

TRENDS

Organic To Go Takes Boxed Lunch to Corporate America

By Barb Freda

Not long ago, Jason Brown ate his last mystery meal boxed lunch. He accepted the fact that working lunches were a necessary part of the business world, but Brown, instead of complaining or being complacent, launched a business venture to combat mediocrity.

There are three facets to the boxed lunch business according to Brown: meals must be acceptable to all, deliverable and easily ordered. So why not make the food fantastic and organic as well? Brown, who had recently sold his successful Custom Nutrition Service to drugstore.com, enlisted an experienced board whose "normal reality" is vegetarian or organic or both. Members include Dave Smith of Smith and Hawken and Peter Meehan of Newman's Own Organics. The result was Organic to Go known today as "O to Go."

The company launched with organic corporate catering and take-out in November, 2004 and recently celebrated its first anniversary. There was cause for celebration — the company did between \$6 and \$7 million in sales its first year.

Long before the doors opened, Brown and his partners did some research, says Brown. "Quite frankly, we ate a lot. At Zimmerman's Deli in Ann Arbor, MI, at Prêt a Manger. We looked at other great sandwich shops." They knew how delicious they wanted their food to taste. Then they set about making it all organ-

ic. The tag line now is "Organic whenever possible, always natural." Brown estimates about 70% of the products and materials are organic already. He predicts the company will be 100% organic within a few years.

One impressive aspect is O to Go's competitive prices. Sandwiches range from \$4.99 for an egg salad sandwich to \$10.49 for a Bacon Gorgonzola Lunch Bag, which includes a sandwich along with organic cheddar crackers, organic dill pickle, organic sliced Washington apples, Athena water and a homemade cookie. (O to Go also offers organic breakfast as well as platters, soups and stews, salads and pastas.)

To help keep costs low, the company works directly with suppliers. O to Go has also developed an efficient hub and spoke system to get food to its stores, with hubs in Los Angeles, Orange County and Washington. All the prep work, the assembly, mixing and baking is done at the hubs for daily delivery to the stores. Employees have food production backgrounds, education in culinary production and the retail managers get support with ongoing education on the organic ingredients and new products.

A big challenge in keeping the costs low was generating sufficient volume for larger suppliers like SYSYCO and UNFI (United Natural Foods, Inc.) to stock the organic goods.

"It was not easy at first," says Brown. "It was

the first million that was the challenge." He notes the difference between telling a vendor you may need one jar of organic pickles and ordering organic pickles by the barrel.

Another challenge? Convincing people who, when they hear the word organic, think patchouli, grains and flavorless food. Brown concentrates on making delicious food; it just so happens that it's also organic and that is a good thing.

"We have a great customer care team who know the food in and out. They help the order giver," says Brown, adding that the average order is \$159. The company takes full advantage of technology. Customer calls go to a central call center with orders forwarded to the right store for pickup or delivery. The buyers dial a local number as if the store is around the corner.

Many customers pick up their own orders but takeout is only about 2% of the business, says Brown.

Typical is the Westin Hotel in Seattle which has reduced the cost of in-house kitchen preparation by placing its own logo and seal on O to Go's boxed lunches sold to visitors and guests.

O to Go is wrapping up a successful first year with forward-reaching plans. The firm currently operates 13 stores and intends to open 48 more stores on the West Coast and central states including Illinois and Texas during the next three years.

"We project north of \$40 million in sales by the end of 2007," says Brown.

"We are very focused on the development of corporate catering. It's a huge marketplace and there's nothing else out here," he says.

Brown is both a believer and bottom-line businessman. "Part of our job is to educate consumers about quality ingredients, both natural and organic. It falls on us to help them understand what the increased value is. It's better for you and that's important. The better we do that job, the better it is for all."



Jason Brown

