

:: TRIPLE PLAY ::

Peace Coffee's new CEO emphasizes 'people, planet and profit'

PEACE COFFEE is a prime example of how entrepreneurs can start and grow a company while sticking to personal principles.

Founded as a project of the nonprofit Institute of Agricultural Trade Policy (IATP), which is the sole shareholder of the company, Peace Coffee began in 1996 with three employees. IATP took out a loan, bought a container of what is known as fair trade, organically grown coffee, incorporated the company and began distribution. Peace Coffee has 14 employees and projects \$2.5 million in revenue in 2007.

Melanee Meegan is the advertising and marketing coordinator who joined the company in 2002 and has been there longer than any of her colleagues. She says that the company's key to success is that its product and service are unusual in the coffee business.

She says they are the first in the Midwest to offer a line of 100 percent organically grown fair trade coffee, which means they use funds from Cooperative Coffees, a group of U.S. and Canadian roasters who pool their money to buy directly from farmer

cooperatives at an agreed upon price that is set at the beginning of the year, before the crop is harvested.

This requires great precision in marketing, and Peace Coffee has been able to predict sales in relation to price accurately enough to never lose money, while meeting the farmer's price. So the farmers are guaranteed a livable income from the coffee they sell.

Also, Peace Coffee only purchases beans that are shade grown with no chemical fertilizers or genetic engineering, guaranteeing the ability to sell only certifiable organic coffee, she says. Finally, the Twin Cities was the perfect geographic location to begin the endeavor, she says.

"We have such a large natural foods cooperative market, and we have the most co-ops in the country," Meegan

[pithy advice]

Be original. Peace Coffee was for the first five years the only company in the Midwest offering a fair trade certifiable organic coffee lineup, so that really set it apart, according to CEO Lee Wallace.

Be patient. It's worth waiting and in the end things will come to you. So remember not to cut corners. "If Peace Coffee did not give as much attention and time to roasting, customers would notice," says Melanee Meegan, advertising and marketing coordinator.

"We do hand notes on all orders that go to other states, so we interact with our customers. They write comments, we write back," Meegan says. People won't come back if they don't get customer service.

If you make a mistake, fix it. "That goes along with the customer service, it has to be a priority for your business," Meegan says.

Always make sure you're keeping the bar high and that you're not sacrificing your ideals or what you think will be successful.

"We are a mission-based company,"
says peace Coffee CEO Lee Wallace.



says. Wedge Community Co-op, at 2105 Lyndale Avenue S. in Minneapolis, is its largest customer. "They were the first grocery store to really get behind our product and didn't seem to mind that we pulled up to the back of their delivery doors on bicycle. In fact they thought it was really great."

Bicycle delivery, in fact, is one feature of Peace Coffee that stands out. All deliveries within the limits of the Twin Cities are made by bicycle, except for extremely large ones like that for Kowalski's Grocery Store on Grand Avenue in St. Paul. For that delivery, and those in the suburbs, a biodiesel fuel van is used.

Peace Coffee emphasizes customer service, including personalization of orders and an average delivery time of one day after a roast. Peace Coffee fills around 400 orders per week, and 20 percent of sales are online.

Fitting customers

The packaging, which includes a peace symbol for a logo, goes a long way to conveying the message of the company, says Debbie Leland, a natural and specialty foods buyer for Kowalski's. "One thing people like is that it's fair trade," she says, "and that the coffee is locally roasted and quickly delivered. It's a very excellent product. It's the whole package for us that fits our customers."

With 70 percent of their business coming from the Twin Cities, Meegan says Peace Coffee has an advantage over larger competitors that have added small amounts of fair-trade roasts to their conventionally grown product. Peace Coffee, first located in south Minneapolis on Franklin and Nicollet avenues and roasting at a location in Golden Valley, now houses its entire operation at The Green Institute at 2801 21st Avenue S, near East Lake Street and Hiawatha Avenue.

They store all their products in a controlled environment, and because they don't deal with conventional beans, there is no danger of their organic product being accidentally crossed with one that contains chemically fertilized or genetically engineered beans.

Also, The Green Institute — which

houses other organizations such as the nonprofit Headwaters Foundation, is the largest solar-energy-powered building in the state, and generates its own heat through a geo exchange system — fits perfectly with the conservationist conscience of the company.

While the IATP receives a portion of Peace Coffee profits, it takes a minimal amount, IATP Communications Director Ben Lilliston says. He says they took nothing until recent years, and received "around \$30,000" at the end of 2006, directing it into its mission "to create environmentally and economically sustainable rural communities and regions through sound agriculture and trade policy."

The board of directors includes Lilliston and four others from the IATP. Lilliston says it has usually included people from outside IATP, and its membership is likely to change in the next years. "We're unbelievably pleased with Peace Coffee and its growth over the years," he says.

The new CEO of Peace Coffee is Lee Wallace, who was named to that position in late June after holding the interim director's job since late December of last year.

"I would not be here today and would not be so enthusiastic about staying if I wasn't surrounded by such great people," Wallace says. "I think it's really fun when you end up someplace where you truly value the contributions of your co-workers."

Wallace's academic and professional background groomed her for the directorship of Peace Coffee, where she accentuates what she calls their "triple bottom line of people, planet and profit."

While earning a master's degree in public affairs at the University of Minnesota, she worked under a fellowship with the Blandin Foundation, a nonprofit dedicated to improving economic

viability in rural Minnesota, where she assessed the impact of rural business incubators.

She is the former director of Metro Foods Co-ops, was on the board of directors of Mississippi Market Natural Foods Co-op in St. Paul during major expansion, and was associate director of the Resource Center of the Americas.

While the latter is a nonprofit, she oversaw its for-profit endeavors, including the largest bilingual bookstore in the Upper Midwest at the time, a café and educational services such as Spanish classes.

While Wallace says Peace Coffee will hire two more employees by the end of the year, there aren't any major changes in the works. "At this point we're not planning on rolling out any new initiatives," she says. "We are a coffee company, we are going to continue to roast and sell high quality fair trade coffee, and we are going to continue to focus on ways that we can show people how we are a mission-based company, connecting them back to that product and how it impacts the world."

Working directly with farmers from around the world, Meegan and her colleagues have each traveled to places like Ethiopia and Guatemala, learning more about the process from the farm to the cup. Roaster Keith Tomlinson explains the roasting process, saying that as the beans heat up he listens for them to crack, measuring the range of temperature between the first and second crack.

Equipment and location influence the temperature for an individual roast. There is an art to the endeavor that one learns through time — an art that the entrepreneurial staff of Peace Coffee continue to develop.

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