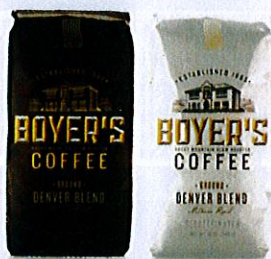




BOYER'S COFFEE



Conserving Resources, Saving Money, Doing Good

By Graham Russell

Founded in 1965, Boyer's Coffee is based in Denver, Colorado. When Jim McManus took over as CEO from founder Bill Boyer in 2009, the business was struggling to deal with a 140 percent spike in the global price of coffee beans, and McManus realized he would have to initiate major changes to set the business back on the road to prosperity.

The company had always tried to do the right thing, especially with respect to its employees, most of whom had been there for many years. The company, however, did not have any green programs in place. McManus had no special predisposition toward sustainability either, but he knew that it was becoming the norm in the coffee roasting

business. Moreover, Boyer's was a supplier to WalMart in much of Colorado and parts of Wyoming. McManus knew WalMart was ramping up its green supply chain initiative. He saw that sustainability could be a key driver of the new strategy he needed and settled on the idea that the company's activities must always, "Benefit consumers, benefit the company and benefit the environment."

Boyer's first called upon local sustainability consultants Renewable Choice Energy, which measured its carbon footprint but determined that the company was generally fairly energy efficient, recommending only that an air curtain be installed at its loading dock. They did, however, identify significant issues concerning the amount of waste the company

was paying to dispose of its waste in landfills. McManus formed a green team and called in Boulder-based ClearGreen Advisors to help identify priorities and create a sustainability action plan.

WalMart and Sam's Club represent a significant percentage of Boyer's business, and Dan Hayes, who handles the account, felt it made sense to show that the company understood WalMart's green supply chain initiative and was proactively seeking ways to "get ahead of the curve" and build a productive relationship around sustainability. Boyer's policy is to ship coffee within a few days of roasting using large cardboard cartons to deliver coffee bags to stores. The practice was for drivers to restock the in-store display units, break down the cartons, and leave them for WalMart to recycle—a one-time use of the cartons. Even though WalMart gets paid for the cardboard it recycles, Boyer's persuaded store managers to let the company bring the delivery cartons back for reuse. This change increased the number of trips a box could make before wearing out from one to an average of five or six, reducing the company's carton costs by over 50 percent, an annual savings of \$50,000. Many of Boyer's office coffee customers are now also allowing drivers to restock their cupboards and bring the delivery cartons out for reuse.

McManus realized that the company's packaging should be a major part of an effort to rebrand the company's coffee and that its packaging processes were inefficient, using no less than 11 different types of film for its coffee bags. Len Smith, operations manager, and Mark Morrison, roastmaster, attacked these issues, and by eliminating the material-intensive 16 ounce bags and working with a package design firm to redesign the remaining bags, they were able to reduce the number of film types from 11 to just four. Each time the packaging machinery is switched from one film type to another, 12-15 bags are wasted, so the longer production runs of each new film type not only cut the labor involved in the changeover process, but drastically reduced the volume of wasted film material.

Converting over to the new film types is still a work in progress, but the company estimates that the combination of lower prices on larger orders for each film type, labor savings, and reduced film waste will eventually reduce packaging costs by 20-30 percent. Moreover, inventory carrying costs have been reduced by at least \$200,000. The new films also allow the machinery to run at temperatures 50 degrees lower than formerly required, thereby generating a measurable energy saving.

The reduced volume of film waste, coupled with a program to recycle worn out delivery boxes, as well as cartons holding incoming supplies, has reduced the volume of trash Boyer's is sending to the landfill. In fact, trash pickups have been reduced from three to two times per week, which Smith estimates saves the company an additional \$2,000 a year.

Another small but effective energy-saving move was to replace the company's in-store display cases with new ones made out of local beetle-kill pine that each hold 50 percent more coffee bags and thereby reduce the number of truck trips required to replenish store supplies.

