



Photos: Joe Mapother

Ingredient mixing at Mother Murphy's

Life begins again at 65

Company anniversaries should offer a chance to look at the future instead of glorifying the past. And that's the way it's going down this year at a North Carolina flavour company well known to the tobacco industry.

Mother Murphy's Laboratory is marking 65 years in business this year, an age at which most people are entering retirement. On the roof of a bustling corporate headquarters, the white-haired grandmother at the centre of the Mother Murphy's logo looks ready for a ride into the Golden Years.

But it will be a few years yet, maybe quite a few years, before Mother Murphy steps down from the company logo to take a seat on the porch of a local retirement home. Life is just beginning again at 65.

The flavour laboratory is in the middle of the most ambitious expansion plan in its history, one that will add more than three times the floor space to the 29,000 square feet (2,694 square

metres) at a cramped laboratory and head office.

About 100,000 sq. ft. of space in a former assembly plant has been acquired at a site near the current Elm Street laboratory. Employees call the spacious addition Dougherty, which is the name of the street where the build-

ing is located. Among the operations shifting from Elm to Dougherty Street is a substantially expanded tobacco unit. It's not the first move for Mother Murphy's. There have been several since the two co-founders decided to market flavours from the back room of a Greensboro drug store.

When the company outgrew the room and found enough investors to back expansion, operations were shifted into a building along downtown Arnold Street in 1948. Seventeen years later, the company moved to the current main offices and laboratory to 2826 South Elm St. All moves were within Greensboro city limits and all of them, in their time, marked the most ambitious expansion plan in the history of Mother Murphy's. ▶



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That's what happens when a company looks back over 65 years. History starts repeating itself.

To put company longevity in perspective, a recent Innosight study analysing US data from the past century concludes the average life of a Standard & Poors top 500 company fell from 61 years in 1958 to 25 years in 1980. Last year the average lifespan dropped to 18 years, according to the study headed by Richard Foster, the lead director at Innosight. Those data apply to the top 500 established companies. Start-ups face an even rougher road.

Changing technology, global competition and pressure from the start-ups that do become successful are cited by the study as some of the reasons for shorter corporate lifespans. By that measure, Mother Murphy's Laboratories at 65 years of age is a success story.

A look into why Mother Murphy's is so far beyond the Innosight average might just as well start with what the company identifies itself with – the logo. Originally the Mother Murphy image of homespun goodness was a natural partner for the food and beverage additives that make up the bulk of the company's business.

Mother Murphy, the logo image, is probably the only Murphy at the company not directly related to the family that owns the laboratory. Three generations of Murphys built and are

continuing to build Mother Murphy's. The bespectacled grandmother was christened a Murphy when the company incorporated and changed its name to Mother Murphy's Laboratories Inc, in 1955. The logo may change, not the name.

Mother Murphy's started as Southern Laboratories, which was what the original investors decided on before leaving the back room at the drug store for Arnold Street.. It was a good name, and might have held up through the ages had it not begun to confuse potential customers.

"There was a Southern Flavours as well as a Southern Laboratories," said David Murphy, a son of co-founder Kermit Murphy and the current company president. "We would occasionally get their orders, and they would get ours, so there was some confusion because both our companies were located in the South."

Why don't you call it Mother Murphy's?

Murphy told TJI the solution came in the form of a suggestion offered by a customer: "Why don't you call it Mother Murphy's? The name has stuck, bucking the trend toward shortening company names to snappy acronyms designed to appeal to the modern consumer. There are firms that retained their names but removed all capital letters in an apparent attempt to convey modest modernity. Yet others opted for all capital letters to make potential clients pay ATTENTION.

Some of the changes were good, others were debatable. Changing Algemene Kunstzijde Unie and Koninklijke Zout Organon to AKZO can only be applauded, and the later merger with Nobel that led to AkzoNobel was certainly reasonable. Did Interbrew really have to become InBev?

"We've had a lot of people come in from other companies, and years ago, there was a suggestion to change it to a lot of letters," said Murphy. "We've always resisted. Right now in this day and age, I think it's one of those names that sticks with people. They're less likely to forget you when you are a Mother Murphy's instead of an MML, or something else."

