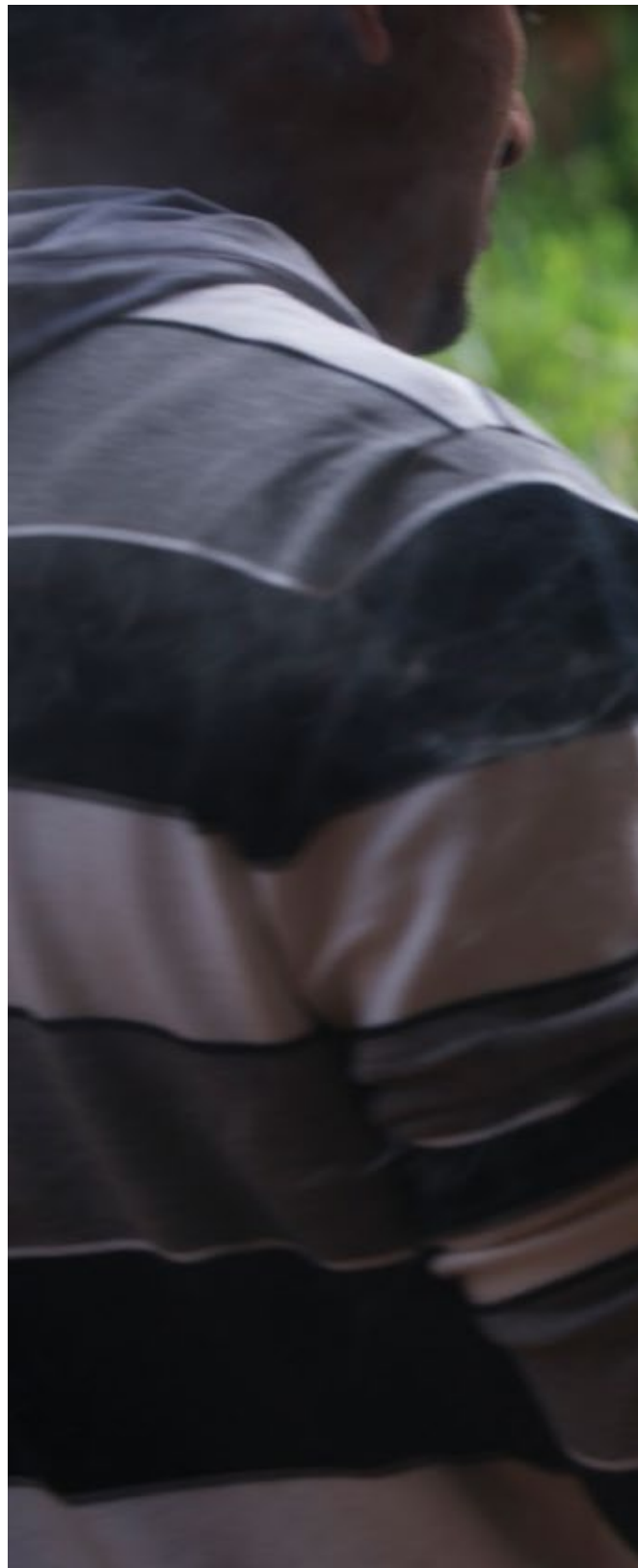


Three Faces of Feedback



What They Are & How They Work

by Benjamin Myers

“Not everything that is faced can be changed, but nothing can be changed until it is faced.”

—James Baldwin

In the coffee industry, feedback is critical. Facing feedback, however, can be difficult.

On one hand, we need to be open to change. On the other hand, we need our efforts to be appreciated and respected. Good feedback can act as a skeleton key to success. The allure of people loving our product can seduce us into believing we’ve “made it,” but while being received well in the marketplace is without a doubt something we all must strive toward, understanding the more complex nuances of feedback will serve the longer and more sustainable qualities of success. Facing feedback is all about realizing where you are and what you can do from that position.

