

### Boston Beer Founder Mentors Wine Entrepreneur



Copa Di Vino small-business owner James Martin and wife Molli  
By Janice E. Pierce, Video and Photo

*Jim Koch, founder of craft beer brewing giant The Boston Beer Co., is teamed with [James Martin](#), founder of The Dalles, Oregon-based Copa Di Vino. Martin has a vineyard — and also sells wine in unique individually packaged glasses. He wants to raise more capital, bolster distribution, manage cash flow and engage consumers through social media.*

**Challenger/Name of business:** James Martin, owner of Copa Di Vino

**Business:** Seller of individually packaged glasses of wine; **Age:** 47; **Location:** The Dalles, Oregon

**Celebrity coach:** Jim Koch, founder of Boston Beer

#### Challenge topic #4: How to market your

##### product

**The situation:** Martin needs to introduce the U.S. consumer to a unique item. "It's an entirely new product category," he says.

He's working closely with his daughter Natasha — a recent college graduate who just joined Copa Di Vino full-time — to ramp up their brand awareness. The duo garnered attention by capitalizing on the exposure Martin received while on the ABC reality TV show *Shark Tank*. (The program features entrepreneurs who pitch potential investors.) [CopaDiVino.com](#) has links to that program, as well as other news articles about the company. They're embracing social media by posting company-produced videos on YouTube and creating a brand-touting Facebook page that 944 users "like."

**Koch's advice:** "The company has done an amazing job of getting publicity," says Koch. "I know how hard it is for a small company to get anybody to pay attention, and they've had spectacular results."

He advises Martin and his daughter to keep up their public relations and social media efforts, but to also make sure that Martin doesn't get distracted by publicity opportunities and fall behind on managing the day-to-day duties of his business, such as watching overhead.

While Copa Di Vino has an interesting business story, Koch says that the main marketing push should be behind the product's positive attributes.

"Make sure the exposure is for the product rather than for the business story," he says. "It's tricky because the two are pretty tied up together, but I have a simple criterion for PR — is (the message) going to make people want to drink the beer?"

As Boston Beer got its launch with the [Samuel Adams](#) brand, "The right kind of publicity wasn't about me or the company, but it was about the quality of the beer," says Koch.

He also realized early on that he needed some outside help with promotions, so he hired PR specialist Sally Jackson, founder of Jackson & Co.

"I gave her a small piece of the company 26 years ago," says Koch, who still works with Jackson. The relationship went well because he thought of her as a partner, rather than a hired vendor. "She was an adviser and friend," he says. "And she introduced me to my wife, so I'm eternally grateful."

#### Challenge topic #3: Achieving work/life balance

**The situation:** Martin's work and family time frequently overlap. "Everyone is around us and everyone pitches in," he says. His sons, 10 and 14, help after school and his daughter — a recent college graduate — is a full-time employee.

The convergence of personal and professional time suits Martin and his family well. "I don't disappear for 70 hours a week into a deep huge skyscraper somewhere," he says. The family often works seven days a week, but the children get to see their dad in action, and benefit by learning professional responsibilities at a young age, he says. Yet there are some drawbacks. Without a stringent work/personal life separation, Martin says that his family — in particular, his wife and daughter — "watch me experience an enormous amount of stress and deal with challenges," as he manages the family winery and tries to get Copa Di Vino off the ground.

**Koch's advice:** Martin is fortunate that he can spend so much time with his children. When Koch was building Boston Beer, he was often on the road and didn't have that luxury. "Like most small business owners, I did not have as much time with my young family at that point as I would have wished," he says.

Koch advises those who are parents and entrepreneurs to carve out some specific family time in which there is no shop talk allowed. "Don't be on the phone trying to do business, don't get on your email," during that time, he says. "Those things make (your kids) feel like the business is more important than they are."

He advocates "making memories" by planning activities that deviate from the normal family routine such as taking trips together.

"There is a tendency to just work, work, work when you have your own business," he says. That's why it's important to schedule specific family time. "You have to do as much planning and prep for that time as you do for your business time," he says.

His approach: mark family days on his calendar months in advance.

In February, he blocks out every Monday and every Friday during the summer to spend time with his wife and two younger children at their weekend home. "I lose about half of that time" due to business needs, he says. "But if I didn't block out the time, I'd lose them all."

## **Challenge topic #2: Financing your growing business**

**Martin's situation:** Martin's finances are spread thin. He's paying for wine, store displays and the costly production of the plastic cups. A positive situation — a plethora of orders — is adding to his stress. He simply doesn't have the cash to meet demand. Martin, who owns 100% of his firm, would bring in outside investors, but he's worried about losing control.

