[01:01.4]

Hello and welcome to the advice line on How I built this lab. I'm Guy Raz. This is the place where we help try to solve your business challenges. And each week I'm joined by a legendary founder, a former guest on the show who will help me try to help you.

[01:17.5]

And so if you are building something and you need advice, go ahead and give us a call and you might just be the next guest on the show. Our number is 1-800-433-1298. Send us a 1 minute message with your a bit about your business and the issues or questions that you'd like help with.

[01:36.1]

Or you can send us a voice memo@hivtd.wondery.com and make sure to tell us how to reach you. Also, don't forget to sign up for my newsletter. It's filled with insights and ideas from the world's greatest entrepreneurs. You can sign up for free@guyraz.com or on substack and we'll put all this info in the podcast description.

[01:56.4]

All right, let's go. Joining me this week is Travis Boersma. He's the co founder of one of the country's most popular coffee chains, Dutch Bros. Travis, great to have you back on the show. Great to be back, man. So, Travis, you were a guest on How I Built this back in 2023.

[02:13.8]

And, and by the way, if you guys haven't heard that story, type in Dutch Bros and H I B T in Google to find it. And of course we'll put a link in the episode description. It is such an awesome story. And I think we, we even sang together in that episode. Right? Is that right? Some Cat Stevens.

[02:29.5]

I think we did. Yeah, we did. Well, I left my happy home to see what I could find out. And anyway, all the crazy ups and downs and of course today Dutch Bros.

[02:44.7]

Is a massive business. 900 over, I think over 900 locations across the U.S. right? Yeah, we're at 975. It's so amazing. Congrats on that. Anyway, Travis, one of the things that I think will probably come up in the calls today is this idea of taking baby steps, you know, like, like you and your brother Dane started out with an espresso cart.

[03:06.2]

I mean, literally a push cart in a parking lot. And you know, some people might have a food truck and then they want to transition to a brick and mortar. Right? And that's a different beast because now you're talking about rent and you're talking about, you know, hiring a team and it's a, it's Just a. It's a different level of stress.

[03:24.5]

How did you guys kind of deal with that transition when you went from the espresso car to an actual store? Was that in retrospect one of the hardest things that you think you did? I don't think so. I mean it's kind of like learning how to walk.

[03:41.1]

You got to start crawling and then you start balancing out and then eventually you make steps and you fall down, you pick yourself up. That's what it is with any kind of business. We went from pushcart to an enclosed mobile unit that you could still move to different locations if you wanted to.

[03:59.3]

But where we found our niche was the drive thru model. And you know, we were one of the pioneers I think of, of Drive Thru Coffee. And so that was something that was a real differentiator for us. And it ended up evolving into a brick and mortar kind of building.

[04:15.4]

And that's really served us. You guys decided at one point in the business to move away from a franchise model to a model where shops are actually corporate owned. They're run by Dutch Bros Employees who've been promoted up through the ranks.

[04:31.8]

So similar to like a Chick fil a or In n out. It's not something that a lot of brands do, Quick service restaurants do. Why do you think that model works better for you? Well, I think the thing that was always most important to me was scaling the culture and doing the right thing for the people.

[04:54.7]

And so, you know, all of the people that we have in our organization, they're the ones who make it what it is. They're the ones who provide the experience. They're the ones who have the fire in the belly, the, the operational, know how, the ability to cultivate culture and lead people.

[05:11.2]

And you know, we made a decision back in 2008 to only grow from within and not sell franchises any longer to anybody else. Because while some people had great business acumen, teaching the culture and scaling the culture, that's just different in nature.

[05:28.4]

It's interesting because if you want to grow fast, the franchise model is a good way to do it. I mean you look at five guys, you look at Dave's hot chicken. We've told both those stories in the show and that's worked for them. At the end of the day like their growth has been explosive. You guys have still managed to grow and grow, grew quickly with that corporate owned model which requires more money.

[05:48.9]

Eventually you had to take on outside investment. I think you resisted that for about 25 years. Well, we never had to do anything we chose to. And that's the beauty in business. I don't think there's a wrong way in the way that you grow.

[06:04.9]

I think that there's just ways that are better for some than others. And for us, with our model, the company owned model made the most sense to scale and grow, protect and cultivate the culture. Yeah, for sure. Travis, why don't we. Why don't we bring in our first caller and find out how we can help.

[06:21.7]

Sounds great. All right, caller. Hello. Welcome to the advice line. You're on with me and Travis Bourzma. Please tell us your name, where you're calling from, and just a little bit about your business. Hey, guy. Hey, Travis. Thanks for having me on. My name is Sean Cheng. I'm calling from Atlanta, Georgia.

