
DeCoty Coffee Co. has made \$1 million in upgrades

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Published: 01/12/2009 - 08:02

DeCoty Coffee Co. of San Angelo is pushing into new territory.

Products can be shipped anywhere, but DeCoty's service area is vital to the business, and that geographical area grew in 2008. The company now works with businesses in New Mexico, the Panhandle area and the valley area south of San Antonio. Competitors have consolidated in those areas, which created an opportunity for DeCoty, said national sales and marketing manager Bryan A. Baker.

"We've been successful in the new markets," Baker said. "People like to see someone new." But Baker said the company is trying to get the word out that DeCoty does a lot more than coffee. The firm also sells teas, spices and condiments, and provides and services beverage-making equipment for businesses to enhance the taste of DeCoty products.

Despite the national downturn in the economy, DeCoty has strong sales in its market segments, which include offices, health care facilities, convenience stores and restaurants, Baker said.

Dave Erickson, director of Angelo State University's Small Business Development Center, said coffee and tea are relatively inexpensive, and when people regularly indulge in them, they make room in their budgets to keep drinking them, even during tough economic times.

The key to expanding a service area, Erickson said, is making sure the business can handle it logistically and that it avoids an aggressive expansion. Rapid expansion can create a cash flow crisis for some small businesses, he said.

In addition to the new territories, DeCoty has invested more than \$1 million in improvements and upgrades in the past five years. That investment has gone toward software, hardware and training of some of the company's 74 employees. A few of the upgrades have included:

- * A \$150,000 expansion in the spice department to add new blending and bottle-filling equipment.
- * An \$85,000 cooler vault that controls temperature and ensures quality of some products.
- * A \$15,000 machine to unload coffee and cut down on employee physical strain.

DeCoty keeps all its raw materials separate and has an air filtration system to keep aromas from cross contaminating. The company does the roasting and blending for its beverages.

"We're picking up younger coffee drinkers and seeing an increase in consumption from older drinkers," Baker said.

Tea is also exploding in popularity, Baker said. In addition to selling tea that customers steep themselves, DeCoty

sells bottled teas. He said that in recent years, people seem to have embraced the health benefits of tea.

"You can explore the world of tea just like coffee," Baker said, "with herbals, specialties and blends."

The DeCoty file

* What: DeCoty Coffee Co.

* Specializes in: Coffee, tea, spices and condiments.

* Founded: In 1929 by C.T. Ducote Sr. and his son, Curry, in San Angelo. The company name was changed to a more phonetic spelling. Family members are still involved in the business.

* Employees: About 74.

* Distribution/service centers: San Angelo, Austin, Odessa, Dallas, San Antonio, Fort Worth, Corpus Christi, Lubbock and the greater Houston area.