

Interview with Sara Morrochi and Dennise Yeh of VUNA Origin Consulting

VUNA Origin Consulting is a coffee value chain consulting firm. Its founder, Sara Morrocchi, was a guest speaker at the WIPO Virtual Regional Coffee Conference, which took place on 10-11 November. In the following interview, Sara talks about what motivated her to create VUNA Origin Consulting, her coffee journey, and her determination to support coffee organizations to find their path to sustainable livelihoods. Her colleague Dennise Yeh, a digital growth and e-commerce specialist joined VUNA to expand the company's business proposition online, and develop two other services beyond onsite consulting: VUNA Coffee School, an online coffee education for producer organizations; and VUNA Coffee rituals, a B to C simplest brew coffee bag start-up company.

WIPO: Can you present yourself, Sara, and Dennise

Sara Morrocchi (SM): My name is Sara Morrocchi, I am the CEO and founder of VUNA Origin Consulting. I have been in Coffee since 2007. My first job was to build a coffee washing station in Tanzania and I managed the East Africa supply chain for a specialty coffee importer based out of Portland, Oregon (United States). I opened markets in Tanzania, Rwanda, Malawi, and Ethiopia. Later on, I took up the global procurement role for the same company so I was overseeing the supply chain globally, in Latin America and East Africa and I stayed in that role for about five years.

In 2015 I thought I wanted to form my own path. I moved back to Europe and I saw an opportunity to start working with producer organizations directly and support them in realizing their business goals, which usually revolve around access to markets, quality improvement, and good governance.

Fast forward six years, now it is me and Denise, with other consultants in specific regions, and we have three business units: Onsite consulting; VUNA Coffee School, which is our online coffee education for producer organizations; and VUNA Coffee rituals, which is our B to C simplest brew coffee bag start-up company.

Denise Yeh (DY): I was born and raised in Taiwan, educated in the U.S. I worked for several brands, either big or small, in the U.S, in Europe, and Asia. I have a lot of global experience working for large enterprises. But my heart told me that I want something more adventurous than working for a global company and that was the motivation for me to join VUNA. I am adding coffee to the list of many products that I have sold, including sneakers, shampoos, sunglasses, cars, and designer clothes.

Contrary to Sara, I do not have any expertise in coffee. I have been a digital growth and e-commerce person for more than 15 years. I worked in every single field of digital e-commerce, except engineering. This is where my passion is, helping businesses grow and amplify their business proposition online. When I joined VUNA, at the beginning of the year, I was brought in to help Sara launch a business proposition that is specifically focused on delivering either service or goods digitally.

WIPO: Beyond your interest in coffee, did you have a particular motivation in founding VUNA?

SM: I joined coffee almost by chance. I was originally working in development and non-governmental organizations. When I was approached by this green coffee trading company, what attracted me was the social aspect of the company. They considered themselves as a social enterprise focused on impact and impact development. At the time, in 2006, it was a relatively new concept. I felt it was a huge shift in mentality from donor organizations running fully self-funded projects, to a company that was trying to

enable producer organizations to have access to their own markets, and access premium markets. To me that was quite refreshing because it was truly empowering. It was connecting people who were looking for better income, more sustainable livelihoods, and was a better approach than some of the development projects that I had worked on in the past. The thought that producers could sell their products internationally which would be served in fancy coffee bars all around the world, that's what kept me in coffee and also, in the end, why I founded VUNA. I do want to support coffee organizations in finding their own path to sustainable livelihoods through trade.

WIPO: Where does the company operate?

SM: The company operates out of Amsterdam, in the Netherlands, but we have projects in East Africa, Latin America, and Southeast Asia. We cover pretty much all the producing regions.

WIPO: Can you explain how you work with coffee producers?

SM: We have an integrated supply chain model called "Cherry to Heart" with the idea that the supply chain starts with a cherry, which is obviously the coffee, and ends with winning the consumers' hearts. The idea is to connect producers and consumers through a value proposition that is appealing to all. When a producer organization approaches us, we really need to understand where they fit in that cherry to heart model. We have four coffee journeys in our model: coffee production and trading; access to market; product development; and digital growth and consumer engagement.

We analyze where the producer organization sits on this chain and identify the most critical needs. Based on that, we have services and products under each of these journeys. The process usually requires an audit of their processing and the quality of the coffee, and a study of their current market access. That is usually the very beginning, and based on that, we provide them with tailored plans.

WIPO: Is it easier in some countries than others to implement those plans?

