

Wholesale Strategies That Work with Sonia Chang

David Crabill: Welcome to the Forrager podcast, where I talk with cottage food businesses about their strategies for running a food business from home. I'm David Crabill and today I am talking with Sonia Chang, also known as Chef Sonia.

Sonia lives in Pasadena, California, and runs a granola cottage food business called [Cali Granola](#), which has been sold in over two dozen stores.

However, her experience goes well beyond the cottage food space. In 2015 she acquired a commercial cupcakery in Pasadena called [My Sweet Cupcake](#) and operated that for a couple years. She is also a teacher by nature and occasionally even [holds classes on starting in a cottage food business](#).

And with that, welcome to the show, Sonia. Nice to have you here.

Sonia Chang: [00:00:47] Hi, David. Thank you very much for having me.

David Crabill: [00:00:51] Yeah. So can you share a little bit about why you started a cottage food business?

Sonia Chang: [00:00:59] Yes. My journey as a cottage food business started with a granola sale at a women's charity event. And so in our town we have what's called the Red Door, and it's a Christmas boutique, holiday boutique. And someone said, why don't you sell your granola there? And my other friend worked at a coffee shop.

And so we were able to do a gift bag of half a pound of granola with half a pound of coffee for \$18. And we sold \$500 in one night. It was like four hours, and the organizer said, you know, you're the second biggest seller with granola at our boutique. And so then I thought, well, maybe I'm on to something.

David Crabill: [00:01:46] Yeah. \$500 is quite, quite a lot for your first market.

Sonia Chang: [00:01:50] For four hours. Yes. In one night.

David Crabill: [00:01:54] And when was that?

Sonia Chang: [00:01:55] That was December of 2012. I had already previously been teaching my, cause I, I retired from teaching, but I still missed working with children and I love teaching kids. I was a kindergarten, mostly kindergarten, K through fourth, elementary teacher. I still have a California credential.

And so I asked whole foods market, I said you know, I've always used cooking in my classroom. Every Friday we would cook and I would use cooking to be a vehicle to teach academics. So, math, science, history and then I included social etiquette, table manners and cultural awareness. And so whole foods market said, we don't pay our teachers.

And I said, that's okay. I just, I want to work with kids. And I love the perspective of whole foods market of being local and natural. And so we gave it a try. They asked, are you okay

working with autistic children? So I said, yes. So we did an autism awareness day. That was the first class I taught with whole foods.

And from there for the next eight years, I basically taught afterschool healthy snacks. Our most popular class was what to take for lunch other than a sandwich. So the lunchbox make-over. So whole foods market then, the manager of marketing and I became friends and she said, you know, we give you this perfect platform and we can't pay you, but you're allowed to promote your company and your products. And I said, I don't have a company or products.

And she's like, that would be something that would be great if you had a product that was healthy, that tasted good, that children liked.

And so I thought, well, the granola fits that bill. So I asked one of my friends if she would help me. And I actually brought her on as an assistant just for the beginning phase to help me organize.

And so she and I were able to create kind of a path and a little bit of a rough business plan.

So after the 2012 highlight of selling \$500 worth of granola and coffee at the boutique, my assistant, Rachel said, I think you're onto something. Let's see if we can make this work. And at that time, [California in January had passed the cottage food operation law](#) that you could create from the home.

And we looked at it and Rachel said, I think you should apply for this. And we looked at it and saw that there was a class A and a class B. And I decided to go for class B, so that I could wholesale to various restaurants, gift stores, and other places.

And so being involved in the community had previously led me to being the community read in organizer at my local elementary school where my kids were at. And so we would have community members come in and read a book. And so me being, hospitality is one of my gifts, would create this breakfast buffet so that they could come and eat before they go into the classroom. And the granola was on there with yogurt and fruit, and one of the gift stores in town said, this is the best granola I've ever had. If you ever sell it, I would want to have this at my store. I'll sell it for you. And that was years ago. So then when I started to think about launching the business, Rachel and I sat down and we said, who do we know that could help us sell this granola? And then we also decided that while we were doing this, we needed to have validation that it was the best granola.

And so we did blind taste tests with two other brands plus mine. And then people could try all three brands and then see which one they liked the best. So it was yogurt, fruit, and then granola A, granola B or granola C. and so it was unanimous. Everybody who tasted it, they liked mine in this blind taste test.