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photo by Benjamin Myers

What makes feedback *good* is not simply the positive or negative aspects of it, but rather the type of feedback and how you integrate it into your business to achieve your goals.

The coffee professional is tasked with attending trade shows, following trends, taking part in trainings, traveling to origin, networking with others in the industry, participating in cuppings, negotiating with suppliers and interacting with customers to broaden knowledge. This is how we get our feedback, internally and externally. Only then can we begin to develop character unique to the industry. If there were a fast track for development, it would be learning how to work with feedback.

By understanding the various uses of feedback, we can empower ourselves to do better work in the coffee industry. When we understand where we are personally and professionally, we can then determine how to proceed. Feedback is a powerful tool for greater understanding. Without it we are lost. Moreover, if feedback isn't contextualized as a tool for development, it likely will end up acting as a mechanism of decline. For feedback, whether sweet or sour, ultimately boils down to the type of information we receive and how we interpret and apply it.

At its most basic, feedback can be simply the sharing of ideas and opinions, but in a business sense feedback takes many forms. In the pages that follow, we'll explore three categories of feedback—

balancing, reinforcing and integrating—as well as some of the ways you can use feedback in your business.

1 Balancing Feedback

Qualities Receiving, generating, regulating

Function Data collection

Examples Listening to customers, monitoring social media, sample coffee roasting, accounting

Goal Designing out waste

In the East Atlanta neighborhood of Kirkwood, first-time small-business owner Jonathan Pascual opened Taproom Coffee in April 2014. At a time when news reports warned that possible global shortages could cause coffee prices to skyrocket, Pascual was busy counting *macarons* and making sure his employees were pulling espresso shots correctly. Armed with 10 years of experience in the coffee industry, Pascual is bright, charismatic and knowledgeable. All indicators point to his success as a coffee shop owner, but he knows every decision he makes must generate the highest possible retention of customers and staff.

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Jonathan Pascual at Taproom Coffee in Atlanta.
photo by Phillip Blume, Blume Photography

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Taproom's Beerspresso machine.
photo by Phillip Blume, Blume Photography

Like many first-time business owners, Pascual hit a few snags in getting his doors open. In November 2012, he took on his lease, optimistically hoping to open no later than February 2013. After more than a year of paying rent without generating any income, Taproom finally opened and is off to good start. Community members are filling the seats and local journalists are writing about the new venture. Still, after so many months of putting money into the business with no return, Pascual is working to establish a new direction in the economics of Taproom.

In a sense, Pascual is trying to stabilize Taproom's cash flow through what is called a balancing feedback.

The classic example of a balancing feedback is a thermostat, a component of a control system that reads the temperature and stabilizes it at a desired setpoint. The thermostat does its work by turning heating or cooling mechanisms on or off or regulating the flow of a heat transfer to maintain the set temperature. While with hindsight Pascual can advise new business owners to hire a lawyer to help navigate the city planning offices, what is more important now is to stabilize Taproom to a desired setpoint, namely profitability.

To this extent, Pascual finds the experience of managing a coffee shop and owning a coffee shop as different as "night and day." Every time a barista dials in shots, he now sees 50 cents entering the drip tray as lost profit. Trying to design out waste is an essential aspect of developing a balancing feedback. As coffee roasters must carefully account for how much coffee is extended in trying to woo a potential new account, so too must importers take into consideration how many

samples they send out of a given supply of green coffee and how much time they invest in helping the roaster research origins and learn about coffee. Establishing protocols for managing how much coffee goes out the door with no financial return will generate data that can help an operation find a balance or design out waste.

Every coffee business needs to reach a point, within a reasonable amount of time, where the stock and flow begin to move in harmony. Inventory needs to be replaced by profit while paying down debt and other financial obligations and reinvesting in the business. A business needs sound financial accounting to track its progress, but it also needs to conduct sound feedback accounting, such as registering what consumers are responding to positively and negatively.

With the plethora of new social media tools, gathering data in terms of public response has never been easier. Pascual is able to capture feedback from his customers by reviewing comments on Yelp, noting followers on Instagram, monitoring visits based on Facebook postings and more. He is generating data—in the form of positive and negative comments—so he can start to balance out his business.

