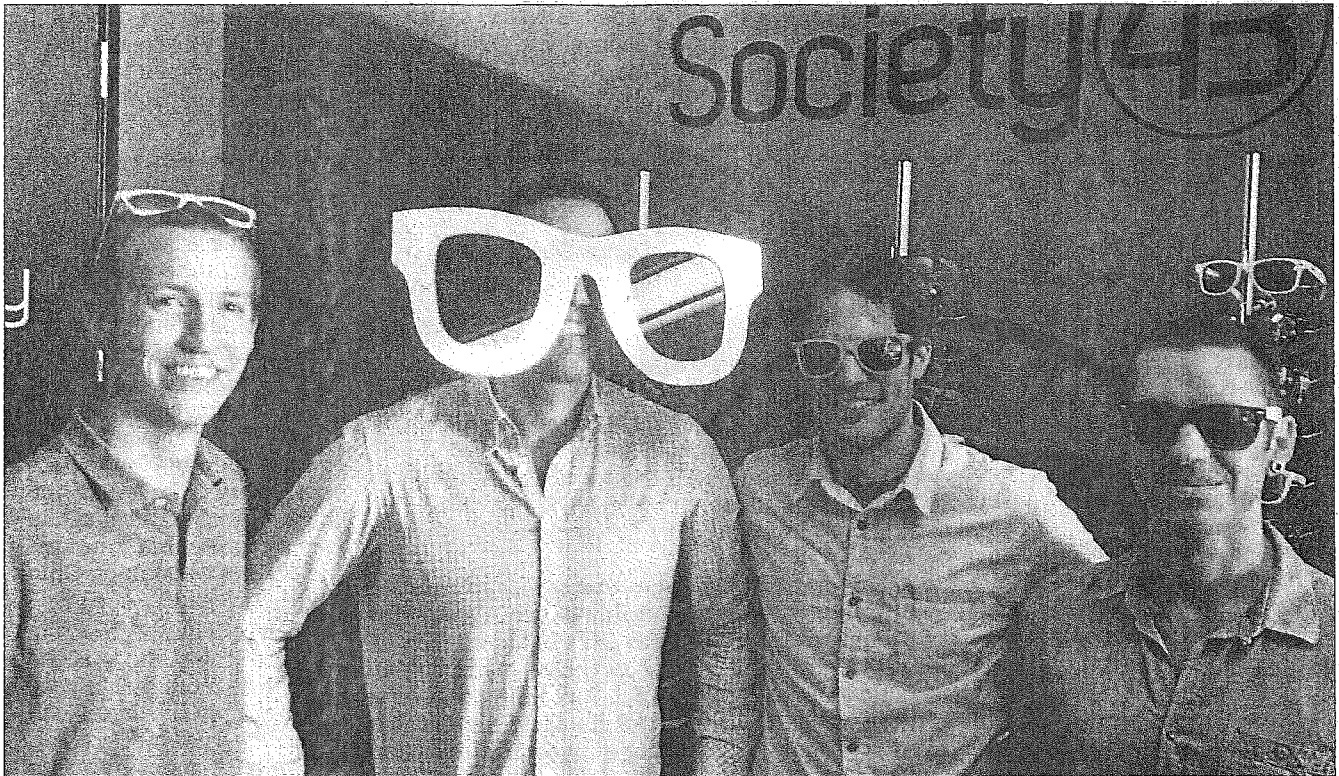
Grain: sugar cookies (including a green and red limited-edition holiday version) and snicker doodle kits rolling out later this month.

Tutin and Geiger expect to become profitable by November, one year into the company. They also want to hire their first employee by winter.

By next year, they envision moving into other treats like brownies, cupcakes and scones. By five years, they hope to have several manufacturing facilities across the country.

