Ellison Bakery Finds The Sweet Spot

Jeff Reinke, Editorial Director

How Ellison Bakery has been able to flourish despite recessions, ingredient price hikes and even losing their biggest customer.

The right equip
investments h
ensured this ba
continued suc

It seems even a struggling economy has its, well, sweet spots.

At least that's what Fort Wayne, IN-based Ellison Bakery is hoping after unveiling the first line of cookies to ever carry the 65-year-old bakery's name.

The introduction of their Super-Moist line this past summer represents just one of many key decisions the company has made in transforming from humble beginnings in a two-car garage to a 120,000-square-foot operation. Featuring the latest in processing and baking equipment, the plant churns out over 2.8 million cookies a day.

The business was started by Don Ellis and his brother, current chairman William (Bill) Ellis, in 1945 to provide baked sweet goods for local grocery stores and Fort Wayne bakeries. The company would then grow exponentially after becoming an Archway Cookies franchise baker in 1949, distributing that company's products in Indiana, Wisconsin and Kentucky.

Later, in a move showing the company's foresight and attention to a changing marketplace, Ellison entered the food service business in 1982. Catering to restaurants, schools, nursing homes and fundraising operations, the company grew this side of the business and, perhaps most importantly, gained a great deal of non-Archway feedback on consumer preferences and purchasing habits.

This would prove vital as the company continued to grow and expand into other product offerings, such as ice cream cookies, in growing the food service business

starting a fundraising arm. No retail efforts were pursued at this point to avoid competing with Archway.

A New Direction

Ellison Bakery was started by Don Ellis and his brother, current chairman William (Bill) Ellis, in 1945 to provide baked sweet goods for local grocery stores and Fort Wayne bakeries.

Even as the number of food service customers rose, at times Archway still comprised as much as 90 percent of Ellison's total business. As any private labeler or franchisee can tell you, this is both good and bad.

While Archway was essentially the reason for the company's growth and success, Ellison knew it needed to diversify in order to grow. These steps would also help preserve the company as issues with their largest customer began to surface. By 1997 Ellison was no longer an Archway franchise.

Archway was bankrupt by October 2008. At this point they represented about 10 percent of Ellison's total business. "Fortunately, we'd taken some positive actions, like the food service business, to insulate us when Archway fell," states Todd Wallin, vice president and general manager of Ellison Bakery.

"We knew we had to be ready when Archway eventually would fall, as we saw they had been off since 1999," adds William Ellis, the company's co-founder and current Chairman of the Board. "It took about three weeks after Archway's bankruptcy to decide what our next step would be," recalls Wallin.

The company had the expertise, infrastructure and knowledge of distribution already in place, so it's not too surprising that the next step involved launching their own line of cookies. The high-quality, super moist line hit store shelves on August 3, 2009.

Using the research and development data from the food service arm of the business, Ellison saw a place in the market for a high-quality cookie. Although this would translate to a shelf life of about one-third their competition (approximately 12 weeks), the company felt this approach would offer a product designed as more of a treat for adults.

"Also, instead of focusing on sugar and fat-free, which we've done in the past, we took out the trans fats," adds Wallin. Although this doesn't help with a shelf life that is already comparatively short, it helps preserve the connection with a higher quality product containing fewer "negative" ingredients.

Another key aspect of the launch were established distribution connections that fit perfectly with the type of product Ellison was bringing to market. "In carrying out the Archway business all those years we had established points of contact in Kentucky, Ohio, Indiana and Michigan," states Wallin. "So we were able to enter into a distribution agreement with some Aunt Nellies bakery people who are used to dealing with the shorter shelf lives of products like bread. It was a natural fit in getting our products into the stores."

With regional roll-outs and store-focused promotions, the new line has been well received. In particular the rocky road and chocolate chip cookies are selling well. These first cookies to carry the Ellison brand name are available in nine total flavors, and also include apple raisin, sugar, oatmeal raisin, date, oatmeal, molasses and raspberry.

