ABA Looks to the Future, Industry Strategic Plan Passed at 2018 ABA Convention

It was another year of significant association achievements at the ABA All Membership Meeting. Under the leadership of the ABA Board Task Force Members who led the strategic planning effort, ABA unveiled the first phase of the organization’s new strategic plan. The ABA Strategic Plan is founded upon in-depth research and the guidance of a task force of the industry’s leaders, with the intent to ensure that ABA is aligned with the baking industry to support its continued growth and success.

“Thanks to the strong plan the members have created, ABA will be better aligned with the business success of the baking industry,” said ABA President and CEO Robb MacKie.

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Industry Panel Explores the Power of Baking to Drive Growth

Retail insights thought leader Todd Hale, former SVP, Consumer & Shopper Insights with Nielsen, and Principal, Todd Hale LLC, was back by popular demand to present his annual hallmarked State of the Baking Industry Report and analysis of what drives shopping trips and what builds shopping carts. In fact, last year’s

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Industry Leaders Gather at the ABA Convention to “Innovate, Cultivate and Invigorate”

Nearly 500 industry leaders and guests gathered last month at the Phoenician in Scottsdale, Ariz., for this year’s ABA Convention. ABA is pleased to report that members, more than ever before, are ready to leave the office and day-to-day challenges behind to come together with fellow industry colleagues to hear from industry experts, catch up on the latest trends, gain consumer insight and learn new ways to drive growth to the bakery category. More than 50 participants were first-time attendees.

Inspiration for this year’s Convention theme came from ABA members. The industry has seen great innovation and growth; it recognizes how today’s initiatives can lead to tomorrow’s success. Therefore, ABA developed and presented the first phase of an industry strategic plan, hence the theme — “Innovate. Cultivate. Invigorate. Planting the Seeds for Growth” — which clearly defines the steps that it can take toward creating an environment in which it can achieve future, sustainable growth.

This year’s American Bakers PAC Dinner featuring former Vice President Dick Cheney set another record as the highest fundraising PAC event in ABA history, ensuring its spot as a top food industry PAC.

As always, the networking aspect of the ABA Convention resonated with all attendees. Be sure to save the date for the 2019 Convention: April 7-10, at The Ritz-Carlton, Naples, in Naples, Florida.

Strategic Plan, Slate of Officers Announced

The plan’s strategic objective emphasizes ABA’s determination to highlight the far-reaching, positive impact the baking industry has in the United States — from the national economy to the individual household — “The Baking Industry is recognized as essential to healthy families and a healthy economy.” Outlining the pathway for achieving this objective are ABA’s strategic initiatives: 1) collaborative advocacy for the baking industry and 2) promoting and growing the baking industry.

The ABA membership approved the new slate of officers for the 2018-2020 ABA Board of Directors (see box below).

“ABA looks forward to the leadership of the 2018-2020 Board of Directors,” said ABA President & CEO Robb MacKie. “We have exciting new initiatives underway, and with the guidance of these strong member leaders, I am confident we will succeed.”

2018-2020 ABA Officers:

- **Chair:** Erin Sharp, Group Vice President, Manufacturing, The Kroger Co.
- **First Vice Chair:** Bradley K. Alexander, President Fresh Packaged Bread Business Unit, Flowers Foods
- **Second Vice Chair:** Cordia Harrington, CEO, The Bakery Cos.
- **Treasurer:** Brian LeComte, Treasurer, Gold Medal Bakery
- **Executive Committee At-Large Member:** William Quigg, President, Richmond Baking
- **Immediate Past Chair:** Fred Penny, President, Bimbo Bakeries USA
Baking Industry Panel Shows Bakers How to Turn Disruption Into Opportunity

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report revealed that ABA member categories delivered nearly $50 billion in retail sales. Following his current data reveal, he moderated a distinguished panel of baking industry experts who delved into the power of retailers and suppliers collaborating to influence consumers’ purchasing habits within the baking category, titled “Leveraging the Power of Bakery to Drive Growth.”