[06:37.9]

I'm the co founder of Mucho Korean Fried Chicken. It's a fast, casual Korean American restaurant. We use southern classics like fried chicken, Mac and cheese, slaw mixed with Korean flavors and techniques to be an approachable way for people to try Korean food. Love it. Well, thanks for calling in, Sean.

[06:54.4]

So Mokja Korean fried chicken. And I say this only because I've been to Korea, but I think Korean fried chicken traditionally is just lightly like light coating of cornstarch or potato starch and fried. Right. But this is not. This is actually Southern fried chicken.

[07:10.7]

So like, like flour and dredge and stuff. Exactly. So on our menu, we showcase two different ways. The first one is Southern fried chicken, but with kind of Korean flavors infused in that batter as well, as well as the specialized double frying method.

[07:25.8]

Southern fried chicken, traditionally, it's low and slow for a long time, but Korean, it's high heat. You're cooking it initially once, almost flash fry, letting it cool down to have all that moisture on the excess side, uplift from the inside and then refrying to order so that it gets that final crisp on that outside.

[07:44.0]

Awesome. So tell me about the business. How'd you start it? How did you get into this? Yeah, it actually starts kind of sad. I was at my first year at Georgia University of Georgia in 2016, my second semester, I was in a motor vehicle accident on my way home that left me paralyzed from the waist down.

[08:01.9]

And in that moment, I remember thinking, oh, man, what is life going to be like? The doctor told me I had about a 99% chance that I would never walk again. And so being the realist that I am, I said, okay, am I going to spend my entire Life trying at 1% to walk again or continue my life despite this Injury.

[08:22.2]

And actually, during my time at Georgia, I was cooking for people at my freshman dorm on the weekends. And cooking was something that I was passionate about, that I've been exposed to since I was little. That brought a bunch of people in and said, wow, I never had Korean food before, but I love this.

[08:39.2]

And with that, I said, okay, I want to change my degree from this med school path that I was taking at Georgia to hospitality at Georgia State University. Dude, I love that. That's amazing. Do you use a wheelchair? Yeah, I do. I'm paralyzed from the waist down.

[08:55.4]

I've got a permanent wheelchair that I use for my daily mobility. And so you've had to adjust sort of how you cook, Right. Lower down countertops and things like that. Exactly. You could do everything exactly right. Yeah. What a phenomenal story. Okay, so you decide to kind of shift entirely.

[09:12.6]

Shift. And now and you've got a brick and mortar shop. It's like you go in and order food there. Exactly. We have a brick and mortar in the heart of Atlanta. All right, so tell us what question you brought for us today and see if we can help. Sure. So with margins becoming thinner and thinner in the restaurant industry, we find our original strategy of delivery becoming highly unsustainable.

[09:33.0]

With delivery apps like Uber and DoorDash taking margins specifically in the city, up to 50%. 50%? Yeah. So it's 30% on their end and 20% more to be on the marketplace. You got to pay to be on the marketplace. Right. You get for a good position on the app.

[09:49.4]

Exactly. Wow. So you're basically subsidizing your food to the customer. Yeah, exactly. And that's why it wasn't always like that. But recently it's become more and more aggressive to where, you know, where they're slightly bumping it up a little bit higher by a couple percentage.

[10:04.8]

But you have all these other thousands of restaurants in a major city that you're competing against, so you have to cough up more of that margin in order to be on that front page. So with that being said, we know that we have to lean off these platforms to more of a traditional setting, whether it's dine in takeout or catering.

[10:22.6]

In today's market, common wisdom says marketing is key. However, we're a bit lost on how to navigate that effectively. What is Yalls advice on genuine and effective customer acquisition? This is a tough one, Travis, because you guys, I'm sure Dutch Bros.

[10:39.3]

Uses doordash and Uber beats because you're a huge business, and by and large, they work. They can work, but for a small business it can be really tough. Right. So any, any questions for Sean first before we tackle his. Well, first of all, man, I am ready to try some Korean fried chicken.

[10:57.0]

It sounds great. I'm like, holy smokes dude, I'm ready. So really cool concept. Love the niche. And you know, we, to be honest with you, we refrained from doordash all these years and mobile order has been a big deal for us and order ahead and that's what we've incorporated just this last year.

[11:18.6]

We were late to the game but kind of intentional with it. So your own app, so people can go directly through your app to do it rather than through a third party. That's right. And there's no doubt, I mean, what happens in a situation like we're in with restaurants is the strong will survive and a lot of people will be washed out.

[11:39.2]

So if you can figure out a way to stay alive and keep on keeping on and find that niche. Sean, are you profitable right now? And if so, is your margin healthy? So we were profitable for the past two years. This year has been one of the most challenging.

