

Grinding his way to the top: CEO of London coffee chain Grind says the company is set for international expansion

Maddyness caught up with David Abrahamovitch, CEO of independent coffee chain, Grind, to find out how he led the business to new heights during one of the hospitality industry's most challenging years.

Success stories in the business world run often on clever strategy and a “big chunk of luck.” That’s according to David Abrahamovitch, founder and CEO of London-based coffee chain, Grind.

The coffee company, which recently celebrated its tenth birthday, is known for its ten-strong chain of coffee bars – and in the evening, cocktail bars – scattered across London. More recently, Grind is now instantly recognisable from its pale pink tins packed with compostable coffee pods that took off during the pandemic.

The pivot towards an at-home offering and ecommerce platform where customers can buy Grind coffee to drink at home, David insists, was a “deliberate strategic move,” but not one in reaction to the pandemic and the closure of Grind cafés.

“It was a reaction, but a reaction to, ‘well, we’ve scaled to ten sites, we’ve built a brand that everyone loves.’” said David. “Every time we open a site, the stakes get higher, and we’re still relatively limited in how many people we can reach through these stores.”

Work on the direct-to-consumer (D2C) platform began roughly a year before the UK’s first lockdown, when the company closed a £3.5M crowdfunding round in early 2019. But building an online offering at scale meant moving to a bigger roastery, buying the right equipment, setting up an online shop and budgeting for advertising. David said that plans fell into place at just the right time.

“What was lucky was that we made that decision when we did,” said David. “It still gives me the shivers to think about the fact that a couple of containers made it through three weeks before lockdown. A crucial bit of equipment that we bought took six months to be delivered, and it got delivered and installed two weeks before lockdown.”

Bold business moves

When Grind first launched in 2011, a sustainable coffee cult brand was never the plan. Each phase of growth – just like the introduction of at-home coffee pods – was what David describes as a “pure reaction.”

“We built the place we wanted to go to from the very beginning,” he said. “There was no plan beyond, ‘Let’s convert this one site into a coffee shop, make good coffee, play loud music and make it fun.’ The beauty of the brand is that it really did start out like that.”

David inherited the site that would later become Shoreditch Grind from his father, who used it to run a mobile phone business. Alongside close friend and DJ Kaz James, he decided to turn the circular-shaped building on east London’s Old Street into a coffee shop after watching the area transform into a burgeoning tech scene.

David, who used to work in the shop for a summer job, said, “It was never a question about giving up the building. The only question to me was what to do with the building.

“It just felt like it should be a meeting point of some kind – a coffee shop, or something like that.”

Growing despite adversity

Ten years and ten sites later, the brand is set for international expansion thanks to the ecommerce platform that propped up growth while high street stores were locked down.

While coffee shops were forced to close during the pandemic, Grind saw a huge demand for its compostable pods, with a 5,000% increase in the number of subscriptions as the UK entered its first lockdown. Grind products, packaged up in the iconic pink tins, are now in the homes of over 100,000 people, with one pod sold every three seconds.

“If you told us then that eventually it would become a D2C coffee pod company ten years later, I would say it was absolutely not part of the plan,” said David. “Despite this, that’s not to say that the way that I’m wired is, ‘well, if we’re going to build one, we’re going to make it amazing and we’re going to make it possible to scale.’”

The company also launched a partnership with Soho House, a chain of private members’ clubs, hotels and restaurants, in 2020, which David hopes will springboard the company into new European and US markets.

Asked about how the ecommerce side of the business had merged with coffee hubs, David said it was still “one business.”

“I dismiss the idea that if people buy pods that they use at home, they’re going to stop coming to our store. We want people to drink Grind coffee at home and come to our stores,” he noted. “It’s nice that people are discovering the business through this (new) side.”

Success for now and beyond

Still, he admitted that now was not the climate to be investing immediately in more physical stores. A recent funding round of £22M led by entrepreneur and author Richard Koch will help Grind accelerate the development of its online shop. 30M pods – which are entirely compostable, plastic free and compatible with popular Nespresso machines – are on track to be shipped within the next year. Alongside the success of the online shop and their latest funding round, the company has also launched a book, *A Modern Guide to City Living*.

While the next decade remains unclear, having weathered and realigned the brand during one of the greatest blows to the hospitality industry, Grind is set to rise to the challenge. As for its CEO, perhaps he’ll need some coffee first.

David Abrahamovitch is the CEO of *Grind*.

Article by ABBY WALLACE