Panelists included Rick Stein, VP Fresh Foods, Food Marketing Institute; Brian Dwyer, VP Manufacturing, The Kroger Co.; Andy Muller, EVP Biobased Ingredients, Corbion; and Carrie Jones-Barber, CEO, Dawn Foods.

The panel shared their insights on how retailers and their customers can create opportunities to appeal to millennials’ eating and shopping habits. The panel discussed today’s consumer demand for clean labels. “Health and wellness are not trends, they are here to stay,” said Jones-Barber. “Ingredient suppliers can help you formulate new ideas and brands that appeal to millennials’ hunger for healthier options and unique ingredients.”

“They like flavor combinations — so strategically place foods in the aisle together with flavorful and interesting textures, like cheese and waffles, or brownies and fruit,” advised Jones-Barber.

Dwyer also noted that “recipes drive behavior.” Millennials are not accustomed to preparing food; therefore he suggested providing information to help them “use” their food (e.g., recipes and YouTube videos on how to prepare food in various ways), which will build on consumption loyalty and thus increase sales. Dwyer also discussed the importance of mining data based on shopping behavior and creating personalized shopping experiences by targeting the digital marketing messages to attract diverse populations and age groups.

Baking Industry Expert Panel Top Takeaways:

- Maximize the power of baked goods products as a retail driver — work with retailers to create great visuals and aromas
- Design digital promotions to enable personalized marketing
- Make sure that online ordering and delivery does not come at the cost of quality; offer specific and narrow delivery windows to reduce delivery risk
- Bring “sexy” to the perimeter; demand is greater for indulgent categories due to perception of freshness in the perimeter/fresh bakery
- Don’t forget what goes between the buns and bread, and position it near the bread aisle
Convention attendees reunited Monday morning for the annual ATBI breakfast, where they heard Jonathan Warburton, Chair of Warburtons, speak on how to turn a family business into a national brand. His own business, now in its fifth generation as one of the largest bakers in the United Kingdom, has experienced a remarkable growth of over 60 percent during his chairmanship, because of “focus, simplicity, innovation and people.”

Among those four principles, Warburton expounded greatly on the necessity for focus. He noted his company’s important investment in emerging demands, such as year-round crumpet production and a growing gluten-free lineup, while withdrawing from investments in other, unrelated industries that kept attention away from the company’s mainstays.

To fulfill his vision of bringing the focus back to baking, Warburton noted his company’s risk-seeking, investing more than £32 million in new processes and products, saying, “we’ve never shied away from investing in our business. [We] have to always be better.”

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Warburton closed with a series of humor-driven advertisements that his company had produced over the years — starring the Chairman himself! “If your name is over the door, you have to stick your neck out. Nobody will follow someone who is in a family-owned business that hides away.”

**Warburton’s Four Keys to Success:**

- Focus
- Simplicity
- Innovation
- People

*Warburton shares the success story of his family legacy.*

*Breakfast attendees enjoy conversation before the breakfast begins.*

*Warburton pictured with representatives from ATBI Breakfast sponsoring companies.*

*ATBI Board members gather for a group photo before the ATBI Leadership Breakfast.*
Donnan: Trust, Personalization Keys to New Consumers

The menu of food choices is changing. Dave Donnan helped ABA Convention attendees better understand why, and how to deal with it. Donnan, Senior Partner at A.T. Kearney, provided an in-depth look at millennials’ shopping habits and the fact that they are changing how everyone buys food, noting that we are moving from a world of value to a world of values. “Consumers are passionate about the food they eat, and their appetites are creating shifts in the marketplace,” said Donnan.

He explained that the three fundamental principles of the mass market are evolving from affluence, seduction and scale, to trust, influence and personalization. “A brand is trust, and trust comes from quality and price consistency. But trust has eroded,” he said. “Consumers have less complete confidence in large corporations across all facets.”

Consumers are reverting back to businesses that cater to the customer by providing guidance and information, a personal touch and assistance you can’t get online. “It’s hard to believe that book stores and travel agencies are making a comeback, but they are. Consumers want that service.”

