

Modern Process **Getting The Grind Right For Millions**

It's been 30 years since Dan and Phil Ephraim launched MPE, the global leader in the industrial coffee grinding industry. But as the brothers stride through their state-of-the-art headquarters, they are quick to recall the rich heritage of their family-owned operation.

([By Kevin Sinnott and Lois Nelson](#))





With customers in over 50 countries, MPE is the world's standard in industrial coffee grinding systems. But their international base of operation is firmly rooted in the soil of Chicago's South Side — not far from where the brothers grew up in a family of nine children.

Dan was an executive in a coffee company, and his brother, Phil, a mechanical engineer for another manufacturing corporation, when they decided it would be smart to buy a company where they could combine their entrepreneurial and engineering expertise. When Dan first spotted a small company named Modern Process for sale in 1981, he quickly recognized it could be a big thing. He had no idea just how big.

Modern Process was founded in 1957 by Don Stage and Roger Fardig who remanufactured Gump Grinders, perhaps the best grinders of the day. Business was good — but they never wanted to get too big, fearing that large competitors would rise up and swallow them. Silently, they grew and captured most of the grinder remanufacturing business in North America. Just as quietly, they put the company up for sale.

"We always talked about going into business together," Phil says, "and Dan knew the coffee business. I came down with our father to look at the company. Dad turned to us and said, 'Boys, this looks like a great business, buy it.'"

"So I said, 'let's jump.'"

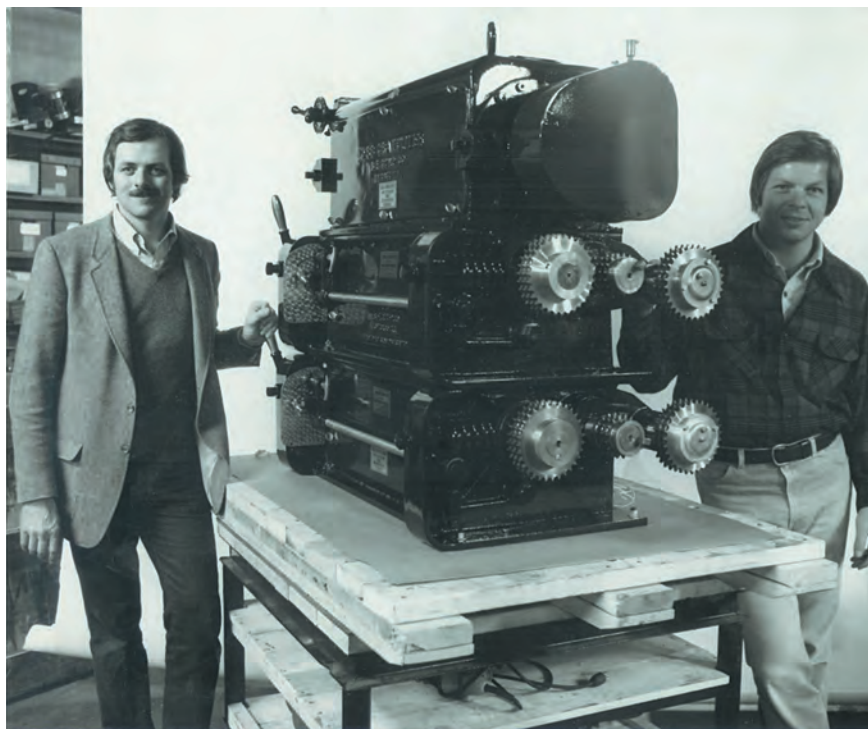
With their father's blessing and support, Phil and Dan made the bold move to buy in a depressed economic climate; interest rates were 21%, unemployment was 10.5% and inflation had soared to over 13%. The brothers received an industrial revenue bond from the City of Chicago — and begged and borrowed the rest.

Within months, they moved into the small shop and started designing and building equipment that would revolutionize the world of coffee grinding.

Constantly Changing Their Grinds

As the technology of grinding has changed dramatically during the past three decades, so has the company's leadership.

As Dan begins, "When the company



An early photo of Phil and Dan with one of the original Gump-Style units

first began, most of grinding was percolator, some was instant or soluble and the remainder vacuum, popularly called Silex. During the 1990s, Espresso grew from 2-3% to 5-10%, depending on how you measure it. Today, drip holds steady at 70-80% and other grinds at 20%."

