

still shelf space e off-the-wall

ghetti sauce and lemonade.

"There are a lot more cracks in the market, more opportunities for small firms today than there were when we started," says Mr.

price differentials."

Effectively using this channel of distribution is crucial to a new venture's success.

"It is a mistake [for small producers of food products] to start out by trying to get into the bigger supermarkets," he says. "Those buyers are tough. They drive hard bargains, and they have to be sold on the notion that your product will sell.

"You have got to go into small stores that don't have that kind of competition and where you don't have to buck the big food

combines. If you make headway there, you can take the money you make, reinvest it, and begin to promote your product to eventually interest the bigger stores."

Mr. Hotchner also believes entrepreneurs can top large companies in delivering a quality product to consumers.

"My feeling is that the big food companies spend a lot of money on advertising and promotion, but they turn out an inferior product," says Mr. Hotchner.

Small companies need to take advantage of that and make sure that "the product that you put on the shelf is different, has some appeal, and is better than what the big guys put out. If you make it good, people will discover it. And, if you have a product that sells, the retailers will stock it." □



Newman's Own brain trust: (from l.) President Paul Newman, Exec VP Ursula Hotchner and A.E. Hotchner

Hotchner.

According to Mr. Hotchner, the same factors that have spurred interest in ethnic restaurants and exotic cuisines have helped create a receptive consumer environment for new food products.

"The revolution in dining has given the small producer of food products a real chance," he says.

The steadily growing interest in "natural," health-oriented foods has opened new opportunities, as has the emergence of health-food and specialty-food retail outlets.

"There has been a big increase in the number of brokers who distribute to small outlets, and that has been a significant benefit to us," says Mr. Hotchner. "The smaller outlets are willing to place smaller orders, and they don't care as much about small



Michael A. Marcotte

Mary Anne Jackson

PEOPLE TO WATCH

Mary Anne Jackson started out with a typical mother's goal: providing nutritious and hot but convenient meals for her children. But Ms. Jackson, 36, isn't an ordinary mom. Formerly director-operations planning for the Swift-Eckrich division of Beatrice Co., Ms. Jackson used her food industry expertise to create My Own Meal, a line of shelf-stable meals for children.

Two-and-a-half years later, My Own Meal is distributed in about 1,000 Midwest grocery stores, and in 86 Toys R Us stores in the Midwest, New York, Connecticut and New

Jersey. If the Toys R Us test succeeds, it could be expanded to the rest of the chain.

Ms. Jackson's Deerfield, Ill.-based company uses direct mail and spot TV, produced by an ad-hoc group of freelancers, to support the product line. Daughter Katie, 4½, stars in the commercials with mom; son Joey, 2, helps as a taste tester.

Ms. Jackson's current goal is to get My Own Meal into national distribution. After that, she's eyeing line extensions and other products.

"But my objective is to focus on kids," she says. "I believe in doing one thing well."

—Julie Liesse Erickson