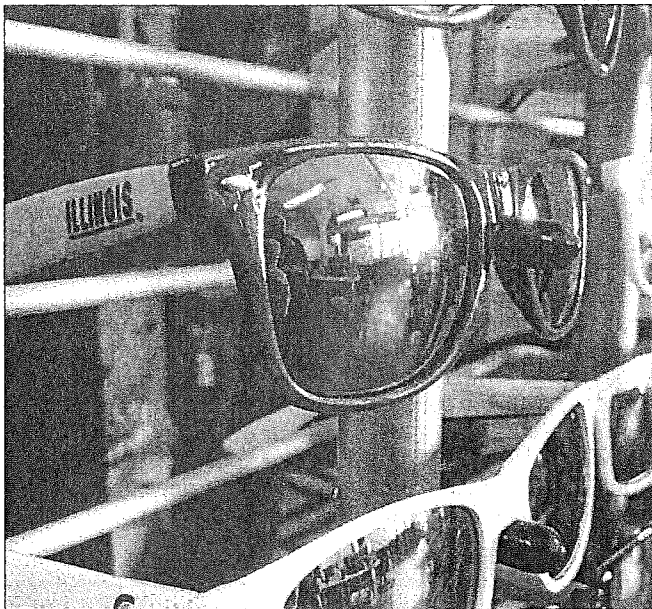
Sept. 26, 2013 C1

SUNGLASSES IDEA EXPLODES



Photos by ALLAN BRETTMAN /THE OREGONIAN

A business plan from former University of Oregon MBA student Caleb Iorg helped Society43 founder and Chief Executive Jason Bolt push his college-themed sunglasses company into orbit. The company management team (from left): Iorg, chief financial officer; Bolt; Garrett Bishop, director of marketing; and Brandon Littlefield, creative director.



Society43 distributes its sunglasses on 80 campuses.

By **ALLAN BRETTMAN**
THE OREGONIAN

Jason Bolt, perspiring and sleep-deprived, met four years ago with buyers from The Duck Store in Eugene. It was a critical sales meeting for the budding entrepreneur.

The buyers gave Bolt 10 minutes to make his pitch. He handed over two pairs of University of Oregon-themed sunglasses, fumbled with his PowerPoint presentation and worried he wouldn't have time to make his pitch.

But he was stopped short when a voice barked, "We'll take 144 of each."

After that first sale, the soon-to-be-former pre-med student realized he might be on to something with his splashy sunglasses in collegiate colors.

Conceived in a dorm room and spiffed up by a University of Oregon MBA student's business plan, Bolt's licensed sunglasses company has exploded quickly.

These days, Bolt's company, Society43, sells licensed sunglasses on 80 U.S. campuses. They look similar to the widely recognized Ray-Ban Wayfarers, but in univer-

Please see

SUNGLASSES, Page C2



Bolt
Idea hatched in UO dorm room

vice; Macy's; New Seasons Market; Piercing Pagoda; Salvation Army; ServiceMaster Clean; Staffmark; Target; United Parcel Service; U.S. Bank; and 3D InFusion.

All have seasonal openings, Dawdy said.

About 500 jobseekers attended last year's fair, which the school held in response to requests from some of the companies.

The public event, one of three the community college

view for the \$643 million Millennium Bulk Terminals project on the Columbia River.

The first hearing in Longview on Sept. 17 drew about 2,000 people, divided between environmental opponents and business supporters. The remaining public hearings will be Tuesday in Pasco, Oct. 9 in Vancouver and Oct. 17 in Tacoma.

Two other coal export ter-

housing recovery.

Sales of new homes increased 7.9 percent last month to a seasonally adjusted annual rate of 421,000, the Commerce Department said Wednesday. That comes after sales plunged 14.1 percent in July to a 390,000 annual rate.

The rebound in sales could ease worries that higher mortgage rates have started to dampen sales. It coincided with the best

Sunglasses

Continued from Page C1

sity color themes and designs.

Sales have grown 300 percent annually, and Bolt predicts the same growth rate for next year.

The company and its 15 employees moved from Eugene to Southeast Portland earlier this year. Next month, Society43 breaks into the professional ranks, selling licensed shades for each of the National Basketball Association's 30 teams when the season opens.

