

Eat Your Heart Out, Starbucks

While the Seattle coffee retailer closes hundreds of stores around the country, Boxwood Capital Partners has acquired an Internet distributor of coffee and other beverages that has few bricks and mortar assets to slow it down.

[James A. Bacon](#)

Richmond.com

Tuesday, August 12, 2008

Boxwood Capital Partners, a newly formed merchant bank, has made its first acquisition: **Coffee Wholesale USA**, a Texas-based Internet distributor of coffee, tea and sports drinks.

Coffee Wholesale has 50,000 customers, whom it serves from a warehouse and fulfillment center in Round Rock, Texas. While operations will remain in Texas, the headquarters will move to Richmond, along with corporate finance, IT and marketing functions. The company will be folded into a company, eBeverage Wholesale, LLC, formed by Boxwood and outside investors.

The company has achieved consistent annual growth in revenues and earnings since inception, and the investment opportunity that Boxwood is seeking: a profitable, early-stage Internet-based company the Boxwood team can add value to.

Said **Bobby Morris**, managing director: "Coffee Wholesale USA has grown 10-15 percent annually, is profitable, competes in a large, growing, and fragmented market, and has a broad base of satisfied customers. This is exactly the type of investment we look for."

"Online purchasing continues to grow much faster than the overall economy," said Patrick Galleher, managing director, "and the desire for greater selection and choice by consumers will not slow. We offer over 2,000 different items, including the company's own All Day Gourmet brand and other leading national brands such as Bunn, Starbucks, Crystal Light, and Gatorade."

Boxwood will implement several new initiatives including the introduction of email specials, customer loyalty programs, focused office coffee service solutions, and additional product selections.

"It is not often you find a business so well positioned to adopt and capitalize on both mainstream and leading edge technologies," said Chris Deel, also a managing director, who will take charge of upgrading the company's technology infrastructure to gain distribution efficiencies, improve the customer experience, and position eBeverage Wholesale for growth in the U.S. and internationally.

The company will continue to do business as Coffee Wholesale USA. Boxwood Capital Partners is affiliated with Boxwood Partners, LLC., a mid-market investment banking firm also based in Richmond. [More](#).

[Show Comments](#)

A service of Richmond.com

All material ©1999-2008 by Richmond.com or its partners. All rights reserved.