

Chocolates That Almost Sell Themselves with Anne Reist

David Crabill: Welcome to the Forrager podcast, where I talk with cottage food entrepreneurs, about their strategies for running a food business from home. I'm David Crabill, and today I'm talking with Anne Reist. Anne lives in Holladay, Utah, and sells hand painted truffles with her food business, the chocolate palette. And you did hear that right. I said, her chocolates are hand painted with an array of different colors of chocolate and they simply look stunning. You're definitely gonna want to pause this episode right now and head over to her website so you can see just how beautiful her truffles really are. Anne started this as a cottage food business in 2018, but has recently expanded by building a commercial kitchen into her home. Anne clearly has products that are impressive unique, and extremely gift worthy, but that in and of itself doesn't necessarily guarantee business success. So today I'm really looking forward to digging into the aspects of her business that we can't see and discover what she's learned since starting this a few years ago. And with that, welcome to the show, Anne. Nice to have you here.

Anne Reist: [00:01:06] Thank you. Thank you for having me.

David Crabill: [00:01:09] So, Anne, I know you started making chocolates well, before you actually started the business, how did you get into or learn about making hand painted chocolates?

Anne Reist: [00:01:19] When I just had one son my oldest was around three. My husband actually signed me up for some chocolate making classes at a chocolatier in Wichita, Kansas called Cocoa Dolce. And she offered classes during the summer. And I just loved the first one so much. I went back and took all of her classes so I started that back around, I dunno, 2011 or so was when I started. And I just did it as a hobby for all these years prior to starting the business.

David Crabill: [00:01:54] So, and then you started the business in 2018. And why did you feel like you wanted to take it into being a business? Were people telling you that you should sell them? Or was it something you always had in your head as something you wanted to do?

Anne Reist: [00:02:09] A lot of friends were telling me I should sell them and. Good quality chocolate has a higher price tag on it. And my husband told me that I should um, start selling them. If I want to keep up this hobby because I was spending a fair amount of money just to buy good quality chocolate. And so then I started researching, okay, how do I legally sell?

Because I knew I couldn't just sell them without looking into any of the regulations. So,

David Crabill: [00:02:42] So what kind, I did see you have some pretty top-notch ingredients. What are some of the high-end ingredients that you're using in your chocolates?

Anne Reist: [00:02:50] well, of course, couverture chocolate. Is, it contains a higher quantity of cocoa butter and it makes it more fluid and smooth, so it can do what I want it to do and

create this nice thin shells. And so that costs more I use a variety of different chocolates like Cocoa Berry and Valrhona and some local chocolates, like from solstice.

They're a local Utah chocolate maker. So I, I use just a variety of chocolates, but also nuts are very expensive, especially like good quality hazelnuts and even vanilla. Like the price of vanilla has gone up a lot in the last several years. And it's very expensive just to put vanilla in your chocolates and to use the real good stuff.

David Crabill: [00:03:45] So you waited until 2018 to start the business. And I actually went back to the beginning of your Facebook page and I saw that your chocolates were just as impressive back then. So you clearly had kinda nailed down this skill of these painted chocolates and making them look super shiny, super impressive.

Do you wish you had started the business before 2018? What, why do you think you waited that long?

Anne Reist: [00:04:12] Well, one of the factors in starting also is that all of my kids were finally in school all day. Prior to that, I always had little ones at home in preschool and I just couldn't do both. And so that's part of the reason why I waited until 18 to start. And then also just I took a class called Ecole Chocolat.

It was an online class on how to run a chocolate business. And that kind of gave me the courage to actually start a business. Once I understood a little bit more of the business side of it.

David Crabill: [00:04:50] so you finally started the business and what was the process like to getting your business off the ground?

Anne Reist: [00:04:57] It took a lot of research and one of the websites. Like the, one of the main websites that I started looking at was Forrager your website to help me get started because I didn't know the first thing about how to actually begin a business.

So I started by researching the Utah cottage food laws, and I went and I read the codes from the department of agriculture and found out what was required. And when I started, it was before the new law. So my business is classified as a cottage food business. So I had to submit all my recipes and get those approved and they considered them for shelf life and water activity to make sure that they're safe for the consumer to eat.

I had to have an inspection. I'm trying to remember all the other things. There's an application fee. Oh, and you also have to have like storage requirements. do you have to have a sample of your product available for 14 days after it's made, just in case there was ever an issue with it.

So you have to have a system in place to keep track of all that stuff. And there's also very specific labeling requirements that I had to follow even concerning like font size and placement on the package, as far as like your name and what's in the package and then all the ingredients. And so for each recipe, I had to create a way to correctly identify all the ingredients.

So when I have a box of mixed chocolates my husband actually helped me with this. we created a spreadsheet with all my recipes in it. And then when I make a box of chocolates, I go through and I click which flavors I put in that box. And then he created a macro for me. So it ranks and lists all the ingredients in that specific box of chocolates for those flavors by weight.

And then I can custom print that label. So just figuring out that piece of the puzzle was kind of a challenge, actually.

