

# Macro Roaster of the Year

## OUGHTRED COFFEE & TEA



**OUGHTRED COFFEE & TEA** Oughtred coffee and production team members at the company's Roasting Works, July 2017.

BY  
HOWARD  
BRYMAN

Photos courtesy of Oughtred Coffee & Tea

From one generation to the next, and in some ways even from day to day, as technology, politics and cultures shift, the world is in a constant state of reinvention.



John and Michael Oughtred (from left) now run the business their father, John Sr., founded in 1973.

So too is the coffee industry, coming as it has in various “waves” over the course of centuries and decades. In Victoria, British Columbia, the family-owned and -operated Oughtred Coffee & Tea has evolved analogously to these larger shifts, embracing and addressing the benefits and the challenges of change as it has transitioned from one generation of ownership to the next, and from one business model to another.

Originally a wholesale distribution company, Oughtred brought coffee roasting in-house in 1996. The company celebrates its 45th anniversary in 2018, and while its values have remained intact from the beginning—particularly its devotion to quality goods and service—its operations look considerably different today than they did 45 years ago.

Multiple recent recognitions, such as Golden Bean roasting medals in 2015, 2016 and 2017, and a 2015 Greater Victoria Business Award for sustainable business practices, reflect the company’s redoubled concentration on coffee quality and environmental stewardship. Oughtred also was certified as carbon neutral by the carbon-management company Offsetters in 2009, and has since further reduced its carbon footprint by more than 50 percent.

A significant stride in that direction came just last year when the company swapped its aging JavaMaster fluid-bed roasters for a highly efficient pair of Loring S35 Kestrel machines. Moreover, of the 900,000-plus pounds of coffee roasted in those Lorings in 2017, more than 85 percent was sourced directly and equitably from farms and mills Oughtred partners with at origin.

### READING THE SIGNS

When the company turned a page with the new millennium—bringing roasting in-house and shifting its focus toward more social and environmental factors—it wasn’t for any immediate concern over finances, as Oughtred had been performing well for decades. It was instead a change of sensibilities, in recognition of the shifting

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### THE WINNER’S STATS

ESTABLISHED  
1973

LOCATION  
Victoria, British  
Columbia (head  
office); Delta,  
British Columbia  
(roastery)

EMPLOYEES  
34 (full-time)

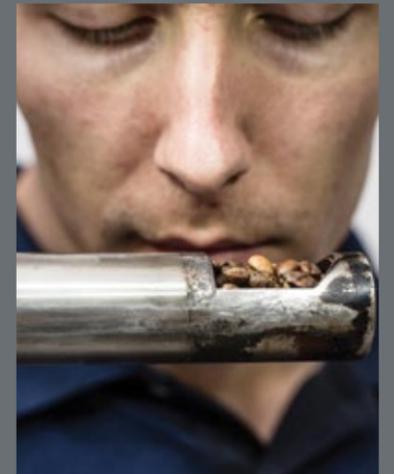
LEADERSHIP  
John Oughtred Sr.,  
founder; Michael  
Oughtred, CEO,  
coffee buyer; John Oughtred Jr., chief operations officer.

RETAIL LOCATIONS | Zero

ROASTERS (MACHINES) | Two Loring S35 Kestrels

ROASTING OUTPUT | 900,000 pounds

WEBSITE | [oughtred.com](http://oughtred.com)



Nelson Teskey, director of manufacturing, checking a roast.



From left: John Jr., John Sr. and Michael Oughtred, at the opening of the company's new head office in Victoria, British Columbia, 2007.

coffee landscape and a growing awareness of global concerns in the industry. In a practical sense, it was a change precipitated by the next generation of Oughtreds—Michael, now CEO, and John, the company's chief operating officer—in their gradual ascent to the helm.

"They did really well, but we could see the writing on the wall," says John of the company's previous leadership, including his father, John Oughtred Sr. The two sons witnessed the rise of Starbucks and the shift in consumption styles that came with it in the 1990s, and were cognizant of mounting issues such as climate change and struggles at origin.

"I think it was the both of us coming up with fresh eyes, seeing coffee through a totally different lens," says Michael.

To be clear, quality had always been central to the company's mission. In the 1980s, for example, Oughtred was among the first coffee providers to encourage thermal carafes instead of glass pots stewing over

hot plates. That same decade, in keeping with then-nascent trends, the company began introducing its wholesale grocery customers to single-origin, small-batch-roasted coffees, and in the early '90s it launched espresso training and education for food service accounts. Yet from the younger Oughtreds' perspectives, there was still too much opacity to the product, too much energy consumption and waste in the coffee's production and distribution, and too little work being done to help farmers at origin.

