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## **New firm caught in food fight**

My Own Meals  
loses ground to  
big competitors

**Page 3**

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# Promising star feeling heat from big guys



## My Own Meals losing its niche for kids to rivals

By JUDITH CROWN

My Own Meals may be good for your kids, but it needs some nourishment of its own.

The tiny Deerfield-based food company pioneered a microwavable children's meal category at the supermarket. And founder Mary Anne Jackson, a 37-year-old mom who developed the product line from her own recipes, has received wide-

**Mary Anne Jackson has a good product and a good concept—healthy fast food for kids. But her company, My Own Meals, is being squeezed by industry giants.**

spread publicity since her company's debut three years ago.

She has been hailed as a socially aware entrepreneur and featured on the cover of *Inc.* magazine. But now, Ms. Jackson's My Own Meals Inc. is fighting for survival. The company is being squeezed by Glenview-based Kraft General Foods Inc. and other deep-pocketed competitors that are aggressively targeting the fledgling field of shelf-stable microwavable meals (foods that are sealed in buckets, trays or pouches and then cooked at high heat; they can be stored safely for long periods at room temperature).

Having lost all-important supermarket shelf space to larger competitors, Ms. Jackson is now turning to unconventional outlets such as day-care centers and the military.

It's not clear, however, whether these second-tier venues will provide the exposure she needs to regain momentum for her \$1-million

See Meals on Page 69

## Meals

Continued from Page 3  
upstart.

"You can use specialty outlets to get trial (sampling)," says Ray Jones, managing director of Dechert-Hampe & Co. in Northbrook. "But ultimately, people buy food at the grocery store. You need a brand franchise."

Mr. Jones adds that My Own Meals lost its head start on competitors, who jumped into the market a year after her product's introduction. "There's nothing to protect her from the onslaught. It will be difficult to survive if the established companies choose to push her out."

Ms. Jackson, a former corporate planner at Beatrice Co., gained chain supermarket distribution early with what buyers perceived as a "warm and fuzzy" product that would appeal to health-conscious moms. The dishes are touted as nutritious and free of artificial ingredients and preservatives.

The company seemed to be on its way in 1989 when Toys R Us, the nation's largest toy retailer, agreed to carry the My Own Meals line. The product was sold in seven Toys R Us markets, but the chain abruptly discontinued the test last year.

### More trouble

More trouble followed when Kraft started rolling out its line of microwavable entrees last fall. My Own Meals, as a smaller and slower-moving product, was vulnerable to losing space as retailers sought to accommodate one of their biggest suppliers.

Ms. Jackson has lost elsewhere. Jewel Food Stores recently dropped My Own Meals and Dominick's Finer Foods Inc. has cut back on the product's shelf space. Spokesmen for both supermarket companies say the line hasn't been moving strongly.

"The average housewife going to Jewel and Dominick's doesn't understand the product," says former Bell & Howell Corp. CEO Don Frey, a professor of engineering at Northwestern University and a My Own Meals investor.

As a result, Ms. Jackson now finds herself having continually to defend the safety and convenience of the shelf-stable category. At the same time, she finds herself battling competitors on two fronts.

In the freezer case, there are ConAgra Inc.'s Kids Cuisine and Tyson Foods Inc.'s Looney Tunes. Although more expensive, frozen meals generally enjoy broader consumer acceptance than the newer shelf-stable technology.

On the grocery shelves, Geo. A. Hormel & Co. and American Home Food Products Inc.'s Chef Boyardee brand sell shelf-stable kids meals in small tubs or "buckets"—the best-selling form of the microwavable meals—for less than half the typical \$2.29 price tag of My Own Meals.

Another selling point is that the buckets can be handled by kids after cooking, while My Own Meals recommends that its pouches be handled by adults.

Perhaps the most formidable competitor is Kraft, which last year launched a broad line of its own entrees. My Own Meals also finds itself vulnerable to an assault by ConAgra, which is introducing a shelf-stable version of its popular Healthy Choice line.

The flurry of new entries hasn't expanded the shelf-stable meals market. After a strong start in 1988 and 1989, sales are down 7% to \$72.5 million for the first three months of this year, according to Information Resources Inc. of Chicago (IRI), which tracks supermarket trends.

Some of the brands are losing space as retailers try to accommodate new players.

"There's so much out there, it may be confusing," says Kevin Conran, IRI client group supervisor.

To its credit, My Own Meals has scored some gains this year, winning distribution in Sacramento and San Francisco. But it's available in only 15% of the country's supermarkets.

Ms. Jackson notes that while My Own Meals is not moving "great

"Our focus was retail; that brings the most visibility. But that takes a great deal of money."

guns," neither are the shelf-stable entries of competitors, "so I'm in good company."

Still, she knows she lacks the big advertising and marketing budgets and staying powers of her competitors that are necessary to make a splash with consumers.

To hedge against further losses on the grocery shelves, My Own Meals is reaching into new distribution channels.

"Our focus was retail; that brings

the most visibility," Ms. Jackson says. "But that takes a great deal of money."

She is testing sales at Kinder-Care Learning Centers Inc. in the Chicago area and other markets. Alabama-based Kinder-Care conducted a survey that found time-pressed parents liked the idea of buying a healthy meal for their children's dinner while picking them up at the day-care center.

Ms. Jackson also is close to

reaching an agreement with the U.S. Department of Defense to supply kosher shelf-stable meals to the military. The Pentagon would buy the equipment, allowing Ms. Jackson to develop her own line of shelf-stable kosher meals for civilians.

### Further negotiations

And she is negotiating with mass merchants such as K Mart Corp. to have periodic special sales.

If these channels prove successful, Ms. Jackson said she would have a large enough sales and distribution base to justify luring more investors with an initial public stock offering.

Meanwhile, My Own Meals is operating mainly with the \$2.5 million it has raised from a pool of more than 70 investors.

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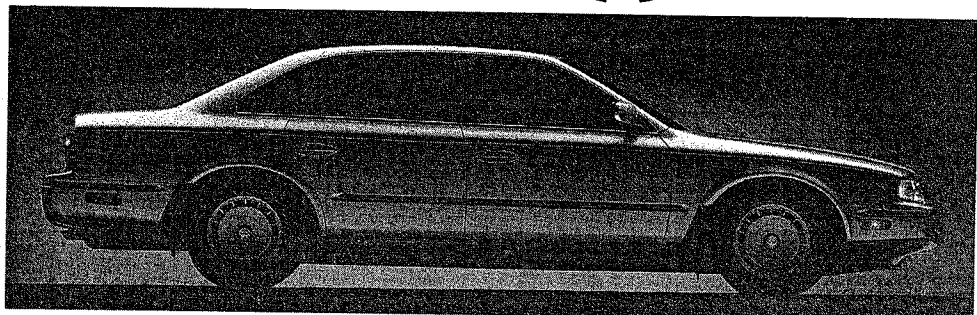


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