A DOLLOP & A DREAM

Food entrepreneurship is on the rise. What's the secret to creating a successful food company?

BY SUSAN SPRAGUE YESKE
So you have a great recipe for a special cookie, jam, potpie, brownie or muffin. Everyone in your family and all of your friends love it; they tell you that you should go into business, sell it and make money doing the thing you love.

That’s the dream. And then, of course, there’s the reality.

Food entrepreneurship is on the rise in New Jersey, propelled partly by the increased interest in buying and eating locally raised and crafted foods. Farmers’ markets continue to expand with food-based cottage industries as entrepreneurs bake, whip, freeze and can their personal specialties. But even though it sounds simple—a great product should translate to great sales—the road to success is built brick by brick and usually comes from a combination of luck, talent and hard work.

Learning Every Step of the Way
In 2002, Kathy Herring and Linda Twining of Princeton were “moms who wanted to make good food with good ingredients,” Herring says. Both are trained chefs; they used their skills to create their version of a personal chef business, making frozen meals for delivery to private homes and crafting a business that allowed them to have time for their families. The standout, most-requested meal was a chicken potpie, made family-size or single-serving using free-range chicken and organic vegetables.

“We started selling it at local businesses around town,” Herring says, “and we developed a cult following. So we decided to expand.” That was the beginning of Twin Hens.

“As a small artisan producer, we had a great idea and a great product, but we had to learn every step of the way,” says Twining. “We were pretty naïve when we started,” adds Twining.

Over the years, they have learned to be fearless. “You have to have nerves of steel and ride out the bad times,” says Twining. “The highs are the highest and the lows are the lowest.”

But they know they have a great product, that they have done a lot of things right, and that they are here to stay. “It meets a need,” Twining said of their potpies, which are one of the easiest, healthiest meals a family can put on the table.

Marcia Blackwell’s epiphany came in 2005 when she lost her job as an office manager as a result of downsizing, a harbinger of the recession to come. She didn’t see any job opportunities in her field, but she knew that her family and friends loved her organic gelato.

“At the unemployment office there was a self-employment assistance program that taught small business development,” she says. She took the class and “we decided to take a product we were making at home to the market,” whipping up batches at her small facility in Red Bank.

Blackwell’s Organic launched with 12 gelatos and sorbettos. Blackwell and husband Tom went to supermarkets, farmers’ markets and food tasting events to offer samples of their products, knowing that when people tasted their chocolate, peanut butter, coffee, and vanilla gelatos, and their fruit-flavored sorbettos, they were likely to become customers.

They saw immediate success, and their product is sold online, at Whole Foods, and at specialty food stores. But “nothing ever goes according to plan,” she says. “As an entrepreneur you have to be prepared for that.”

Janit London started her Purple Dragon Co-op in 1987 in Glen Ridge, building it over the years so that today it serves 1,300 member families with biweekly baskets full of organic and locally grown produce. Three years ago, she launched Blue Earth Local Natural Foods with partner “Blueberry Dave” Size. A natural extension of the food co-op, “it was a way to put excess product to use,” she says, and to have local organic foods year-round.

“It had always seemed glamorous to make canned products,” she chuckles. “I thought, heirloom tomato sauce, how wonderful would that be.”

Blue Earth products, which are marketed through Purple Dragon, include organic blueberry butter, heirloom tomato sauce, heirloom tomato–garlic ketchup, apple butter, organic salsa and salsa verde.

There were other products they tried to make that just didn’t work, but they were able to absorb the losses. “I knew the pitfalls of being in business,” she says, “that you might have something wonderful and not be able to sell it.”

Because she knew her customers and what they liked, she was confident she could keep Blue Earth low risk. “I tend to be very cautious,” she says. “I wasn’t going to be stuck with 20,000 jars of something I couldn’t sell.”

Her advice is to start small. “Forget the business schools,” she says. “Read a few books. Be careful, be practical. … Even if you fail, you’re going to learn a lot from that.”

Nina Rizzo of Perrineville is a newcomer to the field of food entrepreneurship. She launched Jersey Jams & Jellies last year when she decided that her career in journalism faces an uncertain future.

“I wanted to have a plan B,” she says.

