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Let Enthusiasm Charge Your Business

Negotiation Tactics: Getting What You Want

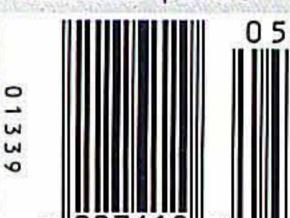
Partnerships— Are 2 Heads Better Than 1?

Cover Story p. 6

Mary Anne Jackson
Founder, My Own Meals,
A Multimillion-Dollar

Specialty Food Company

U.S. \$3.00 Canada \$3.50



Jackson was mortal like everyone else, you'd think she was bionic. The 37-year-old creator of My Own Meals (MOM), the innovative Deerfield, Illinois, company that manufactures prepared meals for children, is like a wind-up toy gone berserk. Beth Martin, vice president of manufacturing/quality control at MOM, calls her a "fire-cracker." But no ordinary fire-cracker—an M-80 for sure. During Jackson's 14 working hours, she is like a rocket perpetually in lift-off.

When friends and associates describe her personality, they use words like *driven* and *obsessed*. Jackson shrugs it off. Sure, it's true, she says. Like all entrepreneurs who let nothing short of world destruc-

tion stop them from reaching their goal, she knows that if she doesn't keep a tight reign on her business, no one else will.

## A DIFFERENT BREED

Unlike thousands of entrepreneurs who rely on street smarts and seat-of-the-pants business wizardry, Jackson is a veteran of the corporate jungle. Formally trained, with a bachelor's in accounting and a master's in business administration, Jackson was director of business and operations planning at Swift-Eckrich, a division of Beatrice Foods in Oak Brook, Illinois, until a leveraged buyout put her back in the job market in April 1986.

At Swift-Eckrich, Jackson was the prototypical organization per-

son—a perfect blend of energy, drive and dedication. She liked her job, and most important, she knew she had talent. During her eightand-a-half years with Swift-Eckrich, Jackson never had thoughts about leaving. Each year, she was promoted. In a massive hierarchical organization run by men, she had a reputation as a hard-driver with a knack for getting things done in record time. But unlike run-of-themill "corporocrats" who flounder like fish out of water without organizational superstructures to support ≼ them, Jackson is a born survivor.

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As soon as Jackson saw the writing on the wall, she put contingency plans in motion. As she saw it, she had three choices: She could find another high-powered corpo-

By Bob Weinstein A LIKE WESTERS Chicken, Please Qualty A faits For Obligan Chicken, Please Chicken Chicken 46 MAY 1991



# What did Joey and Katie teach their mom? My Own Meals must appeal to mothers and kids.

So what type of company should she start? Easy decision. A food company—the industry Jackson knew inside out. The best part was she could choose her own product. Jackson enjoys product conception more than any other aspect of business. She takes pride in doing exhaustive research until she gets the information she needs to make intelligent decisions.

Before investing a dime, Jackson mentally walked down the aisles of an imaginary supermarket looking for products that captured her imagination. "I searched for a category that didn't have much activity," she says. "I wanted a niche. wanted to be first."

Canned goods and produce were out. Frozen foods? Possibly, but she promptly knocked that idea out of the ring because of exorbitant production costs. What about baby foods? There were certainly plenty of them to choose from. Then Jackson looked at the problem from a personal perspective—not as an entrepreneur, but as a working mother. Each week, Jackson spent hours making a batch of nutritious meals for her 2-year-old daughter, Katie, then freezing them for quick preparation. Could she turn this idea into a product?

In just a few days, Jackson hit pay dirt. She found a product that would work-meals in vacuumsealed plastic pouches that could be marketed for kids 2 to 10 years old. Unlike frozen or canned products, foods stored this way need no additives or preservatives. And with a shelf life of more than a year, the product could be conveniently located in the canned goods section of the supermarket. What could be easier? In minutes, a tired mother could heat a pouch in boiling water or pop it into the microwave.

"Time is a precious commodity for working mothers," Jackson says. "How could they not welcome a product like mine?"

#### PLACE YOUR BETS

In October 1986, five months after Jackson got the proverbial ax from Swift-Eckrich, she launched MOM with \$100,000 of her own money. While some entrepreneurs



would have rushed off in a frenzy of enthusiasm, short-shrifting the crucial planning stage, Jackson made sure her concept was marketable before officially cranking the entrepreneurial wheels.

