

# Pura Vida Is Way Cool

CONVERSATIONS WITH  
CHRIS DEARNLEY AND JOHN SAGE

BY CLARK BAKER

**Eight years out of Harvard Business School, the two friends were troubled. John Sage admits he was “long on cash but short on vision.” Chris Dearnley had the opposite problem: funds for his Costa Rican ministry were running out. A moment of inspiration changed their lives and now they’re reinventing capitalism with “Pure Life.”**

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**A**t Harvard Business School, John Sage and Chris Dearnley became close friends because they were different from most of their peers: neither had financial training before enrolling and both were strongly spiritual. When they worried about failing their classes, they would meet for breakfast and pray for each other.

After graduation with MBA’s in 1989, however, their lives diverged. Six years out of school, Dearnley forsook his business career and, with his wife, started a Vineyard church in San Jose, Costa Rica. Sage, meanwhile, grew wealthy through his marketing work for Microsoft and later Starwave. Sage admits that by 1997 he was “long on cash but short on vision.” Dearnley had the opposite problem: the funding from his family inheritance for his Costa Rican ministry—which brings food, medicine, drug rehabilitation, shelter, and job training to adults and children at risk—was running out.

Sage and Dearnley credit a moment of inspiration for changing their lives. They developed an innovative business plan for a non-profit internet coffee company called Pura Vida, which means “pure life” in Spanish, but in Costa Rican slang translates as “way cool.”

Money from the sale of Pura Vida's fair trade products, along with customer donations and corporate grants, help pay for ministries in San Jose, Costa Rica, and for hurricane and flood relief in Nicaragua. Pura Vida is looking to expand into coffee growing regions in Africa and South America.

The company's pioneering approach is turning heads at Harvard Business School's Initiative on Social Enterprise: five years ago Pura Vida Coffee became the Initiative's first on-line study and continues as its longest-running case study.



*(I interviewed Chris Dearnley as we traveled by truck into the hills of San Ramón, Costa Rica, where I documented the lives of fair trade coffee farmers.)*

**Clark Baker: In addition to being the ministry coordinator for Pura Vida Partners in Costa Rica, you are the pastor of La Viña. What was your vision for planting a Vineyard church in San Jose?**

Chris Dearnley: For several years I had been training Fortune 500 executives in doing business in Latin America. But my wife and I felt God stirring us to go into something with more purpose.

While on vacation in Costa Rica in 1994, we heard that Vineyard was thinking of planting a church on the west side of San Jose. Since I had lived in Costa Rica for six years before completing the M.B.A. at Harvard, some friends at the Vineyard said, "Maybe you guys would like to do the church plant." As we prayed about it, we felt very clearly that God was calling us to do this.

Our decision was confirmed in a very powerful way at a conference that November. I went forward for prayer and a man from the host church started to pray for me si-

lently, just standing in front of me for twenty minutes. "You know, I don't quite understand this," he said, "but I believe God will raise up a church on your shoulders. He's going to take you to a place where you will be starting a church." It was exciting to experience that kind of confirmation two months before we went to Costa Rica.



*Pointing toward a community he hopes to reach in the future, Chris Dearnley explains the challenges facing the urban poor throughout San Jose.*

The Lord had placed on my heart the vision that this church should bridge not only cultures, but also social classes and denominations. With this vision in our hearts, we started a home group and began praying about how God wanted us to reach those in need. Although our church plant was in an upper-middle class area, we had a real heart to be serving in areas of deep need within the city.



*Boys in the vicinity of 25 de Julio play street soccer. Pura Vida partners with a local church to provide meals and operate a computer center in this neighborhood.*

### **How did you start the ministry, Pura Vida Partners?**

Later that year, the director of a drug rehabilitation center spoke about his work in one of the poorest sections of San Jose. "How can I serve you?" I asked him a couple days later. "God's placed on my heart to serve you. What can I do?" He could have named many things, but he said, "Help me reach the children of this neighborhood because

they are the addicts of the future. We have a chance when they're young. It's much harder to rehabilitate them once they've been sucked into the cycle of crack cocaine and drug addiction."

