



MEP GROWTH SERVICES  
INCREASING MANUFACTURERS' TOP LINE



## Servatii's Pastry Shop

*Taking inspiration from Eureka! Winning Ways®, this company's next-generation leadership is stretching a bakery's reach far beyond Ohio, bringing the love of what they do to millions more customers.*

### Client Profile

Servatii's Pastry Shop has been providing bread and pastries in Cincinnati since the 1950s. Its recipes were brought over from Germany by a second-generation certified baker, and the business is now run by the next generation. President Gary Gottenbusch, the third-generation master certified baker, oversees the company's nine retail bakeries and a food service operation that supplies pastries to Cincinnati's largest corporations and other local bakeries. Three-quarters of Servatii's retail distribution is in Cincinnati, while regional distribution is taking the product beyond the local area.

Servatii's is a \$7.5 million business that employs 175 people. The company had experienced 3-5% growth in recent years, yet the low-carb movement has hindered that growth. When presented with Eureka! Winning Ways, Gottenbusch recognized the needed personal and professional jolt that it could provide to reinvigorate his business and take it to a new level.

### MEP's Initial Growth Services Offering: Eureka! Winning Ways

Building upon our success in helping manufacturers reduce their bottom-line costs through process improvements, MEP is now focusing on growth in top-line sales for manufacturers. Eureka! Winning Ways is the first of the MEP Growth Services to be introduced. Developed in partnership with Doug Hall of Eureka! Ranch in Cincinnati, Ohio, the program is the first scientifically based process to guide companies to systematically and significantly grow their businesses. Specifically, the program provides a disciplined methodology and analytical tools to create new ideas, discover market opportunities for these ideas and efficiently drive the best ideas into development.

### Ideas Pursued

From 200 ideas generated in their initial Eureka! session, Servatii's is focusing on two projects:

1. The "Take and Bake" Pretzel Stick. Knowing that "nothing is better than fresh," Servatii's has developed this product that can be frozen in dough form for retail purchase and then taken home

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- by the consumer for baking. Servatii's has a patent pending on this product, and is talking to a national grocery store chain about distributing the item throughout its 2400 stores.
2. The Online Concierge. Servatii's understood that when some customers arrived to pick up their specialty cake or other orders, the products were not exactly as they had perceived they would be. The Online Concierge allows customers to design and see their order using special software via the Internet. Additionally, the same online connection enables operational improvements to be made to the store ordering system that will allow improved inventory control and fewer out-of-stocks.

Two other ideas from the original Eureka! session which are also intriguing enough to warrant preliminary investigation are now underway: wrapping a pretzel around a smoked sausage, and a pre-baked salted soft pretzel, that is individually wrapped, and ready-to-sell in vending machines or other food service operations. Servatii's is submitting a patent application for a non-melting salt they have developed that is critical to the taste success of this product.

## Results

Each of these projects has an array of details to be addressed, from baking to distribution to technology. In addition, like all small companies, Servatii's has a limited staff to work on them along with running their daily operations. Still, the company projects that each of these ideas could have a dramatic impact on their business:

- During the development of the pretzel stick, Servatii's created a new product, the Three-Pound Pretzel. This product has already been accepted by QVC for on-air sales promotion and could create 5% growth in sales immediately without any new investment. It will also likely lead to increased publicity and the opportunity for web distribution, which could result in unlimited sales potential.
- The Online Concierge launched and after marketing to promote the service, the company believes it could boost specialty cake sales by nearly 20%, increase store revenues by another 5% due to fewer out-of-stocks, and pay for itself through operational improvements in less than six months.
- The pre-baked salted soft pretzel could double the size of the company. Gottenbusch has a patent pending on a process that makes this product unique: shelf-stable, pre-salted or with cinnamon sugar, in an individual serving bag, without trans fats or preservatives, and requiring no refrigeration. In partnership with a distribution company now, Servatii's is launching a spin-off business called Pretzel Haus Bakery and plans to produce and distribute the pretzels to the military, schools, movie theaters, bars, sports arenas, and many others interested in this product as an upgrade to their current soft pretzel offerings. The product addresses the stability, freshness, preparation, refrigeration, loss, and other challenges the old pretzels created. The new business already had orders for ½ million pretzels before opening the doors on the new venture.

## Reaction to Eureka! Winning Ways and MEP Growth Services

Gottenbusch is driven by Doug Hall's message of courage. *"It takes courage to move beyond your—or your business'—comfort zone. Without Eureka! Winning Ways, our company would have kept going just fine, but stayed stagnant. With it, we're looking at a number of new projects that can dramatically grow our business and allow us to share our love for our work with many, many more people.*

*"When we look back years from now on this moment, I believe we will recognize this time as the pivotal moment when things really turned around for Servatii's.*

*"Beyond the specific projects we're pursuing, Eureka! Winning Ways has been great for our company internally. We've recognized the value of being a small business that's able to flex and adapt quickly to explore new ideas and apply our 'old' expertise to them. And the process itself brought all of our staff divisions together to come up with the ideas we pursued and as a result has really unified the company.*

*"Eureka! Winning Ways is not just a motivational idea-development program. It's a systematic process that creates ideas and helps you bring them to fruition.*

*"Eureka! Winning Ways has reminded me to do what you love, and love what you do. If we all keep that in mind, we can grow our businesses in ways that will be both personally and professionally satisfying for the long run."*

## For More Information

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