DY: It is probably not so much about countries. What really makes a big difference between producer organizations, irrespective of their location, is their maturity, the kind of resources they have available, whether they have their own capital, or can use government grants to help them get on a more scalable journey. The plans we tailor for them can either be about how to trade green coffee as a commodity, or how to process their coffee to ensure the quality is consistent over the years, or how to get in touch with their potential clients. Finding clients goes beyond having a Facebook page or a website, there is a holistic strategy that we took from my enterprise experience and extrapolated to apply to coffee producer organizations.

WIPO: How important is certification, and how does that influence the selling price?

SM: I have been trading certified Fairtrade and organic coffee for most of my professional life. When you operate in premium and specialty markets, certification is a very important component. At the moment we are working with a cooperative in Ethiopia that produces forest coffee, coffee that grows in the wild. They want to acquire an organic certification. The premium market has a very strong interest in organic and Fairtrade certification and to a certain extent forest coffee too. Certification is generally a pathway to better markets and better premiums.

Geographical Indications helps with recognition but rest on the ability of the country to be able to capitalize on GIs. We have good examples like Colombia, Costa Rica where the GI has become a brand. There are many opportunities to explore that path, but it has not been clear for a number of countries.

DY: There is a strong desire to acquire certification for coffee producers. Part of our mission is to streamline and standardize the available information through VUNA Coffee School to help them select which certification is best suited to their needs. Certification will not be treated as a case-to-case situation, but rather we want to develop a knowledge base to help people understand what are the basics of certification, why they need it, what are the potential benefits.

WIPO: In your experience, are there cases where countries' lack of specific legislation can be an issue?

SM: Many producers try to undertake the GI certification process on their own, meeting many challenges. At the end of the day, what is important in the coffee trade is traceability; where the coffee comes from, where and by whom it is produced. There are a lot of private initiatives that work towards that traceability objective and I think that the private sector has come to an understanding that it would be better if national governments took up this initiative themselves and work on a traceability system and embed GI in a larger framework. It is very hard for a company, no matter how big, to undertake something that has such a big scope. Until we have the governments stepping in, we will run into that problem, this is when we fall back on certification and private traceability systems as the only way that is scalable with investments that are available in the private sector.

WIPO: Would you say that coffee producers, much as cocoa producers suffer from the fact that they are not reaping much of the market value of the finished product?

SM: The challenge is the same to a certain extent. Both coffee and cocoa are export crops, also called colonial crops so there was never a culture of consumption for these two crops. You grow them, and you sell them. In coffee, this is changing as the consumption of coffee has increased in producing countries. The strongest example is Brazil, which consumes 50 percent of what it produces. Another example is Ethiopia. Coffee culture is permeating also in producing countries because coffee is everywhere, it's a lifestyle. The millennium, especially in urban centers want coffee. The local capacity to roast and develop coffee products from blends to cappuccino is growing. Coffee is ahead of cocoa in that respect.

WIPO: Does the name VUNA has a particular signification?

SM: This name is very dear to my heart. VUNA actually means "to pick" or "to harvest" in Kiswahili, and this is where I started my coffee journey. It is one of the first words that the Tanzanian farmers taught me, and this is why I decided to use VUNA in the name of the company.

WIPO: How does the VUNA Coffee School work

SM: It all started in 2020 when we had already decided we wanted to embark on a digital transformation for the company. Then the Covid crisis happened, we could not travel anywhere but we had projects on the ground and were expected to train 90 cooperatives in Rwanda, Uganda, and Congo on price risk management; a course to manage price volatility in green coffee trading. Of course, we couldn't do any of it so we kept postponing for a few months until we realized that Covid was not going to go away. We decided to put the training methodology and content, transform it, and release it on a digital channel to provide online coffee education anytime, anywhere, at a low cost.

DY: The first challenge was to find a platform that is easily accessible with a basic internet connection, a platform that could help VUNA to create educational content that is beyond what a YouTube video can provide. The other challenge was transforming the content, the way we train students offline, into an online environment.

A pilot session with 200 students proved very successful in 2020. Students quickly adapted to the platform, enjoyed its interactivity, and appreciated the live coaching session. We now have a price risk management course in three different levels, basic, intermediate, and advanced, available in Spanish and French.

A new course about to go live is on digital market access and client engagement. Our goal is to have more courses tailored to producer organizations' needs. We are also thinking about building a community talking about topics related to producer organizations.

The online courses are not free, but many students are beneficiaries of donor organizations. The amount of students that we can train in a short amount of time is much cheaper than for Sara or other consultants to travel around the world to provide on-site training. The number of students and the speed with which they can be trained is incomparable with in-person training.

WIPO: What is VUNA Coffee Rituals?