[11:54.9]

We've seen our chicken cost just exponentially explode. I'm talking more than double for all across the board, some even triple. And you know, with the reduction of sales to some degree, we're not bleeding out, we're just breaking even.

[12:12.3]

So we went from 10% to just maybe 2, 2 to 3% this year, which we're still thankful for. So we are definitely just in hustle mode of trying to figure out different avenues. And recently we just this past month we launched our corporate catering partnerships where we said, hey, it might be just easier to go to these major multimillion dollar companies that are already having a budget to feed their employees and just lock them in on a monthly to month basis, taking out the middleman services.

[12:41.9]

So like tomorrow we're supplying for a beauty supply store for 70 employees. Nice. And they love the food so much. At first they were unsure because they're like fried chicken, 20 minute delivery, it might not be delicious. And I said here, on my dollar, on my time, let me feed upper management and have you guys char our food.

[12:58.8]

And they locked us in for a fourteen hundred dollar contract like that and said, hey, we want you every month. That's awesome. Great job. I, I think you know that if, if you're going out and doing some catering and doing some fun cool events like that, that's a great way to market your, your product and, and word of mouth with where you're at in the beginning is, is something that we took huge advantage of.

[13:20.2]

And of course, when I did it, it's, gosh, 30 plus years ago, we didn't have the channels like YouTube and, and Instagram and Tick Tock and. But, but I think you can do some creative things in those spaces. And if you can get some people that are ambassadors to your brand to help you with that, that's a great way to go about.

[13:39.5]

It costs you very, very little, if anything at all. Sean, I've got a radical idea for you. Okay. I love that you're leaning into the catering and you should keep doing that. Okay. But I keep, I keep going back to an episode we did with Dave's Hot Chicken. The way they got that brand to take off.

[13:56.8]

Cause they started in a parking lot in East Hollywood, okay, Literally with Bunsen burners and you know, like Costco fold up table. They invited, they sent an email, cold email to a guy who wrote for Eater la. And they said, hey, we love your stuff. You want to try the best chicken sandwich?

[14:12.1]

Come. He came, he wrote an article two days later. And that was, was two, three hour waits. It was like a viral kind of thing. And I think there's an opportunity for you to try something interesting. And it might not be through the Korean fried chick.

[14:28.8]

It might be, but that might not be the way in. There is, there's an opportunity here and I want you to think about this, okay? To introduce one or two new items to your menu that no one's doing because there are other people are doing Korean fried chicken. You know what no one's doing?

[14:45.4]

No one's doing Korean street snacks. Like, I remember when I was, I was in Seoul, I had this snack. It was like a fried doughnut filled with nuts and sugar. Like melting sugar. I think it's called like hotteok.

[15:00.7]

Do you know what I'm talking about? That is absolutely one of my favorite desserts. It's amazing. It's like a fried funnel cake filled with sweet, syrupy sugar and pecans. There's another one. It's shaped like a waffle fish stuffed with cold, delicious custard.

[15:19.2]

Why don't you consider doing something like that and seeing if you can get some hype around that? Yeah, that's definitely a wonderful idea. I think our challenge is because we retrofitted a space that was a second gen restaurant space, we're having trouble with the ability on our line to add new products right now.

[15:37.2]

That is the hardest issue. That's why even with our catering, we have the storage space on back to do salads and things like that that people are asking for. But a dessert program. It's funny that you bring this up because people have been asking for it all the time. Time. You just need a flat griddle. Yeah, you just need a flat griddle.

[15:53.6]

I mean, literally, these are street vendors with like, you know, 4x4 area. Right? Exactly. Making this stuff. Yep. Yeah. One of the. One of the things that I keep thinking about is, you know, customer acquisition, obviously very challenging, especially harder now.

[16:09.0]

It's more expensive. Social media isn't. Is not as effective as it was four or five, ten years ago. But there is a model, and I've used this example in seminars. There's an episode we did on We.

[16:24.4]

We is a. Happens to be a. It started out as an Asian food delivery service. Now it's like all kinds of ethnic foods. I'm sure it's available in Atlanta. Larry Lu is the founder. And what they did to get more customers was if you ordered from WE right online, they would send you a link with a code, and you could send that to a friend, and if the friend used the code to order, they would get 15% off their order.

[16:56.3]

And you would get cash back, like $5 or something. Something significant. It cost we a lot of money. It put them in the red for three months. But their customer acquisition as a result of that was so intense, enormous, that they became profitable in six months.

[17:12.9]

And they. I think they've been profitable ever since. I'm not saying that's easy to do. And obviously you're a small business, and they were too, at the time. They were really small. But if there's a way to. Where your customers come in and you hand them a card or something and you say, look, give this to somebody.