At first we had no clue what we were doing. We just handed out hot-dogs to kids in the street; we gathered them to open our hearts and share the love of God. Clearly, to have an impact in their lives, we needed to be involved with them for ten, twenty, thirty years. There was no short-term solution. So, as an act of worship our church began Kid's Club on alternate Saturdays to reach these kids in at-risk areas riddled with drug addiction, prostitution, and violence.

At a gathering of graduate school friends in San Diego in 1997, I shared how these kids were being touched, but bemoaned that we were strapped for cash and no longer able to sustain the program financially. I had with me a bag of coffee from Costa Rica as a present for each of the guys. "Hey, have you ever thought of creating a brand of coffee that would help support what you do in the lives of these children?" John Sage asked. I hadn't, of course. But right there I thought we could call it Pura Vida Coffee because "pura vida" has a double meaning in Costa Rican Spanish: it means "cool" or "awesome" as well as "full of life" and "vibrant." John and I literally sketched our ideas on the back of a napkin. When I returned to

Costa Rica, I found a coffee supplier and we began putting out a product about four months later.

With a grant from Microsoft we created four computer centers and the impact was tremendous—way beyond just computer knowledge. The kids gained self-esteem as they flew a virtual plane, and experienced the joy of learning as they visited Brazil through *Encarta* software. It's opened up a whole new world beyond their neighborhood and given them a vision of who they can become.

Many of the kids were malnourished, so we opened a soup kitchen in 2001. These children can become the heroes of the future, because heroes are people who confront adversity and overcome it. They have many strikes against them—parents who've chosen the path of drug addiction or have abandoned the home. We are giving them an opportunity to make different choices.

**What is the biggest problem these children and their families face?**

Some families don't have money to feed the entire family, or for the children to stay in school. A child with great ability and desire may drop out of school because the family cannot afford the school uniform or other supplies.

A much deeper spiritual problem is for these kids to realize they are not victims, they do have the power of choice, and they are loved. Being around adults who care for them gives these children hope; it helps them encounter the love of God, which can make a great impact on their hearts and lives. The paid staff members who run the computer centers and work in the soup kitchen, and the twenty volunteers who share their lives through the Kid's Club, visit with families in the community so that they can better understand the needs of the children and their families.

**How does your work with Pura Vida Partners relate to your pastoring La Viña?**

Pura Vida Partners and Pura Vida Coffee have no structural relationship with La Viña. Some volunteers who work with Pura Vida Partners come from La Viña and other churches, so there is support in that sense. I wear two different hats. I pastor a church and am a director of Pura Vida



*At four Pura Vida computer centers, like this one in La Tabla, children in at-risk neighborhoods can build self-esteem and hope for the future.*

Partners. I'm also involved in the board of Pura Vida Coffee. But that's due to my background and interests in business as well as ministry.

Pura Vida creates a wonderful opportunity for church people to give of themselves. For those who reach out to the kids in the Kid's Club, the impact is mutual. It's changed the lives of those volunteers and had an incredibly positive impact in the lives of the kids.

Personally it is very fulfilling, on the one hand, to speak spiritually into the lives of middle-upper-class adults who are running businesses, yet, on the other hand, to rub shoulders with children who are looking for where their next meal will come from. I strive for a breadth of experience that allows the love of God to flow through me wherever the need might be.



*Children and mothers gather for the lunches supplied by Pura Vida in Conception de Alejuelita, a low-income neighborhood of San Jose.*

**When did you realize that God was calling you to a ministry?**

It has never been black and white, but always an

evolving process. Sensing God's presence and power in a supernatural way, I've always felt a part of me wanted to be involved in the spiritual because that was life-giving to me.

