

PHOENIX Business Journal

8

PHOENIX BUSINESS JOURNAL
phoenix.bizjournals.com

April 22, 2011

San Francisco-based fruit company picks Phoenix for expansion

BY ANGELA GONZALES
Phoenix Business Journal

The FruitGuys, a San Francisco-based company that provides farm-fresh produce to workplaces nationwide, has expanded into Arizona.

Ray Eveleth, founder of the Arizona Fruit Co., had been providing a similar service in the Valley for two years, but he folded his business and now serves as the Southwest operations and sales manager for the FruitGuys.



Eveleth

Three employees work at a 70,000-square-foot office and distribution center at 51st Avenue and Camelback Road in Phoenix. Eveleth plans to hire about five more employees by the end of the year.

"As we ramp up, we're going to need to double, especially as we add our Take Home program," he said.

That program, expected to be unveiled in May, involves boxing up locally grown organic produce and delivering it to offices for employees to take home.

Eveleth is optimistic about the program. He said he's felt the impact of the recession over the past few years, but he is noting signs of recovery.

"I'm starting to see more interest," he said.

He recently met with Chris Hogan, president of Benefit Commerce Group, to discuss how the employee benefits consulting company might use fresh fruit to promote wellness among its em-



PROVIDED BY THE FRUITGUYS

Chris Mittelstaedt, founder and CEO of the FruitGuys in San Francisco, is opening a distribution center in Phoenix to provide fresh fruit deliveries to local offices.

ployer clients.

Hogan said he would like to use the FruitGuys to provide fruit when employees complete their biometric health assessments. He said he also would like to have them replace candy in his clients' office vending machines with fruit.

"Hey, if you're committed to wellness, why do you have candy bars in your building instead of fresh fruit?" Hogan said.

Chris Mittelstaedt, founder and CEO of the FruitGuys, said he was happy to

THE FRUITGUYS

FOUNDER AND CEO: Chris Mittelstaedt
FOUNDED: 1998
HQ: San Francisco
EMPLOYEES: 40
BUSINESS CUSTOMERS: More than 2,000
REVENUE: \$7 million in 2010

bring Eveleth on board and expand into Arizona. The FruitGuys already has distribution centers at its San Francisco headquarters and in Chicago and Philadelphia. Phoenix will serve as a distribution center for the Southwest region.

"We want to work with as many local resources as we possibly can," Mittelstaedt said. "We are just starting to reach out to farmers and groups in the Arizona area, to start looking for farms to work with."

The Arizona operation gives Mittelstaedt a chance to be closer to his parents. His father, Robert Mittelstaedt, is dean and a professor of management at Arizona State University's W.P. Carey School of Business.

"My dad is a spectacular strategist," said Chris Mittelstaedt, adding he has learned a lot from his father's book, "Will Your Next Mistake Be Fatal? Avoiding the Mistake Chain That Can Destroy Your Organization."

The younger Mittelstaedt said he grew up with his father's theory.

"A lot of it comes from sitting next to my dad in a small plane as a kid, learning how to fly before I could see over the instrument panel," he said.

Chris Mittelstaedt has a bachelor's degree in business, but he did not pursue an MBA. His youngest sister, Erin, vice president of operations for the FruitGuys, also earned a bachelor's degree, while another sibling went on to receive her MBA.

Robert Mittelstaedt said Chris has been an organizer since he was 3.

"As a kid, he was always organizing other kids in the neighborhood to play some game or do some idea or something," he said of his son. "You could tell from the time he was small, he was going to be involved in organizing things. He's a true entrepreneur. He sees opportunity where other people see obstacles."

Robert Mittelstaedt said his son also was a visionary in creating a concept for healthy snack options in the workplace 14 years ago.

"He was way ahead of his time," he said. "He did get initial funding from 'Bank of Mom and Dad,' but at the time I did it because he was my son, and not because I was sure it was a great business idea."

The senior Mittelstaedt said he has invested about \$50,000 into his son's company and today serves on the advisory board with other business leaders.

"Chris and I have always been close," he said. "It's a business, but it also keeps us close from a family standpoint. It's actually fun."



R. Mittelstaedt

Contact with Angela Gonzales at agonzales@bizjournals.com or on Twitter at @AngelaGonzales.