[17:30.8]

And if they use this code, you know, and. And you sign up for our loyalty club, we'll give you a discount next time you come in or we'll give you some cash back or something. Just experiment with things like that. Because it's the word of mouth that is the most valuable form of marketing.

[17:47.6]

Yeah, I definitely agree about the power of word of mouth. We are using some aspects of that in our email marketing where we just laid out the math, very simple. I said, hey, there's for example, 3,500 of you guys. If you guys just shared two people that. Who've never tried Korean fried chicken or Korean flavors, man, that's 7,000 new customers or people exposed to Korean flavors.

[18:08.5]

Right off the bat, super cool. Sean Chang Moocha. Korean fried chicken in Atlanta. Congrats on what you've built, man. We're cheering you on. I can't keep it up, dude. Keep up the great work and the drive. And in your attitude, man, goes Miles. Thank you. I appreciate it so much. It was a blast to actually just talk with you all today.

[18:27.2]

Wow. Love it. I love it. Pretty cool. It's just so cool. I mean, I don't want to give away your story too much. I want people to listen to it. But, I mean, you've been through some really rough times with your business. Things that most people just wouldn't be able to withstand.

[18:43.9]

I'll tell you what, though, man. That's where all the growth lives, the problems and the challenges and the stuff that you think is, like, nightmarish. That's where so much growth and. And opportunity live. All right, we're going to take a quick break, but we'll be right back with another collar and another round of advice.

[19:03.7]

Stay with us. I'm Guy Raz, and you're listening to the advice line right here on how I built this lab.

[19:24.1]

Welcome back to the advice line on how I built this lab. I'm Guy Raz, and my guest today is Dutch Bros Coffee co founder Travis Borsma. Travis, why don't we take another call? Sounds great. Hello, welcome to the advice line. Please introduce yourself, your name, where you're calling from, and just a little bit about your business.

[19:42.0]

Hi, my name is Trenton Yoder. I am calling from Belleville, Pennsylvania. My wife and I are the founders of Pine Ridge Coffee. We are a coffee roaster and cafe, and our goal is to bring people together around a quality cup of coffee. Amazing.

[19:57.1]

Okay, we got the right person here for you, Trenton. First of all, a couple questions. Where is Belleville, Pennsylvania? It is pretty much right in the middle. So the closest, I guess, major area to us would be State College, so the home, Penn State University.

[20:14.3]

But it's about three hours to Pittsburgh and about three hours to Philadelphia. Awesome. Okay, cool. And it's a coffee roastery. Is it a shop? Is it a store that you have? Yeah. So we have one brick and mortar location, and then we have a mobile unit as well.

[20:30.0]

A truck? Yes. And does a truck constantly, like, drive around or does it do events or what? We do a mix of events. And then we also have some, like, regular spots and some other areas that we set up in as well. Nice. Okay, so tell me a little bit about how you got into this, into this business.

[20:47.1]

Yeah, so I just kind of always enjoyed coffee I have a lot of memories of just, you know, spending time with friends or family, you know, with coffee. There's a picture. I was probably four or five years old, fishing with my dad and my sister, and I had a little thermos cup full of coffee.

[21:02.5]

And so, you know, as I went through college, I got more and more interested in, you know, the process of roasting coffee. And I've always had a really entrepreneurial bug. You know, I've always wanted to have my own business. So in. Yeah, October of 2022 is kind of when we began this journey.

[21:21.6]

And what were you doing before? I was a financial controller for a roofing contractor, so that was like, a good opportunity just to kind of learn the workings of a business. Nice. Okay, cool. And tell me, what's your question for us today?

[21:36.7]

Yeah, so my question is we seem to have a really strong following locally within our immediate area. We have struggled to get that same success outside of the area. Moving forward, we're hoping to grow the roasting side of our business.

[21:54.4]

So my question is, would you go direct to consumer or pursue other wholesale partners, you know, other coffee shops or distributors, and seeking out, like, grocery stores? All right, let's unpack there. Let's bring Travis in. Travis, we can either answer this question, or you might have some more questions.

[22:11.9]

Well, I mean, it's such an amazing business. I've had great joy in being in this. This industry. And how many varietals are you guys roasting? So right now we have about eight different coffees that we're roasting. So that's probably three or four single origins and three or four blends.

[22:30.7]

Awesome. You know, when you have your blends and your varietals and you've got your roaster and you think your packaging and the shelf life and your consumers, your story, I think, is so critical to your success, you know, and what's the purpose or the why behind what you're doing?

[22:48.2]

So if you're looking at, you know, a roastery and being a wholesaler versus a retailer, I think that's dynamically different. Do you have one way or the other that you're looking at more? So, yeah, I think, you know, if we're looking, say, five years from now, if we have our one brick and mortar and then we have a big direct to consumer business, that's something that.