David Crabill: [00:07:15] Yeah. I don't know too many people that are, that have that kind of technology in their ingredient label.

Anne Reist: [00:07:21] I know, but it's hard because they say you have to have exactly the ingredients that are in the box. You can't have something that says may contain. It has to be specific. And I also within that spreadsheet, we also identified like the allergens that could be potential allergens in there. And so it also spits those out with the ranked list of ingredients.

So that was a really big help to have him create that for me.

David Crabill: [00:07:53] Oh, yeah. I can imagine. I think what most people would do in your situation where you're creating custom boxes with different flavors all the time, and it's not consistent is probably just have multiple little ingredient labels for each flavor you make, and then just stick all of those separately on the box instead of having it all combined.

But your system sounds a lot better. So. It's nice that he was able to put that together. I actually haven't heard of anyone who has that kind of system in place.

Anne Reist: [00:08:23] it's been a, it's been a huge time-saver for me because when I first started, I also bought a, a little label printer. It's way more robust than anything I'll need. It's a zebra label printer. But prior to that, I had my labels printed out a printer. And that first season I had no idea how much I would sell.

And I just had all these labels printed, but I realized I wasted a fair amount of money because I didn't use all those labels. And unless I have the exact same chocolates and the exact same ingredients, then I can't reuse those extra labels. So that's what brought me to buy the zebra printer so that I can spit out exactly how many labels I need.

And I'm not wasting all this money at the printer.

David Crabill: [00:09:13] Well, and I did notice it looked like you went, full-scale from the beginning. You had your logo, your packaging you really kind of got it all set up before jumping in. Is that true?

Anne Reist: [00:09:27] Yes, I, so I officially created my business, like my LLC in January, and that's a whole nother piece of starting the business, but then I spent most of that year developing. I had to have, you know, your name and your label. And I worked with a friend, who's a designer to design my packaging and I did a ton of research into different packaging options and boxes, yeah, so I spent most of that year, like just trying to figure everything out

because I didn't want to. I couldn't ask for my permit and apply for a permit without having all of these other things in place, because they had to approve my labels.

They had to approve the font size and the placement and everything on the labels before I could even get my permit.

David Crabill: [00:10:19] That is, what's nice about their new laws that, and they actually have a really new law that just got passed a few months ago, which lets you kind of start a mini restaurant from your home, but that's a whole nother thing, but yeah, their food freedom law, you know, you don't have to go through that approval process and everything like that.

So it's way easier to get started. It's just, you wouldn't be able to, you know, sell indirectly through stores. That's a, that's a big limitation, but yeah, I mean, so you went through this whole process, did you have any kind of confidence? You know, you're putting all this time and effort and it sounds like quite a bit of money into starting the business. Where did the confidence come from? That this would pay off.

Anne Reist: [00:11:00] I don't know. I, well, I've always loved to cook and I've always loved to bake and make sweets. And prior to doing chocolates, I was kind of making cakes and cupcakes for friends and people always raved about that. And then when I started making chocolates again, people raved about them and I think just.

Feedback from people who tried them and I would give them away at Christmas and for fundraisers and stuff. Just the feedback that I got from the products was really encouraging. And I feel like that was enough to give me the courage to make the leap, to actually create a business. And honestly, I didn't sink a lot of money in it to begin.

Like I basically saved up like \$5,000 and that was kind of my budget to get my business started, which I don't know. It might sound like a lot to some people, but it's just a tiny amount really. And I, I listed out what are the basic pieces of equipment that I absolutely need? And then I had a whole wishlist of other more expensive stuff to get in the future.

And after I paid. For the LLC and having that created and paid my designer for the design work and ordered boxes and labels. And I bought a melter to get started and then just a few basic tools to help me actually make the chocolates and molds those kinds of things. I basically spent all that money.

So I didn't sink a ton of money into it. So it didn't feel like a risky investment.

David Crabill: [00:12:43] Yeah, I'd say in the cottage food realm, \$5,000, it's actually a pretty high start-up cost in the commercial food business realm. It's a very small, it's a very low cost for getting a business started. So you kind of fell right into the middle. And you talked a little bit about the equipment. Um, But what was some of the equipment that you felt was really essential for starting this kind of business?

Anne Reist: [00:13:08] Well, I have chocolate melter, I got a large, one of those that I can temper my chocolate in, and then it holds it at a steady temperature so that you can work

with it over time. And then I bought a bunch of chocolate molds. And so. And then I also bought cocoa butter colored cocoa butter to paint the molds with and create your different patterns and shiny chocolates.

I use a scraper heat gun. those were some of the most basic things. I had a fridge too. But not a ton after that.

David Crabill: [00:13:45] Yeah, I feel like I recently saw, you've got a whole bunch of other equipment that you use now.

Anne Reist: [00:13:51] I do

David Crabill: [00:13:53] can you talk a little bit about that? Like where have you gotten to recently in terms of equipment?

Anne Reist: [00:13:58] so we took, what was it? Basement guest bedroom that has an outdoor entrance and we completely converted it into a commercial kitchen. So. In addition to like stainless steel tables and a commercial fridge and freezer. We also installed like a three compartment sink, a handwash sink, a mop sink.

