

Exporting • Regional Report: Chippewa Valley

CORPORATE REPORT

WISCONSIN'S BUSINESS MAGAZINE

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TASTE TRU

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Tea

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ARTISAN BREW

BEN HARRISON • RISHI TEA



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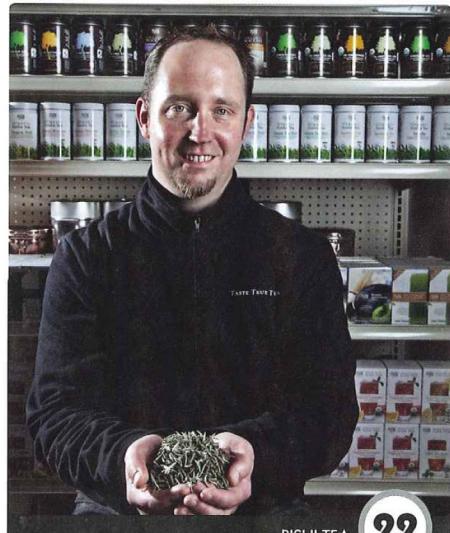
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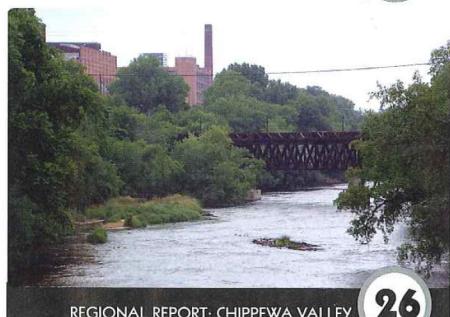
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ARTISAN BREW

Milwaukee's Rishi Tea fills America's teapots with the world's finest loose-leaf teas

By Laurie Arendt



Sometimes business is built on a hunch, and that's exactly what Joshua Kaiser had back in 1997. A Milwaukee kid who had developed a penchant for world travel, he exposed himself to a variety of world cultures and experiences not available back in his Midwestern home town.

The globetrotting young man, now founder and tea buyer for Rishi Tea, found that the traditional, handcrafted teas he'd enjoyed while traveling in Asia were not available in America.

"During my travels, I made a lot of friends who were organic farmers and artisans involved with tea," he says. "I fell in love with tea and decided to import it myself."

But it was more than that.

"Travel was really Joshi's first exposure to the rich tea culture in those countries, and he realized there really was no such culture back here in America," says Benjamin Harrison, co-owner of Rishi Tea. "He saw an opportunity, and knew that there was a short window to pursue it."

Harrison says that America's consumer tea culture parallels that of specialty coffee, and even wine, to a great extent.

"A solid 10, 20 years ago, coffee was a narrow, very stale category," he explains. "There were no specialty coffee houses, no Starbucks or even local coffee purveyors."

The same, it turns out, has been true of tea.

Friends, partners, innovators

The fact that Rishi Tea, winner of 28 awards and 11 first place finishes in the 2009 World Tea Championship, is located in Milwaukee is not happenstance.

Kaiser and Harrison were high school friends who remained in contact after graduation. Both Kaiser and Harrison had long harbored entrepreneurial goals, and a business focused on tea importation aligned nicely with them.

"Josh is really a 'tea guy' in that he has this encyclopedic knowledge of it," says Harrison, who joined the company in 1999. "My background is in sales and business development, and I really started out as his sounding board."

The synergy between the two partners has been a good one, particularly due to the nature of the business. Kaiser spends about seven to eight months of the year abroad — he recently told a national travel

Left: Joshua Kaiser (right) examines fresh harvested tea leaves in Menghai Menghai, Yunnan, China

magazine that Rishi associates back at home often wonder where exactly he is at any given time -- visiting suppliers and growers throughout a number of countries in Southeast Asia, Japan and China. It's a critical role in the company as Rishi Tea directly imports its bulk tea without relying on middlemen or other similar agents.

In the beginning, it was just Kaiser, Harrison and a third partner, now no longer part of the business, in a rented 500-square foot windowless space in Milwaukee's Third

Ward. There the partners hand blended and packaged the tea.

"It was humble and simple," says Harrison. "We had an old, outdated computer, and our former partner, Aaron, sat on a barrel because we didn't have enough chairs."

After a few more moves and expansions, and a stint renting an idle beer kettle at Milwaukee's Lakefront Brewery to brew its Masala Chai concentrate, Rishi Tea is now located in Bay View, south of downtown

Milwaukee, and employs about 40 people.

Along with the actual growing, the picking, sorting and drying process occurs long before the tea is packed and shipped to Milwaukee via the Port of Long Beach.

"It's a very artisanal process," says Harrison. "Sometimes the source is a specific farmer. Sometimes it's a collective or a village. They're the ones who truly understand how to grow the tea, and that's an integral part of our business."

As the farmers learned their trade from the ground up, Rishi Tea also learned the art of exporting.

"We read a lot," laughs Harrison. "We really were blissfully naive. Being an importer is a complicated process. It can be quite challenging."

Case in point: The importance of thoughtful product labeling.