For now, Society43 is cruising with what industry sources say is a near monopoly in the sunglasses segment of the crowded \$4.5 billion to \$6 billion collegiate products-licensing industry. Competition, though, is certain to materialize.

"We want to be the authority in school-colored sunglasses," says Bolt.

The whole venture first took off thanks to conversations on pickup basketball courts at the University of Oregon.

A friend from the pickup games, MBA student Caleb Iorg, wanted to make Bolt's sunglasses idea the focal point of his entrepreneurship class, New Venture Planning.

Bolt recognized free help when he saw it, and Iorg made it a priority to secure licensing

High Society

Top five campuses for Society43 sales:

1. University of Oregon
2. University of Southern California
3. Michigan State University
4. University of Michigan
5. University of Texas

agreements with schools.

Bolt had an agreement with UO's office of marketing and brand management, which has sparked several styles, including some that mimic chrome helmets and a special one-off, giant pair for Puddles the mascot duck. But agreements were needed elsewhere.

The company's homework, preparation and presentation helped secure an agreement with one of collegiate licensing's biggest players, the Collegiate Licensing Co. in Atlanta, which represents nearly 200 colleges, universities, conferences, bowls, the NCAA and the Heisman Trophy.

Only 4 percent of Collegiate Licensing Co. presenters are accepted, Iorg said. Another agency, the Licensing Resource Group, which represents more than 180 colleges and universities, also partnered with Society43.

In addition to UO, the company secured agreements with

four other schools that handle their own licensing: the University of Southern California, Indiana University, the University of Iowa and Michigan State University.

The sunglasses page of the e-commerce retailer Lids Locker Room shows some of the competitors in the sunglasses arena, including one big-time seller of collegiate merchandise that is not yet a Society43 customer, Ohio State University.

Society43 has been selling its products on the Lids site for a little more than a year, distinguishing its brand with its variety, said Lindsey Miles, NCAA hard-goods buyer for Indianapolis-based Lids.

The colors, style and look of Society43's sunglasses set them apart, Miles said.

Those factors are also what helped sway Arlyn Schaufler, general manager of the The Duck Store, the nine-outlet chain, in his initial meeting with Bolt.

Schaufler had seen plenty of college-themed sunglasses. Bolt's version, though, "was different from anything I'd seen. It was really loud. It looked like something fans would really like."

Retail prices for the sunglasses, made at factories in China and Taiwan, range from \$20 for off-the-rack styles to \$30 for specialized editions. Wholesale prices are about half that. The company pays

Health care

Continued from Page C1

the Obama administration's decision to give companies a reprieve from paperwork requirements until 2015 means

eton HR Solutions in Princeton, N.J. "They need to understand minimum value (the government's definition of affordable insurance)."

There are online resources, including the federal government's ACA website, <http://business.usa.gov/healthcare>

walk, a tax accountant at Sensiba San Filippo LLP in Pleasanton, Calif.

Get help

The ACA is complex and has thousands of pages of regulations. Owners should get help from a professional

STARTUPS



ROSS WILLIAM HAMILTON/THE OREGONIAN

Megan and Akbar Chisti are the founders of Seamus Golf, a Beaverton startup that makes high-end tartan golf accessories.

Update on non-tech ventures

Aug-6 2013
By D.K. ROW
THE OREGONIAN

C1

Talk about startups these days and people often assume you mean tech companies. Mobile-app makers, maybe, or something involving a social-media platform.

But a lot of startups operate within traditional platforms, making and selling business-to-consumer products that can be purchased in the bricks-and-mortar world.

We profiled a number of such startups in the past year and decided this week to catch up on the latest developments at a few of them.

• **Seamus Golf:** Things are teeing up for Seamus Golf.

Megan and Akbar Chisti, owners of the startup that makes Tartan golf accessories, including golf head covers, report several new partnerships for their nearly 2½-year-old company.

Seamus, for example, just began selling a selection of golf covers and a new valuables pouch on the online retail site Fab.com. The limited run on the site will end Thursday and opens up the possibility of another limited run on the retail website, which Akbar Chisti says would be a significant deal since the site claims around 14 million custom-

ers worldwide.