### GROWING UP OUGHTRED

From an early age, the Oughtred boys had been groomed for possible ascent within the company, although it was neither guaranteed nor mandatory, and none of it was handed down easily. John Sr. had his sons start at the bottom and work their ways

up, earning promotions not by decree from the top, but only at the behest of their direct supervisors. They swept floors, bagged coffee and learned every aspect of production like any other new hire, if perhaps a bit sooner.

"I started working there when I was 8 years old," says John, who gravitated away from the family business during his teenage years but returned in his early 20s. "We did everything. I used to live in motels up and down the island and do route relief for the drivers. ... There were no free rides in our household. He made us work for everything."

Sometime around 2007, after Michael had been working for the company in earnest for roughly nine years and John for roughly seven, Michael remembers sitting down with their parents to discuss the future of the company as John Sr. eyed his retirement on the horizon.

At that point, Michael says, the elder Oughtreds realized, "These aren't two

little spoiled kids. These guys are getting stuck in, they're doing well, they're adding value. If we're going to set this thing up to be a business that turns into a second generation, we've got to create a strategic plan."

### TAKING THE REINS

With commitments solidified and an incremental pace for transition established, Michael and John began to settle into their leadership roles, spearheading initiatives together and clarifying a vision for the next phase of Oughtred Coffee & Tea.

"I would say we're pretty shoulder-to-shoulder on most decisions we make, and I think our vision for the business has



John Sr. enjoying a cup of coffee at his desk in 1989.

been the same since 2006," says John. "We took over, basically, a distributor company. We had a lot to do in order to get to the point where we're at right now."

In 2009, John reinvented the official corporate culture, establishing the new Oughtred mantra: "People, Planet, Profit."

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**LEFT** Michael and John [from left] showing off Oughtred's new fleet of hybrid vehicles. **MIDDLE** Oughtred's director of manufacturing, Nelson Teskey, with specialty coffee veteran Gianni Cassatini at a latte throwdown in Vancouver, 2017. **RIGHT** Titus Varga, Oughtred's head trainer, visiting Finca El Zapote in Guatemala, 2015.

One project at a time, founder John Sr. ceded control to his sons, whose altruistic—though also necessary, and ultimately profitable—ideas proved worthwhile.

"Slowly we were allowed to make changes," says John. "It seemed like it took forever, and we're constantly making changes to this day, but my dad gave us patience and made us think things through, because it was a big shift. You can't just turn on a dime."

Michael, too, recognizes in retrospect his father's wisdom in stewarding the early stages of the metamorphosis slowly and incrementally.

"He always gave us enough rope to hang ourselves," Michael says, "but never enough to kill the whole thing."

It was around this time that the changing of the guard took on momentum.

"There was a lot of old staff that were used to the old ways," says John. "When you get the kids coming into the business, there are a lot of positives and negatives with that. We had to create our own team and our own environment."

## IMPROVEMENTS IN THE FIELD

Among those selected for the new team was Titus Varga, now Oughtred's head trainer—a crucial position on the front lines of the company's transformation in the field, beyond its own offices and production facilities. Oughtred has always been, and for the most part still is, a predominantly wholesale coffee company, known by other businesses but little-known by the public.

"We're the largest company no one's ever heard of," Michael jokes.

As Oughtred has upgraded its vehicles, packaging and, of course, sourcing and roasting, it has also upgraded the equipment it offers to clients and its recommendations on best practices for preparing and serving its coffees. Varga's role has been to guide Oughtred's customers, including the longstanding ones, to the new levels of quality to which the company aspires.

"The coffee market around the West Coast is changing so much," says Varga. "If you want to be just a medium-level roaster that roasts for grocery stores and breakfast places, that's easy, but if you want to stand at the top, you have to make some changes."

Varga emigrated from Romania in 2006, in search of a better quality of life in Canada. After working for several coffee companies with varying levels of commitment to quality and craft, he found himself bitten by the bug. He worked his way up to a management position with The Boulevard Coffee Roasting Co. in Vancouver before joining Oughtred in 2009.

As head trainer, Varga guides new and existing clients through Oughtred's training program, which begins with a DVD about coffee agriculture and processing at origin, progresses through an entry-level online course designed by Portland, Oregon-based American Barista & Coffee School, then culminates with hands-on training on the customers' own equipment.

"Good coffee comes with a lot of effort," Varga says, noting that some of the company's existing clients have experienced 180-degree transformations in their coffee programs.

## IMPROVEMENTS AT ORIGIN AND AT HOME

Meanwhile, the next-generation management team set about overhauling Oughtred's sustainability stance from the inside out. They upgraded the company's vehicle fleet to hybrids, improved lighting and other building systems, and started a collection service to recycle coffee packaging materials from products they sell that aren't recyclable by conventional means. They also shifted the company's sourcing practices to favor local products with higher recycled and recyclable content, vendors with a greater focus on energy and water efficiency, and bulk packaging where available.