Lizzie Ephraim was only a year old when her dad, Dan, launched MPE. Today, she's the director of marketing and the company's spokesperson who can expound on the evolution of the grinding business.

"With changing technology, demands continue to increase. Making a coarse grind is relatively easy," says Lizzie, whose technical knowledge clearly demonstrates her Ephraim DNA. "However, as you achieve a finer and finer grind, the demand on a grinder is greater, and the sophistication of the grinder becomes higher. So a grinder that is produced for coarse grinds will last three or four times as long between services and reconditioning as one that's grinding a fine grind."

Dan continues, "Today's brewing methods can be more efficient. The brewers are better and the controls are better so that you can make your coffee somewhat finer, getting extra extraction for the same amount of ground coffee, even

urns. Yesterday's urns used a coarser grind, more towards a French Press grind. Today, when you see an urn in a facility like McDonald's, it typically takes a finer, drip grind."

Staying Ahead Of The Grind

There are other brewing methods that challenge grinding technologies such as the new pod brewing business, which has enormous consumer appeal.

"To us, the pod business has become very significant," Dan continues. "You're now taking the brew method that typically takes four minutes and saying, 'Okay, I'm going to have a pod coffee in 20 seconds.' It's incredible how much more sophisticated the grind has to be."

Phil adds, "With pods, the size gets smaller, but so do tolerances. We have to be careful because the brew time and portion size gets very specific. It is truly a science."

Phil points to an ancient method as taxing as any domestic grind, in fact more so. "The finest grinds we do are neither pods nor espresso. Turkish grinding is a specialty for us too."

MPE sells to industrial users who evaluate product efficiencies with very tight tolerances. Dan is quick to point out that

industrial evolution, not a specific brewing method, is responsible. “Grinds in general keep getting finer, and people want zero waste. People won’t deal with something that’s 60% efficient anymore. They want 95 – 100%.”

The Clear Frontrunner

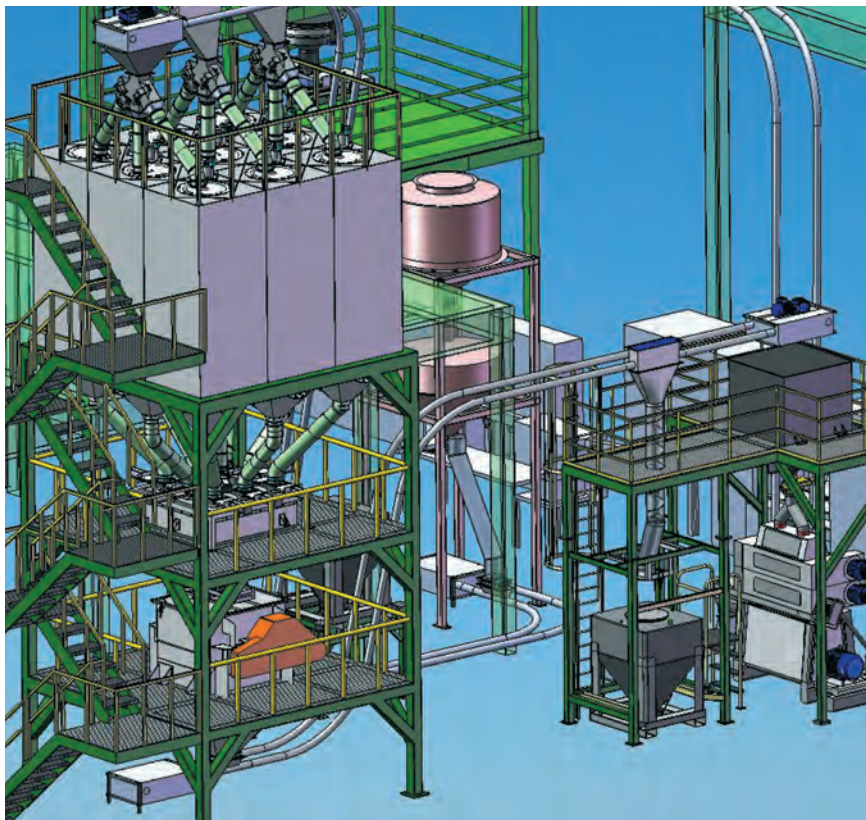
With the fact that every cup of coffee requires grinding coffee, when it comes to industrial grinding, Modern Process is clearly out front.