Seamus has also entered into a strategic partnership with the Hunters Tweed mill in Scotland.

Hunters Tweed is making custom tweed jackets for what Chisti describes as "very high end" East Coast private golf clubs. Seamus will make matching custom golf head covers using the same tweed cloth.

Locally, the startup also formed a partnership with Portland-based golf bag makers Jones Sports Co. The two companies will co-develop a line of Seamus-branded products.

Please see **STARTUPS**, Page C4

Startups C4

Continued from Page C1

Similarly, Chisti says Seamus is collaborating with Portland neckwear manufacturer Pino to develop a special lot of bow ties for the holiday season.

The startup was also one of 16 semifinalists for the Startup PDX: Challenge. Seamus didn't make it to the final round, but Chisti says he was gratified that his traditional, product-based startup competed well against many online, tech and mobile-app companies.

• **Battery:** Battery, the company that makes rechargeable battery kiosks located in retail stores, reports several changes and developments over the past few months.

Founder Charlie Kawasaki says consumers can still purchase Battery's rechargeable batteries at several Whole Foods stores in Portland and Seattle, as well as at one location at Portland State University. No new retailers have been added, however.

Still, the company has added a new Battery for Business feature. This means individual employees at companies or organizations with Battery accounts can charge that account when buying and replacing Battery's rechargeable batteries instead of paying for them themselves.

So far, only one organization, Portland State University, has adopted this feature, but Kawasaki says he's negotiating with other businesses and organizations. Kawasaki says the startup is also talking to other corporate businesses about placing Battery kiosks on their campuses to

complement retailers such as Whole Foods.

Battery recently introduced some price changes, too.

First-time customers now pay \$7.50 instead of \$10 for a pack of four AA or AAA batteries. Five dollars of that \$7.50 is also refundable after a customer uses the batteries and swaps them out for newly recharged ones. The cost to swap out spent batteries for newly charged ones remains \$2.50.

Single-use batteries can still be dropped off at the kiosks for recycling at no charge.

Kawasaki says that the startup has recycled more than 2,800 pounds of household batteries so far and that it hired a new vice president of sales in a bid to generate new customers.

• **TurboPup:** Kristina Guerrero and Brandon Sylvester report that their TurboPup complete meal bars for dogs can now be found in more than 20 stores nationwide, including new stores in Bend, Portland and West Linn. That figure is up from around seven retailers, located mostly in Oregon, when we profiled TurboPup in June.

The couple currently make their bars in a special kitchen at their home in La Pine. But with anticipated growth and hopes to reach more national retailers, they expect orders to exceed their ability to meet demand.

That's why they say they've chosen a Vancouver, Wash.-based company to mass produce and package their bars. Guerrero expects the transition to mass production to happen soon, but the two companies must still work out more details, including ways to assure product quality.

"Once we begin mass production, TurboPup bars will be wrapped in recyclable film packaging that will extend the shelf life of a bar from six months to between one and one-and-a-half years," says Guerrero.

The startup is also pursuing contracts with government agencies that use service dogs and seeking private-label contracts that would allow other companies to sell TurboPup bars under their own name.

• **Pacific Northwest Kale Chips:** The kale chip company founded by Sarah Pool and Ugyen Shola has achieved rapid growth and experienced several major changes during the past few months.

The startup recently introduced a new 1.3-ounce "snack pack" size version of its kale chips in addition to its popular 2.6-ounce package. Since May, about 20 new retailers, mostly in the Pacific Northwest, have agreed to carry the chips.

The company also launched a new flavor called Lava Rock Sriracha. Separately, a new flavor will also be introduced and launched Aug. 20, exclusively for New Seasons stores.

The company is still located in Southeast Portland and has added two staff members. It now has eight, including the two founders. It also completed the construction of a custom dehydrator to make production of its chips faster and easier.

The startup is well known for presenting product demonstrations all over town and continues to do so, including at nine farmers markets, says co-founder Sarah Pool.

D.K. Row: 503-294-7654;
drow@oregonian.com