Early in business school it became clear that I did not want to be part of corporate America. I remember a party at which Procter & Gamble representatives were wining and dining Harvard students. "Hi. My name is Chris," I said to one person. "What's your name?" The man responded with a perfectly straight face, "Hi, I'm Tide." "Excuse me?" "Yeah, I'm Tide," he said. "I'm the detergent. I am fully responsible for Tide. I've increased market share by one percent in our new ad campaign and I am Tide." Right there it was as clear as day that I didn't want my life to be a detergent. I want my life to have more purpose than generating money for money's sake, and more meaning than working to be more comfortable, buy bigger things, and have more toys.

**Who inspired you to pursue other goals?**

A big influence during my college years was Tony Campolo—especially his radical challenge to let God be God, and to dream bigger than the status quo. The spirit of God continually makes me unsettled, restless, and unsatisfied with my choices to be less than what I'm supposed to be. The Spirit's stirring has caused me to search for something more.

### **How have you grown through your work in Costa Rica?**

I have a tendency to get so wrapped up in *doing* things, in accomplishing tasks, especially when there is so much more to do. I struggle to have my heart in the right place and not lose my center, my spiritual focus. For me, the constant challenge is learning how to be still before God, to allow the light of God to be filling and present and real, even when there are a thousand things on my plate to do. I keep reminding myself an “in” box is meant to have a bunch of things in it. I try to release that constant burdensome pressure to get everything finished, and to allow first things to be first, to put my heart before God and seek Him.

Communicating is a challenge. Latin Americans speak to one another in an indirect way because they highly value relationships. For example, if you need to say something negative, you say it through someone else. Having come from a North American culture that values efficiency over personal relationships, I’m always challenged to bridle myself. I have become more sensitive in how I speak to others—to not hide or minimize the fact that something needs to be done soon and well, but at the same time to appreciate the person and not let their task overshadow their value to me.

### **What about sacrifices you’ve made?**

The term “sacrifice” sounds like I gave up what I really wanted in order to do something that’s not as good. But I don’t see it that way. I view it as a trade-off. Sure, I’ve traded going after a higher paying job—the amount of money I could have made coming out of business school is ridiculous. Yet, I chose not to go that way because I valued something else more. I couldn’t pursue a job that was going to pay really well but consume my life.

Living in a foreign culture is another trade-off. We don’t live close to family, and don’t own many things we grew up with. But it’s great for our kids to be bilingual. There are other cultural challenges, where I have to think, “Wow, how do I handle this?” or “What do I do here?” because it’s outside my upbringing, it’s not second nature.

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### How has your family been impacted by your work?

Our children see that we're involved with things of significance, when they choose to come with us. Sometimes they'll help in the Kid's Club on Saturday, and being part of the church is a very positive experience for them. We let their work be a personal choice for them as they continue to grow and develop.



*After lunch, Chris Dearnley enjoys a lively discussion with children who live in Concepcion de Alejuelita.*

They are becoming "third-culture" kids, not fully shaped by only Costa Rican culture or American culture. This creates a lot of independence early on. They learn coping skills that are healthy and good for them. Costa Rica is the world they know, and it seems natural to be here.

For my wife, Andrea, it's not as natural because she grew up in the United States. But she feels it's where we should be for

now. And we agree this is a good place to raise kids.

### What are your hopes for Pura Vida?

The company is growing to the point where we need to create a little more structure. I'd love to see Pura Vida have an impact in other countries: we're clarifying its vision—defining what it's really about and how we help kids in need—so that we can replicate the model elsewhere.



*(I visited with John Sage in the Dallas-Fort Worth Airport as he was traveling to San Jose, Costa Rica.)*

### How did the vision for Pura Vida come about?

It grew out of my friendship with Chris. Meeting on our first day at Harvard in 1987, we were both convinced that business school was going to be really tough, so we began praying in a little coffee shop every morning before class. We wanted to bring business together with faith, but neither of us knew what direction to take.

After graduation, though Chris moved to Costa Rica to plant a church and I worked for Microsoft in Seattle, we got together every year for a long weekend to play golf. On our visit in the summer of 1997 in San Diego, I was struck once again by Chris's vision and passion for ministry, particularly to these kids, and how much he had sacrificed to see his dream turn into reality. We were discussing how much of his attention and en-

ergy were focused on funding those ministries and covering his family's expenses. Then he handed me a bag of coffee as a gift. I was doing some consulting work at the time for Starbucks, and the first thing I said was, "How much did that cost?"

