



ROASTERTOOLS

# SCALING UP YOUR COFFEE ROASTING BUSINESS

BREAK THROUGH TO THE NEXT LEVEL





Break Through to the Next Level:

## Scaling Up Your Coffee Roasting Business

We're going to start this off with a hard truth: **there's no magic playbook for coffee roastery growth.**

*(Sorry if you came here for a step-by-step guide!)*

Business growth looks different for every coffee company. What works for one company may not be suitable for yours. Instead of a "How to" guide, we're going to show you several common tactics and steps you can take to guide your decisions as you scale your business.

As you read through this guide, think back to your business and how you can apply these strategies to your growth plan moving forward.

In this eBook, we'll show you:

- 🔥 Signs that it's time for your business to take the big leap and grow
- 🔥 How to attract more customers and scale your business through increased sales
- 🔥 What roasting equipment is necessary as you scale your company

**Plus so much more.**



## 1. Know When to Grow: Beyond a Gut Feeling

# Know When to Grow: Beyond a Gut Feeling

Chances are, you're wondering if now is the right time to grow your business. You've spent hours wracking your brain thinking about if you're ready, if you have the right tools and systems in place, and if you can even afford it.

The truth is, there won't be a crystal clear sign that it's time to grow your coffee roasting business. Instead, you'll notice a lot of little signs, like:

- ❖ Watching retail sales and wholesale orders increase, but having difficulty keeping up with the demand.
- ❖ Feeling uncertain you can handle large orders because you don't have the resources, inventory, or staffing to fulfill them on time.
- ❖ Needing to spend more time working in your business rather than on your business.
- ❖ Seeing year-over-year sales of your café or roastery increase by only a few percent, but operating at top capacity.

When all of these signs add up, it becomes obvious that scaling up is the right move for your coffee roasting business.



### PRO TIP

Sometimes the stars align and growth opportunities fall into your lap, like a large potential wholesale account that cold contacts you or a new retail building looking for a café tenant. It's always worth investigating these prospects as they arise. They may not always pan out, but they might be the growth your business has been looking for.





## 2. What Does Scaling Mean Anyway?

# What Does Scaling Mean Anyway?

The term “scaling” is tossed around so much that it’s practically lost meaning. And what’s the difference between growth and scaling? Aren’t they the same thing?! Sort of..

**Business growth** can be defined as quantifiable business improvements as the result of substantial investment. Growing a business may look like:

- ❖ Opening a second or third café location to add revenue
- ❖ Renting or buying a new roastery space to accommodate an increase in demand
- ❖ Hiring new team members to explore new growth opportunities

**Scaling a business** involves achieving business growth without a significant investment in resources. Examples of scaling a coffee business can include:

- ❖ **Streamlining inefficient processes** and capitalizing on the opportunity for expanded roast volume
- ❖ Increasing online marketing activities to drive more retail customers to the café/roastery
- ❖ Signing on new wholesale accounts to increase roasted volume and revenue each week

At the end of the day, business growth and scaling go hand-in-hand. While scaling will require less upfront investment, it’s this approach that drives a business toward quantifiable growth in the long-run.

Another massive advantage of scaling is maximizing the potential of the equipment and facilities you’ve already invested in. This, in turn, drives more profit as your fixed costs will remain relatively consistent as revenue increases!

**To avoid unnecessary expenditures or debt, we recommend starting your growth journey by looking for ways to scale your roasting business.** That’s why you downloaded this eBook after all, isn’t it?

Begin by completing the following exercise:

### Define what scaling your coffee company means to you.

Here are a few examples to get you started:

- ❖ Adding 10 more wholesale customers before the end of the year
- ❖ Doubling revenue over the next two quarters
- ❖ Increasing retail bag sales by X%
- ❖ Launching an ecommerce store as an expansion of your retail presence
- ❖ Introducing a new product line
- ❖ Begin offering private labeling or toll roasting





## 2. What Does Scaling Mean Anyway?

### Identify your budget.

**Spoiler alert:** Scaling a business requires you to spend money. It may not be a massive expense like renting a new building or investing in equipment, but you will need to spend money to grow.

Take a moment to identify how much you're able and willing to spend. This will guide your activities and decisions as you scale your roastery. Consider...

