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# Joyride brothers deliver office coffee that doesn't suck

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**The UpTake:** The three brothers behind Joyride Coffee Distributors went from New York City food truck operators to bicoastal \$1 million business owners by delivering craft coffee to the offices of some of the city's coolest tech startups. But they're just part of a third-wave coffee movement that has investors on a caffeine buzz too.

Looking back, **David Belanich** considers the Manhattan food truck he started with his two brothers, Adam and Noah, to be their informal business school.

They mastered customer acquisition with office workers swarming Joyride coffee truck each morning to get the fresh-roasted coffee from Stumptown that the Belanich baristas served each morning. But a classic startup dilemma arose: how could they scale the business without buying another truck, staffing it, and finding a spot on a city street where they wouldn't get struck by a city bus (as happened, multiple times.)

“The profitability was very hard. If you wanted to run the food truck yourself the rest of the days and be the guy on the truck, then you could make money on it,” Belanich tells me in an interview at the [Joyride Coffee Distributors](#) in Woodside, Queens. “But that was never my aspiration to be a food truck driver for the rest of my life.”

Joyride's truck, which was in different locations on different days, was missed when it moved, and customers told them so. Belanich's a-ha moment: why not go straight to offices? After finding out Portland, Oregon-based Stumptown receives 30 such office delivery requests annually but had no infrastructure to handle them, he offered to partner with them. Joyride pivoted to grinding and delivering artisan brands roasted locally, such as Stumptown and Blue Bottle Coffee, each with roasting facilities in Brooklyn.

Now Joyride's Mystery Machine-like vans deliver to 200 offices in New York including Silicon Alley MVPs such as Twitter, Gilt Groupe, Foursquare, Tumblr, Fab, One Kings Lane and Squarespace. And while it is a tech startup league member, Joyride is benefiting from the association. When Joyride started the food truck in April 2011, the brothers brought in \$35,000. This year, they're on track for \$1 million in revenues up from \$600,000 last year, and quadruple the \$250,000 they generated in 2012.

Next up for Joyride is a San Francisco office and storage facility that is open and will within a few months start servicing a waiting list of offices, including many that learned about it from East Coast sibling offices.

The startup is just one player in a U.S. coffee production market that is estimated at \$30 billion to \$32 billion, with specialty coffee representing 37 percent of the volume and nearly 50 percent of value, according to the Specialty Coffee Association of America. It is unclear how much of that includes artisan or craft coffee. However, such operations have been on the receiving end of some big cash deals lately as the decade-old “third wave” movement in coffee, focusing on artisan roasted coffee ripples nationwide.

In January, technology-focused venture capitalists, including Google Ventures, [put \\$26 million into Blue Bottle Coffee Co](#), bringing its war chest to \$46 million. Other big deals include private equity firm TSG Consumer Partners, which acquired **Stumptown** in June 2011, and San Francisco-based **Philz Coffee**, which got an eight-figure investment in May 2013.

“[The investment] has been happening for awhile, but I think what’s new is that people are really getting excited about these brands because they’re doing something special, and something unique,” says Andrew Hetzel, a Hawaii-based coffee industry consultant who founded CafeMakers. While people outside the industry might call them competitors to Starbucks, artisan roasters consider themselves in a different realm.

“Starbucks is a fast-food restaurant,” Hetzel says, adding that it is the only way to describe such a high-volume business. “These companies are serving a different type of clientele: their goal is to be the Michelin star restaurant of coffee.”

Belanich, who has become a connoisseur and ambassador for the coffee brands that Joyride offers, agrees.

“What’s going on in the coffee world is the wine-ification of coffee,” he says, Like wine, coffee flavor is affected by soil, altitude and other climactic factors and in Ethiopia alone there are reportedly 10,000 varietals. Some offices, including Etsy, are geeky enough about their coffee to have their own coffee bars and Joyride provides the pour-over Chemex brewing devices designed to maximize the flavor derived from single-origin coffees (not to be confused with coffee blends).

While fair trade coffee has been a common label, Joyride offers “direct trade” beans, a newer designation affixed to craft coffee makers who are skipping the middle man and going directly to farmers in far-flung locations around the world a to get the best quality.

The artisan coffee ecosystem is thriving elsewhere, including Los Angeles, where high-end coffee provides fertile grounds for other businesses like real estate. Tyler Stonebreaker, founder and CEO of [Creative Space](#), an integrated real estate, development and architecture firm was mostly working with the entertainment industry when the founders of Handsome Coffee came knocking.

While Hollywood does not allow coffee roasting, he helped the brand get a foothold in Los Angeles’ industrial and bohemian Art District in 2010. Since helping Handsome get the zoning exemption to roast coffee in the city in 2012, more coffee roasters have followed its lead,

creating what's been dubbed the "Napa Valley of coffee," with retail stores and roasters springing up in a residential area populated by artists.

"The reason businesses are coming in is it's got character and history and these great old buildings," Stonebreaker tells me. "Not just here, but globally that's what people are looking for."

While artisan coffee is popular for its taste—and the nostalgic and bohemian association that Stonebreaker mentions, some companies that offered K-cup coffee switched over to Joyride because of practical issues such as the waste associated with the packaging, and the cost.

"To be honest, our business would not be what it was if there were not all these single-serves," Belanich says. "That kind of increased the threshold of what offices were paying, because we were coming in and we were cheaper."

Empty the K-cups and weigh the coffee, and you'll find that you're paying about \$25 per pound, according to Belanich, who points this out in a PowerPoint for clients. The most expensive coffee that Joyride sells is \$21 a pound, or 50 cents per K-cup as compared to 44 cents per cup for Joyride-delivered K-cups, which comes in 5-pound bags.

Catching the coffee entrepreneur's special cold brew coffee, a chocolate-y fruity blend prepared through a proprietary method that takes 12 hours and yields kegs of cold brew. It was a big experiment that yielded over \$100,000 in sales last year, with Joyride even shipping kegs to California, which will become easier now that it is opening there.

Cold-brew coffee isn't new but it occupies a backseat to hot coffee for many artisan coffee brands, says Noah Belanich, adding that it is kind of crazy because these guys are fanatical about the way they hot brew their coffee and they're paying attention to the way every single machine operates, and temperature is a decimal."

Not so much with cold-brew, but that's fine with Joyride which is riding the third wave in its own way too.

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