

# THE STARTUP PAGE

A look at innovative organizations, concepts, products and people



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## Boxton Tackling Inefficiency

Jamie Scott Lytle

Joe Caprara, left, and Warren Kucker co-founded Boxton Inc. after seeing their tech giant employers waste money on shipping.



After working for some of the biggest tech giants in California the founders of **Boxton Inc.** realized that big businesses sometimes waste big money.

“Sometimes you assume that large corporations are always going to have the best processes, but in reality it’s sometimes the opposite,” said **Joe Caprara**, co-founder and chief operations officer at Boxton.

Solving a tiny slice of big business inefficiency can be a sizable opportunity for a startup, which is what Boxton set out to do.

### Losing at Logistics

In particular, Caprara and co-founder **Warren Kucker** found that companies often spend more than is necessary on the transportation of goods in and out of their warehouses. Narrowing its focus, Boxton is interested in just 10 percent of this movement of goods: the shipping and receiving of goods outside of a business’s core products.

For example, a computer company, let’s call them Company A, might have systems in place for moving around large orders of laptops, tablets and desktops. That’s their core business. These shipments are consistent, shipping is negotiated carefully, and processes are streamlined.

But what about one-off shipments outside their core business, like shipping large pieces of factory equip-

ment to a manufacturing facility? Or shipping 100 standing desks for the company’s sales team?

Kucker said people who manage these shipments are rarely logistics experts. They likely don’t understand the ins and outs of international shipping, customs paperwork, and how to negotiate with major shipping companies such as **FedEx**, **UPS** and **DHL**.

What usually happens is that company’s end up spending a whole lot more than they need to have manufacturers take care of the shipping.

### Inspiration From Big Tech

This is the exact problem **Apple Inc.** hired Kucker to tackle when he served as the guy in charge of the tech giant’s worldwide logistics procurement. This was a newly created position at Apple when Kucker came in during 2014. Kucker built the processes for the company from the ground up.

He said Apple started seeing costs savings between 20 percent and 70 percent, depending on the project.

“I started to think... is there a greater need for this outside of Apple?” Kucker said.

After comparing notes with Caprara, who worked in logistics for **Qualcomm Inc.**, the two decided the need was universal across businesses large and small.

They founded **Boxton Inc.** in January of this year to solve this problem for businesses, estimating

that they can save companies about 30 percent on their shipping costs. The startup has a web tool that asks customers a few simple questions, including what they’re shipping, where it’s going, etc. Then Boxton takes that information and starts a bidding process among shipping companies, determining the best deal for the company’s project. After choosing a shipping company, Boxton manages the project for the client company (scheduling pickups, taking care of customs paperwork, etc.). Boxton even has a tracker tool so that customers can keep tabs on their orders.

### Bootstrapping

This niche area Boxton is serving may not seem like a huge opportunity, considering the startup is only targeting 10 percent of logistics spending. But Caprara said the logistics spend for U.S. companies is so high that the estimated size of that 10 percent is something like \$140 billion.

Kucker and Caprara bootstrapped Boxton with \$100,000 in startup capital, and Kucker said he expected it would take at least six months from launch (July) until Boxton was making any money. But Kucker said it looks like revenue will be rolling in ahead of schedule (possibly within the next month), as the startup has nine companies in a testing phase and 18 more in the pipeline. Kucker said the company hopes to see \$500,000 in sales by the end of 2017.



Photo courtesy of Brian Jones

Zeeto’s in-house restaurant and bar, **The Questionable Exchange**, provides free breakfast, lunch, and unlimited happy hour for its employees.

## Zeeto Brings More To Table With This Employee Perk

Many tech startups go to great lengths to impress top talent with workplace perks, but San Diego-based **Zeeto Inc.** just upped the bar.

The adtech company has opened a full-scale restaurant and bar for its employees in which everything on the menu is free of charge.

The restaurant, called **The Questionable Exchange** (an inside joke within the company), seats over 100 people in booths, tables, and an expansive bar. The 6,000-square-foot restaurant has eight beers on tap, wine and spirits, and two chefs who offer a breakfast and lunch menu which changes weekly.

The space is equipped with eight flat screen TVs and two projectors, which come in handy when the company uses the space for events and meetings.

**Brian Jones**, a spokesman for Zeeto, said Zeeto uses the space to hold monthly tech meetups (open to the public) called the “Tech Exchange.”

Zeeto’s restaurant and bar (which is closed to the public unless an event is in progress) is located at 925 B St. It’s on the bottom floor of the building, while Zeeto’s offices are on the third, fourth, and fifth floors.

A good opportunity to check out the space would be at Zeeto’s next Tech Exchange. The topic is “application performance monitoring” on May 4 at 6 p.m.

Zeeto is not alone in opening in-house bars for employees. **Underground Elephant**, an adtech startup that has a reputation for its larger-than-life office space, also has an in-house bar with several beers on tap and flat screens on the walls.

“If you’re not doing this stuff now, you’re not going to get the talent,” Jones said. “Culture is important these days considering the amount of startups that are out there fighting to get the same talent. When you’re competing with cities like New York and San Francisco, you have to be on top of your game to entice them (employees) to come out here.”

Although the cost of “culture” may come high, it seems to be working for Zeeto. The company reported revenue of \$35 million in 2016 and now employs 80 people in San Diego.

## Sharks Pour Money Into Spill-Proof Wine Glass

Local startup **Goverre** impressed celebrity investors on a recent episode of ABC’s **Shark Tank**, landing \$200,000 in startup capital.

Founders **Shannon Zappala** and **Regan Kelaher** got **Mark Cuban**, **Lori Grenier** and **Robert Herjavec** to

invest in their to-go wine cup: \$200,000 in exchange for 33.3 percent of the company.

**Kevin O’Leary** (aka “Mr. Wonderful”) also offered the same deal to Goverre, but Zappala and Kelaher opted to team with the three other investors.

Goverre makes a portable and spill-proof wine glass, which retails for \$24 and is made of opaque white glass and encased in a hounds-tooth print silicone sleeve. The sleeve makes the glass shatter-resistant while the glass preserves the wine’s taste.



Photo courtesy of Goverre  
Goverre’s to-go wine cup is made of white glass encased in a silicone sleeve for resilience.

