

A recipe for success

FAMILY TRADITION, SUSTAINABILITY, TOP QUALITY BAKED GOODS – THESE VALUES ARE INHERENT TO FERGUSON PLARRE BAKE HOUSES



++ figure 1

++ figure 1

Hot Cross Buns are sold in large amounts in Australia for Good Friday. For the production of this traditional baked item, literally all hands are required

++ figure 2

Alternatives to pies – sausage rolls filled with minced meat instead of the traditional sausage

++ figure 3

Environmental awareness: An electronic display, located before the production rooms shows alternately how much water and energy are being consumed in the building and how much heat is being recovered

++ figure 4

Savories are popular snacks for in-between' meal times

++ figure 5

Pies, pies and even more pies - Australians love pies in any shape and flavor

++ figure 6

Rondo-Doge line

++ figure 7

Today, the family owned business is managed by Steve (in front of the car), Mike & Ralph Plarre along with Ken, Pam & Anthony Ferguson

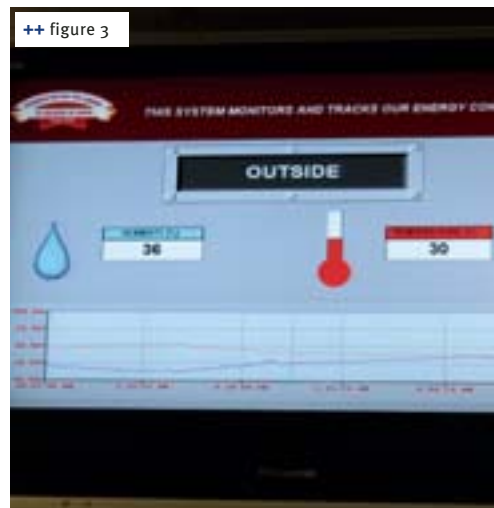
+ A Recipe for success: four generations of baking excellence – this is the title of the family's history, published in 1997. It is a description of the road to success that the two cake bakeries Ferguson and Plarre have taken. They were founded in 1901 and 1911 respectively in the suburbs of Melbourne. It is also the history of two families who had the courage to implement advanced distribution and management structures in their small bakeries. One of the most important decisions was the clarification of the ownership by Ralph Plarre and Ken Ferguson following the motto: "The biggest risk for a family owned company is the family." Even today, it is not the name but the qualification that decides whether some-

body is accepted into the management of the company, reports Steve Plarre, who is responsible for distribution and administration of the company.

The decision about an expansion of the franchise system was probably of equal importance. When both bakeries merged formally in 1980 – they had been cooperating together since the 1940s – Ferguson owned four shops and Plarre six. Together, they were able not only to profit from the joint purchasing of raw materials, but they were also able to deal with their expansion plans. Today, the company has 39 shops; 37 of them are leased to franchisees with three more shops about to open soon. Every fourth dollar is made with



++ figure 2





++ figure 4



++ figure 5

savory pies, every tenth with sausage rolls. Pasties account for 15% of the total sales and quiche for 1%. The sweet assortment and beverages contribute 40% to total sales. Almost every shop has seating. Celebration cakes, including decorated birthday, wedding and other festive cakes, account for 15% of the sweet products' sales in the shops.

The new 4,300 sqm production facility started operation in September 2007. It has sufficient capacity to supply 70-80 shops. Steve Plarre is convinced that there is room for this number of shops in the State of Victoria. No other distribution channels are considered. "The brand Ferguson Plarre stands for high quality and affordable products. It also stands for close ties to customers and for friendliness. Our puddings are made with only the best ingredients! You can taste that! If we were to start to supply supermarkets and other similar facilities, we would not be able to preserve our quality. This would harm our image."

The image also comprises the links to the surroundings and the people who live there. With the new production facility, a comprehensive and multi-faceted program was introduced with focus on environmental care. One example of this is that on the way to the production rooms, each employee passes a large display showing the current consumption of water and energy and the amount of recovered energy. This is an educational measure that brings results with-

out having to permanently repeat the request. Rain water is collected and treated, packaging waste is avoided, CO2 emissions are reduced, for example, by using hybrid vehicles and changing the delivery frequency for the shops from two times a day to once a day.

Not all CO2 emissions can be avoided and so this is compensated for by publicly planting domestic trees. Ferguson Plarre has won awards for this program on several occasions and this is also one of the most important PR actions which reflects the ties with the people and the country.

The company also promotes the quality and selection of raw materials. These partly come from fair trade suppliers or they have been grown domestically under consideration of environmental awareness issues.

According to Steve Plarre, his most important task is the selection, mentoring and supervision of the franchisees. Trained bakers are not preferred; in fact it is to the contrary. "We deliver all our products fresh and ready to sell. We do not have baking ovens in the shops, only pie heaters. We do not need bakers in our shops but people who are committed to the system and our principles and who represent the specific family character of our business." The franchisees can choose from about 190 products. Cost accounting for the individual shops is done centrally and made available to each franchisee on-line. +++



++ figure 6



++ figure 7