

FOOD MANUFACTURING | BABY FOOD

Mom convinces Wal-Mart to carry gourmet baby food

Target audience |
Food developer heads to where moms shop

BY BARBARA DUCKWORTH
CALGARY BUREAU

Call her a mompreneur or just plain market savvy, but Jennifer Carlson Broe has steered a tasty idea from her kitchen to Wal-Mart.

As a young mother, she was disappointed in the blandness of commercial baby food.

"I would never eat this myself and how could I, in good conscience, feed this to my daughter," she said as she described her success at the recent Alberta Agriculture and Food Council meeting in Calgary.

Her response to this dilemma was to make her own baby food using fresh, organic products that not only taste good to babies but adults as well.

The rise of Baby Gourmet Inc. is the kind of story investors love to hear.

The mother of two started working with her sister, Jill Vos, to develop tasty recipes. Their first product was a frozen baby food sold at the Calgary Farmers' Market. After two years at the market, they were selling \$30,000 worth of product per month.

Broe wanted to go bigger. Against the advice of those who suggested she start with smaller outlets, she went after one of the world's largest corporations, Wal-Mart, because, she reasoned, that is where many mothers shop.

Since last September her product line has been available at Wal-Marts across North America.

It was not an overnight sensation. Her research found that there had been no real innovation in the baby food market in 50 years. She wanted to offer a convenient, reasonably priced product that tasted good and maybe upset the status quo.

"The key for me was there was an opportunity for disruption."

She worked with Alberta Agriculture's food processing development centre at Leduc, where she learned how to scale up and package her 12 recipes.

Her new product came out in a flexible plastic pouch where a teaspoonful or more can be squeezed out. As babies get older, they can feed themselves straight from the pouch.

She learned to write a business plan that included marketing and financial proposals to support growth of her company. She joined associations with which to network.

The financial help came from personal funds, Alberta's venture capital funder, AVAC, the Business Development Bank of Canada and government money through Growing Forward. She now employs 16 people and her chief executive officer is an investor.

Broe said she was nervous when she met with Wal-Mart, but said the baby food sold itself once she convinced company representatives to taste her product.

"My sister and I taste every product before it goes into production."



Jennifer Carlson Broe is the founder of Baby Gourmet Inc., an innovative baby food company in Alberta that has become a multinational company. | BARBARA DUCKWORTH PHOTO

Last July, she received the Ernst and Young Emerging Entrepreneur of the Year award for the Prairies.

Marketing consultant Karen Hope said Broe did everything right.

Hope, who is president of Marketing Edge, learned food marketing the hard way when she joined a partner to sell Cattle Boyz BBQ Sauces.

She met the creators of the product in 1993 when she was marketing manager at Eau Claire Market in Calgary, where the sauce was sold from a kiosk.

The partners wanted to take the product to the next level, and their first big break was selling it as an Alberta made product on the Shopping Channel and then to Costco.

She left the company two years ago and works full time as a market consultant guiding other would-be entrepreneurs through the pitfalls when launching a new product.

The first step is to offer a product that is new and interesting to consumers.

"A remarkable product will get people talking about it after the first purchase," she said.

Social media can spread the word even faster because it is like having a storefront to the world.

There are hard lessons for those who want to break into the big time.

"No one wants to pioneer new products. Everybody can live without one more new product," she said.

It is all about presentation.

The product has to be eye catching to convince a shopper to pick off the shelf within 10 seconds. Packaging promotes value and may make a difference when encouraging a shopper to spend \$5.99 rather than \$1.99.

The average store offers 40,000 products and the average home probably buys 150.

A new product has to be better than

current brands, offer more value, be different with no competitors or take advantage of a growing category mix such as gluten free or ethnic food.

Once a retailer is willing to stock the product, the manufacturer must be able to produce sufficient volume and have enough money to cover costs. Finding the money is a big challenge.

Government offers some funds through programs such as Growing Forward, but the producer has to be willing to make personal sacrifices to raise money. That could mean mortgaging a home to get a line of credit, putting up personal savings or getting family loans.

When asked how much money is needed, she replied, "the more the better."

Companies are often held back when they don't have the money to increase production or pay unexpected fees.

"People often don't understand where the money gets gobbled up."

Fees are paid for listing the product in the store, paying brokers and distributors and covering promotion costs and other retailer charges.

Another problem is a lack of marketing and sales skills. Many manufacturers are unwilling to hire a professional who understands the difference between promotion and sales.

Marketing is communicating to the consumer about the product while sales involve the exchange of goods for an agreed amount of money.

Promotions include in-store demonstrations, discounts, regionalized marketing, niche marketing, award entries and attending trade shows.

It is important to meet people who have clout and can reach buyers.

"When you get a broker on side, it is easier to get into stores," she said.

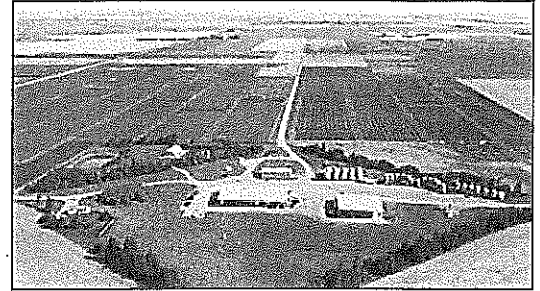


UNIVERSITY OF
SASKATCHEWAN

College of Agriculture
and Bioresources

Centennial Column

Celebrating 100 years of students at the College of Agriculture and Bioresources. The Centennial Column is a weekly feature highlighting the history and present successes of the college.



University of Saskatchewan Kernen Crop Research Farm located outside of Saskatoon.

Kernen Crop Research Farm

In 1910, the University of Saskatchewan allocated 1040 acres to the College of Agriculture for a university farm. By the late 1960's it had become apparent that additional facilities, staff and research lands were required if the college was to remain competitive and relevant in the changing agricultural landscape. However, land costs in the proximity of the university were on the rise and were sought after by developers for urban expansion.

In 1977, Fredrick Wesley Kernen, a local area farmer and former employee and graduate of the College of Agriculture made an offer to the university that was the largest gift ever by an individual at that time. To honour his parents, the late Frederick J. and Lucy Kernen, Mr. Kernen offered to gift two sections of prime agricultural land to the university, with full jurisdiction to operate on the lands. Included in the gift were 300 acres of native prairie land, which were to remain un-tilled and be used for ecological research. At the time of the acquisition, the land was valued at \$1000/acre for a total value of over \$1.25 million. It would have been impossible for the university to purchase a more suitably located research farm.

At the time of acquisition the farm had only two buildings, a metal implement shed and a large barn built in 1912 to accommodate a horse breeding enterprise. Except for the half section of native prairie, all of the land was under cultivation and planted mostly in alfalfa. To work towards establishing a major crop research station a new yard site was designed. The station's 380 hectares of cultivated land is adequate to provide for commercial production and small plot experiments.

Today officially referred to as The Kernen Crop Research Farm, the site is located at the intersections of Highways 5 and 41 on the quickly expanding east side of Saskatoon. The long-term objective in developing the Kernen Crop Research Farm was to establish a first class crop and ecology research unit at the University of Saskatchewan, which has now been achieved.

Over the last 35 years, the site has accommodated ecological studies, grazing studies, crop breeding, crop production and crop and weed management research in the Department of Plant Sciences. Managed on a four-year crop rotation, the cultivated area of the farm also generates revenue, which helps support the cost of crop research and future development on the farm.

www.agbio.usask.ca

Seed Hawk congratulates the College of Agriculture and Bioresources on 100 years of research and teaching excellence.



THE EMERGING LEADER