And then I bought, this was my big investment, but I bought a chocolate tempering machine and I bought an enrobing unit that goes with it. So I have my chocolate in this bowl and it circulates it and heats and cools it as necessary. And it runs through a spout so I can shell my chocolates much more efficiently.

And once my chocolate's in temper, I can work with it for a whole day without it going out of temper. And then the enrobing unit allows me to run pre-cut chocolates or whatever cookies, marshmallows, anything I want underneath the chocolate fountain. And it covers that item in chocolate and comes out the other end.

So it, it will increase my capacity to make a lot more stuff versus hand dipping,

David Crabill: [00:15:20] Yeah. And that stuff's expensive. Like what, what did you spend on those items?

Anne Reist: [00:15:26] probably \$30,000 or more.

David Crabill: [00:15:29] Yeah, I can believe it. And these are big. These are big pieces of equipment.

Anne Reist: [00:15:34] Well, especially for me, cause I you know, starting with so little, I've also like taken all the money that I've earned in my business over the last several years, I've saved that up. I haven't paid myself a wage and I use that money to buy this equipment. And I think this will, This commercial kitchen will really help me to make more and increase my production capacity a lot. So they won't be such a struggle to make a larger amount as it was before.

David Crabill: [00:16:11] So I'll, I'll get it. Let's get into the um, that, you know, commercial kitchen, all that stuff a little bit later, let's just talk about for now, let's talk about the start of

your business and how you got it off the ground in 2018. And can you talk a little bit about the process of making these chocolates?

Cause it's really, really unique.

Anne Reist: [00:16:31] okay, so with the process of making the chocolates, it goes like this. I have my polycarbonate molds that are in all different shapes. I have dome ones, geodesic shapes, square shapes. And I make sure those are clean and polished first. And then I take my tempered colored cocoa butter, and I paint the designs.

I either like splatter paint or paint with a brush or spray paint. one of my purchases was a commercial spray gun unit that can handle cocoa butter. Cause it's a lot thicker than water-based type paints. So I have my polycarbonate mold. That's been painted with cocoa butter and then I take it over to my tempering machine and I fill it all the molds with chocolate and scrape off the excess on the top and the sides.

And then I let it vibrate and sit for just a few minutes while it starts to crystallize around the edges. And then. I take the mold, it, dump it out and let it vibrate and shake out all the liquid chocolate inside the molds, leaving only that thin shell around the outside. So that's what creates the firm snap case of the bonbon.

Does that make sense so far?

David Crabill: [00:17:54] you described it. Well, I've seen this, you know, I saw like a picture, some pictures, so I know what this process looks like, but I think you described it pretty well.

Anne Reist: [00:18:06] Okay. It's really fun to watch the process. People always love to see it when it's like falling out of its shell. And that's one of the questions I get the most is how do you make these? But then so after my shell has crystallized, that takes about 24 hours to reach proper crystallization, then. Fill it with my fillings.

So I'll make caramel from scratch and I'll make nut-based gianduja, which are roasted nuts that are pureed and sugar and chocolate, and sometimes cocoa butter for a gianduja filling, or I'll make like pate de fruit, which is you take fruit, puree and glucose and sugar and pectin, and you cook it to the right temperature and it kind of makes the fruit jelly and you've got to make it so it's the right temperature.

And then also ganaches. That's the main, the main feeling that I make. So I'll make all the fillings that I put in my chocolates and then pipe them in individually one by one. You also have to pipe it at exactly the right temperature. It can't be too hot or it will cause the chocolate shell to lose its temper and it won't come out of the mold and it can't be too cold or it won't be fluid enough to settle and level evenly.

And you can't overfill it or you can't put the bottom on it. So then after I put the filling in, I let it sit and crystallize and get to the correct temperature. and the correct firmness. And then after that you slightly heat up the mold to slightly soften the chocolate shell. And then you pour more tempered chocolate on top.

Not very much just enough to cover it. And you scrape it off real smooth and clean, and then you're left with your capped bonbon. That's what we call it, capping it. So once that sets up and crystallizes, you can chill your mold for just a few minutes and then slightly twist it, just like an ice cube tray.

And then you can tap it out upside down onto like a stone surface, usually works best. I use a little marble slab to get my chocolates to release, and then you package them up and they're ready to go.

David Crabill: [00:20:28] Yeah, you did a really good job describing that process, which is a little hard to visualize. But it sounds like a really labor, intensive process.

Anne Reist: [00:20:39] Yeah, it is, it is. But I also feel like, you know, if someone wants to go out and buy, you know, the mass produced truffles from the grocery store, that's fine, but these are different. They're all, all the ingredients and all the fillings are handcrafted and I'm not using artificial preservatives. I'm not using the sorbitol and the sugar alcohols that can cause stomach issues in people.

And they're just fresh and they're special. And it's, it is a labor of love, but I do love it so much. And I, I love when people really enjoy them and like, it just brings such delight. And that's just a huge reward in and of itself. It's like, yes, it's a lot of work, but it's totally worth it.