To establish a setpoint for his business, Pascual also is committed to modeling the behavior he seeks to manifest around him. One innovative example of this—and of how Pascual has applied the principle of designing out waste—is his decision to repurpose an old four-group La Marzocco Linea that was rotting in a warehouse into a novel appliance he calls the "Beerspresso" machine. Working with a friend, he gutted the machine and added interior keg lines attached to newly installed taps. From something others might have considered waste, he has created a symbol of beautiful gain that pours artisan beers.



photo by Phillip Blume, Blume Photography

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Not only does the Beerspresso machine demonstrate his commitment to minimizing waste and utilizing everything at his disposal to its full potential, by adding beer to his offerings he is engaging a broader customer base, which will improve the likelihood of stabilizing his business as quickly as possible. In the short-term, this increased his costs, inventory, management responsibilities and more. Sometimes adding stock builds for resiliency, though balance must first be established to prepare for growth.

A new venture takes a significant capital investment, and rarely does a new business owner see an immediate return on that investment. Rather than developing a business plan that addresses how profits will be used during the first year or more of operation, it would be more practical to address setpoints and a plan for breaking even—or finding a balance—using creative and adaptive systems for responding to feedback.

It's not only new business owners who need to understand balancing feedback. All industry operations constantly need to develop balancing feedback to offset the costs of production and new capital investments. Without establishing self-regulatory setpoints driven by information being fed back into an operation, a business or project runs the risk of putting its long-term sustainability in jeopardy.

2 Reinforcing Feedback

Qualities Giving, coaching, investing, distributing, encouraging

Function Input

Examples Purchasing new equipment, trading coffee, investing in new or established projects

Goal Building resiliency

A second type of feedback is what systems dynamics expert Donella Meadows calls “reinforcing feedback.” This type of feedback involves amplifying, self-multiplying and adding. Basically, the results of this adding can have both vicious and virtuous ramifications—things bloom and bust. The goal of reinforcing feedback is to build resiliency.

The work of Operation Cherry Red is an excellent example of reinforcing feedback.

At Trabocca's headquarters in Amsterdam, you'll find nine Dutch coffee traders at work, though their leader, Menno Simons, prefers the term coffee facilitators. Simons, the founder of Trabocca, launched the company after training to become a corporate lawyer. At 43, he's prone to maxims: “A farmer wants bread today, not tomorrow,” he says, and, “If you want a story, buy a book.”

Still, for all his no-nonsense positioning, Simons has a track

record of rolling the dice. In 2004, armed with funding secured through the Dutch government, Trabocca initiated Operation Cherry Red, a project that would, over the course of the next seven years, invest more than \$1 million into Ethiopian coffee to enhance technology for processing coffee, improve infrastructure for transporting coffee, increase access to pre-harvest financing, and provide the technical expertise needed to improve cup quality.

Between 2007 and 2013, Operation Cherry Red was responsible for building infrastructure for Ethiopian coffee producers, including new drying beds, shade nets, generators, electrical hardware, road improvement, interest-free loans to producers prior to harvest, eco-pulpers, huller graders and a fully equipped cupping lab. The project realized its goal of consistently producing lots of 88 points or higher using standardized SCAA sensory scores. Now Simons sets his sights on 92 and higher, and not just for micro-lots but whole containers. From the number of Good Food Award-winning coffees Trabocca has exported from Ethiopia, it's clear the blind assessment of professional cuppers abroad concurs with the quality Operation Cherry Red helps facilitate.

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The Reko washing station in the Kochere region of Ethiopia is one of many operations that caught the attention of Amsterdam's Trabocca for possible investment through Operation Cherry Red. photo courtesy of Trabocca

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By generating more input (in the form of capital and technical expertise) into stock (Ethiopian coffee and producers), Trabocca was able to effect positive change. Not only have they helped their Ethiopian partners, they can now offer improved lots of Ethiopian coffee to their roasting clients around the world. For Trabocca and the Ethiopian coffee producers who participated in Operation Cherry Red, better coffee led to a higher demand for the product and improved conditions for future business development.

