

# Baking & Snack

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## A NEW TRADITION

Always looking ahead, fresh baker

Teixeira's Bakery sees  
the future in frozen par-baked.

Now, a new 120,000-sq-ft  
plant opens the throttle  
to accelerate growth for

Portuguese-heritage products.

BY LAURIE GORTON

**S**tart up a retail bakery. Fill up the shop. Acquire another. Look ahead. Go into wholesaling. Add waiting accounts. Expand the routes. Build more capacity. Look ahead again.

For more than 20 years, Manny Teixeira steadily increased the sales and expanded the service reach of his freshly baked breads and rolls. By 1996, however, he could see that demand for his tasty Portuguese-heri-

tage products would soon exceed not only his available capacity and capital but also the shelf life restraints of fresh quality. He decided to push those limits by entering a new bakery segment: par-baked.

That decision now puts Teixeira's Bakery, The Portuguese Baking Co., Newark, N.J., into a second manufacturing location at Woodbridge, N.J. The \$20 million project, according to Mr. Teixeira, the company's owner and chairman, sets up a business that could easily reach \$100 million in par-bake sales within the next few years.

"We had customers asking us for our products at locations farther than we could go with our fresh product, which has a 1-day shelf life," Mr. Teixeira explained. "And even after a 4- or 5-hour drive, the product was not as fresh as we wanted it to be. We realized it would not be possible financially to open fresh plants closer to these customers. Par-bake takes us the extra distance."

**OLD WORLD, NEW WORLD.** "Manny Teixeira is the classic American success story," said Henry Davis, the bakery's director of marketing. "But he's also a fifth-generation baker. He knew what to build when and how to build it. He always has a sense of where the business needs to go, which you

can see in the bakery's products, its history and its future development."

Mr. Teixeira (pronounced "tay-SHAY-dah") had no interest in pursuing the family business when he immigrated to the United States from Portugal in 1975. "But I found that I missed the bread from home, so I started baking it myself. At first I made all the bread, and I did it by hand," he said.

Not only did he make a lot of other Portuguese immigrants in northern New Jersey's "Ironbound Section" happy by bringing them the taste of home, but he also found a willing buying public among Spanish and Latin American households and American consumers, too.

Bakery president Marvin Eversdyke described Teixeira's Bakery as a niche producer of hearth-baked breads and rolls. He explained, "In texture and flavor, Portuguese bread falls between French and Italian styles. French bread has a thin, delicate crust, and Italian a thick crust. Portuguese bread has a crunchy crust, with a moist, flavorful crumb. Our breads are unique in size, shape and color."

And name. To launch the company's new O Padeiro brand of old world Portuguese homemade country breads, Teixeira's Bakery called on its mother tongue. Styles include

*caseiro* (classic Portuguese dinner bread), *amendoa com passas* (almond raisin), *cereais* (multi-grain), *transmontano comprido* (mountain bread), *mafra comprido* (country mountain wheat bread), *ervas* (pesto cheese), *vegetais* (vegetable), *tomate seco* (sun-dried tomato basil) and *rustico* (rustic).

The company's par-baked line, themed "A New Tradition," blends traditional Portuguese rolls and breads — cross-cut *mealhada*, two-lobed *saloio* and long loaves *cacete* and *bastone* — with baguettes, French bread and rolls, plus Kaiser, steak and hard rolls.

**GROWTH MINDED.** Mr. Teixeira also represents his family's fifth generation of entrepreneurs. Recognizing and then capitalizing on opportunity, he and his wife expanded from one small shop at Harrison, N.J., to more than 16 retail locations.

The flavorful, hand-crafted bread attracted the attention of retail grocery and supermarket store managers in the area, too. They clamored for supply. Wholesaling started taking over his baking operations, so he altered his business plan. In 1982 he moved into a 20,000-sq-ft facility near Newark International Airport and went into direct store delivery distribution.

"We also automated at that time, baking

in three hours what used to take us 24," Mr. Teixeira said. "We started to pick up accounts that had been waiting for us to supply them. And very quickly, we were back to a 24-hour schedule.

"Since starting the bakery, I've always pushed capacity," he continued, smiling. "We seem to run out of capacity very quickly, then build it up again."

Within a few years, the bakery expanded to the building next door, a former dairy, increasing total plant size to 64,000 sq ft. By 1995, The Portuguese Baking Co. distributed its fresh breads, rolls and pastries, primarily unlabeled, in bulk for sale through supermarket in-store bakeries throughout New Jersey; eastern Pennsylvania, including Philadelphia; and in southern New York and New York City.