And so that was very exciting. It was very validating. But then we needed to make sure that people would pay for it. And so it was good to have, The Apple Cart, which was a local gift store here, say that yes, they would sell it. And then one of the ways I like to market is I will use the validation of having it at Apple cart to approach another gift store. So in this case, I

use Descanso gardens, which is a botanical garden in town. And so I approached them about having it in their gift shop.

And so the buyer there tasted it liked it. And then he asked instead of, this heart logo, could you put a flower for our store, since we're known for our flowers? So I told them, we just started a company, so I will change our company logo to a flower. And my logos are very special cause my daughter at age eight created them. So it really is a home business that I got my children involved.

My son, he was in junior high at the time, and he created our marketing brochure. So in the marketing brochure, whole foods was saying, you know, they like having stories with their products and the company story is what people are drawn to. And so we have a story on one panel, it's a tri folding brochure, and then we have pictures of the products.

And then ingredients in really big font so that everyone can see, we're proud of our ingredients, that they're top quality, all natural, no preservatives, no artificial flavors or colors. And so we were able to highlight that in our brochures. And then I would give that along with a sample of my products to places that I frequented, cause I was already a customer there. So it's usually about who do you have your relationship with and then you go to those people first because they're going to want to see you succeed. Um, since you already have that personal connection with that establishment.

David Crabill: [00:08:18] Yeah. So you covered a lot right there. To summarize it a little bit, you actually started your business, not because you had this concept in your head, but because there was already a need there and you were actually providing it. And then not only did you start to sell it in a store, but then you started using other stores, you started using the stores that you are already in to then get yourself into more stores.

Sonia Chang: [00:08:46] Right. I, I leap frogged. I know a lot of people told me granola is perfect for farmer's market. You should be in the farmer's markets. But I'm allergic to the sun so I can't be in the sun. And then my granola doesn't do well in the sun either. So I prefer not to be in the farmer's market if it's like an evening market or if it's a pop up. Then once in a while I'll do a farmer's market or a special events vendor. But for me, I noticed my niche market is more the gift shops. So, our tagline is so good, it's gift worthy.

And so I used one gift shop to validate that it does sell well there. And then I'll approach another gift shop.

David Crabill: [00:09:30] How many stores has your granola been in so far?

Sonia Chang: [00:09:34] Gosh, it's a little over two dozen wholesale accounts.

David Crabill: [00:09:39] And are you selling just plain granola like why is it so good? Are you selling certain flavors?

Sonia Chang: [00:09:45] It is a mixture of a granola and trail mix combined. So it has whole pecan halves. So it's got nice big pecans and then maple syrup, pure maple syrup, cinnamon.

And for me, everything has a purpose when I did it. So cause I'm the healthy chef. So it's the cinnamon as an antioxidant. The maple syrup as more of the unprocessed sugar.

And then the pecans, pumpkin seeds, sunflower seeds, flax seeds are adding your protein. Um, and then the oats are the high fiber, and then there's cranberries, so it's got a lot of nutrients, a very nutrient dense food, so it really fuels you through your day.

David Crabill: [00:10:35] Isn't that a bit more expensive to produce that kind of a granola?

Sonia Chang: [00:10:40] It is. It is. And so when I first started, I thought with my relationship with whole foods market, I would be a vendor in whole foods market. And I soon realized that they have all these requirements. One of them being, they would not take it from a cottage food operation. It had to come from a commercial kitchen. So either I had to move into a shared kitchen or some sort of a commercial kitchen, or she said the other Avenue would be to have a co-packer.

So I explored both avenues and for me, you know, I realized that the shared kitchen doesn't work. I went to one of our local shared kitchens and there was no guarantee that I could have all the ovens. And I said, well, that's the only thing I need is the ovens. And so then I tried to find a co-packer.

David Crabill: [00:11:28] And what's a co-packer? Can you just describe that?

Sonia Chang: [00:11:31] A co-packer is a company that is already a commercial bakery. And what they have is they have all the machinery. They have everything to do it on large volume. So I did find a co-packer near San Francisco Bay area and I contacted them and it was very exciting.

So I thought, okay, this'll be it. And then I realized they have a minimum order. Which in their case was a pallet. And when I asked how much is a pallet, and they said it's a thousand pounds of granola. And I said, well, I'm in that situation where I'm a startup, so I wouldn't be able to, have an order of a thousand pounds of granola yet.