Her initial decision to make her own jams and sauces came with the arrival of son Hendrick, now 5, followed by his sister Sophie, 3.

“I started making applesauce for my son, then moved on to making jams,” she says. As a new mom, she had begun reading labels closely and wanted more control over the quality of what her children ate. “I wanted to make products for others as I do for my children,” she says. “This way, I know everything that goes in there.”

Renting space in the kitchen at Hightstown Engine Co., she began turning out a line of jams that includes beach plum, blueberry, Asian pear and Asian pear with almond. She also makes heirloom cranberry sauces and two varieties of applesauce: one with cinnamon and the other flavored with beach plum syrup.

She has sold her products at farmers’ markets and craft fairs, working hard to keep up her supply. “It’s one thing to make a little
bit for your family, but it’s another to make it in bulk,” Rizzo says.

Hers is a business very much in development, but she is full of enthusiasm and optimism. “I’m immersing myself in it,” she says.

Managing Hopes; Covering Costs
Now nine years into their business, Herring and Twining have experimented with additional products and expanded their product line to include beef potpies. Their pies are sold across the country at venues that include Whole Foods Markets, Dean & DeLuca, and specialty food shops. They have received praise in national publications including The New York Times, Saveur, Newsweek, Better Homes and Gardens and Rachael Ray Magazine.

From the beginning, they had hoped they would be able to take their product national, although, looking back, they say there are things they would do differently if they were starting out today.

“There are two ways you can go,” says Twining. “You can build roots in a slow, deliberate way. Or you can team up with someone who has money. Now that we have national distribution we can see the advantages to teaming up with an investor.”

Buoyed by early success, the pair was unprepared for the expenses that come with expansion. “There were promotional and market costs and we found out that people don’t pay you right away,” Twining says. “There were a lot of roadblocks we had to navigate around,” adds Herring.

The cost of starting a business is a major concern for every food entrepreneur. “When you’re manufacturing something, I would say that you really need to be highly capitalized,” says Blackwell, who took out a home equity loan to help launch her business. “We thought we had enough money, but we didn’t.” While marketing and giving away samples at food events or in supermarkets is one obvious cost, Blackwell says her biggest expenses were ingredients and packaging. “When I order packaging, I have to order a minimum of 10,000 [units],” she says, “and you need to have a package for every flavor.”

Dealing with finances requires creativity, says Blackwell. “You have to think outside the box; the old ways of doing business are no longer valid.” Rizzo is still struggling with ways to keep down prices on her products. She has had opportunities to place her jams and sauces in gift stores, but had to decline because she’s still working on making her products profitable. London keeps her prices in check by not overextending and so far has limited sales to a few stores, some “green” fairs and the Purple Dragon Co-op.

A Helping Hand
Blackwell, Twining and Herring have received help in pricing, labeling and improving production from New Jersey’s biggest booster of food entrepreneurship: the Rutgers Food Innovation Center, an economic development program of the New Jersey Agricultural Experiment Station in Bridgeton. Begun in 2001, the center provides business and technology expertise to small, start-up and midsize food companies, and also supports regional agriculture through the development of food products made with locally grown ingredients. Its mission received a big boost with the 2008 opening of a state-of-the-art, 23,000-square-foot processing facility in Bridgeton.

“I can’t say enough about them,” Blackwell says of the center’s food processing incubator for new products. “They helped me with my packaging, labeling and nutritional facts.”

“They have done an incredible job of helping us,” agrees Herring. “They streamlined our production by calculating everything exactly. They have done a lot to help us understand how small details can turn into a lot of money.”

When entrepreneurs are starting out, the center’s staff helps with decisions on ingredients, shelf life, packaging, marketing and distribution. The center also assists with understanding health codes, transportation, sales and storage.

“Every company has its own issues,” says Diane Holtaway, associate director of client services at the center. “We put together an action plan. Many small to medium-sized companies don’t have the resources to do what we do. We deal with food science and food safety.”

The center staff assist companies in bringing their products to market, both with business plans and by actually manufacturing products in the processing facility. Initial counseling is free, but eventually there is a capital investment necessary to stay with the pro-
gram. “It may take a couple thousand dollars to get a business off the ground,” she says, to pay for ingredients, label design and insurance.

