

Vodka, with a twist

[NOVATO, CALIF.]

When she started Square One Organic Spirits, Allison Evanow, the Novato, Calif.-based company's CEO, says the idea of creating an organic vodka just made sense to her intuitively.

"If vodka's all about purity, organic is the highest expression of purity," she says.

Evanow, a wine and tequila industries veteran, set to work sniffing out the market opportunity for an ultra-premium brand of organic vodka. "It really was more of a disaster check for us than anything else," she says. "And when the results came back we were like, 'Oh my god, we're on to something huge!'"

Square One's 500-person Internet survey found that nearly 80 percent of core ultra-premium vodka consumers said they would likely or most definitely consider switching from a non-organic to an organic vodka, so long as taste, packaging and price were similar.

So far, the vodka has proven successful on those very merits. The Beverage Tasting Institute awarded Square One 94 out of 100 points for its "supple, clean and elegant" taste. The brand's clean design and flavor (a "classic grainy-ness with a softer, creamier palate," according to Evanow) are positioned to appeal to top-shelf consumers, as is its price; the company's single-filtered rye vodka is positioned as a premium brand, priced at around \$35 a bottle.

Vodka makes up 25 percent of all spirits sold, according to Evanow, leaving plenty of room for the company to grow — and providing it with plenty of competitors. In part, that's because vodka is one of the least expensive spirits to produce. Unlike brown spirits such as bourbons and tequilas, it doesn't require aging, which adds upfront costs and slows time to market.

A handful of other U.S. companies are exploring the organic vodka market, but few have gone as far as Square One Organic Spirits. Altitude Spirits, a Boulder, Colo.-based company, offers Vodka Fourteen, made from organic grains, as does Vermont's Green Mountain Distillers. Evanow is quick to stress that even her company's distillation process is certified organic. "Part of me says if you want it to be organic, you have to go full-bore," Evanow says. The company has also worked to develop a label printed on a paper



Courtesy Square One Organic Spirits

A neat take on organic

blended from organic cotton, reclaimed sugar cane fiber and bamboo.

In part because of its environmental choices, the company's profit margins are slim compared with "the big boy

vodka companies," Evanow says. But she also says she's confident in the brand's ability to succeed.

Square One Organic Spirits is bankrolled by personal investments from the company's founders, and Evanow and the other investors behind the business have set their sights on hitting \$1 million in revenue in 2007. As of January, they were ahead of schedule.

"The way our business model works in this business is very heavy on the front end," Evanow says. "It is one of those situations where we can't afford to grow slowly in this category."

Wednesday in Las Vegas

The Consumer Electronics Show, held annually in Las Vegas, this year launched Green Wednesday, a day devoted to the unveiling of a number of environmentally innovative gadgets and services. Following are some of *Sustainable Industries Journal's* favorites.

HP (NYSE: HPQ) Energy Efficient Notebooks

Equipped with an ambient light sensor that adjusts monitor brightness for optimum energy efficiency.

Solio Universal Hybrid Charger This portable charger stores solar energy, and it can also be plugged into an AC adapter. It stores enough power to charge a typical cell phone or iPod at least two times.

P3 Kill a Watt Home Energy Meter Plug any product into the meter, then plug the meter into a wall socket to get a reading on the product's energy consumption.

Dell's (Nasdaq: DELL) "Plant a Tree for Me" Initiative Dell's carbon-neutral initiative plants trees for customers to offset the carbon impact of the electricity required to power their systems.

MyGreenElectronics.org A Web site launched by the Consumer Electronics Association to help consumers find energy-efficient gadgets and learn about safe ways to recycle electronic products.

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