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Brock Fazzini: Coffee, tea, and trees

Posted on 08 March 2010

His business model with nonprofits spurs growth

By Ashley Cisneros

A slow economy didn't stop **Brock E. Fazzini** from entering the saturated coffee market three years ago. Neither did the bankruptcy sustained by his parent company. Instead of being put off by a sluggish economic outlook, the 24-year-old CEO has led Fazzini's Coffee & Tea to exponential sales growth. His secret: an unorthodox business model based on giving away generous profit percentages.

A natural businessman

Fazzini grew up in a business family in Frostproof, Fla. "No one in my family had degrees, but everyone had their own business, especially in real estate and development," says Fazzini, who showed early interest in business as state president of the Future Business Leaders of America, an organization that helps prepare high school students for careers in business.



After studying at the University of Central Florida and Valencia Community College (admittedly taking only "fun" classes) and dancing two years in the *Festival of the Lion King* theater show at Disney's Animal Kingdom, Fazzini moved to Jacksonville, where he eventually became a coffee master and a learning coach at Starbucks. He studied Howard Schultz' book, *Pour Your Heart Into It: How Starbucks Built a Company One Cup at a Time*, as well as all of the company's policy and procedure manuals.

"I admired [Starbucks founder] Schultz' idea about bringing community into business and the notion of selling an experience," Fazzini says. Coffee (and Schultz' philosophies) got into his "blood" and never left—even after he joined Dixie Sales Company USA, Inc., a photographic film distributor. There his boss, **Harry Shmunes** (who is now Fazzini's Coffee & Tea president and chief operating officer), recognized his passion and asked him to head up a coffee business, with backing from Dixie Sales. In 2007 Fazzini's Coffee and Tea was born.

Sustainability matters

From the beginning, Fazzini and his team focused on selling wholesale beans and a tea line. "I also wanted my company to serve the highest quality coffee and revolve around community," Fazzini says. Today, Fazzini's Coffee & Tea offers 100% USDA Organic, kosher, halal, and Transfair-certified fair trade products. Cultivating an environmentally and socially responsible business was paramount to Fazzini. The company donates 10 cents for each product sold to the Trees for the Future Foundation (www.treesforthe.org), which plants tree saplings in deforested rain forests. Fazzini's Coffee & Tea has planted tens of thousands of saplings in Kenya, Guatemala, and El Salvador.

"Trees for the Future lets us choose the species of tree to plant," he explains. "The type we prefer is called the moringa tree, which is extremely fast growing. Although it seems unbelievable, within nine months a sapling grows to be 20 feet tall. And almost every part of the moringa tree can be used for human and animal consumption—as well as for biofuels. Scientists claim this tree may solve the world hunger problem," Fazzini says. "What is amazing is that planting trees in deforested areas has caused dormant species of plants to reactivate and grow. This replaces oxygen, improves the biodiversity in the region, and creates jobs.

"A lot of business owners think that they can't afford to take up green initiatives, but purchasing coffee and tea from us allows them to play a pivotal role in planting trees," Fazzini says. "We even recognize our customers for their sustainability efforts. When a customer's sales reach the point of planting 400 trees, it gets naming rights to a new forest and we present a certificate from Trees for the Future."

The role of nonprofits

In addition to being environmentally conscious, Fazzini is passionate about nonprofits. He serves on boards for the American Red Cross of St. John's County, the Leukemia and Lymphoma Society and the Cultural Center at Ponte Vedra Beach. He also has served as an Ambassador to the Jacksonville Regional Chamber of Commerce, and chairs the board of directors for Oasis, the GLBT Center of Northeast Florida.

Fazzini leverages his relationships with nonprofits to align with their corporate partners. A corporate partner that uses Fazzini's coffee service effectively increases its giving to the nonprofit because up to 50% of the profits from the coffee sold in its establishment go to the agency. In the Northeast Florida area, since July of 2009, all no profits that enter into a relationship with Fazzini's are part of the HandsOn Jacksonville partnership. This relationship leverages charitable donations by Fazzini's from 20% to 50%, depending on the nonprofit gifting structure under which the relationship falls.

Fazzini also offers nonprofits a customized Fazzini's Coffee and Tea Web site. Just as with corporate sales, a generous portion of profits made through Web-site sales goes back to the organization.

Judith A. M. Smith, D.M., president and CEO of HandsOn Jacksonville (www.handsonjacksonville.org), calls Fazzini's business model "brilliant."

"Brock's company blurs the lines between the for-profit and nonprofit worlds," Smith says. "His business model makes use of the access and relationships of nonprofits to move a business forward. There are a lot of good causes and good organizations that will benefit from this type of entrepreneurial philanthropy."

Working with HandsOn Jacksonville helps Fazzini as well as establish credibility with more than 100 worthy nonprofit organizations. Smith says that in 2009 Fazzini's company contributed at least \$20,000 to Jacksonville nonprofit organizations and in excess of \$75,000 in-kind. Fazzini's Coffee and Tea has earned residual and in most cases significant revenue for over 60 agencies.

Fazzini says a total of 50% of the company's Northeast Florida sales profits go back to nonprofits—plus approximately 3% goes to reforestation projects. With nonprofits looking for revenue and companies looking for ways to give back, Fazzini's model works.

Like many businesses, Fazzini's Coffee and Tea has had its challenges, especially when its parent company was placed into Chapter 7 bankruptcy. "When Dixie Sales went under, Fazzini's had to start over. All of our assets were Dixie's, but we were so good at customer service no one knew. It was a depressing time, but in the end, it's just another interesting part of who we are," Fazzini says.

In the future, Fazzini plans to replicate the model used with HandsOn Jacksonville with other HandsOn Network affiliates located in target markets, such as Atlanta, Dallas, Houston, or Denver. "We want to start using this exact same model in other cities. We will grow due to our partnerships," Fazzini says. "We're adding values to a cup of coffee; we are doing well by doing good."

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Fazzini's business model: Unorthodox but successful

Fazzini credits the growth and success of his coffee business to an unorthodox business model: He gives away a large portion—53%—of his Northeast Florida sales' profits. The model is based on three things:

- A partnership with local nonprofit organizations,
- A commitment to sustainability, and
- A desire to give back to the community.

Here is how it works:

Fazzini partners with HandsOn Jacksonville, an umbrella nonprofit organization that serves as a "matchmaker" between volunteers and projects benefiting its 95 members. HandsOn arranges for Fazzini to make semi-annual presentations to members to explain how his company can help them in their fund-raising efforts.

When an organization agrees to partner with Fazzini, an executive from the nonprofit arranges a meeting with a decision-maker at one of the nonprofit's corporate benefactors. During that meeting Fazzini explains that by using his coffee and tea service, the company:

- Supports fair-traded, organically grown products;
- Provides Roasted to order coffees
- Helps reforest rain forests; and
- Gives between 20% and 50% of profits back to the agency, depending on its gift structure.

Fazzini says his model removes the need to advertise or cold call, but by partnering with nonprofits, he has achieved an approximately 95% success rate.