Chris gave me a "You jerk!" look. But in that moment God birthed the vision. "What if we started our own little company to sell Costa Rican coffee over the web and used the bags to share the story of your work with children?" I asked. "The profits could provide sustainable funding for your ministry." Without any hesitation Chris grabbed on to it: "We could call the company 'Pura Vida,' which is how Costa Ricans greet one another." We call this our pool-side epiphany.

I was so excited—it seemed the perfect combination of all my interests: technology, business, coffee, and ministry—so I was ready to get going. But Chris said, "I'm sure this vision is of the Lord, but I'd really like us to do nothing about it for thirty days, except pray." This was very counter-intuitive to me, and not what I was pumped up to do. "If God's truly in it, then we'll have clear affirmation," he said. "And, if he's not, then it will be a lot better not to have wasted our time." That was a great word, which set a tone for how we run the business; we rely heavily on prayer.

The vision hasn't changed over the years, but it's grown. We'll move about a quarter-of-a-million pounds of coffee in 2004, and we want to create long-term value for kids and their families in coffee-growing regions of the world. To use this profitable company to improve the living condition of growers, we're committed to carrying only certified fair trade coffee, which means we pay a minimum of \$1.26 a pound for the green that we buy. That's at the beginning end; at the back end we put all of our profit back into benefiting kids in those regions.

#### **So, Pura Vida is non-profit?**

It's a hybrid. Pura Vida Coffee is a for-profit company, but one that's wholly owned by Pura Vida Partners, a 501 (c) (3) public charity. We wanted the company to be accountable to the rigors of the market place. Chris and I believe that capitalism brings a level of quality, rigor, and accountability that is not often found in the non-profit world. That's a little inflammatory, but we want to run this as a



*John Sage, who co-founded Pura Vita Coffee with Chris Dearnley in 1998, serves as President of the company. He often travels to San Jose to lend guidance to Pura Vida's programs.*



business and be competitive. Ultimately, as the business grows and succeeds, it is accruing benefit to kids; in a sense, the shareholders are not as traditionally defined by Harvard, but are the kids and the families that we serve.

And there's a practical aspect too. Thousands of customers add donations to their coffee purchases, and these donations are tax-deductible

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gifts. The organization is an innovative structure with the best of two worlds, the charitable and the for-profit.

**Speaking of charity and ministry, how do you integrate the Christian aspect of Pura Vida into the business world?**

That's a great question. Making our faith explicit in our business message has been problematic in two ways—one that we expected and another that is surprising.

When a secular company or educational institution buys our coffee, they obviously serve it to customers who don't share our religious belief. For instance, we won a coffee contract at a big Seattle-based company, Real Networks, on the merit of our product's value and quality, after a tasting session for all the employees. But one person, who happens to be Hindu, saw on our website that we are explicitly faith-centered in our motivation and he was very offended and felt that his company's coffee dollars were being used to proselytize Christianity. He filed a formal grievance with human resources and the contract was shelved for ninety days. In the end, we still were given the contract. However, I suspect in many cases this has been an obstacle that has delayed or prevented a deal.

The surprising resistance comes from people within the faith community. When religious institutions learn that Pura Vida has a faith mission, they ask: "What's your denomination?" "Where's your faith statement?" "What are your views on biblical inerrancy?" and "If we're helping to fund your mission, then why doesn't Pura Vida support our mission?" You know, when calling on churches I think we'd be more successful if we said, "We are greedy, rapacious coffee sellers with a good product that's fairly priced. Would you like to buy some?" For these reasons we de-emphasize our Christian orientation in our promotional materials.

Our goal is to minister to those in need, hoping they will not only find relief and comfort but will want to know what motivates us. Only then have we been given permission to share our personal trust in Jesus. In the ministry in Costa Rica, the workers are people of faith, but we do not expect or require the kids they serve to believe the way we believe. That's a pretty important distinction.