“We try to bring reality into the picture,” adds Holtaway. “That’s the beauty of what we do. We can help people affordably build a plan and execute it.”

The need for advice—and commercial kitchen space—quickly becomes paramount for many budding food moguls, especially in light of quantity and health regulations. Rizzo said she called churches and firehouses with certified kitchens until someone finally called her back. That was Hightstown, which gave her a lease. She creates her products in the firehouse during off hours when it otherwise would not be in use.

Rizzo has also found encouragement and support by meeting with other food vendors who willingly share their expertise. Finding others who have launched a business is an ideal way to have questions answered; Blackwell said she has counseled many budding entrepreneurs.

Rewards of the Risk
In addition to getting to do something they love every day, the entrepreneurs find positives about the unique roads they have chosen to follow.

“I wanted to do something that was positive for the state,” says Rizzo, who is tired of the negative image that New Jersey sometimes gets from the media. “With this, you can see that there’s so much more to us. This is about who we are.”

For Blackwell, “Being an entrepreneur, every day is a little bit different. It keeps me on my toes.”

Even though there is the uncertainty of how much money you make from week to week, especially in an economy where gourmet purchases are carefully deliberated by potential customers, according to Blackwell, the rewards outweigh the negatives.

“The education and personal contacts I have made have been invaluable,” she says. She serves on the boards of nonprofit food organizations she cares about, including NOFA-NJ (Northeast Organic Farming Association of New Jersey) and EarthShare NJ.

Looking back, says Blackwell, there are things she would do differently if she were starting a business now. “I think we rolled out the product too slowly,” she says. Also, “I would have gotten a team of people around me. Otherwise, you risk burnout.”

But, “knowing what I know now, I still would have started the business,” and she encourages others to follow the dream as well.

“If you really think you want to do it, spend a little time, spend a little money. You don’t want to be in your rocking chair someday, wishing you had done it,” she says. “If it’s delicious and you can get it into the right hands, it can take off.”

DO YOU HAVE WHAT IT TAKES TO BE A FOOD ENTREPRENEUR?

If you’re thinking about starting your own food business, Diane Holtaway of the Rutgers Food Innovation Center advises examining three important aspects:

Self: Are you self-motivated? Are you passionate about the business concept? Are you willing to work 24/7? Are you willing to accept the fact that you probably can’t do it all and will need to delegate tasks to others who have the right skills and experience?

Product: Does the product or concept have a clear point of difference as compared to others in the marketplace? Is the product or concept relevant to the target audience? Do you know who your target audience is? Have you vetted the idea with consumers in your target audience who do not represent your friends and family?

Resources: Have you prepared a business plan or a “roadmap” that projects time, process and capital investment? Do you have the capital the business will require for start-up and early operational costs? Have you identified resources to assist you with getting the business off the ground and managing it effectively? Some of the resources you may need include: legal counsel, accountant, food technologist, marketing and marketing research providers, food safety specialist, graphic artist/designer, packaging experts, and web designer.

These issues and more will be addressed in a Food Business Basics Workshop to be held at the Rutgers Food Innovation Center in Bridgeton on May 3rd (as of press time; see contact information below).

PROCESS & PACKAGING

Although many new food entrepreneurs rely on commercial kitchens in their local community for preparing their products, these regional food packaging and processing facilities are well equipped to provide direction and logistical support for large quantity baking, preserving, freezing and more.

Farm to Table Co-packers. 750 Enterprise Drive, Kingston, NY 845.383.1761 farm2tablecopackers.com

IAM International. 4 Saddle Ridge Dr., Lebanon, NJ 908.713.9651, iaminternationalinc.com

Rutgers Food Innovation Center. 450 East Broad Street (Route 49), Bridgeton, NJ 856.459.1900, foodinnovaton.rutgers.edu

Shaker Mountain Canning Co. 786 State Route 20, New Lebanon, NY 518.794.5276

MAKING A LIVING MAKING FOOD EXPO

April 2, 3–6 pm, Star of the Sea Parish Hall, Cape May Mall.

Cape May Forum hosts an expo dedicated to the folks who make a living from harvested and homemade items. The day-long event will be followed by a dinner hosted by Slow Food South Jersey. capemayforum.org.