In 2011, John published the company's first corporate social responsibility report, which Oughtred now produces annually. The company also founded the Oughtred Coffee Trust, earmarking funds for community-support initiatives both locally and at origin. So far, the trust's funds have gone toward the reconstruction of a soccer pitch in Costa Rica, re-roofing a school in Colombia, and upgrading the sewing machine of a local Vancouver entrepreneur, the single mother of a child with special needs, who upcycles burlap coffee bags into purses, handbags and more.

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Michael Oughtred with a group of fellow roasters at Finca El Zapote, 2016.

“For what is in our terms very little investment, you can change a lot of people’s lives,” says Michael. “It just seems to be the right thing to do.”

Oughtred Coffee & Tea also aligned with other like-minded businesses to become a founding member of the Food Eco District (FED) in Victoria, celebrating local food sourcing and showcasing a unified commitment to reducing the region’s ecological footprint through progressive initiatives. One such initiative was the establishment of planter boxes around the city to grow herbs for local restaurants.

“It’s teaching people that you can grow your food, that everything doesn’t have to come from a food distributor,” says John, who serves on the board of the growing FED nonprofit. “It’s all about educating people, growing awareness of sustainability. Our head office is on an island where food scarcity is a big topic.”

## FAMILY MATTERS

As a true family business, it’s not just staffers with the name Oughtred who are considered family—it’s everyone. The company makes an effort to promote from within, and offers comprehensive health and dental plans and flexible schedules to accommodate employees’ lives off the clock. It covers the cost of additional training from the Specialty Coffee Association (SCA) for anyone interested, and workers who show initiative and enthusiasm above and beyond the norm are invited on trips to origin. Maternity and paternity leave packages (in conjunction with Canadian government-subsidized leave) are tailored to the needs of the individual, and can amount to as much as a full year off at full pay.

Part of the motivation for treating employees so well is that Vancouver and Victoria are expensive places to rent or buy a home, therefore some generosity on the part of one’s employer will go a long way toward attracting and retaining talented workers. At the same time, it’s a key part of the Oughtred culture.

“We’re a family business,” says Michael. “If they’ve decided to embark on a family, it’s pretty important for us to support that.”

As far as passing the torch from one generation to the next, one might think that’s an easy means of attaining a top position with a sizeable company, but it’s not without its stresses. As anyone with a family can attest, tensions can and will run high—especially in business, where matters of legacy and finance are concerned. Disagreements can take a greater emotional toll, and it’s far more difficult to walk away than it would be in a non-familial workplace.

To navigate this, the Oughtreds connect with a peer advisory group organized through an independent association of business families and professional advisors called Family Enterprise Exchange—though it used to be known, fittingly enough, as CAFE: the Canadian Association of Family Enterprise. The group meets monthly to share knowledge and advice on succession planning, transitioning a business between generations and other concerns common to family-run businesses.

“There was a lot of family drama involved in the growing of this business,” says John. “It’s tough for these old guys to give up control.”

He adds that he still regularly seeks the counsel of his father, who he describes as a caring and ethical person and a great mentor.

## QUALITY: THE FINAL FRONTIER

Most of the company’s improvements and investments—the new fleet of hybrid vehicles, the packaging collection and recycling service, the organic and fair trade facility certifications—were low-hanging fruit compared to the ultimate overhaul at the heart of Oughtred’s operation: the roastery.

Having learned about the quality and efficiency capabilities of Loring roasters first at an industry event and later through research and meetings with Loring representatives, the Oughtreds knew the brand fit the direction they were headed. Yet to make the most of that investment as quickly as possible, they also knew they’d benefit from bringing some Loring expertise onto the team.

As it happened, certified Q grader Nelson Teskey had just spent several years at the controls of a Loring S35 Kestrel for Cafe Virtuoso in San Diego, and was looking to return to his home of Vancouver, British Columbia. (The company’s headquarters is in Victoria, but the roasting plant is in Delta, about 25 kilometers from Vancouver.) It was a natural fit, and his addition to the team in June 2016, coupled with the company’s transition from Java Master fluid-bed roasters to the Lorings, triggered an immediate upward trajectory in quality control and sustainability.

“It was two birds with one stone,” says Teskey, who was instrumental in optimizing quality control for the company.

“When I arrived, they were only working with a few limited partnerships for their greens, and did not employ a Q grader to properly go into the detail of doing sample roasting, cupping, green analysis, actually putting the coffee through all of the standards to make sure the quality was there,” he says.

