



WHAT'S BREWING

A BOYD COFFEE COMPANY PUBLICATION

VOLUME 7

ISSUE 52

DECEMBER 27, 1991

1991: A BIG YEAR FOR BOYDS



It's amazing how much can happen in a year; in the world, the nation, and even here at Boyd Coffee Company. A year ago, we were still marvelling that communism was dying in the Soviet Union. Now, there will be no more Soviet Union. If someone mentioned "Desert Storm" then, we probably would've thought it was a team in one of those alternative or off-season football leagues. Domestically, the federal government wasn't quite willing to admit that we were in a recession, that several months later they declared to be over. Now, we're "officially" in a recession. At Boyds, we could not have predicted national television coverage, our own television commercials generating so much interest and discussion, Mochaccino sales in Japan, or so many dynamic new employees and leaders adding to the company's character and growth.

New Products

Much of our growth has been attributable to a steady introduction of new products. Many of these products have been developed by Boyds, and we've decided to carry other products to complement and diversify our product line. This year, we introduced European Style Cocoa Mix; instant butterscotch, chocolate, and pistachio puddings and pie fillings; retail-sized packs of Torani syrups; Rite-Now Country Gravy; Boyds Citrus Spice iced tea; Paradise Original Blend iced tea; Rite-Now Pork Gravy; Rite-Now Cheese Sauce; and a complete mix for chicken noodle soup.

We added four new coffees to our gourmet line: Café Grande; organic coffees, Café Rojas and Café Tres Rios; and as Blazermania mounted, Ron Roecker and his associates blended various combinations of our finest coffees to ultimately create Rip City Coffee. The new coffee has already established a popular fol-

lowing in the Portland market, and is now available for all markets.

Employee Recognition

Carla Yost, Bill Benton, and Linda Clark were honored as 1990 Employees of the Year at the Employee Awards Banquet. Two venerable Boyds managers retired: Ross Davenport in April, and Gordy Chaplin in October. Larry Winkler became our new Direct Sales Manager and Mike Harchuck took over as Regional Manager for Region VIII.

Serving as calendar bookends for the 1991 promotions were Frank Coronado and Ladd Brady, who were both promoted to National Accounts Sales Executive. In May, Jeanne Hartman was promoted to Manager of the Customer Service Message Center. The following month, Dan Daniels was promoted to RM for Region VI, and Mary Kalez was promoted to Fancy Foods & Gifts Marketing Manager. In November, Larry Downs was promoted to Regional Manager for Region II. Other employees in the field and in the plant were also promoted.

HUGH HONORED

Hugh Fells (ICS, Denver) was selected as Associate Member of the Year of the Chefs de Cuisine Society of the state of Colorado. He was nominated for the award by the chefs who belong to the society, and honored at the Chef of the Year dinner held November 24 (Boyds coffee was served).

Hugh won the award for outstanding service to the society. His participation in the association has included attending meetings, and volunteer work on evenings and weekends. It's helped to give us exposure in Colorado. Hugh's RM, Jim Rupp says, "It's amazing how many people Hugh knows in the institu-

tional society. Hugh has brought the name of Boyd Coffee Company to the forefront in the state of Colorado" ■



Hugh Fells (center) receiving the Associate Member of the Year award from Jim Kosic (left) and Peter Clampett, President of the Chefs de Cuisine Society of the state of Colorado.

News

It's difficult to reflect on the happenings of 1991 and project what will have the
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1991: A BIG YEAR FOR BOYDS

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most impact on the company in the years to come. Surely, some of things that were big news in 1991 will be a matter of course in the future. Looking back, the Safety and Health Committee was formed in January, and has already become a part of the way we do things at Boyd Coffee Company. Swing shifts in Food Products and Coffee Production also became established as part of the norm.

Food Products improved productivity with new equipment. Dave Muck designed a fully automated packaging machine and line for items such as our Spiced Cider packets. They also put in bag-dump stations, AZO systems, and added rotary screeners for powders.

