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Ex-telecom engineer's new startup: pickles WESTWAVE FOUNDER EHRETH FIND- ING WAY INTO SUPERMARKETS

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BY LORALEE STEVENS
STAFF REPORTER

HEALDSBURG – Former North Bay telecom entrepreneur David Ehreth has a new passion – pickles.

Although his Alexander Valley Gourmet wholesale pickle business in Healdsburg is in its infancy, the telecom veteran intends to grow it into a volume operation serving upscale markets, delicatessens and restaurants throughout Northern California.

“This is the biggest business challenge I’ve ever faced. I’m working 16 hours a day, seven days a week. And I’m probably making \$1.50 an hour. But I love being this close to real capitalism,” said Mr. Ehreth.

A telecommunications engineer, he held executive positions at Optilink and DSC before starting the telecommunications firm Westwave in 1998. A funding drought and contract disagreements put him and his investors out of business in 2003.

“I’m not taking any investor funds this time,” he said. “Alexander Valley Gourmet is strictly a one-man show. I mop the floor, brine the cucumbers, pack them by hand and deliver the cases myself. I needed to learn all about price-volume sensitivities. I’m now an authority on refrigeration, plastic tubs, labels, cartons and how to build a packing plant out of a former machine shop.”

He and his wife, Lisa, researched the food business for a year before they decided on selling New York-style kosher pickles made in brine, or salt water.

Grocers said the pickles are a hit with customers.

“They came to us last year and wanted to know all about the retailing aspect,” said Fiesta Market buyer Burke Webb. “We advised them on the kind of packaging we like, the right kind of seal able lid, why they need liability insurance, how to set the price so you don’t have to bump it up for distributors.

“Six months later, they had a product to beta test. It flew out of the refrigerator case. It’s definitely unique because it’s brined, not pickled in vinegar. That gives it a shorter shelf life, but we sell out before it expires.”

Mr. Ehreth’s Alexander Valley Gourmet fresh Manhattan-style and bread-and-butter pickles are now available in about 24 markets and restaurants such as Dean and Deluca, Oliver’s, Molsbury’s Markets and Amsteads. Recently, he picked up two retailers in San Francisco.

“I’m processing well over a ton of cucumbers a month, and that should double within the next month or two, but the big transformation will come when I sign with Northern California distributors. They supply up to 5,000 stores from a single distribution point,” said Mr. Ehreth.

Now that the Grove Street plant in Healdsburg is operative, he’s ready to approach distributors, he said. He’s also looking for farmers to supply him with organic cucumbers.

His pickles sell for \$5.60 to \$7 a tub. Margins are about 35 percent.

“It’s funny,” said Mr. Ehreth. “I run into old friends from telecom days and they ask me what I’m up to. Making pickles, I tell them. Then I watch them scratching their heads and trying to remember if there are standards for a protocol called ‘pickle.’”