

Right on Q

By BOB CHUVALA

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Jonathan Soares is one of those entrepreneurs who dreams big, plans big and sees big, wide open and almost limitless horizons.

Earlier this year than 21-year-old Soares began peddling three versions of his mom's barbecue sauce to grocery store chains around New England, with ambitions plans to have his Q brand gourmet sauces in 1,000 grocery stores by year end. Well, it's December, and Soares exceeded his goal by six months. "I was in 1,000 stores by June," he said, and is in double that number now.

But Soares isn't looking back; he's looking forward just four years when, he said, he will consider the possibility of selling his business. "I want to build a national brand up as quickly and strategically as possible, then sell it off. I'm young, and have so many ideas and ambitions for other ventures and opportunities."

But between here and there is Soares' breathtaking vision of national growth of his Q Products line of 25 different sauces, salad dressings and marinades being sold in more than 15,000 stores.

By this time next year he plans to generate more than \$3 million in national sales with his BBQ sauces in 5,000 stores and a new line in 2,500 stores of salad dressings and marinades he created in his mom's kitchen. By the end of 2008, sales should triple to more than \$9 million with a fidl product line in 7,500 stores, more than triple again to \$24 million a year later from sales in 10,000 stores, and hit \$60 million in 2010 with more than 25 different flavor profiles.

"Those are all conservative projections, based on industry averages in terms of volume and on the assumption of a \$1 million investment," Soares said. So far, he's been operating his Q Products Inc. on his own \$10,000 savings, and is looking for investors to come up with a cash infusion to take his company to the next level to "strategically aid in the national marketing expansion, product development and national placement," he said.

"I've been aggressively looking for financing, and would like to have it by the first of the year. I just finished my business. plan, and will be sitting down with investors and discussing the opportunity with them."

So far, he said, "I've been able to receive a lot of placement across the country, but the major issue for me is gaining brand awareness and having the funds to properly market the product. What good is it if my product is in stores across the country but nobody knows about it?"

But "if I can get to where I am on \$10,000, imagine what I could do with \$1 million," he said.

Viral marketing

Until he nails down that \$1 million, Soares will continue his guerrilla and viral marketing, using the Internet and Web sites such as MySpace.com and YouTube.com to spread the word about his barbecue sauces, exploiting those sites' search engines to, for example, send emails about his sauce to all MySpace members in a ZIP code where his product is being sold. "It's the most strategic and direct way to target consumers," he said. "Every time I sign on with a new retail chain, I search for people in that demographic

and send out a massmarketing campaign."

He also has a national broker sales force strategically placed in different regions of the country to manage his growing stable of accounts and bring in new business. "Most specialty gourmet products are regional, but I've gone outside the box to launch a national product," he said. That brings him into competition with the big boys like Heinz and Kraft, and with regional companies nationwide. "I'm finding different ways to price myself to compete with the national \$1.99 national barbecue and the \$4.99 regional brands without investing millions and millions of dollars like the major national competitors," he said.

"I joke with him that his middle name is Hustle," said Stew Leonard Jr. of the Norwalk-based Stew Leonard's three-store chain. "We get thousands of requests a year from people who ask to bring products to the store. Some people knock once and you never see them again. Jonathan camps outside your door."

Soares even brought the dean of the Ansell School of Business at Western Connecticut State University in Danbury to meet Leonard "and tell me what a pride and joy Jonathan was at. Ansell," where he earned a Bachelor of Business Administration degree. "So he even put a little pressure on me through WestConn," Leonard said with good humor.

Cost-effective

To give his enterprise some stability, Soares created an eight-member board of directors that includes the former vice president of international sales at PepsiCo, chief executive officers of two companies, a corporate attorney, a corporate CPA and his father. He also created a holding company called Innovative Ventures Corp., and hired a national sales manager.

Soares still lives at home - he started his business in his parents' home in Danbury before they moved to New Milford - and putters in his mom's kitchen to develop new product lines. "I decided it was cost-effective for me to continue living at home because I really wanted to invest everything back into the business and didn't want to worry about rent." And he has a free test kitchen, where he develops recipes for new products.

As part of that creative process, "I spent a couple of days walking up and down the grocery aisles looking at different ingredients, analyzing my competitors' products. Everything is the same but with different packaging and different labels. I wanted to figure out a way to set myself apart, so I changed my slogan from 'You can't have BBQ without the Q' to 'We put the Q in quality,'" he said.

Soares said his barbecue sauce sales are "phenomenal," especially for the first year of business. Sales, he said, are about two bottles per store per week, which is standard volume in the industry. "It usually takes a quarter-million dollars to launch a product line. I've done it for \$10,000."

"His product wouldn't be in the store if it didn't sell," Leonard said. "I told him that; I tell everybody that. We can get you in but we can't keep you in. The customers keep you in."