- ❖ Do you have existing funds you can tap into? If so, define how much you're willing to spend on scaling.
- ❖ Are you planning on a giant opportunity (like landing that one in a million wholesale client) to fund your growth journey? It may be risky to do so, so make sure that deal is 100% locked in.
- ❖ What grants or low-interest loans can you access? Be on the lookout for state, federal, and other grant programs you can apply for to fund your scaling activities.

### Set your timeline.

Do you have to scale your business tomorrow or can you make a long-term action plan? Having timelines in place will guide your decisions, from sales generation tactics to equipment investments.

Additionally, your timeline will involve your capacity as a leader and a team. Strategic expansion plans require a lot of time and energy outside of your daily tasks. Do you have it?

With answers to these three action items, you're on your way to scaling your business. **Now we'll show you how to get it done.**





### 3. Getting More Customers: Scaling Starts Here

## Getting More Customers: Scaling Starts Here

Before you dive into the weeds of equipment investments, strategic moves, and opening new cafés, there's a much more straightforward way to scale your roasting business: **by getting more customers.**

Easier said than done, right? The question becomes, how do you realistically acquire new wholesale accounts, increase online sales, expand beyond your geographic boundaries, and drive more customers to your retail café locations? Let's break it down.

### Growing Wholesale Accounts

**If you don't have a wholesale program in place, you'll have trouble scaling your business.** It's nearly impossible, since wholesale relationships account for the bulk of a coffee roaster's recurring revenue.

Scaling your business without significant investment starts with increasing your wholesale orders. This can be accomplished by:

#### Identifying new wholesale channels

Are you only selling your coffee to cafés? There are plenty of restaurants, grocery stores, offices, and other retail businesses that would love to sell and serve your coffee too. Don't ignore these opportunities! You can even launch new wholesale channels such as a white-labeling coffee program to entice new customers.

#### Fostering wholesale relationships

The most successful wholesale accounts are ones built on partnerships. These accounts trust you to provide excellent coffee, answer their questions honestly, and help their business grow too. Start visiting local businesses and foster new relationships. You never know which ones turn into a mutually beneficial sales opportunity!

#### Increasing existing order volumes

The more you can get current wholesale accounts to increase their order volume, the faster your business (and theirs!) will grow. This could be done through offering supplemental items like syrups, cups, and teas or through expanded product lines like single origin offerings, custom-made blends, and white-labeling opportunities.

#### Providing wholesale support and training

Your wholesale accounts look to you for coffee knowledge and expertise. And this insight extends to their equipment, their staff's skills, and business success as a whole. Offer wholesale accounts support (paid or included in the cost of coffee, of course) through staff training, equipment support, and/or consulting services as they build out their coffee program.

#### Offering toll roasting services

Toll roasting is the process of custom roasting blends and single origin coffees to a customer's exact specifications. This is a helpful service for those who want to start a coffee company but aren't ready to invest in the necessary equipment, space, and other resources to get the ball rolling. With toll roasted coffee, they can start selling coffee right away, it's just roasted by you!



**Growth for coffee roasters starts with a robust wholesale program.** But if that wholesale program isn't operating efficiently from ordering to fulfillment, scaling your business can get messy fast. [Take a look at how RoasterTools can scale your roasting business through the wholesale and fulfillment tools you need to grow.](#)



### 3. Getting More Customers: Scaling Starts Here

## Get the Word Out: Investing in Marketing and Brand Awareness

You can't convince more customers to walk through your doors if they don't know your business exists! Studies have shown that customers are **2.5 times more likely to choose a brand they recognize** over a lesser-known competitor. An effective way to scale your roasting business is to invest in a marketing strategy that captivates your target audience and gets them to make a purchase.

Now, the best part about marketing is that when we say "invest," we're not talking only about dollars. You can invest your time and energy into improving your roastery's brand awareness without spending a single penny.

Affordable marketing and brand awareness can look like:

#### **Increasing your digital marketing and social media activities**

From starting an email newsletter to posting more consistently on social media, the more active you are with your digital marketing, the more customers will begin to organically find out about your business. Best of all, you don't need fancy software or camera equipment to get started. Your phone and an Internet connection will do the trick.

