AUSTIN BUSINESS JOURNAL

GSD&M the giant

Always No. 1 on our ad firms list (but there are up-and-comers)
PATRICIA ROGERS, A13



PROFILES IN
PROFIL

THE LOS FIFTY VITAL FEMALE-LED FIRMS B12-B13

MUST-READS



Both sides of rail

Proponents and opponents of urban rail have their say. **OPINION, A23**

Linklater and tunes

Check out the fiscal performance of Austin's most popular movie director and find out how musicians are spreading Austin's brand abroad. CREATIVE TYPES, A10-A11

Common Websense

For Websense CFO Jim Hagen, it was almost a no-brainer to relocate the company from San Diego. His Q&A is part of our weekly look at the key issues, companies and people on the digital scene. TECHFLASH, A&-A9

More R&D, please

The incoming president of Austin's first teaching hospital talks about the future. **HEALTH CARE, A7**



Sandy's salary

During the past year Austin's own Sandra Bullock outpaced the annual income of her

Hollywood peers. CAPITAL GAINS, A3



HOMEBUILDER WES PEOPLES' FAVORITE PART OF HIS HOME ISN'T INDOORS A14



TWO OF AUSTIN'S MOST SUCCESSFUL
REAL ESTATE BROKERS ENDEAVOR OUT A4



HOW — AND WHY — TEXAS SAKE CO. TURNS RICE INTO AUSTIN ALCOHOL A12

AUSTIN BUSINESS JOURNAL

August 8, 2014 Vol. 34, No. 25, \$4.99 504 Lavaca Street Suite 1008

Suite 1008 Austin, Texas 78701



Breaking news onlineAustinBusinessJournal.com



Follow us on Twitter @MyABJ



Daily email updates
AustinBusinessJournal.com/email

TO SUBSCRIBE TO THE AUSTIN BUSINESS JOURNAL PLEASE CALL 512-494-2500

by Managing Editor Greg Barr



VENTURE

GBARR@BIZJOURNALS.COM

512-494-2520



RETAIL & RESTAURANTS

Brewing history in a bottle

USING PROPRIETARY STEAMING PROCESS, SELF-FUNDED AUSTIN SAKE MAKER KEEPS ANCIENT LIBATION FLOWING

BY KRITIKA KULSHRESTHA SPECIAL TO AUSTIN BUSINESS JOURNAL

Three years ago, Austin entrepreneur and Israeli native Yoed Anis decided to preserve the memories of a trip to Japan by bottling them up.

In 2011, he opened the first Texasbased organic sake brewery, or kura, and said he was the first to make sake from locally grown rice, with his fledgling company, Texas Sake Co.

With four local employees, Texas Sake Co. uses organic rice grown in Wharton and Bay City and brings in the rice in 1,000-pound batches each month to the brewery facility in a cramped warehouse off North Lamar Boulevard. There's still a Japanese connection to the locally grown rice, however, considering colonists brought over the Japanese rice seeds more than a century ago, Anis said.

One pound of rice yields as much as two bottles of sake. In 2013, Texas Sake Co. produced 6,000 bottles. The glass for the bottles is made in Mexico and the bottle caps are sourced from Portugal. However, the bottle labels are created by a local designer.

"We wanted to stay local," Anis said. "Ours is an eastern product but a western company."

The production of Sake, a rice-based alcoholic beverage of Japanese origin, generally involves several steps including rice milling, washing and soaking the rice, steaming the rice and then starting the distilling process to make the koji, which is steamed rice to which koji-kin or koji mold spores are added. The process can be done locally, but not during the summer due to the extreme heat.

A liberal arts graduate of the University of Texas at Austin, Anis partnered with intellectual property attorney Ross Garsson in 2013 to patent his invention - a seamless and efficient way of steaming the rice for the sake.

Garsson and Anis were introduced by mutual friends about three years ago, and Garsson was immediately fascinated by Anis' method of making sake.

"He was taking something that's oldfashioned and using new technology to keep it going," said Garsson, who is shareholder at Austin-based Greenberg Traurig LLP. "I like to work with emerging companies."

Prior to filing the patent, Garsson had to understand Anis' method of making sake. After that he decided to file a



NICK SIMONITE / STAFF

Ross Garsson, left, and Yoed Anis of Texas Sake Co. at the company's warehouse.

U.S. patent for Anis' invention in February 2013. The patent is currently under review, and according to Garsson it takes about a year to three years from the time of filing to get the patent issued. Costs to file a patent in the U.S. can range anywhere between \$10,000 and \$15,000 depending on the invention.

Texas Sake makes three types of sake: Whooping Crane, a refined sake; Rising Star or Nigori sake; and Tumbleweed or Karakuchi sake. Each bottle is priced between \$20 and \$35.

Anis has partnered with a national wholesaler and distributor, Republic National Distributing Company LLC in Texas, to distribute his product to restaurants and retailers.

The company broke even in 2013 and is looking to grow by acquiring investors.

Anis did not disclose startup costs or annual revenue, but said the business is currently self-funded with no external investors.

The company's products can be found in several Texas restaurants, grocery stores and liquor shops including Foreign & Domestic, Whole Foods Market

STEAMY SECRETS: YOED ANIS' RICE COOKING OPERATION

Anis' rice steaming invention includes a device that has many perforated pan trays - almost 40 - that hold the rice. These perforations in the pan trays allow the steam to evenly penetrate the rice. The trays are spaced apart in a vertical pan cart to allow steam to flow in between the trays. The pan cart is placed into a chamber with a sealable door that is connected to a steam generator that disperses a regulated amount of steam between the trays. The device also permits a new batch of rice to be introduced into the steaming chamber while another batch is still cooking, so that the process proceeds seamlessly and efficiently and prevents the rice from clumping.

Inc., Central Market, Swift's Attic, Sake-Social.com, Far West Liquor, Houston Wine Merchant, Hyatt Regency Austin, Habitat Suites and Barley Swine.

FRANCHISES

MOOLAH U EYES NATIONAL GROWTH

Business intelligence for fast-growing enterprises

Moolah U, an Austin education company that teaches business principles to children



through camps, has launched a franchising campaign and a target to open in five new markets by the end of the year.

The business, which holds sessions at borrowed space in retail locations and doesn't require storefront rental to operate, was founded by CEO Gayle Reaume after she left the marketing and publishing industries.

Reaume said she had received requests for franchising opportunities beginning in 2010 when the business was featured in the Wall Street Journal. The opening of a Moolah U branch in Asheville, North Carolina, showed her that the company could expand easily via the franchise model. She said she expects the business to double in size each year once the franchising effort gets rolling.

"When we started getting requests from all over the place I began looking at how to scale the business and us doing everything ourselves would have taken a really long time to make that happen," she said. "The franchisees know the territory, they know their market and if they have the desire to work hard and own a business they can be very successful."

With four employees operating out of a co-working space and marketing and other help contracted from firms on the East Coast, Reaume has been able to run Moolah U with very low overhead, though she said the time will come to lease office space later this year. Thus far the company has been funded entirely by Reaume and friends and family, though an additional round of capital will be needed later this year when the company enters into its training programs for franchisees, among other expansion costs.

Reaume said the demand for Moolah U's curriculum that has students learning financial basics and start and pitch their own small businesses, has not slacked off since the company's start. With a franchising package available for less than \$50,000, she said any business-minded person interested in education and helping children can find a market easily.

"The people who lead it become known as Moolah U in their community and parents are excited to have this out there," she said. "It's a tough subject for them to talk about with their kids, because most of them don't know how to talk about it."

– Chad Swiatecki, @ABJChad