Blue Pasture Advisors

Case Study: Midwest Coffee Roaster

The Challenge

- Absentee owner wishing to prepare his white-label coffee roasting company for potential sale
- Revenues were declining and business was unprofitable plus overlay of COVID
- Company was being viewed as a distressed asset, not providing ownership with the desired value

The Solution

Engagement began March 2021with a Blue Pasture principal retained for 15-30 hours per month

Reorganized Sales Effort

Separated from non-productive contract salespeople and renegotiated outside broker commission.

Invested in Brands

Contract roasting was the major source of revenue, but company did own several of its own brand labels. Invested in those brands and initiated production of CBD coffee to increase the sale price multiple.

Increased Prices and Margins

Analyzed customer pricing and margins. Used that data to raise prices in an understandable and palatable way for customers.

Invested in Production and Technology

Reaching profitability, made critical investments in production assets and supporting technology (NetSuite) for FY '23. This will mitigate human capital challenges, reduce lead times, and increase gross profit margin.

The Results

Record Revenue

FY '22 (June) revenue reached $15 million - the highest in over five years

Strong Operating Profit

After three years of losses the company generated EBITDA of $540k

Zero Customer Attrition

Six months after the series of price increases, no customer losses