David Crabill: [00:21:36] Yeah, it seemed like anyone I saw on your Facebook page, anyone who commented about your chocolate said that they were the best they'd ever had, and you can tell they're extremely high quality items. So but how long does this process actually take? I mean, it sounds like there's a lot of resting, a lot of temperature control.

From when you start the process to the time you actually have a chocolate ready to go, how long is that actually taking

Anne Reist: [00:22:03] Oh, it depends on how I structure my week. Like if I'm in a, on a normal week, you would, you could paint a shell in one day, do the fillings the next day. And then the next morning you would cap them and release them. So three days if you're in a huge rush and you have already tempered cocoa butter that you can add to your recipe, that can kind of speed up the process.

And you can also speed up the process a little bit by cooling your molds a little more and a little faster. But it's not ideal. So you can do it maybe in two days, but it's definitely not a one day process.

David Crabill: [00:22:51] And so obviously when you have something as labor intensive as this the, the challenge is the sustainability of the business. Right. And you gotta be charging a lot more. And I think because your chocolates looks so impressive, you can command higher prices. So what is the pricing of your chocolates like today and has that changed since you started the business?

Anne Reist: [00:23:15] No, I have them at basically \$2 a truffle. So a four piece boxes, \$8 eight piece boxes, 15, 15 pieces, 30 like that. And I've kept it at that pricing all along because I, one of the things I learned was that if you set your prices, people will not be happy if they go up.

So and it's you kind of, and I know chocolatiers who charge a whole lot more than that. In different markets. I don't know if our market here could bear a higher price. But I don't think anybody sells for less than that or if they do, they shouldn't because of the labor intense of the project and just the price of the ingredients.

David Crabill: [00:24:10] Yeah. You say that you couldn't increase your prices because people get upset. But most of the people I talk to when they increase their prices, yeah. They might lose a few customers, but a lot of those loyal, loyal customers will say, you know, it's about time you know, especially as you grow your business because obviously it is extremely labor intensive.

and if it sounds like there isn't anybody selling for less than \$2 a truffle than I mean, your products are as high quality and impressive as I have seen. So sure I'm sure if that's, if that's on the low end of pricing, You probably could go higher, but you know, obviously that's, that's something that you just have to test and try out and see.

the main thing is it sounds like this is a very lucrative business for you. I mean, you've been investing in high-end equipment and pouring money back into the business. I know you said you haven't paid yourself, but clearly this is a profitable venture, And probably going to increase in profitability as you have this dedicated kitchen space to work in.

so it sounds like you're doing very well with it and it sounds like there's a lot of demand for it. as you started the business did the demand just come automatically or did it take a lot of legwork to get your initial customers?

Anne Reist: [00:25:28] Well I started out selling at these pop-up markets that we have here in salt lake And I think just the uniqueness of my chocolates and the quality and the flavor was enough to like get people interested and start buying.

And the very first market I did I was just thrilled at how much I sold. I had no idea what to expect. But that just kinda got the ball rolling. And then from there I had repeat customers that tried my chocolates and liked them so much. And honestly, a lot of my growth has just been from referrals and word of mouth and just people that gifting them.

And then those people ordering them because they liked him so much. I haven't done a lot of. Marketing, except for I do I post on Instagram and Facebook. Not, not very well, but occasionally I don't have a ton of followers on Instagram, but I do have a lot of loyal customers and that has been basically the driving force of my business. But the honest truth is it's just me doing this. And I have been so overwhelmed with the amount of orders that I get, especially during the busy seasons, like Christmas and Valentine's and Easter, and mother's day that it's not a high priority for me to increase my followers online. At this point, because I'm kind of at my capacity by myself already.

Now, this is all prior to having this new kitchen and this new equipment. And I remember telling myself last two years ago, I was like, I don't think I can do any more than that, that Christmas. And then this last year, I was still working by myself and I did way more than that. And it was a ton of work and a ton of hours. And again, I told myself, I don't think I can do any more than that by myself.

David Crabill: [00:27:35] Well, yeah, I did actually want to ask you about the quantity. Cause you talked about your process. It's a labor intensive process. It takes you about two and a half days to go from nothing to a finished chocolate. And so that's really long, but how much can you actually produce in that two and a half days?

Anne Reist: [00:27:54] well, it entirely depends on how many molds you have. the main mold, my mold that I use the most, I have like 20 of those and each one has 32 cavities, So if I did a very large batch, I could do 620 chocolates in one flavor at a time, but I also have other shapes and bar molds and, so if I painted all of my molds in a day and shelled them all, which is a lot of shelling I can make quite a bit of chocolate. Um, One of the ways that I've grown and increased my production capacity was to buy more molds. And so of the molds that I frequently use I've over the years, I've just added to those numbers so I can do bigger and bigger batches.

And I feel like that is the most efficient way to use my time. And then I can produce a lot and if I can store them and freeze them ahead of time, then it doesn't affect the shelf life. it basically stops the shelf life. once you put them in the freezer and then you can pull them out and thaw them, and then package them and it's like starting all over on day two.

