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## MINNEAPOLIS ST. PAUL BUSINESS JOURNAL

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# Gopher Grocery seeks to store up corporate clients

Minneapolis / St. Paul Business Journal - by [Chris Newmarker](#) Staff writer

Gopher Grocery Inc. has come a long way from its roots of delivering groceries to students and others living around the University of Minnesota's main campus.

The online grocery retailer now delivers across the Twin Cities. William Orkin, the company's founder and president, says revenue is set to be up 30 percent this year, to \$1.2 million, and has about 5,000 clients. And for the first time in Gopher Grocery's four-year history, it expects to end the year with a profit.

Orkin credits the company's success to the fact that it avoided inventory headaches. It doesn't have a warehouse; Gopher Grocery's drivers pick up products daily from area wholesalers and package them together at the company's St. Paul headquarters before delivering them to customers.

There's also a new, lucrative area for the company: stocking office break rooms with food and beverages.

Gopher Grocery only started doing this in the past year, but the deliveries to businesses already make up a quarter of its revenue. Orkin said clients include General Mills Inc. offices and research labs and Minneapolis-based advertising firm Olson.

Orkin likes delivering to workplaces because the orders are weekly, reliably the same and can be about \$1,000 apiece versus the roughly \$100 orders from individuals. Back in January, he even set up a new 8 a.m. to 2 p.m. shift for drivers, on top of the existing 3 p.m. to 10 p.m. shift, to better accommodate corporate clients.

The new business at workplaces is so attractive to Orkin that it had him visiting the Minneapolis/St. Paul Business Journal last month to get advice from a panel of experts on how he could find more of it.

"We learned about the segment, realized we could do it well. So now we're looking to go assertively into that market," Orkin said.

### Make it a benefit

Orkin told the experts that marketing the new businesses has been restricted to word-of-mouth. It landed the General Mills business, for example, when a General Mills employee, who happened to live in downtown Minneapolis, got a Gopher Grocery flier at home touting its services.

Gopher Grocery could see better results with even a little effort, said Sita Morantz, president and chief administrative officer at St. Paul-based Marsden Holding. She's well-versed in landing business clients; her firm cleans more than 71 million square feet of space in the Twin Cities daily. Morantz said in her office and in many of her clients' offices, it's the office manager or administrative assistant who is making the decisions about how to stock the break room. That's who Orkin has to persuade.

Stocking the break rooms is good, but Morantz thought that was just a start. She saw the potential



Nancy Kuehn |  
Minneapolis/St. Paul Business  
Journal

Gopher Grocery has its roots as an online grocery retailer for Twin Cities residents, but Founder and President William Orkin sees growth potential in targeting businesses. The Business Journal's workshop panel offered more ideas of how to expand.

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for Gopher Grocery to get businesses to also offer the grocery delivery to their employees as an added benefit.

Morantz recalled how Sprint got cell phone business with Marsden because it also offered discounts for employees' personal cell phones. She thought Gopher Grocery could make a similar type of offer.

"Because of their business relationship with you, maybe some of their employees could get a discount," Morantz said. "It's a two-for-one type of thing."

The trick is to develop a rapport with an office's human resources manager once the person running the office is sold on the service.

"The office manager has to connect to HR somehow, which means you have to help them think of that by offering them something that says, 'Take this to HR and tell them it's a new employee benefit,'" Morantz said.

#### **Make it an event**

Stacy Bee, president of **Esbee Public Relations** and Marketing, recalled how something similar is taking place with the dry cleaning at her firm's offices along the Minneapolis skyway system.

Mulberrys Garment Care picks up Bee's clothes, clothes for her employees and even clothes of the people who live in apartments in the same building as Esbee's offices.

The key has been setting a routine. Every Wednesday is dry cleaning day at Esbee's office.

"If you can build routine in offices where people allocate that one day of, OK today is grocery day. Today is dry cleaning day, there's this routine that they're kind of planning their day that way," Bee said.

Bee thought Orkin might want to partner with other businesses that deliver to offices.

"You might even want to do co-branding fliers. 'Have you ordered your groceries? Have you done your dry cleaning this week?'"

#### **Make it a whole building**

Dan Mallin, managing partner at Plymouth-based Magnet 360, took the idea of grocery day even further. Deliver groceries to offices in an entire building on a certain day.

"You could design a piece that says, 'I'm in your building,' and you could even define the day," Mallin said. " 'I'm in your building Tuesdays,' makes it sound really convenient. And it really sets up the densities where they could spend four hours in a single building delivering."

When Orkin's drivers stop by a workplace to make a delivery, they should stop by other offices in the building to drop off brochures. Better yet, they should give a free six-pack of soda pop to the building manager and talk them into promoting the grocery service.

All the experts thought Orkin would serve himself well approaching real estate companies leasing the buildings. The industry is in such dire straits right now that companies running office buildings are looking for any kind of additional perk they can offer their tenants.

Once Orkin gets enough offices in a building using Gopher Grocery, he should get the landlord to let him put up a nice plaque in the lobby mentioning the delivery day and time.

Orkin appreciated that the advice didn't require heavy advertising expenses; rather, most involved printing up brochures and making sales one phone call and handshake at a time.

"It's something I'm kind of surprised of as I market, that you don't need to do mass marketing. We can do lots of custom, relationship marketing," he said.

#### **Gopher Grocery Inc.**

President: William Orkin

Location: St. Paul

Description: Online grocery retailer  
2008 Revenue: About \$900,000  
Employees: 20  
Founded: 2005  
Web: [gophergrocery.com](http://gophergrocery.com)

### **Lessons learned**

- Make it a benefit. Don't just deliver groceries to offices. Deliver to their employees too.
- Make it an event. Market it as a specific day and time of the week when Gopher Grocery delivers to employees.
- Make it a whole building. Get property managers and others in the building involved to create a density of customers in a particular area.

### **Panelists**

Stacy Bee  
President  
Esbee Public Relations and Marketing

Dan Mallin  
Managing partner  
Magnet 360

Sita Morantz  
President and chief administrative officer  
Marsden Holding

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