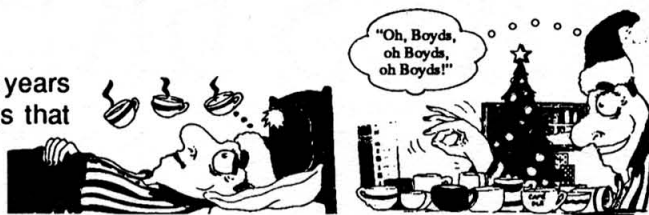
David Boyd was honored as Marketer of the Year by Portland Sales and Marketing Executives International in February. New television commercials premiered in Oregon and Washington in April. Now whenever people see us at shows or events in the Pacific Northwest, the "Boys, oh Boys" phrase is repeated back to us by many people.

Marketing Services introduced Point-of-Sale materials for Mochaccino in May, and a slew of new materials late in the year. Also in May, CNN visited Boyds to get information about our exports to Japan. KGW television in Portland recreated the CNN story and expanded on it. KGW came back in June to do a news feature on our cupping process; it was then passed on to, and used by, other NBC stations. A full page article in *Restaurant Show Daily* described Boyds success serving coffee at the National Home Center Trade Show in Dallas. In addition to all of the free media coverage, Boyds also began radio sponsorship of the Portland Trail Blazers during the NBA playoffs.

The new sales incentive plan we established focuses on increasing business

WITH SPICE IT'S TWICE AS NICE

This week's spice article has been postponed to accommodate a thorough review of 1991.



with existing accounts, but acquisition of new accounts has not tailed off at all. We reached a weekly high of 95 new accounts twice.

The people in the Shipping Department worked together as a team to handle a dramatic increase in order activity in the second half of the year. The number of orders has a greater effect on Shipping's workload than the size of orders. Bill DeWitt attributes the exceptional job done by his crew to keep up with the workload to their experience level. Similarly, Coffee Production was busier due to greater diversification of our coffee sales and the addition of many codes. Mallory Gwynn says that the crew has stabilized this year, and held together in an incredible way.

Coffee Production added two new pieces of equipment: the Bosch 2500, and a Goglio GL-18 packaging machine. The GL-18, used to package six-pound coffees, replaced a very old machine.

A proposal to replace our 20 year-old system was approved in August. We will be replacing mechanical relays and our scaling system, and converting to computerized controls. In addition to upgrading our existing green coffee silo system, we will be purchasing new storage silos. The improvements will move us from technology appropriate for our needs 20 years ago to the current state-of-the-art. For example, we were packaging mostly ground coffee then, and are packaging mostly whole bean now.

Our new easy-open valve bags went into production in September. In addition to providing even fresher coffee for our customers, the new packages were a major step forward in creating a uniform "Boys look." It was a big season for Boyds packaging, as our Fancy Foods & Gifts Division won awards for their attractive, functional packaging.

Boyds' acquisition of Ambassador Coffee Service Company added significantly

to our office coffee service business in Denver.

In November, a proposal to add a mezzanine to the plant warehouse and automate operations was approved, and our new

Boyd Coffee Store opened at the Benson Hotel in Portland.

Finally, the management team was reorganized and expanded to increase the focus on strategic planning and development, and global marketing and sales.

Events

Throughout the year, Boyds' employees exemplified the company creed through charitable efforts. We helped to support United Way, March of Dimes, Ronald McDonald House, and many local charities in our market territory. Forty people volunteered to help at the Mt. Hood Jazz Festival. Employee involvement strengthened the company in many ways. We submitted H.I.P. suggestions, left our business cards in restaurants, and helped each other by training, answering questions, submitting ideas to *What's Brewing*, and going beyond our job descriptions to help get a job done.

In the realm of "business as usual," we were also very busy. Employees put in requested overtime in every department. We were active in trade shows and other marketing endeavors. We cooperated with the media to receive coverage on radio and television, and in trade journals and local newspapers.

We worked hard, but we also had fun. We were entertained by MC Jerry Vawter,

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a magician, and each other at the annual Employee Awards Banquet. The first April Fool's issue of ***What's Brewing*** was published. We had perfect weather for our late-season picnic, and good food, good company, and plenty of things to do. Team spirit was enhanced by interdepartmental softball games played during the summer, and the games served as an opportunity to meet people in work areas other than our own. Customer Service held a chili party.

