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Chicago Processor Sees Bright Future

FRANKLIN PARK, Ill. — When Les Frankel and Phil Cooper founded Redi-Cut Foods, Inc., in 1977, they were making fresh-cut potatoes for french fries and doing “a minimal amount of onions and cole slaw” for foodservice. Today, they’re likely one of the largest fresh-cut processors in the nation and are test marketing an innovative line of name brand packaged salads for retail.

“When we started, we found out very

shortly the business was not what we thought it was going to be,” recalls Phil Cooper, a CPA who was in charge of operations. “We started with six people in the plant and after a few months, we weren’t doing very well.”

Realizing they needed a larger client base, the young firm decided to make a bid to supply onions for a major fast food company.

“After that, we were making money every month,” says Les Frankel, a

veteran of the potato business who handled sales at the outset. “Now we have 610 people working here [in Chicago] and 150 in Kansas City [Redi-Cut purchased Kansas City Salad Co. in October, 1995]. It was the onions that got us started. Then we went into lettuce about three years after we started the business.”

Focus on Foodservice

Foodservice has always been the central focus at Redi-Cut and the business has grown steadily since landing that first major onion contract, according to Carey Cooper, company president. Cooper, who joined Redi-Cut in 1984 after practicing law, says the firm has become “probably

the largest regional processor in a single plant in the nation” shipping about 110 million pounds of product from the Chicago plant this year.

“At the same time, we’ve put our foot in the water on retail,” Cooper continues. “We’re doing some private label and we’ve licensed the Wishbone® Salad Dressing name and introduced six Wishbone®-branded salads for test marketing in the Midwest.”

Four of the six new salads include individual packets of Wishbone® Salad Dressing, the second most popular brand in the nation, according to Cooper.

“We have a garden salad and two-pound garden, a Caesar salad pack and three pasta salads with ready-to-eat pasta in a separate package in the salad,” he explains. “Two of the pasta salads have Wishbone® dressing.”

What’s in a Name?

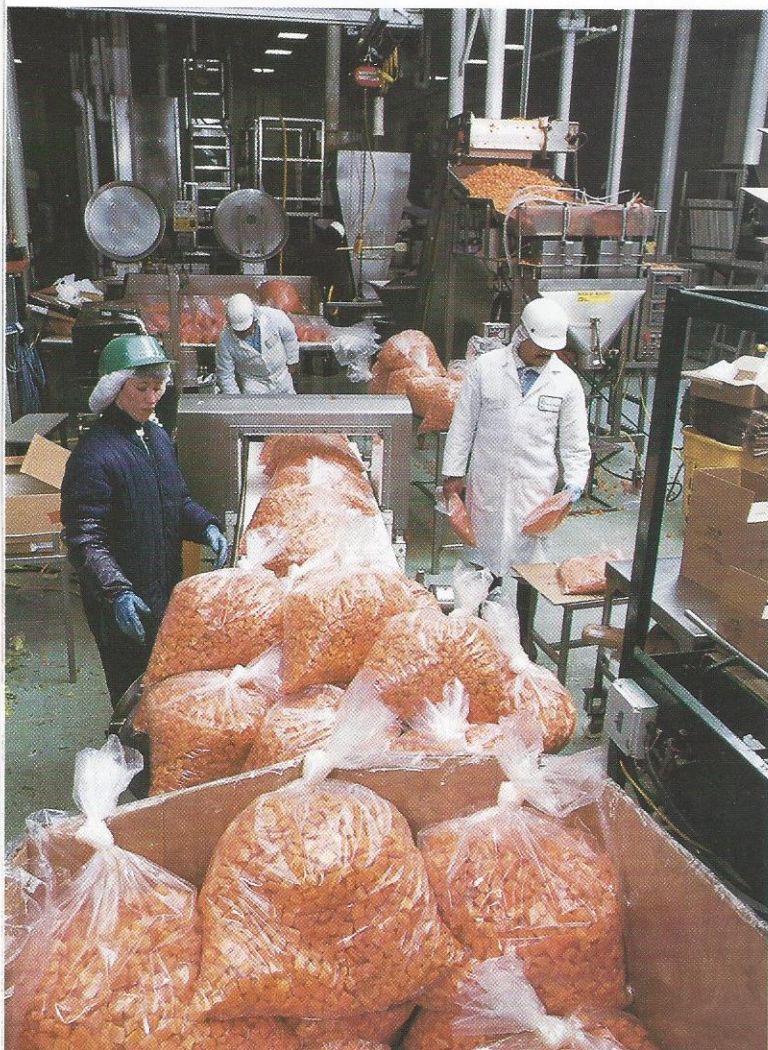
Given the highly competitive world of packaged salads, Redi-Cut’s line of Wishbone® Premium Salads has a leg up at retail because it is linked to the venerable salad dressing which has become a staple in many American households, according to Cooper.