#### **Garnering industry and local media coverage**

Local press can do wonders for a small business! Look for ways to get media coverage in your local and regional market. Send press releases to newspapers, radio stations, television stations, and community

outlets about the work you're doing, from new partnerships to new product launches. The same strategy applies for capturing buzz from industry publications such as [Roast Magazine](#), [Fresh Cup Magazine](#), [Daily Coffee News](#), [Sprudge](#), [Perfect Daily Grind](#), and more.

#### **Collaborating with local businesses and organizations**

You can reach new customers by tapping into another business' existing audience. For example, if you enjoy beer, consider collaborating with a local brewery on a coffee stout. You'll access a new audience of those who enjoy well-crafted beverages and now have a new favorite coffee roaster!

Certain marketing activities can move the needle in terms of growth, but require a significant financial investment. However, these tactics can provide a long-term return.

#### **Investing in branding, packaging and marketing assets**

First impressions are everything. A poor brand experience online or in-store can

cause a customer to choose your competitor over you. Making a serious investment in your brand design, packaging, and marketing assets, especially when paired with exceptional service and coffee quality, can turn one-time visitors into loyal customers.

Sponsoring events and participating in trade shows — It's not a cheap endeavor, but sponsoring industry or local events can put your brand in front of hundreds or thousands of brand new customers. And, you never know where these opportunities could lead! A potential new wholesale account might spot your brand at an event and reach out.

However, it's important to maintain a cost/benefit focus with every marketing activity you do. Always keep an eye on the quantitative and qualitative returns from your efforts!



### 3. Getting More Customers: Scaling Starts Here

## Expanding Retail Operations

Depending on your location or existing capacity, driving more customers to your current retail store can be a challenge. One way to access more customers is to open a second, third, or fourth location.

Of course, growing your retail operations doesn't happen overnight. You'll need to:

- ❶ Develop repeatable systems and procedures to replicate the success of your original retail model
- ❷ Hire, train, and most importantly, retain staff for each new location
- ❸ Maintain coffee and quality consistency across multiple stores
- ❹ Access capital, loans, grants, or other funding to afford the expansion

Because of the magnitude and capital required to get an additional retail location up and running, we only recommend opting for this route to growth when a few conditions are met:

#### Sales are at capacity

Take a look at your Year-over-Year sales. Are sales only increasing by a small percentage each year? Unless you have room to add more products, services, or hours of operation, chances are that location may be at its sales capacity.

#### You've exhausted other sales channels

If you're thinking about opening another retail location, but haven't attempted to gain more wholesale customers, add new product lines, or launch loyalty programs and other sales incentive programs... you may find yourself spending a lot of money for a fraction of the return. Try every possible route to increase sales before looking into location #2.

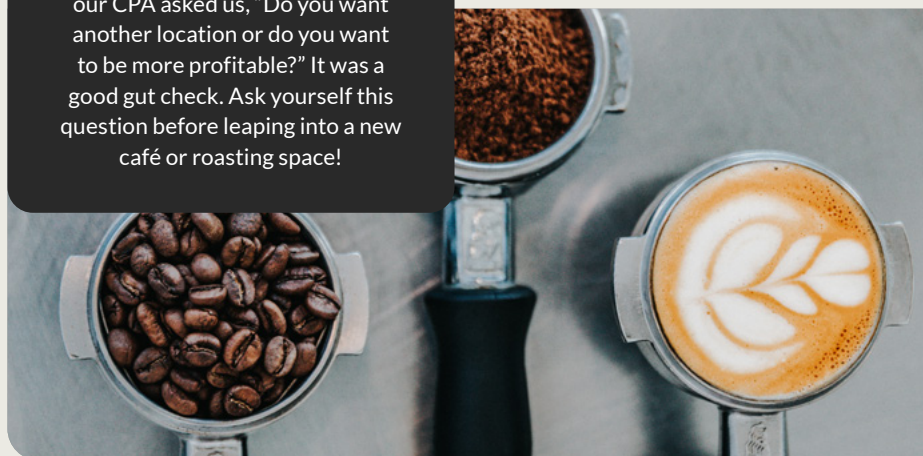
#### You're having to add more employees to keep up with customer demand

When your baristas or production crew are working constantly to make drinks, fulfill orders, and satisfy customers from open until close... it's time to expand. You've clearly demonstrated a need for customers to have another location to visit!