So it was a kind of a rock and a hard place. So I felt that that wasn't a good fit for me. And then they wanted me to give them my recipe and they would try it out. I would fly up there. But they had their own suppliers for their ingredients, and I didn't feel comfortable not using the ingredients that I'm already using in my products.

I wanted consistency of quality of taste. And then I just felt that wasn't a good fit for me.

David Crabill: [00:12:40] So what, what are you selling the granola for? Or what were you selling it for and has it changed?

Sonia Chang: [00:12:46] My granola is \$17 a pound. I have an 8.5 oz or \$9. And then there was a deal of, if you buy two pounds, you can mix and match flavors, then it would be a dollar off of each. So then it was \$32 for two pounds of granola. So those were the prices back in 2012 when we sold it at our red door bazaar. And then we did not, I have not raised the prices. So even now in current times 2020, the prices are still the same.

David Crabill: [00:13:21] And obviously you've been selling quite a bit of this. I mean, I'm not that familiar with the cost of granola per pound. That does sound pretty high to me. Is that a pretty high price or is that typical down in Los Angeles.

Sonia Chang: [00:13:32] It is. No, I'm pretty high in price for even Los Angeles area, but I think the philosophy I have is that this is something that will benefit you beyond just eating regular granola because of all the other things that I've put in as nutrient boosters

I think that people who gravitate towards my granola company realize the value that they see and the benefits of maintaining their active and healthy lifestyle.

And then because of the stores that I was in, I know that some of my wholesalers were selling my granola at \$24 a pound, and I went, okay, that's very expensive.

One of the things that people need to be careful of is your wholesale price needs to number one, be enough to cover, obviously your expenses, but your wholesale price has to be at a price point where the retailer is still going to make a profit. For me, my wholesale price is 70% of the regular price.

David Crabill: [00:14:42] 70% sounds high to me. Like I feel like typically a wholesale price would be about 50% of the retail price. Is that typical in your area?

Sonia Chang: [00:14:54] yeah. Some places we'll be 50%. And then some places will be like 60%, so 70% is rather on the higher side. But it's also, so at My Sweet Cupcake, when I purchased [My Sweet Cupcake](#), it was already an established store in South Pasadena. And I, because I'm a cottage food operation, I had a bookcase where I would allow other cottage food operations to sell their products through my store if they were class B.

And so I offered them the same thing. I paid them 70%, and then I would Mark it up 30% so that it was similar to the structure that I give my wholesalers.

David Crabill: [00:15:35] Yeah. Nice. Well, let's back up a little bit. So let's talk about your cupcakery or bakery that you bought. You got this granola company that's doing pretty well, it sounds like, and so why did you decide to buy a cupcake business?

Sonia Chang: [00:15:51] Oh, that's a funny story. When I had gotten to 15 stores, I at that time thought I wanted to be in whole foods. I knew I needed a commercial bakery. The co-packer was not going to be working out. And so then for two years I was in search of a bakery that I could purchase so that I would have a commercial bakery and be able to produce commercial bakery granola so that I could satisfy that requirement.

And then I saw this ad that this cupcake store was for sale and the cupcake store had actually [won Cupcake Wars on Food Network](#). And so it had a good reputation, a good following from the first owner, and it was doing well. And so then I thought, all right, well, the cupcake store is being run by the second owner. She was a worker there and she bought, her dad bought the cupcake store for her. She was very young, very young. And she did not operate the cupcake store to its full capacity and it was going downhill quite quickly. And so

when I bought the cupcake store, I thought, Oh, well, you know, I can change this from a cupcake store to a granola store.

And so my intentions were to purchase this for the assets, for the oven, for the, you know, customer base and that kind of thing. And so I, when I bought it, I thought, all right, well, I'm going to be changing this to a granola store. When people walked in and we said, we're changing it to a granola store, cause they would walk in expecting cupcakes. And I said, well, we're now a granola store. They were not happy about that. So the lesson learned for me was if you buy a six year established cupcake store that has been on cupcake Wars and already has thousands of followers, then it's not wise to try and change it to a granola store.

David Crabill: [00:17:48] And had you had experience at this point, I mean were you a baker making cupcakes?