Does that make sense?

David Crabill: [00:29:14] Yeah, it does. And um, it sounds like if I'm reading this right, you could be making, you could make thousands or you could shell thousands of these in a given day with enough molds.

Anne Reist: [00:29:27] Yes. And so one of my goals for this year is to like double the number of my molds that I use most frequently and get rid of some of the ones that haven't been as great to use, just some molds are just more difficult to use and you have more losses, like your shells will crack or that kind of thing.

So I've been, trying to think very deliberately about. How can I increase my production capacity, do it efficiently, and also minimize the failures that I have and bring those as low as I can while also increasing, what I can do so if I take my 20 molds and I'll say, okay, I'm going to do Let's say five different flavors. Then I can have a lot more diversity, but I'm not doing as large of batches. So I know it won't last me as long.

David Crabill: [00:30:23] it looked like you had a whole bunch of different flavors available. Uh, What, what are some of the flavors that you sell or what are some of the most popular flavors that you have?

Anne Reist: [00:30:34] Well, salted caramel seems to be the most popular. I have one that's peanut butter crunch that has pecan praline or not pecan, but peanut butter praline

crunched up and combined with the peanut butter ganache. And then my creme brulet one is also pretty high in demand. And then for people that like dark chocolate, I use a dark chocolate from solstice.

It's a Madagascar chocolate. That's just delicious all by itself. So, and also I've got, I've got fans of my passion fruit.

They just rave about that when I've had people order entire boxes of But it feels like each different flavor has their own. Following and different people prefer different flavors. I've got one friend that only likes nuts and caramels. So that's all she orders. I had a gentleman that placed an order yesterday and he said, I thought your fruit chocolates were just going to be disgusting.

He said, but I couldn't believe how much I love them because he was used to eating like the old fashioned chocolates that are like the fondant cream centers. And he hates the fruit ones of those. But mine are not that kind of filling at all. They're like pure chocolate and cream and sugar and it's the good stuff.

And it actually has real fruit puree in it. And it makes the world a different, so even people that don't think they like something very frequently tell me that they like ones that they'd never thought they would.

David Crabill: [00:32:10] And you keep developing new flavors. I mean, where did these flavors come from? Is it just a, a passion of yours to keep experimenting?

Anne Reist: [00:32:18] So one of the things that I do is I just love cooking and baking and just food in general. So if I taste a flavor combination that is awesome. I'll take other types of recipes and study them and look at the core ingredients in them and try to replicate those flavors in chocolates. Like one time I had a friend who was from Mexico and he told me about this Mexican drink called, I think.

And it's a, basically a Mexican hot chocolate. And so I got the kind of sugar that they use in that and the spices, and tried to recreate that as a chocolate because it tasted so good. And it's just really fun to try to capture new flavors to me.

David Crabill: [00:33:09] Well, people are definitely going to have to go to your website cause you described few of them, but you've got a whole array of different flavors and some really interesting combinations. And I mean, it looks like people love them. So you have a knack for combining these flavors. So I mean, you have these super high quality chocolates.

Very, very impressive. Not only on the inside, but definitely on the outside as well. And you're getting going with the business in 2018, you started selling at these popups. What was your first pop-up like?

Anne Reist: [00:33:43] Well, I didn't have the first clue how to set it up. And so I recruited some of my friends to help me and. I also needed help packaging. Like I had just gotten all my permitting approved and then I had to get my packages, my labels printed, and then I had been making chocolates. But I had to get them all packed and ready for the market.

So I just had friends come over and help me pack all the boxes. And then I had another group of friends come help me set up at the market and help me create a display because I had no clue what I needed or how to do it. And they were so gracious to just come in and we had so much fun and just created a really nice table and display.

And then I think because I had good placement and because people could see my chocolates, they were just intrigued and it was overall, it was a really great experience. And I've been doing those ever since.

David Crabill: [00:34:46] So that I think kind of happened at the end of 2018. And then 2019 was the first full year that you went through all the seasons and started building the customer base. What did you learn through that process? Were you selling at mostly the pop-ups? Were you selling and doing custom events? Were you selling through your website?

You know, where did customers kind of land.

Anne Reist: [00:35:14] Mainly, probably through the pop-ups and then people would start ordering through my website and then I also have done some larger custom corporate orders, but it's all kind of fed out of the word of mouth and stuff. Um, And then one other piece of my business is I've also done some boxes that I create for individual companies like move in gifts for apartment buildings.

So I'll create a custom insert for that business. And then they gift them to their new tenants or their new customers. And so like some of my businesses have been real estate agents or financial advisors. Some people gift them at the holidays to their clients. So having that piece of the business too has been a really steady regular year round Type of order. And that's really great because chocolates are so seasonal that you're mainly selling from November through may and not a whole lot, the rest of the season or the rest of the year, but having those corporate orders bring sales kind of year round.