Sure, expanding your retail operations can increase your customer traffic and sales, but it's a massive and expensive endeavor. If you've done everything in your power to drive additional revenue and keep costs low at your flagship location with little to no quantifiable growth, then it may be time to explore opening another retail location.



We once had an exciting opportunity to open a new location. Naturally, we were thrilled... until our CPA asked us, "Do you want another location or do you want to be more profitable?" It was a good gut check. Ask yourself this question before leaping into a new café or roasting space!







#### 4. The Equipment Coffee Roasters Need to Scale

## The Equipment Coffee Roasters Need to Scale

As you add new wholesale accounts or increase customer traffic to your café, you may think that the next step is to buy more or new equipment to help you get the job done.

But equipment isn't always the answer. And hastily purchasing equipment only leads to more obstacles rather than benefits.

First evaluate if you're truly at capacity with your current equipment.

- ❖ Will a weigh & fill machine really streamline your production capabilities, or can employees continue to fill, label, and seal bags by hand at this volume?
- ❖ Is buying a brand new 3-group espresso machine really going to speed up your barflow, or can you streamline behind-the-bar processes to be more efficient?
- ❖ Do you really need a larger capacity roaster, or can you add more shifts to the roasting schedule to accommodate order volume?

Equipment isn't cheap! Before you invest thousands of dollars in shiny new gear, look for ways to scale your business with the equipment you already have.+

**But, if new equipment truly is the answer, you'll want to look into gear such as:**

#### Necessary Equipment:

- ❖ Heat sealers
- ❖ Heavy duty scales
- ❖ Aluminum scoops (a coffee roaster's best friend)
- ❖ Food safe storage for green and roasted coffee
- ❖ Sample roaster

#### "Nice to Have" Equipment:

- ❖ Weigh & fill machines
- ❖ Conveyor systems
- ❖ Color analyzers and sorting equipment

Of course, the biggest piece of equipment is the roaster itself. If a larger coffee roaster is in the cards, do your research! There's nothing worse than spending tens of thousands on a new roaster only to find out it's not quite what you expected.

**Keep our advice in mind when searching around for a new roaster:**

#### Get hands-on experience before you buy

When possible, try before you buy. Find another roaster that uses the same machine and ask if you can take it for a test drive. Perhaps you can visit the manufacturer's facility and explore the various models.

#### Ask about financing

Most equipment companies offer financing options. However, you can also search for grants locally that cover equipment costs for growing businesses.

#### Know your dimensions

Scaling up to a bigger coffee roasting capacity means you'll need more space in your facility. Beyond knowing the dimensions of the roaster and necessary venting, make sure you understand exactly how much space you have to work with. There's nothing worse than purchasing a roaster only to realize it won't fit!



#### 4. Room to Grow: Investing in a New Space

## Room to Grow: Investing in a New Space

Speaking of having enough space...

For many coffee roasters, as you add wholesale accounts and grow your customer traffic, you may find that you need to move to a larger production facility.

Of course, not all locations are created equal. Some may have excellent foot traffic but an outrageous rent. Others may be incredibly spacious, but located in the middle of nowhere.

**Choosing a new roasting facility isn't a decision to be taken lightly.** We recommend keeping the following tips in mind as you seek out the best spot to scale your roasting business:

