

## The best coffee in the world

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**Warm-up question:** Would you rather run a small business known for exceptional quality or a large company focused on rapid growth? Why?

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**David Brancaccio:** This is the Marketplace Morning Report. I'm David Brancaccio. I'm sure you love what you do and you're the perfect fit for your present role, but have you ever come across a business model where you say to yourself, "That is for me"? I've been out collecting these for our Business Envy series. Last week it was Moment Motor Company in Austin, where you bring them the classic car of your choice and they make it an electric vehicle. I'd do that.

Well, today, a very fine roaster of coffee beans: Graffeo of San Francisco. It does beans—light, dark, decaf—and nothing else. Walter Haas III is from the family that's behind Levi's jeans. He's a tech startup entrepreneur who then decided his **bliss** is this coffee. Mr. Haas, welcome.

**Walter Haas III:** Hi there. Thanks for having me.

**David Brancaccio:** I thought a startup guy like you, a professional businessman, would be working on the high floor of an office tower. I went into Graffeo's a couple months ago to get some beans, and there you were! What's your day look like? I mean, like, what are you doing over there?

**Walter Haas III:** So, I bought Graffeo, which is San Francisco's oldest coffee roaster—it's been around since 1935—about a year and a half ago. And basically, you'll find me doing almost every job besides roasting, because we leave that to professionals.

**David Brancaccio:** Now, I've been using Graffeo's coffee since I was a young reporter at KQED in San Francisco. Now, there's a place in Rome, Italy, that might be its **peer**, but in the US, I've never had a better bean to my taste. What do you think the secret is over there? There's some kind of magic going on.

**Walter Haas III:** Yeah, well, there definitely is a secret, and that is all coming from my **predecessor**, the former owner, a man named Luciano Rapetto, who **inherited** the business from his father, but in the late '70s decided to **from scratch** rebuild our roasting machine. And he invented a new roasting process called fluid bed roasting, which he had

been perfecting and had perfected over the last 41 years. And so what you're tasting is thousands of hours of **tinkering** with a roasting process to make the world's greatest coffee.

**David Brancaccio:** I have always said about Graffeo's, right? You go in there and they sell three things and three things only. There's no copies of Yanni CDs for sale, there's no piles of New York Times, no **stale** scones. You just got your light, your dark, and your decaf. I mean, are you going to start selling **tchotchkes** and T-shirts? What's the idea?

**Walter Haas III:** We have **swag**, but you cannot buy it. We give it away. But you bring up a great point. We do not sell anything besides beans. In fact, we don't even sell coffee. Graffeo only sells the beans, for which we encourage you to take home and make yourself. That's a **remnant** of my predecessor's belief that you can only do so many things well, and that's why he picked dark, light, decaf. That's it.

**David Brancaccio:** Now, you can, in our system of capitalism, **husband** a brand without wanting to **scale** it intergalactically large. I mean, is that your sense?

**Walter Haas III:** Look, I think my job is part business builder and part **custodianship**. And so we're taking a real old-school company and giving it fresh life without losing its soul. We are never going to compromise the integrity of our roasting, and so that in itself limits us to some extent as to how much coffee that we can create.

**David Brancaccio:** How do you, Walter, make your coffee? What's your technique?

**Walter Haas III:** Oh, I try a lot of different ways, but my secret is anything with a metal filter. That includes a French press or a Moka pot. I believe creates a more richer flavor because you get more of the oil coming into it. And so that's my preference for coffee.

**David Brancaccio:** Walter Haas III, Graffeo Coffee based in San Francisco. Thank you very much.

**Walter Haas III:** Thank you so much. Appreciate it.

**Vocabulary and Phrases:**

1. **Bliss:** something that brings great happiness or deep satisfaction.
2. **Peer:** an equal or someone/something of similar quality or status.
3. **Predecessor:** the person who had a job or role before someone else.
4. **Inherited:** received something from a previous person, often family or former ownership.
5. **From scratch:** built or created completely from the beginning.
6. **Tinkering:** making small adjustments or experimenting to improve something.
7. **Stale:** no longer fresh; old and less appealing.
8. **Tchotchkes:** small decorative items, souvenirs, or unnecessary products.
9. **Swag:** free branded promotional items like T-shirts, mugs, or stickers.
10. **Remnant:** a remaining part of something from the past.
11. **Husband (verb):** to carefully manage and preserve something.
12. **Scale:** to expand a business or operation to a larger size.
13. **Custodianship:** the responsibility of protecting and preserving something valuable.

**Fill in the Blank** Use the correct word or phrase from the vocabulary list.

1. The new owner learned many lessons from his \_\_\_\_\_.
2. The roasting machine was rebuilt \_\_\_\_\_ in the late 1970s.
3. Years of \_\_\_\_\_ helped perfect the coffee roasting process.
4. The café does not sell \_\_\_\_\_ pastries or snacks.
5. Some companies lose quality when they try to \_\_\_\_\_ too quickly.
6. Customers love receiving free branded \_\_\_\_\_.
7. His role is not only growth but also \_\_\_\_\_ of the company's legacy.
8. Very few coffee brands can be considered a true \_\_\_\_\_ in quality.

**Comprehension Questions:**

1. What makes Graffeo's roasting process unique?
2. Why does the company only sell coffee beans instead of brewed coffee?
3. What business philosophy did the predecessor pass down?
4. How does Walter Haas describe his role in the company?
5. Why does he prefer coffee made with a metal filter?

**Discussion Questions:**

1. Can rapid growth damage a company's identity? Why?
2. Is it better for a brand to focus on doing one thing extremely well?
3. What businesses today seem to have lost their "soul" through expansion?
4. How can leaders modernize an old company without harming its legacy?
5. Would this "quality first" philosophy work in your industry?