

The Fresh Edge

Eby-Brown angles for fresh-foods lead with Wakefield Sandwich division

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Five men in hairnets and cornflower-blue smocks huddle inside a super-clean commissary deep in the belly of a 230,000-square-foot distribution center (DC) in Springfield, Ohio. From the sidelines they watch assembly-line workers piece together, package and quality-check hundreds of fresh-made sandwiches bound for cold cases in Midwest convenience stores.

The five men—members of the Eby-Brown executive team—smile and banter easily as a trolley lined with sheet pans of finished sandwiches wheels to the edge of the production line. Their confidence beams because industry trends suggest the chilled, 20,000-square-foot box in which they stand—or more specifically, what it's producing—will take their company in profitable new directions.

This is the base of operations for Wakefield Sandwich Co., a division of Eby-Brown Co. LLC, Naperville, Ill. During an early September visit by CSP, the facility is still a well-equipped work in progress that dates back to Bill Clinton's first term in office. But when the pieces finally fit together as expected, Eby-Brown expects to attain a leadership position among its wholesaler peers.

In first quarter 2008, the facility will begin rolling out "fresh, never frozen" packaged sandwiches, as well as salads, hand-wrapped breakfast sandwiches, bananas and other fresh foods, to c-store operations, according to Ron



ON DISPLAY: Executive chef Matt Nickel arranges food items in a "test" cold-case merchandiser at Wakefield Sandwich Co.'s headquarters in Springfield, Ohio.

Coppel, Eby-Brown's vice president of business development.

"Retailers are saying, 'If we have no gas margins and consumers decide to

quit smoking, what are we going to sell people in the future?'" says Coppel, who has been working in Eby-Brown's corporate headquarters since 1994, the same year, coincidentally, that Eby-Brown purchased the Springfield DC from Emro Marketing Co., the predecessor to Enon, Ohio-based Speedway SuperAmerica LLC (SSA).

"The industry has decided, and we concur, that this—fresh foods—is what the future holds," he says. "This is the biggest thing to happen to our company since we added refrigeration to our DCs in the mid-'70s."

Reaching Potential

Wakefield may represent a new venture

THE BOTTOM LINE

Eby-Brown has created Wakefield Sandwich Co., a separate division that will produce fresh-made sandwiches and other foods for convenience retailers in Eby-Brown's delivery territory. The business, with headquarters in a distribution center in Springfield, Ohio, represents the most significant investment in fresh foods by a convenience-store wholesaler.

'Years of Work'

It's a warm, early September day in Springfield, Ohio, and CSP is exploring the home of Eby-Brown's newly formed fresh-foods division, Wakefield Sandwich Co. After a walking tour of the facility, executive chef Matt Nickel offers CSP a taste of some of his latest creations. Some items will make the menu for the Wakefield line, and some are just for show—to give Nickel a chance to dazzle.

Unfortunately, CSP's onsite reporter has to decline most of the predominantly meat-laden offerings because he's a vegetarian, though the spread Nickel has crafted makes the mouth water. (Nickel quickly arranges several buffalo-milk mozzarella sandwiches, which taste incredible.) The look and smell of beautifully garnished sandwiches on gourmet breads awaken an otherwise unremarkable conference room.

Such tastings occur frequently because Nickel often relies on the gastronomic opinions of his fellow executives in Springfield. "We're well-fed around here," says Rich Haen, senior vice president of sales, fresh food division. But Haen admits the tastings take on a more extravagant air when guests (or even trade-press reporters) visit.

One of the creations on the table is a tuna wedge, to which Haen remarks, "This is 12 years of work right here." For comparison, vice president of business development Ron Coppel whips out a tuna wedge he purchased the night before from a notable convenience retailer with stores in the Columbus area.

Even though the retailer's sandwich had suffered through what must have been a grueling distribution process, there's simply no comparison in terms of packaging or presentation. The Wakefield sandwich looks light and fluffy, while the grayish substance on the retailer's sandwich barely passes for tuna, with the exception of smell.

Coppel tosses the sandwich into a nearby garbage can and says, "This is a great example of why we think the industry needs us."



ELBOW ROOM: The Springfield commissary produces more than 11 million sandwiches per year, but "we have plenty more capacity," says Eby-Brown's Ron Coppel.

for Eby-Brown, but the DC that houses it is by no means untested. The 20,000-square-foot commissary produces more than 11 million sandwiches per year, which it has done for nearly 15 years. "That's a lot of volume," says Coppel, "but we have plenty more capacity here."