"Our Dragon Well tea got stopped, probably because it was interpreted as being some sort of lizard, I would think," says Harrison of the tea, which is one of China's most famous teas. "And we used to have a tea called Gunpowder, which I can't imagine to be a more horrible name for something you are trying to import."

Over time, Harrison says that an emphasis on openness and transparency in the process has helped build a good reputation for the company.

"We have a pretty solid track record," he says. "Time has helped validate us, though it's still a very complicated process."

All of the company's imports eventually are delivered to Milwaukee.



"We import our tea in bulk and we blend it here," says Harrison. "Two thirds of our teas are simple 'garden variety' tea in that we are effectively repackaging them. A third of our teas are blended; we make our own Earl Grey, for example. We have our own recipes and we really do have Rishi signature teas."

As for opportunities in international trade, Harrison is honest about his assessments.

"I wouldn't encourage anyone to try international trade, but at the same time, I wouldn't want to dissuade anyone either," he says. "Importing and exporting have the ability to come off a heck of a lot sexier than they really are. But if your company really has the ability or interest to export or import, now is as good of a time as any to pursue it."

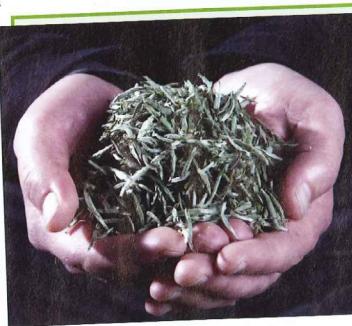
Early adaptors

From the very beginning, Rishi Tea has adapted a number of innovative philosophies into its working business model including:

► **Organic importation.** In November 2002, Rishi Tea was among the first importers to receive organic certification under the USDA's National Organic Program standards. Prior to the program's enactment, Rishi Tea offered Certified Organic teas according to strict European Union standards.

► **Fair Trade.** Rishi Tea is one of the highest payers of social premiums from the sale of Fair Trade tea. Fair Trade is a model of doing business that emphasizes global economic justice by honoring a fair price for products, fair wages and safe working conditions to workers, direct trade,

environmental sustainability and community investment in developing countries worldwide. Beginning in 2003, Rishi Tea also has been involved in three separate Fair Trade projects, including the establishment of a non-profit Fair Trade Certification initiative with the company's Chinese partners, the Xuan En Yulu Organic Tea Association.



► **Green Initiatives.** Internally, Rishi Tea's corporate decisions definitely are tinged with green, including a commitment to green paper alternatives and soy ink, and the use of biodegradable packing materials. The company also composts its used tea leaves with Growing Power, a self-sustaining, urban farm based in Milwaukee that is garnering attention for its own innovative efforts.

► **Corporate philanthropy and altruism.** The company periodically teams up with causes that align with its philosophy. Rishi Tea donated 25 percent of the profits from a limited tea blend to the Clean Water Fund, raising more than \$4,200 to protect and restore America's waterways. Currently, a portion

of the sales of the company's new Masala Chai concentrate support Jane Goodall's Roots & Shoots Program, a program that inspires youth from around the globe to take action to improve the world.

"We believe that doing these things makes a lot of sense to our bottom line," says Harrison. "It sets us apart, and we believe it is vital to our long-term success. It's very logical for us ... and it makes all of us at Rishi Tea feel very good about what we do."

Harrison also admits that the company has a bit of an easy starting point, particularly in an industry that's increasingly under the microscope as America takes a hard look at food consumption, sourcing and quality.

"We're fortunate in that we don't have a 'flashpoint' product in the market," he says. "We import something that has a positive environmental impact, there are no animals involved and we get a pretty steady stream of positive health reports about our product. There's no junk food, no trans fat in our business model."

"As a food company, by any measure, we do have a positive impact," he adds. "We're not naive or completely idealistic. We know nothing is free and clear. But we're definitely in a good place."

Rishi Tea is clearly doing something right. Throughout its history, the company's products consistently rack up industry awards and accolades. Rishi Teas are available in thousands of retailers in all 50 states, including Whole Foods, and through mail order online.

Ironically, the continued success of the company has led it full circle.

"We're actually working on exporting our teas to about a dozen countries," says Harrison. "We're importers and exporters now." 

Inside Look: Joshua Kaiser and Benjamin Harrison

Benjamin Harrison's first job: "I delivered the Milwaukee Journal on Milwaukee's East Side near UW/M. I was turned away the first time I applied because I was too young, so I went back as soon as I turned 12 and got the job."

Longtime friends: Josh and Ben met early on in their sophomore year at Milwaukee's Rufus King High School.

Favorite teas: While in the office, Ben drinks about 10 pots of organic Sencha tea daily. Josh's favorite teas are Oolong and Matcha green.

Fly guy: Josh has logged more than 190,000 miles in the air in 2009 alone.

Company mascot: Visitors to the Rishi Tea headquarters are often greeted by Brutus, Ben's Rhodesian Ridgeback.

What makes a good cup of tea? According to Ben, like in cooking, it's all about the ingredients. Quality tea is a start, but the other important element is good water. "Use good quality spring water or filtered water," he says.

Left to right: Ben Harrison with Brutus; Joshua Kaiser checking the slow roasting in Taiwan; Ben holding recently imported tea leaves.