Sonia Chang: [00:17:54] No, I mean, I did just like cookies and cakes and cupcakes for my family and things, but I had no experience running a commercial bakery. And then you know, with, with my healthy mindset, it wasn't where I was planning on going. But at that point I said, all right, let's back up and rethink this.

I said, okay. I already have an established customer base. I got the recipes when I purchased the store. And I baked everything according to the way she was, but I didn't like it. And so then I decided what I'm going to do is I said, all right, if God puts me in a cupcake store, then I am going to be the best at baking healthier versions of cupcakes and cakes and pastries that I can. And so I, I added, healthier aspects to the pastries, but people still enjoyed them. They, they didn't realize that it was a healthier version. They still liked it. So I cut the sugar by half, and instead of all those eggs, I changed it to one egg for 48 cupcakes. So it's a lot lighter. And then I used pure vanilla extract. You know, changed everything so that it was real butter and, higher quality of goods. We went to Ghirardelli dark chocolate and European cocoa, and I felt like if you have higher quality ingredients, then you can reduce the sugar. You don't have to hide things with so much sugar.

David Crabill: [00:19:30] And you're saying that customers didn't realize this, but this seems like something that you would want to advertise to customers, right?

Sonia Chang: [00:19:38] You know, it's funny cause I did when people walked in. I would say, You know, I've changed the recipes. And so these are going to be a little bit different than the ones you remember. And as people tried it more and more, people were like, Oh, this is so much better. This is the frosting I've been looking for where it's light and fluffy.

And, with my Asian background, you know, we tend to like our desserts not as sweet. And so it's between, that's Asian bakery style and, a traditional American bakery style. And so I was able to change that. But one thing that I think was surprising to people was that I took the traditional red velvet cupcake, and I took out the red food coloring and I went back to the roots of it, of using beet juice. And I would have to explain to people that during the civil war, there was a sugar blockade, like they wouldn't allow the sugar. So the Southern women started using sugar beets, and that's where the red coloring came from. And so I had made sugar beet red velvet cupcakes.

A lot of people, they don't realize that healthy can taste good, healthy can be easy to do. You know, it's achievable, it's doable and kids will eat it.

David Crabill: [00:20:56] Okay. So you're now running a cupcakery, making cupcakes when you didn't plan on making cupcakes. You planned on selling your granola. So that sounds like a full time job to me. Are you still making the granola and running the granola business at this point?

Sonia Chang: [00:21:10] No, actually when I purchased my sweet cupcake and I was not able to make it a granola factory, I did have to let all of my wholesalers know that I won't be able to produce granola for them. That hurt my business as the granola company tremendously.

And so I asked the health inspector, if I own my sweet cupcake and I have Chef Sonia's, can I consolidate the two companies, because the my sweet cupcake, the landlord, when the lease came up for a renewal, he did not renew the lease at the current situation, and I could not afford the increase.

And so I did have to close my sweet cupcake, sadly, and put it all in public storage.

David Crabill: [00:21:57] And how long were you running the bakery before you had to close it?

Sonia Chang: [00:22:01] Two years.

David Crabill: [00:22:03] And it was just because of the rent increase? Was business doing well, other than that?

Sonia Chang: [00:22:09] Yes. The rent in LA area was very prohibitive. So my rent at my sweet cupcake went from 1700 a month to 4,000 a month.

And so I said, I can't afford that. Do you know how many cupcakes I have to bake to equal 4,000 in rent? You know, that's not even counting utilities. And so I decided I need to find a new location.

So now I have a new location that I'm trying to build out and it is right above the Rose bowl. So it's a very good location on Fair Oaks, which is a main street in Pasadena area. So everything in my sweet cupcake is still in storage. So luckily because I did not let go of my CFO, I'm still able to produce for special orders when people request our famous brownies.

David Crabill: [00:22:56] So how long has your stuff in storage now?

Sonia Chang: [00:23:01] Over two years.

David Crabill: [00:23:02] So yeah, but you're still planning on moving it. You've just been in flux for the past couple of years?

Sonia Chang: [00:23:08] We have because, one, the spot that I thought we were moving to in Arroyo fell through, and then now the spot that I'm moving to now is not a bakery. So I'm going through the task of having an architect draw it out, getting a construction loan. So this is a whole different area is when you grow to the point where you decide, do you stop, do

you continue how you're going, or do you move forward and grow and step outside your comfort zone?