He's not kidding. Based on what the company has invested so far, its leadership—owners Dick and Tom Wake, for which Wakefield is a tongue-in-cheek homage—has committed to making the facility realize its full potential, if not exceed it.

Foodservice sales per store rose from \$128,296 in 2005 to more than \$138,000 last year, according to the NACS 2007 State of the Industry report. Such figures, not to mention retailer requests, persuaded Eby-Brown about a year ago to use the Springfield DC as a doorway to a new, food-heavy future.

Here, in this nondescript building in the middle of an industrial park, the company is applying its logistics expertise and exchanged foodservice knowledge to fresh-foods solutions for c-stores. Highlights of the fully operational facility include:

- ▶ Nearly 100 commissary staffers, including an executive chef/product development manager and a food-safety and quality-assurance manager;
- ▶ "Hundreds of thousands of dol-

lars" worth of equipment and packaging systems to ensure sandwiches and others foods are always fresh, safe and attractively presented;

- ▶ Modified atmospheric packaging (MAP) technology, which reduces oxygen levels in packaging to reduce spoilage and increase shelf life;

- ▶ A diverse menu of non-MAP, hand-wrapped sandwiches that retailers thaw on site and hold in warmers as a complement to a cold-case offering;

- ▶ The commitment to deliver solutions for salads and fruit cups, as well as fresh fruit such as "super bananas" that have an extended shelf life;

- ▶ Partnerships with key vendors to develop future menu items, including packaged meal replacements such as pastas, chicken wings and popcorn chicken.

'Follow Us'

Eby-Brown isn't the first or only c-store distributor to embrace foodservice; distributors of all sizes, from titans such as Core-Mark and McLane to regional players J. Polep and Tripifoods, offer multiple foodservice remedies to c-store customers. But the Springfield facility appears to represent the most significant investment in fresh foods among traditional grocery distributors.

The company has carried a full line of foodservice SKUs such as roller-grill



SAFE! The commissary runs three shifts: two for production, and one solely for sanitation. Each item on the Wakefield menu undergoes a dizzying amount of testing to protect retailers from potential food-safety problems.

items for years, while a proprietary Pronto Café hot-dispensed-beverage program through vendor partner Sara Lee took hold last year. The Springfield facility takes it a step further by enabling Eby-Brown to give retailers total research and development, category management and support services for cold and hot foods.

“Before, if someone said to me, ‘What do you have in foodservice?’ my response was, ‘Tell me what you want and I’ll get it,’” Coppel says. “This takes us past that and says to the retailer, ‘Follow us and we’ll put you in the food-service business. We’ll deliver you to the promised land.’”

MAP technology from Switzerland-based ILAPAK lies at the center of Wakefield’s sandwich production. The MAP process extends shelf life without affecting quality, according to Scott Woodruff, senior commissary manager.

“The air in [the commissary] is about 20.9% oxygen, but it’s much lower than that in the sandwich package,” he says. “Through the MAP process we can take that oxygen level down to 1% and flush it with nitrogen and CO₂. By removing the oxygen, we create an environment that’s not conducive to growth of the microbes that cause spoilage. It helps the sandwich maintain quality but without adding preservatives.”

Eby-Brown invested a half-million dollars in the MAP system. Another recent investment: a \$100,000 slicer from Kansas City, Mo.-based Weber Inc. that has increased labor efficiency considerably. Before, the facility sliced meats and cheeses using two different machines on two different shifts. It’s now done with one machine during a single shift.

“If you go into a Sara Lee or Tyson facility, you’ll see the same kind of slicer being used on the [production] floor,” says Woodruff. “It’s cutting down our labor hours. . . . These are the kinds of things we’re doing to cut pricing out of the model.”

But sandwiches are merely the entry point. At the retail level, Wakefield will provide “total cold-chain management” through a cold-case merchandiser, says Coppel. Program elements will include a wide range of items, from hand-wrapped cheeseburgers and deli sandwiches to fresh fruit and gourmet packaged juices, to serve nearly every demographic possible.

“We understand that we only have so many opportunities to get people in front of the case,” says Woodruff, who has been with Eby-Brown for five years and has a background in manufacturing. “And we have options for everybody. If someone’s a little bit more health-conscious, we want to give them more than a cheeseburger . . . so when they do stand in front of the case, we’ve got something appetizing for them, too.”