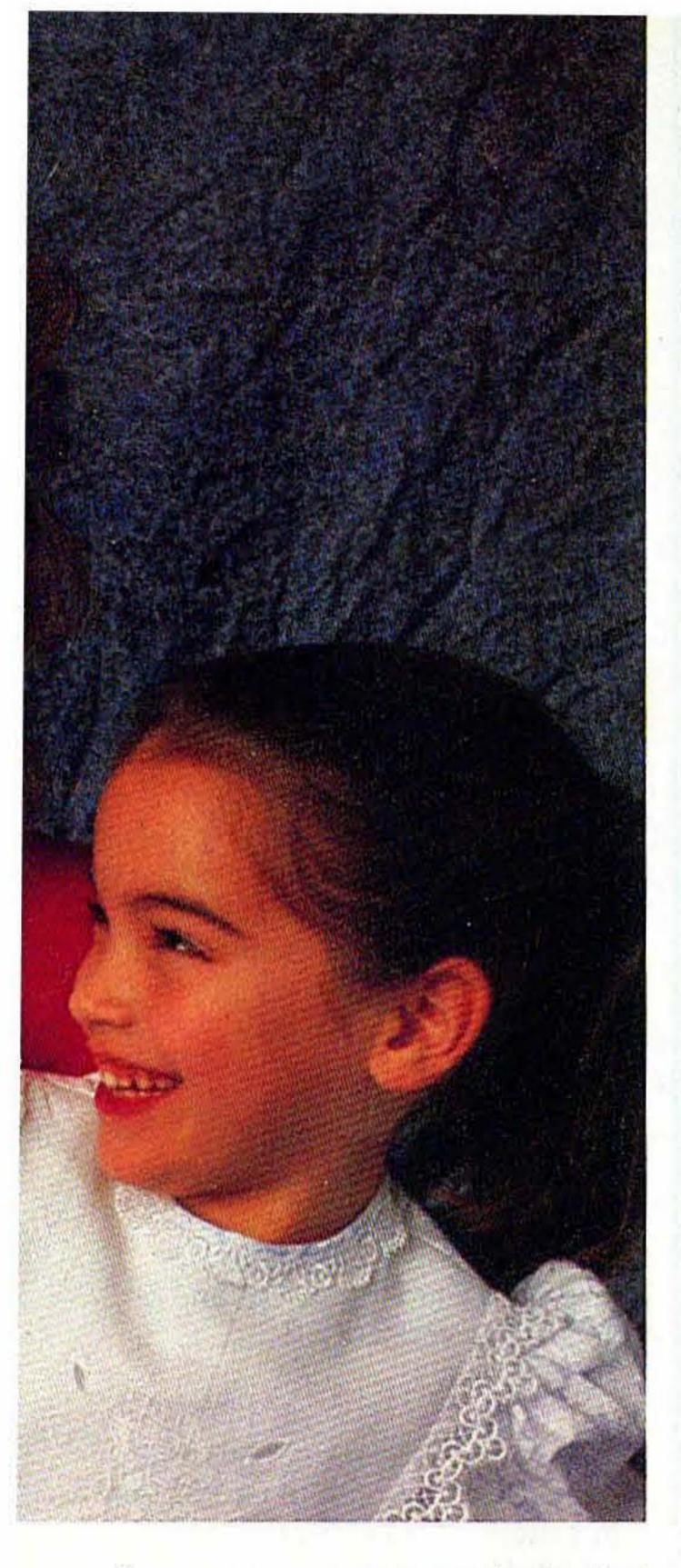
First, she bounced her idea off her husband, a partner at a Big Eight accounting firm. He told her the idea had possibilities. Then she tested it on friends, and, most important, on mothers—the market she had to win over.

With the help of other displaced Beatrice executives, Jackson developed a survey and distributed it to the customers of a local diaper service. Out of 1,500 surveys, Jackson got back an overwhelmingly positive response of 15 percent. Two percent is good; 15 percent is phenomenal.

The survey covered all the crucial points, from the types of foods mothers would like for their children to whether or not foods ought to contain preservatives. Ninety-five percent of the respondents, for example, wanted absolutely no MSG in the food.

Once she nailed down her product, Jackson moved on to the next step: contracting a food development firm to develop potential products for distribution. In 1987, Jackson hired Food Innovisions in New Orleans to help her formulate five products for test-marketing.

