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Taking a bigger bite of the market

AFTER OUTSOURCING PRODUCTION, BRAZI BITES LOOKS TO LAND ON MORE SHELVES

BY MALIA SPENCER

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In the summer of 2015, the founders of Brazi Bites faced a major crossroads in their business. The frozen snack food they created based on Pão de Queijo, a traditional Brazilian cheese bread, was gaining in popularity and the company was maxing out its 5,000 square-foot production space.

Not only was the product gaining traction at natural food trade shows, but the husband-and-wife founding team, Cameron MacMullin and Junea Rocha, got a huge break. They would soon be pitching their product on ABC's "Shark Tank." The prime-time TV appearance brought with it the potential of a huge bump in marketing and typically leads to spikes in demand.

But it also had the potential to overwhelm the production capacity of the then-five-year-old company "We realized we are not going to be able to handle our next phase of growth at our own facility," said Rocha, the CEO.

After taking the company from their own kitchen to two different shared spaces and finally their own manufacturing facility, Rocha and MacMullin made the tough decision to hand over production of Brazi Bites to a third party, allowing them to focus on the sales and market-



CATHY CHENEY

Junea Rocha and Cameron MacMullin started Brazi Bites in their home kitchen. Now the frozen snack product, inspired by the traditional cheese bread Rocha grew up eating in Brazil, is now in 4,000 stores nationwide and growing.

ing side of the business.

“Cam and I were getting burned out. We were four to five years into the business and we did everything ourselves for a long time,” Rocha said. “If we suddenly have to manage a large crew and huge warehouse and sales and marketing, something is going to crack. That was the decision to really try to find a long-term solution to growth that didn’t involve us managing 50 to 100 people.”

In the fall of 2015 the company signed on with a third party manufacturer, known in the food production world as a co-packer. Brazi Bites are made in a gluten-free facility in Tualatin and the company pumps out 400,000 bags of the product a month, or more than 8 million of the individual bites. The company had 2016 revenue of \$8.5 million, up from \$1 million the year before.

Now Rocha and MacMillan are focused on how to break the product out of health food and natural grocery stores and into more conventional markets.

The start

Brazi Bites began around 2010, when Brazilian native Rocha longed for a taste of home. She was surprised that the cheese bread prevalent in Brazil was no where to be found in the U.S. So she asked her mom for the family recipe and set out to find suitable ingredients. The biggest problem was the Minas cheese used in the bread is not available in the U.S. So Rocha, whose career up until that point

▶ CLOSER LOOK

The company: Brazi Bites

Year founded: 2010

Headquarters: Portland

Employees: 6

Distribution: 4,000 stores nationwide

On the web: Brazibites.com

was in civil engineering, started experimenting in her kitchen to find a cheese blend that would work. It took one year to figure out the right recipe.

From the beginning, Rocha saw the business potential for the product. “I wanted to see if I could make this into something and share it with others,” she said.

To prepare, she and MacMillan took a 12-week course at Portland Community College about how to get into the food industry. That course helped the duo work through early issues such as how to properly package and label a product, Food and Drug Administration regulations and distribution channels.

They also made a critical decision early on to forgo building their own facility at the beginning and instead joined the shared commercial kitchen at Portland food incubator KitchenCru.

The first Brazi Bites debuted on the shelves of Barbur World Foods in August 2013. Today, the company’s products come in four varieties and can be found

in 4,000 stores nationwide, including Whole Foods, Costco and Fred Meyer. Brazi Bites are poised to launch internationally this fall with 500 stores in Canada, Rocha said.

As the company has grown, it’s tapped into the growing food and beverage manufacturing scene in Portland. In addition to the classes at PCC and the time spent at KitchenCru, Rocha and MacMillan sought advice from other food entrepreneurs. Rocha was coached ahead of her “Shark Tank” appearance by local alums of the show – Heidi Lovig, of Heidi-Ho Organics, and Leah Tutin and Taya Geiger of Scratch & Grain Baking Co.

“The food entrepreneurs here, we all know each other and all support each others product lines in retail,” Rocha said. “This spirit of collaboration is unlike any other city in the country. We share resources and contacts.”

Brazi Bites joined KitchenCru soon after the incubator launched. The incubator’s founder, Michael Madigan, recalled witnessing the entrepreneurial drive of Rocha and MacMullin, who would come in at night after working at their day jobs.

“I’m not surprised they are successful,” he said. “I am surprised and delighted at the scale of their success.”

Now Madigan said he turns to Rocha and MacMullin for advice, such as how to get a frozen product into stores.

Bites on new categories

With manufacturing now in the hands of a third party, Rocha is focused on expanding the product’s footprint. Even with its success in natural food and health stores the product only has 10 percent distribution in conventional stores.

Her goal is to continue to build the natural market but also get on more conventional grocery shelves. To help with this, the company recently went through a brand overhaul to better compete on a national level.

Once the product is available in more places, then the company will consider expanding its product line.

“We do have our eyes on that for the future,” Rocha said of potential new products.

With its success so far, the company is also gaining attention of venture capital investors. Rocha and MacMillan have bootstrapped the company and along the way landed a pair of small loans. In 2015 they got a strategic investment from their co-packing partner and were able to pay off the outstanding debt. The unsolicited VC interest is a far cry from the difficulty the company had early on finding capital. However, Rocha is not interested in a venture-funded model.

“(VCs) want to grow fast and flip it in three years,” she said. “We feel like, why sell to them. Instead, let’s keep growing until we get the attention of the giants in food (for an acquisition).”