They also want to do business with companies that have a broader purpose — companies that give back to their communities or support important social causes. How do brands and retailers adjust to these new realities? Donnan suggested the following approaches:

- Invest in customer intimacy
- Adapt consumer segmentation models as complex cohorts emerge
- Deliver customized solutions in pockets of scale
- Engage micro-influencers to build communities

ABA President & CEO Robb Mackie, Dave Donnan, and speaker sponsor Rick Hoskins, Colborne Foodbotics, LLC.
Former Procter & Gamble Exec Offers Recipe to Bakers: Mix Values with Innovation, Add a Dash of Risk Taking

Who knew the business of baking could have a lot in common with the business of diapers? By sharing his experiences, former Global Marketing Officer (GMO) of Procter & Gamble Jim Stengel illustrated how putting your customer at the core and demonstrating your values as a company will almost always guarantee brand loyalty. “The most successful companies are driven by a strong sense of mission and purpose and have an extremely customer-centric culture,” said Stengel.

“Bakers are in the joy business,” he said. “At the end of the day, you play a role in millions of moments of joy and glee a day — that is a marvelous thing.”

Stengel shared his leadership insights on innovation and refreshing products with the consumer in mind. He said that looking at fresh ideas and thinking outside of the box to reinvigorate baking categories is what bakers should consider. He also discussed the need for fast decision-making.

Businesses need to integrate the traditional with the new to capture continued interest by the marketplace and to stay competitive. Stengel imparted his experience in turning around a struggling disposable diaper brand into something stronger that connected with consumers on an emotional level. Creating a much needed, yet non-profitable, brand of diapers for premature babies is one way his company demonstrated empathy as a core value. “This symbolic act demonstrated a purpose for our brand. Sometimes you have to think outside the category.”

Stengel humorously commented that the baking industry should have an easier challenge as the baking industry’s products typically bring “a bit more joy and glee to consumers than diapers.”

Seven Leadership Lessons from Stengel:
• Spend your life with a person/people you love and trust
• Run your life and business with purpose
• Get inspired from the outside
• Move fast, be decisive
• Live with health, joy and resilience
• Have great bosses
• Be a great boss
American Bakers PAC Dinner

PAC Events Shatter Fundraising Goals

A record $210,000 was raised in one evening alone — the largest amount of PAC contributions to a single event in ABA history — with over 200 baker and allied members gathered in support of the American Bakers Political Action Committee’s primary fundraiser of the year, held on Monday night at the ABA Convention.

“It was a phenomenal evening for American Bakers PAC,” said ABA PAC Chair Steve Avera, Flowers Foods. “With the incredible support from ABA members, former Vice President Cheney helped take our fundraising and industry political engagement to a new level,” said Avera.

Former Vice President Dick Cheney served as the keynote speaker, who began the evening with opening remarks and then sat down with ABA PAC Chair Avera for a candid, in-depth interview focused on issues surrounding leadership, domestic policy, foreign affairs and national security.

Cheney spoke boldly about his concern about today’s political environment in that the recent turn in our country’s trade policies could lead to a weakened economy, which could ultimately impact military spending. Given today’s global atmosphere, “Defense needs to be a number-one priority.” He said that dangers of cyber warfare in particular are enormous. “We need to be super-aggressive.”

He applauded the show of support for the evening’s event. “Don’t be bashful about getting involved in politics,” he said. “If you don’t speak up for your interests, who is going to do it? It’s a great privilege to be able to shape government.”

Cheney’s remarks truly resonated with the group, as their donations will go toward supporting industry initiatives and political advocacy for the baking industry.

Dinner
Sponsored by

Markel Food Group

American Bakers PAC Chair Steve Avera, Flowers Foods, introduces Cheney.

Robert Benton, Flowers Foods, talks to Richard and Pam Kirkland, LeMatic, Inc.

Martin Zapata, Bimbo Bakeries USA, with Candy Soveranez Alvarez, at the American Bakers PAC Dinner.