Other Investments

While technology and processes should power Wakefield’s steady rise, investments in “talent” provide the most telling signs of Eby-Brown’s commitment. Notable hires include executive chef and product development manager Matt Nickel, a two-year Eby-Brown veteran who received his degree in culinary arts from the Florida Culinary Institute in 1999, and newly hired corporate food-safety and quality-assurance manager John Paul, who joined the company in mid-July.

“We’re developing a whole new concept for our customers,” says Nickel. “We wanted to develop a turnkey system for retailers that don’t have an R&D department and don’t have the staff. Customers will be able to use our expertise. That’s my goal. We’re saying, ‘Here are all the things a retailer needs to get started in foodservice.’”

Crafting a menu for c-stores is a welcome challenge for Nickel, who sports

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RON COPPEL *Eby-Brown*

an impressive pedigree. He worked as an executive sous chef for upscale restaurant Charley's Crab in Jupiter, Fla., as well as chef de cuisine at The Breakers Resort in Palm Beach, S.C.

The closest he got to a c-store-type concept came with the 2004 development of his own QSR operation in downtown Columbus called Isabella's Café Italia. Even so, he believes his past experiences have prepared him for the challenge of crafting a diverse menu that must be simplified for c-stores.

"More than anywhere else, that taught me about the importance of volume service and consistency," he says. "There you had to create systems that were easy to follow, and I think that prepared me for this experience. I like to express myself creatively and to 'play' with food, but I



ENTER HERE: Sandwiches are merely the entry point. Wakefield Sandwich Co. will also supply retailers with salads, fresh fruit and other yet-to-be-determined foods.

also like creating concepts I know will work in this kind of environment."

Food safety is a key consideration for any operation that "touches" food, according to Paul. Wakefield runs three shifts: the first and third for production, and the second solely for sanitation. Each item on the menu undergoes a dizzying amount of testing to protect retailers from potential food-safety

problems. Furthermore, a special crew comes in every night to scrub down the walls, production line, floors—even trash cans.

"It's more like what you see in a typical food manufacturer," Paul says of the FDA- and Ohio Department of Agriculture-inspected site. "We're holding ourselves to the highest standard possible [in terms of food-safety regulations]. We're actually going above and beyond what's required."

The facility has experienced extremely good retention among hourly employees; it recently hired two new line workers, marking its first two "replacement employees" in nearly a year. Such an impressive retention rate provides yet another layer of insulation.

"We have a lot of hands here," says

Woodruff. "Some of our employees have 12 years of experience. They're looking at the sandwiches as they're being fed into the machines and when they come out, so they know what to look for to make sure we're doing things by the book. It just means we have an awful lot of checks and balances."

Still Some Work to Do

While the optimism is apparent, Eby-Brown still has some work to do. So far, only a few key retailer accounts have toured the site, by Eby-Brown's design, but all who have passed through have marveled at the Wakefield program's potential, according to Coppel.

Furthermore, the company has yet to determine its rollout strategy, and the menu continues to evolve. Coppel

figures Eby-Brown will use November's NACS Show in Atlanta to gather retailer input, which will further help Wakefield attain its full identity. He expects retailers to welcome the offering with open arms.

"The smartest retailers I know, whether they have five stores, 50 stores or 500 stores, reach out to their suppliers and say, 'We know a lot, but teach us more,'" says Coppel. "We have a lot of knowledge to offer. This isn't just a little sidebar for our company."

The Springfield facility, which services 4,000 Eby-Brown customers in Ohio, Kentucky and West Virginia, will house Wakefield for the foreseeable future, and will feed fresh products to all of Eby-Brown's other DCs around the country.

While plans are still being finalized, deliveries of fresh foods would accompany regularly scheduled grocery deliveries. The company won't have to overhaul its fleet because they're already equipped to carry chilled items in specialized compartments. But if delivering such items becomes too logistically challenging because trucks are overstuffed with product ... well, "then we'll get more trucks," says Coppel.

"I've been doing this since the 1980s," he says, "and I've never seen any other wholesaler doing something like this. This is a whole new world. 'You can't just stick your toe in the water; you've got to dive in.' And we've got commitment from the very top to grow this side of the business." ■