


**Brooks Marsh**

 Mahomet IGA, Mahomet, IL

 Bakery

 Medium

Store Specs

Full store: 40,000 sq. feet
Bakery department: 6,000 sq. feet

BEST PRACTICES

A UNIQUE RELATIONSHIP RESULTS IN TRULY SPECTACULAR WEDDING CAKES FROM A GROCERY BAKERY

STRATEGY

“As grocery stores are forced to go head-to-head with digital retailers, it is important that we find ways to differentiate ourselves. So, when I had the chance to form a unique partnership with local business, Cakes by Lori, I jumped at the opportunity. I had met Lori years ago when she was working for another grocery store. Later, she went into business on her own and built a solid brand and an impressive wedding cake business. But, when she lost the space she was baking in, we started discussing how we could come to terms that benefited both of us. By offering her space in an existing business, Lori was able to save money on heat and lights, etc., while we immediately improve the quality of the whole bakery. In addition to wedding cakes, we wanted Lori to also bake items like cookies, smaller cakes, and pastries, so it made sense to bring her on as a full-time employee with extra incentives. Lori still maintains her own website and branding for Cakes by Lori, while greatly improving the visibility and capabilities of our in-store bakery.”

\$85,264

IN SALES YTD

70%

GROSS PROFIT

40%

LABOR COST

\$4,000

INVESTED IN EQUIPMENT & SUPPLIES

WHY IT WORKS

For Our Shoppers

Unexpected Quality

Cakes by Lori gives us the chance to offer a high-quality specialty item that you don't typically expect to find in a grocery store.

Memories for a Lifetime

It is unbelievable how much work goes into these spectacular cakes. Most of them require hours of planning, testing, and assembly. Even though she has been doing it for a long time, Lori is still always pushing herself to try something new. This dedication results in gorgeous centerpieces that can really make the event.

Unique Opportunities

While Lori is busy most of the year with her wedding cakes, she generally has some time in the slower months, such as January and February, to teach and offer unique events.

For Our Store

Improves whole department

By working with our entire bakery staff, Lori has really helped to improve everybody's skills.

Hands-off Approach

Lori has so much experience running her own business, that she takes care of everything from the negotiation on price to the setup of the cakes.

Brings in New Customers

Cakes by Lori has a great reputation, and the beauty of the cakes really speak for themselves. By running her company out of our store, we have opened the doors to brand new customers and new opportunities.

PRICING

The price of each cake is based upon a consultation. At the time of the consultation, we take a \$75 deposit. The cake must be paid in full ten days before the event.

TACTICS

- 1.** Start by being very open and honest about expectations. If both people aren't happy, it won't work.
- 2.** Determine your parameters. For us, it made sense to keep the branding for Cakes by Lori, while making Lori a full-time employee with a unique pay structure, but this same relationship may not work for everybody.
- 3.** Announce the partnership. We put a coming soon notice up on the Cakes by Lori website and we also announced the partnership at a local wedding event, as well as on our social media pages and in our ad.
- 4.** Create an ongoing engagement plan. We plan to attend wedding shows and other events to continue to spread the word.

PRO-TIPS

For a partnership like this to be successful, you have to open your mind to different type of relationships and be comfortable that it is what you want to do for your store.

It is Ok to have different relationships. Every outside relationship is different and that is alright.

Know that the relationships will be questioned by other stakeholders. Reinforce to your employees that everything that is good for the store is good for them too.

Make sure that the partnership is going to benefit all parties involved. We looked at what she would save coming on board and what the net profit is, then worked backward from there to determine a salary and benefits package that made sense for both of us.