He quickly developed and implemented cup standards for every coffee across all Oughtred product lines. He also created a quality

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control program, and cultivated what was essentially a new coffee culture throughout the company, with cross-training for employees and other new in-house educational initiatives.

“At the end of the day, if your staff are learning, and they’re empowered, and they’re loving what they’re doing, you’re going to taste it in the coffee,” he explains. “And at the end of the day, we’re only a small little cog in the wheel when it comes to coffee. There are so many other people that handle it, and we’ve got to have that attention to detail all the way down the chain, to showcase what they do at origin, because it’s phenomenal.”

Teskey joined Oughtred with roughly 15 years of specialty coffee experience, including almost a decade of volunteering for the SCA. Before leaving Canada, he worked his way up from putting stickers on bags at Vancouver-based Salt Spring Coffee to leading that company’s roasting operation on 30- and 120-kilo Petroncinis and a 30-kilo San Franciscan. He cut his teeth on Loring machines in San Diego, where he was also an early adopter of Cropster roast-tracking software, which he has now applied to Oughtred’s operation.

But Teskey is not alone in spearheading new practices at Oughtred. Within his first few months with the company, he hired Kevin Pasman—a former protégé and co-worker from his Salt Spring days—as head roaster.

“He is a strict teacher, but that’s a good thing,” Pasman says of Teskey. “You want to have someone who’s not going to let anything slide, who’s going to make sure that exactly what you want to happen actually happens.”

## IMPROVEMENTS FROM THE BOTTOM UP

While Teskey was already an accomplished high-end roaster when he joined Oughtred, he still had plenty to learn.

“When I first came on board, [Michael] knew I knew what specialty coffee was and how to make great coffee great,” Teskey recalls, “but I didn’t have a lot of experience at the entry-level, food service side of things. So the first job Michael tasked me with was taking our lowest-end line and making it better.”

As the company’s focus shifted to higher-end coffees, it was crucial to the Oughtreds that they bring every loyal, existing customer along for the ride, rewarding them with a better product without charging them more for it.

“They were customers for a reason. They already thought we were good,” says Michael. “So how do we make the [coffees] better without changing them on the surface? I think that’s probably been our biggest challenge: to improve the quality without having to raise the pricing.”

It was the sort of conundrum that new technology alone wouldn’t solve without a fresh set of eyes and a new philosophy to guide it.

“We would rather spend a little bit more money and have better coffee, and not necessarily tell the customer,” says Teskey. “We

might buy a higher-altitude coffee or work on more of a seasonal approach and just not tell them, but we know as a company that we’re serving a better product.” These quiet changes, he notes, are most appropriate with products that are popular among people who are wary of change or not interested in new information, although in general, transparency is a priority.

“A huge point here at Oughtred is that we want to always be putting our best foot forward, and we don’t want to cut a corner or buy a lower-grade coffee just because we want to make a better margin,” Teskey says.

“We’re not going to leave those older people behind,” adds Pasman of the push toward higher quality across the board, including products designed for the milk-and-sugar set. “I don’t think any darker of a roast makes coffee bad, it’s just a different preference.”

A certified lead instructor for the SCA, Teskey is also working on getting Oughtred’s facility approved as an official SCA-certified campus to increase the number of certified instructors in the area and help strengthen awareness and knowledge throughout the region.

During Teskey’s first year on the job, Oughtred took home three bronze medals from the Golden Bean roasting competition. This year, it earned two silver medals. After Oughtred acquired the Vancouver cold-brew startup Notch Coffee and began growing the brand to include whole-bean offerings, three Notch coffees scored in the mid-90s on *coffeereview.com*. And it all happened while lowering emissions, growing the business, scoring 95 percent on its 2016 good manufacturing practices audit, improving benefit packages and growth opportunities for employees, and supporting progressive initiatives at home and at origin.

## THE END OF THE BEGINNING

For Michael and John Oughtred, the reality of so many simultaneous improvements came to a head when they learned the company was a finalist for *Roast’s* Roaster of the Year competition last year. It didn’t win, but the inspiration the team took from the recognition and the near-miss was a revelation in pride for the owners.

“In some ways, it was absolutely phenomenal that we didn’t win last year,” says Michael, whose team’s continued efforts paid off in this year’s victory, and will continue to pay off going forward.

“It’s nice to hear that we’re on the right path,” he adds, “but this is just the beginning for us. We feel like it’s a rebirth. It’s an opportunity for us to do a lot more in this business.”

**HOWARD BRYMAN** is a journalist who focuses on the specialty coffee industry. He currently serves as associate editor at *dailycoffeeneeds.com*. With experience as a barista, trainer, manager, roaster’s apprentice, origin tourist and equipment tinkerer, Bryman relishes the opportunity to scrutinize coffee almost as much as he enjoys drinking it.



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