[23:11.3]

That gets me more excited. The dream is that, you know, we have a national footprint as far as where we're going, especially with our online sales. What. I mean, look, let's be Honest here. We've had coffee brands on the show. There's a lot of coffee.

[23:27.0]

It's like micro brewed beer. There's a lot of small breweries all over the United States, a lot of small coffee roasters across the US doesn't mean there aren't opportunities or huge opportunities. But the question is, how do you differentiate yourself? Right? Tell me if you were going to Los Angeles or San Francisco, where I live, and you were like, you gotta try Pine Ridge Coffee.

[23:46.8]

I would say, well, I'm in San Francisco, I've got four barrels and ritual and all. Why yours? What's your answer? Yeah, I mean, we've just found a way with our roasting process. It's, you know, small batch roasted. It allows us to really keep an eye on quality. It doesn't, you know, give you a bitter aftertaste.

[24:03.3]

Even like our darker roast, it finishes really smooth. And it's just about, you know, we really care about the quality of our coffee. Travis, your thoughts? You know, I would really dig deep. Like, how can you paint a picture for somebody that really looks at it and says, oh, here we go.

[24:21.0]

Here's something really exclusive, unique, fun, cool. I want to give it a try. I totally agree with that, Travis. I mean, I'm looking at your website and you got to convey that. I mean, I don't think you need to spend tons of money, bells and whistles on your site, but.

[24:37.8]

But you have to make it clear about all the things you just said. Let me make an analogy. With wine. You can get the best grapes, the best harvest that season, and give it to a really mediocre winemaker, and you'll get mediocre wine. You can get really mediocre grapes and give it to the best winemaker and get great wine.

[24:57.2]

And what you're telling me is you're a great winemaker. You know how to roast coffee beans. You believe you're in the top 10, 5, 1%. So that's a story you need to tell, because that's interesting. That says to me, all right, this guy's like the roasting king.

[25:14.5]

I gotta try his coffee. Yeah. So do you have any feedback on, like, how we could convey that better through our website or through our social media channels? Yeah, I mean, Travis, I'm thinking about how when Dutch Bros began, people would come from Oregon and then in the Pacific Northwest and they go to other parts of the country and be like, oh, you gotta try this thing called Dutch Bros, right?

[25:35.2]

You had these ambassadors, like, that's the kind of momentum, right? That really can help explode a brand. And I feel like you've got an opportunity to do that at Penn State because it's a massive university, culturally significant. I would try and lean in there and see if you can build a critical mass that really helps you grow this brand.

[25:58.3]

Yeah, I think that's well put. Yeah. And the other thing that, that I would add to that is success leaves clues. There's so many things you can take away from a Chick Fil A, a Costco, a Starbucks, for that matter, a Dutch Bros.

[26:13.9]

And you know, when you kind of look at all these different business models and you admire different ones, what do you admire about them? And can you cross pollinate ideas that maybe they do really well and incorporate them into what you do? You know, that's some of the things that I think we've done over the years that has been so beneficial.

[26:36.3]

Yeah. We did an episode on La Colombe Coffee many years ago, and Travis, you know La Colombe, right. It's obviously competitor in some ways, but not really. But the guys who started that brand, it was a roastery in Philadelphia. And the way they got it, got attention was they started serving it at fine dining restaurants in Philadelphia and then they went to New York City.

[26:59.2]

And so you, you know, you'd have customers go to these like super fancy restaurants and they'd say, what's this coffee? And they'd say, it's called La Colombe. And that's really how they built it out. And so going back to what, Travis, what you were talking about earlier with baby steps, to me, there's an opportunity to take some of those baby steps here because you believe you've got something special.

[27:18.4]

But just seeing Pine Ridge Coffee isn't enough. And I think you got to focus on really building out the brand through other retailers. Yeah. The more people that you can put your product in front of, the better. So, yeah, I definitely really appreciate the advice.

[27:34.6]

They're trying to kind of really hone in in the State College area and see what we can do as far as gaining some momentum in that market. Yeah. Tren Yoder, Pine Ridge Coffee. Good luck, man. Good luck, Trent. Thank you. I appreciate your time today, guys. Thank you very much. Thank you. It's so interesting with coffee, right?

[27:52.0]

Because when you started in 92, it was still like espresso. Drinks were still like. That's when people still said espresso, Right? Yeah, espresso. Oh, my God. I mean, there is a. Yeah. It was a massive learning curve. We're educating people on what espresso coffees were.

[28:07.4]

Yeah, yeah. And people will be like a latte. Ooh, fancy. You know people. We'd have people come up and they say, I'll take a cappuccino. And I'd be looking, I'm like, and do you want that real frothy and foamy? And they'd look at me like.