Jackson financed the research phase on a shoestring budget of \$350,000, a piddling sum compared to what major food companies invest. It's common practice for a giant food company to spend \$2 \si million in the research phase alone, according to Jackson. And more 2 often than not, ideas are scrapped because the research is inconclusive or top-level execs are skittish about putting their jobs on the line £



for an unproven product. But Jackson's investors weren't betting on her product, they were gambling on her. She could be likened to a thoroughbred horse with superstar potential that had never run a race.

One of Jackson's early backers was Don Frey, former CEO of Bell & Howell Corp. in Skokie, Illinois, and now professor of industrial engineering and management sciences at Northwestern University in Chicago. A seasoned executive and veteran entrepreneur, Frey prides himself on being able to spot entrepreneurial sprinters. One meeting with Jackson convinced him she had all the ingredients to compete with the giants in the cutthroat billion-dollar food industry.

"Jackson is trying to shoot her way into the shelves of major supermarket chains," Frey says. "I'm betting she'll do it." Putting his money where his mouth is, Frey is

a major investor and a member of Jackson's board of directors.

#### OFF AND RUNNING

From the outset, Jackson was determined to win. Not even her pregnancy with her second child, Joey, born 11 months after she started her company, slowed her down. She worked right up to the day she delivered, and was back on the job a week later.

That same month, the development phase was completed. Food Innovisions gave her five products, which Jackson sent out to be tested by another 3,000 diaper service customers. The results were evaluated, minor improvements were made, and Jackson was primed to do battle. The five meals included two chicken and vegetable dishes, a turkey-meatball combination, meatballs and pasta shells, and a pasta with pork, barley and lentils. Clearly, not the nondescript mush parents have been feeding their tots since time immemorial.

Now the acid test: Would mothers fork up hard-earned dollars for Mary Ann Jackson's tasty, customdesigned concoctions for children? Jackson picked her first markets as strategically as a flight commander isolates safe targets offering little resistance. Before she could contemplate a national market, she had to get an accurate regional reading.

A few local supermarkets and Jewel Food Stores, a large Chicago chain, agreed to test the products in 1988. This gave Jackson additional time to adjust price points so manufacturing costs could be aligned with retail prices for a fair profit margin.

Jackson's hard work paid off. That same year, Dominick's Finer Foods Inc., another large chain in Chicago, agreed to sell the product on a long-term basis. With its testing completed, Jewel followed suit in May 1989. Meanwhile, Jackson, raised an additional \$500,000 to finance growth.

### THE SALES BOLT

No sooner was her regional success assured than Jackson put plans in motion for the next phase: taking MOM national. Despite an optimistic market reading, Jackson knew consumer tastes had to be exhaustively monitored every step of the way.

By 1989, MOM was being dis-

tributed to Wisconsin and Ohio supermarkets. By the beginning of 1991, MOM was in supermarkets in Northern California, New York, New Hampshire, Connecticut, Virginia, Kentucky and Minnesota. Jackson hopes to add 10 to 15 states a year; if everything goes as planned, in three to five years, MOM will be sold in 50 states.

As for sales? Jackson has a clear handle on her products' profit potential as well. For 1988, MOM did \$100,000 in sales, and that figure has increased steadily. By the end of 1991, Jackson is confident sales will reach \$5 million. Five years from now, Jackson believes, MOM will be a \$50 million company; 10 years from now, a \$100 million company with some acquisitions.

"Everything is coming together," Jackson says. "Our price is right, and the advertising, marketing, and distribution machinery is in place."

What's ahead? If things go well and profits catapult as high as Jackson projects, MOM could be a tasty acquisition target. Would she sell? "Never say never," she says, wryly. "But it's a little premature to think about. Right now, I'm concerned about succeeding."

#### BEATING THE ODDS

Whatever happens, Jackson is enjoying the last laugh. Executive heavies at major food companies were betting Jackson would fall on her face and make a fool of herself. "They really underestimated me," Jackson says, her temper rising. "How blatantly arrogant they are. They said the big boys would blast us away."

How wrong they were. Four years after Jackson launched MOM, a number of food companies— Hormel, Tyson Foods, Kraft, Gerber and Con Agra—began testing and turning out toddler food lines of their own. By 1990, all of the majors had jumped into this market. At the moment, however, MOM is still the only all-natural kids' .line, according to Martin.

So far, it's been one hell of a fight, and Jackson has enjoyed every second of it. As far as she's concerned, there is no better game in town.

Bob Weinstein is a writer in New York City.