Along with a personal name comes a personal touch at the company, said Charles Trout, chief of regulatory compliance. "We have made a conscious decision to avoid automated answering," he said. People answer the phone at Mother Murphy's, not machines.

Some day the granny on the rooftop sign may come down, but the down home touch she symbolises seems set for a long run.

Tobacco Road

Greensboro is the Guilford County seat and home of Lorillard Tobacco, maker of Newport menthol cigarettes. A half hour's drive to the west is Winston-Salem, a city that lent its name to two cigarette brands. It is home to R.J. Reynolds Tobacco, the nation's second largest cigarette maker. Beside Winston and Salem, RJR markets Camels. Just north of Greensboro lies the

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town of Browns Summit, the home of Steve Troxler, state agriculture commissioner and former director of the Tobacco Growers Association of North Carolina. This is tobacco country.

It wasn't until the 1980s that Mother Murphy's added tobacco clients to its mainstay businesses. David Murphy says it was simply a matter of developing the food and beverage business before turning to new horizons: "When you're starting a company, you're struggling to pay your bills and find your niche in the world. In the early going we had a limited amount of resources. As we continued to grow and hire more flavour chemists, we got exposed to bigger companies and other industries."

Roughly 600 sq. ft. in the Dougherty addition are dedicated to the tobacco unit headed by Eduardo Berea. The spanking new Smoking Centre will offer clients a lot of improvements from what was available at Elm Street, he said.

Visiting clients will be able to test casings and toppings on their tobaccos with the help of a new convection oven and a tumbler. Casing can be applied to tobacco in the tumbler, the freshly cased tobacco pulled from the tumbler and placed in the convection oven for curing before it is returned to the tumbler to apply topping. An RYO ma-



Photo: CI

Flavourist Chandra Robertson in new tobacco centre

chine, also new, can roll up samples before clients retire to a smoking room with Berea to test the mix.

Designing a new site from scratch can eliminate problems associated with the former working space, and this has been the case at Dougherty. Storage space has been arranged around each working station in a half-moon configuration to allow easy access to samples and instruments. A ventilation system ensures the work with tobacco won't blow smoke in anybody's eyes.

Freezers have been added to store to-

bacco samples collected from clients around the world.

Educated work force

Greensboro ranks number three in population and Winston-Salem is right behind at number four among North Carolina cities. Population growth in Greensboro since 2000 at 20.4 per cent has raised the number of city residents to 270,000. Most residents, 87 per cent of the population over 25, have at least a



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high school diploma and one in three residents over 25 have a university degree, according to US Census data. Greensboro is a rapidly growing city with an educated workforce.

“We’ve done a lot of hiring locally, and then trained internally,” said David Murphy. “Over the years we’ve had some of the top flavour chemists in the world come to our operation and work,” he said. Those chemists passed on their expertise to create an in-house body of knowledge, which in turn is imparted to new hires. Imparting knowledge from master to disciple is done on a very personal level and it is the system used by the flavour and fragrance industry to train its chemists.

Candidates qualify for a spot on the Mother Murphy’s starting line with a four-year university degree. The next step is a seven-year internship under a recognized flavour chemist. The standards employed come from an outside

industry body, the Flavour and Extract Manufacturers Association.

Whether the light at the end of this 11-year tunnel of training will be reached also depends on the olfactory equipment handed a candidate at birth. Not just any nose will do. Picture yourself correctly identifying the elements in a bottle of Miss Dior perfume, and if you think you can – maybe you ought to become a flavour chemist.

“You need a very good memory and a very good sense of smell,” says Berea. Flavour chemists do the fiddling to obtain the perfect additive. Then comes production, which begins with exact measurement of ingredients, a process that is checked and counterchecked.

In a company with 9,800 active flavours, of which roughly 350 are varieties of vanilla, and thousands more filed away for future reference, it is not hard to imagine confusion on the production floor about what ingredients go

where – or where did they go?

To prevent this, Mother Murphy’s was the first company to take existing technology and develop a system that logs and tracks just about everything except maybe the ink levels in ball point pens. Samples are taken and catalogued when raw materials arrive at the warehouse, and tracked through production to shipment, when samples again are taken from the outgoing batches. Batch mixing is done from exact lists.