David Crabill: [00:36:35] And were these people who just found you at the pop-ups and were impressed with your chocolates, or was this something where you actually went out and tried to meet with real estate agents or meet with apartment building owners. And did you initiate that.

Anne Reist: [00:36:52] no, it's all been word of mouth and they've approached me. Some, someone gifted her sister, a box and the sister managed an apartment building and word spread that way. And then once someone within those sister apartment buildings heard about it, they referred it to other building managers and like the real estate agents and the financial planners, like one of them just searched and found me online and then other people it's just been word of mouth.

So I feel like if I want to drum up more business, I know what steps to take to reach more customers in that regard. But so far it's been growing as fast as I can keep up with just by word of mouth. So I haven't deliberately gone out seeking new business.

David Crabill: [00:37:41] Have you also had store owners wanting to put your chocolates on their store shelves. And do you do that?

Anne Reist: [00:37:49] Yes, there's a local store called salt and honey market, and it's made up of a lot of local makers, I guess you would say. And so they asked me about being a permanent vendor at their store after doing pop-ups with them. And then I've also sold through a coffee shop and I've had another coffee shop approach me about doing that, but figuring out your wholesale pricing to do that is a whole nother ballgame, you have to be willing to accept a lower.

Wholesale cost for your chocolates. If you're going to sell them to another business and they're going to sell them. And there've been people I've chosen not to do business with because I haven't been able to go low enough on my prices to appease them. But at the same time I can't do it for nothing and I can't give them away.

David Crabill: [00:38:47] Yeah. I mean, typically it's usually very worth the wholesale price because you're not doing any of the marketing. Right. But it sounds like your chocolates are so popular that you haven't had to do a lot of concerted marketing efforts. So I'd say it kind of a unique situation.

Anne Reist: [00:39:05] Yeah, definitely. And the popup markets in and of themselves are kind of like marketing. And they do get they do get a percentage of the sales, but it's. It's not a wholesale amount by any means.

David Crabill: [00:39:18] Now I did notice that your packaging, your logo. From the beginning. Very impressive. How, how did you create the logo? How did you find the packaging for your chocolates?

Anne Reist: [00:39:32] Well, for packaging, I just ordered a whole bunch of samples from different websites and packaging companies. I was looking for something that was simple, but also sturdy and keeps the product safe, but also looks nice. And is affordable. I mentioned earlier, like packaging is tricky because every little piece that goes into packaging costs something.

So there's a box and a tray and a pad and the little cups and every single element kind of adds up. And so I compared the cost of a lot of different packaging options and settled on the one that I use now. And one of the things I like about it is that it's made in the us. It's made with some recycled materials, so it's not being shipped overseas from China.

And I can get it in a reasonable amount of time. And I also don't have high minimums so I can order what I need when I need.

So I don't have a lot of extra stock just sitting there taking up space. And then for my logo I hired a friend who is a designer and she sat down with me and we talked about like what message did I want to convey to the consumer?

And like what the feeling of the product would be. And so we talked about all those elements and we use this picture of cocoa beans, which I don't know if you've ever seen a

pile of cocoa beans, but they are so beautiful and so colorful. And so we drew all the colors. Of my palette from this picture of cocoa beans.

And came up with several different iterations of different logos based on other inspiration images and kind of settled on what we came up with.

David Crabill: [00:41:30] One thing that I noticed with your packaging that was surprising to me is that your boxes are closed. And I mean, they're covered, they're fully covered with your logo. And I was a little surprised that your packaging isn't transparent so that people could see through to the product. What was the thought process in um, choosing that packaging?

Anne Reist: [00:41:55] Well, I actually have both I can get boxes that have a clear lid and then I also have the solid color white tops, and I use both um, frequently, if I'm going to. Set up at a market. I will use the clear lidded boxes because they sell better when people can see them, but the chocolates are not as protected.

And every big professional chocolatier would tell you, you must have a covered closed box with a solid lid, not a clear transparent lid because it doesn't protect your chocolates as well. So if I'm shipping, I always use a solid hard lid to help protect the chocolates more. So it's kind of a delicate balance, but I do use both.

David Crabill: [00:42:45] How do you manage shipping uh, your chocolate? Because I know you could ship through at least within Utah when you're doing the cottage food thing. And now I think you can ship nationwide now that you have a commercial kitchen, but how does that work since, uh, shipping and heat, I would think would be really unpredictable.

Anne Reist: [00:43:06] It is, it is when it's cool out, shipping is easy, but in the heat, it is a challenge. I've had some success and I've had some failures and it's really frustrating because I have no control over the speed at which something gets shipped.

I can select the fast shipping option and I can get it to the ups store or the post office. But when it, like, I just recently had a package that was sent out and I put it in a styrofoam box inside a cardboard box, and I used insulation and I used two ice packs and I chose the fast shipping option.

I even spent more on all of that stuff than what the customer paid, but instead of getting there two or three days, like it was supposed to it, didn't get there and almost a week. And of course in this heat, it started to get a little soft and melty. And so they didn't arrive in perfect condition for her.