SM: VUNA Coffee Rituals has a very interesting story. In the middle of the first wave of the pandemic, we heard from both roasters and producers that coffee sales were low due to the lockdowns, and the closure of vending venues such as restaurants and cafes. When those businesses closed, roasters lost their only trade avenue to sell coffee, with repercussions on the entire supply chain. We tried to engage with roasters to find a way to turn to online sales, but either the roasters were not mentally ready for the investment or they did not really have the infrastructure, and their approach of engaging with consumers online had not been particularly successful. So we thought maybe instead of supporting roasters to do it and hope that there will be a trickle-down effect to producers, why don't we do it ourselves and launch a brand on a digital channel.

VUNA Coffee Rituals was born with a desire to crack the nut about how to engage with consumers and win over their hearts. We were looking for a different perspective than a traditional specialty coffee brand. We wanted a brand that is fun, engaging, and not elitist, that doesn't use a lot of specialty coffee lingo. We also needed a product that did not require massive investment from the user and decided to go without the need for any equipment. This is when the idea of the coffee bag came up. We basically put coffee in a teabag, of course, it is specialty coffee, it is the simplest brew, that tastes delicious, it is sustainably sourced, and yet it is easy to make, and you can take it anywhere. That is how we developed the brand and the value proposition. The question was how to bring this idea to market. Technically VUNA never worked in the market. We are a B to B company so how do we turn into a B to C. Denise designed the access to market while I concentrated on the product and the supply chain.

D: We wanted the brand to be lively and engaging, so being approachable was the key here. The product is the simplest brew. All you need is just water, a cup, and 5 minutes of your time. We came up with four unique flavors focusing on the coffee moments of coffee drinkers. For example in the morning we have a coffee with a darker note, in the afternoon you might want a coffee that goes well with a pastry.

Once those products were defined and tasted, we had a long tease-up phase on social media trying to introduce the idea of a coffee bag and the brand to our potential customers. We thought those people could be on the go, whether going to the office, camping, or traveling. We decided to go through a kick-starter crowdfunding to test the demand for such a product. As far as we know we are the only brand offering coffee bags in Europe. The coffee bags and the packaging are a hundred percent degradable. The crowdfunding campaign drew €16,000. The brand is now established and we are thinking of the next steps. In November, the website will be updated and people will be able to order online globally.

SM: One of the questions was how to bring part of that success back to the producers, who still have a supplier mentality instead of a brand mentality. By launching our own brand, we experienced firsthand what it means to build a brand, find a value proposition, understand customers, and to which segment you are appealing. You can find out what you thought would be appealing is in fact not appealing at all, and who you thought would never care for this, actually loves it. We want to scale VUNA Coffee Rituals, working with producers that we know. But we also want the producers to understand how to build a brand, a value proposition, social media channels, and websites, and with our experience, we can bring that back to the producers. This is where we are different from many other brands that buy coffee and obviously celebrate coffee producers and celebrate the supply chain but do not necessarily invest in training producer organizations to encourage them to build their brand too.

WIPO: How important would you say branding is for producers

SM: It's been a moving target. For a long time, coffee was just a commodity. It was about volume and price. To a certain extent, there was no point in investing in a brand. All you had to do was to have a clean product that you could sell at a very competitive price. Over the years, this has changed. Starting in the 1990s, the market has really become more and more fragmented, specialized, and coffee became a lifestyle product. There is a lot of storytelling in coffee and consumer brands invest a lot in storytelling. Because of their need to sell a product that is very diversified to consumers, producers had to find those diversified products. Some twenty years down the road, I see that producers do need a brand to stand out from a plethora of competitors. Quality is a must, but being able to tell your own story has become more and more important. The producers who have made that change in mentality are now very successful. The market is changing and that shift needs to happen for all producers and needs to happen quickly.

To conclude, I would like to stress that there is a lot of innovation that is happening in coffee; new products, new technologies, new processing systems, and soon I think people will consider trademarking for protecting their products. In this part of the world, we are very used to the concept of protecting inventions. At origin, producers are constantly innovating, trying to find a new variety, a new processing system, a new blend, new ways to discover new flavors. All of this is so much hard work, but because of that green coffee supplier mentality, they do not see it as inventions needing protection. Very few producer organizations have successfully capitalized on their innovations. This is why the WIPO conference is coming at the right time and I think the market and the industry are ready for this.

D: A brand for consumers is everything. It is the recognition, it is the trust. In the world of coffee, I understand that there are a lot of intermediaries and sometimes the brands of coffee producers are a little bit lost. Earlier in the year, we were working on a project to market green coffee, completely B to B. The question was how to bring a relatively unknown forest coffee to generate awareness, consideration, and trust from the buyer. The value of the brand is extremely important.