[28:23.8]

And I'm like, how about I make you a vanilla mocha and you check it out and see if you like it. If you don't, I'll make you that cow. I love it. Yeah. All right, we're going to take another quick break, but we'll be right back with another caller. Stay with us. Hi, I'm Guy Raz and you're listening to the advice line right here on how I built this lab.

[28:58.2]

Welcome back to the advice line on how I built this lab. I'm Guy Raz and today I'm taking your calls with Dutch Bros. Travis Borsma. Travis, let's get back into it and take another call. Sounds great. Hello, welcome to the advice line. You're on with Travis Borsma of Dutch Bros.

[29:14.6]

Hello. Please introduce yourself, tell us your name, where you're calling from and just a little bit about your business. Hi, Guy. Hey, Travis. My name is Yasmin Santos. I am the sole founder of Alternative Bar. It's a non alcoholic elixir bar serving functional beverages that enhance mood and mind.

[29:30.9]

We're currently operating as a cater bar offering a white glove turnkey so solution for events in Austin, San Francisco and Miami. Awesome. Yes, man. Thanks for calling in. So it's alter like an altar, like at a church. Alter Native bar. That's right.

[29:45.9]

All right, let me just see if I understand this. It's like it's a bar service. So you guys get would be hired for like a corporate event. But you don't sell alcohol. You sell alternative non alcoholic beverages. That's right. Yeah. We use botanics and nootropics that do facilitate a state change as an alternative to alcohol.

[30:05.6]

All right, so basically these are mood mind enhancing beverages. It's not like non alcoholic beer. These are like what is not ashwagandha. It's not LSD. It's not LSD. It'S not magic mushrooms or THC.

[30:23.1]

It's that thing that everybody goes to Mexico to do. Ayahuasca. Yeah, it's like. It's not that, but you're basically. It's legal stuff that has a kind of a buzz effect. 100% legal. Very. I like to say they're benevolent botanicals.

[30:40.6]

They are potent, but they're not as powerful, I guess, as your typical substances like alcohol and cannabis. All right, and so tell me how this idea came about to start this business. So I was the caretaker for my mother.

[30:59.1]

She had early onset dementia, and we got to a point where she was bedridden, and even though she wasn't verbal, we could tell there was a lot of pain and discomfort. So I started exploring non pharmaceutical solutions for that and came across a few. And then I was like, wait a second, I don't drink.

[31:17.2]

I have some pains, especially socially. I still have social anxiety and inhibition like anybody else. What if there are plants that could resolve this for me? And I came across kava and a few other plants and started experimenting, doing some kitchen witching, and came across more and more plants that really serve our bodies.

[31:41.0]

So basically right, because a lot of people use a little bit of alcohol at a party as a social lubricant to kind of loosen them up. And you're saying you have this challenge, which I get, because I do too. I hate going to parties. But you don't drink alcohol.

[31:56.5]

But this using these herbs kind of helped you a little bit. Totally. I'm using them right now. Wow. Well, kava is. I've actually had some experience with kava in Fiji, where we sat down and they do the whole ritual and it's like over the course of hours and it's amazing.

[32:15.5]

I mean, and you have this feeling of like, it's almost like a euphoric kind of outer body experience. And it's very light, but it's incredible and it's energetic and. All right, so you're based in Austin and you're doing. Right now you're offering like, events, like a catered event, but like, I don't know, a corporate event or a wedding where there's this alternative bar.

[32:36.6]

And who are the kinds of clients? Who are the people who are hiring you? The first event we booked was for a, I think, called Young Women's Alliance. They are an organization of professional women here in Austin. I would say more mindful, health conscious people.

[32:54.6]

And also corporate wellness programs that want to be inclusive of sober, Sober, curious. Everybody. Got it. Okay. And before I forget, what's your question for us? I would love any advice you have for someone like me who's looking to scale this business into the mainstream.

[33:13.8]

And what are some companies that I can use as a model? Cool. Travis Borsma, I'm going to start with you. The man from Dutch Bros. Brought it from a coffee cart to 970 locations. Well, I guess the first question I've got is, do you want to take it to the masses or do you want to stay in a niche market?

[33:33.0]

I want to go to the mainstream. Okay, so does that mean, like, products on shelves and grocery and things like that? I would love to see that. As well as either the cater bar concept or brick and mortar in cities across the U.S.

[33:49.9]

i want to bring the plants to the people. We've expanded into cpg. We just did our first run of an adaptogenic blend. What is it like? Like a tincture? Like a. Yes, you got it. It's a tincture. We've got a blend of rhodiola and schisandra. And.

[34:05.2]

And it supports energy, endurance and ease. Where are you selling it? We'll do E Commerce, of course, going to do Shopify, and then I'd love to get some on shelves in Austin and San Francisco and grow from there. I think another business maybe.

