



AHB Foods cooks up a recipe of success

Company focused its menu and added a prominent chef

GROWTH STRATEGIES



COURTESY AHB FOODS

From left: AHB Foods Senior Vice President of Sales Bret Gold, Executive Chef Robert Bennett and President Jay Roseman, with some of their products in the company kitchen in Cherry Hill.

CHERRY HILL. — "The path that leads to a loaf of bread, Winds through the swamps of toil."

That one comes from American poet Sam Walter Foss (1858-1911) but could just as easily apply to the endeavors of Jay Roseman, a former American Express executive whose bread-and-dessert enterprise has been gaining steady momentum since its founding in January 2005.

"I may not know how to bake a pie, I can develop the strategies of who to sell that pie to," said Roseman, whose AHB Foods here includes a number of high-end food lines.

The namesake brand, American Harvest Artisan Bread, began its success in the failure of others. As an investor in the ailing Futura Baking, Roseman bought out the assets of Futura as that business went under. He used those assets as the basis of American Harvest, and in November 2006 made a similar

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move, snatching up the assets of Classic Cake Co. and adding that name to his firm's holdings, which also include Bellissimo frozen desserts. He went on to buy the assets of Paris Desserts in Hamilton, another ailing enterprise.

It hasn't been all losers. Roseman also got his hands on a big winner: Executive Chef Robert Bennett, a 14-year veteran pastry chef from Le Bec-Fin and a widely respected member of the local culinary community. Among other things, Bennett brings to the table Delicacies by Chef Bennett, a line of high-end pastries.

So there you have all the pieces of success laid out before you. A couple of defunct bakeries, a red-hot pastry chef and a pithy quote. How do you turn all that into a projected \$5 million revenue stream in your third year of operations?

The answer in Roseman's view is to squeeze out every ounce of efficiency you can find in the system. "We are analyzing

7 steps can help improve sales compensation plan

"How and what should I pay my salesperson?" Business owners and sales managers often struggle to find the perfect compensation plan that balances motivation, profitability and retention of top talent.



ON SALES

Colleen Stanley

"There are a lot of challenges with the new economy," says BIE Heck, a partner with Denver's Horkon Group, a performance and compensation management firm. He specializes in sales compensation. "Business environments are changing. The Internet is creating the threat of commodification, industry consolidations are occurring and suppliers are seeking alternate channels."

"To meet these challenges, companies need to re-evaluate every aspect of their sales environment, not just the compensation plan."

Here are seven steps to evaluate to make sure your compensation plan is all-encompassing, and motivating the right behaviors and sales results on your sales team.

1. **KISS.** Yes, you've heard the acronym before: Keep It Simple, Stupid. Sales organizations have good intentions when designing compensation plans. However, they often install a plan that requires a degree in statistics to understand. If your sales team members can't figure out how they're getting paid, they'll go somewhere where they can.

2. **A simple way to test the complexity of your plan is to ask each salesperson on your team to explain to you how they get paid, and how they can make more or less money. The answer will tell you whether you've designed a KISS plan or a KMM (Killed My Motivation) plan.**

3. **Get clear on your most profitable customer, and pay sales reps for selling and paying attention to that customer.**

4. **Understand your market and customers. Small customers often spend fewer dollars with your company and cost more to service. Major accounts spend more, but**

AHB: Bread-and-dessert company has gotten bigger by making its menu smaller

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every area of production to spot the most time-consuming, repetitive tasks and we are replacing those with technology," he said.

Recently, he added a machine that can cut sheets of pastry into the little-bitty one-inch squares that adorn fancy desserts. "To cut that manually takes between 20 and 35 minutes, depending on the product. Now we have a machine that will do that in a minute and 15 seconds, so we have taken a five-hour process down to 20 minutes."

In addition to investing in new machinery, Roseman also is shrinking his menu. A product list that once topped 400 items now is down to between 60 to 80 items, "and we are even trying to pare that down," he said.

The reduced menu allows the bakery to run bigger batches, thus making production more efficient. At the same time, customers say they still get what they need, thanks for Bennett's personal involvement in the creation of menu items.

"When I need a uniquely formulated flavor, I am very confident in running that by Chef Robert," said Mike Strange, president of Bassetts Ice Cream Co. of Philadelphia and a buyer of Bellissimo desserts. "Rather than saying, 'Well, that sounds pretty difficult,' his response will usually be: 'Just bring it on!'"

At Philadelphia distributor BK Specialty Foods, President Brett Kratchman says he can get this level of customization even on short notice. "We place orders and 48 hours later we have goods," Kratchman said. "That means I can go out and sell a wider range of services,

knowing that in two days I can have something my customers want, even if it is something unusual, some specialty item."

There's no doubt that Bennett's personal involvement has been a key component in the success of the business.

Roseman courted Bennett in the hopes that the chef's presence would allow the business to sell more product to its existing customers. "This was a way for us to be in his area of expertise very quickly," Roseman said. Without the chef's lead-

ership, "it would have taken us years to do all this."

With efficiencies on the rise and Bennett's product turning heads, Roseman added another spoke to the wheel this summer by spending more than \$20,000 to get his products certified Kosher.

"I'm always looking for differentiators between us and our competitors," he said.

Roseman so far has seen no local Kosher competition among vendors who package and ship partly frozen bread

whose baking is to be completed at the restaurant or hotel. He hasn't begun to market the certification heavily, but he says there will be a "big opportunity, once we start talking to those accounts that it will mean something to."

Not surprisingly, Roseman's recipe for success tickles the sweet tooth.

"If a customer orders 100 fudge cakes, those fudge cakes should all look the same and taste the same and get delivered as they requested," he said. "That is fundamental." ■



UP CLOSE

COMPANY: AHB Foods
LOCATION: 2010 Springdale Road, Chery Hill, N.L. 08003

OWNER: Jay Roseman, president; Brett Kratchman, a company director; and Senior Vice President of Sales Bert Gold; Executive Chef Robert Bennett.

TYPE OF COMPANY: Makers of specialty breads and desserts.

NUMBER OF EMPLOYEES: 100

REVENUES:

2005 REVENUE: \$415,000

2006 REVENUE: \$1.3 million

2007 EST. REVENUE 2007: \$5 million

LESSONS LEARNED: One man's trash...? It may well be true. Jay Roseman expects to gross \$5 million this year from the salvaged parts of failed bakeries.

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{ Chief Architect, Tower of Pisa Project, 1170 }

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