David Crabill: [00:23:42] So did you ever consider just going back to the granola business entirely?

Sonia Chang: [00:23:47] I actually, the granola business is my first love, right? So that's like my little first baby. I love making granola. And so I am back at granola as a cottage food operation. And my niche is more the gift boxes and doing gifting things with the granola. The other area is creating flavor profiles for various locations.

David Crabill: [00:24:11] Okay, so you can talk a little bit about what a flavor profile is? What are all the flavors that you've offered with your granola business?

Sonia Chang: [00:24:18] The first one was the maple cranberry pecan, and when I went to a Mexican restaurant that I was already frequenting, he asked me if I had anything spicy. And so then I said, I could probably create one. And that's how the jalapeno granola started. So it starts as a churro and then it gets spicier as you eat it. And so that one, actually, Mexican restaurants put it on top of vanilla ice cream, so the vanilla ice cream will help cut the heat. And then they were serving it as a bar snack cause the spiciness will also go great with beer and margaritas. And then the Descanso gardens asked me, they had a special event rise of the jack-o-lantern. And they asked me, could you make a pumpkin flavored one that we could feature in our gift shop during rise of the jack-o-lantern.

So then I created a pumpkin harvest granola for them. And then when I showed that to LA Arboretum, they said, well, if you created that for them, can you create us a flavor? So then I created the Ghirardelli dark chocolate, sour cherries and agave for the LA Arboretum.

David Crabill: [00:25:31] But this is really fascinating because you are actually making what other people already want, like what they're asking for, right? Which is quite the opposite of what a lot of businesses do, right? They come up with a flavor and then they try to sell it to people. You actually just, you're just basically taking orders and making custom flavors for businesses. That's pretty impressive.

Sonia Chang: [00:25:52] Thank you. Well it's one of those where, the opportunity arises and luckily I think I was ready to walk through that door. The other one that was interesting to me, was that LA Arboretum asked me if I could private label and I had not understood that. So then the manager walked me through what that meant. And she goes, this jam company does private label for us. And so she explained to me what that was. I decided to not do that because with that, she wanted exclusivity to the Ghirardelli dark chocolate, sour cherry agave.

So what private label means is that they put their label instead of your label. But on the back it would say, produced by Chef Sonia. So then I asked her, if I private label and you have exclusivity to this granola, then you have to buy the whole batch, cause it's not fair to me that I can't sell it at my other stores. And they didn't want to do that. So I think part of that is also to know your boundaries.

David Crabill: [00:26:59] Yeah. This is very fascinating. It's a quite a unique circumstance, but it's amazing to see where your business has taken you. I'm just thinking about the, how you started the bakery and how that really stopped a lot of the granola production, and hindsight's always 20/20 but if you look back on it, do you kind of wish, is there a part of you that wonders if you had just not gotten the bakery and just pursued the granola, do you wonder if that would have been the right step for you?

Sonia Chang: [00:27:27] I do. I often wonder. My faith plays a huge role in my life and my business and how I raise my children and my value system. I do wonder, but I also believe that God's hand has a big place in my journey, in all aspects of my life. You know, it's like, okay, it's according to God's plan. But I also know that I had to do the cupcake bakery so that I would own both brands. So, I have a huge trade that this next step that I'm doing, it's a deal that I've been working on for seven years now that came to my attention and I decided to pursue it, and it's been quite the process. More daunting than I think what people would ever imagine. But because I own both brands, that's what appealed to them, is that they want both brands.

David Crabill: [00:28:25] Yeah, and I know, I know that you're keeping that a little bit quiet right now, so I'm not going to probe into that. But, I know you're trying to take this business places and, and move it forward and in ways that are going to be even bigger and better for you.

Sonia Chang: [00:28:40] Yes. Yes. And I think that being in the cupcake store also gave me a bakery where I could host birthday parties. So we did girl Scouts, birthday parties, private events where people could come and decorate cakes and cupcakes and cookies and gingerbread houses.

And that really was my first step into this journey was doing the cooking classes, doing the baking classes. So I was able to get back to that and I really enjoyed that aspect and connecting with many customers, since I'm a very people person.