“We believe there’s already a lot of brand equity out there in retail packaged salads,” he adds. “Rather than competing head-to-head with our own name, we tried to align ourselves with one of the most recognized names in the salad business. That’s Wishbone®. That way, we have an instantly recognizable name from day one.”

In addition to the retail category, Redi-Cut is branching out in other significant areas from its core business which is foodservice.

Potential for Fruit

“The third area we’re involved in, one that we have not yet seen the full potential for, is fresh-cut fruit,” Cooper



Redi-Cut will ship about 110 million pounds of product from its Franklin Park facility this year.

continues. "We certainly think fresh-cut fruit has significant potential for us."

Redi-Cut has dedicated an entirely separate facility in the Chicago area to processing fruit, according to Cooper. The firm also does fresh-cut fruit in Kansas City.

"We do a fairly large business right now [in Chicago], about 40,000 to 50,000 pounds a week," Cooper explains. "It's not without problems, but we think we do a very good job in both quality and packaging. Right now we do all the melons — watermelon, cantaloupe, honeydew — grapes and some pineapple. We do it for both foodservice and retail, but right now we're doing more retail."

Ingredient Business Grows

"Making ingredients for food manufacturers is a significant part of our business now, too," adds Les Frankel. "It's always been important, but with home meal replacements getting so much emphasis, we expect this area to grow in the future. These ingredients are used in entrees which will be sold either half-cooked or cooked in retail chains anywhere packaged food is sold. We've

"The whole facility is basically new," Phillip Cooper explains. "We just added \$3.5 million worth of additional equipment. That's a total of \$6 million in the last three years. That emphasizes our willingness and desire to invest in technology to make a higher quality and more efficient product. We believe our retail line is state-of-the-art and we're in the process of adding another onion line which is going to double our capacity."

People Make the Difference

State-of-the-art facilities, however, simply aren't enough to explain Redi-Cut's successful operation, according to all three officials. They attribute their uncommon achievements in fresh-cut produce to "one of the foremost management teams in the country."

In particular, they give four outstanding members of their management team a lion's share of the credit for Redi-Cut's enviable position in the marketplace: Brian Hill, vice president of operations; Ed Schriener, vice president of sales; Linda Frelka, vice president of quality assurance; and Jim Schallman, vice president of retail sales.

"All four of these folks have been with us for a long time," explains the company president. "The key to our success is the people that work for us."

Without dedicated employees, we would not have achieved any measure of the success we enjoy today."

R & D Important

Another associate at Redi-Cut, Dr. Lawford Baxter, also drew praise from the three officials. Baxter is "an integral member of our team in research and development," they say. "He spends a lot of time looking at packaging technology to develop better packages that will help extend the shelf life of our products." Redi-Cut Foods was one of



"The key to our success is the people that work for us," according to Carey Cooper.

the first processors in the country to bring a person of Baxter's caliber into the operation.

With state-of-the-art facilities and topnotch professionals on board, what does the future hold for Redi-Cut?

"We will continue to emphasize the foodservice area," says Carey Cooper. "However, we think we can carve out a small niche in the retail market by differentiating ourselves with a strong branded line of salads. In addition, we will continue to do private label retail salads for the marketplace."

At Redi-Cut, there's no question about the future of regional fresh-cut processing. Company leaders will continue pursuing the formula of quality products and responsive service that has brought their firm to this point.

Quality, Service Are Keys

"Processors that can deliver a consistent, high quality product are going to prosper," Phil Cooper reasons. The recent incident with *E. coli* in fruit juice just emphasizes the importance of having a program in the plant that is sophisticated enough to deal with the issues of food safety. The days of the small processor are numbered. Successful processors will have to have the sophistication to deal with these important sanitation issues.

"Anybody can cut produce. Not too many companies can do it in such a way as to deliver quality products and service day in and day out. We stay on top of technology and reinvest a great deal of our resources back into the company. And if there are problems, it doesn't take us two weeks to follow up. We're there within a 12-hour period. We're close to the marketplace when and if service is needed." ■



Redi-Cut's plant was built new in 1993 and received an addition in January of this year.

got two large national companies that have asked us to work on meal replacement for them. We're just starting to work out a program with the second one."

In 1993, Redi-Cut built a new, 90,000 square-foot state-of-the-art processing plant and, in January of this year, added another 30,000 square feet. The facility sports three lettuce lines, two onion lines, three lines for carrots and/or potatoes and three additional lines for other products. Their commitment to quality and service is obvious.