

# Bakery seeks larger slice of bread market

BY PAULA LEFFINGWELL

Special to CRAIN'S DETROIT BUSINESS

If you've had a sandwich in a small restaurant or institution in the Detroit area lately, chances are the sandwich bread was made by Metropolitan Baking Co. in Hamtramck.

Metropolitan Baking is the largest, locally-based, variety sandwich bread producer and wholesaler to the restaurant and food-service industry in Southeast Michigan.

"We produce the bulk of sandwich breads that are distributed by wholesale restaurant bread suppliers in the Detroit area," said James Kordas, president of Metropolitan Baking.

He said Metropolitan Baking produced 8.4 million pounds of bread last year. The company produces about 40,000 pounds of bread daily on an eight-hour shift.

The privately-held company, founded in 1950 by Chairman George Kordas, recorded sales of \$5 million last year. It employs 50 people.

Metropolitan Baking, which distributes directly to some of its customers, channels a major portion of its distribution through independent companies.

"We have 35 routes that work off our docks," said Kordas. "Five of those routes are company-owned; the other 30 routes are handled by independent distributors."

Kordas said the Detroit area's small restaurants are the base of the company's sales: "With the large number of distributors that we have, we can sell to small restaurants on an affordable basis." He estimated that 70 percent of his business is generated by independent restaurants.

The majority of the company's production is "Pullman" white bread, which is the sandwich bread used in family-style restaurants. The company also produces caraway rye bread, black Russian rye, cinnamon raisin, French bread and pullman wheat bread. Kordas explained that the term "Pullman" may have originated with someone who thought the loaf of bread resembled the Pullman car on a train.

The company plans to expand its current plant in Hamtramck. Currently, the plant occupies 30,000 square feet. An additional 12,000 square feet are on the drawing board, Kordas said.

The Hamtramck location is a real plus for geographical distribution needs, Kordas said: "We con-



James Kordas, president of Metropolitan Baking Co., says his firm will expand, but will stay in its Hamtramck location.

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sidered other locations, but we're very optimistic about the city of Hamtramck, and we plan to stay right here."

Kordas said Metropolitan Baking is the regional supplier for Marriott Corp. in Southeast Michigan, which includes Host International at the airport and Service Systems Corp. in Troy, a food-service company that supplies numerous cafeterias.

In addition, the company distributes directly to the Grosse Pointe Yacht Club, Grosse Pointe Hunt Club, Grosse Pointe school system, Henry Ford Hospital in Detroit, William Beaumont Hospital in Royal Oak and Holy Cross Hospital in Detroit.

Other major wholesale restaurant bread suppliers include Blue

Bird Baking Co. and Brown Bun Baking Co. in Detroit. Along with Metropolitan Baking, these are the key baking companies that supply restaurants and food-service accounts in the metropolitan Detroit area, Kordas said.

"We produce all of the variety sandwich bread for Blue Bird Baking Co. and Brown Bun Baking Co. We also supply independent distribution companies," he said. "These various channels of distribution, coupled with our own fleet, give us substantial penetration in the restaurant and food-service market in the Detroit area."

In the past, competition for Metropolitan Baking was mainly in the Detroit area. But many local baking companies closed their doors during the automotive sales

slump of the early 1980s. Now, the competitive challenge stems from neighboring states, where labor costs are lower.

"Our biggest competitors are in Ohio and Indiana," Kordas said. "Some wholesalers in those states have substantially lower labor costs. They are able to ship to the Detroit market and price themselves competitively against us."

Ten years ago, the company was producing at a much slower rate than its competition. Metropolitan Baking had a difficult time competing against more automated plants.

In a move to become more competitive in the market, Metropolitan Baking purchased a multimillion dollar production line that provided the company with the

means to more than double its production capacity.

The company also expanded its facility by 14,000 square feet and installed a larger oven, purchased from a baking company that had gone out of business.

"Sales were slumping, and we were apprehensive about our plans for expansion," Kordas said, "but we felt that the economy would turn around eventually, and things would get better."

It took two years to complete the expansion plans and install new equipment.

Today, Kordas said: "The restaurant and institution market is growing. Therefore, we are growing. We are starting to look toward other markets and are testing new products." **COB**