And we had a lot of regulars who would come in. We had, we had a call list. We had brownie call list. We had gluten free vegan peanut butter, chocolate chip cookie call list, where whenever we baked it, it was on our rotation, we would call everybody on that list and say, Hey, we've got this today. How many would you like?

You know? And people would say, set aside this for me. Um, because I added gluten free vegan to our offerings, it became known as the gluten free vegan go to, since there wasn't a lot at that time in the Pasadena area. So we actually had someone come by Metro rail, the train. They came from long beach and they were so sad when I said, we're sold out of vegan and he goes, I came by train from long beach. Do you have anything? And I said, You know what? Go to the farmer's market right across the street. And I will whip up something vegan for you. Come back in an hour. And so then I was able to, with up chocolate, vegan cupcakes for him really quick.

I think it was, it was flattering, but also it was something that I didn't imagine that people would be coming from so far away based on the reputation of the vegan gluten free products that I created.

David Crabill: [00:30:24] But that's what's so amazing to me about your story is that over and over again, I see consistently that you've been very adaptable and very flexible in trying to please people and make things that cater to them. I mean, you of course have your own beliefs, but you also have adapted it in a way that works for the needs of your community.

I mean, to me, that speaks to part of the reason why you've been successful. Do you agree with that?

Sonia Chang: [00:30:53] I think adaptability... Yes, thank you. Is very important because... I think be solid in your values and your integrity. But yes, adaptability and being flexible is so important for you to thrive. Otherwise, you'll just go crazy from the stress of it all.

You are your brand and your brand's reputation is so important. So I wanted to have that reputation of being the best, the best at what I do, offering the best. And do I mess up sometimes? Yes, I do. But I think people also see my heart. So that connection, relationship is key cause they need to know that you are doing your best to meet what their request is.

One of the things that we used to do is because of the schools out here, a lot of them no longer allow certain foods in with all the nut allergies or the different allergies. And we became known as the cupcake store that you could still get treats from for elementary schools. And so they would call us and say, can you do this? Can you do no nut? Can you do no dairy? Can you do know this? And so we would be able to say yes and we would make it exactly the way they wanted it.

David Crabill: [00:32:15] Did you have to do anything special to adhere to being totally nut free?

Sonia Chang: [00:32:21] We always, on our door, there's a disclaimer that says, we are not a gluten free certified facility. We do our best to cater to those needs, but please understand if you are a true celiac, then don't eat our products. So we do have that disclaimer. But I do tell them that I use different bowls. I sanitize everything. Cause in the commercial you have the triple sink. And so everything is sanitized. And then some people would say like, why is this so expensive? I say, you have to realize if I'm baking your products, which cannot be cross-contaminated and I don't want there to be cross-contamination, I'm firing up the whole oven for your 12 cupcakes. So that's why gluten free costs more.

David Crabill: [00:33:03] It's kind of amazing to see how this all started from a cottage food business and you've, it's certainly taken you on a big journey, but if somebody is starting at cottage food business, like how did you get the connections with the stores? How did you get the connection with the whole foods person? What, what do you think people should do to try to get those kind of connections that you had?

Sonia Chang: [00:33:23] That's a good question. And I think my technique and my response is it's a lot about the relationship that you already have established. They want you to

succeed because they like you. They know you, they like you, right? And that's where I started is, I would say, look at your, not just your friends group, but also where do you shop? Where do you eat? You know, where do you go to church? Where do you go to different clubs? And then you can join the fundraisers that they're doing. You know, that's a good way of getting started. I wouldn't say do that exclusively cause then you're just going to be out money. But it's a good way to start. And people like supporting causes that they believe in. the other thing is also to know, where are you already a member of? So I used to be, when my children were little, a member of the Kidspace Museum. So then I went back to Kidspace Museum and said when my kids were little, I loved coming to Kidspace Museum.

I now own this product, which I think would be a healthy snack to add to your menu. And so we were in the busy bee gift store so that people could buy it as a healthy snack for their kids. And we did no nuts. Cause I said, you know, with kids around, let's do no nuts, though we only sold the no nut brands of the products.

On my wholesale flyer, it does say, I only put my products in places that I like to endorse and believe in. And so I think that's also a, you know, I like your company. So I won't put my product in a place like a cold call. I go there. I see how I like it. I see what their customer service is like. Because remember, your brand is so important.