**In addition to marketing through your website, you're now selling coffee on college campuses.**

Initially most of our customers were faith-motivated or socially conscious coffee drinkers who were comfortable buying online; the rest of our sales were to churches. Today institutions, particularly colleges, account for two-thirds of our revenue. Because college students are socially aware, environmentally sensitive, and spiritually motivated, they respond well to Pura Vida's fair trade, organic, and shade-grown coffee, and giving its profits to charity.

These institutions have helped us increase sales dramatically and improve cost structure and profitability. Yet individual customers are still critical for us, for they're the vast majority of our donors. Last year they gave \$190,000 to sustain the ministry.

**When did you realize that God had a specific work for you?**

Starting Pura Vida, it just felt like all cylinders were firing. It was everything I love, though there was no paycheck attached. I was working two jobs—for Pura Vida and on consulting projects for other companies. It took about a year before I felt God was calling me full time, because I could see the positive response coming from the market and the success of Chris's ministry. Chris knew from very early that this was of the Lord. But giving up all income and investing significant amounts of our personal resources, I took longer. Yet God kept providing sign posts directing me to where he intended me to be.

**So, in the beginning you funded this endeavor?**

Yes, my wife and I funded it for four years. It was stressful on our marriage; a very tense time. I'm grateful that through a board we've at-



*Efrain Sanchez explains the finer points of shade-grown coffee farming to Chris Dearnley. Working through a fair trade coffee cooperative, Mr. Sanchez provides coffee to Pura Vida.*

tracted outside investors and brought in other capital that's enabled me to start taking a salary.

**Who influenced you to pursue a service-oriented life?**

Definitely Chris. With awe I've watched him deviate from the expected path out of Harvard at great cost, financially and in prestige. I admire and respect him, but don't envy his path. Yet seeing him step out in faith and being content with his religion makes it possible for me to step further out.



*Perla Gaitam and her children welcome us into their three-room home near Concepcion de Alejuelita.*

Two other people who have influenced me are investors and board members at Pura Vida. Ray, with his faith and confidence in Chris and me and willingness to invest his funds, has been a great source of encouragement. And Paul is the one who helped us structure an investment vehicle that would attract capital. He was the guy who said, "I don't want to just loan you money. If I'm going to in-

vest in Pura Vida, it's because I believe it has the potential to reinvent capitalism." That was his term. He is a former football player and a very savvy entrepreneur; he's really walked with us to build the financial structure to support the weight of a growing enterprise.

**What were the greatest challenges with Pura Vida?**

I can be very impatient. Even though our growth has been rapid, it's taken us much longer to develop the company than I thought it would. In the computer industry I was spoiled by eighty-percent profit margins!

Raising capital has been another challenge. Pura Vida is neither fish nor fowl, neither a straight money-making enterprise nor a charitable organization. Our investors must think outside the box. But dozens of people are like the fellow who listened to my plan, shook his head, and said, "You make my head hurt." Marrying capitalism and finance, as traditionally defined by our culture, to benevolence has been hard.

I struggle to build a very competitive, performance-based business while cultivating a caring, warm, faithful work environment. When I have to fire an employee for under-performance, or deny someone a career opportunity because my view of their giftedness is completely opposite to their view, the conflict is really tough.

**How is your family impacted?**

I have more flexibility in my schedule and, on balance, more time at

home with my family. I can make it to the kids' games, which is a real blessing. It's also neat that my kids come down and visit at work. "Oh Dad," they'll say, "you're helping the kids in Costa Rica with the coffee." They think it's normal for business to help kids, which I think is great. And they see their dad experiencing joy and passion in his work; I hope that will have benefit for them some day.

On the other hand, it requires a lot of travel to talk to investors and for public speaking. Here I am on the way to Costa Rica!

**NOTE**

For more information on the "Way Cool," see the company's website [www.PuraVidaCoffee.com](http://www.PuraVidaCoffee.com).

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