Here we see that feedback is not always about receiving. It is also about giving. Reinforcing feedback—which at its core is a form of giving—can take many forms, from offering advice and sharing opinions to providing capital, expertise, infrastructure and more. This type of feedback, which takes the form of input, has the power to change the outputs of the operations it targets.

3 Integrating Feedback

Qualities Innovation, regeneration, new product or process

Function Output

Examples Creating new equipment, releasing new coffee to the public, developing new ways to work with partners

Goal Regeneration, reconfiguration

When it comes to feedback, improvement doesn't always mean accentuating the positive or eliminating the negative. With the integration of feedback, two parties who work together—whether business owner and vendor, roaster and grower, customer and cafe owner, or others—engage in meaningful dialogue about what's working and what isn't. When we adjust the stock and flow of a given project, the results need to be analyzed and evaluated. Too often, we start a new relationship and overlook the need to check in about how things are going. Too often, the need to adjust our processes isn't recognized until a crisis arises, though this type of ongoing feedback can help us avoid a crisis altogether. This is especially true when working in a field as cross-cultural as coffee.

Value chain consultant Andrew Hetzel of CafeMakers has advised both sides of the supply chain and believes there is a large cultural gap between farmer and roaster. The "lifestyle business" of coffee is a foreign concept to workers in farming communities that grow the crop as a means of survival and rarely consume it as a beverage. Hetzel thinks it is important not only for roasters to visit producers where coffee is grown, but also for those roasters to host producer visits to their roasting facilities and cafes to see how and where coffee is consumed.

"We've visited their farms in Central America 10 times," he says, "but what do they really know about us, our culture and how we use their coffee? Communication is a two-way street that requires mutual understanding and we don't have that right now."

In 2011, Hetzel organized a visit of coffee producers representing El Salvador, India and Indonesia to the recently launched specialty coffee roaster Soyuz Coffee Roasting in Kaliningrad, Russia.



Indian coffee exporter Nishant Gurjer (left), meets with Asli Yaman, roastermaster at Soyuz Coffee Roasting in Russia. | photo courtesy of Soyuz Coffee Roasters

"This sort of memorable experience," says Hetzel, "facilitates an immediate exchange of cultural information that is not possible by email or phone. When we started the business in Russia, it was difficult to find high-quality coffee producers that would answer our calls. They had no idea that Russia had evolved into the frenzied capitalist market for luxury goods that it is today. Within a day of arriving, they understood our needs as buyers better than we ever could have conveyed on a trip to origin."

The following year, a team from Soyuz went to El Salvador to continue the cultural exchange. These visits, and the ongoing, improved communication they generated, helped the participants understand each other's perspectives on a deeper level, which inevitably will lead to new projects and improved processes moving forward.

In this example, the feedback was focused on relationship building, but integration also can be used to assess the changes created by other forms of feedback. Once a system has been adjusted through balancing or reinforcing feedback, the changes implemented must be evaluated and, if necessary, fine-tuned or readjusted. Often when a business changes its structure or processes to address a specific issue, new issues emerge in response to the change. It's imperative that we evaluate these changes moving forward to maintain balance and continue progressing in a positive direction.

Targeted Feedback

In order to determine what parts of a system aren't operating efficiently, and whether balancing or reinforcing feedback needs to be implemented to reach an equilibrium or effect some sort of dynamic change, we turn to the concept of ecosystems. When we think about an ecosystem, we think not simply about parts, but about how all the parts in a selected area relate to one another. If we want to truly

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explore the issue of coffee waste, for example, we need to consider not only hardwoods and livestock feeds but human dynamics as well. Simply put, we can't talk about manure and compost if we haven't learned to listen to one another effectively.

Technological guru and user experience consultant Kevin Hoffman writes, "Introducing feedback starts to introduce trust and open dialogue that will shine a light on the more challenging parts of the existing culture."