And also the other thing is collaboration. So I do a lot of collaborations cause I think that it's good people helping good people. So I've collaborated with a local coffee roaster, so his coffee is in my corporate gift boxes. So that's like my niche is the gift giving.

And so corporate gift boxes is another area. I did 150 corporate gift boxes for various companies around here. Law firm, escrow company, construction company, thank you for your referral gift boxes. Then I would feature two CFOs cause I want to help them grow their business and one local roasted coffee.

David Crabill: [00:35:49] So how do you do your packaging, and where do you buy your packaging and labels?

Sonia Chang: [00:35:57] I knew that packaging would be a very important aspect of my product because it is a giftable item, and that's kind of the niche market we're going for is the gifting. So I wanted it to look professional and has eye appeal, since that's the first thing people are going to see of your product is your packaging.

We also tested a couple packaging cause I wanted it to be durable. If I'm taking, a dozen bags of granola and I'm putting them in a box, I don't want them to explode upon getting packed in my box. I learned that the hard way, cause the first time I did it in cello bags, one did pop. So I have changed the granola packaging to all that. And I found a company that does recycled bags and cornstarch windows, so they're compostable.

So I'm very environmental friendly in my philosophy. And so I wanted it to be as friendly to the environment as possible. And then I was doing heat induction seal, so it's just a press seal.

In terms of logo, my daughter drew the logo, but then I did go to a local print shop here in town. It's a family run. I like to support family businesses as well, since I'm a family business. And he was able to scan it and then create the wording to go around my logo and then he printed the labels for me. One thing I will caution, don't spend a lot of money and buy a ton of labels, because most likely you will change something in your product line, your ingredients or something, or you know, something will change. So you don't wanna be stuck because now that I am adding Cali granola instead of Chef Sonia's granola by the handful. I now have all these labels that say Chef Sonia's granola by the handful that I've already paid for, so I'm going to keep using them, but now I had wished I not purchased, you know, thousands of labels. He had the deal of, if you buy a thousand labels, it's cheaper, right? Than buying a box of a hundred. So I was like, okay, well I'm going to sell a thousand. Sure, no problem. Well I didn't realize that I would have four different sizes. So I have a four ounce label, an eight ounce label, an 8.5, and then the one pound label. And then a fundraiser asked me if you could donate three ounce bags. I'm like, okay. And then someone else asked me for a two ounce bag. So the label thing can be a snowball that just keeps growing, so I would caution, don't purchase too much at once until you've actually run the business for awhile.

David Crabill: [00:38:34] Yeah. I did that, actually with Forrager when we bought our business cards. You know, and you kind of want to like make sure that you don't run out, and so we bought too many business cards, let's just put it that way.

Sonia Chang: [00:38:45] But it's good to have them. I mean, you can say, look where I've come from kind of thing, so...

David Crabill: [00:38:49] Yeah, I guess, a whole box of business cards.

Sonia Chang: [00:38:52] Yeah, it's like, this is where I was, and you see your growth and yeah, that's what I say to people who are writing a business plan, it's more of a guide book. It's not set in stone, your plans will change. So, but at least you have somewhat of a roadmap. And then you know, what's important to you.

David Crabill: [00:39:10] Before we wrap this interview up, is there anything else that you want to share with people that you think is really critical for them to know as they get started or grow their cottage food businesses?

Sonia Chang: [00:39:24] I would say, in this time where people feel financially they're at a place where they just don't know what to do, they're at their ropes end, this is such an easy way to get a business going with minimal cost.

Having rented a real bakery and just the health permit for that is over a thousand dollars. There's just so many things and the insurance is so much higher. So if you're gonna do it, the CFO is the easiest and cheapest way to at least try and generate some money for your family.

It's one of those where there is enough customers for everybody cause everybody has a different taste. What they're looking for may not be what my product is, but I have a friend who does decorated cookies who can personalize cookies, so I will refer that person to

them. You know, so, and then she will do the same. So it's one of those where it's like reach out to people that you admire and let them know you admire them and why, and be sincere, and then, you'll be surprised how many people are open to collaborations and mentoring and helping. And it's one of those where, you know, good people helping good people and things can move forward together. It's one of those pay it, pay it forward.

David Crabill: [00:40:45] Yes, very true. I know that you also help cottage food businesses and you help food entrepreneurs directly. Can you talk a little bit about what you do?

