

**MI-Small Business & Technology
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Achatz Handmade Pie Company

The kind of growth that Achatz Handmade Pie Company prides itself on is baking pies the old-fashioned way with high-quality ingredients and no preservatives or additives.

Dave and Wendy Achatz's secret behind the great tasting pies is that the company uses locally grown Michigan ingredients, such as unbleached pastry flour, beet sugar, fruit, and hormone-free milk and butter. These high standards make it harder to speed up the production process, but Achatz Handmade Pie Company continues to increase sales. Their pies have been featured on the Food Network, the Rachael Ray Show and Good Morning America.

Wendy Achatz credits their business success to the care she's put into the pies. The crusts are crimped by hand, rather than by a machine. Fruit and butter come from local producers. She refuses to change those standards. "I go to the grocery stores and read the ingredients of pies," she said. "You read that list and it's gross. Chemicals like that don't belong in the food chain."

In the beginning stages of the business, pies were sold from a table at flea markets. Today they're being sold in local Nino Salvaggio and Kroger stores in addition to Whole Foods stores in Michigan, Ohio and Illinois. The company also has retail stores in Armada, Troy, Oxford, Shelby Township and Sterling Heights. "Our first year in business, we brought in \$25,000," Dave Achatz says. "By year seven, we hit the million-dollar mark." About 40 percent of business is through the storefront and bakeries, while 60 percent is grocery and restaurant sales. The company's eight trucks deliver the fresh-made pies each morning to about 75 grocery stores and restaurants.

Until last year, Achatz Handmade Pie baked all of its pies in its 6,000-square-foot facility on an apple orchard. However, through the guidance services from the MI-SBTDC Region 10 office, the company purchased a \$1 million, 20,000-square-foot facility down the road to help keep up with growth. "It's not as romantic as the apple orchard, but we will be able to bake more efficiently," Dave Achatz says.

The continued success of Achatz Handmade Pie Company has been due to the tremendous support and counseling services from the Michigan Small Business & Technology Development Center's (MI-SBTDC) Region 10 office. The Achatz's first sought business counseling services from the MI-SBTDC Region 10 office in 2006. The counseling assistance included marketing efforts and preparing a business plan to expand the business. The Achatz's contacted the MI-SBTDC Region 10 office for help to find a larger facility that would allow them the opportunity to grow their business. Region 10's team of consultants worked with the Achatz's in preparing financial studies to determine how large a facility they would need in the short term and long term. During the same time, cost data was gathered and analyzed through the research services provided by the MI-SBTDC to determine what the company could afford and whether they should buy an existing or build a new facility. Moving to the new facility meant the Achatz's would have to broaden every aspect of the business. Weekly pie production would go from an average of 5,000 to 15,000, with the ability to crank it up to 25,000 during the holidays.

The MI-SBTDC Region 10 office helped tremendously in establishing cost cutting procedures in the new facility. A cost cutting goal of 15% per year for the first three years of the business were established and were exceeded and continue to grow today. The majority of the growth for Achatz Handmade Pie Company will come with the expansion with company stores and penetration in the Whole Foods Market and in the line of private label products. Achatz Pie Company received the 2009 Michigan 50 Companies to Watch award at the Michigan Celebrates Small Business event, which was held in Lansing on April 30, 2009. Achatz also was awarded Best Small Business 2008 by the MI-SBTDC.

To learn more about Achatz Handmade Pie Company visit their website www.achatzpies.com.