**Koch's advice:** Rather than taking on outside investors, Martin should slash costs — possibly by outsourcing some production — and hold back on growth opportunities.

"Slow down and try to control your overhead," Koch says. "Create a business that can finance itself."

Even with those changes, Martin may still need to raise outside capital. If so, he should retain as much controlling interest as possible.

"Think about separating the financial piece from the ownership control," says Koch. "You could say, 'If you invest in the company, I'll give you 50% of all of the financial returns, but I'm going to give you 0% of the ownership.'"

If Martin uses that approach, he could get funding, but still retain decision-making power.

"I was willing to give up some of the financial upside to maintain control (when launching Boston Beer)," says Koch. He raised \$140,000 from friends and family, but kept a majority of the business and controlling interest. "Twenty-seven years later, we're a publicly traded company, but I still have the controlling shares," he says.

Martin is desperate for cash, which reduces his ability to secure a good deal. Professional investors "negotiate all the time," Koch says. "You're doing it once in a lifetime — who do you think is going to get the better deal? Don't get in the position where you need them."

## **Challenge topic #1: Building up staff**

**Martin's situation:** A slew of expansion opportunities have arisen for Copa di Vino — including potential distribution to new states, possible TV product placement deals and a planned meeting with a [Wal-Mart Stores](#) buyer. To prepare for future growth, as well as meet existing client demand, Martin would like to expand his 11-person staff. Currently, Copa di Vino is adding about one new worker per month. Martin has hired folks he's known, such as workers who have volunteered at his company. But now that he wants to dramatically staff up, he's unsure of the best way to go. Among his questions:

- "How do you handle and manage staff and still keep it real and small, when you are growing so fast?"
- "How do you mitigate the risks of hiring new employees, the way a large company can, when you don't have an HR department?"

**Koch's advice:** Be incredibly selective with those expansion opportunities, counsels Koch. Instead of capitalizing on growth, Martin should instead strengthen his company's foundation. "Focus on building a solid base on the key elements, which are a great product and great people," he says.

It takes discipline to grow slowly, but if Martin expands his business — and his staff — too quickly, the results could be disastrous.

"Unless you are very careful about hiring the right people, within a year you could lose control of the culture of your company," says Koch. "And it's very difficult, if not impossible, to get that back."

Martin's approach of hiring those who have volunteered with him is a smart way to go, says Koch. "He can see their passion, commitment and how they behave in real world situations."

Each new employee should be strong, self-sufficient workers who add value to the company.

"No desperation hires," says Koch. That may mean that a position is left unfilled for longer than Martin wants, but it's better than getting in someone who is just mediocre.

"We've had positions open for over a year," says Koch. "We needed somebody, but we left the position open rather than hiring someone who didn't raise the average."

And once that ideal new hire is found, a company founder should train them — and then let them shine.

"In the beginning, I did all the selling myself," says Koch. "It was great to hire someone who was better at sales than I was and just let her (work) so I could focus on other things."

He suggests that Martin also adopt the Boston Beer "raise the average" approach.

"(His) job is to find people who will be better than he is," says Koch. "That's how you're able to grow and pull yourself away from trying to do everything."

### **Meet our Challenger: James Martin toasts single-serving wine**

A ride on a European bullet train has turned James Martin's life into a bit of a roller coaster.

While in France to celebrate his 20th wedding anniversary, Martin and his wife, Molli, hopped a high-speed train. There, The Dalles, Ore., winery owner discovered something that intrigued him: wine sold in individually packaged glasses.

The concept was brilliant, he thought. By packaging single servings, it was just a one-step process to drink — remove the cover and sip.

There is no separate glass needed as there is for those who open a small bottle of wine, he says. And those who only want to drink a few ounces don't have to worry about the rest of a bottle going to waste.

Since then, Martin's days have been packed with non-stop activity. He returned to Europe to learn more about how he could replicate that packaging in the U.S.

He experimented with producing cost-effective plastic glasses, and worked to create a strong seal that would keep the wine from spilling or spoiling.

Things have calmed down a bit since his official launch of Copa Di Vino in 2010, "but I still run 14 hours a day," says Martin, 47. "You wake up, and it's a marathon each day."

He seeks high-quality distributors. He also needs to find affordable material for the plastic cups he produces. Employees and his family help, but his to-do list still overflows.

"We have all kinds of challenges," he says. One of the most pressing is raising capital. Martin isn't quite sure how to go about that in the best manner.

He recently appeared on the ABC reality show *Shark Tank*, in which entrepreneurs pitch ideas to potential investors. He was offered an investment in the single-serve technology. He didn't want to separate that from the wine side of the business, so he declined.

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