And it's so frustrating because. I did everything in my power to get her these chocolates and she paid for them. And yet they didn't arrive in great condition and there's nothing more I can do in this heat. And so I've just recently like blocked out all of the hot states because anything over like two days, there's just no way even an ice pack and an insulated shipping box will be enough to protect it.

I mean, we got up to 107 last week and it's just brutal hot. And then you look at the temperature inside like a shipping truck, and it's going to be way hotter than that.

And nobody wants to pay for the shipping boxes either. Cause they're like, I don't know, upwards of \$10 a piece and that's on top of the chocolates and that's on top of the shipping costs. You know, anyway, I'm just rambling on, but it is, it is a major frustration.

David Crabill: [00:45:08] Yeah, no, I, I know it is. It's definitely hot out there.

So along with the branding piece, the logo, the packaging, you also from the beginning have had really great photos. And continue. I mean, it seems like every picture I see of your chocolates looks amazing. Are those pictures you're taking yourself with your phone or with a professional camera?

Is that something that you hire out?

Anne Reist: [00:45:36] All of the above. To get started. I hired a local product photographer. Her, her business is Akoma photography and she did my initial product photos for me. And I used a lot of those on my website and like my flavor insert. I still use one of her photos there, but I just needed really high resolution pictures for my website.

Since then I've had other professional photos taken, but I also frequently take them either on my professional camera or on my iPhone, but I have a special lens that I can add to my iPhone to help me get a closer image. And then I also do editing with the Photoshop app on my phone and it lets you adjust like the light and the exposure and all the different elements of a photo.

And I feel like that really helps like crisp up my pictures and make them more focused and just better color than what you just snap on your phone initially,

David Crabill: [00:46:42] So in terms of the ways that you are selling, I know you have your sales venues, you've got pop-ups you're wholesaling a little bit, but then you also do customize orders, like you said.

And do you get a lot of those custom orders and what's the process like? I feel like you are doing like customized chocolates.

Anne Reist: [00:47:10] Yeah. When someone is interested in that, they email me through my website. We just either just start a conversation and I try to find out what they're looking for and colors and how I can make that happen for them. So recently I had a local university contact me and they want a special gifts for some employees that had been there for a long time.

And they had, they needed all the flavors to be vegan So I create a chocolates using their brand colors and I kind of custom mixed my cocoa butters to match their colors. And then I also created unique flavors for them that were vegan so that all of their

employees could enjoy them. And it was really kind of, it was a little bit of a challenge. Normally I don't create all new flavors for everybody, but I'll do custom colors with recipes

that I already have. So it was a little bit of a stretch to create new flavors for them, but it was also really good because typically most of my chocolates have cream or butter in them.

And I feel like there's a whole market out there. People who are dairy free that I could reach if I produce more or make more of these vegan flavors in my regular lineup.

David Crabill: [00:48:33] Yeah, your chocolates are so colorful, not just the painting, but even the underlying shell is oftentimes colored. Where do the colors come from? Do you buy the cocoa butter already colored or are you adding color to the cocoa butter? How does that work?

Anne Reist: [00:48:55] I buy my cocoa butter already colored. There's a company called Chef Rubber. That's based out of Las Vegas that sells them. There's also Choco Transfer Sheets based out of California that makes colored cocoa butters. And there's several others, but those are the two most local ones that I use.

It's a little more expensive to buy them that way already colored. But like Chef Rubber's colors are just so rich and saturated that it's worth it. And with the amount of cocoa butter that I use, I don't want to take the time to mix in my own colors and filter it out and do all the prep work involved with making the color on your own.

It just, I think it would be way too time consuming and I already have enough things that I need to do besides just making chocolates.

David Crabill: [00:49:51] So as you grew this business over the course of 2019, were you surprised by how quickly the business grew?

Anne Reist: [00:50:01] Not so much 2019. Like that was kind of where I expected and hoped to be. But like 2020 really surprised me. Because with COVID.. I had no idea what to expect with sales and with markets being closed or online sales. And so it just felt like this big question, mark. People really wanted chocolates last year, I think maybe because of the comfort level and because I could ship it was an easy way to send gifts to people.

And like my online business grew a ton last year and it was kind of shocking, but I was able to keep up with it. And I was so thankful that I had that in place that I could just continue with that branch of my business when the markets weren't going.

David Crabill: [00:50:54] It sounds with that growth in 2020 did that help justify the building of the commercial kitchen.

Anne Reist: [00:51:02] Oh, definitely. Yeah.

David Crabill: [00:51:04] And what was the process like for getting that commercial kitchen built into your home? And first, why did you choose to go the route of putting the kitchen into your home instead of either renting out a commercial kitchen or buying a separate storefront?

Anne Reist: [00:51:22] Well, cost is a huge piece of that. I looked into renting a shared kitchen space as being one of the lower cost options, but with chocolates being so particular

about everything from the temperature and humidity in your room to just every single step along the way, I could not fathom how to do that successfully in a shared kitchen.

And then just the cost for a commercial kitchen to rent out a space. You have to sell a ton of chocolates every month just to cover your cost of rent. And then same with a storefront. I love the idea of having a storefront someday, but I still have a lot to learn about running a business. There's making the chocolates and then there's running the whole rest of the business.

