

● How I Did It CEOs Share Their Secrets of Explosive Growth

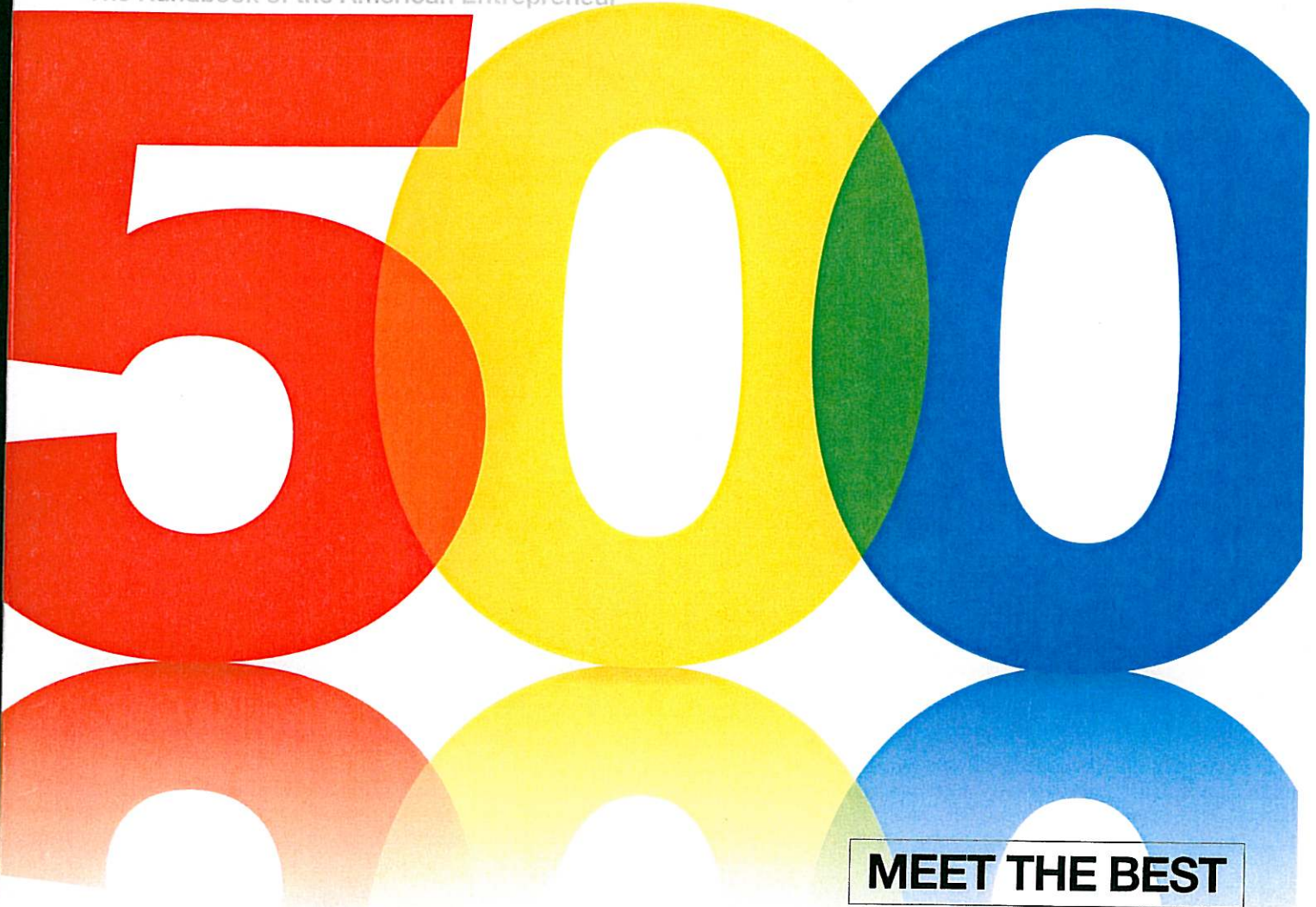


Inc.

The Handbook of the American Entrepreneur

SPECIAL ISSUE

**AMERICA'S
FASTEST
GROWING
PRIVATE
COMPANIES**



MEET THE BEST

20,128.9% Growth

MemberHealth

5,326 Jobs Created

Noble Investment Group

\$1.6 Billion Annual Revenue

MCZ Development

AND 497 OTHER PROFILES OF SUCCESS

September 2007
\$4.99 US \$5.99 Canada



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DANGEROUS GROUNDS
Jason Araghi's Green Beans Coffee shops offer brief respite for soldiers on U.S. military bases in Iraq and elsewhere.

THREE-YEAR GROWTH ▶

1,336.8%

It sounds like a film pitch: Two American expat doctors open a coffee shop in the mid-1990s as a vanity project for a Saudi Arabian princess. When American soldiers discover the café in Riyadh in 1996, the business finds an expansion force more powerful than even Starbucks. For Green Beans Coffee, now a \$20.8 million, California-based production of Jason Araghi and his brother Jon, serving organic coffee, smoothies, and pastries in war zones on more than 60 military bases around the Middle East is a daily, death-defying reality.

“We tell the military
our motto is
honor first,
coffee second.”

Jason Araghi ▶ CEO, GREEN BEANS COFFEE #144

I moved to Saudi Arabia in 1995 as one of the physicians for the House of Saud. The prince—a nephew of King Fahd—had an international trading company with three divisions. I started with the medical division, importing and exporting medical technology, equipment, and supplies.

The princess had a high-end furniture store, and she wanted to incorporate an American-style café. Men and women are segregated there, and she wanted to create an environment where people would mix. My brother Jon had spent the past few years hanging out in cafés in California, learning from the owners. He had finished chiropractic school but never practiced. When the princess said, “Can you help us?” I said, “As a matter of fact, I can.”

In 1996, Jon and I built the first gourmet coffeehouse in Saudi Arabia. American soldiers started hanging out there, and we were approached by one of the officers. He asked us to open one on the army base at Eskan Village, about a half-hour out of town.

As the military started to expand its footprint in the region, they asked us to come with them. “We’re going up into Kuwait. Do you want to?” or “We’re going to Qatar. Could you come over there?” We said, “Yeah, sure.” It was easier for them to use us than to find someone new.

The first turning point was 9/11, when they said “Who’s willing to go to Afghanistan?” We were the first American food company to go there after 9/11. We took a 40-foot shipping container, punched some holes in it, made some windows, and had a bar built inside it. That’s when the military realized we would do whatever it takes to support them. The second was going to Iraq. It was like “all in” at a poker table. They wanted us to open a half dozen stores in six months, so we had to put all our capital in there. We tell the military our motto is honor first, coffee second.

Supply-chain management has been a challenge. They’re war zones, politically unstable areas. At the beginning of the war, our containers would go missing more often. Now it’s much better. The

container travels in a secured convoy from Kuwait to the Baghdad area. It gets shot at now, but it doesn’t get hijacked.

We had a suicide bomber blow himself up in a truck near our hotel, killing 60 people. We were in the Kurdish region of Iraq, scouting new sites. At some of our locations, our staff wear flak jackets and helmets to work. A rocket hit a base in Baghdad, and some staff got hit with shrapnel.

We’re offering a program for the soldiers who are going home. We give them a discount on franchise fees and help them get started when they get back home, so they can go into business for themselves.

You have to imagine what our stores look like. Inside, there is marble and fine wood and tile work. We have this environment inside a base in Fallujah or Baghdad, where soldiers are getting attacked every day. They come in with their gear after a long patrol, they just want something good and refreshing. We’re that 15 minutes of sanity and tranquility in their day.