The business grew by word of mouth, and soon that word-of-mouth demand exceeded the bakery's fresh distribution capabilities.

Because of the fresh products' shelf life constraints, the owner made another change in his business plan, adding par-baked capacity and specialized equipment at Newark. He sent one of his Newark supervisors, Luis de Oliveira, to Belgium to learn the new technique.

"The first year was slow," Mr. Eversdyke said, "but business accelerated into 1999 and 2000, increasing at a rate of 50% a year by the end of 2000. And then we started running out of capacity again!"

Landlocked at Newark, the company's next step would involve a bigger decision than any Mr. Teixeira made previously: a partner, Bradford Equity Partners. "It takes capital to expand," Mr. Teixeira

◀ Manny Teixeira knew the bread his family baked for five generations in Portugal would be a hit with American consumers, too. He recently adopted frozen par-baked methods to move his Portuguese-heritage breads into national distribution.



said. "If we were to achieve the quantity we needed, without sacrificing quality, we needed to find a partner to help us grow to full potential."

**SECOND SITE.** By February 2000, Mr. Teixeira and his staff knew that additional capacity for par-baked was a must. They engaged The Austin Company, a design-build firm based at Cleveland, to study the idea of adding another floor within the existing bakery. That idea was not economically feasible, but it led the company to consider an existing food plant 20 miles away at Woodbridge, N.J.: a 120,000-sq-ft former ice cream factory, shut down two years ago by Pillsbury.

"The existing facility included a 60-ft high-rise freezer and several blast-cooling tunnels," said Barry Rogers, project manager for The Austin Company "Incorporating these features into the new operations reduced the amount of capital-intensive equipment required." The Austin Company provided design, engineering and construction services.

"Choosing that plant saved us a lot of time," Mr. Teixeira said.

Significant modification, however, was needed to ready the building. "We knocked down three load-bearing walls and removed 13 building columns," said Mr. Rogers.

The Woodbridge plant's first batch of bread rolled off production lines in November 2000, and the company celebrated the plant's grand opening in June 2001. The third line was up and running in November 2001.

"That completes the plant's first stage," Mr. Eversdyke said. "We could add two more lines here in the future without any additional structural changes to the building.

"Newark is now dedicated to fresh baking to serve our DSD network, and Woodbridge produces frozen products," he continued, noting that corporate offices will move from Newark to Woodbridge later this spring.

**HIGHSIGHTS.** Work done a few years earlier to startup par-baking at Newark paid off.

"We did a lot of research into technology," Mr. Teixeira said, "but we never changed the product to fit the technology. It was always the other way around."

Bob Griffin, an experienced bakery executive who Mr. Teixeira coaxed out of retirement to assist with startup of the new plant, described how he, Luis de Oliveira and the bakery owner sought the large-capacity sys-

tems.

"We knew what we needed," he continued. "A chief concern in artisan baking is that automation brings constraints. But done right, the quality is spectacular. That's where our Portuguese baking knowledge comes into play."

The company bought the equipment but held shipment until the structural work at the bakery was nearly finished. "We brought in equipment from all over the world," said Mr. de Oliveira, who acted as the bakery's project engineer for the new plant and is now its operations manager. He said that the company sought stainless-steel clad equipment whenever possible to enhance sanitation.

A weighscale-style flour receiving system feeds three 120,000-lb flour silos. While flour is automatically conveyed to the mixing stations and to dusting flour bins, minor ingredi-

an extruder, outputting a thick sheet of dough to be cut by rolling knives and a guillotine.

Lines No. 2 and No. 3 both use integrated final proofers with automatic scoring systems. The cutting action of the scoring system is controlled by a laser beam, which detects the location of the loaf as it passes on the belt between proofer and oven.

"Bottom heat is very important when baking dense breads," Mr. Griffin said of the stone hearth oven technology.

**COOL AND PACK.** Because product styles vary from small rolls to large loaves, items cool at varying rates, so the bakery installed three ambient spiral-cooling systems. "The different configurations of the spirals allow us to give longer cooling times to larger, heavier products," Mr. Sousa said.



ents are portioned manually by the operator.

"We give our doughs a lot of floor time," said Paul Sousa, Woodbridge plant manager. "And we mix them in vertical mixers because we believe this method gives our bread and rolls better taste and texture."