The Future

Who knows what 1992 will bring? Could we become so successful that Customer Service will have a 900 number? We know one thing for certain: working for Boyd Coffee Company will not be the same as it is today. The automation of the warehouse and the equipment upgrade and automation in Coffee Production will effect many of our jobs. Products not yet considered (Mochaccino two years ago) will become "household names" for us. People will retire, and others will step into their shoes as smoothly as several of our new leaders did in 1991. These things and more are in store for 1992. "In store?" Maybe we'll open more Boyd Coffee Stores. ☛



PHONE DIRECTORY



Human Resources is updating the Boyds phone directory. Your current position, work (and home, if appropriate) phone number, location, and fax number will be included.

Please let Cassi Kay know if any of that information has changed in the past six months. ☛

DISCONTINUED

Minestrone Sample (code 5476) is being discontinued. ☛

INSTANT ESPRESSO PROMOTION

Scott Lochhead (DM, Spokane) made a fast sale of an espresso machine, and followed up with a thorough, impromptu promotional campaign.

Norm's News in Kalispell, Montana (one of Craig Christopherson's [SA 79] accounts) purchased a Reneka Basic II. Gordon Pierre, the owner of Norm's, had it installed in plenty of time to capitalize on the business the restaurant will get from people visiting nearby ski areas during the Christmas vacation season. Scott said, "The day after we installed the machine, I spent a couple of hours with the owner, giving him information about Boyds coffee and espresso, and menu ideas." Fortunately, Scott always carries a book about coffee, and he had recently prepared information to teach a class with Mike Harchuck at Washington State University.

Norm's carries newspapers from around the world, and their menu is done in a newspaper format. They produce new menus often, and include information as

well as food items. The information Mr. Pierre got from Scott was used to produce a full page article with the heading, "Espresso Coffee Drinks Make Debut at Norm's." The article explains how the espresso machine works, and covers the roast, drinks made with espresso, and a brief history of espresso. It goes on to describe our blend:

"Norm's uses the Italia D'Oro Milano blend from the family-owned Boyd's Company of Portland, Oregon. All of Boyd's coffees are blended from Arabican coffee beans— the most choice of coffees which constitute about 20 per cent of the world market. Italia D'Oro Milano is a blend of coffees from South America and Indonesia, roasted in the northern Italian tradition. The dark roast retains the natural sweetness of the high grade coffees, resulting in a rich, thick brew with balanced flavor."

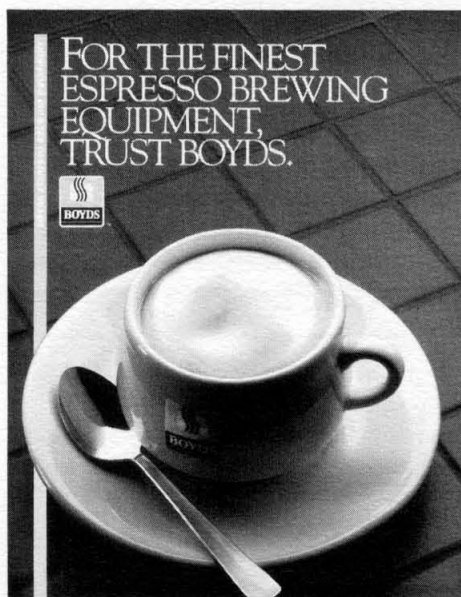
The article concludes by explaining that espresso contains less caffeine than traditionally brewed coffee. A sidebar defines espresso, cappuccino, caffè latte, caffè mocha, and steamers.

When Mr. Pierre had gotten enough information to complete his article, he suggested to Scott that they make a radio commercial. To Scott's amazement, they went to a nearby radio station and recorded a commercial without preparing a script or rehearsing. Scott was presented as a coffee expert from Spokane. The spot is airing on a couple of stations in Kalispell.

Scott says that Norm's is conducting a full scale campaign to promote their new product. They have a banner in front of the restaurant, and have delivered coupons to area residents.

Norm's News has been a very good account for Craig. They serve Gourmet Medallion coffee, and also purchase Torani syrups, soup bases, seasonings, and dessert toppings.

