

COVID-19: Interview with Paul Turton, CEO of Pact Coffee

Pact Coffee provides consumers and businesses with 100% speciality grade, quality-checked and freshly roasted coffee on plans that are flexible and convenient. Maddyness spoke with Paul Turton CEO to understand how the company is coping during the COVID-19 pandemic and what the future holds.

[Maddyness] What is the biggest professional challenge for you today?

[Paul] As with many businesses navigating the current storm, one of our biggest challenges has been keeping our team informed, engaged, upbeat and motivated, having not physically seen each other in person for over 13 weeks. We're a tight-knit team at Pact, so from the off, we knew we were in this together, supporting one another.

We've found innovative ways of having fun and looking after each other – from yoga and mindfulness, to quizzes, art classes, wine tasting and video call socials. We've even hosted talks from motivational speakers, to keep our spirits up. We recently heard from a guest speaker who has climbed Everest. That was great for getting an insight into how to keep positive during difficult and

stressful times.

Of course, maintaining morale and a close-knit culture isn't just about keeping the UK teams feeling supported. It has a knock-on effect on our farmers around the globe. This has been a major driver in helping keep our team motivated and focused on why we do what we do.

The ray of sunshine is how well the teams have responded to this, and how everyone is performing, as well as the response from our customers. Whilst our B2B business has struggled, our direct-to-consumer sales are up more than 80%.

What is the biggest personal challenge today?

The biggest personal challenge for me is something I think a lot of people are struggling with at the moment, and that's separating work life from my personal life. This is difficult when both are currently confined to the same environment.

It's also been difficult to see friends and acquaintances experiencing hardships or downturns in their own businesses, through absolutely no fault of their own.

The silver lining has been that because I'm unable to travel for business, and I'm based at home, I have more time to spend with my family and our new puppy! Plus, one thing I really haven't missed – commuting in the dark.

Is remote working a new thing for you?

Not at all. At Pact, we've always supported flexible working, enabling our team to work from home or alter their hours where needed, so we were prepared for the shift to remote working. We already had the necessary technology and systems in place to make it work, even at relatively short notice. With a successful 'dress rehearsal' taking place the week before the lockdown measures were imposed, we knew we were set.

How do you keep your employees happy?

Communication and adaptability are crucial. We encourage our teams to be open and honest about how they're coping, or what they would like to be done

differently. It's important to be receptive to that feedback and change when necessary.

As with many teams, ours is made up of different people with different aspirations, interests and goals. One thing we do all have in common is a passion to make coffee a force for good, which continues to drive us forward. The best way for us to achieve that is through regular communication and an open culture where we're transparent, we share information and we learn from one another.

Pact has always been a social environment with a strong sense of community. We have regular social events, trips and team-building exercises – and since the Coronavirus outbreak, much of this has moved online until we're able to be together again.

We also have a strong employee benefits package. Free coffee is obviously one of the perks of the job, but we also provide climbing wall access, a cycle to work scheme, free breakfast and a community lunch once a week to make sure that our team feels healthy, happy, connected and motivated.

As a leader, what do you do to successfully manage your mental resilience amid lockdown?

You must take time to look after yourself and know when you need to take a break, which admittedly can be difficult in a time like this; when the line between work and home is more blurred than ever.

If I'm not thinking clearly or there's an obstacle I'm struggling to overcome, I will close the laptop, go for a bike ride, get some fresh air and a good night's sleep. That usually helps to clear the fog and gets me back into the decision-making model.

What changes have you made to keep your business running?

The direct-to-consumer arm of our business has seen a surge in demand, with more people than ever wanting speciality coffee at home, so we've made changes not only to accommodate this but to increase brand awareness and make the most of the current market conditions.

We've expanded our Bermondsey and Haslemere teams, which has enabled us

to boost our roasting capacity and marketing activity – in fact, we launched our first TV advertising campaign this month – to ensure that we can both meet and drive demand. This is fantastic for us, but also the farmers that we work closely with who receive between 25% and 125% above fair trade rates for the coffee they grow.

What have you implemented to stay competitive?

We are fortunate that our business model was set up to be competitive and we haven't had to make any drastic changes in this respect. We have however boosted our capacity and expanded our teams in order to meet demand and made changes in our roastery, such as social distancing measures, to ensure we could continue operating in the safest possible way for our teams.

How is your relationship with your investors?

Our main partners are MMC and Connect Ventures, and both have provided excellent strategic counsel during the lockdown period. They've been with us through good times and difficult times, and we're currently performing better than we ever have. So, it's safe to say that our relationship with our investors is extremely strong.

Have you had to end or delay your office rent contract?

Our London office closed in March, so with the team working from home since then, we have been given a discount on our agreed rent until the end of June.

Our roastery has remained open throughout the pandemic and is currently operating at our highest capacity, despite having to introduce social distancing measures and even more stringent sanitation and hygiene measures.

What advice would you give to keep managing costs and cash flow efficiently

during a crisis?

Make the most of the business support available to you. Whilst we've been luckier than many businesses during the pandemic, we have taken advantage of the government and banking measures available to us to ensure we that the business remains as strong and stable as possible for our employees and farmers.

Though it's impossible to predict every obstacle that's thrown your way, as a CEO, it's important to look ahead for potential challenges that may come your way and be agile enough to change your plans/approach accordingly. We've had our fair share of challenges over the years, but with a great senior team, we've been able to quickly and effectively refocus our approach when hurdles – anticipated or not – arise.

What do you think of the support packages for startups offered by the government? What have you been able to use?

It's unprecedented. Businesses across a range of sectors have been massively impacted by coronavirus and for some, being able to defer PAYE or furlough members of staff has been a huge help. While our direct-to-consumer arm has seen demand increase, we've understandably seen B2B demand decline due to the ongoing closure of offices and hospitality businesses. Because of this, we have furloughed some of our B2B team until this area of business picks back up and we look forward to welcoming them back once the businesses we supply coffee to start to re-open.

Do you feel confident in your business post-COVID?

We're extremely confident about what business will be like post-COVID. We supply to cafes, restaurants and offices, through contract catering and we also have key partnerships with brands such as Abel & Cole.

When the lockdown was imposed, we understandably saw a demand swing away from B2B demand as cafes and restaurants closed their doors and towards our direct-to-consumer arm as more people stuck at home still wanted to be able to enjoy fresh, high-quality coffee.

In the same respect, when people are once again able to go to cafes and restaurants in search of their coffee fix, where direct-to-consumer demand drops, we will see B2B demand pick back up. Because of this, we're incredibly well placed to exit this crisis in great shape and in good stead to cope with any other challenges that may come our way.

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Article by MADDYNESS