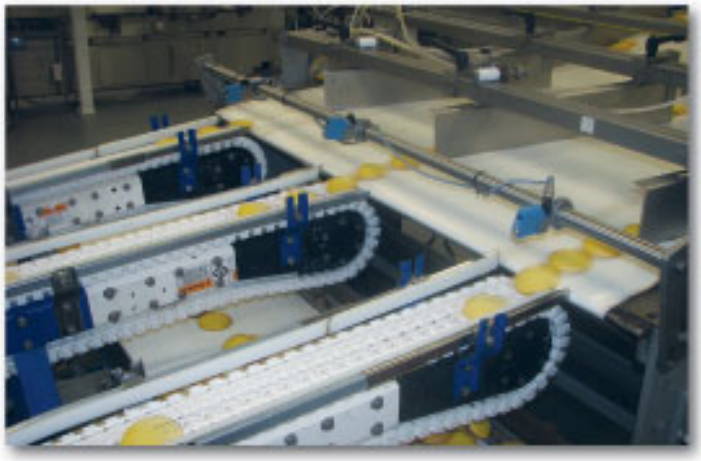
"With the success of the food service business and the new launch, 2009 was nearly the biggest year ever, in terms of volume, for the company," states Rob Ellis.

"These cookies have a distinctive, soft, rich, chewy texture, due to their extremely high moisture content," adds William Ellis. All of the recipes are proprietary to us and carry our new slogan of 'Find Comfort in Our Cookies.'"

The launch went so well Ellison was also able to branch out in creating a special line of five unique Christmas cookies for the holiday season. After seeing the results of these seasonal offerings, a large East Coast retailer wants to add the company's line of super moist cookies to their shelves as well.

Wallin is hoping distribution can be set up by the middle of 2010 as Ellison continues to expand its geographic reach and product offerings.

Happy Returns



Most lines won't experience a changeover in the course of a normal day, but some can go through as many as six per day to meet service demands.

With 85 full-time employees, and growing, Wallin, Bill Ellis and Rob Ellis all point to their employees and the inherent understanding of the business that comes with experience, as Ellison's biggest strengths. However, in order for good people to produce high-quality results, they need to be armed with the right tools for success. That's why every area of the plant has seen equipment upgrades within the last 10 years.

"Our company is a mix of young and old in the work force, so they've seen the good and bad before," offers Rob Ellis. "We've formed a very strong culture, which leads to a lot of openness with employees about some of the changes we've made. This was especially important after everything happened with Archway, and we're proud to say that even after that happened we didn't have to lay anyone off," he adds.

This openness also helps in explaining to employees that the new equipment investments are simply to help make the company better, not reduce the workforce. Some of the more recent investments have included:

Extending and improving their ovens for handling greater volumes.

Most lines won't experience a changeover in the course of a normal day, but some can go through as many as six per day in meeting food service demands. In these instances recent automation investments allow for changes to be made quickly and without negatively impacting process control, precision, repeatability, efficiency or consistency, which means the customer's expectations in terms of quality are always met. The cookies made last week taste the same as those rolling out today.

- High-speed packaging equipment.
- A computer-controlled batching system.
- Traceability controls that help in tracking inventory and ingredients in case of any recalls. This allows for back-auditing suppliers so they always know where everything originated. Bill Ellis cites the Biscuit & Cracker Manufacturer's Association as a tremendous resource in helping them understand and better implement many of the standards and training associated with their traceability efforts.

In looking to the future the Ellis' and Wallin see a number of opportunities for the company, as well as challenges. "Material costs have had a definite impact," sates Bill Ellis. "Flour prices have doubled and with the amount of corn being used in ethanol plants throughout the Midwest, we've seen corn syrup prices increase as well," he adds. The increased volume created by the new launch has meant these price increases are realized on a larger scale than ever before.

Despite a challenging economy, rising costs and significant competitive pressures, Ellison appears well-positioned for the future. A combination of the right equipment investments, a strong corporate culture and a thorough, experience-based knowledge of the cookie business appears to be the right mix for this bakery's continued success.

For more information, visit http://www.ellisonbakery.com/ [1].

Source URL (retrieved on *04/28/2015 - 4:18pm*):
http://www.chem.info/articles/2010/03/ellison-bakery-finds-sweet-spot?qt-most_popular=1

Links:
[1] http://www.ellisonbakery.com/