Entrepreneur sees green with tea business

By Dan Laidman
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LIVERMORE - Somewhere in North Carolina, someone is ordering tea that has been harvested by a family in the Aso region of Japan.

In the middle of this transcontinental transaction sits Paul Kotta, clicking away on his home computer in a room surrounded by posters of Star Trek, Bruce Lee and Bob Marley.

Mellow Monk green tea is a home-based business operated by husband-and-wife team Paul and Akimi Kotta in Livermore. (Susan Tripp Pollard/Contra Costa Times)
"A lot of our orders, surprisingly, are from people in the south," Kotta said as he typed away at his computer. "Maybe people in the south are more used to drinking tea than we are."

Kotta has turned a lifelong passion for Japanese culture into a home-based business venture, selling green tea on a Web site called Mellow Monk. Kotta and his wife, Akimi, buy the tea directly from a family farm in Japan and then present it for sale on a site packed with tea tales and tidbits.

Mellow Monk is one of probably a "couple dozen" such specialty tea sites nationwide that fill different niches, said Joe Simrany, president of the New York-based Tea Association of the United States. He thinks there is room for these tiny ventures to grow.

"Tea is in its infancy in this country," Simrany said. "Especially upscale teas."

Spurred by increased awareness of tea's health benefits, the industry has grown domestically from $1.8 billion in 1990 to more than $5 billion at the end of last year, Simrany said.

"What the Internet does is it brings these specialty tea products to anyone who wants them," he said.

Kotta likes that his Web site is reaching the tea-deprived hinterlands, and the site includes tips on brewing for
But he thinks the most important part of his business plan is the unique nature of his focus on the narrow green tea niche.

"We want to focus on people who drink it frequently," he said. "We're not trying to be the Costco of green tea."

Kotta, a 38-year-old Daly City native, began his serious green tea drinking when he studied the Japanese language in college. He met his wife while studying abroad and later lived in Japan for 10 years, working as a translator. Eventually the family moved to the East Bay, where Kotta now works as a technical editor and writer at the Lawrence Livermore National Laboratory.

About a year and a half ago, Kotta completed a business degree through the University of Phoenix, and his thesis became the Mellow Monk business plan. He spent several thousand dollars to get the business up and running, with the primary expense being the purchase of the domain name www.mellowmonk.com for $1,800.

At first he feared that processing orders and keeping the Web site updated would be daunting, but like a growing number of e-commerce entrepreneurs he has utilized services like PayPal that handle part of each transaction. To keep the home page fresh he regularly updates a blog with information on tea and Japanese culture.

Mellow Monk's tea comes from the Negata Tea Plantation, a family-owned operation in the Aso region of Japan. The tea draws high marks from Fumio Nakayama, proprietor of the Nakayama Japanese food store in Pleasanton that is the one location outside of
cyberspace where customers can find Mellow Monk's signature product.

"It's excellent tea," he said, adding that a customer recently told him he now drinks it each morning instead of coffee.

Kotta buys tea from the Negata farm in bulk. He and his wife paste shipping labels on the vacuum-sealed packages, which sell for $9.75 each and make 40 to 50 cups of tea, then drop them in the mail. Mellow Monk processed about 50 orders in September, Kotta said, up from about 40 the previous month.

Kotta says he is "barely" breaking even right now, though he is laying the foundation for a repeat customer base. Eventually he hopes to add more teas and perhaps some Japanese foods to the site.

One day, he would like Mellow Monk to move into an office, although at the moment, the home headquarters has its advantages, as Kotta pointed out to a visitor last week.

He showed off a map of the United States by the computer where he, his wife, and their two children, ages 6 and 12, stick pins each time a new order comes in.

Kotta said, "It's an interesting geography lesson for the kids."

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