When something goes wrong, like the issues that surfaced recently with shipments of potentially contaminated ingredients from Taiwan, Mother Murphy’s was able to assure customers that none of the ingredients on the warning list had ever crossed their company loading dock.

Customer documentation requests usually can be met within 48 hours, says Trout. “We can chase the origins of our ingredients back to the field.”

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Back to the roots

Kermit Murphy was selling insurance in Greensboro when he struck up a friendship with Richard Stelling, a doctor who examined patients for the insurer. After business hours, Stelling dabbled with creating flavours in the basement of his home. Creating and selling flavours to food companies had helped put Stelling through medical school. Kermit saw the potential in what was

now the doctor's hobby, and he began selling Stelling's flavours to local bakeries. The back room at the drug store came into the picture in 1945. More flavours were developed, and by August, 1947, the two men had rounded up 14 investors to found a company and move to larger quarters. Today two branches of the Murphy family each hold 45 per cent shares. "We're all minority stockholders, and we all have to work," said David Mur-

phy. Eight Murphys, ranging in age from 27 to 72, work at the company. Kermit was still working when he died in 1984, after turning over the reins to Bob Murphy two years earlier. David has headed the company since 1994. Mother Murphy, the image, may eventually make way for a newer logo already in use that substitutes a slogan - Experience the Flavours. Mother Murphy's, the company, is readying a tasty future.

Joe Mapother

We follow the sales

David Murphy, 59, has run Mother Murphy's Laboratories for 18 years and is the son of co-founder Kermit Murphy. He started with the company in 1974.



David Murphy

What percentage of your gross comes from tobacco clients?

In the last couple of years we've had some significant growth in some of the food service industries. Up until then (tobacco) was probably about 10 per cent of our business, but because of those areas in which we have grown, it's probably just a little bit smaller percentage. Not that we've lost any business, we've just grown substantially in some other areas. We continue to grow this area and it is an area where we think we have a lot of potential for growth in the future.

Are you also working on the non-cigarette tobacco business?

We're doing a lot of work in the smokeless, chewables. Electronic cigarettes is an area that actually is getting a lot of play right now. The major cigarette companies, because of the FDA's (US Food and Drug Administration) involvement, now have pretty much swung to a halt. The flavoured cigar business is still growing. Right now with most of the larger cigarette companies that we sell to, we're just trying to help them figure out their way through this maze of FDA (regulation).

Has Mother Murphy's considering expanding outside of the US?

We currently ship to 29 countries. A lot of them are tobacco related but they're also food related, in Central and South America. We've also been exploring some business relationships in several countries, basically on the sales and marketing front. Time will tell where these relationships will lead us. We're just trying to follow where the sales are, and we continue to put resources to those kinds of areas. There is no doubt that international is where the growth is and that's where we're focusing a lot of our tobacco projects.

Mother Murphy's says its products are among the finest. What is it that makes these products so fine?

We've been able to bring in a lot of people from competitors, from the big tobacco companies, and the quality of the people that we continue to attract and bring in are familiar with all the products in the world. Personally I think that the quality of the products is determined by the quality of the people. We feel that we have as good a people right now in the industry.

There are eight members of the Murphy family working at the company. Do they get along with each other?

The original reason you put family members in, is because they are cheap labour. I am part of the second generation and we have four from the second generation. My Dad's uncle and his family, and ours, each own 45 per cent, so we're all minority stockholders and we all have to work. We have four in the third generation out there also, and they're doing a great job in selling and marketing.

You are the son of company co-founder Kermit Murphy. Will the next president of Mother Murphy's be a Murphy?

I am part of the second generation and we have four from the second generation. My Dad's uncle, his family and ours each own 45 per cent, so we're all minority stockholders and we all have to work. We have four in the third generation out there also, and they're doing a great job in selling and marketing. They're doing the things to continue growing the company. I hope the next one (president) will be a Murphy but I don't know at this time. I've got a few more years before I pass the baton, but I know the family will always be involved.

Interview: Joe Mapother