Larry Winkler was very impressed with the campaign Scott helped to generate. He said, "This is excellent merchandising, and a great demonstration of how we can provide increased sales for our customers and in return our own." ☛



NEW BROCHURE OF ESPRESSO MACHINES

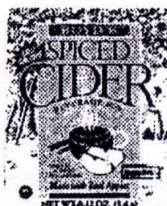
A full color fold-out brochure that pictures and describes four Reneka espresso machines is now available. The machines pictured are the Reneka Single, Basic II, Plus II, and Expert. The back page lists specifications for the full Reneka line. Order E37 from the Mail Room. ☛

HOT BEVERAGE SALES LEADERS

Entering the final week of the Fall Hot Beverage Promotion, these Reps have been the most unwilling in each region to let their customers "chill out":

Region	Rep	SA	Sales
I	Mike Olson	78	\$12,213
II	Jim Pingel	48	15,104
III	Jerry Ritsema	3	14,451
	Kieth Kaber	8	14,060
IV	Marty Smit	61	9,699
V	Andrew Rackerby	133	7,772
VI	Richard Hagedorn	145	4,798
VII	Mark Archibald	85	21,580
	Brian Rendon	88	21,225
VIII	Rich Ulias	54	20,050
	Larry Williams	55	19,866
IX	Glenn Foley	87	10,895
X	Jeff Loff	137	620

The only changes in leadership from last week were in regions VII and VIII, where the top salesman are in an impressive race for the overall leadership. It's iceberg cold in the northwestern states, and it will take a lot of Boyds hot beverages to take the chill out. A case of hot chocolate will cure a case of the blues. This is your last chance to join the exclusive \$20,000 club. ■



WHEN SERVICE CALLS

Katie Ritsema won a H.I.P. award for a suggestion that will make life easier for Reps and Service Technicians who are "on call" for weekend duty, and save us time and money by eliminating some unnecessary long distance phone calls.

Each weekend, one Rep or Service Technician in each region is designated to respond to all of the weekend calls. Because many of the calls come in on our 800 number, the Portland Rep on call has had to serve as a dispatcher for calls to other regions. When the Reps were paged with an out-of-town call, they had to use their regional directory to track down an RM or DM to find out who was on call. Katie observed her husband, Jerry (SA 3), trying to track down the appropriate person in other regions.

Katie used Jerry's input to develop the suggestion that we provide the Portland "on call" person with a current list of who is on call in the other regions. The Customer Service Message Center already produces this list, with phone numbers and pager numbers, for the weekend answering services in each region.

Dennis Seely, who approved Katie's suggestion, said, "This will be very beneficial for the person on weekend/evening service in Portland; less wasted phone calls, and better response time." ■



Katie Ritsema receiving a H.I.P. award from her manager, Jeanne Hartman.

BIRTHDAYS

Jan Olson	1/1
Bob Wright	1/2
Ralph Tracy	1/2
Dave Firks	1/3
Ray Newton	1/3
Paul Roskelley	1/3
Roland Shockley	1/4
Lori Hendrix	1/4
Jerry Veitenhans	1/6

ANNIVERSARIES

NAME	POSITION	DATE	YEARS
Mack Lente	District Manager, Eugene, OR	1/2	24
Craig Christopherson	SA 79, Kalispell, MT	1/2	13
Jim Olenslager	Accountant	1/2	13
Joe Dougherty	Today Regional Sales Mgr., Edmond, OK	1/2	2
Charles Geary	Food Products Packing & Production	1/2	1
Marty Meyer	ICS, Lynwood, WA	1/3	8
John Weeks	Regional Manager, southern CA	1/3	8
Jill Craig	Accounts Payable Clerk	1/3	3
David Leach	SA 77, Billings, MT	1/3	3
Jeff Cyphers	Blender	1/4	4
Cliff Myers	SA 124, OCS, Spokane, WA	1/4	4
Jeff Sager	Preventative Maintenance	1/5	2
Hugh Fells	ICS, Denver, CO	1/6	6
Tim Clark	ICS, Hayward, CA	1/7	1
Karla Traeholt	Marketing Information Specialist	1/7	1
Bill Wilson	Sales Rep, Portland	1/7	1

THE SEARCH IS ON

If you are interested in one of the following positions, please contact Dianne Burt-Green.

PORTLAND PLANT

Inventory/Route Auditor

SALES AREA REP

Las Vegas, NV

SALES REPS

Phoenix

Tacoma

ACCOUNT EXECUTIVE

Los Angeles

OCS ACCOUNT EXECUTIVE

Boise, Denver, or Salt Lake City

BOYD COFFEE STORES

Sales Associate- Seattle
(full-time)

JOB HOT LINE

669-5408