[34:22.1]

Is it along the same lines as maybe taking kombucha to the masses, where you could use that as a model maybe of some of the product that you have? But that's sounds similar to me as far as like exposing a product that has health properties to it that are good for you, that you really want to educate people on.

[34:41.9]

And that's one of the ways with Dutch Bros, you know, espresso coffee in 92, people didn't know what espresso was. A lot of people didn't know. And so we had to educate people on it a lot. But it got its own momentum, and certainly Starbucks helped everybody with that.

[34:57.7]

But I think if you're looking for a model out there, my inclination would go to a kombucha company maybe. Yeah. The other thing that comes to mind, Travis, is Guayaqui. Guayaqui Yerba mate. Guayaqui yerba mate, which was on our show a couple years ago, and that was a long journey.

[35:16.9]

It's like 20 years before they started making money. Because. And by the way, that brand, right, they started out selling loose tea yerba mate to people, and they would go to concerts and festivals, and they started this in the 90s and people would try it and it was bitter and they didn't like it and they understand it, and it was a slow, methodical process.

[35:39.3]

They spent 20 years driving around in a bus from festival to festival. The game changer for them at the end of the day was making bottled tea, right? And then now they make cans and eventually adding sugar and other flavors.

[35:55.1]

But to me, a Tincture is interesting. The bar business is interesting, but that's hard to scale. The bar business could be an opportunity to introduce a product or the product to an influential crowd.

[36:10.4]

You're in Austin, obviously. South by Southwest happens there every year. One of the most important cultural events in the world. You know, I think there's a good chance that someone's going to hire you to run a bar at south by Southwest. What about ready to drink beverages?

[36:26.4]

You know, what about cans or bottles of your drink? You know, guy, I have considered that. I'm a longtime listener of your show, and for whatever reason, I can't remember what episode it was, but I am very intimidated by the beverage space.

[36:42.9]

That's fine, Travis. Okay. To be intimidated. Yeah. You know, I think. I mean, one of the things is to get comfortable with being uncomfortable. Yes. And, you know, I sat down with those guys from Guayaqui 25 years ago.

[36:59.9]

They came to our coffee house, and we passed a bombila around with the gourd and the loose leaf. And, I mean, it was. It was this. You. It was awesome, man. I mean, we. It was like. I felt like I was breaking the law, but it was totally cool. I think when you can provide those experiences and you can go spread your product and.

[37:16.2]

And you see the joy that you have with it, I mean, you're so proud of it. That's. That's so amazing, because when you can share that with people, that creates momentum, focused intensity over time, multiplied by faith or. Or God or whatever you want to put in that, you know, your creator, then it creates momentum.

[37:36.3]

And I think that, you know, if. If you keep on doing what you're doing and you. You just let it evolve, evolve, and you let it. Have fun with it, enjoy it. You know, try not to rush it, But. But just be methodical about it. I. I also. I love the idea, Yasmin, that you say that you're intimidated by this, which is.

[37:53.1]

Which means that probably it might be the right direction to go into and pursue. Right. Because think about it for a moment. The beverage industry and the ready to drink is. It's very. It's a packed industry. Right? But so is liquor. So is coffee. There's always an opportunity.

[38:09.5]

There's always a wormhole. There's always a niche you can find. And what you're talking about is tiny. I mean, very few people are doing these no tropics drinks. It's a little weird and different. It's like liquid death. Wait, what? This is water.

[38:25.7]

It's not malt liquor. You know, People picked it up because it was so weird, right? And it now, you know, raised at a $1.4 billion valuation or something. So I think that it's worth thinking about a simple, ready to use, ready to drink, easy to translate and explain product.

[38:46.0]

The tincture is cool, but it requires people to, like, okay, you put this in water and how much? And it's a very small crowd of people who'd be willing to play around with that a can that you open up. Simple. And the other thing is, like, the way you told your story to us, I think that there's so much value in your storytelling.

[39:10.1]

You know, what can it do for you? What are the health properties with it? Why is this so amazing? And who are the people that are consuming it? And can you ride the wave with their momentum on how they live this healthy, extraordinary lifestyle? You know, you've both alluded to my approach to this business, and I surf.

[39:30.3]

And what I've noticed is that. So waves come in sets, right? Could be 3, 5, 12. And I've noticed that the first waves of the set usually aren't the best ones, at least in my experience. And so the approach that I take to surfing is I wait for my wave. Like, I might be a little bit further back in the lineup and may take a few waves to get warmed up and.

[39:51.9]

And an easy paddle back, like. And I'm waiting for that rogue wave that I'm perfectly positioned to take that I don't have to compete for. And I have a clear line of sight. And maybe the RTD is that wave.