Former Vice President Dick Cheney addresses a sold-out crowd before joining PAC Chair Steve Avera, Flowers Foods, for an in-depth interview at the PAC Dinner.
American Bakers PAC Townhall

Former Vice President Cheney Provides Insight on Bakers’ Key Concerns at American Bakers PAC VIP Townhall

On Monday afternoon, former Vice President Cheney met with VIP contributors for a semi-private Executive Townhall. The mid-term elections, cyber security and international relations were topics of discussion at the sold-out event.

“American Bakers PAC has risen to be the third-largest food processing PAC in the nation because of the leadership of Chair Avera and the incredible support from ABA baker and allied members,” said ABA Senior Director of Political Affairs Kelly Knowles.
The “All in the Family” panel brought family business executives onstage to share their insights on running and expanding a family business. Moderated by Monica Watrous, Digital Media Sr. Editor, Sosland Publishing, the panel provided a window into the unique challenges family businesses have encountered over the years and how customer-driven innovation demands help chart the course for success.

Panelists consisted of Lisa Turano, Vice President of Legal, Turano Baking Co.; Todd Wallin, CEO, Ellison’s Bakery; Tom McCurry, Managing Partner and COO, Cain Foods; and Morgan Murphy, Vice President, Sales, Mother Murphy’s Flavors.

“Innovation for Turano has always been relationship-driven,” said Turano. “Our ability to meet the needs, wants and demands of our business partners helps drive Turano’s direction.” That notion was echoed by Wallin, who said, “Innovation had been driven largely by taking on projects that others wouldn’t or couldn’t do.”

For Cain Foods, consumer trends play a large role in what their customers are seeking. “Clean label plays a large role in our innovation initiatives. Our goal is to be able to help fulfill your business’s clean label needs,” said McCurry.

The discussion also touched on topics shared across the industry, including recruitment and retention of a manufacturing workforce. “No one stands up in fifth grade and says, ‘I want to be a bakery mechanic,’” said Turano. “We do a lot of recruiting by word of mouth. If you treat people well and offer good benefits, you become an employer of choice. Retention happens.”

Companies have seen success using internal referral programs to bring applicants for positions that need to be filled and focus on strong benefit packages to retain employees. “Mother Murphy’s is in the first phase of rolling out a wellness program,” said Murphy. “It is also about re-educating your employees on the benefits offered to them and relaying why you offer them.”

For everyone on the panel, one thing remained consistent — the belief that family relationships are crucial and that it is important to maintain them so that they can be continued by the next generation of family business leaders.

Panel Discusses Keeping It “All in the Family”
“We had a vigorous discussion regarding the baking industry’s policy priorities,” said ABA Chairman Fred Penny. “I believe the Board provided the ABA team with the direction they need to help resolve several regulatory challenges faced by the industry.”

The ABA Board discussed with the ABA policy team how to address the top priorities for 2018, including fixing the sugar program in the Farm Bill, the myriad elements of FDA’s Nutrition Facts Label and other labeling and environmental issues. The Board also engaged Grain Foods Foundation Executive Director Christine Cochran in a dialogue regarding a potential check-off program.

“The Board also spent considerable time finalizing the ABA Strategic Plan and gave approval to build out the core elements of the plan,” said ABA President & CEO Robb MacKie. “They approved an incredibly bold plan to address the significant impact of government overreach and help create a more positive public and workforce environment for the industry to grow and prosper.”

Specifically, the cornerstone of the ABA Strategic Plan is that after three years, the baking industry will be recognized as “essential for healthy families and a healthy economy.” To accomplish this, the Board’s plan calls for:

- Focusing on Collaborative Advocacy to build on ABA’s core strength at the federal level in focused states. This also would involve activities to drive greater member engagement in ABA’s advocacy work.

- Promoting and Growing the Baking Industry through greater industry association collaboration and thought leadership to address the industry’s workforce challenges, and helping to create a more positive image of the baking industry and its contributions to local communities.

