

British Baker

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**Top bakers
show upward
sales trend**

**Honeyrose hits
organic seam**

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Organic at

Rick Morris talks to a past *BB Baker of the Week*, Honeyrose Bakery, about its ambitious plans to grow the organic cake market

Honeyrose Bakery, the organic cake baker based in Park Royal, London, is significantly stepping up its operations to meet the growing market for organic hand-baked cakes. The firm, founded in 2000, has outgrown its current bakery, having “knocked through into neighbours until we’ve run out of neighbours”, as Adrian Apodaca, Honeyrose’s marketing director, puts it.

According to Apodaca, the wholesale baker is “healthily profitable”. While its turnover is under £2m at present, he expects that to double in the next 18 months. Staff numbers are also expected to grow and there are plans to employ over 120 people by 2010. Drivers behind the growth plans are twofold: domestic sales and international sales.

The company produces award-winning, totally organic cakes, loaf cakes, cookies, muffins, and a range of baked treats, including a line of wheat-, gluten- and dairy-free products. Honeyrose bakes everything by hand, and all its products are certified by the Organic Food Federation. One of the children’s lines in development is “healthy cup cakes”, says Lise Madsen, founder and managing director. “The topping is coloured with dried spinach powder, fruit juices or beetroot powder.”

“The bulk of the growth will come from our UK customer base, as we expand into more retail outlets,” says Apodaca. This customer base ranges from quality supermarkets, such as Waitrose, Fresh & Wild and Planet Organic, to institutions such as The Foreign & Commonwealth Office, House of Commons and the Tate Museum. It also supplies Royal Ascot, the Chelsea Flower Show and coffee, tea and farm shops throughout the UK.

Own-label sales to supermarkets have increased to a point where Honeyrose is increasing its production facility by 400% to meet demand from existing and potential customers.

Having negotiated the purchase of premises for a new bakery on 5 February, the building, also



Lise Madsen, MD and founder of Honeyrose Bakery, with a sampling of Honeyrose organic cakes

in Park Royal, will be entirely refurbished and is scheduled to be working by July 2008. The cost of the building and its refurbishment will be around £2.5 million and is being funded by the bakery with the aid of “a generous DTI grant”, says Apodaca.

The firm has worked closely with the DTI in planning the new bakery and is employing specialists in BRC certification, product flow and project management, as well as architects with food manufacturing experience. The building will be gutted and completely refurbished and Honeyrose has been able to plan the layout from a blank slate, improving workflow and employee satisfaction with, for instance, a better system for goods in and out and new improved changing rooms for staff.

The company has also launched an online shop and Madsen credits that with much of the

heart



"Our baking teams make organic cakes that practically sell themselves, says marketing director Adrian Apodaca, in suit, centre, with the front-office team



international sales growth. "We had to photograph everything, put all the information on prices, nutritional values, and so on in one place," she says. "At 3am Moscow time, anyone can go online and see what's available. It's great. Being online provides market feedback and shows us which of our products are working well."

Business has been flowing in. A retailer from Spain, who runs a funky new bar with a café/dining room in Madrid's fashionable Salamanca district recently ordered a pallet of frozen cakes worth around £1,000. And Alnatura, one of the biggest German supermarkets to sell organic products, has been talking to Honeyrose, as have three other German retailers. Honeyrose has now delivered to customers in Scandinavia, Spain, Italy, Turkey and the USA. "We now know how to

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Honeyrose at a glance

Established: 2000

Key personnel: Lise Madsen, founder and MD; Adrian Apodaca, marketing director

Location: Park Royal, West London

Staff: 30+

Products: Organic cakes, loaf cakes, cookies, muffins, brownies, bars and a range of baked treats, including a line of wheat-, gluten- and dairy-free products

Production: Over 4 million units a year, rising to 10 million units with the new bakery

One for the future: A Fairtrade brownie

Turnover: Under £2m

Business model: Organic hand-baker and wholesaler. Everything is baked by hand with individual attention, and all products are certified by the Organic Food Federation

Customers: Waitrose, Fresh & Wild, Planet Organic, The Foreign & Commonwealth Office, House of Commons, the Tate Museum, Royal Ascot, the Chelsea Flower Show and coffee, tea and farm shops throughout the UK

Interesting fact: Lise Madsen speaks Danish, English, French and German. Other staff speak Spanish, Italian, Polish, Hungarian, Portuguese and Hindi

Website: www.honeyrosebakery.com

get cakes overseas in three business days and we can send them ambient or frozen," says Apodaca.

International orders currently run at less than £20,000 a year, but the prospects are promising, says Madsen. She believes Denmark, Germany and Holland will show most growth, as these countries have most awareness of organic products. Apodaca says, the Indian market is also expanding rapidly, with chains such as Café Coffee Day opening 30 stores a month, and Honeyrose may look at a joint venture there in future. The firm's secret weapon has been front-office staff who speak 10 languages, including Danish and Portuguese.

The company is looking at Fairtrade products but won't sell one unless it has at least 50% Fairtrade products in it. "To put a Fairtrade label on something that only contains 20% is a bit of a cheat," says Madsen. "We think a Fairtrade brownie is possible." Sugar will be one of the main Fairtrade ingredients; chocolate and nuts are also possible.

And the company's ethos won't change with the new bakery. "We are hand bakers at heart," says Madsen. "We are optimistic and we know it's possible to grow while keeping our quality standards high."