Building upon its successful effort to achieve multiple uses of the delivery cartons, the company recognized that there might be boxes made of sturdier material that could be re-used many more times for coffee delivery. It eventually located Technology Container Corporation (TCC) of Shrewsbury, Massachusetts which manufactures corrugated plastic boxes that can be used as many as 300 times and assemble and collapse quickly with a simple arm movement, eliminating the labor-intensive process of tape assembling and disassembling cardboard cartons.

Although each one costs about five times as much as a cardboard carton, TCC estimates that the new cartons will save Boyer's \$450,000–\$500,000 over a five year period. The return on investment on the initial \$50,000 order—scheduled for early 2012—will therefore be just a few months. Further, the dramatic reduction in the total number of boxes manufactured by TCC and shipped to Boyer's over the five-year period will reduce energy consumption by an estimated 87 percent or 5.8 billion BTUs, eliminate over 400 tons of CO² equivalent, and reduce solid waste disposal by 97 percent or more than 70 tons.

In keeping with the principle of working closely with WalMart on sustainability initiatives, McManus and Hayes attended WalMart's Annual Sustainability Summit in February 2011. Casting around for a use for waste coffee bag film, it was here that they found ITW Angleboard, a leading manufacturer of products used for sustainable protective packaging. ITW agreed not only to remove—free of charge—six tons of old packaging film which had been taking up badly needed space in Boyer's warehouse and would have cost a great deal to dispose of in a local landfill, but also to take waste film from Boyer's plant on an

ongoing basis, further reducing the volume of waste going to the landfill and perhaps eventually enabling the company to drop down to one weekly trash pickup.

Boyer's commissioned Maine-based designer Jill Dugas to redesign and reconstruct an on-site coffee shop using as much recycled wood and other material as possible to visibly demonstrate the company's commitment to sustainability. Old gymnasium flooring and bleachers were purchased from a local high-school undergoing renovation at a fraction of the cost of new lumber. Even after accounting for the labor cost of refinishing, the final cost of the flooring and shelving made from the

recycled wood came in no higher than it would have been if all new materials had been used. And the serving counters were constructed from old cabinets from a Denver bank that was also undergoing renovation. Recognizing that community service is also a part of a sustainability-based strategy, Boyer's created a conference room above the coffee shop that is open for use, free of charge, to any company or nonprofit organization in the local community.

Boyer's employees have responded with enthusiasm to its sustainability initiatives, and the Green Team is constantly receiving new ideas for enhancing them. The company is working on persuading their office coffee

customers to collect the empty two-ounce "pillow packs" used in coffee machines so that they can be picked up by drivers, added to the waste film generated at the plant and recycled by ITW. While this won't generate or save any money for Boyer's, Phil Harbison, who is responsible for the office coffee business, explains that many of his customers are interested in starting some green initiatives and respond eagerly to this type

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of suggestion. It reinforces Boyer's ongoing efforts to be a responsible company and, in any case, reduces the volume of waste the customer has to dispose of.

Another example of how Boyer's sustainability thinking inspires customers to expand their own green initiatives concerns Oppenheimer & Co., a major mutual fund and financial brokerage house that has a large operation in Denver. In discussions with Harbison, the company recognized that it could cut waste and save money by providing its employees with reusable drinking mugs, thereby significantly reducing the volume of disposable cups it was purchasing.

Another developing initiative is to make use of the chaff, or waste organic material from the roasting process, which amounts to about 100 pounds per week or over two tons annually. Possible uses would be for wood stove pellet production or as compost material for organic soil production. Either way, it will further reduce the volume of waste Boyer's is paying to dispose of in the landfill. Management also thinks that replacement of old fluorescent lighting in the production shop with LED lighting will yield an excellent ROI, and that is on the agenda for early 2012.

With all of their initiatives and cutting-edge efforts, Boyer's Coffee really is conserving resources, saving money, and doing good. ▲