And I feel like I'm not ready for that step. And it requires a huge investment upfront to make that happen. And I just wasn't ready to do that. So like I'm a slow decision maker, but I feel like I'm just baby stepping into this and. Building the commercial kitchen was a lower cost way where I could greatly increase my capacity, but still I don't have to pay rent.

I don't have to pay utilities, although I could charge myself for utilities. And I'm also not paying employees and all of those extra expenses that go with having a storefront. And so that allows me to keep my cost at what it is versus having to raise my cost. And then you also don't have the pressure of selling as many chocolates.

David Crabill: [00:53:11] Will you say that it's lower cost to build the commercial kitchen in your home, and I'm sure it is, but typically it's very expensive to build a commercial kitchen into your home. How much did it cost to, or do you know how much it costs to end up renovating and retrofitting your downstairs bedroom into this kitchen?

Anne Reist: [00:53:35] It was around \$20,000 probably. but if you look at rent, let's say even if you could get a space for a thousand dollars a month, which would be incredibly cheap in less than two years, \$20,000 you would exceed that in two years.

I would've never done it from the beginning though.

David Crabill: [00:53:57] Was it really complicated to build the kitchen? Like, did it take longer than you expected?

Anne Reist: [00:54:04] Yes, it took longer than I expected, but a lot of that was the background work. I had to go to the city and find out first if I could even do it. then I had to find out the regulations for it. It turns out according to the inspector that came, like they hadn't approved a kitchen like this in my, in my town.

So it was kind of unique too, but I hadn't made sure we followed all the codes. And so I met with, I picked out some builders who were really trustworthy and met with them first, and then I needed a plan to figure out what I actually needed in the kitchen. And so I met with a. Oh, it's called Bintz Restaurant Supply, but they helped me design the kitchen and figure out all the elements that I needed and like what specs and what, what size of fridge do I need?

And they helped me figure out the layout and what kind of sink I needed and all those things I originally, I thought, oh, I could probably figure it out on my own, but it was so helpful to have them. They drew it up on their CAD system and they ordered all the stuff for me. And I just paid them a small percentage and it was incredibly helpful.

So we just had all the stuff come to their warehouse and then they delivered it in a big truck and their guys unloaded it for me and we were able to put it together. so anyway, we had the plan. And then the builders did the work and then the city inspector came and approved it.

But the whole building process did take a little bit longer than I expected.

David Crabill: [00:55:47] So you now have this kitchen and I know you got that going at the beginning of this year, and you have the ability to ship nationwide and things are looking up in your business. Where do you plan to take your business into the future?

Anne Reist: [00:56:05] I don't know exactly. Right now I'm on an upward growth curve. And so I'd like to just keep going with that. And I don't know, kind of see where it takes me. Like I said, I'm not out there, like tracking down more business, but if I reach a point where I feel like I can take on more than I'll deliberately go out and look and seek out more business.

But at this point it's growing very well organically and. I feel like I just want to keep going with this trend, but I can't say with any certainty, like, oh, I want to be here in five years and I want to be here in 10 years. It's kind of more like, just keep going at it. And as long as it's growing and doing well, then just keep on keeping on and get better at my craft and try to give the best customer service I can.

I feel like happy customers will keep driving my business and that's good enough for me right now.

David Crabill: [00:57:10] What do you most love about running your business?

Anne Reist: [00:57:14] Making people happy just delighting them. It's so fun to make good food that people love to eat and like a really, really special treat. I don't know how to describe it. I don't know. Do you know what I mean?

David Crabill: [00:57:30] I do. And I can tell that you are definitely making people happy. Your, your product just looks so amazing. And just from what I read on the Facebook page, I can tell that you got a lot of fans out there and I'm sure more and more fans every day. So yes, I, I wish you all the best as you continue to grow this business.

And I appreciate you coming on and talking a little bit about it. So if people want to find you, how can they reach out?

Anne Reist: [00:58:01] My website is thechocolatepalette.com and they can go on there. My email is anne@thechocolatepalette.com and I'm happy to answer people's questions, especially about starting a business, because I know how challenging it can be to just even get started.

So I'm more than happy to do that. And I also have my business phone number listed on my website where people can text or call. but yeah, any of those ways are great ways to get ahold of me or even Instagram or Facebook, but I'm not as good about checking the messages on there as I am about my email.

David Crabill: [00:58:44] Well sounds good. again, I wish you all the best as you keep growing it. Thanks so much for jumping on

Anne Reist: [00:58:51] Yeah, thank you so much. It was good to talk to you.

David Crabill: [00:58:55] That wraps up another episode of the Forrager podcast. I think Anne has that rare kind of business where her products are so impressive and unique inside and out that they really do almost sell themselves. I could definitely see why people are instantly captivated by her chocolates. And therefore she naturally continues to grow a loyal customer base.

For more information about this episode, go to forrager.com/podcast/38

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Thanks for listening. And I'll see you in the next episode.