



Portland Roasting Holdings LLC

Broad client base allows roaster to approach the mark of 1 million pounds sold annually

BY JON BELL
CONTRIBUTING WRITER

Coffee is competitive, especially in Portland.

So if you're going to make it, you've got to be unique, says Mark Stell, founder and managing partner of Portland Roasting Holdings LLC, a specialty roaster and wholesaler in Southeast Portland.

"There are a lot of great competitors, so you almost have to be the one who stands out," he says.

Since its founding in 1996, Portland Roasting has done just that, whether through its Farm Friendly Direct program that creates a direct link with coffee growers around the world or the bike delivery service B-Line, which Portland Roasting recently hired to make its inner-city deliveries.

But it's taken more than bikes and sustainable ethics for Portland Roasting to grow from the 40,000 pounds of beans it sold its first year to the 1 million it's on schedule to sell this year. The company's revenue has climbed along with its annual poundage, from \$4.7 million in 2006 to \$5 million in 2007 and \$5.7 million in 2008.

Stell, who founded the company with \$50,000 in savings, says that Portland Roasting's growth and success have come primarily from the company's wide client base.

"We're not just in one segment," he says. "We supply coffee to any customer, from the small mom-and-pop grocery stores to offices and large chains. That's certainly helped us grow, especially in a down economy."

Besides small stores around the metro region, Portland Roasting Holdings LLC today supplies coffee to more than half of the universities in the state and is available at well-known stores like Fred Meyer, Zupan's and IGA. The company, which employs 26 in Portland and one in Columbia, also has customers spread out across the country and even in Japan.

Stell also attributes Portland Roasting's proliferation to ongoing support from his business partners and his wife, the latter of whom supported him for two years while he worked, unpaid, to start up the company.

Also, Stell says Portland Roasting has been blessed with ready access to credit: At a time when most banks are tightening the purse strings, Wells Fargo Bank actually lowered the coffee company's interest rate and upped its line of credit.

"We've been lucky enough not to get hurt by the crunch," Stell says.

Stir in what Stell calls an increased attention to quality — spurred by all the local and national competition — and you get a pretty good idea of what's driving the growth at Portland Roasting.

The company's goal at this point, says Stell, is to shoot for but never exceed more than 20 percent growth each year. Last year saw about a 10 percent uptick over the prior year, and this year, Portland Roasting is already up 10 percent over last year.

"We're satisfied because in this market, if you're growing, you're lucky," he says.

Long range, however, Stell's targets are a little more ambitious for Portland Roasting: more than 1 million pounds of

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Portland Roasting Holdings LLC
Headquarters: Portland
2008 revenue: \$5.69M
2006-08 growth: 19.32%
Employees: 28



COURTESY OF PORTLAND ROASTING

Founder Mark Stell says lender Wells Fargo Bank lowered Portland Roasting's interest rate.

coffee sold this year; a flagship retail site in Portland open by the end of 2009; expansion to other markets, possibly via satellite offices; and the securing of some national chain contracts.

All of those should help put the company on track to reach Stell's five-year goal of doubling its current size.