



## TOMANETTI FOOD PRODUCTS CASE STUDY 2016 – PRESENT

Tomanetti Food Products was started in 1958 and grew to be a successful small specialty bakery that made high quality par-baked and hand made pizza crusts and flatbreads. By 2000, the ownership of the company had passed down to the two surviving siblings of the founder's family. Since neither of them were actively involved in the business having gone on to teaching careers in universities they hired professional management. Over the next decade and half, the company ran at an acceptable level of profitability but there would be no serious initiatives to increase the bakery's capabilities.

In 2016 the owners were seeking a way to exit their ownership and move on. Hollymead Capital became aware of the situation and met with the owners and discussed the business and what the opportunities might be for future growth. After a series of meetings and visits to the company, we determined that this would be an excellent investment opportunity at the right value and began to negotiate with the owners.

At the same time we identified several investors who had strong related industry experience and expertise. After several months we reached a final agreement and organized the purchase of the business.

Immediately upon taking possession of the business we committed our time and effort to improve all phases of the current operation while at the same time moving quickly to find an alternative location for the bakery operations that would permit significant growth. We set a goal of moving within a five-mile radius of the existing plant to minimize the disruption on the employees – many of whom had long tenure with the business.

We also opened the financial information system to mid-level management so we could work together in a more transparent way in order to get greater improvement in operations. Additionally, we went out and met with our top customers – over 25 of them – who had a long history with the business. By doing that we reassured them that continuity would be one of our top goals as well as introduced them to the focus we had on expanding our capabilities.

As we move forward we anticipate that the bakery will have a new plant by the end of 2017. It will also have additional capabilities so it can enter new markets as well as offer line extension to existing customers.