“In the United States, we are the sole manufacturer of industrial coffee grinders,” states Lizzie. “How much of our business a number of years ago was overseas? Minimal. Now, it’s a very significant portion.”

Dan cites an early startup customer: “When the leading coffee shop brand was just a three-shop operation, we were their supplier. We sold them their first grinder.” Phil fires the punch line, “And they’re still



An early photo of Phil and Dan with one of the original Gump-Style units



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More Than A Cup Of Coffee

MPE builds and develops a myriad of systems supporting coffee grinders, including conveying systems.

“Now, our customers want us to design, incorporate and integrate all the moving parts. So, we integrate the silos, weighing systems, blending systems as well as the other parts of a factory. We’ve built the process systems for some of the biggest factories in the country.”

But the business extends beyond the grinding of coffee beans. In fact, anything that’s ground or ‘granulized’ is a potential Modern Process customer. This includes salt and spices – and extends to other food and chemical products.

Service Makes The Difference

Paramount to being the technology leader is catering to a global network of customers with ever-demanding needs for service.

“We don’t have a service department that just kicks it down the road,” says Phil. “We take it very personally when somebody calls us up to report an issue. We know them and we want to fix it. Whether that’s a \$10,000 grinder or \$300,000 grinder, we want that problem to be solved.”

Phil motions to a suitcase partially

our customer.”

“Internationally, grinding for instant coffee continues to be a big business and we continue to make the special grinders

for this market. In fact, last week we shipped an entire system for a company in Vietnam that’s building an instant coffee production plant.”

obscured by a cubicle wall. “Today I’m headed to Israel, with 2,000 pounds of parts to help a customer. We paid for those to be flown over.”

Dan adds, “They’re our customer and we want to take care of them.”

Lizzie sums it up: “In business, people like dealing with us and have a high level of confidence in us.”

Considered by many to be the U.S.’ Boeing equivalent in the coffee industry, Dan says, “We never forget the importance of our customer relations.”

A Gentler Way To Move A Bean

So how does an industrial coffee grinding company expand its market reach? By creating a new market opportunity, of course.

MPE makes no secret that their love of new products and ratchet tweaking has led to their newest breakthrough technology — one suited to coffee, as well as other products. It’s called Chain-Vey, and Dan describes the potential for this product line in one word. Tremendous.

“It’s significant,” Dan adds, “because



Max, Dan and Phil Ephraim

it’s an enclosed tube and a really gentle way to move products around. It’s great for whole bean, green and roasted, as well as ground coffee. The idea of a sealed, airless container traveling around a plant is very attractive for a lot of products.”

Lizzie snaps a coffee bean between her fingers showing how easy it is for effect, “It doesn’t break up the whole bean”

It’s Their Kind Of Town

The one thing that isn’t changing anytime in the foreseeable future at Modern Process is the company’s loyalty to its hometown manufacturing base.

Dan doesn’t hedge, “All our manufacturing is done right here in the U.S., and we want to keep everything here.”

“Right here in Chicago,” adds Lizzie, again without hesitation.

For two decades, her grandfather, Max Ephraim, served as chairman of the board and provided wise counsel. After he retired as chief engineer for a General Motors Division, he spent every Thursday at the factory. “He knew more about our workers and their families than we did,” says Phil.

Max passed away 10 years ago, but the values he instilled in his sons and granddaughter continue to produce amazing results.

Lizzie continues, “Dan and Phil come from a family of nine. But when it comes

to large families, there’s no contest here. We have guys in the plant who come from families even larger. We didn’t plan it that way, but we love big families and we think that our focus on family fosters growth within our organization.”

To encourage their employees’ health and wellness, MPE recently installed a state-of-the-art workout and fitness area. And holidays celebrations — complete with grab gifts, turkeys and hams — are a highlight for the entire company.

Dan smiles broadly, “Every year, we throw a Christmas party and honor our employees with a great dinner, bonuses based on performance and gifts. This past Christmas, I think we were all looking in amazement as we saw how many people have been here for a long time. They are a part of all this success and our vision for the future.”

“The same place for 30 some years,” Phil reflects. “I remember when the first employee hit 15 or 20 years. Now there’s a number of them with 25 years right here in our building. They’re part of our family.”

“This has always been a family-oriented business,” Dan responds. “It’s such a part of who we are — and it’s key to our success.”

“It always has been, and always will be,” says Lizzie with a smile. ☕



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