[40:07.3]

It might be. And I think as you start to think about this idea and maybe build out a plan, you'll have more clarity. Do you need to raise some money? Do you need to start asking people for money? There are plenty of people who started beverage drinks with very little money, five or ten grand, and just do a test run.

[40:26.7]

There's, you know, obviously a lot of co packers out there who, who. Who can, you know, who you can work with. So I think that it's really worth at least putting some thought into building out the brand. Because with the bartending platform, especially if you're going to places like Miami and San Francisco, Austin, really sort of important places to showcase products, having something that people can pick up could be really cool.

[40:54.2]

My heart agrees. Yeah. Well, I'll tell you what, your energy with this is incredible. And I would just encourage you to keep going and asking yourself how you can perform better and what you could do to make it even more appealing.

[41:11.5]

And who are the people that you want to have involved in it. We use this little ultimate success formula. It's not your specific outcome. Take massive action toward it. Ask yourself. The action you're taking is working and change until it does. And it's like it can.

[41:26.6]

You can use that in everyday life with anything. But that's. That's something that has served us in evolving and growing and getting to this place where we have this giant vault, secret menu, if you will, that creates all these custom concoctions that people really want.

[41:44.6]

And I think when you. When you identify what they want and you're able to deliver it to them in a way that is meaningful and has a story behind it that they can be proud of, you're gonna see a ton of momentum happen. Amazing. Okay. Yasmin Santos, Alternative bar.

[41:59.8]

Congrats and good luck. Can't wait to see what you build. Thank you so much, Debo. All right, thanks. Good luck, man. That Cava experience sounds like. Sounds like something, man. It was really cool. You know, in Fiji, I don't know of other parts of the world, but I mean, that's something that they do collectively together for hours on end.

[42:18.4]

And over the course of time, then you can get to this place of kind of this euphoric, out of body kind of experience. And it's not hallucinogenic at all. It's just like this floating state change. Very similar to Gua Qi in a way. Yeah, it's cool.

[42:34.1]

There's a lot of interest around these nootropics and brain enhancing herbs. And the reality is alcohol consumption is in decline in the United States, for better or worse. I mean, I think that younger people aren't drinking as much wine or spirits.

[42:51.1]

And so there may be an opportunity. Yeah, yeah. Travis, before I let you go, I want to ask you a question that I've been asking every returned guest on the show. If you could go back and tell yourself and a younger version of you and Dane, just give them some advice about what to expect or some encouragement.

[43:13.8]

When you guys are starting out and it was tough, tough going, what would you. What would you say to yourself? You know what? I think the first thing that I'd probably say is adapt or die. Because the world is changing around us.

[43:30.0]

It's all sorts of different ways, shapes, sizes, forms. And you know, with COVID it's an example of something that you just can and anticipate that hits you. And if you don't adapt, you're dead.

[43:45.5]

Amazing. I love it. That's Dutch Bros Coffee co founder Travis Borsma. Travis, thanks so much, man. Thank you, guy. Always cool, man. Awesome having you. By the way, if you guys haven't heard Travis's original How I Built this Episode again, one of the best episodes.

[44:02.2]

So good. Go back and check it out. You'll find a link to it in the podcast description. And here is one of my favorite, favorite moments from that interview. We opened our first day downtown, Grants Pass next to the post office, and Dane was like, I don't know if I could do it, man.

[44:20.0]

He's kind of hiding out in the back and what do you mean he couldn't do it? Why? He just, I think all of a sudden it just kind of all like, oh my God, this is real. We're doing it. Yeah. And I'm like, hang on, dude, I'm going to go make you a, a little eight ounce mocha.

[44:36.1]

Yeah. And I'm going to put some tunes on. Yeah. And so I put on some Led Zeppelin going to California and I got him a coffee and I said, hey man, it's on. Hey, thanks so much for listening to the show this week.

[44:53.6]

And by the way, please make sure to check out my newsletter. You can sign up for it for free@guyraz.com or on substack. And of course, if you're working on a business and you'd like to be on this show, send us a one minute message that tells us a little bit about your business and the questions or issues you are currently facing because we would love to try and help you solve them.

[45:15.0]

You can send us a voice memo@hibtid.wondery.com or call us at 1-800-433-1298. You can leave a message there and make sure to tell us how to reach you. And by the way, we'll put all of this in the podcast description as well.

[45:30.9]

This episode was produced by Sam Paulson with music composed by Ramtin Arablouei and Sam Paulson. It was edited by John Isabella and our audio engineer was Sina Lofredo. Our production team at How I Built this also includes Alex Chung, Carla Estevez, Chris Messini, Elaine Coates, J.C.

[45:47.4]

howard, Katherine Cipher, Kerry Thompson, and Neva Grant. I'm guys.