Using feedback effectively is extremely important for the coffee industry, and the first step is to increase awareness about how

feedback works and why it requires our ongoing attention. The more awareness we are able to foster, the greater chance our individual businesses and our industry as a whole have to flourish.



BENJAMIN MYERS is the founder of 1000 Faces Coffee, a micro-roaster based in Athens, Georgia. 1000 Faces was a winner of a 2013 and 2014 national Good Food Award, which honors sustainability and craftsmanship. Contact him at roasterben@gmail.com.

TAKING ACTION

Applying Feedback in Your Business

THE KEY to good feedback is to focus on the process, not the person. We often worry about hurting people's feelings or miscommunicating our message, but feelings are less likely to play a role when we focus on protocols and mechanics. Here are a few ideas for integrating feedback into your own business.

● **Balancing Feedback** Invite your employees to participate in a "company performance review." Begin by brainstorming all the different aspects of your business: roasting, cupping, quality control, marketing, customer support, management, etc. As a group, try to identify one or two areas that are most in need of improvements. Remember to focus on performance, not people. Next, start gathering and compiling information about this business area. Don't focus on change at this point. Just gather as much information as possible. Look at finances, inventory, time, materials, processes and more. The purpose is to increase the group's understanding about the business area in question. Typically, this simple exercise in raising group awareness about what is underdeveloped will initiate the process of balancing feedback and start to regulate and thus change the related behaviors. With balancing feedback, the information being fed back into the system has a self-regulatory effect on that which needs correcting.

● **Reinforcing Feedback** The idea here is to add something. Begin with the same group exercise as above, but instead of areas in need of improvement, identify one or two areas that are going well. These are areas to consider for investment. (Remember, investment can mean money, but it can also mean time, training, marketing and other efforts.) If your team agrees your company does a very good

job of cupping, for example, find ways to invest in cupping. Host public cuppings. Teach clients about cupping. Start a blog about cupping. Offer your cupping services to other companies. In other words, accentuate and expand on your strengths. As with Operation Cherry Red, detailed on pages 58–60, when Menno Simons recognized Ethiopian coffee had a great deal of potential, he identified something that was going well and invested in it to help it grow.



photo by Benjamin Myers

● **Integrating Feedback** One difference between successful and unsuccessful people is how they integrate feedback. On a very small and myopic level, feedback can be seen as an ally or an obstacle. On a deeper and more holistic level, feedback is a form of energy and information. This energy and information can spark the shifting needed to hone and improve the integrity of a business, but unless you spend time with it and welcome it into your organization it will remain unrealized potential.

After taking part in the balancing feedback and reinforcing feedback exercises, you will have adjusted specific input and output activities in clearly defined areas of your company. Once a

behavior has been adjusted, it is important to evaluate the outcomes and how they are affecting the company. This is the essence of integrating feedback.

Now is the time to get together and communicate. With integrating feedback, you are feeding information back into a system. Maybe there was a reason for not focusing so heavily on cupping and that reason has become apparent with the increased investment in that area. Or maybe you are seeing an increase in the bottom line because of the addition of various cupping exercises. (Did you land a new wholesale account at a public cupping?) The idea here is to look at the changes you've made and see how they are meshing. You can conduct this type of evaluation as a company, with your management team, by analyzing information gathered through documentation, calibration and other measurements—or all of the above.

Another way to incorporate integrating feedback into your business is to focus on relationship building. Consider arranging a meeting with a colleague with whom you interact on a regular basis but haven't had a chance to develop a strong relationship. Maybe it's someone you've corresponded with via email for a year but haven't met in person. If meeting in person isn't feasible, consider a video chat using Skype or another online tool that will allow you to engage in "face-to-face" communication. Meetings can be powerful tools for integrating feedback. While they sometimes feel like a tremendous waste of time with little return on investment, the most important quality about meetings is that they happen. Try to keep your meetings as short as possible. If approached correctly, meetings provide space for meaningful communication. ■

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