“We are deeply indebted to the Board Task Force for their incredibly thoughtful and deliberative work on the ABA Strategic Plan thus far,” said Penny. “It is vital that we ensure ABA is the strongest organization it can be to help the industry grow during these very disruptive times.”
Effective Policy for Successful Business: From Floor Time to the Bottom Line

Bill Quigg, President, Richmond Baking, moderated and engaged the ABA’s Government Relations Team on how ABA’s policy work aligns with the industry’s business success. This interactive session explored various aspects of ABA’s successful advocacy strategy. The panel discussed how ABA’s activities were focused on the members’ bottom lines for their respective businesses and how new laws and regulations impacted production procedures whether through the Food Safety Modernization Act, new nutrition labeling requirements or emerging trade policy that could impact imports of ingredients or exports of finished product. The panel stressed the importance of member engagement as ABA develops policy positions, and then tied in the advocacy with direct messaging to paint a picture for policymakers of how changes can impact bakers and their suppliers. The group also discussed ABA’s proactive bakery-focused initiatives, including workforce attraction and retention, bakery-specific hours of service efforts, sustainability practices and worker safety recognition programs.

ABA’s Strategic Advocacy is Multi-Faceted:

- Proactive Strategy & Action
- Compliance Readiness Strategy
- Consumer/Customer Perception — Sector Positioning and Responsiveness

Cookie Time!
GFF Introduces Check-Off Study to Boost Marketing Efforts

At the Convention, the Grain Foods Foundation (GFF) provided a hospitality area where visitors were treated to light refreshments and a chance to catch up on GFF’s recent programming and media wins. Visitors had the opportunity to meet with GFF staff and watch a sizzle reel that played a recap of their year.

At the All Membership Meeting, Executive Director Christine Cochran presented a brief status update on the Grain Foods Foundation. This touched on the material they shared at their lounge, but additionally provided an update on the feasibility study to consider the launch of a check-off program. Given the continued drop in wheat and bread sales, this study is being conducted to find a way to protect and promote the industry’s products.

GFF Executive Director Christine Cochran gives an update on GFF research studies and the check-off feasibility study.

More information on GFF Research Studies can be found at:
www.grainfoodsfoundation.org

NextGenBaker — A Growing Sector of the Industry

ABA NextGenBaker Co-chairs welcome the group to the reception. Pictured from left: Brent Bradshaw, Flowers Foods, and Brandon Woods, LeMatic, Inc.

Representatives from LeMatic, Inc., one of the NextGenBaker Networking Reception sponsors.

NextGenBaker Networking Reception Sponsored by

LeMatic
Sports Day!

Who Needs a Hole-In-One When You Can Have a Hole-In-Wood?!  

A little construction can’t dampen the spirits of ABA golfers! The Paul Abenante PEC Golf Tournament went on as planned with more than 130 bakers and suppliers at the Camelback Golf Club. Golf pros included Dennis Satyshur, Director of Caves Valley Golf Club, and Dan Boever, World Long Drive Champion. Dennis lent a helping hand by shaving strokes from the groups, and Dan entertained the crowd from the driving range, executing masterful and seemingly impossible shots, such as whacking a golf ball through a piece of wood and creaming an entire box of twelve golf balls. ABA thanks the Tournament sponsors and the PEC Hole sponsors for their generous support of this highly successful event.

Adding to the fun and competitive spirit of the day was the BEMA hole where BEMA awarded more than 21 $50 Amazon gift certificates for landing on the green, and two Garmin S60 golf watches for landing in the circle. Way to go, golfers!

ABA thanks Pete Frederick, Grain Craft, and Phil Burris, D. Thomas & Associates, for their dedicated service as PEC Golf Tournament coordinators.
Sports Day!

More and More Attendees “Love” the Tennis Tournament!

Members Enjoy a Relaxing Sports Luncheon
Networking

Warm Welcome for First-Time Attendees!

New Attendee Reception
Sponsored by

The Millers’ Welcome Reception

Sponsored by the Millers:
A Break for Some Sun at the Networking Luncheon

Above: Rick McGrath, Lockton Company

Monday Evening Cocktail Reception

Cocktail Reception
Sponsored by
See You Next Year: April 7-10, 2019
The Ritz-Carlton Naples, Naples, Florida

Bakers Show Off Their “Hipster Flare” at the Food Truck Fare Farewell Reception

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