



CURRENT ISSUE

Candy Connection

Entrepreneur Sarah Endline (MBA '01) on sweetriot, a mission-based chocolate company.

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Do Good: Eat Chocolate

by Julia Hanna

As a girl in Auburn, Michigan, a small town two hours north of Detroit, Sarah Endline (MBA '01) grew up with a clear understanding of the link between crops in the field and food on the table. It's part of who she is, and part of what explains Endline's role today as [mastermind and chief rioter](#) ↗ at [sweetriot](#) ↗, a socially conscious chocolate company founded in 2005. Working directly with cacao farmers in Latin America to ensure a fair price for their labor, sweetriot produces a feel-good (and taste-good) product for chocoholics.

"I felt like I needed to focus on a natural, organic, authentic food," Endline says during an interview at sweetriot's offices in New York's SoHo neighborhood. "Chocolate has a rich history, and it comes from pods of the cacao fruit tree, which fits with my farm-town roots." Then there's the even more fundamental reason: "I have a deep connection with candy," she adds with a laugh.

The company's current product mix features dark chocolate-covered cacao nibs (intense little hits that weigh in at one to two calories each) and chunky "yumBars" of dark chocolate mixed with cacao nibs or cacao nibs and raisins. Manufactured at a plant outside Medellin, Colombia, and sold at Whole Foods and gourmet specialty stores, sweetriot products are also available for purchase on Virgin America, at the outdoor equipment retailer REI, and on sweetriot's Web site. Connoisseurs, take note: Products are also differentiated by percentage of cacao solids, from 50 percent to 70 percent.

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In her HBS application essays, Endline wrote of wanting to start a business but instead went to Yahoo! as a product manager after graduating. "The company was still under 1,000 employees, very entrepreneurial and scrappy," she recalls. "I learned a lot about the community-building aspects of consumer marketing. That experience has been totally relevant to what we're doing at sweetriot."

When the start-up siren call got too strong, Endline began the research process that would result in sweetriot's business model, traveling as far as China to investigate candy factories. She saw plenty of sugary goodies being made but came back to chocolate. ("There's no origin story to a lollipop," she comments.) Endline relocated from California to Manhattan and "super bootstrapped" by camping out in her dad's living room. She raised \$300,000 from family and friends, making full use of the HBS network and tapping into angel investing groups, since raising about \$1.5 million more. With annual sales well beyond the \$1 million mark, Endline notes that sweetriot has grown through the recession. Although it was originally investing ahead of its growth, the company has become more focused on breaking even in the current economic climate.

From the start, Endline knew that her approach to chocolate would be "colorful, whimsical, and playful." The reusable, recyclable tins that serve as packaging for the chocolate-covered cacao nibs feature [artwork](#) ⇨ submitted by art schools and community organizations; sweetriot's customers vote to select the winner, with new designs appearing about twice a year.

And the name? Drawing on her Yahoo! experience, Endline looked for a similarly short, memorable word that would connect with people and could be spelled and easily translated around the world. She describes a "sweetriot" as a celebration of togetherness, diversity, and understanding, just the opposite of a civil riot. "Social change is embedded in our business model," says Endline. "Every unit we sell impacts a farmer, a plant worker, or an artist. It's a trade, not aid, model."

Asked if this really makes a difference to your average chocolate fiend, Endline admits, "Some research would tell you that consumers may not be able to articulate the emotional aspect of a purchase. Rationally, a customer may say, 'Oh, this is so good, and it's just one calorie.' But there's also a significant number of people who are picking up on something more. You can buy Häagen-Dazs ice cream. But it's easier to relate to Ben & Jerry's. I do believe that matters."

Go to www.sweetriot.com ⇨ and enter the discount code *hbsriot* to receive a 30 percent discount on orders (excluding riot club) through January 31, 2011.