Sonia Chang: [00:40:57] Yes. I have started [teaching on Eventbrite](#). So I have an intro to cottage food. How to start your cottage food operation legally in Los Angeles County, and then the steps to take through getting your business license, finding insurance, creating a business plan.

One area that often people don't think about is really to look at your SWOT analysis, which is your strengths, your weakness, your opportunity and threats. My strength is I'm really good at marketing and connecting with people, creating new products, my weaknesses were, I'm not organized, I'm terrible at paperwork.

So now it's a matter of being real with yourself. What can I do to strengthen that area? And then your opportunities, like I said, know who you already have a relationship with and then be real about your threats too. And I think it's important to, yes, believe in your product. Yes, promote yourself and your product. Don't be afraid. Like no one says, you know, when, when the person at the fast food says, would you like fries with that? No one gets mad at them that they said, I can't believe you offered me fries. You know, it's one of those, well you should be bold and daring with your product because you know you have a good product.

And then to not take it personally, if they say no. So for every 25 stores that I market to, only one will say yes. So don't take it personally if they say no. Because it could be a, it doesn't match their clientele. It could be a, it's too expensive. It could be a, it's not the right time. Cause sometimes you don't know what's going on in that store's sales reports. And so just to not take it too personally in terms of that, but just say, okay, and then go move on, you know, thank you for your time and then move on.

And then I think the other thing is to start with free things. There's plenty of free resources for cottage food operators to take advantage of. Your, what you're offering at Forrager is great. I think that that provides a lot of information. The more information you have, the better you can grow your business. I use SBA a lot, which is also free. There's SCORE advisers, they do free. Uh, your taxpayer's money is already paid for them, so utilize them. So I have a good one through SBDC, which is small business development center. You know, he checks on me. I call him kind of a once a week check-in. I'll say, I need help with this. Who do you know in your Rolodex that can help me figure this out? So he'll pass me on information, or if he doesn't know, he'll, he'll ask somebody at his network.

So, free help is great. And then just to thank the people and to be grateful. I think the other thing is an attitude of gratitude. Cause it's amazing how much growth I have, but it's also

very humbling at how many people have helped me along the way and the opportunities that I have had that, you know, maybe others don't. And so I want to be able to offer those opportunities to others.

David Crabill: [00:44:09] Well, and I'll speak on behalf of the listeners and say thank you for coming on here and sharing that advice with us. And I'll put a [link to your Eventbrite page](#) into the show notes for this podcast episode. Can you just share with people how they can reach out to you and contact you?

Sonia Chang: [00:44:26] Yes, I am on [Instagram at caligranola](#). I'm also emailable at sonia@caligranola.com. And [My Sweet Cupcake is the Facebook page](#) that I check, not as often. I check Instagram the most and my email the most. And if you have any questions, please don't hesitate to ask. My [Eventbrite](#) due to the social distancing that's happening right now, and the coronavirus I am doing, for the price of the group lesson, people are getting a private phone call. So that way I can still help you grow your business. And I think now's actually a great time for people to work on part of their businesses without having to worry about production, delivery, and selling.

So I know that when I opened my business, I couldn't keep up with demand. And because I was so, hurried to make granola and keep up with demand and do the packaging and get the products delivered that I don't think I was ready in terms of some of the other things. So now's a really good time, I'm telling the people that I, I am teaching, consulting, is the time that you can work on your strategies, your business plan, your researching, and your developing of new products.

The other thing is I think also is think about your network. So when this ban is lifted and people are able to apply and get their cottage food operations licenses and be producing and delivering, that you hit the ground running.

David Crabill: [00:46:08] Yes, definitely. You can use this time to make improvements in your business so that you can get back at it when this is all said and done. Well, thank you very much, Sonia, for coming on here and sharing with us today. It's been a pleasure.

Sonia Chang: [00:46:24] Thank you David.

David Crabill: [00:46:28] That wraps up the seventh episode of the Forrager podcast. It's amazing to hear how many places Sonia's cottage food business has taken her, and it seems like collaboration and adaptability were key components in her success every step of the way.

If you are thinking about starting a cottage food business, head on over to forrager.com to [check out your state's cottage food law](#).

For more information about this episode, go to forrager.com/podcast/7. Thanks for listening, and I'll see you in the next episode.