#### **Go where you can grow**

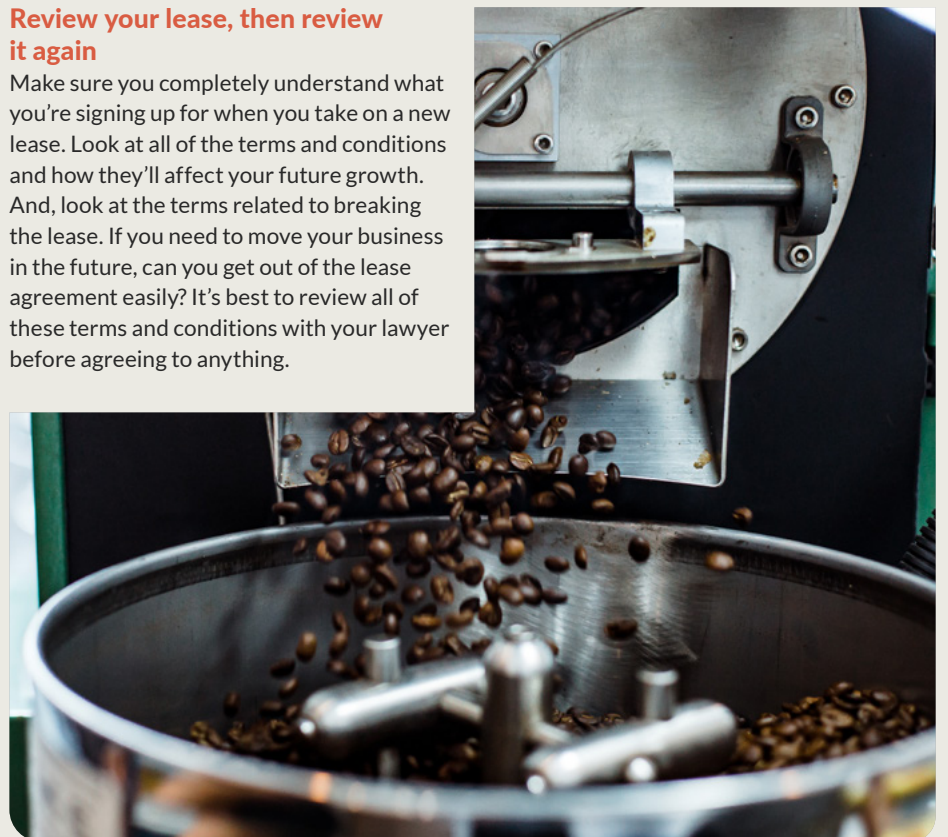
You want a space you can continue to grow into. Don't choose a spot with limited space, or you'll find yourself in the same situation and moving again in a few years.

#### **Location, location, location**

Think about the type of location you want to be in. Do you want a space with lots of foot traffic? Do you want a commercial roasting facility in an industrial park? Think about your business model and what makes the most sense for your growth goals.

#### **Review your lease, then review it again**

Make sure you completely understand what you're signing up for when you take on a new lease. Look at all of the terms and conditions and how they'll affect your future growth. And, look at the terms related to breaking the lease. If you need to move your business in the future, can you get out of the lease agreement easily? It's best to review all of these terms and conditions with your lawyer before agreeing to anything.





## 5. Who's On Your Team?

# Who's On Your Team?

The more wholesale accounts you gain, the more retail locations you add, and the more traffic you drive to your existing café/roastery, the more team members you'll need to get the job done.

Start thinking about what roles you need added to effectively scale your business. These can include:

- ☛ Roasting Apprentices
- ☛ Production Staff
- ☛ Delivery Drivers
- ☛ Marketing/Promotion Assistants
- ☛ Baristas and Kitchen Staff
- ☛ General Managers

Of course, the more roles you add to your team, the greater your labor costs become. While employees are an imperative part of your growth and success, the cost of such needs to be managed accordingly or your profitability can tank.

Identify ways to grow your staff without taking on significant labor expenses. Hiring new employees can be more costly than advancing the careers of your current staff. A study by the [Society for Human Resource Management](#) found that the average turnover cost per employee is equal to 6-9 months of an employee's salary.

To combat new hire costs, find ways to retain employees and promote from within. This can include adding more responsibilities for existing employees or giving them a well-deserved promotion. For example:

- ☛ *Does a current member of the production team want to learn to roast?* Make them your next Roasting Apprentice.
- ☛ *Do you have a barista that has an interest in social media marketing?* Ask them if they'd be interested in creating content for your social media channels.
- ☛ *Has your lead barista proven themselves to be trustworthy and responsible?* Consider promoting them to General Manager.

However, sometimes hiring more staff is the best choice when your existing crew is working at capacity. Consider if it's possible to start with part-time employees and move into full time hours as the business continues to scale. This helps you control labor expenses while adding revenue first.