Line No. 1, the roll line, is the most conventional of the three. It produces Portuguese rolls as well as dinner rolls, hard rolls and stamped Kaiser rolls, and consists of a multi-pocket dough divider integrated with a moulder, final proofer and a conventional, direct-fired tunnel oven. Heavy hearth loaves, rye bread and some French products are made on line No. 2. This line employs a hearth bread divider and a moulding system supplemented with boule- and baguette-forming capacity. At the front of line No. 3 is

▲ Three automated tunnel ovens handle a steady stream of par-baked rolls and loaves.

After traversing the cooler, par-baked products are deposited onto wire-mesh freezer trays by a retracting conveyor. They move through one of three inline, tunnel blast freezers. Dwell time averages 1½ hours, but conveyor speeds can be adjusted to accommodate different freezing times.

All products pass through a metal detector after leaving the freezer and are visually inspected by an operator. Frozen par-baked items are counted and dropped into waiting polybag-lined shipping cases. After a period of stabilization in the high-rise storage freezers, pallets of product are withdrawn and assembled into orders for shipping.

There's plenty of room for growth at the Woodbridge site. It not only encompasses a 3,100-pallet, high-rise freezer with a robotic pallet system and more than 80,000 sq ft of plant space with 24-hour security, but it also sits on five acres, with two large parking lots across the street.

"Our schedules now run from 3 a.m. to 7 p.m., with staggered start times for the staff," Mr. Sousa said. "We're about to add the second shift. This bakery can run three shifts, and when that happens, we'll schedule it for six days on and one day off for sanitation and maintenance."

The new plant participates in the American Institute of Baking's inspection program. "On our most recent inspection, we earned A.I.B.'s Superior rating," said Mr. Griffin. The plant is also certified kosher by the Kof-K organization.

**COST CONTROL.** Good controls over costs, too, have helped move Teixeira's Bakery forward. Mr. Eversdyke noted that, during a recent 3-day visit, auditors from The Long Co., Chicago, complimented the bakery on its cost modeling system.

"Manny Teixeira established the genesis of the model," said Luis Pereira, the

administration. "Then Marvin Eversdyke pushed us to the next level, from standard costing to an actual cost accounting approach, to bring in more detail, identify costs fully and measure them accurately."

Mr. Pereira led the project. "The key is that you can't have the same people who are maximizing your efficiency also tell you the costs and set the pricing," he explained. "By building a better cost model, we provided the credibility for our sales staff with the customers. We want to sell on quality, not price, and this helps us do so."

This model is continually evaluated. "Volume is great, but margins are how you make a living," Mr. Pereira said.

**CHANGING DRIVERS.** With the new plant now on-stream, Teixeira's Bakery is taking on a new challenge: marketing.

Pat Dineen, the company's recently hired vice-president of sales, said that a national broker network, including dedicated regional managers, is now in place.

"These products move via pull-through marketing," Mr. Dineen explained. "Once you've eaten one of our products, you're hooked! Given a choice, people will continue to buy these breads and rolls. They are differ-

ent but not 'far out' so they can easily become staple products for shoppers."

Merchandising programs are being developed to further support Teixeira's Bakery products. "We are looking at marketing to now drive the company," Mr. Davis reported. "The brand's graphic vocabulary and color palette — the logos, messages and typefaces — were all laid down early. Now they are being applied to merchandising and marketing programs. Today, marketing presentation can be as important an element as taste. The presentation, the display, the packaging can push the product up another notch."

**BREAK-OUT.** "This is a company that's ready for the future," Mr. Pereira said. "It's ready to take the next leap."

One such leap is to become more active in industry support activities. Teixeira's Bakery joined the Independent Bakers Association a few years ago. Mr. Eversdyke is the current chairman of the association.

Accounts waiting for Teixeira's Bakery products are now added. "We are beginning to do business around the country," Mr. Griffin said. "Food service has great potential." The par-baked line was just picked up

by a leading national food service distributor.

"This is an exciting period for our company," Mr. Eversdyke said of new markets and new customers. "And we're sticking to our knitting, doing what we know best."

Mr. Teixeira said it best, as only an entrepreneur can: "Once you achieve some goals, you look around for more challenges. We're ready for the growth. As an entrepreneur, it's up to me to keep re-investing in and re-inventing the business." ■

▼ Soft artisan-style doughs are sheeted and cut to form Teixeira's popular Portuguese-style bread and rolls.

▼ Three ambient spiral cooling systems prepare baked foods for freezing.