## 6. Choose the Right Tech for Ongoing Growth

# Choose the Right Tech for Ongoing Growth

Sometimes what's holding you back from scaling your business is inefficient processes! No need to invest in equipment or start the hunt for a second location – streamlining inefficient processes can be the solution you need to get to the next level.

For example, lots of roasters start out by planning the weekly roast schedule, production needs, and more on a spreadsheet. When your business grows, these spreadsheets become more complex and difficult to manage – holding you back from the ability to scale!

- Accounting
- Inventory Management
- HR and Employee Relations
- Wholesale Ordering
- Coffee Delivery and Shipping
- Sales and Customer Relationship Management

These areas of the company are simple to manage while you're small. But once you start taking steps to get to the next level, you'll find yourself needing more robust software to expedite processes, create effective reports, and keep things moving inside your business.



In comparison to investing in a new roaster or physical roasting facility, investing in technology is far more affordable. And, with streamlined processes, this small investment can lead to incredible returns!

**Adding production software like RoasterTools can make processes such as wholesale ordering, production planning, and green coffee inventory a breeze – so you can focus on what matters most right now... scaling your business!**

And, as your business grows, technology that used to work may no longer support your needs. You'll find yourself needing to invest in better software and systems to manage aspects of your business including:





## 7. The Hidden Challenges of Scaling a Coffee Roastery

# The Hidden Challenges of Scaling a Coffee Roastery

Sorry to spoil the fun, but scaling a business isn't all sunshine and rainbows. As you grow, new challenges will pop up such as:

### **Maintaining quality control**

The more you roast, the greater the opportunity for errors. The more cafe locations you add, the greater the chance of inconsistent drink recipes among baristas. It's vital to have robust quality control systems in place for staff members to follow as production scales up.

### **Managing inventory**

You're going to need more of everything (from green coffee to cups) as you grow your business. From a roasting perspective, your inventory and sourcing practices need to adapt as production volume increases. Create systems to prevent spoilage, manage increased green and roasted product, and monitor stock of necessary supplies.

### **Expanding production capacity**

When order volume increases, so will your batch sizes to meet customer demand. Larger batch sizes may mean the need to grow into a larger capacity roaster, add more shifts to the roast schedule, and create new production workflows throughout the roastery. Easier said than done, right? Expanding your production capacity will take time and effort from all parties.

### **Efficient fulfillment systems**

Fulfillment processes that used to work will quickly become cumbersome as your business grows. You'll need to find new ways to streamline tasks including bagging, labeling, boxing, and storing coffee at a greater volume.

### **Distribution logistics**

Now that you've gained more wholesale accounts, delivery may become a hassle, especially for larger orders or accounts outside of your immediate geographic area. Streamlining shipping processes is the way to go! However, generic shipping rates for large volumes are expensive. Contact shipping services like UPS, FedEx, and DHL about their business rates and see what discounts are available for bulk shipping quantities.

Fortunately, the challenges mean you're doing something right! **It means your business is growing.**

# RoasterTools: Your Partner in Business Growth

Scaling a coffee roasting business isn't easy. But when you have the right people, systems, and technology on your side, the journey is a lot less bumpy.

RoasterTools was created as the result of our experience scaling a coffee roastery. We developed this software to help other roasters save time, money, and effort as they grow their business too.

Beyond our software, we're here for our customers every step of the way. From advice about making production processes more efficient to insight about managing cash flow, we've got your back. Book a demo and discover how RoasterTools can help scale your roasting business!



## ROASTERTOOLS

### Appendices

Check out these useful resources for your roastery:

#### COFFEE BOOKS & PUBLICATIONS

[Roast Magazine](#)

[Fresh Cup Magazine](#)

["The Coffee Roaster's Companion" by Scott Rao](#)

["Modulating the Flavor Profile of Coffee: One Roaster's Manifesto" by Rob Hoos](#)

["The Book of Roast: The Craft of Coffee Roasting From Bean to Business," by Roast Magazine](#)

["Green Coffee: A Guide for Roasters and Buyers" by Chris Kornman](#)

#### COFFEE ROASTING ORGANIZATIONS

[Specialty Coffee Association](#)

[Coffee Roaster's Guild](#)